

# 4. HOUSING ELEMENT



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## 4. HOUSING ELEMENT

### PURPOSE

During the past two decades, Pleasanton has experienced a diverse pattern of growth including substantial new residential, commercial, office, and industrial development. As a small suburban city, Pleasanton has developed a reputation as a desirable place in which to live and work, with an excellent school system, fine parks and recreational facilities, a traditional downtown area, and a low crime rate.

#### *The Promenade Apartments located near Downtown*

As in other Bay Area communities, providing housing, especially affordable housing, has become a major issue in Pleasanton. The shortage of affordable housing particularly affects lower-income renters and first-time homebuyers, including those residents who have grown up in Pleasanton and would like to establish their own households here. The City has always tried to grow in a balanced manner, providing a variety of land uses, jobs as well as residences, and sufficient public facilities, services, and infrastructure to accommodate its residents and workers. The City has also been active in promoting housing affordability through its support of non-profit providers, creation of housing programs, and participation in and approval of subsidized residential developments. Pleasanton's challenge over the next eight years is to continue providing housing affordable to all segments of the community, to preserve the quality of the housing stock, to maintain a balance between employment and housing, and to continue to grow at a rate which allows its public facilities, services, and infrastructure to accommodate its residents, workers, and visitors to the community.



The Housing Element proposes solutions to the housing needs and problems facing the community — while at the same time ensuring that new housing will “fit-in” with Pleasanton’s character and appearance, its sense of community, its environmental qualities and resources, and its historic heritage. Overall, the City is committed to working with other agencies and non-profit organizations to maximize affordable housing opportunities, and to ensure a fit of new housing with Pleasanton’s long-standing commitment to maintain and enhance the high quality of its residential neighborhoods, commercial areas and its Downtown.

All California cities and counties are required to have a Housing Element included in their General Plan which establishes housing objectives, policies and programs in response to community housing conditions and needs. The Housing Element is a comprehensive statement by the community of its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. The policies contained in this Housing Element are an expression of the statewide housing goal of

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"attaining decent housing and a suitable living environment for every California family," as well as a reflection of the unique concerns of the community.

This 5<sup>th</sup> Cycle Housing Element focuses on the 2015–2023 planning period, consistent with the City’s Regional Housing Needs Allocation (RHNA) and State law requirements. It builds upon the goals, policies and implementing programs contained in the City’s 2007-2014, 4<sup>th</sup> Cycle Housing Element, and contains an updated analysis of existing and projected housing needs, identification of sites for future housing development, in particular, high density housing, a review of potential constraints to housing, identification of adequate sites for all types of housing, and updated policies and implementing programs and objectives to address the existing and projected needs of all economic segments of the community. For detailed information regarding population trends, housing conditions, housing affordability and future housing needs and opportunities, see the Housing Background Report (separate document).

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## CONSISTENCY WITH OTHER GENERAL PLAN ELEMENTS

Policies and programs established throughout the General Plan affect housing development in Pleasanton. To provide for consistency, a program will continue to be included within the 2015-2023 Housing Element stating the following:

- Implement the applicable housing related air quality, climate change, green building, water conservation, energy conservation, and community character programs of the Pleasanton General Plan, including: Policy 6 and programs 6.1 and 6.3 of the Air Quality and Climate Change Element; Programs 1.5, 1.7, 1.8, 1.12, 1.13, 1.14, and 3.12 of the Water Element; Program 9.1 of the Community Character Element; and, Policies 2,3, 4, 6 and 7 and programs 2.1-2.7, 3.1-3.5, 4.1-4.3, 6.1-6.4, 7.1-7.3, and 7.6 of the Energy Element.

All General Plan amendments needed to accommodate the City’s full regional housing needs allocation (RHNA) for the previous fourth Housing Element revision planning period, as assigned to the City by the Association of Bay Area Governments (ABAG) have occurred.

## QUANTIFIED HOUSING OBJECTIVES

State law requires the Housing Element to include quantified objectives for the maximum number of units that can be constructed, rehabilitated or conserved. Policies and programs establish the strategies to achieve these objectives. The City’s quantified objectives are described under each program, and represent the City’s best effort in implementing each of the programs. Assumptions are based on past program performance and funding availability, construction

trends, land availability, and future programs that will enhance program effectiveness and achieve full implementation of the City’s housing goals.

The new construction objectives shown in the table are based on the City’s RHNA for the 2015–2023 planning period for very low-, low- and moderate-income housing, historic trends, and expectations for new second units. Rehabilitation and conservation objectives are based on specific program targets, including such programs as use of Section 8 rental housing vouchers.

The table below summarizes the City’s quantified objectives for housing during the 2015–2023 planning period.

Income Category	Programs for NEW CONSTRUCTION (Programs 6.2, 17.4, and Regional Housing Need)	Programs for REHABILITATION (Program 11.2)	Programs for CONSERVATION <sup>1</sup>
Extremely Low Income	358	5	--
Very Low Income	358	40	--
Low Income	391	--	--
Moderate Income	407	--	--
Above Moderate Income	553	--	--
<b>Total</b>	<b>2,067</b>	<b>45</b>	<b>0</b>

*Note 1: No affordable housing units are anticipated to need preservation or conservation during the Housing Element planning period*

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## HOUSING GOALS, POLICIES AND PROGRAMS

The Housing Element’s intent with respect to housing needs in Pleasanton is expressed in two ways. The first is in the form of goals and objectives sought by the community. A goal is the ideal we strive for — or the desired state of things. State law requires that the City’s housing objectives establish the maximum number of housing units that can be constructed, rehabilitated or conserved between the years 2015 and 2023.

The second, and more specific aspects of the Housing Element, are policy statements and implementation programs. These describe the way citizens, local government, and other involved agencies or organizations can achieve objectives, and move closer to the City’s goals. Policies establish a recognized community position on a particular subject. Programs are more detailed actions that the City, or other specific entities, will implement to ensure the attainment of the Housing Element’s goal and objectives.

The following goals, policies, and programs will guide the City over the 2015–2023 Housing Element planning period. By identifying the responsible agency, time period, objective, and funding source, the following programs constitute the required quantifiable objectives for the Housing Element. The intent of the Housing Element is to address the housing needs of all income levels. In particular, the housing needs of extremely low, very low, and low-income households are explicitly mentioned because special emphasis on these income groups is needed. Programs relying on the City’s Lower Income Housing Fund are intended to specifically address the needs of extremely low income, very low income and low income households.

In some cases programs implement several goals and policies; therefore programs apply to all goals and policies within the applicable section.

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## GOALS, POLICIES, AND PROGRAMS

### *Housing Variety, Type, and Density*

**Goal 1:** Attain a variety of housing sizes, types, densities, designs, and prices which meet the existing and projected needs of all economic segments of the community.

**Goal 2:** Provide residential densities capable of accommodating housing affordable to extremely low-, low- and very low-income households while taking into account the character and development pattern of the surrounding area.

**Policy 1:** At a minimum, maintain the amount of high-density residential acreage currently designated on the General Plan Map and permitting high density housing.

Program 1.1: Discourage the redesignation of areas designated for High Density Residential development. The objective of this program is to ensure that adequate sites are available to accommodate the City's regional housing need for all income levels.

Responsible Agency: City Council

Time Period: As General Plan Amendments are proposed and ongoing

Funding Source: General Fund

**Policy 2:** Permit mobile homes and factory-built housing on appropriately located sites.

**Policy 3:** Encourage developments on sites designated for multiple-family residential uses which are adjacent to commercial districts to be designed at the maximum height allowed for multiple-family residential zoning districts, consistent with neighborhood character; however in the Downtown, multiple-family residential building height should be consistent with the design policies of the Downtown Specific Plan and the Downtown Design Guidelines.

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Policy 4: Give favorable consideration for approval for proposed developments which provide extremely low-, very low- and low-income units that meet the requirements of the Inclusionary Zoning Ordinance, as long as all other City development standards are met.

Policy 5: Apply for Federal and State grants offered for mixed-use development near transit centers.

Policy 6: Actively promote the creation of second units on single-family residential lots and their maintenance as sources of housing affordable to moderate-, low-, and very low-income households.

Program 6.1: Continue monitoring second units to determine if they are being rented and, if so, determine their rent levels. Include conditions of approval for second unit Administrative Design Review approvals requiring a monitoring program.

Responsible Agency: Housing Division, Housing Commission, Planning Division

Time Period: Complete surveys annually beginning in May 2015

Funding Source: Housing Division, Planning Division Budgets

Program 6.2: Create incentives for homeowners to rent their second units to moderate-, low-, and very low-income households as well as those with disabilities (including developmental disabilities). The City's role would be to develop the program materials including information, criteria for qualifications, and incentives, and to monitor the success of the program. Incentives should include fee reductions or waivers and information/assistance to help homeowners be landlords. Such incentives should be made available to applicants of second units during the Administrative Design Review or Building permit process.

Responsible Agency: Housing Division, Housing Commission, Planning Division, Building Division, Planning Commission

Time Period: Complete by the end of 2016

Quantified Objective: Five units per year.

Funding Source: Housing Division, Planning Division, Building Division Budgets

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Program 6.3: Conduct a review of the Second Unit Ordinance, including a survey of similar requirements in other Bay Area cities. Using this review, consider allowing second units without an Administrative Design Review process in new single-family developments, subject to performance standards, consider reducing the existing Second Unit Ordinance requirements, such as the parking and height limit requirements, to encourage the development of second units, consider other measures to promote the creation of second units, and adopt necessary changes as appropriate.

Responsible Agency: Planning Division, Planning Commission, City Council

Time Period: May 2016

Quantified Objective: 5 percent of new single family homes include a second unit.

Funding Source: Planning Division Budget

### *Housing Tenure*

**Goal 3: Endeavor to provide and retain a sufficient number of rental housing units to serve Pleasanton residents who choose to rent or who cannot afford ownership housing.**

Policy 7: Encourage at least 50 percent of multiple-family housing units to be rental apartments.

Program 7.1: Monitor new multiple-family residential development proposals with respect to housing tenure to ensure that sufficient numbers of rental units are provided to meet the above policy.

Responsible Agency: Housing Division

Time Period: As multiple-family residential development proposals are received.

Funding Source: Housing Division Budget

Policy 8: Minimize displacement of tenants in rental apartments and mobile homes and encourage ownership of lower-cost residential units by prior renters through the regulation of condominium conversions.

Program 8.1: Regulate condominium, townhouse, and mobile home conversions and mitigate tenant displacement

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through the provisions of the City's Condominium Conversion Ordinance, and Government Code, Section 65863.7 (as to mobile homes). This includes requiring condominium converters to maintain rental units for households with special needs including those with developmental disabilities, such as lifetime leases with rental caps for persons with disabilities, to the extent permitted by State law and denying conversion of apartment units to condominiums if the percentage of multiple-family units available for rent, city-wide, is below 50 percent.

Responsible Agency: City Council

Time Period: As needed when any applications for conversion are received.

Funding Source: Not Applicable

Program 8.2: Review the City's Condominium Conversion Ordinance to identify desirable changes, such as potentially requiring more housing units affordable to low- and very low-income households and longer tenant noticing requirements, if market conditions are resulting in the displacement of lower-income tenants.

Responsible Agency: City Council

Time Period: Complete the review by the end of 2016.

Funding Source: Housing Division Budget

**Goal 4: Encourage the production of market-rate moderate-income ownership housing and assisted ownership housing affordable to low- and very low-income households.**

### *Housing Affordability*

**Goal 5: Produce and retain a sufficient number of housing units affordable to extremely low-, low- and very low-income households to address the City's responsibility for meeting the needs of Pleasanton's workforce, families, and residents, including those with special needs.**

Policy 9: Support the development of housing for persons with special needs.



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Program 9.1: Seek State and Federal assistance for the development of housing to meet the housing needs of households with extremely low, low, and very low incomes as well as those with disabilities (including developmental disabilities). Potential sources may include the HUD Section 202 and 811 programs (for senior housing and housing for persons with disabilities), the State HELP and CHFA programs, State/Federal lower-income housing tax credits, and bond financing. The timing of application will depend upon the schedule for specific projects proposed by individual developers in as much as the City does not currently own any land for development of housing affordable to low- and very low-income households and those with disabilities. If the City is successful in securing an open source of funding for housing affordable to low- and very low-income households, such as State HELP funds, the availability of these funds will be promoted through the City's web site, in local newspapers, and through posting at public places subject to normal procedures. The objective of this program is to secure available funding required to finance new affordable housing development. A timeline would be developed on a project by project basis as affordable development inquiries/applications are submitted to the City.

Responsible Agency: Housing Division

Time Period: Seek funding annually and when specific development proposals are brought forward.

Funding Source: State and Federal Housing Funds

Program 9.2: Seek creative alternative and non-traditional means, including using available City financial and property resources and working cooperatively with community groups, that will assist in the production of or preserve housing for extremely low-, very low-, low-, and moderate-income- households as well as special needs housing including housing for those with disabilities.

Responsible Agency: Planning Division, Housing Division

Time Period: Ongoing and meet with community groups every two years.

Funding Source: Planning Division, Housing Division Budgets

Program 9.3: Advocate changes in Federal and State legislation to provide incentives for the development of housing for special needs and housing affordable to extremely low-, low- and very low-income households and to overcome barriers to housing affordable to low- and very low-income households.

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Responsible Agency: Housing Commission, City Council

Time Period: Ongoing.

Funding Source: General Fund

**Goal 6: Promote the production of housing affordable to extremely low-, low- and very low-income households by actively working with and creating incentives for non-profit housing developers.**

Policy 10: Support the development and rehabilitation of housing affordable to extremely low-, low- and very low-income households and review infrastructure needs.

Program 10.1: Conduct a review of the Growth Management Program and amend as necessary to assure the rate of residential development, limited to 235 units per year consistent with the City's Growth Management unit allocation, is consistent with the City's current and new infrastructure capacities, including roadways, water, sewer, and facilities, etc. The objective of this program is to assure that the City's Growth Management Program is consistent with State law and that there is a procedure for assuring that there is available infrastructure to serve future approved residential development, and to create a more efficient process for implementing the program.

Responsible Agency: City Council

Time Period: Early 2016; then annually.

Funding Source: Housing Division, Planning Division Budgets

Program 10.2: Require the duration of extremely low-, low- and very low-income set-aside units within projects to be in perpetuity.

Responsible Agency: City Council

Time Period: As Housing Agreements are put in place for lower-income projects.

Funding Source: Not Applicable

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Policy 11: Give greater priority to providing housing which is affordable to extremely low income households and to households at the low end of the low-income range (50 to 80 percent of median income).

Program 11.1: Continue to provide incentives such as reduced development fees, assistance in public improvements, priority in permit processing, increased density, altered site-development standards, mortgage revenue bonds, affordable-housing competition, and other creative incentives to encourage the development of housing affordable to moderate-, low-, extremely low-, and very low-income households and households with special needs. A priority will be placed on projects that provide the largest number of units at the greatest level of affordability. The availability of incentives will be incorporated in the City's Inclusionary Zoning Ordinance, to be consistent with State law and recent court decisions, but for specific projects, will also be promoted through the City's web site, in local newspapers, and through posting at public places subject to normal procedures. The objective of this program is to assure that incentives are made available and known to the development community.

Responsible Agency: City Council

Time Period: Ongoing and enhanced promotional efforts at least once by May 2017.

Funding Source: Lower-Income Housing Fund

Policy 12: Strive toward meeting Pleasanton's share of regional housing needs, as defined by the Regional Housing Needs Determination (RHND).

Program 12.1: Maintain zoning adequate to accommodate Pleasanton's share of the regional housing need for all income levels. Sites designated High Density Residential or Mixed Use shall be developed at a minimum density of 30 units per acre, and comport with the adopted Housing Site Development Standards and Design Guidelines for Multifamily Development.

Responsible Agency: City Council

Time Period: Ongoing

Funding Source: Planning Division

Program 12.2: Attempt to rehabilitate five ownership-housing units affordable to extremely low-, low- and very low-income households identified as having major building code violations each year between 2015 and 2023, and maintain their affordability. Attempt to rehabilitate at least one apartment complex by 2020. Single-family homes will be

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identified through the City’s Housing Rehabilitation Program which already has in place an outreach program. The City will survey existing apartment complexes, including working with local non-profit housing development agencies, to ascertain the need for rehabilitation. Owners of identified complexes will be contacted and made aware of the availability of rehabilitation assistance.

Responsible Agency: Housing Division

Time Period: Annually/ongoing.

Funding Source: Housing Division Budget, CDBG Funds

Quantified Objective: Five ownership units and one apartment complex prior to the end of the Planning Period.

Program 12.3: Strive to construct, rehabilitate, and conserve the City’s regional share of housing within the constraints of available infrastructure, traffic, air quality, and financial limits, by the conclusion of the current Regional Housing Needs Determination period – in 2023.

Responsible Agency: City Council

Time Period: By 2023.

Funding Source: City, State, Federal, and Private Funds

Program 12.4: Work with the Tri-Valley Housing Opportunity Center and employers to develop partnerships for participating in programs to make housing affordable to their workers.

Responsible Agency: Housing Division

Time Period: Meet annually with groups mentioned in the program.

Funding Source: Housing Division Budget

Policy 13: Give priority for housing opportunities to extremely low, low- and very low-income households with persons that live and work in Pleasanton.

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### *At-Risk Housing Affordable to Low- and Very Low-Income Households*

**Goal 7: Preserve and/or replace assisted rental apartment housing which is at risk of changing to market-rate housing.**

**Goal 8: Assist occupants of at-risk units by either retaining those units as affordable for their income category or by finding new housing for them that is affordable to low- and very low-income households.**

**Policy 14:** Preserve for the longest term feasible, restricted units affordable to extremely low-, low- and very low-income households which are at risk of changing to market-rate housing.

Program 14.1: Preserve for the longest term feasible, rent restricted assisted projects affordable to extremely low-, low- and very low-income households, and provide assistance to retain below-market rate rent restrictions.

Responsible Agency: Housing Division

Time Period: Ongoing and when units become at risk of converting to market rate.

Funding Source: Housing Division Budget

Program 14.2: Structure future rent-restriction contract agreements to allow the City the opportunity to purchase or subsidize assisted units at the conclusion of the rent-restriction period.

Responsible Agency: Housing Commission, City Council

Time Period: Ongoing and when units become at risk of converting to market rate.

Funding Source: Lower-Income Housing Fund

Program 14.3: Structure future rent-restriction contract agreements for all new assisted projects with limited or no time restrictions to minimize the displacement of tenants.

Responsible Agency: Housing Commission, City Council

Time Period: When new assisted projects are approved.

Funding Source: Lower-Income Housing Fund

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Program 14.4: Provide rehabilitation funds or other incentives such as a density bonus where appropriate for apartment complexes in exchange for extended or perpetual assisted-housing time periods.

Responsible Agency: City Council

Time Period: Ongoing; dependent on specific proposals.

Funding Source: Lower-Income Housing Fund; CDBG Funds

Program 14.5: Issue bonds or provide other funding where appropriate to reduce apartment complex mortgage rates in exchange for extended or perpetual assisted-housing time periods.

Responsible Agency: City Council, Finance Department

Time Period: Ongoing; dependent on specific proposals.

Funding Source: Lower-Income Housing Fund; Tax-Exempt Bonds

### *City Government Actions*

**Goal 9: Process housing proposals affordable to extremely low-, low- and very low-income households and use available City programs and incentives so as to promote and facilitate housing affordability for low- and very low-income households.**

**Goal 10: Remove unnecessary governmental constraints to the provision of housing affordable to extremely low-, low- and very low-income households and associated public services and facilities.**

Policy 15: Make appropriate modifications to the Land Use Element of the General Plan, Zoning Ordinance, and other City ordinances, programs, and policies to facilitate the provision of housing, especially housing for those with disabilities (including developmental disabilities), and housing affordable to moderate-, low-, and very low-income households.

Program 15.1: Identify funding mechanisms for infrastructure improvements contained in the General Plan to accommodate projected housing growth.

Responsible Agency: City Council

Time Period: Research currently available funding mechanisms annually.

Funding Source: Capital Improvement Budget; Developers

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Program 15.2: Waive City fees for housing developments that provide a minimum of 15 percent affordable to extremely low-, low- and very low-income households.

Responsible Agency: City Council

Time Period: As applications are received for projects containing units for lower-income households.

Funding Source: Lower-Income Housing Fund

Program 15.3: Expedite the development review process for housing proposals that provide a minimum of 15 percent affordable to moderate-, low-, extremely low, and very low-income households.

Responsible Agency: Planning Division

Time Period: As applications are received for projects containing units for moderate- and lower-income households.

Funding Source: Planning Division Budget

Program 15.4: Support State legislative reform to improve the fair-share housing process and provide financial and other incentives to strengthen local jurisdictions' abilities to meet their fair-share responsibilities.

Responsible Agency: Housing Commission, City Council

Time Period: Ongoing.

Funding Source: General Fund

Program 15.5: Assess the level of effort to overcome infrastructure constraints to housing affordable to extremely low-, low- and very low-income households on a periodic basis.

Responsible Agency: Housing Division

Time Period: As needed or in conjunction with the next Housing Element update.

Funding Source: Housing Division Budget

Program 15.6: Assess future sewer infrastructure needs, including sewer infrastructure upgrades and facilities to accommodate future RHNA cycles in the region.

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Responsible Agency: Operation Services Department, Housing Division, City Council

Time Period: 2014–2015.

Funding Source: Sewer Enterprise Fund

Program 15.7: Continue to work with non-profit and for-profit housing developers, service providers, Pleasanton employers, the Pleasanton Unified School District, and urban planning specialists to develop new programs and incentives for meeting the full range of Pleasanton’s future affordable housing needs.

Responsible Agency: Housing Division

Time Period: Ongoing and meet annually with groups mentioned in the program.

Funding Source: Housing Division Budget

Program 15.8: As required by State law, the City will review the status of Housing Element programs by April of each year, beginning April 2012. The review will cover consistency with other General Plan programs and community goals, the status of implementing actions, accomplishments, and a review of housing sites identified in the Housing Element. In particular, the annual review will cover development assumptions and actual development activity on sites by assessing projected development potential compared to actual development approval and construction. This will also include residential units anticipated on mixed use zoned sites. The primary intent of the annual review is to maintain adequate sites during the Housing Element planning period. In addition, the annual review will evaluate the effectiveness of the City's inclusionary zoning requirements (see Programs 7.1 and 7.2) to determine if modifications are needed.

Responsible Agency: Housing Division, Housing Commission, Planning Division, Planning Commission, City Council

Time Period: Annually.

Funding Source: Housing Division Budget

Policy 16: Educate the public regarding the community, environmental, and economic benefits of Pleasanton’s affordable housing program.



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Program 16.1: Continue housing education programs available on the City’s website, at other public venues, through City publications and mailings, and through partnerships with regional organizations.

Responsible Agency: Housing Division, Housing Commission

Time Period: Ongoing and update information annually or as needed.

Funding Source: Housing Division Budget; Housing Grants

Program 16.2: Continue to coordinate public information with surrounding communities to provide up-to-date listings of opportunities for regional affordable housing and programs for extremely low-, low- and very low-income households.

Responsible Agency: Housing Division

Time Period: Ongoing and update information annually or as needed.

Funding Source: Housing Division Budget

Program 16.3: Develop incentive/revitalization programs for neighborhoods to encourage support for affordable housing opportunities. Such incentives could include enhanced public amenities or other investment in areas where additional multifamily housing is planned.

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: As applications are received for projects containing affordable housing opportunities.

Funding Source: Housing Division Budget

Policy 17: Ensure compliance with the Inclusionary Zoning Ordinance by requiring each for-sale residential and non-residential development to which the Ordinance applies to include its pro-rata share of housing needs for low- and very low-income households or, if the Ordinance criteria are met, to contribute to the lower-income housing fund to facilitate the construction of housing affordable to extremely low-, low-, very low-, and moderate-income households. Review and modify policies for rental housing to conform with State law and recent court decisions. It is strongly encouraged that the Inclusionary Zoning Ordinance requirements be met by building housing affordable to extremely-low, low- and very low-income households.

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Program 17.1: Review the City’s Inclusionary Zoning Ordinance and amend:

- for consistency with the Housing Element and other City affordable housing programs;
- to identify incentives for non-profit housing developers and other housing developers to construct projects including three bedroom units for large households;
- to determine if it is appropriate to increase the percentage of affordability to support housing affordable to low- and very low-income households;
- to be consistent with recent court decisions regarding rental housing and State law;

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: January 2016, then annually.

Funding Source: Housing Division Budget

Program 17.2: Monitor the results of the Inclusionary Zoning Ordinance annually to determine consistency with State law and recent court decisions and to determine if developers are primarily building new housing units affordable to low- and very low-income households instead of paying in-lieu fees for new developments. If it is determined by the City Council, upon recommendation by the Housing Commission, that the Inclusionary Zoning Ordinance is not producing sufficient housing affordable to low- and very low-income households, consider modifying the Ordinance so that it can better achieve that objective. As part of the Inclusionary Ordinance review, conduct meetings with developers to identify specific changes that may be considered by the City.

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: Annually/ongoing.

Funding Source: Housing Division Budget

Policy 18: Use the lower-income-housing fee to generate funds for the provision of housing affordable to extremely low-, low- and very low-income households. The low-income housing fund should be used primarily to leverage State and Federal funds in the development of housing affordable to low- and very low-income households and in-house loan programs, so that the fund may be used most efficiently and maintained over time. When considering allocation of these funds, priority will be given to non-profit housing developers with a project including three bedroom units affordable to large extremely low, low- and very low-income households.

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Program 18.1: Review and modify the lower-income-housing fee annually in conformance with AB 1600, and consider changing the basis of the fee to reflect the true cost of providing housing.

Responsible Agency: Finance Department, Housing Division, Housing Commission, City Council

Time Period: Annually

Funding Source: General Fund

Program 18.2: Continue to exempt all housing units affordable to low- and very low-income households from the low-income housing fee.

Responsible Agency: Housing Commission, City Council

Time Period: Ongoing.

Funding Source: Lower-Income Housing Fund

Program 18.3: Use the Lower-Income Housing Fund to help build housing affordable to low- and very low-income households on City-owned land.

Responsible Agency: City Council

Time Period: As needed/ongoing.

Funding Source: Lower-Income Housing Fund

Program 18.4: Use the Lower-Income Housing Fund to extend rent restriction agreements, purchase land, write down mortgage costs, rehabilitate units, subsidize rents, issue tax-exempt bonds, post loan collateral, pay pre-development costs, and otherwise help produce housing units affordable to lower-income households. The objective of this is to utilize the Lower Income Housing Fund in a manner consistent with City ordinance and to support affordable housing, particularly developments proposed by non-profit developers that include units for large families at very low incomes.

Responsible Agency: City Council

Time Period: Explore ways to use the fund for the list of activities in the program annually and as needed.

Quantified Objective: 150 units

Funding Source: Lower-Income Housing Fund

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Program 18.5: When considering how to utilize the City’s Lower-Income Housing Fund, consider whether a proposal with a non-profit housing developer and a for-profit housing developer partnership should be a higher priority project due to its ability to potentially secure better funding and be developed.

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: Consider prioritization by January 2016.

Funding Source: Lower-Income Housing Fund

Policy 19: Encourage the use of density bonuses for housing which is affordable to extremely low-, moderate-, low-, and very low-income households.

Policy 20: Require owners of rental units who receive financial support from the City to accept Section 8 certificates/vouchers and/or Project Based Section 8 in their developments.

Policy 21: Work with the Alameda County Housing Authority and other agencies to maintain funding for Section 8 and other Federal subsidy programs.

Policy 22: Assist in the relocation of persons displaced by public projects.

Policy 23: Incentivize the development of housing units affordable to extremely low-, low- and very low-income households when rezoning non-residential properties to high-density residential.

Policy 24: Use the City’s lower-income housing fund as seed money for Federal and State tax credits to promote the construction of housing affordable to extremely low-, low- and very low-income households.

Policy 25: Ensure that livability is considered when considering proposals for high-density residential developments, including open space, amenities, and facilities for the intended occupants.

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## *City Priorities for Housing Developments*

### 1. Non-Profit Housing Developers

- Policy 26: Encourage non-profit and joint for-profit housing developments by offering incentives. Non-profit and joint for-profit housing developers of housing affordable to moderate-, low-, extremely low-, and very low-income households shall have the highest City priority for approval. Specific City incentives to encourage such housing developments are the following:
- Priority for the Growth Management affordable-housing sub allocation;
  - Expedited permit processing;
  - Fee waivers;
  - Contributions from the lower-income housing fund;
  - Use of available City-owned land;
  - Density bonuses;
  - City assistance in obtaining financing or funding;
  - Assistance in providing public improvements;
  - Consideration of reduced development standards, such as reducing the number of parking spaces (this consideration does not include reducing the number of required on-site parking spaces in the Downtown Specific Plan Area); and
  - Consideration of mortgage revenue bonds.

Program 26.1: Actively assist owners of property zoned or designated High-Density-Residential in soliciting non-profit housing organizations for proposals to develop housing affordable to extremely low-, moderate-, low-, and very low-income households on available sites using lower-income-housing fees. The objective of this program is to assure that owners of HDR properties are informed of City affordable housing programs. The City will notify all property owners of HDR sites of available City housing programs within 6 months of Housing Element adoption.

Responsible Agency: Housing Division

Time Period: Ongoing; information to property owners within six months of Housing Element adoption and at least two additional times during the planning period.

Funding Source: Housing Division Budget; Lower-Income Housing Fund

# 4.0 HOUSING ELEMENT

Program 26.2: Continue to actively support the activities of non-profit organizations that provide special needs housing as well as housing affordable to low- and very low-income households, through technical assistance or other means. The objective of this program is to assure that the City maintains a full range of incentives that are beneficial to assisting non-profit housing developers.

Responsible Agency: City Council, Housing Commission, Housing Division

Time Period: Meet with nonprofit housing providers annually and ongoing.

Funding Source: Housing Division Budget

Program 26.3: When land becomes available to the City, consider reserving those sites for non-profit organizations to build housing affordable to moderate-, low-, extremely low, and very low-income households that include three bedroom units for large households.

Responsible Agency: City Council

Time Period: When land becomes available to the City.

Funding Source: Not Applicable

## 2. For-Profit Housing Developers

Policy 27: Housing developments with at least 25 percent of all units affordable to extremely low-, very low- and/or low-income households in perpetuity shall be considered to have the second highest priority in terms of City approval. Incentives shall include the following:

- Priority for the Growth Management affordable-housing sub-allocation for the affordable-housing component;
- Expedited permit processing;
- Fee waivers;
- Contributions from the lower-income housing fund;
- Density bonuses;
- Assistance in obtaining financing;
- Assistance in obtaining Federal and State tax credits through use of City resources as seed money when significant numbers of housing units affordable to low- and very low-income households are provided;
- Assistance in providing public improvements; and
- Consideration of reduced development standards, such as reducing the number of required parking spaces; and

## 4.0 HOUSING ELEMENT

Mortgage revenue bonds.

### 3. Developers of Small Housing Units

**Policy 28:** Strongly encourage housing developers to build small single-family housing units, including detached second units. Single-family residential developments with units and/or second units less than 1,200 square feet in floor area, which provide housing affordable to moderate-income households, shall have the third highest priority for City approval. To the extent that these developments provide resale restrictions to retain the units as affordable to moderate-income households, they may qualify for incentives at the discretion of the City Council.

#### *Growth Management*

**Goal 11: Manage residential growth in an orderly fashion while enabling Pleasanton to meet its housing needs.**

**Goal 12: Retain flexibility in the growth management process in order to accommodate housing affordability.**

**Policy 29:** Retain flexibility in the growth management process in order to accommodate housing affordability.

**Policy 30:** Encourage substantial private development of housing affordable to extremely low-, low- and very low-income households through the Growth Management Program.

**Program 30.1:** Continue to use the Growth Management Report to monitor the numbers and types of units built at all income levels. Use this information to facilitate the issuance of sufficient numbers of permits to meet the regional housing need throughout the planning period.

**Responsible Agency:** Planning Division; City Council

**Time Period:** With annual preparation of growth management report.

**Funding Source:** Planning Division Budget

## 4.0 HOUSING ELEMENT

Program 30.2: Review and amend the Growth Management Program to reflect current housing and infrastructure conditions and current housing needs, and to ensure that the Growth Management Ordinance does not include constraints including preventing the City from meeting its share of the regional housing need for all income levels during the Housing Element planning period. Potential revisions include establishing a regional housing need allocation exemption for all lower income housing, incorporating all lower income regional housing need allocation requirements into the growth management allocation, and mandating the ability to “borrow” allocation units for lower income housing from future years to accommodate all levels of regional housing need allocation through the developer’s development agreement, growth management agreement or other legislative act.

Responsible Agency: City Council

Time Period: January 2016 for review and amendments and continue annual review. The City shall notify HCD of implementation, utilizing the annual General Plan progress report required by Government Code Section 65400.

Funding Source: Planning Division Budget

### *Existing Housing Condition*

**Goal 13: Encourage the preservation and rehabilitation of the existing housing stock.**

Policy 31: Provide incentives to encourage the maintenance of affordability in existing housing that is rehabilitated.

Policy 32: Encourage and support the formation of a Valley Housing Authority to administer the Section 8 Program for the entire Tri-Valley area and also to maintain the public housing units in each city.

Policy 33: Encourage the maintenance of safe, sound, and well-kept housing city-wide.

Policy 34: Encourage the preservation of historically and architecturally significant residential structures citywide including in the Downtown area, pursuant to the General Plan and the Downtown Specific Plan.



## 4.0 HOUSING ELEMENT

Policy 35: Eliminate all substandard housing conditions within the community.

Program 35.1: Maintain building and housing code enforcement programs, and monitor project conditions of approval.

Responsible Agency: Community Development Department

Time Period: Ongoing.

Funding Source: Community Development Department Budget

Program 35.2: Continue the Rental Housing Rehabilitation Program to improve rental units affordable to low-, extremely low-, and very low-income households.

Responsible Agency: Housing Division

Time Period: Apply for funding annually and ongoing.

Funding Source: CDBG Funds

Program 35.3: Supplement CDBG funds with the City's Lower-Income Housing Fund for rehabilitation of housing units affordable to extremely low-, low- and very low-income households.

Responsible Agency: Housing Division, City Council

Time Period: Ongoing.

Funding Source: Lower-Income Housing Fund

### *Housing Location*

**Goal 14: Provide adequate locations for housing of all types and in sufficient quantities to meet Pleasanton's housing needs.**

Policy 36: Encourage development of workforce housing that helps to achieve the goals of the Economic Development Strategic Plan.

Program 36.1: Regularly assess the need for workforce housing (including stock, type and quantity of housing) in the community. Develop routine planning and economic development activities to better integrate assessment information into efforts that produce a built environment responsive to the need for workforce housing, in accordance with the

## 4.0 HOUSING ELEMENT

Economic Development Strategic Plan. The City Council shall consider the appropriate steps to address the identified needs.

Responsible Agency: Housing Division, Economic Vitality Committee, Housing Commission, City Council  
Time Period: Ongoing, as Appropriate  
Funding Source: Housing Division Budget

### **Goal 15: Adopt land use changes from non-residential to residential designations where appropriate.**

Policy 37: Disperse high-density housing throughout the community, in areas near public transit, major thoroughfares, shopping, and employment centers.

Program 37.1: Provide and maintain existing sites zoned for multi-family housing, especially in locations near existing and planned transportation and other services, as needed to ensure that the City can meet its share of the regional housing need.

Responsible Agency: Housing Element Task Force, Planning Division, Planning Commission, City Council  
Time Period: Monitor as part of annual report to HCD and ongoing.  
Funding Source: Planning Division Budget

Policy 38: Strongly encourage residential infill in areas where public facilities are or can be made to be adequate to support such development.

Program 38.1: Maintain existing zoning of infill sites at densities compatible with infrastructure capacity and General Plan Map designations.

Responsible Agency: Planning Division, Planning Commission, City Council  
Time Period: Ongoing.  
Funding Source: Planning Division Budget

## 4.0 HOUSING ELEMENT

Program 38.2: Encourage the development of second units and shared housing in R-1 zoning districts to increase the number of housing units while preserving the visual character within existing neighborhoods of single-family detached homes.

Responsible Agency: Planning Division

Time Period: Ongoing.

Funding Source: Planning Division Budget

Program 38.3: For those properties designated for high density residential development with existing commercial uses, conduct outreach with property owners and businesses to identify specific incentives for business relocation and to encourage property owners to develop their properties with housing. Develop appropriate incentives that would facilitate relocating existing commercial/office/industrial uses in order to enable development with residential uses. Specific incentives may include the following:

- Transfer of development rights;
- A review of traffic requirements and evaluation measures to facilitate mixed use development;
- Development of transit alternatives;
- Use of development agreements;
- Flexibility of parking standards; and
- Expedited processing of development applications.

Responsible Agency: Housing Division and Planning Division to Identify Potential Options for Housing Commission, Planning Commission, City Council Review

Time Period: Annually.

Funding Source: Housing Division Budget

Policy 39: For phased residential developments, ensure that the majority of units affordable to low- and very low-income households are not postponed until the final stages of development.

Policy 40: Reserve suitable sites for subsidized housing affordable to low- and very low-income households.

## 4.0 HOUSING ELEMENT

Program 40.1: Acquire and/or assist in the development of one or more sites for housing affordable to low- and very low-income households.

Responsible Agency: Housing Division, City Council

Time Period: Convene City staff meeting annually to discuss potential opportunities and ongoing dependent on specific proposals and opportunities.

Funding Source: Lower-Income Housing Fund, Federal and State Housing Programs, Use of City-owned Land, if Available

Program 40.2: Utilize tax-exempt bonds, and other financing mechanisms, to finance the construction of housing units affordable to extremely low-, low- and very low-income households, to purchase land for such a use, and to reduce mortgage rates.

Responsible Agency: City Council

Time Period: Ongoing; dependent on specific proposals and opportunities.

Funding Source: Tax-Exempt Bonds

Program 40.3: If the City acquires or obtains control of a potential housing site, in order to facilitate the provision of affordable housing and a mixed-income environment, the City may issue an RFP in conjunction or in partnership with non-profit or for-profit partnerships for development providing at least 20 percent of the units to very low-income households and 20 percent of the units to low-income households.

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: As Appropriate (i.e., Based on Land Availability)

Quantified Objective: 150 units

Funding Source: Housing Division Budget

Policy 41: Increase housing in the commercial portion of the Downtown area by permitting three-story construction in the Downtown area pursuant to the Downtown Specific Plan, with one or two stories of residential over commercial in mixed-use buildings.

## 4.0 HOUSING ELEMENT

### *Housing Discrimination*

**Goal 16: Continue City policies eliminating discrimination in housing opportunities in Pleasanton.**

**Policy 42:** Promote fair and equal access to housing for all persons regardless of race, color, religion, gender, disability, sexual orientation, age, national origin, or family status. The City will promote equal housing opportunities through printed housing brochures that are distributed at City Hall, the Senior Center, the Library, and other public places. The City will also maintain up-to-date information on housing opportunities affordable to low- and very low-income households and fair housing issues on its web site.

Program 42.1: Support State and Federal provisions for enforcing anti-discrimination laws.

Responsible Agency: City Attorney's Office

Time Period: As needed.

Funding Source: General Fund

Program 42.2: Publicize information on fair housing laws and refer all complaints to the US Department of Housing and Urban Development, ECHO, and the California Department of Fair Employment and Housing.

Responsible Agency: City Attorney's Office

Time Period: Ongoing/as needed.

Funding Source: General Fund

### *Special-Needs Housing*

**Goal 17: Identify and make special provisions for the community's special-housing needs.**

**Policy 43:** Provide for the special-housing needs of large households, the elderly, persons with disabilities including developmental disabilities, extremely low income households, the homeless, farmworkers, and families with single-parent heads of households.

## 4.0 HOUSING ELEMENT

Program 43.1: Continue to provide housing opportunities for households with special needs such as studio and one-bedroom apartments for the elderly and single-person households, three-bedroom apartments for large households, specially designed units for persons with disabilities, SROs, emergency shelter and transitional housing for the homeless, and units affordable to extremely low-, low- and very low-income households with single-parent heads of households or those with disabilities (including developmental disabilities). The City will continue to make available funding from sources such as the City's Lower-Income Housing Fund, and the City's Federal HOME and CDBG grants to assist local non-profit agencies and housing developers. The City will also provide technical support to agencies to seek other sources of funding and to plan and develop housing for persons with special needs.

Responsible Agency: Housing Division, City Council

Time Period: Seek funding annually and ongoing.

Funding Source: Lower-Income Housing Fund, CDBG Funds, City Grant Program

Program 42.2: Require as many low- and very low-income units as is feasible within large rental projects to utilize Universal Design standards to meet the needs of persons with disabilities and to allow for aging in place.

Responsible Agency: City Council

Time Period: As projects with low- and very low-income units come forward.

Funding Source: Housing Developers

Program 43.3: Set aside a portion of the City's CDBG funds each year to developers of extremely low income housing, special needs housing and service providers.

Responsible Agency: City Council

Time Period: Annually

Funding Source: CDBG Funds

Program 43.4: Set aside a portion of the City's Lower-Income Housing Fund for housing projects which accommodate the needs of special housing groups such as for persons with physical, mental, and/or developmental disabilities, and persons with extremely low-incomes.

## 4.0 HOUSING ELEMENT

Responsible Agency: City Council  
Time Period: Annually  
Funding Source: Lower-Income Housing Fund

Program 43.5: Give priority for the production of housing for persons with disabilities in infill locations, which are accessible to City services.

Responsible Agency: Housing Division, City Council  
Time Period: As applications for housing projects in infill locations are received.  
Funding Source: Housing Developers

Program 43.6: Encourage the provision of special-needs housing, such as community care facilities for the elderly, and persons with disabilities (including developmental disabilities) in residential and mixed-use areas, especially near transit and other services. The City will provide regulatory incentives such as expedited permit processing in conformance with the Community Care Facilities Act and fee reductions where the development would result in an agreement to provide below-market housing or services. The City provides fee reductions per Pleasanton Municipal Code Chapter 18.86 (Reasonable Accommodations) on the basis of hardship. The City will maintain flexibility within the Zoning Ordinance to permit such uses in non-residential zoning districts.

Responsible Agency: Housing Division, City Council  
Time Period: Ongoing.  
Funding Source: Not Applicable

Program 43.7: Require some units to include Universal Design and accessibility features for all new residential projects receiving governmental assistance, including tax credits, land grants, fee waivers, or other financial assistance. Consider requiring some units to include Universal Design and accessibility features in all other new residential projects to improve the safety and utility of housing for all people, including home accessibility for people aging in place and for people with disabilities.

Responsible Agency: Housing Division, Housing Commission, Planning Division, Planning Commission, City Council  
Time Period: Ongoing.  
Funding Source: Not Applicable

## 4.0 HOUSING ELEMENT

Policy 44: Investigate and solicit information on senior citizen housing issues so that the senior population of Pleasanton has access to housing which meets their needs as the population ages.

Policy 444 5: When considering City funding for housing affordable to low- and very low-income households, consider the goal of building units affordable to low- and very low-income households and senior units affordable to low- and very low-income households in proportion to the need.

### Environmental Protection

**Goal 18: Promote resource conservation and environmental protection for new and existing housing.**

Policy 46: Preserve and enhance environmental quality in conjunction with the development of housing, including additions and remodels.

Program 46.1: Implement the applicable housing related air quality, climate change, green building, water conservation, energy conservation, and community character programs of the Pleasanton General Plan, including:

- Policy 6 and programs 6.1 and 6.3 of the Air Quality and Climate Change Element
- Programs 1.5, 1.7, 1.8, 1.12, 1.13, 1.14, and 3.12 of the Water Element
- Program 9.1 of the Community Character Element
- Policies 2, 3, 4, 6 and 7 and programs 2.1-2.7, 3.1-3.5, 4.1-4.3, 6.1-6.4, 7.1-7.3, and 7.6 of the Energy Element

Responsible Agency: Planning Division, Planning Commission, City Council

Time Period: Ongoing.

Funding Source: Planning Division Budget

Program 46.2: Utilize the City's Lower-Income Housing Fund for low-interest loans to support alternative energy usage and/or significant water conservation systems in exchange for securing new and/or existing rental housing units affordable to low- and very low-income households.



# 4.0 HOUSING ELEMENT

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: Ongoing; dependent on specific proposals.

Funding Source: Housing Division Budget

City Resolution 10-390—Non-Discrimination

**Goal 19: Enhance existing non-discrimination housing policies.**

Policy 47: Implement Resolution 10-390, requiring enhancements to existing non-discrimination housing policies.

Program 47.1: Identify the level of need for special needs housing, including housing for low-income-non-senior adults with disabilities, in the community that is not being met in existing housing. The City Council shall consider the appropriate steps to address the identified needs.

Responsible Agency: Housing Division, Human Services Commission, Housing Commission, City Council

Time Period: When Other Programs Are Reviewed, Such as Community Development Block Grant and Home Programs, as Appropriate

Funding Source: Housing Division Budget

Program 47.2: Survey older multi-family residential complexes and consider utilizing the City's Lower-Income Housing Fund, Federal funds, and/or other funds to provide low-interest loans to retrofit existing residential units for the purpose of developing three bedroom rental units affordable to large low- and very low-income households.

Responsible Agency: Housing Division

Time Period: By December 2015.

Funding Source: Housing Division Budget

Program 47.3: The City will coordinate a workshop with non-profit housing developers and owners of sites rezoned to accommodate housing affordable to low- and very low-income households for the purpose of facilitating discussion regarding potential opportunities, programs, financial support, etc. The City will utilize its Lower-Income Housing Fund, Federal funds, and/or other funds/financial support to assist with the acquisition of a site or to assist with development of a project with three bedroom units affordable to large low- and very low-income households by a non-

## 4.0 HOUSING ELEMENT

profit housing developer. The City will work cooperatively with developers to identify any funding gap in project financing and will make contributions from its Lower Income Housing Fund to help close this gap. A minimum of \$1 million will be made available for this purpose.

Responsible Agency: Housing Division, City Council

Time Period: Schedule workshop by January 2016; other assistance dependent on specific proposals.

Funding Source: Housing Division Budget

Program 47.4: As part of the City's Consolidated Annual Performance Evaluation Report approval, or other time deemed appropriate by the City Manager, the City Manager will present a report regarding the City's efforts to fulfill Resolution 10-390, the success of the efforts and the plan and proposals to attract well-designed housing affordable to low- and very low-income households with children in the future.

Responsible Agency: Housing Division

Time Period: Annually, or Other Time as Deemed Appropriate by the City Manager

Funding Source: Housing Division Budget

Program 47.5: The City will work in good faith with non-profit and for-profit developers to secure property, within Pleasanton and its current sphere of influence, for the development of well-designed affordable housing for families with children in Pleasanton.

Responsible Agency: Housing Division, Planning Division

Time Period: During preparation of the East Pleasanton Specific Plan.

Funding Source: Housing Division and Planning Division Budgets

### *Senate Bill (SB) 2*

**Goal 20: Satisfy the supportive housing, and transitional housing requirements of SB 2.**

Policy 48: Revise the Zoning Title of the Pleasanton Municipal Code to address SB 2.

## 4.0 HOUSING ELEMENT

Program 48.1: Revise the Zoning Ordinance to permit transitional and supportive housing in all zones allowing residential uses and define transitional and supportive housing as residential uses allowed in the same way and subject to the same development regulations that apply to other dwellings of the same type in the same zone.

Responsible Agency: Housing Division, Housing Commission, Planning Division, Planning Commission, City Council

Time Period: Within One Year of the Adoption of the Housing Element

Funding Source: Housing Division and Planning Division Budgets

# Housing Element

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# BACKGROUND



**2015–2023 UPDATE**

**DECEMBER 2014 FINAL DRAFT**



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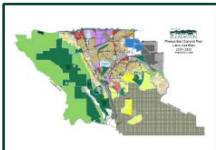


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## Section I

# INTRODUCTION

## **A** STATE LAW REQUIREMENTS FOR HOUSING ELEMENTS



State law requires each city and county to adopt a General Plan containing at least seven elements including a Housing Element. Regulations regarding Housing Elements are found in the California Government Code Sections 65580–65589. Although the Housing Element must follow state law, it is by nature a local document. The focus of the Pleasanton Housing Element is on the needs, desires, and vision of Pleasanton residents as it relates to housing in the community. Within these parameters, the intent of the element is also to comply with state law requirements.

Unlike the other mandatory General Plan elements, the Housing Element must be updated every four to eight years, and is subject to detailed statutory requirements and mandatory review by the California Department of Housing and Community Development (HCD). The City’s current Housing Element planning period is eight years in length. According to state law, the Housing Element must:

- Provide goals, policies, quantified objectives, and scheduled programs to preserve, improve, and develop housing.
- Identify and analyze existing and projected housing needs for all economic segments of the community.
- Identify adequate sites that will be zoned and available (prior to Housing Element adoption) within the eight-year housing cycle to meet the city’s fair share of regional housing needs at all income levels.
- Be internally consistent with other parts of the General Plan (and is critical to having a legally adequate General Plan).
- Be submitted to HCD to determine if the agency will certify the Housing Element as being in compliance with state law.

State law establishes detailed content requirements for Housing Elements and requires a regional “fair share” approach to distributing housing needs. State Housing Element law recognizes that in order for the private sector to address housing needs and demand, local governments must adopt land use plans and implementing regulations that provide opportunities for, and do not unduly constrain, housing development.

In accordance with state law, the Housing Element must be consistent and compatible with other General Plan elements. Additionally, the Housing Element should provide clear policy and direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. The housing action program must also identify adequate residential sites available for a variety of housing types for all income levels; assist in developing adequate housing to meet the needs of low- and



moderate-income households; address governmental constraints to housing maintenance, improvement, and development; conserve and improve the condition of the existing affordable housing stock; and promote housing opportunities for all persons.

## **B** DEFINITIONS OF KEY HOUSING TERMS

**Above Moderate-Income Households:** Defined as households earning over 120 percent of the median household income. A family of four earning more than \$112,200 per year in 2014 is considered above moderate income.

**Accessible Housing:** Units accessible and adaptable to the needs of persons with physical disabilities.

**Affordable Housing:** There is no single definition of affordable housing. What is considered "affordable" by a family earning \$100,000 a year will likely be out of reach for another family that earns only \$25,000 a year, depending on the housing market and location. Rules of thumb often are used to determine affordability. In the context of Housing Elements, and for this Housing Element, "affordable housing" is defined as housing with rent restrictions or price restrictions to maintain affordability for extremely low-, very low-, low-, and moderate-income households.

**Aging in Place:** Aging in place is the ability to live in one's own home for as long as confidently and comfortably possible. Livability can be extended through universal design principles and assistive technologies. Technology can support interpersonal communication, health and wellness, home safety and security, learning, and other social interaction.

**Association of Bay Area Governments (ABAG):** The Bay Area's regional planning agency that, among other duties, establishes the regional housing needs allocation for each city and county within the Bay Area region. ABAG also prepares biennial projections for jobs, households, and population for the Bay Area as a whole and each jurisdiction.

**California Department of Housing and Community Development (HCD):** An office of the state government that, among other things, must review each jurisdiction's Housing Element for compliance with state law and, if it determines compliance, certifies the Housing Element as substantially complying with state law. HCD has 60 days to review a jurisdiction's draft Housing Element and provide written comments back to the jurisdiction. HCD has 90 days to review a jurisdiction's adopted Housing Element before sending a letter of certification.

**Emergency Shelter:** Emergency shelter means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.

**Extremely Low-Income Households:** Government Code Section 65583(a)(1) now requires local Housing Elements to provide "documentation of projections and a quantification of the locality's existing and projected housing needs for all income levels, including extremely low income households." Extremely low income is a subset of the very low-income regional housing needs allocation and is defined as households earning less than 30 percent of the median household income. A family of four earning less than \$28,050 per year in 2014 is considered extremely low income.

**Housing Affordability:** The federal government considers housing to be affordable if a family spends no more than 30 percent of its income on its housing costs, including utilities. For example, a teacher earning \$60,000 per year can afford \$1,500 per month for housing. A police officer or firefighter earning \$75,000 can afford up to \$1,875 per month. In the private sector, lenders underwriting home purchases typically

# BACKGROUND

require that families spend no more than some set percentage of income (such as 28 percent) for mortgage payments, taxes, and insurance.

**Housing Density:** The number of dwelling units per acre of land. Gross density includes all the land within the boundaries of a particular area and excludes nothing. Net density excludes certain areas such as streets, open space, easements, etc.

**Housing Element:** A mandatory section of the General Plan which addresses a city’s housing needs, analyzes the housing stock and community demographics, and proposes goals, objectives, policies, and programs to meet the identified needs for all economic segments of the community.

**Inclusionary Zoning:** A mechanism that requires that each approved residential development must set aside a minimum percentage of the development for affordable housing. Pleasanton has adopted an Inclusionary Zoning Ordinance to implement this program, which emphasizes providing affordable units but which also provides for payment of fees, dedication of land, or use of alternate methods to comply with inclusionary requirements.

**Income Limits:** Income limits are updated annually by the US Department of Housing and Urban Development (HUD) for Alameda County and are posted on the California Department of Housing and Community Development (HCD) website along with income limits established annually for state Community Development Block Grant and HOME Investment Partnerships programs. HCD income limits regulations are similar to those used by HUD. The 2014 income limits for Alameda County are shown in **Table 1** below. For additional information, see the HUD website at [www.huduser.org/datasets/il.html](http://www.huduser.org/datasets/il.html) and the City of Pleasanton Affordable Housing programs website at <http://www.ci.pleasanton.ca.us/community/housing/>.

**Table 1: Alameda County 2014 Income Limits**

Family Size	Extremely Low 30%	Very Low 50%	Low 80%	Median 100%	Moderate 120%	Above Moderate
1	\$19,650	\$32,750	\$47,350	\$65,450	\$78,550	> \$78,550
2	\$22,450	\$37,400	\$54,100	\$74,800	\$89,750	> \$89,750
3	\$25,250	\$42,100	\$60,850	\$84,150	\$101,000	> \$101,000
4	\$28,050	\$46,750	\$67,600	\$93,500	\$112,200	> \$112,200
5	\$30,300	\$50,500	\$73,050	\$101,000	\$121,200	> \$121,200
6	\$32,550	\$54,250	\$78,450	\$108,450	\$130,150	> \$130,150

Source: Department of Housing and Community Development 2014. <http://www.hcd.ca.gov/hpd/hrc/rep/state/inc2k14.pdf>

**Jobs/Housing Balance:** The relationship of the number and types of jobs in a community with the amount and affordability of housing. An appropriate balance is commonly thought to be 1.5 jobs for every 1 housing unit.

**Lower-Income Housing:** In general, the term “lower-income housing” refers to housing affordable to extremely low-, very low-, and low-income households. For the purposes of the Pleasanton Housing Element, extremely low-income households are also included in this definition. The City’s Lower Income Housing Fund is intended to address the needs of extremely low-income, very low-income, and low-income households.

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**Low-Income Households:** California Health and Safety Code Section 50079.5 provides that the low-income limits established by the US Department of Housing and Urban Development (HUD) are the state limit for low-income households. HUD limits for low-income household are households earning 50-80 percent of the median household income, adjusted for family size, with some adjustment for areas with unusually high or low incomes relative to housing costs. According to the 2014 State Income Limits, a family of four earning between \$46,750 and \$67,600 per year is considered very low or low income.

**Median Household Income:** The middle point at which half of the City's households earn more and half earn less. The median household income, according to the 2007–2011 ACS for Alameda County, is \$70,821. By way of comparison, the 2000 Census Median Family Income for Alameda County was \$68,902. The median household income in the City of Pleasanton is \$118,713 (2007–2011 ACS (5-year estimates) from the 2013 ABAG Housing Element Data Profiles).

**Moderate-Income Households:** Defined by Section 50093 of the California Health and Safety Code as households earning 80-120 percent of the median household income. A family of four in Alameda County earning between \$67,600 and \$112,200 per year in 2014 is considered moderate income (HCD State Income Limits for 2014).

**Persons per Household:** Average number of persons in each household.

**Planned Unit Development (PUD):** A type of development review process which is based directly on the General Plan instead of on a specific zoning district and which is intended to encourage variety and diversity of development and to provide flexibility to the City and developer.

**Regional Housing Needs Allocation (RHNA):** The number of housing units determined by the Association of Bay Area Governments to be each jurisdiction's "fair share" of the regional housing need for the next Housing Element planning period which must be included in each jurisdiction's Housing Element. These numbers of units are broken down into income categories of "above moderate," "moderate," "low," and "very low."

**Second Unit:** An attached or a detached residential dwelling unit on the same site as a single-family dwelling which provides complete independent living facilities and which is not considered to increase the density of the lot on which it is located.

**Senior Housing:** Defined by California Housing Element law as projects developed for, and put to use as, housing for senior citizens. Senior citizens are defined as persons at least 62 years of age.

**Supportive Housing:** Defined by California Government Code Section 65582(f) as housing with no limit on length of stay, that is occupied by the target population, and that is linked to an on-site or off-site service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

**Target Population:** Defined by California Government Code Section 65582(g) as persons with low incomes who have one or more disabilities, including mental illness, HIV or AIDS, substance abuse, or other chronic health condition, or individuals eligible for services provided pursuant to the Lanterman Developmental Disabilities Services Act (Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code) and may include, among other populations, adults, emancipated minors, families with children, elderly persons, young adults aging out of the foster care system, individuals exiting from institutional settings, veterans, and homeless people.

**Transitional Housing:** Defined by California Government Code Section 65582(h) as buildings configured as rental housing developments, but operated under program requirements that require the termination of assistance and recirculating of the assisted unit to another eligible program recipient at a predetermined future point in time that shall be no less than six months from the beginning of the assistance.

**Very Low-Income Households:** California Health and Safety Code Section 50079.5 provides that very low-income limits established by the US Department of Housing and Urban Development establish the state limit for very low-income households, which are households earning less than 50 percent of the median household income (adjusted as described for low-income households above). A family of four earning less than \$46,750 per year in 2014 is considered very low income, according to the HCD State Income Limits for 2014.

**Workforce Affordable Housing:** Housing that is affordable to the workforce in the community. Workforce housing is housing for the occupations needed in every community, including teachers, nurses, police officers, firefighters, and many other critical workers. The families in need of workforce housing do not fall neatly into a single narrow income category. Employees in some industries (e.g., retail sales, food service, tourism) are likely to be in the lower income ranges. Seasoned workforce jobs with education or training requirements, such as teachers, police officers, or nurses, may fall into the middle income brackets but still find it difficult to afford homes in the community where they work.

## **C** 2007–2014 HOUSING ELEMENT REVIEW

### Summary of Key Accomplishments

State law (California Government Code Section 65588(a)) requires each jurisdiction to review its Housing Element as frequently as appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.
- The effectiveness of the Housing Element in attainment of the community's housing goals and objectives.
- The progress in implementation of the Housing Element.

The evaluation provides valuable information on the extent to which programs have been successful in achieving stated objectives and addressing local needs, and to which these programs continue to be relevant to addressing current and future housing needs in Pleasanton. The evaluation provides the basis for recommended modifications to policies and programs and the establishment of new objectives in the Housing Element.

This section summarizes the City's accomplishments in implementing the 2007–2014 Housing Element. Later sections in this document summarize the quantified objectives contained in the City's 2007–2014 Housing Element, and compares the City's progress in fulfilling these objectives. A program-by-program review is contained in Appendix A. The City's 2007–2014 Housing Element has supported implementation of a number of programs providing affordable housing. One of the objectives of the Housing Element update is to build upon the City's successes. Below are some of the key accomplishments of the City:

The Pleasanton General Plan Housing Element was adopted on October 12, 2012, and certified by HCD on October 29, 2012.

**BMR Apartments.** Over 1,000 below-market rental (BMR) apartment units have been built in Pleasanton since the mid-1980s. The City has encouraged the construction of affordable rental housing by allowing special consideration for projects that provide units at BMR levels. Four of the largest apartment complexes in Pleasanton include some units in which rents are lower than market rents due to a regulatory agreement between the City and the apartment owner. As an example, three projects that occupy the City's former 14-acre corporation yard site (The Promenade, Ridge View Commons, and The Parkview) demonstrate a variety of housing types and also the City's willingness to contribute land and

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other assistance for affordable housing. Whereas the earliest BMR apartment projects had 15-year expiration terms, the most recent projects will remain affordable in perpetuity.

- Building permits were issued for 1,025 dwelling units between 2007–2014. Of these 173 units or 16.8 percent of the total units will be affordable to very low-, low-, and moderate-income households.
- Planning approvals were awarded to seven high density/mixed-use projects with a combined total of 1,711 rental apartments (two BRE projects in Hacienda, Carr America site, Pleasanton Gateway, Nearon site and half of the CM Capital site). Affordable housing agreements were negotiated and approved for all projects to provide for a total of 216 units at varying affordability levels.
- The City's Growth Management Program was amended to ensure that it does not prevent the City from meeting its share of the regional housing need.
- The City circulated a Request for Proposal and selected a consultant to conduct a comprehensive nexus study to review and potentially update the City's Lower Income Housing Fee. The consultant presented the Lower Income Housing Fee Study to the City Council and Housing Commission at a joint workshop in October 2013, at which the Council voted to maintain the current Lower Income Housing Fee.
- Multifamily Development Standards and Guidelines were adopted for high density housing. These standards and guidelines promote residential development at densities that support work force housing and are compatible with Pleasanton's existing high-quality neighborhoods.
- City Housing Programs. The City of Pleasanton operates a number of housing programs to support affordable housing, including the City's BMR Rental Program, temporary rental assistance (in coordination with the City of Livermore and Abode Services through the Tri-Valley Housing Scholarship Program), Section 8 vouchers in coordination with the Alameda County Housing Authority, the Pleasanton Homeownership Assistance Program (PHAP) for first-time homebuyers, the Down Payment Assistance (DPA) program, the Housing and Human Services Grant (HHSO) program (which uses Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and local funds), the Housing Rehabilitation Program for low-income homeowners and mobile home owners, a Lower Income Housing Fund, and inclusionary zoning requirements for new development.
- Staff outreach in support of affordable housing included promotion of the City's affordable housing incentives, meetings with several nonprofit developers regarding potential projects, and preparation for a workshop for nonprofit developers held in February 2013. Additional outreach was hosted in February and March 2014.
- The City maintained active support for a wide range of nonprofit organizations and worked directly with MidPen Housing and Habitat for Humanity on project-specific activities.
- Homeownership Assistance. In addition to the PHAP, which makes available homes for sale at below-market prices, the City established the DPA program in 2004 using local funds combined with an allocation of state HELP (Housing Enabled by Local Partnership) funds from the California Housing Finance Agency (CalHFA). HELP funds were depleted in 2007, and since then the program has been funded 100 percent locally. The DPA program currently provides up to \$20,000 in down payment assistance for low- and moderate-income buyers. Assistance is in the form of a low interest (3.5%) loan that is amortized over 20 years.
- Housing for Persons with Disabilities. Through programs such as HHSO, the City has assisted the development of specific housing units in Pleasanton that are reserved for persons with disabilities using federal and local funds. Rental opportunities in these developments are administered either by the on-site management or by a supporting agency. For example, the City worked with East Bay



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Innovations and HCD to reserve four BMR apartments at The Promenade for very low-income persons with developmental disabilities who are able to live independently. The City also provided deferred zero-interest loans to Tri-Valley REACH to acquire and rehabilitate several group homes for adults with developmental disabilities.

- Housing Data Collection and Preservation of At-Risk Affordable Housing. The City conducts an annual survey of rents and vacancy rates in order to monitor affordability in the local rental housing stock. The City has also worked to ensure the preservation of existing affordable housing, such as the redevelopment of Kottinger Place and Pleasanton Gardens, two aging complexes that provide housing for extremely low-income seniors. This project exemplifies the City's efforts to be creative in solving housing problems using infill and existing subsidies. Kottinger Place is shown in the photos below.
- The City approved a MidPen Housing proposal, Kottinger Gardens, which was appropriated \$10 million from the Lower Income Housing Fund to assist in the redevelopment of Kottinger Place and Pleasanton Gardens, two aging rental complexes that provide housing to extremely low-income elderly. The project proposal consists of demolishing all 90 existing units and constructing a new 185-unit senior rental housing project with 100 percent of the units designated as affordable. This project is described in further detail later in this document as part of the City's available land inventory.



Reuse options are being explored for Kottinger Place, shown above, which currently provides housing for extremely low-income seniors

- Senior Affordable Housing. Presently, over 400 apartments in Pleasanton are for rental exclusively by low- and very low-income seniors. These apartments are in seven separate complexes located throughout Pleasanton. With the exception of The Parkview, all of the complexes are for "independent living" and generally do not include services such as meals, housekeeping, or personal care. Because these apartments are often significantly below local market rents, leasing is highly competitive and, for complexes with the lowest rents, eligible applicants must often wait a year or more for an available apartment.
- Persons with Developmental Disabilities. The City has contributed significant funding through its federal CDBG and HOME grants to REACH (Resources Education Activities Community and Housing for Special Adults of the Tri-Valley, formerly HOUSE, Inc.), a local nonprofit agency, to purchase and remodel several homes in Pleasanton. These homes provide BMR housing for low-income adults with developmental disabilities who are able to live independently with supportive services, fostering community integration, dignity, and independence. The City also provided funding through its federal CDBG grant to Bay Area Community Services (BACS) to purchase and rehabilitate a six-unit apartment complex in downtown Pleasanton to provide BMR housing for low-income individuals with

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mental disabilities who are able to live independently. Through its Valley Creative Living Center, BACS provides supportive services including activity and employment programs that promote independence and community integration.

- **Housing Rehabilitation.** The Housing Rehabilitation Program has become an increasingly significant component of the City's housing and community development efforts. As Pleasanton's housing stock has continued to age (along with its population), home maintenance and repair have increased in importance. An active housing rehabilitation program is a necessary element of Pleasanton's affordable housing policies in that it addresses preservation of existing housing which is very affordable to the present occupants. Beneficiaries of the program have included a large number of elderly residents and single-parent households. An eligible household must live in and hold title to the home, and the household income cannot exceed 80 percent of the median income for the area. The program is also available to rehabilitate rental apartments where a large percentage of the occupants are low income.
- **Efforts to Reduce Discrimination and Ensure Fair Housing Opportunities.** The City of Pleasanton contracts with ECHO Housing (Eden Council for Hope and Opportunity, Inc.) to provide housing counseling and fair housing programs and services to Pleasanton residents. ECHO provides services in the Tri-Valley area through the Livermore Multi-Service Center. ECHO conducts site investigations in response to reports of housing discrimination complaints, does informational surveys to determine degrees of housing discrimination existing in designated areas, and holds educational seminars for property managers, owners, realtors, and others. ECHO also helps to disseminate information on the City's affordable housing programs and services.
- **Collaboration on Special Needs Housing with Adjacent Jurisdictions.** The City of Pleasanton contributed funds from its federal HOME allocation to assist several housing projects that have a regional benefit and/or address a specialized housing need. For example, the City provided financial assistance to Affordable Housing Associates (AHA) to assist the development of the Carmen Avenue Apartments in Livermore for persons with disabilities and special needs and formerly homeless victims of domestic violence. The City also provided funding to Allied Housing to assist the development of the Lorenzo Creek apartments in Castro Valley for homeless and persons with chronic disabilities and to the Fremont Oak Gardens complex in Fremont for deaf senior citizens. The City has also assisted with funding for homeless programs and support for regional homeless organizations such as EveryOne Home.
- **Addressing Needs of the Homeless.** The City of Pleasanton has endorsed the EveryOne Home plan which is Alameda County's road map for ending homelessness. The plan aims to end homelessness in Alameda County by emphasizing a coordinated, efficient regional response to a regional problem. EveryOne Home envisions a housing and services system that partners with consumers, families, and advocates; provides appropriate services in a timely fashion to all who need them; and ensures that individuals and families are safely, supportively, and permanently housed. In addition, Pleasanton has participated in East County collaborative which received \$900,000 through the federal Homelessness Prevention and Rapid Re-Housing Program (HPRP). The HPRP provides housing relocation and stabilization services to individuals and families in Pleasanton and the Tri-Valley who are homeless or at risk of becoming homeless. Access to the HPRP is through the 211 program which is a free, accessible, three-digit telephone number (funded in part by the City of Pleasanton) that enables all Alameda County residents easy access to customized multilingual health, housing, and human services information 24 hours a day, year-round. The 211 resource is especially critical for vulnerable populations such as single parent and very low-income families, frail elders, people with disabilities, caregivers, and non-English speakers who are in need of such vital resources as emergency housing, food, financial aid, healthcare, and legal assistance. 211 has also proven to be a critical public communications tool during recovery efforts after a disaster.
- **Amendments to the zoning regulations** were approved to achieve compliance with state laws regarding emergency homeless shelters and supportive and transitional housing, agricultural

employee housing, and requests for reasonable accommodation for the disabled. Program 48.1 in this Housing Element requires an amendment to the Zoning Ordinance to permit transitional and supportive housing as a residential use in all zones allowing residential uses and define transitional and supportive housing as residential uses allowed in the same way and subject to the development regulations that apply to other dwellings of the same type in the same zone.

## **D** PUBLIC PARTICIPATION IN THE PREPARATION OF THE HOUSING ELEMENT

Public participation by all economic segments in preparation of the element is important and is required by state law. To meet this requirement, several opportunities have been provided to review and comment on the City's Housing Element and to recommend strategies.

The City of Pleasanton hosted a community workshop and stakeholder meetings to obtain community feedback and assistance in reviewing existing sites for housing and to obtain ideas and suggestions for the Housing Element update. The first three workshop/stakeholder meetings were conducted in March/April 2014. Additional input was provided by the Housing Commission and Planning Commission at a study session to help guide the process.

Throughout the process the City has made a special effort to notify and involve all economic segments of the community. Outreach and noticing efforts are described in further detail below.



Pictures from the community workshop that the City of Pleasanton hosted on March 24, 2014 to obtain feedback and direction for the Housing Element update.



## **Community Workshop #1, March 24, 2014**

The City of Pleasanton held a Housing Element community workshop to kick off the project on Monday, March 24, 2014, from 6:30 to 8 p.m. at the Remillard Conference Center, 3333 Busch Road, Pleasanton, Calif. The first community meeting was noticed twice in *Tri-Valley Times* and once in the Community Calendar of the *Pleasanton Weekly*, as well as on the City's website Community Calendar and Housing Element website. In addition, approximately 1,488 notices were mailed out and 175 emails were sent which included all properties within 1000 feet of the Irby-Kaplan-Zia property, all properties within 1000 feet of the CM Capital Site, and all people requesting special notification on either of those properties or the Housing Element update. Approximately 25 participants attended the meeting, which started with a brief presentation made by staff and the consultant.

The presentation included a summary of Housing Element state law requirements, identification of new laws affecting this Housing Element update, and a timeline for the process for the 5th round Housing Element update that is due to be adopted by January 31, 2015. Following the presentation, participants were asked to visit various stations set up throughout the room to discuss housing programs, challenges, opportunities, and the City's housing inventory.

Several themes and priorities were identified by the residents during this workshop. There were residents in attendance that felt Pleasanton needs more housing within walking distance of shops and services, more energy-efficient homes, and more housing for special needs households including housing for persons with developmental disabilities. In terms of priorities for housing services that the City should support, residents felt strongly that the City should partner with developers that provide housing for residents to age in place and energy-efficient housing. The City should also support housing rehabilitation programs for existing homeowners and work with advocate groups to support programs for persons with developmental disabilities. Lastly, residents in attendance provided numerous responses to the CM Capital property rezoning and were not in support of maintaining zoning for this property to allow for high density housing.

## **Stakeholder Meeting #1, April 7, 2014: Nonprofit Housing Developers, Local Service Providers, and Community Organizations**

The City of Pleasanton held a Housing Element stakeholder meeting on Monday, April 7, 2014, from 3 to 5 p.m. at the Remillard Conference Center, 3333 Busch Road, Pleasanton, Calif. A letter was sent, inviting the nonprofit housing developers, local service providers, and community organizations in the region. Approximately 16 participants attended the meeting. Representatives from the following groups were in attendance:

- Citizens for a Caring Community
- Sunflower Hill
- Community Resources for Independent Living (CRIL)
- Open Heart Kitchen
- Bay Area Community Services
- MidPen Housing
- Local community housing developments
- One Step Forward

- Housing Consortium of the East Bay (HCEB)
- SAHA Housing
- Neighborhood Solutions

The meeting started with introductions and a brief presentation made by staff and the consultant. Participants were asked a series of questions and asked to write responses down on sticky note cards. The note cards were then placed up on the wall. Following each set of questions and responses was a group discussion. Similar to the community workshop, several themes and priorities were echoed by the stakeholders. There was consensus that the City has been very successful with senior housing projects throughout the community and now it is time to tackle other housing groups like special needs households, including housing for persons with developmental disabilities and the City's current workforce. In terms of opportunities and priorities, the City should provide as many incentives as possible to partner with developers who provide housing for residents to age in place as well as housing for persons with developmental disabilities.

## **Stakeholder Meeting #2, April 10, 2014: For-Profit Housing Developers and Finance Professionals**

The City of Pleasanton held a second stakeholder meeting on Thursday, April 10, 2014, from 3 to 5 p.m. at 157 Main Street, Conference Room 3, Pleasanton, Calif. The City sent out approximately 120 letters inviting developers and finance professionals in the region. There were approximately 13 participants at the meeting. Representatives from the following groups were in attendance:

- Citizens for a Caring Community
- Ponderosa Homes
- Sunflower Hill
- Equity Enterprises
- Habitat for Humanity
- ROEM Development
- MAS Real Estate

The meeting started with introductions and a brief presentation made by staff and the consultant. Similar to the first stakeholder meeting, participants were asked a series of questions; their responses were written on sticky note cards and placed up on the wall, which led to a group discussion. The stakeholder group at this meeting varied widely, ranging from developers who have built housing in Pleasanton and developers who would like to pursue housing projects in the city to interested residents and affordable housing advocates. The consensus at this meeting was that Pleasanton's housing market is highly desirable. Some of the for-profit developers in attendance would like to see more development certainty in their projects and a more streamlined review process in terms of concurrent reviews. In terms of opportunities, the City should continue to provide as many incentives as possible to entice affordable housing developers and bank what little funding the City has into housing for the City's workforce through rental and some ownership opportunities.

## Commission Meetings, April 2014

The City also conducted outreach with the Housing Commission (April 17, 2014) and the Planning Commission (April 23, 2014). Recommendations from the Housing Commission included consideration of additional programs for affordability and encouraging second unit construction. Specifically, the Housing Commission provided the following comments:

- Consider additional programs to create incentives to rehabilitate apartments in exchange for affordability units using incentives such as a density bonus for additional units.
- Consider additional programs and incentives to encourage second unit construction. Incentives may include waiving fees or development standard variances.
- Consider additional programs for aging-in-place development.
- Continue to encourage a variety of housing types and densities within the East Pleasanton Specific Plan.

The Planning Commission also provided comments on housing programs, including the following:

- Reevaluate condominium conversion ordinance and programs.
- Reevaluate the Inclusionary Zoning Program and initiate discussions regarding program effectiveness.
- Continue to community discussion regarding a Master Plan for East Pleasanton.

## Community Workshop #2, July 16, 2014

The City of Pleasanton held a second Housing Element community workshop on Wednesday, July 16,, 2014, from 6:30 to 8:30 p.m. at the Remillard Conference Center, 3333 Busch Road, Pleasanton, Calif. The first community meeting was noticed in the *Tri-Valley Times* and once in the Community Calendar of the *Pleasanton Weekly*, as well as on the City's website Community Calendar and Housing Element website. In addition, approximately 175 emails were sent to all people requesting special notification on the Housing Element update. Approximately 20 participants attended the meeting, which included a presentation and discussion led by staff and the consultant.

The presentation included an initial summary of Housing Element State law requirements, identification of new laws affecting this Housing Element Update, and a timeline for the process for the 5th round Housing Element Update that is due to be adopted by January 31, 2015. After the overview presentation, draft Housing Element goals, policies, and programs were presented by the consultant. The majority of the presentation focused on presenting the proposed goals, policies and programs within the Housing Element Update and obtaining feedback from the community. Participants were asked to provide feedback on the draft goals using a worksheet provided at the beginning of the meeting. In addition, participants discussed the goals and policies and asked questions about the Housing Element Update.

Following the discussion and question and answer session, next steps were summarized and the meeting was adjourned. Comment cards were provided for the submittal of additional comments and questions regarding the Housing Element Update. Several themes/concerns were identified by the residents during this workshop (in verbal and written comments). Following is a summary of these comments:

- Concern about the recent rate of housing construction in the City and a desire for slow/metered growth management;

- Opposition to additional zoning for higher-density residential uses;
- Ensuring the Housing Element, including the wording of goals, policies, and programs, reflects community values and maintains community character;
- The desire for new development to pay for infrastructure, schools, and traffic mitigation;
- The ability of the City's limited water supply to accommodate new growth;
- Concerns about existing overcrowded schools and the ability of the City's school infrastructure to accommodate new growth;
- Support for incentivizing affordable housing, including the construction of second units, and clarifying the requirements/fees for the construction of such housing;

The importance of workforce housing and the need to encourage partnerships with nonprofit developers to build such housing.

## Public Comments Received during HCD Review Period

During the HCD public review period, staff received two comment letters: one dated October 8, 2014 from Becky Dennis, on behalf of Citizens for a Caring Community (CCC) and one dated November 17, 2014 from Christine T. Steiner. CCC's comments focused on the City's Inclusionary Zoning Ordinance (IZO), the City's Housing In-Lieu fees, the availability of underutilized sites, available incentives for nonprofit development, and future land acquisition within the City. Ms. Steiner's comments focused on the likelihood that Housing Element policies will result in the construction of new affordable housing, and the sufficiency of the Housing Sites Inventory.

CCC has concerns with the City's current use of the IZO to expand the City's supply of affordable units in light of recent court cases. Staff has acknowledged that changes to the IZO are needed and has incorporated Program 17.1, which states:

Program 17.1: Review the City's Inclusionary Zoning Ordinance and amend:

- for consistency with the Housing Element and other City affordable housing programs;
- to identify incentives for non-profit housing developers and other housing developers to construct projects including three bedroom units for large households;
- to determine if it is appropriate to increase the percentage of affordability to support housing affordable to low- and very low-income households;
- to be consistent with recent court decisions regarding rental housing and State law;

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: January 2016, then annually.

Funding Source: Housing Division Budget

Staff feels that the IZO has been successful in increasing the City's supply of affordable units in the past. With the incorporation of Program 17.1 as well as Program 17.2, which require annual monitoring of the IZO, the IZO will continue to be a successful tool for providing future affordable units. The current IZO also has the flexibility to allow for developers to pay an in-lieu fee into the Low-income Housing Fund. The

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current lower income housing fee was reviewed by the City Council in 2013, which determined that based on economic conditions, no changes to the fee should be made at that time.

Both CCC and Ms. Steiner raised concerns regarding the availability of underutilized and other sites within the Housing Sites Inventory. All high density sites within the Site Inventory were reviewed and analyzed in 2012 and were evaluated based on the criteria developed by the Housing Element Update Task Force, with guidance and feedback from the community at community workshops, housing experts, and decision-makers. Staff has reviewed the previous analysis and has concluded that all of the City's high density sites (including the vacant and underutilized sites) continue to maintain the development potential as addressed and shown in Section III (B) of the Background report. The City believes that, taking into account site constraints, these sites could reasonably be developed with housing to meet its Regional Housing Needs Allocation (RHNA) requirements. Although the City continues to pursue a balanced approach to economic development, including the attraction and retention of new retail uses, it remains committed to facilitating the development of affordable housing, including workforce housing. While the City acknowledges that some of the high density sites may not be imminently planned for housing development, the Site Inventory fulfills the obligation to identify land that can reasonably be developed with housing in the near term.

CCC and Ms. Steiner also expressed concerns about the efficacy of the City's housing incentives and policies, including those for nonprofit developers. The City has reviewed and analyzed all of the programs and incentives within Appendix A, Review and Assessment of 2007 Housing Element, in the context of issued entitlements for housing projects. This analysis indicates that the City has been successful in using programs and incentives to develop market-rate housing projects with substantial affordable components, particularly at the high density sites. The City has processed entitlements of five large-scale apartment and mixed-use developments totaling 1,302 units (and one of these five entitled projects has begun construction). Many of these projects have utilized City incentives such as reduced fees in exchange for the provision of affordable units.

Furthermore, since the adoption of the previous Housing Element in 2012, the City has approved 279 affordable residential units. The City has also contributed additional funds to the City's Low Income Housing Fund which will help develop future low income housing.

The City believes that the currently proposed housing programs, many of which are carried over from the previous Housing Element, are effective at increasing the City's supply of affordable housing, and will continue to implement these programs to facilitate the development of housing for all income levels. The City also believes that, in the long-term, these programs will help nonprofit developers successfully build affordable housing because they address the basic economic impediments to housing construction that are faced by both for-profit and nonprofit developers.

Lastly, CCC has recommended that the City focus future land acquisition plans throughout the City rather than focusing on the East Pleasanton Specific Plan (EPSP) area to achieve RHNA requirements. The City has not included any properties within the EPSP as part of the current Site Inventory and is not dependent on any of the sites in the EPSP area to meet RHNA goals. The City believes that CCC's concerns are addressed through Program 40.1, which indicates that the City should acquire and/or assist in the development of one or more sites for housing affordable to low- and very low-income households. This program would apply to all properties throughout the City and not just the EPSP.

## SECTION II

# HOUSING CONDITIONS AND TRENDS

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## **A** POPULATION, HOUSING AND JOBS TRENDS

### Overview

The housing crisis in the Bay Area has been an evolving phenomenon over the past 30 years as high demand (and need) has continually exceeded supply (and affordability). Despite recent economic conditions, all projections indicate that it is likely to remain a major regional issue for many years to come, with long-term economic repercussions and significant impacts on our quality of life. Workers are traveling increasingly long distances to get to work, and many young families, long-time residents, and other members of the community find it difficult to afford housing where they want to live.



This section of the Background presents information for housing planning purposes for the Pleasanton Housing Element. The implications of this analysis can help to inform decision-makers and the community about the types of housing needed, desired affordability levels, possible location considerations for various types of housing, and specialized housing needs in the community. Assessing housing needs helps to support the overall goals of the recently adopted City of Pleasanton General Plan as they relate to sustainability and creating attractive and well-kept neighborhoods, abundant and well-maintained public facilities, a strong economic base, and a high quality of life for residents.

The analysis in this section primarily utilizes data compiled by the Association of Bay Area Governments (ABAG) in the Data Profiles for Housing Elements, released in January 2014. The profiles include population, housing stock, and economics data from the 2000 and 2010 US Census, the California Department of Finance (DOF), 2013 ABAG projections, the US Department of Housing and Urban Development's (HUD) Comprehensive Housing Affordability Strategy (CHAS) database, and the US Census American Community Survey (ACS). The ABAG Data Profiles for Housing Elements uses a combination of both 2006–2010 ACS data and 2007–2011 ACS data. Where the ABAG Data Profile presents ACS data, this Housing Element is consistent and uses the ACS data set that is included in the ABAG Data Profile. ACS figures are estimates based on samples; reported figures may be subject to large margins of error. Relying on data that was vetted by ABAG and included in the ABAG Data Profile for Housing Elements helps minimize the risk of using erroneous data. Data that was not included in the ABAG Data Profiles for Housing Elements packet was obtained from the US Census, the US ACS, and direct contact with public agencies, city staff, or other publicly available data sources.

### Population Growth

Population growth closely parallels the development of housing. In Pleasanton, population tripled during the 1960s, doubled during the 1970s, and increased by 44 percent in the 1980s. Due to poor economic conditions and the limited supply of easily developable land, population growth slowed during the first half of the 1990s to roughly 3 percent annually. The end of the 1990s and beginning of the 2000s showed population growth growing to almost 5 percent annually for most years, reflecting a strong economy which



fueled job growth and housing production. The 2000 Census showed Pleasanton's population as 63,654, up from 50,553 in 1990; as of January 1, 2013, the population in Pleasanton was 70,285 according to the 2010 Census. Population growth from 2000 to 2010 is summarized in **Table 2**. The number of workers in Pleasanton increased from 29,580 in 1990, to 33,608 in 2000, and to an estimated 33,765 between 2007 and 2011.

**Table 2: City of Pleasanton Population Growth, 2000–2010**

2000	2010	Absolute Change	Percent Change
63,654	70,285	6,631	10%

*Source: 2000 and 2010 US Census (ABAG Data Profiles for Housing Elements 2013)*

In comparison to other jurisdictions in Alameda County, Pleasanton's 10.4 percent population growth from 2000 to 2010 was average. The cities of Oakland and Piedmont experienced population declines of 2 percent and 3 percent from 2000 to 2010, respectively. In comparison, both the cities of Dublin and Emeryville experienced high growth of 54 percent and 46 percent from 2000 to 2010, respectively. Although in 2010 the City of Pleasanton was just 5 percent of total population in Alameda County, population growth in Pleasanton from 2000–2010 accounted for 3 percent of countywide growth. **Table 3** summarizes changes in population from 2000 to 2010 for all jurisdictions in Alameda County.

**Table 3: Population Change in Alameda County, 2000–2010**

Jurisdiction	2000	2010	Absolute Change	Percentage Change
Alameda County Total	1,443,741	1,510,271	66,530	5%
Alameda	72,259	73,812	1,553	2%
Albany	16,444	18,539	2,095	13%
Berkeley	102,743	112,580	9,837	10%
Dublin	29,973	46,036	16,063	54%
Emeryville	6,882	10,080	3,198	46%
Fremont	203,413	214,089	10,676	5%
Hayward	140,030	144,186	4,156	3%
Livermore	73,345	80,968	7,623	10%
Newark	42,471	42,573	102	0%
Oakland	399,484	390,724	-8,760	-2%
Piedmont	10,952	10,667	-285	-3%
<b>Pleasanton</b>	<b>63,654</b>	<b>70,285</b>	<b>6,631</b>	<b>10%</b>
San Leandro	79,452	84,950	5,498	7%
Union City	66,869	69,516	2,647	4%
Unincorporated Alameda County	135,770	141,266	5,496	4%

*Source: 2000 and 2010 US Census (ABAG Data Profiles for Housing Elements 2013)*

**Table 4** shows the existing and projected population, households, and jobs numbers for the City of Pleasanton. ABAG forecasts a 31 percent growth in population from 2010 to 2040 to 91,800 residents, an increase of 21,515 people. As shown in **Table 4**, both households and jobs are anticipated to grow 28 percent by 2040. The number of local jobs is expected to increase by 15,300, from 54,340 jobs in 2010 to 69,640 jobs in 2040.

**Table 4: Projections for Population, Households and Total Jobs (2000-2025)**

City of Pleasanton	2010	2020	2030	2040	2010–2040 Change	2010–2040 Percentage Change
Population	70,285	76,800	83,900	91,800	21,515	31%
Households	25,245	27,590	29,940	32,300	7,055	28%
Persons Per Household	2.78	2.78	2.80	2.84	0.06	2%
Jobs	54,340	63,050	65,620	69,640	15,300	28%

Source: ABAG Data Profiles for Housing Elements 2013

## Jobs/Housing Balance

Commute distance and time is an important factor in housing availability and affordability and is also an indicator of jobs/housing balance. Communities with extended commutes generally have a poor jobs/housing balance, while communities with short average commutes tend to have a strong jobs/housing balance. The burden of the additional costs associated with extended commuting disproportionately affects lower-income households who must spend a larger portion of their overall income on fuel. This, in turn, affects a household's ability to occupy decent housing without being overburdened by cost.

As shown in **Table 5**, 56 percent of local workers commute less than 30 minutes to work, 31 percent commute 30–59 minutes, and 13 percent commute more than 60 minutes. .

**Table 5: 2010 Commute Time to Work**

Travel Time to Work	Number	Percentage
Less than 30 minutes	18,078	56%
30 to 59 minutes	10,209	31%
60 or more minutes	4,194	13%
<b>Total</b>	<b>32,514</b>	<b>100%</b>

Source: 2006–2010 US Census American Communities Survey

Pleasanton's transformation from a bedroom community to a regional job center has resulted in a demand by workers for housing within commute distance to Pleasanton. A certain percentage of workers employed in Pleasanton will seek housing in Pleasanton, and a certain percentage of workers employed outside of Pleasanton will also seek housing here. The key to accommodating employment-generated housing need is to recognize that these various commute behaviors occur within an area much larger than Pleasanton itself and to provide housing opportunities within a reasonable commute distance of local jobs.

**Table 6** indicates that the majority of Pleasanton residents work outside of the city, with just 15 percent of residents working in the city (4,647 residents). Other common work locations for Pleasanton residents include the cities of San Jose (primary jobs for 2,306 Pleasanton residents) and San Francisco (primary jobs for 1,835 Pleasanton residents). The City of San Jose is approximately 30 miles from Pleasanton, while the City of San Francisco is approximately 40 miles away. Other common work locations for Pleasanton residents include the cities of Oakland (approximately 30 miles from Pleasanton) and Fremont (approximately 15 miles from Pleasanton).



**Table 6: City of Employment for Pleasanton Residents**

Place	Number	Percent*
Pleasanton city	4,647	15%
San Jose city	2,306	8%
San Francisco city	1,835	6%
Fremont city	1,647	5%
Oakland city	1,617	5%
Livermore city	1,361	4%
San Ramon city	1,049	3%
Hayward city	980	3%
Dublin city	887	3%
Santa Clara city	825	3%
All Other Locations	13,457	44%
<b>Total</b>	<b>30,611</b>	<b>100%</b>

\*Percent of total primary jobs of residents who live in Pleasanton

Source: US Census Bureau, Longitudinal Employer-Household Dynamics, OnTheMap application. July 2013. <http://onthemap.ces.census.gov/>

Pleasanton's successful transition to an employment center is reflected in the community's high ratio of jobs to employed residents. In 2010, Pleasanton had a jobs-to-employed-residents ratio of 1.72 (54,340 jobs/31,630 employed residents). This ratio shows that there were more workers commuting into Pleasanton than there were employed residents. The ratio of jobs to employed residents is projected to decline slightly through 2040. **Table 7** shows the estimated and projected jobs/housing balance for the years 2010 through 2040.

**Table 7: Jobs/Housing Balance, 2010–2040**

Year	Number of Jobs	Number of Employed Residents	Ratio of Jobs to Employed Residents
2010	54,340	31,630	1.72
2015*	58,520	34,580	1.69
2020*	63,050	37,780	1.67
2025*	64,320	38,950	1.65
2030*	65,620	40,170	1.63
2035*	67,600	41,830	1.62
2040*	69,640	43,530	1.60

Sources: Association of Bay Area Governments, 2013

\* ABAG projection

Since employment projections are based on projected annual absorption of new commercial, office, and industrial development, employment growth is more directly tied to economic factors than to City control. Thus, employment growth is difficult to project. Employment projections have declined somewhat from previous years due to the recent downturn in the economy. Less job growth will mean less housing demand, which could reduce housing prices.

The construction of new commercial, office, and industrial space in Pleasanton has occurred generally in parallel with the growth of the city's housing stock. Commercial, office, and industrial growth affects

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residential growth in two ways: (1) it contributes to housing demand through local employment growth, and (2) it contributes to the demand for infrastructure and services which, to a certain extent, results in competition with new residential development for infrastructure capacity and services.

For planning purposes, the potential economic considerations for businesses as they relate to workforce housing include: (1) the cost of recruitment and retention of employees; (2) loss of experienced personnel; (3) lost investment in staff training; and (4) money earned locally that is spent elsewhere. The economic vitality of smaller businesses and very low wage jobs may also be disproportionately impacted. Public agencies, school districts, social services, and child and elder care can have a difficult time attracting people to work in the community as affordable housing becomes more difficult to find.



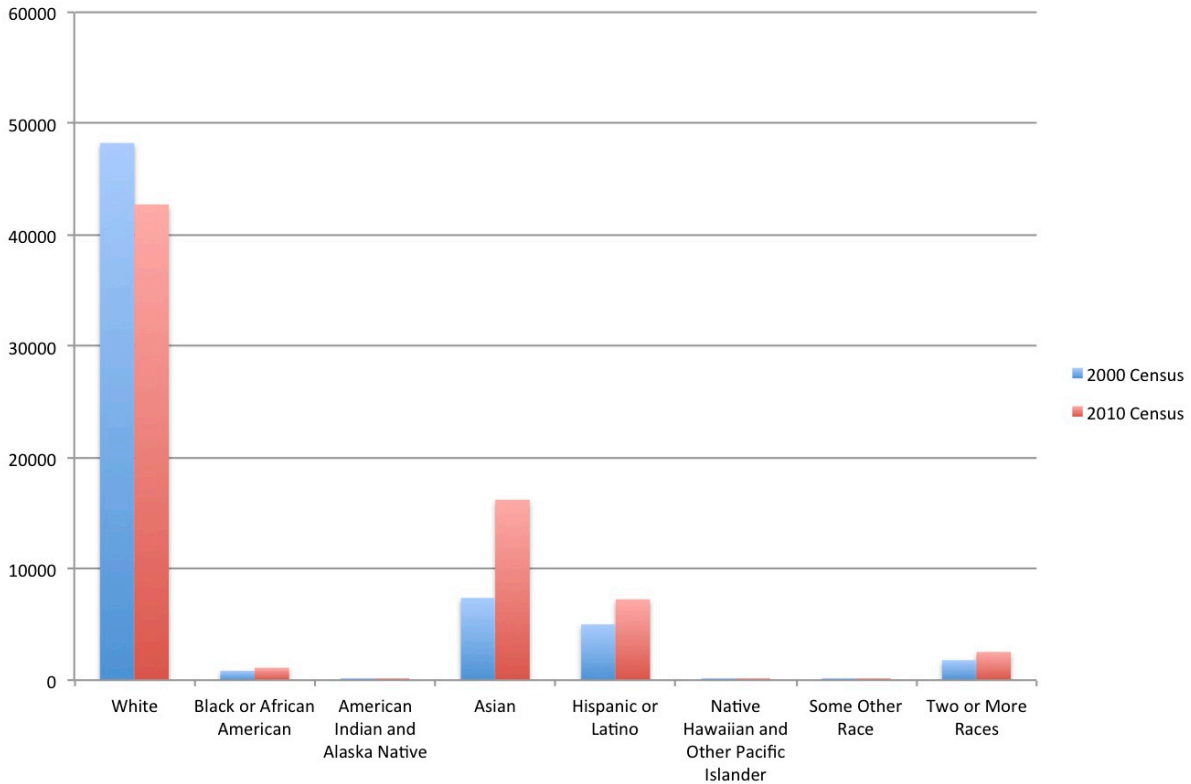
The construction of several thousand housing units during the early 1970s led to an overburdened sewage treatment system and a resulting slowdown of housing growth during the late 1970s. The City adopted a Growth Management Program (GMP) in 1978 which has limited the residential growth rate according to infrastructure and environmental quality constraints. Since the time the GMP was adopted, the City has made substantial progress in reducing these constraints and has modified the procedures accordingly. The City has maintained its GMP in order to continue to phase residential growth

according to the availability of infrastructure, to ensure environmental sensitivity, to manage the supply of buildable residential sites to meet continued future demand, and to encourage affordable housing. The GMP was updated since adoption of the 2007–2014 Housing Element to ensure it does not prevent the City from meeting its regional housing need.

## Ethnic and Social Diversity

Pleasanton's population is generally less racially mixed than Alameda County as a whole. However, between 2000 and 2010, the City's population became more racially diverse. As shown in **Table 8**, Pleasanton's population declined from 76 percent White in 2000 to 61 percent White in 2010. As of 2010, Pleasanton's population was also 23 percent Asian, 2 percent Black or African-American, less than 1 percent American Indian or Alaskan Native, less than 1 percent "Other," less than 1 percent Native Hawaiian and other Pacific Islander, and 4 percent two or more races. The chart below shows the change in the racial composition of Pleasanton between 2000 and 2010 based on the US Census. Since 2010, the number of Black or African Americans increased to 2 percent of total population, while the number of Asians increased to 23 percent of total population.

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**Table 8: Population by Race/Ethnicity**

	2000		2010	
	Population	Percentage	Population	Percentage
White	48,253	76%	42,738	61%
Black or African American	845	1%	1,116	2%
American Indian and Alaska Native	147	0%	143	0.2%
Asian	7,387	12%	16,209	23%
Hispanic or Latino	5,011	8%	7,264	10%
Native Hawaiian and Other Pacific Islander	74	0%	125	0.2%
Some Other Race	143	0%	153	0.2%
Two or More Races	1,794	3%	2,537	3.6%
<b>Total</b>	<b>63,654</b>	<b>100%</b>	<b>70,285</b>	<b>100%</b>

Source: 2000 US Census; 2010 US Census (ABAG Data Profiles for Housing Elements 2013)

## Population Trends

In 1990, Pleasanton's median age was lower than it was for California as a whole. As of 2000, Pleasanton's median age was 37 years compared to 33 for the state and 35 for the county. According to the 2010 US Census, Pleasanton's median age is now 41 years, which is a significant increase in just 10 years. The gradual increase of the median age from 26 years in 1970 to 41 years in 2010 indicates a significant aging of the population. This is occurring despite the increases in school enrollment, indicating that the aging of the existing population is more than compensating for the increase of school-age children. The 2010 median age in Pleasanton is higher than the median age for both the county (37 years) and the state (35 years).

The distribution of Pleasanton's population by age group is shown in **Table 9**. As individuals age, their lifestyles, household composition, living preferences, and income levels tend to change as well. For example, young adults (18–34) typically move more frequently and earn less than older adults. As a result, younger adults generally are not ready, or cannot afford, to purchase homes, and instead look for rental units to meet their housing needs. In contrast, middle-aged residents (35–54) typically have higher earning potential and higher homeownership rates. Residents approaching retirement age or recently retired (early 60s to mid-70s) tend to have the highest rates of homeownership. After individuals retire, many look for smaller homes on properties that are easier to maintain, or for residential communities that cater specifically to their lifestyles, needs, and preferences.

The age distribution of the City's population has shifted between 2000 and 2010. The number of residents between the ages of 55 and 64 increased by approximately 48 percent, while the number of residents 65 years and older increased by approximately 58 percent. The City experienced a simultaneous decline in residents less than 5 years old (10% decline), between 25 to 34 years old (21% decline), and 35 to 44 (18% decline). In general, shifts in age distribution likely reflect aging demographics within the community of Pleasanton.

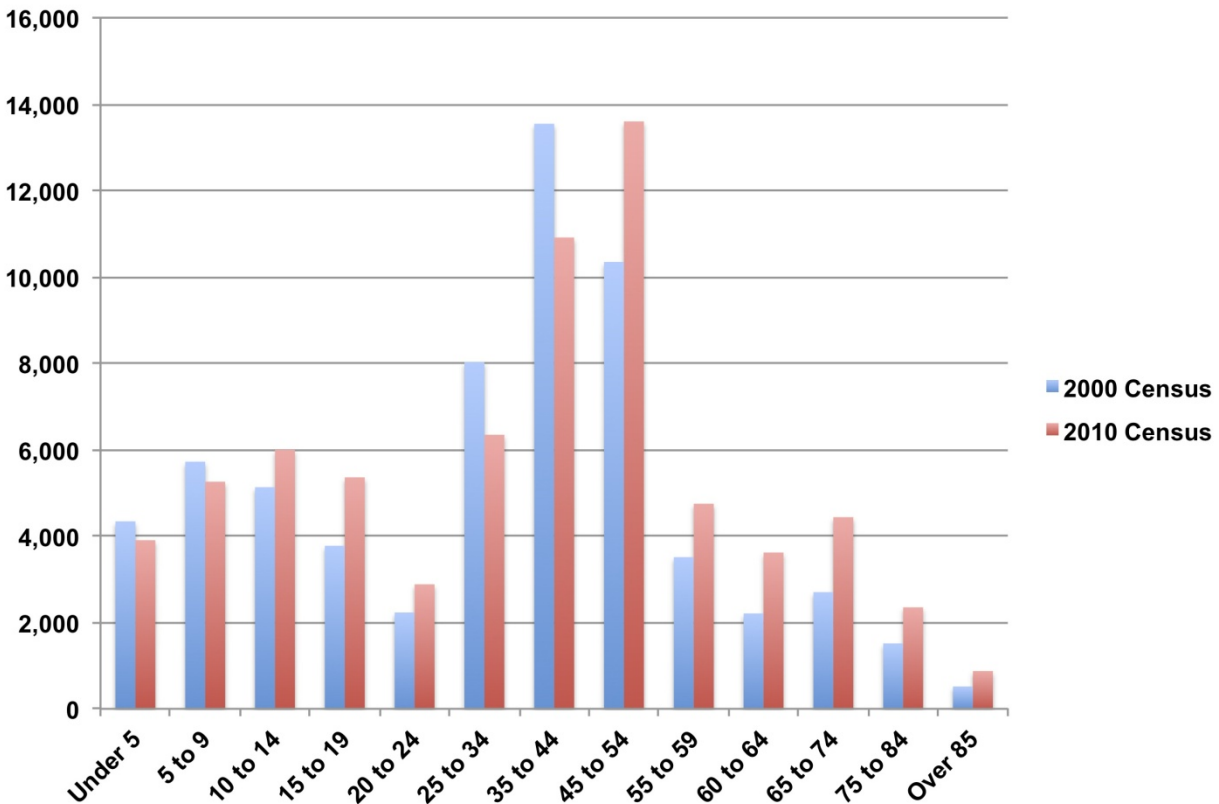
**Table 9: Population by Age, 2000–2010**

Age (years)	2000		2010		Percent Change
	Persons	Percent	Persons	Percent	
< 5	4,359	7%	3,904	6%	-10%
5 to 14	10,807	17%	11,256	16%	4%
15 to 24	6,288	10%	8,242	12%	31%
25 to 34	7,988	13%	6,345	9%	-21%
35 to 44	13,251	21%	10,912	16%	-18%
45 to 54	10,487	16%	13,599	19%	30%
55 to 64	5,636	9%	8,366	12%	48%
65+	4,838	8%	7,661	11%	58%
<b>Total</b>	<b>63,654</b>	<b>100%</b>	<b>70,285</b>	<b>100%</b>	<b>10%</b>

*Source: 2000 and 2010 U.S. Census (ABAG Data Profiles for Housing Elements 2013)*

A more detailed comparison of age cohorts in Pleasanton in 2000 and 2010 is shown in the graph below. The graph shows the significant increase in the number of teens and adults under 25, seniors, and those nearing senior age in Pleasanton over the past 10 years. The most significant decline has been in the number of young adults in the 25 through 44 years of age cohorts. Some of this decline may be due to the availability of lower cost housing in the community, as young adults seek more affordable housing elsewhere.

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Another trend relates to the significant increase in single-person households. Nationwide, about one in every three new households created during the 1990s was a single-person household. In Pleasanton in 2010, according to the 2006–2010 ACS, it is estimated there are a total of 25,245 households, with approximately 82 percent (18,670) considered family households (10,411 with children) and 5,552 considered non-family households. Single-person households comprise an estimated 4,417 households in Pleasanton in 2010 (18% of households). Persons living in group quarters are counted separately and are considered to be non-family households. According to the 2010 Census estimates, there are 456 people living in group quarters in Pleasanton in 2010.<sup>1</sup>

According to US Census and California DOF data, the average household size in Pleasanton over the past 10 years has only risen slightly from 2.72 persons in 2000 to 2.79 persons per household in 2010 and to 2.85 according to the 2007–2011 US American Communities Survey. The average household size in Pleasanton is similar to Alameda County as a whole (2.52 persons per household, according to the ACS).

<sup>1</sup> As defined in the US Census, “Group Quarters” are a place where people live or stay, in a group living arrangement, that is owned or managed by an entity or organization providing housing and/or services for the residents. This is not a typical household-type living arrangement. These services may include custodial or medical care as well as other types of assistance, and residency is commonly restricted to those receiving these services. People living in group quarters are usually not related to each other. Examples of group quarters include correctional facilities; juvenile facilities; nursing homes; hospitals with long-term care facilities; college or university dormitories, fraternities, sororities; dormitories for workers; religious group quarters; shelters; and group homes.

According to the 2007–2011 ACS, nearly 20 percent of residents were single persons living alone. For future planning purposes, it should be anticipated that about one-fifth of new households in Pleasanton will comprise one adult. There is now a clear consensus among medical researchers that social connection for people has powerful effects on their health. Socially connected people live longer, respond better to stress, use fewer resources, have more robust immune systems, and do better at fighting a variety of specific illnesses. In terms of housing, these studies underscore the importance of creating quality living environments for single persons, including common areas, gathering places, and areas for people to interact. In addition, the importance of supporting communal types of housing choices, such as co-housing and other ‘non-traditional’ forms of housing, should be considered.

## Housing Types and Condition

The City's existing housing stock reflects its varied history in terms of its mix of types, tenure, age, and condition. Most of the City's 26,174 dwelling units (as of January 2013 DOF estimates) consist of detached single-family housing. As shown in **Table 10**, from 2000 to 2010, multi-family housing with five or more units increased to 18 percent of total housing units, from 4,045 units to 4,723 units. The total number of single-family housing units increased from 2000 to 2010, while the respective percentage of each declined, with detached single-family housing dropping to 64 percent of total housing units and attached single-family housing dropping to 10 percent of total housing units.

**Table 10: Housing Units by Type, 2000 and 2010**

	2000		2010	
	Units	Percentage	Units	Percentage
<b>Single-Family</b>				
Detached	15,641	65%	16,736	64%
Attached	2,706	11%	2,615	10%
<b>Multi-Family</b>				
2-4 units	1,139	5%	1,599	6%
5 or more	4,045	17%	4,723	18%
Mobile Homes	433	2%	380	1%
<b>Total Units</b>	<b>23,964</b>	<b>100%</b>	<b>26,053</b>	<b>100%</b>

*Sources: 2000 US Census; California Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, 2011-2013 with 2010 Census Benchmark (ABAG Data Profiles for Housing Elements 2013)*

The City's oldest housing, including several heritage homes as well as a number of apartment buildings constructed between the 1960s through the 1980s, is found in the downtown area. Also, although Pleasanton's housing stock has always been predominately single-family detached, the proportion of multiple-family and single-family attached housing has been increasing in recent years. Small-lot single-family housing became very popular as a means of increasing affordability while providing a single-family detached product. At the same time, development of large-lot single-family housing in the hill areas of Pleasanton has seen the construction of a number of homes over 4,000 square feet on one-acre-plus lots.

According to the ABAG Data Packet for Housing Elements (2013), more than half (56%) of the City's housing stock was constructed after 1979. Only 651 units were built prior to 1950. As noted in the ABAG Data Packet for Housing Elements, only 136 units, or half a percent of the total housing stock, were found to be lacking complete plumbing facilities, and only 191 units lacked complete kitchen facilities.



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The City's Building and Safety Division estimates that, citywide, no more than 100 units require major rehabilitation and no more than 10 require replacement. Through the City's housing rehabilitation program (targeted toward lower-income households), approximately 77 dwellings received minor home repair assistance and 17 homes have received major rehabilitation assistance between 2006 and 2013. In addition, many property owners conducted their own rehabilitation work independent of the City's program; there are several hundred older buildings in the downtown area which have been privately restored and/or which have been well maintained through the years.



Pleasanton has historically been a city of predominantly single-family detached homes in traditional subdivisions of three to five units per acre. However, recent increases in other housing types have decreased the proportion of detached single-family homes, which have declined from 74 percent in 1985 to 64 percent of the total housing stock in 2013. The lack of vacant land for large developments in urban portions of the Bay Area, including Pleasanton, has led in part to an escalation of land values. This has resulted in an acceptance of smaller houses on smaller lots which are more

affordable to middle-income households. According to the 2007–2011 ACS, 28 percent of units in Pleasanton (6,789 units) were constructed after 1990. **Table 11** presents the age of housing units in the City of Pleasanton. Less than 10 percent of the total housing units were constructed before 1960 (1,438 units).

**Table 11: Age of Housing Units**

Year Built	Housing Units	Percentage
1939 or earlier	445	2%
1940 to 1949	206	1%
1950 to 1959	787	3%
1960 to 1969	3,845	15%
1970 to 1979	5,696	23%
1980 to 1989	7,156	29%
1990 to 1999	4,727	19%
2000 or later	2,152	9%
<b>Total</b>	<b>25,014</b>	<b>100%</b>

*Source: 2007-2011 ACS 5-year estimates (ABAG Data Profiles for Housing Elements 2013)*

According to the California DOF, as of January 2013, there were 16,829 detached single-family homes (64.3%), 2,615 attached single-family homes (10%), 1,612 units in structures of two to four units (6.2%), 4,738 units in structures of five or more units (18.1%), and 380 mobile homes (1.5%). In 2013 the DOF estimated that 3 percent of the units were vacant, and the average number of persons per household (occupied housing unit) was 2.82 persons.

In the future, the proportion of multiple-family housing is projected to continue to increase on multi-family sites zoned at higher densities required for the previous Housing Element as they continue to develop.

## Housing Tenure and Overcrowding

Housing tenure refers to the status of the occupant, that is, whether he/she owns or rents the unit. Housing tenure tends to conform to the type of housing unit. For example, multiple-family units tend to be renter-occupied, and single-family units tend to be owner-occupied, although condominiums are examples of owned multiple-family housing, and some single-family homes are rentals. As shown in **Table 12**, in 2010, owner-occupied units comprised approximately 71 percent of the housing stock while rental units comprised the remaining 29 percent. The City experienced a slight increase in renter-occupied units since 2000, from 27 percent to 29 percent of total households, with a growth of 1,142 units.

**Table 12: Households by Tenure**

Household Type	2000		2010	
	Number	Percentage	Number	Percentage
Owner Occupied	17,099	73%	17,891	71%
Renter Occupied	6,212	27%	7,354	29%
<b>Total</b>	<b>23,311</b>	<b>100%</b>	<b>25,245</b>	<b>100%</b>

Source: 2000 US Census; 2010 US Census (ABAG Data Profiles for Housing Elements 2013)

In the 2007–2011 ACS, dwellings had an average of 6.1 rooms per unit. Over time, the trends in new home construction have favored larger units. Consequently, very few examples of overcrowding exist in the City of Pleasanton. The state of California defines an overcrowded unit as one occupied by more than 1.01 people per room excluding bathrooms and kitchens. A unit with more than 1.50 people per room is considered severely overcrowded. In 2000, a total of 239 units were severely overcrowded (35 owner-occupied and 204 renter-occupied). In Pleasanton, according to the 2006–2010 CHAS database (based on ACS data), between 2006 and 2010, 110 households in owner-occupied housing units were overcrowded and about 30 households were severely overcrowded. In renter-occupied units, 350 households were also overcrowded, and 65 households were severely overcrowded. Data on overcrowding is provided in **Table 13** below. Accounting for both owner- and renter-occupied housing units, overcrowded units between 2006 and 2010 were just 2 percent of total occupied housing units.

**Table 13: Overcrowded Housing Units**

	Owner Occupied	Renter Occupied	Total
Overcrowded	110	350	460
Severely Overcrowded	30	65	95
<b>Total Occupied Units</b>		<b>23,715</b>	

Source: CHAS, based on 2006-2010 ACS 5-year estimates (ABAG Housing Element Data Profiles)



## B HOUSING AFFORDABILITY

### Distribution of Households in Pleasanton by Type and Income

In 2010, 19 percent of the City’s households were considered lower income (earning less than 80% of median income). The exact income category of a household is dependent upon the size and overall income of the household. According to ABAG and the 2006–2010 ACS for the year 2010, 11 percent of households in Pleasanton are estimated to be very low income (< 50% of AMI), 9 percent are estimated to be low income (50–80% of AMI), 16 percent are estimated to be moderate income (80–120% AMI), and the remaining 66 percent are estimated to be above moderate income (above 120% of median income).

The City of Pleasanton had a median household income of \$118,713 in 2010. Table 15 presents household income by tenure. This table organized income ranges estimated by the US ACS into the income categories defined by HCD. As shown in **Table 14**, owner-occupied and renter-occupied households comprised a similar proportion of very low and low-income households. The very low-income category in 2010 comprised approximately 940 renter-occupied units and 1,230 owner-occupied units. The ABAG Data Packet for Housing Elements (2013) does not include extremely low-income household tenure data.

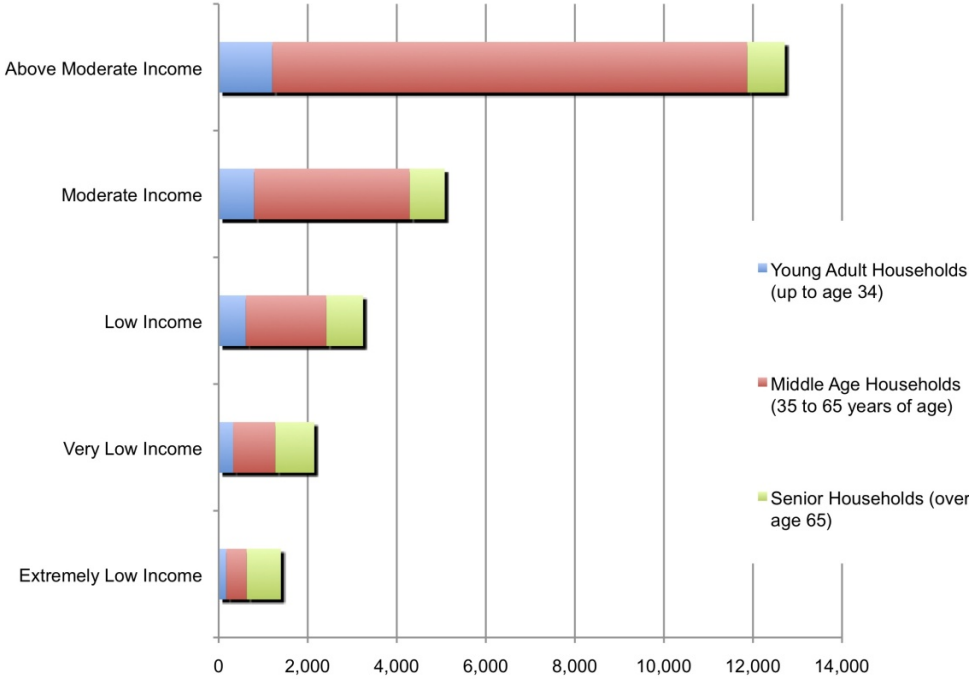
**Table 14: Household Income by Tenure, 2010**

Income Category	Number	Percentage of Occupied Units
<b>Owner Occupied</b>		
Very Low Income (<50% AMI)	1,230	5%
Low Income (50–80% AMI)	1,095	5%
Moderate (80–120% AMI)	1,890	8%
Above Moderate (>120% AMI)	12,305	52%
Total Owner Occupied	16,520	70%
<b>Renter Occupied</b>		
Very Low Income (<50% AMI)	1,305	6%
Low Income (50–80% AMI)	940	4%
Moderate (80–120% AMI)	1,645	7%
Above Moderate (>120% AMI)	3,305	14%
Total Renter Occupied	7,195	30%
Total Occupied Units	23,715	100%

Source: CHAS, based on 2006–2010 ACS (5-year estimates) (ABAG Data Profiles for Housing Elements 2013)

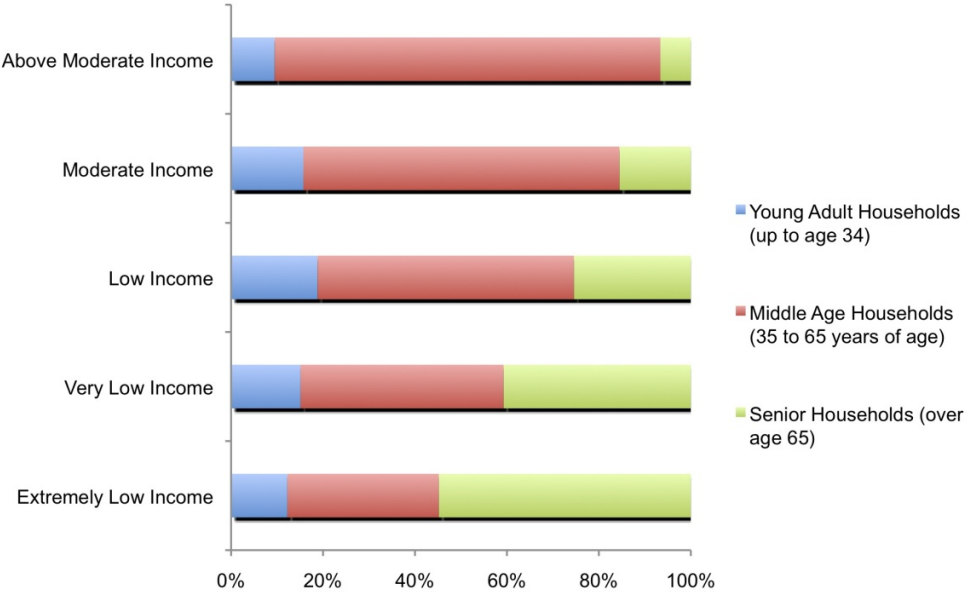
Note: ABAG Data Profiles for Housing Elements does not include extremely low income as a category for this topic

**Figure 1: Estimated Distribution of Total Households by Income and Age of Householder in Pleasanton (2010)**



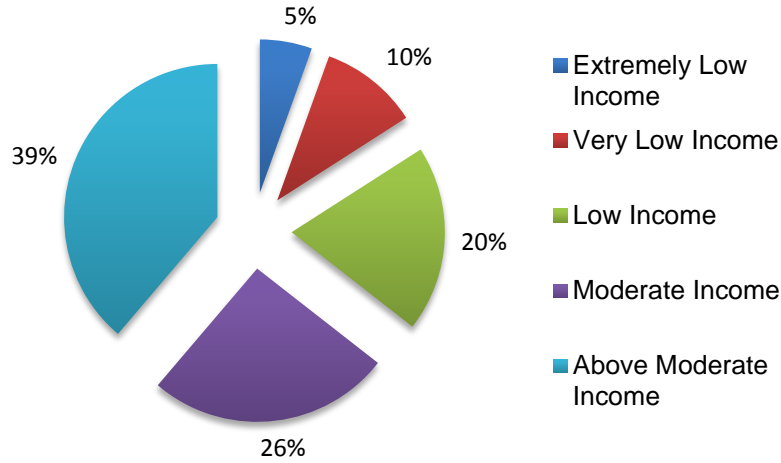
Source: US Census Bureau, 2010 Decennial Census Counts

**Figure 2: Estimated Distribution of Total Households by Income and Age of Householder in Pleasanton (2010)**



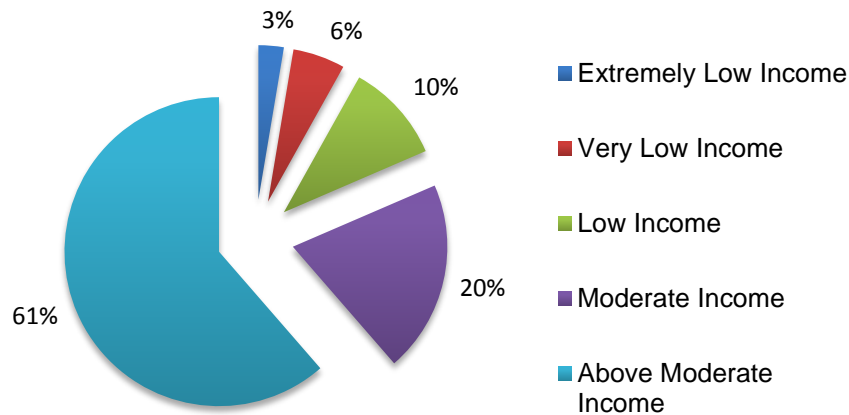
Source: US Census Bureau, 2010 Decennial Census Counts

**Figure 3: Estimated Distribution of Young Adult Households by Income in Pleasanton (2010)**



Source: US Census Bureau, 2010 Decennial Census Counts

**Figure 4: Estimated Distribution of Middle Age Households by Income in Pleasanton (2010)**



Source: US Census Bureau, 2010 Decennial Census Counts

State law defines extremely low-income households as those households earning less than 30 percent of the County’s area median income (AMI). For Alameda County in 2014, HCD identifies a range of income limits. According to the State Income Limits for 2014, an extremely low-income four-person household earns less than \$28,050 per year. The extremely low-income ranges vary based on household size; a household of one person earning less than \$19,650 per year would be considered extremely low income, as is a six-person household earning less than \$32,550 per year. A very low-income four-person

# BACKGROUND

household earns less than \$46,750 per year, while a low-income four-person household earns less than \$67,600 per year.

**Table 15** shows the distribution of extremely low-income households by tenure and overpayment for housing in Pleasanton according to the 2006–2010 CHAS database (based on ACS data). As shown, approximately 8,632 households (36% of occupied housing units) in the City of Pleasanton experienced household cost burden, paying 30 percent or more of income for housing. Nearly 40 percent of households paying 30 percent or more for housing consisted of extremely low-, very low- and low-income households (3,400 households). Of the City's total occupied housing units, 3,929 owner-occupied units experienced 30 percent to 50 percent cost burden for housing (17% of total occupied housing units), while approximately 2,284 renter-occupied units experienced 30 percent to 50 percent cost burden (10% of total occupied housing units). Extremely low-income households paying greater than 50 percent of their income for housing constituted 4 percent of the City's total occupied housing units.

**Table 15: Households Overpaying for Housing**

Household Income Category	30% to 50% Cost Burden		50%+ Cost Burden		30%+ Cost Burden (Total Overpaying)	
	Units	Percentage of Occupied Units	Units	Percentage of Occupied Units	Units	Percentage of Occupied Units
<b>Total Owner Occupied</b>	<b>3,929</b>	<b>17%</b>	<b>2,284</b>	<b>10%</b>	<b>6,213</b>	<b>26%</b>
Extremely Low Income (≤30% of AMI)	40	0%	320	2%	405	2%
Very Low Income (30%–50% of AMI)	120	1%	320	1%	440	2%
Income (50–80%)	235	1%	425	2%	660	3%
Moderate (80–120%)	444	2%	580	2%	1024	4%
Above Moderate (120%+)	3,090	13%	594	3%	3684	16%
<b>Total Renter Occupied</b>	<b>1,369</b>	<b>6%</b>	<b>1,050</b>	<b>4%</b>	<b>2,419</b>	<b>10%</b>
Extremely Low Income (≤30% of AMI)	75	0%	495	2%	570	2%
Very Low Income (30%–50% of AMI)	250	1%	315	1%	565	2%
Low Income (50–80%)	520	2%	240	1%	760	3%
Moderate (80–120%)	450	2%	0	0%	450	2%
Above Moderate (120%+)	74	0%	0	0%	74	0%
<b>Total Overpaying Occupied Units</b>	<b>5,298</b>	<b>22%</b>	<b>3,324</b>	<b>14%</b>	<b>8,632</b>	<b>36%</b>
<b>Total Occupied Units</b>					<b>23,720</b>	

Source: CHAS, based on 2006-2010 ACS 5-year estimates (ABAG Housing Element Data Profiles)

Lower-income households are more severely impacted by higher housing prices and rents because there is limited choice in the number of housing units affordable to lower-income households and the impact of spending so much of a household budget on housing reduces the amount available for other necessities. 2006–2010 CHAS database data (based on ACS data) indicate 840 lower-income renter households and

395 lower-income owner households paid between 30 to 50 percent of their income on housing. Additionally, 1,045 lower-income renter households and 1,105 lower-income owner households paid more than 50 percent of their income on housing. The total 3,385 lower-income households overpaying for housing comprised 14 percent of the total households in the city. This information underscores the importance of enacting and implementing City policies and programs to assist in the development of housing affordable to lower-income households.

## Housing Affordability and the Ability to Pay for Housing

Housing affordability refers to the financial ability of a household to rent or buy a housing unit. Government agencies, lenders, and landlords generally consider a household eligible to rent or buy if monthly payments do not exceed 30 percent of total household income. Given this guideline, the monthly rent or mortgage rate that can be afforded is easy to calculate, although ownership costs will vary with interest rates, down payments, and the type of financing instrument. Using recent rates, the amount of income needed to rent or buy can be calculated for various income groups.



Following are tables illustrating in a generalized way the “ability to pay for housing” for ownership and rental housing for households at various income levels. Sales prices are from the DQ News, “California Home Sale Activity City,” 2013, which provides median home sale prices in Pleasanton; rental rates are from the City’s 2013 Annual Survey of Apartment Rents and Vacancies. Market rate ownership housing is unaffordable for all income categories. As shown in **Table 16**, generally, the median priced home in Pleasanton in 2013 sold for significantly more than maximum affordable home prices for all income categories. The 2013 median detached home price was \$684,472 higher than the maximum affordable home price for an extremely low-income single-person household. Similarly, the median home price was \$377,086 higher than the maximum affordable home price for a high end moderate-income household of four persons. The median costs for attached housing such as townhomes and condos were also unaffordable across income categories. The 2013–2014 average median cost for attached housing was \$479,350, approximately \$416,822 higher than the maximum affordable price for extremely low-income single-person households, and \$106,436 higher than the maximum affordable price for high end moderate-income households.

In 2010, the Census estimated that 71 percent of the occupied homes in Pleasanton were owner-occupied and 29 percent renter occupied. Homeownership is up slightly from 2000. Since 1992, the City has had a program to assist first-time homebuyers in overcoming the obstacle of high local housing costs to be able to purchase homes in Pleasanton. The affordable homes, part of new subdivisions, have been achieved through negotiation and collaboration between the City and various home builders. The purchase of these affordable homes has generally been restricted to owner-occupied, first-time homebuyers. The homes have been designed to be affordable to households at varying income levels ranging from 50 to 120 percent AMI. The most recent developments have been targeted at 80 percent AMI (approximately \$72,250 maximum annual income for a household of four persons in 2010 adjusted annually).

**Table 16: Estimated Ability to Pay for Sale Housing in Pleasanton**

	Monthly Income	Annual Income	Maximum Affordable Home Price <sup>1</sup>	2013 Median Priced Single Family Detached Home	Gap between Maximum Affordable Home Price and Median Sales Price Detached Single-Family Home	2013 Median Priced Single-Family Detached Home <sup>2</sup>	Gap Between Maximum Affordable Home Price and Median Sales Price Detached Single-Family Home
<b>Single Person</b>							
High End Extremely Low Income	\$1,638	\$19,650	\$65,528	\$750,000	-\$684,472	\$479,350	-\$413,822
High End Very Low Income	\$2,729	\$32,750	\$109,078	\$750,000	-\$640,922	\$479,350	-\$370,272
High End Low Income	\$3,946	\$47,350	\$157,510	\$750,000	-\$592,490	\$479,350	-\$321,840
Median Income	\$5,454	\$65,450	\$218,008	\$750,000	-\$531,992	\$479,350	-\$261,342
High End Moderate Income	\$6,546	\$78,550	\$261,151	\$750,000	-\$488,849	\$479,350	-\$218,199
<b>Two Person Household</b>							
High End Extremely Low Income	\$1,871	\$22,450	\$74,694	\$750,000	-\$675,306	\$479,350	-\$404,656
High End Very Low Income	\$3,117	\$37,400	\$124,576	\$750,000	-\$625,424	\$479,350	-\$354,774
High End Low Income	\$4,508	\$54,100	\$180,084	\$750,000	-\$569,916	\$479,350	-\$299,266
Median Income	\$6,233	\$74,800	\$249,152	\$750,000	-\$500,848	\$479,350	-\$230,198
High End Moderate Income	\$7,479	\$89,750	\$298,627	\$750,000	-\$451,373	\$479,350	-\$180,723
<b>Four Person Household</b>							
High End Extremely Low Income	\$2,338	\$28,055	\$93,447	\$750,000	-\$656,553	\$479,350	-\$385,903
High End Very Low Income	\$3,896	\$46,750	\$155,720	\$750,000	-\$594,280	\$479,350	-\$323,630
High End Low Income	\$5,633	\$67,600	\$224,828	\$750,000	-\$525,172	\$479,350	-\$254,522
Median Income	\$7,792	\$93,500	\$310,626	\$750,000	-\$439,374	\$479,350	-\$168,724
High End Moderate Income	\$9,350	\$112,200	\$372,914	\$750,000	-\$377,086	\$479,350	-\$106,436

Source: 2014 Income Limits, Department of Housing and Community Development, monthly mortgage calculation: <http://www.realtor.com/home-finance/financial-calculators/home-affordability-calculator.aspx?source=web>; DQ News, "California Home Sale Activity City," 2013; 2013 Bay Association of Realtors

1. Affordable housing sales prices are based on the following assumed variables: approximately 10% down payment, 30-year fixed rate mortgage at 5.625% annual interest rate.
2. In lieu of annual median attached housing costs, reflects the average annual median cost for attached condo, duet, and townhomes in Pleasanton from March 2013–March 2014.

**Table 17** shows available apartments and houses for rent during a survey taken in April 2014. At the time of the survey, two-bedroom apartments comprised the majority of available rentals in the City (14 units). By comparison, fewer four- and five-bedroom rentals were available.

**Table 17: Apartment and House Rentals, 2014**

Bedroom Type	Number of Units Surveyed	Price Range	Median Cost
Studio	3	\$1,000-\$1,595	\$1,200
1	11	\$1,372-\$1,994	\$1,665
2	14	\$1,525-\$2,668	\$2,049
3	7	\$2,625-\$3,090	\$2,800
4	4	\$2,195-\$7,000	\$2,725
5	3	\$3,500-\$6,500	\$5,950

Sources: [www.craigslist.org](http://www.craigslist.org), <http://re.mercurynews.com/rentals/pleasanton-ca-usa>; April 28, 2014

Note: Surveyed costs are generally for the combined Pleasanton, Dublin, Livermore area.

As shown in **Table 18**, surveyed rental costs are generally unaffordable for several household income categories in Pleasanton. The gap between maximum affordable rental costs and actual rental costs for single-person extremely low-income households ranges from \$881 to \$1,503. Similarly, surveyed rental costs are unaffordable for extremely low-income two-person households and four-person households, with the gap between the maximum affordable rental costs and actual rental costs ranging from \$964 for low-end priced units to as high as \$2,389 for high-end units. Monthly rental costs for high-end moderate-income households are generally within the range of affordability



**Table 18: Estimated Ability to Pay for Rental Housing in Pleasanton**

Household Size and Income Category	Monthly Income	Annual Income	Rent @ 30% of Monthly Income	Expected Unit Size	Low End Rent (2014)	Ability to Pay "Gap" for Low End Unit	High End Rent (2014)	Ability to Pay "Gap" for High End Unit
<b>Single Person</b>								
High End Extremely Low Income	\$1,638	\$19,650	\$491	1 BR	\$1,372	-\$881	\$1,994	-\$1,503
High End Very Low Income	\$2,729	\$32,750	\$819	1 BR	\$1,372	-\$553	\$1,994	-\$1,175
High End Low Income	\$3,946	\$47,350	\$1,184	1 BR	\$1,372	-\$188	\$1,994	-\$810
Median Income	\$5,454	\$65,450	\$1,636	1 BR	\$1,372	\$264	\$1,994	-\$358
High End Moderate Income	\$6,546	\$78,550	\$1,964	1 BR	\$1,372	\$592	\$1,994	-\$30
<b>Two-Person Household</b>								
High End Extremely Low Income	\$1,871	\$22,450	\$561	2 BR	\$1,525	-\$964	\$2,668	-\$2,107
High End Very Low Income	\$3,117	\$37,400	\$935	2 BR	\$1,525	-\$590	\$2,668	-\$1,733
High End Low Income	\$4,508	\$54,100	\$1,352	2 BR	\$1,525	-\$173	\$2,668	-\$1,316
Median Income	\$6,233	\$74,800	\$1,870	2 BR	\$1,525	\$345	\$2,668	-\$798
High End Moderate Income	\$7,479	\$89,750	\$2,244	2 BR	\$1,525	\$719	\$2,668	-\$424
<b>Four-Person Household</b>								
High End Extremely Low Income	\$2,338	\$28,055	\$701	3 BR	\$2,625	-\$1,924	\$3,090	-\$2,389
High End Very Low Income	\$3,896	\$46,750	\$1,169	3 BR	\$2,625	-\$1,456	\$3,090	-\$1,921
High End Low Income	\$5,633	\$67,600	\$1,690	3 BR	\$2,625	-\$935	\$3,090	-\$1,400
Median Income	\$7,792	\$93,500	\$2,338	3 BR	\$2,625	-\$287	\$3,090	-\$752
High End Moderate Income	\$9,350	\$112,200	\$2,805	3 BR	\$2,625	\$180	\$3,090	-\$285

Source: 2014 Income Limits, Department of Housing and Community Development; [www.craigslist.org](http://www.craigslist.org); <http://re.mercurynews.com/rentals/pleasanton-ca-usa>; April 28, 2014

The City has adopted an Inclusionary Zoning Ordinance in an effort to create additional affordable housing. The ordinance requires that at least 15 percent of new multiple-family housing units and 20 percent of new single-family housing units be set aside for very low-, low-, and/or moderate-income households and use incentives to facilitate affordable housing development. Such incentives are as follows:

- Fee waivers or deferrals.
- Reduced parking requirements.
- Reduced setback requirements.
- Reduced open space requirements.
- Reduced landscaping requirements.
- Reduced infrastructure requirements.
- Use of the City's lower-income housing fund for second mortgages.
- Priority City processing.

Many factors determine the housing price which a household can afford, including interest rates, mortgage instruments, down payment, and personal assets above and beyond income. The information above suggests that there is a significant gap between the household ability to pay and actual housing costs in Pleasanton, as there is throughout California. The problem of affordability affects a substantial number of Pleasanton households, including very low-, low-, and moderate-income households, which comprised 34 percent of all households in Pleasanton in 2010. In the future, the affordability gap will affect increasing numbers of first-time homebuyers, workers employed in Pleasanton trying to find an affordable home within commuting distance, and elderly individuals seeking affordable rental housing.

The City has established an affordable housing specialist staff position to coordinate the City's affordable housing programs. The creation of this position fulfilled a program of the 2007–2014 Housing Element. In addition, the City has established an in-lieu affordable housing fee for commercial, office, and industrial development. This fee, similar to the Lower Income Housing Fee for new residential development, has helped fund affordable housing for the employees of Pleasanton businesses.

## C SPECIAL HOUSING NEEDS

### Housing for Persons Living with Special Needs

In addition to overall housing needs, cities and counties must plan for the special housing needs of certain groups. State law (65583(a)(6)) requires that several populations with special needs be addressed: homeless people, seniors, people living with disabilities (including developmental disabilities), large families, and female-headed households. The Housing Element should take into account any local factors that create an extraordinary need for housing, and should quantify those needs to the extent possible. “Special needs” groups include many persons in the community, from the homeless and those with substance abuse or domestic violence problems, to lower-income families who face economic challenges in finding housing. While many persons in this broad group need permanent lower cost housing, others require more supportive environments and assistance.



It is difficult to determine how many individuals may have special housing needs. Special needs relate primarily to access and safety considerations, although given the limited income potential for many persons with disabilities, housing affordability is also a primary concern. Individuals with disabilities may require financial assistance to meet their housing needs because a higher percentage tend to be lower income and their special housing needs are often more costly than conventional housing. Special needs may include, but are not limited to the following:

- Mobility difficulties (such as those confined to wheelchairs) may require special accommodations or modifications to homes to allow for continued independent living.
- Self-care limitations (which can include persons with mobility difficulties) may require residential environments that include in-home or on-site support services, ranging from congregate to convalescent care. Support services can include medical therapy, daily living assistance, congregate dining, and related services.
- Developmental disabilities and other physical and mental conditions that prevent them from functioning independently may require assisted care or group home environments.

Some people with mobility and/or self-care limitations are able to live with their families, who can assist in meeting housing and daily living needs. A segment of the population with disabilities, particularly low-income and retired individuals, may not have the financial capacity to pay for needed accommodations or modifications to their homes. Even those able to pay for special housing accommodations may find them unavailable in Pleasanton.



Overall, the greatest special housing needs in Pleasanton are housing for large families, the elderly, and single-parent households. In 2010, 11 percent households in Pleasanton consisted of female-headed households, 18 percent consisted of senior households, and 10 percent households consisted of large families. Large families with

lower incomes typically need larger housing units with more bedrooms than are usually constructed within market-rate projects, such as three-bedroom apartments. The elderly require smaller, easy-to-maintain housing units which are accessible to medical care and social facilities, such as the Senior Center constructed by the City on Sunol Boulevard. Some seniors require additional care such as that provided in assisted living facilities. Single-parent households often require lower-income or subsidized housing which is accessible to child-care facilities. Households with a person with disabilities typically require special design features such as wheelchair ramps and large bathrooms to be included within the housing unit.

Certain groups have greater difficulty in finding decent, affordable housing due to their special needs and/or circumstances. Special circumstances may be related to one's employment, age, family characteristics, and physical condition, among others. As a result, certain segments of Pleasanton's population may experience a prevalence of insufficient income, overpayment, overcrowding, or other housing problems.

State Housing Element law identifies the following special needs groups: elderly persons, persons with disabilities, large families, female-headed households, families and persons in need of emergency shelter, and farmworkers. The City has historically had fewer households with special needs such as households with a person with disabilities (including developmental disabilities), single-parent or farmworker households, and homeless than other cities in California. As of 2010, Pleasanton was home to 2,024 households (11% of total families) headed by single females, (1,274 with children under 18) and approximately 4,513 senior households (18%), some of which had special housing needs. The number of households with seniors has increased significantly from 1990, when there were 1,600 such households. The following section provides additional information on special needs households in the City of Pleasanton.

## Senior Housing Needs



Senior households can be defined, in part, by the age distribution and demographic projections of a community's population. This identifies the maximum need for senior housing. Particular needs, such as the need for smaller and more efficient housing, for barrier-free and accessible housing, and for a wide variety of housing with healthcare and/or personal services should be addressed, as should providing a continuum of care as elderly households become less self-reliant.

The senior population in Alameda County (age 65+) is projected to double between 2000 and 2030, and the population of those over 85 will increase even more according to the California DOF, ABAG, and other sources. The median age in Alameda County is projected to increase from 34.5 years in 2000 to 39.1 years in 2030. Most seniors, upwards of 90 percent, prefer to age in their home and community, and a number of services can make this possible. However, it is important to have a variety of housing options in the community for seniors to move to when they are ready. Many seniors will be mobility impaired at some point in their life and most seniors would prefer to walk more and drive less (Surface Transportation Policy Partnership. Attitudes toward Walking, 2003). If communities are not set up for pedestrians and public transportation, seniors can become trapped in their homes.

The City of Pleasanton has experienced an increase in senior residents. Between 2000 and 2010, the number of senior residents grew by 58 percent, from 4,838 total seniors in 2000 (about 8 percent of the total population) to 7,661 seniors in 2010 (about 11 percent). **Table 19** reports senior residents by age for 2000 and 2010.

**Table 19: Senior Population, 2000 and 2010**

Age	2000		2010	
	Number	% of Total Population	Number	% of Total Population
65 to 69	1,521	2%	2,609	4%
70 to 74	1,202	2%	1,828	3%
75 to 79	941	1%	1,340	2%
80 to 84	619	1%	1,009	1%
85 to 89	362	1%	577	1%
90 and older	193	0%	298	0%
<b>Total Population 65+</b>	<b>4,838</b>	<b>8%</b>	<b>7,661</b>	<b>11%</b>
<b>Total Population</b>	<b>63,654</b>	<b>100%</b>	<b>70,285</b>	<b>100%</b>

Source: 2000 and 2010 US Census (ABAG Data Profiles for Housing Elements 2013)

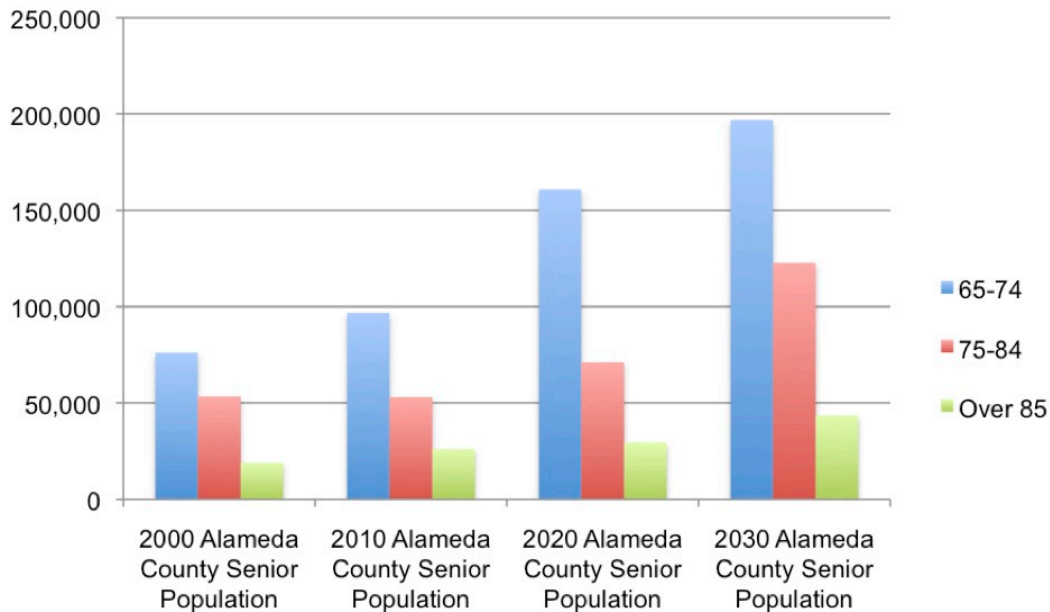
Senior households are defined as households with one or more persons over the age of 65 years. **Table 20** shows information from the 2000 and 2010 Census on the number of households in which a person over the age of 65 resides. The number of senior households increased from 2000 to 2010 by 1,569 households, from 2,944 senior households to 4,513 senior households. In 2010, approximately 18 percent of all households in Pleasanton included one or more senior individuals. Of these households, the vast majority (nearly 76%) are owner-occupied.

**Table 20: Senior Households by Age and Tenure**

	2000		2010	
	Number	Percentage of Total Households	Number	Percentage of Total Households
<b>Renter Occupied Households</b>				
65 to 74 years	253	1%	427	2%
75 to 84 years	306	1%	416	2%
85+ years	117	1%	260	1%
<b>Total Renter Households</b>	<b>676</b>	<b>3%</b>	<b>1,103</b>	<b>4%</b>
<b>Owner Occupied Households</b>				
65 to 74 years	1,395	6%	2,212	9%
75 to 84 years	716	3%	1,041	4%
85+ years	157	1%	157	1%
<b>Total Owner Households</b>	<b>2,268</b>	<b>10%</b>	<b>3,410</b>	<b>14%</b>
<b>Total Senior Households</b>	<b>2,944</b>	<b>13%</b>	<b>4,513</b>	<b>18%</b>
<b>Total Householders</b>	<b>23,311</b>	<b>100%</b>	<b>25,245</b>	<b>100%</b>

Source: 2000 and 2010 US Census (ABAG Data Profiles for Housing Elements 2013)

**Figure 5: Growth in Senior Population in Alameda County**



Source: ABAG Projections 2013

Senior households typically have special housing needs due to three concerns: income, healthcare costs, and physical disabilities. According to the 2010 Census, 4,513 (18%) Pleasanton households include an individual 65 years and over. Some of the special needs of seniors are as follows:

- **Disabilities.** Of the senior population, 31 percent have a disability (2010 Census data not available; estimate is from the 2012 ACS).
- **Limited Income.** Many seniors have limited income for health and other expenses. According to the 2010 Census, 4 percent of Pleasanton’s residents 65 years and older are living below the poverty level.
- **Overpayment.** Approximately 36 percent of Pleasanton’s households pay greater than 30 percent of their income for housing. Given the fact that many seniors live on fixed incomes, it is expected that this number would be higher for the elderly.

As noted above, the majority of senior households are owner-occupied. In 2010, the City of Pleasanton had 3,410 senior owner-occupied households, comprising 76 percent of all senior households in the city, and 14 percent of total occupied housing units in the city. Because of physical or other limitations, senior homeowners may have difficulty in performing regular home maintenance or repair activities. The elderly require smaller, easy-to-maintain housing units which are accessible to medical care and social facilities, such as the Senior Center constructed by the City on Sunol Boulevard.

In 2006, the City Council approved a new set of guidelines for the planning, design, and review of future senior housing developments in the City of Pleasanton. They represent preferred standards for senior housing design, features, safety/security, services, and operational considerations. The guidelines are



intended to be an informal tool for local community groups, architects, and developers of both private and nonprofit senior housing and by City staff involved in planning and development of senior housing in Pleasanton.

The best indicator of the future population of seniors is people in their fifties. Most of these people will stay in their homes as they age. High among concerns for seniors is their ability to pay for necessities. Some senior homeowners can tend to be “house rich and cash poor,” meaning they have a lot of accumulated wealth, but it is unavailable to them.

## Persons Living with Disabilities



Persons with disabilities have special housing needs because of their fixed incomes, the lack of accessible and affordable housing, and the higher health costs associated with their disability. This segment of the population, which includes individuals with mental, physical, and developmental disabilities, need affordable, conveniently located housing which, where necessary, has been specially adapted for physical needs such as wheelchair accessibility.

The living arrangements for persons with disabilities depend on the severity of the disability. Many persons live at home in an independent environment with the help of other family members. To maintain independent living, disabled persons may require assistance. This can include special housing design features for the physically disabled, income support for those who are unable to work, and in-home supportive services for persons with medical conditions. Accessible housing can also be provided via senior housing developments.

The majority of persons with disabilities live on an income that is significantly lower than the non-disabled population. Many disabled individuals live on a small fixed income that severely limits their ability to pay for housing. The State of California Task Force on Family Diversity estimates that at least one-third of all persons with disabilities in the United States live in poverty. Persons with disabilities have the highest rate of unemployment relative to other groups. For most, their only source of income is a small fixed pension afforded by Social Security Disability Insurance, Social Security Insurance, or Social Security Old Age and Survivor's Insurance, which will not adequately cover the cost of rent and living expenses even when shared with a roommate. In addition, persons with disabilities often experience discrimination in hiring and training. When they find work, it tends to be unstable and at low wages.

Pleasanton is home to residents with disabilities that prevent them from working, restrict their mobility, or make it difficult for them to care for themselves. For those with certain disabilities, such as developmental disabilities, the lack of affordable housing requires them to continue living with their parents, which results in their forgoing the experience of living independently and presents a housing crisis as their parents age and can no longer care for their adult child. Individuals with physical disabilities typically require special design features such as wheelchair ramps, wider doorways, and large bathrooms to be included within the home.

As shown in **Table 21**, in 2000 the City of Pleasanton had a total of 9,958 disabilities recorded for individuals in the City of Pleasanton. Among these individuals, approximately 69 percent were between the ages of 5 and 64, and 31 percent were ages 65 and over. Nearly 30 percent of persons between 5–64 with disabilities, or 2,811 individuals, had an employment disability, with another 13 percent in the same age range experiencing a physical disability.



**Table 21: Disabilities by Type, 2000**

	Number	Percentage
<b>Total Disabilities</b>	<b>9,958</b>	<b>100%</b>
<b>Total Disabilities for Ages 5-64</b>	<b>6,855</b>	<b>69%</b>
Sensor disability	531	5%
Physical disability	1,278	13%
Mental disability	1,098	11%
Self-care disability	276	3%
Go-outside-home disability	864	9%
Employment disability	2,811	28%
<b>Total Disabilities for Ages 65 and Over</b>	<b>3,103</b>	<b>31%</b>
Sensor disability	588	6%
Physical disability	1,124	11%
Mental disability	402	4%
Self-care disability	282	3%
Go-outside-home disability	707	7%

Source: Census Bureau (2000 Census SF 3:P41)

A disability is a physical or mental impairment that substantially limits one or more major life activities. This also includes the special housing needs of persons with developmental disabilities. As shown in **Table 22**, in 2000 approximately 47 percent of total persons ages 5 to 64 with a disability were employed. Of persons ages 65 and over, approximately 25 percent have a disability.

**Table 22: Persons with a Disability by Employment Status, 2000**

	Number	Percent
Employed Persons with a Disability (Ages 5-64)	3,085	47%
Not Employed Persons with a Disability (Ages 5-64)	1,721	27%
Persons Age 65 Plus with a Disability	1,632	25%
<b>Total Persons with a Disability</b>	<b>6,438</b>	<b>100%</b>

Source: US Census, 2000

According to the 2009–2011 ACS, there were approximately 4,274 non-institutionalized persons in Pleasanton with a disability including mobility and/or self-care limitations that might require special housing accommodations and supportive services. This number represented roughly 6.4 percent of the total civilian non-institutionalized population over the age of 5 in Pleasanton. In 2012 according to the ACS, 80 percent of civilian non-institutionalized persons with a disability between the ages of 18 and 64 were employed (763 persons), while the remaining 20 percent of working age individuals with a disability were unemployed.

People living with disabilities often have trouble finding housing. Even relatively small physical obstacles, like a shower that requires a step, may make a house unusable for an individual with a disability. Both federal and state housing laws require certain features of adaptive design for physical accessibility in all multi-family residential buildings with four or more units built for first occupancy starting March 13, 1991. However, numerous dwelling units built before that date are not subject to these accessibility requirements. This, however, does not assist individuals—particularly seniors—who choose to remain in their homes rather than move to assisted living facilities and/or other newly constructed units. Seniors

sometimes have to move from their homes because of barriers like these. Jurisdictions have pursued a number of policies to make houses more accessible. Ideas include:

- **Provide reasonable accommodation procedures for persons with disabilities.** Develop simple procedures for individuals to get permission from landlords to alter their homes to make it accessible (by adding a ramp, for example).
- **Provide information and enforcement.** Designate a staff person as the primary contact for disability issues. This person can disseminate information and investigate allegations of discrimination.
- **Promote universal design.** Universal design refers to building in a way that makes it accessible to everyone. For example, levers instead of knobs on doors make them easier to open.
- **Provide low cost financing.** Provide low interest and/or deferred loans to retrofit houses to increase their accessibility.

The City does not require special building codes or onerous project review to construct, improve, or convert housing for persons with disabilities. Both the federal Fair Housing Act and the California Fair Employment and Housing Act impose an affirmative duty on local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning and other land-use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be a reasonable accommodation to allow covered ramps in the setbacks of properties that have already been developed to accommodate residents with mobility impairments. The Model City allows homeowners to build ramps into single-family dwellings to allow first floor access for physically disabled residents. Such ramps or guardrails are permitted to intrude into the standard setbacks required under zoning, and are subject only to a building permit. This provision eliminates the need to obtain a zoning variance.

The housing needs of several other categories of disabled persons, including developmentally disabled persons and the mentally ill are typically not addressed by Title 24 Regulations. The housing needs of persons with these types of disabilities, in addition to basic affordability, range from needing slight modifications of existing units to the need for a variety of supportive housing arrangements. Some of this population can only live successfully in housing that provides a semi-sheltered, semi-independent living state, such as clustered group housing or other group-living quarters; others are capable of living independently if affordable units are available.

Through programs such as the City's Growth Management Ordinance, the federal CDBG (Community Development Block Grant) and HOME (HOME Investment Partnership Program) grants, and others, the City has assisted the development of specific housing units in Pleasanton that are reserved for persons with disabilities. Rental opportunities in these developments are administered either by the on-site management or by a supporting agency. Examples of projects in Pleasanton are described below.

## The Promenade Apartments

As part of the 68 below-market rental apartments in this 146-unit complex, the City utilized funds from its federal HOME grant to construct four (4) apartments at below-market rents for persons with physical disabilities. Each apartment is located on the ground floor and includes universal design features that promote accessibility and independent living. Leasing for these apartments is administered directly by The Promenade's on-site management staff.

In addition to the four units described above, the City worked with East Bay Innovations and the HCD to reserve four additional below-market rental apartments at The Promenade for persons with developmental disabilities who are able to live independently. Supportive services are provided through East Bay Innovations in collaboration with the Regional Center of the East Bay.

## **REACH**

The City has contributed significant funding through its federal CDBG and HOME grants to REACH (Resources Education Activities Community and Housing for Special Adults of the Tri-Valley, formerly HOUSE, Inc.), a local nonprofit agency, to purchase and remodel several homes in Pleasanton. These homes provide below-market rental housing for low-income adults with developmental disabilities who are able to live independently with supportive services, fostering community integration, dignity, and independence.

## **Bay Area Community Services**

The City has provided funding through its federal CDBG grant to Bay Area Community Services (BACS) to purchase and rehabilitate a six-unit apartment complex in downtown Pleasanton to provide below-market rental housing for low-income individuals with mental disabilities who are able to live independently. Through its Valley Creative Living Center, BACS provides supportive services including activity and employment programs that promote independence and community integration.

## **Assisted Living and Community Care Facilities**

Housing opportunities for persons with disabilities are also available through several assisted living facilities that have been developed in Pleasanton and its neighbor communities in recent years. Because these facilities offer housing together with a range of services and activities, the monthly cost is generally very expensive. The City's Housing Division provides information on assisted living facilities in Pleasanton and the surrounding area. Similar housing opportunities can be found on a smaller scale in residential care facilities that are licensed by the state. These facilities generally accommodate up to six residents and are licensed for a particular type of care or shelter (e.g., elderly, disabled, youth).

### Carmen Avenue Apartments

The City of Pleasanton contributed funds from its federal HOME allocation to Affordable Housing Associates to assist the development of a regional housing project in Livermore for persons with disabilities and special needs.

### Fremont Oak Gardens

The City of Pleasanton contributed funds from its federal HOME allocation to Satellite Senior Housing to assist the development of a regional housing project in Fremont for deaf senior citizens. Fremont Oak Gardens, a 51-unit apartment complex for seniors aged 55 and older who are deaf or hard of hearing, opened in 2005.

### Lorenzo Creek

The City of Pleasanton contributed funds from its federal HOME allocation to Allied Housing to assist the development of a regional housing project in Castro Valley for homeless and chronically disabled persons.”

## **Persons Living with Developmental Disabilities**

Senate Bill (SB) 812 requires the City to include the needs of individuals with a developmental disability within the community in the special housing needs analysis. Developmental disabilities are studied separately from sensory, physical, cognitive, self care, and independent living limitations because they are severe and chronic physical and/or cognitive disabilities which manifested before individuals reach adulthood.

# BACKGROUND

Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person's living situation as a child to an appropriate level of independence as an adult.

The California Department of Developmental Services currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. The Regional Center of the East Bay is one of 21 regional centers in California that provides point of entry to services for people with developmental disabilities. The center is a private, nonprofit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families. The center is a private, nonprofit community agency that contracts with local businesses to offer a wide range of services to individuals with developmental disabilities and their families.

**Table 23** shows the City's developmentally disabled population by age in 2014. **Table 24** provides information about those persons' place of residence. Overall, there were 663 persons living with a developmental disability in Pleasanton. The developmentally disabled population of Pleasanton represented less than 1 percent of the City's total 2013 population of 71,871 residents (California DOF 2013).

**Table 23: Developmentally Disabled Residents by Age**

Zip Code	0–17 Years	18+ Years	Total
94566	128	112	240
94568	128	151	279
94588	101	43	144
<b>Total</b>	<b>357</b>	<b>306</b>	<b>663</b>

Source: California Department of Housing and Community Development 2014

**Table 24: Developmentally Disabled Residents by Residence Type**

Zip Code	Community Care	Home(Parent/Guardian)	Independent Living	Independent Care Facility	Own Home	Other
94566	17	< 10	29	0	192	0
94568	43	< 10	24	24	185	< 10
94588	< 10	0	< 10	0	136	< 10

Source: California Department of Housing and Community Development 2014

There are a number of housing types appropriate for people living with a development disability: rent-subsidized homes, licensed and unlicensed single-family homes, inclusionary housing, Section 8 vouchers, special programs for home purchase, HUD housing, and SB 962 homes. The design of housing-accessibility modifications, the proximity to services and transit, and the availability of group living opportunities represent some of the types of considerations that are important in serving this need group. Incorporating "barrier-free" design in all new multi-family housing (as required by California and federal fair housing laws) is especially important to provide the widest range of choices for disabled

residents. Special consideration should also be given to the affordability of housing, as people with disabilities may be living on a fixed income.

In order to assist in the housing needs for persons with developmental disabilities, the City will implement programs to coordinate housing activities and outreach with the Regional Center of the East Bay and encourage housing providers to designate a portion of new affordable housing developments for persons with disabilities, especially persons with developmental disabilities, and pursue funding sources designated for persons with special needs and disabilities. Program 42.4 is proposed to assist with the needs of the developmentally disabled.

## Large Families

A large family or household is one with five or more members. Large families are considered a special needs group because they require larger homes, but don't necessarily make enough money to afford many of the larger homes available. Those homes may be luxury or newer homes out of the range of affordability for lower-income families. Thus, a large family may struggle to find suitable affordable housing. The number of large families in 2000 and 2010 is shown in **Table 26**. The proportion of large households remained relatively constant from 2000 to 2010. In 2010, the City had approximately 1,927 owner-occupied large households (8% of total occupied units), and 672 renter-occupied large households (3% of total occupied units).

**Table 25: Household Size, 2000 and 2010**

Household Size	2000		2010	
	Number	Percentage of Total Occupied	Number	Percentage of Total Occupied
<b>Owner Occupied</b>				
1-person	2,424	10%	2,420	10%
2-person	5,615	24%	5,733	23%
3-person	3,216	14%	3,622	14%
4-person	3,995	17%	4,189	17%
5 or more persons	1,849	8%	1,927	8%
<b>Total Owner Occupied</b>	<b>17,099</b>	<b>73%</b>	<b>17,891</b>	<b>71%</b>
<b>Renter Occupied</b>				
1-person	2,072	9%	2,440	10%
2-person	2,006	9%	1,944	8%
3-person	1,042	4%	1,223	5%
4-person	670	3%	1,075	4%
5 or more persons	422	2%	672	3%
<b>Total Renter Occupied</b>	<b>6,212</b>	<b>27%</b>	<b>7,354</b>	<b>29%</b>
<b>Total Occupied</b>	<b>23,311</b>	<b>100%</b>	<b>25,245</b>	<b>100%</b>

Source: 2000 and 2010 US Census (ABAG Data Profiles for Housing Elements 2013)

In order to save for other basic necessities of food, clothing, and medical care, it is common for lower-income large households to reside in smaller units, which frequently results in overcrowding. In 2010, Pleasanton was home to a total of 2,599 large households, comprising 11 percent of the total housing stock. Large families often have trouble finding housing that meets their needs. In particular, it is

often especially challenging for renters. In many markets, since it is more profitable to build smaller units, this is often what happens without government intervention. A lack of large units can lead to overcrowding, as families take apartments that are too small for their needs.

The housing needs of large households are typically met through larger units. According to the 2007–2011 ACS, in 2010 Pleasanton had 16,819 units with three or more bedrooms, including 14,890 owner-occupied units and 1,929 renter-occupied units, that could reasonably accommodate large families without overcrowding. However, because the vast majority of these units are single-family homes and are expensive, overcrowding is more prevalent among large lower-income families who rely on rental housing.

To address overcrowding, the City encourages the development of three-bedroom rental units to accommodate large families and has several programs and policies to assist in the development of ownership housing and to rehabilitate existing housing so that lower-income families have home ownership opportunities.

## Female-Headed Households and Single-Parent Households

Single parents with children are more likely to have low incomes than two-parent households. Single-parent households are predominantly female-headed households; their needs are a particular concern of the Housing Element. Single-parent households with children often require special consideration and assistance as a result of their greater need for affordable housing, accessible day care, healthcare, and other supportive services. In some cases, women in such households experience abuse from former or separated spouses. Because of their relatively lower incomes and higher living expenses, single-parent households often have more limited opportunities for finding affordable, decent, and safe housing.

Pleasanton is home to 2,024 female-headed households, of which 1,274 include children under 18 years of age. Estimates from the 2000 US Census indicate that 12 percent of all female-headed households with children were living below the poverty level. Data from the 2010 Census on female-headed households in poverty has a high margin of error, but indicates that potentially 23 percent of all female-headed households in 2010 were living below the poverty level. Providing affordable housing with sufficient bedrooms and open space for families and female-headed households with children is a major way of addressing the needs of this group or residents. Providing other specialized services can also help single parents with children.

**Table 26** illustrates the number of family households that are headed by a female with no husband present. The number of female-headed households increased from 1,826 in 2000 to 2,024 in 2010, or 11 percent of all families in the city. Female-headed households with their own children comprise approximately 7 percent of all households in the city and 63 percent of all female-headed households. According to the ABAG Housing Element Data Profiles, approximately 2,471 female residents live alone in Pleasanton, 4 percent of Pleasanton’s total population.

**Table 26: Female-Headed Households**

	2000		2010	
	Number	Percentage of Total Families	Number	Percentage of Total Families
Total Female Headed Families	1,826	10%	2,024	11%
With children under 18	1,180	7%	1,274	7%
With no children under 18	646	4%	750	4%



Total Families	17,395	100%	19,178	100%
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Source: 2000 and 2010 US Census (ABAG Data Profiles for Housing Elements 2013)

## Housing for Agricultural Workers

Agricultural workers are traditionally identified as persons whose primary incomes are earned through seasonal agricultural labor. They have special housing needs because of their relatively low income and the unstable nature of their job (i.e., having to move throughout the year from one harvest to the next or being unemployed for certain months of the year). Determining the exact number of agricultural workers and their housing needs is made all the more difficult by the seasonal nature of much of the work. Various studies have shown that agricultural workers in California tend to have lower incomes, poorer health, and experience more substandard housing conditions than other lower-income workers. According to the Bureau of Labor Statistics' Occupational Employment Statistics, the mean annual wages in May 2011 for farmworkers and laborers were between \$20,020 and \$28,940.

Alameda County's agricultural lands include cropland as well as land devoted to the raising of cattle and other livestock. Excluding rangeland (182,000 acres), there were approximately 10,267 harvested acres in Alameda County during 2012. Field crop acreage was the largest portion, at 6,672 acres (approximately 65 percent of the total) harvest acres. Fruits and nuts were the second at 3,284 acres (32%) of the total. Nursery products and vegetables were the smallest at 219 acres (2%) and 83 acres (1%). Alfalfa and other hay was the largest single commodity in harvested acres, accounting for 61 percent; wine grapes were second at 29 percent of all harvested acreage. There were approximately 11,208 head of cattle raised in 2012. In Pleasanton, agricultural jobs include those at Terra Bella Farms, a local organic farm by Foothill Road and local wineries around Vineyard Avenue.

The number of persons employed in agriculture and natural resources jobs in Alameda County is expected to remain fairly constant over the next 15 years. According to ABAG Projections 2013, 880 persons were employed in agriculture and natural resources jobs in Alameda County in 2010; 80 persons in 2010 were employed in agriculture and natural resources jobs within Pleasanton's sphere of influence; and the number of agriculture and natural resources jobs in Pleasanton's sphere of influence will remain unchanged through 2030, with an estimated 80 persons employed in this field.

Farmworker data from the US Department of Agriculture (USDA) indicates that approximately 1,022 persons work as either full-time or seasonal employees in Alameda County. Farmworker data for Alameda County is presented in **Table 27**. While only 25 farms employed 10 or more workers, the vast majority of workers were employed at these 25 farms (979, or 81% of hired farm labor). Approximately 61 percent of county farmworkers worked fewer than 150 days in a year, or less than about 60 percent of the year. Just 358 farmworkers were known to work more than 150 days. These indicators suggest that farmworkers need housing that is not exclusively located near work on farms, but that can accommodate work at other locations.



**Table 27: Number of Farmworkers, Alameda County**

Description	2007
<b>Total Farms</b>	<b>525</b>
Hired Farm Labor	
Farms	118
Workers	1,202
Farms with 10 Workers or More	
Farms	25
Workers	979
Laborers Working 150 Days or More	
Farms	62
Workers	465
Farms with 10 or More Laborers Working 150 Days or More	
Farms	10
Workers	358
Laborers Working Fewer Than 150 Days	
Farms	85
Workers	737

*Source: 2002 and 2007 USDA Census of Agriculture*

The 2007–2011 ACS shows a slight decline of agricultural workers within the City of Pleasanton, with the estimated number of workers declining from 43 in 2000 to 35 in 2010 (for employment within the agriculture, forestry, fishing and hunting, and mining sector). --

It is likely that the housing needs of the small number of permanent farmworkers in the City of Pleasanton can be addressed through the City’s existing affordable housing stock and through the sites zoned to accommodate low income housing. It is difficult to determine the number of seasonal farm laborers within the City of Pleasanton. However, the City of Pleasanton’s Zoning Code makes provisions to allow farm labor housing. In 2013, the City adopted an updated ordinance to broaden opportunities for farmworker housing by permitting farmworker housing within R-1 Single Family zones. Farm employee housing for persons employed on the premises was previously only a permitted use in the A (Agricultural) District, and dwellings accessory to an agricultural use are permitted with conditional use permit approval in the Q (Rock, Sand, and Gravel Extraction) District. In June 2003, Pleasanton’s second unit ordinance was amended, making second units permitted uses in residential districts. The City has also adopted Program 42.1 to continue to provide housing opportunities for households with special needs such as studio and one-bedroom apartments, including specially designed units for persons with disabilities, SROs, emergency shelter and transitional housing for the homeless, and units affordable to extremely low-, low- and very low-income households. This will increase the available sites for farmworker housing by allowing employee housing as a permitted use on sites where agriculture is a permitted use.

## D Homeless Needs

The 2013 Alameda Countywide Homeless Count and Survey, prepared November 2013 for EveryOne Home, is the most reliable estimate of the number of homeless persons (termed “Literally Homeless”) in Alameda County and selected sub-populations within the homeless population. The 2013 Survey is the fifth survey since the countywide homeless survey began in 2003. The survey is based on actual counts of sheltered persons residing in emergency shelters and transitional housing countywide on the night of January 30, 2013. Below are definitions used in the 2013 Alameda Countywide Homeless Count and Survey:

- **Sheltered Homeless:** Those living in emergency shelters or in a transitional housing program for the homeless.
- **Unsheltered Homeless:** Those living outdoors or in a place not meant for habitation.
- **Total Homeless:** The total of combined "Sheltered Homeless" and "Unsheltered Homeless".

The 2013 Homeless Count and Survey estimates that 4,264 people were homeless in Alameda County on January 29, 2013; 55 percent (2,337 people) of those were unsheltered homeless while 45 percent (1,927 people) of those were considered sheltered homeless. This is a slight 2 percent increase (86 people) from the 4,178 estimated in the 2011 count; however, over the past 10 years, the homeless population has experienced a 16 percent reduction (800) overall. The net result is a reflection that people experiencing homelessness are leaving the streets, shelters, and transitional housing programs at essentially the same rate as people with housing crises are becoming homeless. Of the total population, 32 percent (1,324 people) lived in families that maintained at least one adult and one child.

It is estimated there are 10,567 adult users of homeless services in Alameda County, with 533 (5%) being in the East area of the County (Pleasanton, Livermore and Dublin). Countywide just over half of adult persons utilizing services are males, and their mean age is 49 years, but women comprise the majority of service users in South, East, and Mid County, and service users are youngest in South County (mean age 43). Pleasanton, Livermore and Dublin are classified as the East area of Alameda County in the homeless count.

The study does not include a breakdown of the homeless population by jurisdiction, so the number for Pleasanton is estimated based on the City’s share of the total East area population and the sheltered and unsheltered homeless. Since about 35 percent of the population in the East area of Alameda County resides in Pleasanton, the range in homeless needs for Pleasanton is for sufficient beds to accommodate 24 to 51 persons. Surveys have not been done to determine year-round need as compared to seasonal need. However, because the 2013 survey was completed in the winter in January 2013, it is considered to represent peak need, when the demand for emergency shelters is highest.

Due to the complicated nature of homelessness, the provision of housing and services for homeless individuals and families is often approached on a regional or sub-regional basis. While Pleasanton does not currently have a homeless shelter located within its jurisdictional boundaries, the City has provided financing and similar assistance to homeless resources for many years. In 2002, the cities of Pleasanton, Livermore, and Dublin collaborated to secure a HUD Section 108 loan to acquire and rehabilitate the former Family Crisis Shelter in Livermore which was reopened as Sojourner House under the ownership of Tri-Valley Haven. Funding has been provided to several regional housing projects that benefit homeless and formerly homeless persons such as Bluebell transitional housing (Livermore), Carmen

# BACKGROUND

Avenue apartments (Livermore), and Lorenzo Creek (Castro Valley). Pleasanton also participates and/or provides funding to efforts such as EveryOne Home and HPRP (both described earlier).

State law requires that local jurisdictions strengthen provisions for addressing the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use permit. Section 50801(e) of the California Health and Safety Code defines emergency shelters as housing with minimal supportive services for homeless persons that is limited to occupancy of six months or fewer by a homeless person. There is currently one emergency shelter for the homeless within the City of Pleasanton.

In March 2013, the City amended the Zoning Ordinance to permit emergency shelters in a new SF (Service Facilities) overlay applied to selected areas zoned C-S (Commercial Service District). In addition to identifying specific zones for the development of emergency shelters, the City established the following development standards for these facilities:

- The maximum number of beds/persons permitted will be based on overall lot size, which shall not be less than 400 square feet per person served. The shelter is limited to a maximum of 50 beds and 50 occupants.
- Maximum stay at the facility shall not exceed 90 consecutive days and a total of 180 days in a 365-day period.
- A minimum distance of 300 feet shall be maintained from any other emergency shelter.
- A minimum of one staff member per 15 beds shall be awake and on duty when the facility is in operation.
- A minimum of one parking space for every four beds plus one parking space for each employee on the largest shift, plus one parking space for each company vehicle.
- The following exterior and interior client areas and facilities are required:
  - a. A waiting and client intake area of not less than 10 square feet per bed.
  - b. A lockable storage facility for each resident.
  - c. Separate toilets and bathing facilities for men and women, unless shelter is limited to only one sex.
  - d. Central kitchen and dining room.

The development may provide one or more of the following specific common facilities for the exclusive use of residents and staff:

- Recreation room.
- Counseling center.
- Child-care facilities.
- Other support services.

- Administrative office for staff.
- If an outdoor designated smoking area is provided, it must be compliant with city smoking regulations pursuant to Chapter 9.24 and not visible from a public street.
- Outdoor activity areas, provided they are separate from any designated smoking area and not visible from a public street.
  - All trash and refuse shall be contained completely within a trash enclosure and screened from view. The trash enclosure shall be sized to accommodate both trash and recycling containers.
  - On-site management and on-site security shall be provided during the hours when the homeless shelter is in operation. The operator shall provide to the City (on an ongoing basis) a name and 24-hour contact telephone number for the person responsible for the facility.
  - The use shall be conducted in compliance with the city noise regulations pursuant to Chapter 9.04.
  - For security purposes the use shall comply with the minimum lighting requirements for commercial buildings as provided in Chapter 20.36, and to the provisions of subsection 18.44.080(D).
  - The operator of a homeless shelter shall prepare a management plan that includes, as applicable, the following: staff training to meet the needs of shelter residents; community outreach; adequate security measures to protect shelter residents and surrounding uses; services provided to assist residents with obtaining permanent shelter and income; active participation with the Alameda County Continuum of Care or equivalent; and screening of residents to ensure compatibility with services provided at or through the shelter.

All food service must comply with the requirements of the Alameda County Department of Environmental Health Food Safety Division.

**Table 28**, Potential Emergency Housing Sites, describes six sites that maintain a SF (Service Facilities) overlay within the C-S Commercial Service District that could accommodate an emergency shelter. The six sites are either vacant lands or currently developed with structures that could reasonably be converted to a shelter facility.

Each of the sites is within a half mile of retail services or other supporting services that occupants of the shelter could utilize or may have a need for, such as grocery stores, clinics/hospitals, churches, schools, public transportation, etc. The surrounding uses are retail and auto service orientated businesses, and not heavy industrial operations. Additionally, staff considered the surrounding uses for the potential of employment opportunities for those shelter occupants pursuing employment.

As previously described in this section, the projected need for the City of Pleasanton is 24 to 51 emergency shelter beds. Staff contacted local shelters to obtain information on the number of beds, facility size, and lot sizes. This information yielded a base assumption of an appropriate Bed to Lot Ratio (BLR). The BLR is assumed at 1 bed per 600 square feet of site area<sup>2</sup>.

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<sup>2</sup> The average BLR for the existing shelters was calculated at 350 square feet. However, the operator of the existing shelters commented that the sites needed to be bigger to better service the occupants. Therefore, staff adjusted the assumed BLR to 600 square feet to have a conservative base number.

Based on the lot sizes of the parcels listed in **Table 28**, staff estimates that five of the sites could be developed with sufficient capacity meet the City's needs individually (projected number of beds ranging from 37 to 93). Additionally, one site has an estimated capacity to off-set the need by approximately seven beds.

## **Transitional and Supportive Housing**

In addition to emergency shelters, transitional housing is a type of housing used to further facilitate the movement of homeless individuals and families to permanent housing. It can serve those who are transitioning from rehabilitation or other types of temporary living situations (domestic violence shelters, group homes, etc.). Transitional housing can take several forms, including group quarters with beds, single-family homes, and multi-family apartments, and typically offers case management and support services to return people to independent living (usually between 6 and 24 months). Supportive housing is defined as housing with no limit on length of stay, that is occupied by the target population, and that is linked to an on-site or off-site service that assists the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.

In March 2013, the City amended the Zoning Ordinance to specifically permit the development of transitional and supportive housing that provides shelter for six or fewer persons in a dwelling unit as permitted uses in all zones where residential is a permitted use. These include A (Agricultural), R-1 (Single-Family Residential), RM (Multi-Family Residential), C-C (Central Commercial), and H-P-D (Hillside Planned Development). Supportive housing and transitional housing with more than six persons per dwelling unit would be added as a permitted use in the RM (Multi-Family Residential) district and within planned unit developments that reference the RM district. (Program 48.1 states that the City will amend the Zoning Code to permit transitional and supportive housing in all zones allowing residential uses and define transitional and supportive housing as residential uses allowed in the same way and subject to the same development regulations that apply to other dwellings of the same type in the same zone)

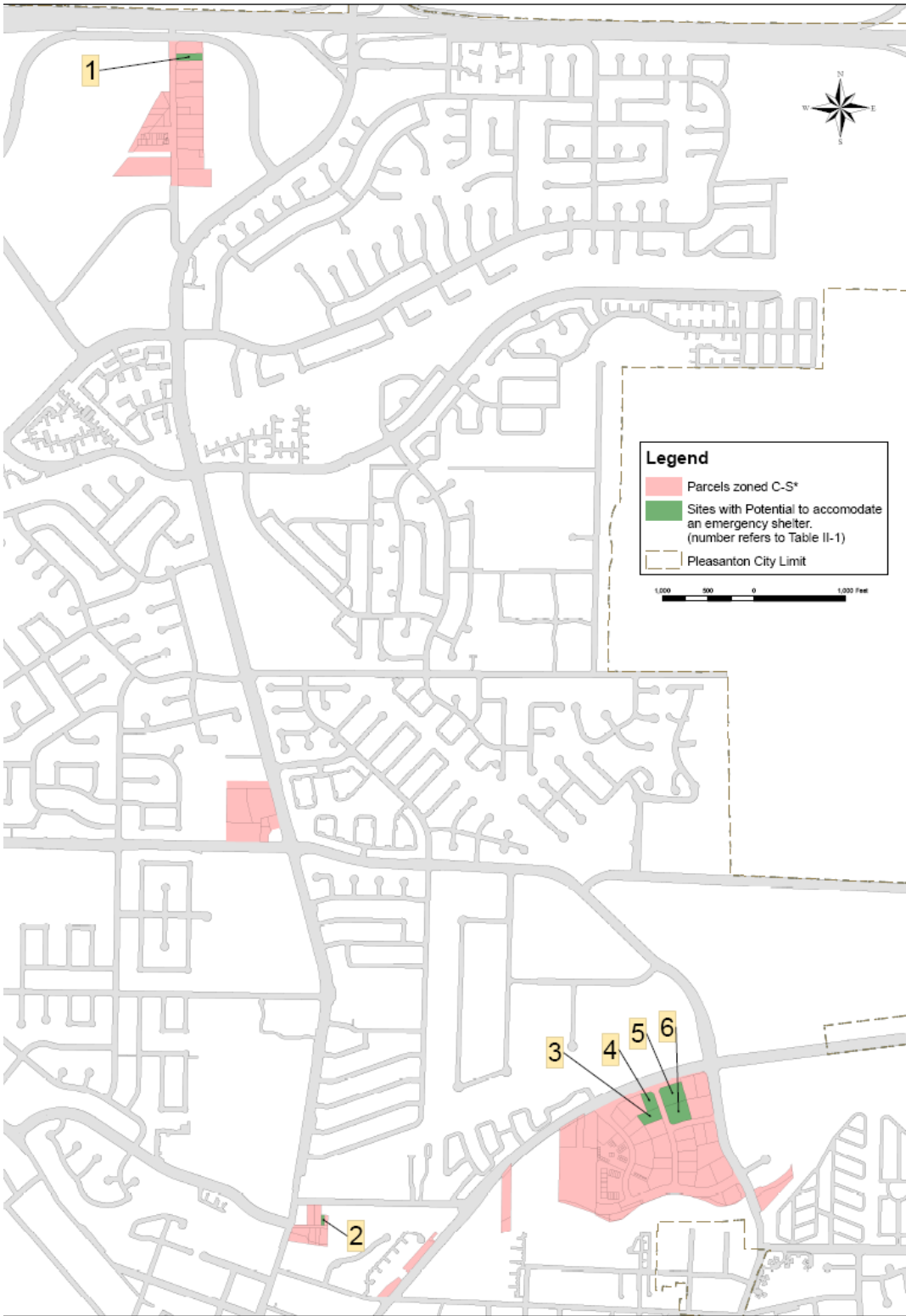
# BACKGROUND

**Table 28: Potential Emergency Housing Sites**

**Table II-1: Potential Emergency Housing Sites**

Map ID	Address	APN	Zoning	General Plan	Lot Size	Site Capacity (est. # of beds)	Surrounding uses	Current Use	Proximity to Needed Services
1	3956 Santa Rita	946110000300	C-S	Commercial	0.51	37	Industrial, Auto Services, Commercial/Retail, Grocery Store, Office, Freeway	Existing Home	.5 miles to Wal-Mart Shopping Center
2	Vervais Ave.	946169100700	C-S	Commercial	0.1	7	Carwash, Park, Bank, MH Park, Commercial, Retail	Vacant	0 Miles
3	19 Wyoming	946454200300	PUD-C	Commercial	0.65	48	Office, Vet, Auto Service, Auto Part Sales, Auto Paint Shop, Auto Body Repair, Equipment Rental, Vacant Land, Restaurants, Gas Station, Retail, Church	Vacant	.46 miles to Oakhills Shopping Center
4	3 Wyoming	946454200200	PUD-C	Commercial	0.63	45	Office, Vet, Auto Service, Auto Part Sales, Auto Paint Shop, Auto Body Repair, Equipment Rental, Vacant Land, Restaurants, Gas Station, Retail, Church	Vacant	.46 miles to Oakhills Shopping Center
5	Stanley Blvd	946454204202	PUD-C	Commercial	1.26	93	Office, Vet, Auto Service, Auto Part Sales, Auto Paint Shop, Auto Body Repair, Equipment Rental, Vacant Land, Restaurants, Gas Station, Retail, Church	Vacant	.46 miles to Oakhills Shopping Center
6	3595 Utah St.	946454202201	PUD-C	Commercial	1.17	85	Office, Vet, Auto Service, Auto Part Sales, Auto Paint Shop, Auto Body Repair, Equipment Rental, Vacant Land, Restaurants, Gas Station, Retail, Church	Vacant	.46 miles to Oakhills Shopping Center

**Figure 6: Areas Zoned Service Commercial and Sites Which Could Accommodate Emergency Shelters**





## **E** ASSISTED RENTAL HOUSING AT RISK OF CONVERSION

Government Code Section 65583 requires each city or county to conduct an analysis and identify programs for preserving assisted housing developments. The analysis is required to identify any low income units which are at risk of losing subsidies within 10 years of the beginning of the 5<sup>th</sup> cycle Housing Element planning period (December 15, 2015–December 15, 2025). The termination of federal mortgage and or rent subsidies to housing developments built by the private sector is a potential threat to affordable housing throughout the country. Communities with low income housing supported by federally subsidized housing are required to address the needs of residents who may become displaced.

As of January 1, 2013, there were 885 units specifically reserved for very low- and low-income households in rental apartment complexes in Pleasanton as part of the City's Below-Market-Rate Program regulatory agreements. Of this total, about 565 units were reserved for the elderly and about 320 units for other qualifying households. These units are supported by a variety of assistance sources, including HUD Section 236 funding, CHFA tax-exempt bonds, nonprofit consortiums, City funding, and private regulatory agreements through the Growth Management Program. In addition to the 885 existing units, approximately 400 additional BMR rental units have been approved since 2009, and several projects have submitted for building permits. Since 2001, the City has required that all affordability restrictions must remain in perpetuity (i.e., with no expiration). Therefore, the City is unaware of any developments that are currently at risk.

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## SECTION III

# FUTURE HOUSING NEEDS AND OPPORTUNITIES

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## **A** REGIONAL HOUSING NEEDS ALLOCATION (RHNA)

California housing law requires every city to analyze population and employment trends and to quantify housing needs for all income levels including the city's share of regional housing. The California Department of Housing and Community Development (HCD) is responsible for overseeing the implementation of these state housing requirements. The Association of Bay Area Governments (ABAG) develops a regional housing needs allocation (RHNA) to distribute the region's share of the statewide need to the cities and counties within the region. The RHNA is for the 2014 time period, and is broken into overall need and, within the overall need, housing needs for various income levels in the City. The RHNA is a state-mandated process which determines the quantity and affordability of housing for which a community must plan. HCD assigned the Bay Area an RHNA of 1,857,990 for the 2014 planning period.

In developing the method for distributing the latest regional housing needs, ABAG gave increased weight to areas along major transit corridors and where there are a high number of existing jobs as well as employment growth. The new method is intended to allocate fewer units to outlying areas to reduce development pressures on agricultural lands and areas further from job centers. Benefits of this approach include reduced vehicle miles traveled and reduced green house gas emissions.

The RHNA is distributed by income category. For the 2015–2023 Housing Element update, the City of Pleasanton is allocated a RHNA of 2,067 units as follows:

- Very Low Income (less than 50 percent of AMI): 716 units (35 percent)
- Low Income (51 to 80 percent of AMI): 391 units (19 percent)
- Moderate Income (81 to 120 percent of AMI): 407 units (20 percent)
- Above Moderate Income (more than 120 percent of AMI): 553 units (27 percent)

It is estimated that 50 percent of the City's very low income housing need for the 2014–2022 time period will be for households earning less than 30 percent of median income (considered "extremely low income"). Thus, the number of extremely low-income households needing housing for the 2014–2022 planning period is estimated at 358 units. Housing types available and suitable for extremely low-income households include single room occupancy units (SROs), smaller apartments, emergency shelters, housing with Section 8 vouchers, supportive housing and transitional housing. The Housing Element includes several programs to address extremely low-income housing needs—from rental assistance programs, permanent supportive/transitional housing, and appropriate zoning for emergency shelters.

This section documents the availability of sites for future development and the adequacy of these sites to address Pleasanton's RHNA needs for 2014–2022. Prior to the adoption of the 2007–2014 Housing Element update, the City of Pleasanton rezoned nine sites identified to accommodate the development of housing consistent with City's fair share regional need numbers. One of these sites has been modified to allow for development up to 12.5 dwelling units per acre. Four of these nine sites have gained entitlements with only one site yet to obtain building permits. The City plans to fulfill its share of regional housing needs using a combination of methods including the following:

# BACKGROUND

- Residential projects with development entitlements with building occupancy to be issued post December 31, 2013, within the 2014-2022 RHNA planning period
- Vacant or underutilized land designated for residential development with no entitlements, including four of the original nine sites identified to accommodate the 2007–2014 RHNA needs.

**Table 29** summarizes the residential unit potential from the above methods and provides a comparison with Pleasanton’s 2014-2022 RHNA. The City is able to exceed RHNA needs for the 2014-2022 planning period with all permits finalized and units approved during the 2014-2022 planning period, as well as vacant or underutilized land already designated for residential development. The City’s land inventory identifies a capacity for 3,243 units, including a capacity for 279 deed-restricted units for low and very low income categories.

**Table 29: City’s Housing Need and Capacity to Meet 2014-2022 RHNA**

	Total	Extremely Low, Very Low, and Low Income	Moderate Income	Above Moderate Income
2014-2022 RHNA	2,067	1,107	407	553
Permitted and Approved Projects	1,980	279	1,527	174
Vacant and underutilized land	1,263	991	-	272
Total Capacity	3,243	1,270	1,527	446
Capacity Over and Above Housing Need	1,176	163	1,120	(-107)

Sites from the City’s land inventory are shown in **Figure 7** and **Figure 8**. These sites provide capacity to meet the 2014-2022 RHNA. Approved residential projects with development entitlements issued post 2013 are shown in **Figure 7**, while **Figure 8** illustrates the location of vacant and underutilized land. **Appendix B** includes a detailed summary of these sites. Sites identified for rezones in programs from the previous Housing Element have been rezoned to allow residential development and are included in this land inventory. The land inventory is also described in greater detail in the following section.

Figure 7: Housing Sites with Planning Approvals

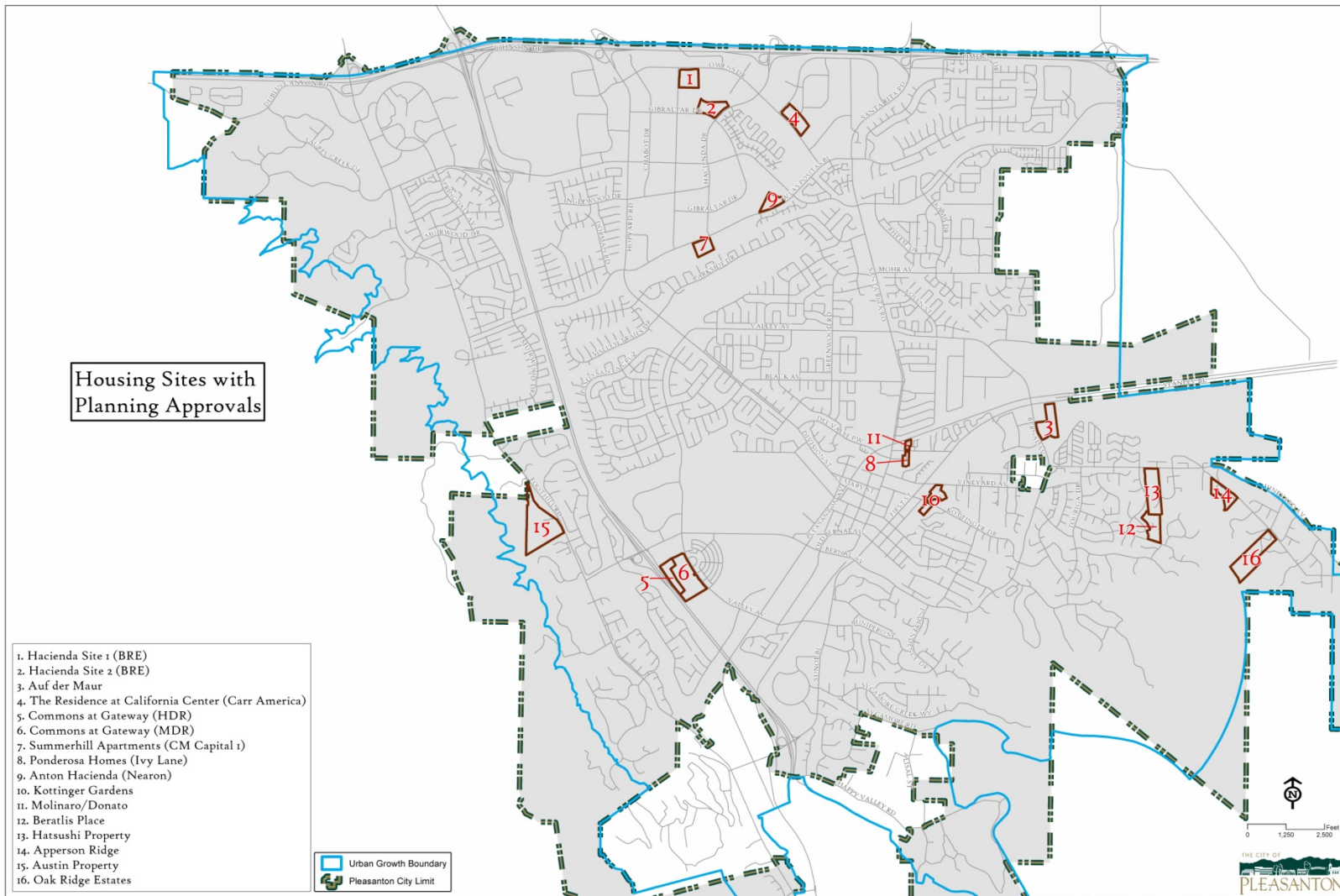
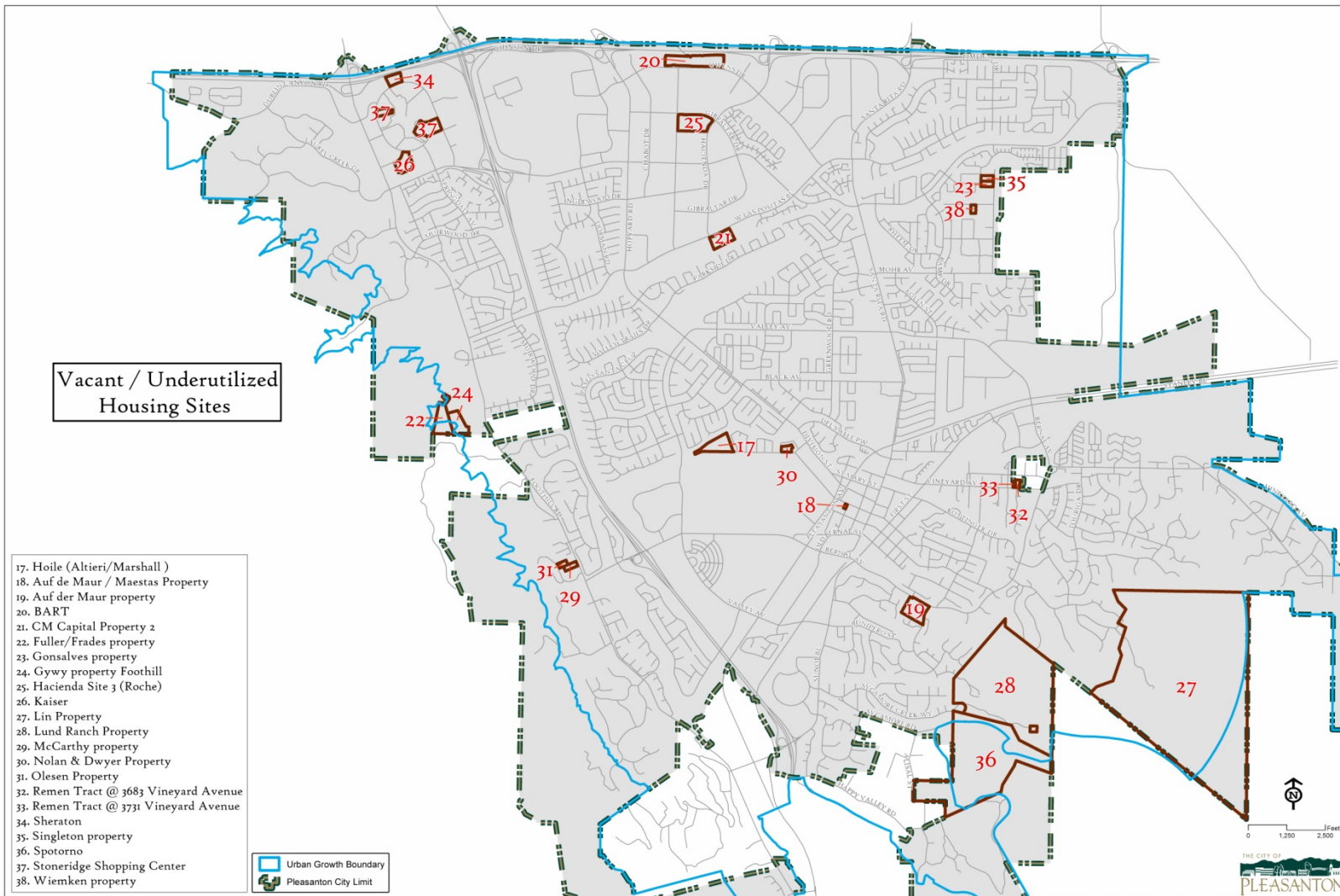


Figure 8: Vacant and Underutilized Housing Sites





## **B** AVAILABLE LAND FOR HOUSING

Housing Element law requires that the City inventory vacant and underdeveloped sites, as well as sites with known potential for redevelopment which are available for housing development. The City has an obligation to identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to encourage the development of housing consistent with City's fair share regional need numbers.

**Appendix B** describes the existing inventory of available housing sites. Adequate sites are available to meet the City's RHNA need. The City has available sites with approved, deed-restricted projects or zoned at densities of at least 30 units per acre that can accommodate 1,270 units affordable to extremely low-, very low-, and low-income households. To show that the sites are suitable for lower income housing, the City has chosen to utilize Government Code Section 65583.2(c)(3)(B), which provides that sites zoned at a 'default' density of 30 units per acre or more are suitable for lower income housing. Additional sites are available to moderate-income households, including approved, vacant or underutilized sites zoned at more than 6 units per acre but less than 30 units per acre. The City has a capacity for 1,527 units affordable to moderate-income households. Approved, vacant or underutilized parcels zoned at less than 6 units per acre or less provide capacity for 446 units affordable to above moderate-income households. The City's 2013 Rent and Vacancy Survey illustrates that apartments including those recently constructed are generally affordable to moderate income households. As more recent apartment projects have ranged between 20 and 25 units/acre, it can be assumed that residential development at 23 units an acre or more would be affordable to moderate income households.

### **Identifying Sites to Meet Unmet Housing Site Need**

Prior to the adoption of the 2007–2014 Housing Element update, the City of Pleasanton rezoned nine sites it had identified to accommodate the development of housing consistent with City's "fair share" regional need numbers. The City has experienced tremendous development interest for these high density sites, as evidenced by entitlements of five large-scale apartment and mixed-use developments totaling 1,302 units with one of these five entitled projects having begun construction. **Appendix B** further describes all entitled projects that provide capacity to meet the RHNA, including rezoned sites and other recently entitled projects. The review process for these sites included several factors, including some key factors described below.

Providing a range of housing choices and managing traffic congestion have been major challenges in the past and will continue to be so into the future. City planning efforts have strived to maintain and enhance the community's high quality of life and to incorporate innovative "smart growth" planning strategies, such as mixed-use and transit-oriented development (TOD), to further the goal of creating a more sustainable and energy efficient city. A main concept of smart growth is the decentralization of services so that people may access local services—retail, services, schools, recreation, etc.—through alternative modes of travel, such as walking, bicycling, and taking the bus.

The foundation of the Pleasanton General Plan—the City's VISION—is a well-planned, balanced community with desirable neighborhoods, an award-winning downtown with its small-town character, a diversified economic base, excellent schools, and a wide variety of community facilities. Quality of life is a cornerstone as the City maintains these desirable qualities by (1) continuing to develop a safe, convenient, and uncongested circulation system, (2) providing a comprehensive system of bicycle and pedestrian trails, (3) providing additional recreational and cultural facilities for the health and well-being of residents, (4) preserving natural resources, including water and air quality, and the community's environmental sensitivity, and (5) minimizing health and safety hazards. Supporting this VISION is the concept of sustainability. A sustainable city draws from the environment only those resources that are necessary and that can be used or recycled perpetually, or returned to the environment in a form that nature can use to generate more resources.

The approach for achieving adequate sites was based on the identification of factors for evaluating potential housing sites, and assessing potential sites from a comprehensive set of principles related to community quality of life and for creating high quality livable neighborhoods with well-maintained and appropriate public facilities. The overarching goals of the City of Pleasanton General Plan provided the framework for site selection principles. The housing location principles were developed through the rezoning process and were based on: (1) City of Pleasanton General Plan policies; (2) Smart Growth principles, including regional and sub-regional strategies; (3) criteria important for California Tax Credit Allocations for affordable housing funding; (4) additional factors important to the community; and (5) factors important to HCD in evaluating a site for its readiness and suitability for higher density housing (potential site constraints, current uses, site size, land use designation and zoning, application of development requirements, realistic development potential, etc.).

The sites that are described on the following pages were evaluated based on the criteria developed by the Housing Element Update Task Force with guidance and feedback from the community at community workshops, discussions with housing experts, and direction by decision-makers during the process. Scoring for sites was based on a “YES” answer (a site receives 1 point) and “NO” answer (a site receives 0 points) based on each of the following criteria listed below.

## **List of Criteria Used to Evaluate Potential Sites for Higher Density Housing**

### **1) Infill**

- a. Site is an infill site
- b. Site is not anticipated to require off-site sewer/water infrastructure improvements

### **2) Proximity to Modes of Transportation**

- a. Site is within ½ mile of BART
- b. Site is within ¾ mile of BART
- c. Site is within 1/3 mile of transit stop with 15-minute headway to BART
- d. Site is within 1/3 mile of transit stop with 30-minute headway
- e. Site is adjacent to bike route
- f. Site is within ½ mile of freeway on ramp

### **3) Proximity to Services and Amenities**

- a. Site is within ½ mile of an existing or approved grocery store
- b. Site is within ½ mile of an existing elementary school
- c. Site is within ½ mile of an existing middle school
- d. Site is within ½ mile of an existing or planned park/open space



## 4) Impact on Future Residents

- a. Site is not anticipated to have odor impacts
- b. The project is anticipated to meet noise standards with no or with reasonable mitigation measures (if adjacent to or across the street from freeway or rail line = 0)
- c. The site is not within BAAQMD's air quality screening distance for new sensitive receptors
- d. The site is within the standard response time for emergency services
- e. The site is outside geological and fire hazard areas
  - Site is not within Alquist-Priolo zone or fault zone
  - Site is not within earthquake induced landslide zone
  - Site is not within Special Fire Protection Area
- f. The site is outside a 300-foot radius of an existing wireless facility
- g. The site will be at least 150 feet from overhead portions of the 230 kV line and at least 37.5 feet from underground portions of the 230 kV line

## 5) Height and Mass Compatibility

- a. Will the project (assuming 3 stories) be no more than one story higher than all adjacent residential development or all residential development across a residential collector or local street
- b. Will the FAR of the proposed project (assuming an FAR of 80 percent) be less than twice of the allowable FAR for development on all adjacent sites (not including parks) and sites across a residential collector or local street
- c. Site is not adjacent to or across (a residential collector or local street) from an existing single-family detached residential home(s)

## 6) Impact Trees, Species, Historic Resources

- a. The site will not likely require a significant tree mitigation/ consideration
- b. The site will not likely require an environmental analysis related loss of suitable habitat for or the taking of sensitive species
- c. The site will not likely require an analysis related to impacts on historic resources

## 7) Potential Inconsistency with General Plan Themes

- a. Development of the site (assuming 3-4 stories) will not likely be inconsistent with the overarching goals/themes stated in the Introduction section of Pleasanton's General Plan: preserving and enhancing Pleasanton's character<sup>1</sup> and quality of life, and encouraging sustainable<sup>2</sup> development (if potentially inconsistent score = 0)

## 8) Site Size

- a. The site is 5 acres or more in size allowing for design flexibility
- b. The site is 1 acre or more in size allowing for more state/federal financing opportunities

## 9) Interest in Site

- a. Property owner/developer has expressed interest in the site for high density residential development

## 10) Economic Interest

- a. Site is not adjacent to a freeway

## 11) Other

- a. The project will create no significant environmental impacts or will create no significant environmental impacts that cannot be mitigated with reasonable mitigation measures
- b. Will development of the site with housing be accepted by the surrounding community?
- c. Rezoning of the site will not have a significant fiscal impact on City
- d. Project will not significantly contribute to an overconcentration of existing and potential high density housing into a few areas of Pleasanton

In reviewing potential housing sites and the available land inventory, there was adequate land supply to meet the housing needs of above moderate income households for the foreseeable future. The challenge for the community was to provide higher density sites that would fit with the goals of the community and that would provide the opportunity for extremely low, very low, and low income affordable housing to be built. In order to provide local governments with greater certainty and clarity in evaluating and determining what densities facilitate the development of housing that is affordable to lower-income households (very low and low income together), the Government Code provides two options: (1) the City can conduct an analysis of market demand and trends, financial feasibility, and residential project experience to demonstrate the densities facilitate lower income housing development; or, (2) apply Government Code Section 65583.2(c)(3)(B), which allows local governments to utilize “default” density standards deemed adequate to meet the “appropriate zoning” test. In Pleasanton, sites designated at 30 units per acre or more would meet the “default” density requirement established in state law. The second standard using the default minimum density was used. Of the approximately 66.3 acres currently designated as high density residential with “default” density requirements, 33.3 acres remain unentitled.

## Infrastructure Availability

### Sewer Infrastructure

The City of Pleasanton owns and maintains the pipelines, manholes, force mains, pump stations, and siphons in the local sewer collection system within the City’s limits. Most of the City’s existing collection system is in satisfactory condition and operates in accordance with acceptable industry standards for conveyance of average dry weather flows, peak hourly dry weather flows, and peak wet weather flows during a generally acceptable storm event. The Pleasanton General Plan adopted in 2009 identified the need for future improvements to the existing local collection and pumping system. These improvements included the construction of new or parallel sewers; diversion structures; and modifications, improvements, or complete reconstruction of various pump stations. The Pleasanton General Plan adopted in 2009 provides that maintaining and enhancing the existing local sewer collection system will be funded as part of the City’s Capital Improvement Program (CIP), and new sewer lines will be funded and constructed by new development as it occurs.

If the housing sites within the current Housing Sites Inventory are developed, additional expansions to the local sewer collection system are warranted. In addition to the three sites in Hacienda Business Park which were rezoned in early 2011 to allow for high-density-residential use, nine other sites in Pleasanton

were rezoned for high-density-residential use to accommodate RHNA as described in the “Meeting Projected Housing Needs” section below. In the 2007 Wastewater Master Plan, these sites were anticipated to be developed for office-commercial use, with a correspondingly lower wastewater flow than now anticipated (with high-density-residential use). The rezoned sites located east of Hopyard Road and north of Stanley Boulevard (BART, Nearon, California Center, and CM Capital Properties) require the construction of a new sewer pump station and pipelines. The pump station and appurtenant pipelines are not needed immediately, but will likely be necessary after the first major high-density-residential development in this area is occupied. The pump station is currently in the preliminary design phase, and anticipated to be operational by late 2015. Several other sites (Sheraton, Stoneridge Shopping Center, Kaiser, Auf der Maur/Rickenbach) will require new sewer pipelines as well as limited upsizing of some existing pipelines to accommodate new residential growth. The sewer pump station project is estimated to cost over \$3 million dollars. The local sewer pipe upgrades are anticipated to cost between a few hundred thousand to several hundred thousand dollars. Replacement and improvement funds in the City’s CIP are funding the first phases of the pump station project, and the City’s CIP and/or new development, will fund the later phases. The cost to fund the new sewer facilities will be funded on a pro rata basis between existing users and future development.

Dublin-San Ramon Services District (DSRSD) provides Pleasanton’s sewage treatment services. Under a contract with DSRSD, Pleasanton has treatment capacity entitlement to 8.5 million gallons daily (mgd) of average dry weather flow (ADWF). DSRSD owns the treatment plant’s remaining treatment capacity of 8.5 mgd (for a total treatment capacity of 17 mgd).

As part of the 2007 Wastewater Master Plan, the City of Pleasanton performed a sewer flow monitoring capacity study. Results showed that in 2004 the ADWF from Pleasanton to DSRSD’s regional sewage treatment plant was approximately 5.47 mgd. With the future growth projected in the 2009 General Plan, Pleasanton’s flow is anticipated to increase to approximately 7.7 mgd. At the time the 2009 General Plan was adopted, Pleasanton’s capacity entitlement at the treatment plant was deemed sufficient to accommodate growth; however, total flows at the treatment plant were expected to reach 17 mgd around 2015 due to growth in both Pleasanton’s and DSRSD’s sewer service area, and as a result, an expansion of the treatment plant was deemed warranted. DSRSD has not designed this expansion; but, it is anticipated that the final expansion will accommodate a total of 20.7 mgd. After the expansion is complete, Pleasanton’s capacity entitlement at the plant will increase to 10.3 mgd. Pleasanton’s existing and future capacity entitlements are anticipated to adequately accommodate increased flows as a result of the high-density-residential rezonings during the 2007–2014 Housing Element planning period. The total cost of the plant expansion is anticipated to be approximately \$18 million dollars (in 2007 dollars). DSRSD’s fees for new sewage connections are anticipated to increase in the future to pay for this expansion.

Disposal of treated effluent from DSRSD’s plant to the San Francisco Bay is provided by means of disposal lines managed by LAVWMA (Livermore Amador Valley Water Management Agency), a Joint Powers Authority (JPA) between the City of Pleasanton, the City of Livermore, and DSRSD. LAVWMA’s disposal capacity is 41.2 mgd peak wet weather flow (PWWF), of which Pleasanton has capacity entitlement to 14.4 mgd. The cost of the upgrade has not been estimated, but it is anticipated that it could be extremely expensive.

After the adoption of the 2007–2014 Housing Element, the City updated its 2007 Wastewater Master Plan to assess the full extent of the needed upgrades/expansions to accommodate (to the extent possible) future RHNA cycles. The 2014-2022 Housing Element does not require the City to rezone any additional residential sites beyond what was already plan for in the 2007-2014 Housing Element and therefore the 2007 Wasterwater Master Plan will continue to cover all housing capacity in this RHNA period. This assessment is consistent with programs 15.5 and 15.6 of the 2015–2023 Housing Element which state:

**Program 15.5:** Assess the level of effort to overcome infrastructure constraints to housing affordable to low- and very-low-income households on a periodic basis.

Responsible Agency:	Housing Division
Time Period:	As Needed or in Conjunction with the Housing Element Update
Funding Source:	Housing Division Budget

**Program 15.6:** Assess future sewer infrastructure needs, including sewer infrastructure upgrades and facilities to accommodate future RHNA cycles in the region.

Responsible Agency:	Operation Services Department, Housing Division, City Council
Time Period:	2014-2015
Funding Source:	Sewer Enterprise Fund

The City also reviewed infrastructure conditions and the Growth Management Program between 2011 and 2014. In 2012 and 2013 the City revised the Growth Management Program, as directed by Program 9.1 and 29.2 of the 2007–2014 Housing Element. These recent revisions ensure that the program does not prevent the City from meeting its share of the regional housing need.

To reduce the use of potable water and impacts to sewer facilities, the JPA members of LAVWMA have agreed to use recycled wastewater for landscaping irrigation when feasible, and Program 6.1 of Pleasanton’s General Plan Water Element states:

**Program 6.1:** Utilize wastewater reuse/reclamation methods to the fullest extent financially and environmentally feasible.

## Water Supply and Infrastructure

Water supply is an issue at the forefront of long-term planning efforts in the City. The City of Pleasanton’s water is supplied by Zone 7. Based on the 2010 Urban Water Management Plan, Zone 7 has sufficient water to accommodate planned growth through 2030, as accounted for in the General Plans of its member agencies. The existing Urban Water Management Plan thus is designed to provide an adequate water supply to the City during the 2014-2022 RHNA planning period. Zone 7 has concluded that a combination of water conservation and the development of new supplies and storage facilities will allow the agency to supply water to all planned growth within its service area, including housing-related growth in Pleasanton, even during multiple dry years (as is currently the case). The Urban Water Management Plan will be updated in 2015, and is expected to include a similar approach to accommodating growth as the 2010 plan, even in the midst of a severe drought.

However, continued drought conditions will require the City to adopt new methods to stretch its limited supply of water. In May 2014, the City declared a Local Drought Emergency and instituted a Stage 3 drought declaration intended to reduce water consumption by 25%. Between March and June 2014, the City Council approved amendments to Chapter 9.30 (Water Conservation Plan) of the Pleasanton Municipal Code, outlining further water reduction measures, including restrictions on outdoor irrigation and decorative water features to be implemented during droughts. In addition, after approval of the Recycled Water Feasibility Study in November 2013, the City is moving forward with implementation of a recycled water program. This recycled water program will reduce the demand for potable water within Zone 7 and assist in creating a more reliable water supply, since the recycled water would be generated and consumed locally. These measures will assist in ensuring the City’s water supply meets the needs of the community in addition to planned growth as part of the 2015-2023 Housing Element planning period.

However, the City also possesses the flexibility to institute more stringent measures to reduce water demand in the event of a prolonged drought, pursuant to a 2009 Water Shortage Contingency Plan developed by the water retailers who purchase water from Zone 7 (including the cities of Pleasanton and Livermore, Dublin-San Ramon Services District, and California Water Service Company-Livermore District). The Water Shortage Contingency Plan identifies a series of water conservation measures that could be implemented by each of the water retailers at different drought declarations. At a Stage 3 or 4 drought declaration, the plan allows water retailers to refuse new or additional service requests for residential, commercial, industrial, and institutional projects comprising more than 500 dwelling units (or an equivalent square footage of commercial or industrial uses).

It is not anticipated that any of the sites which were rezoned to accommodate Pleasanton's RHNA for the 2007–2014 Housing Element planning period or the new RHNA for 2015- 2023 will require potable-water pumping, storage, or pipeline upgrades. Several housing sites zoned for low-density-residential development, such as sites west of Foothill Road, will need such improvements, but these sites are zoned for low-density-residential development, and will not address Pleasanton's RHNA for the 2015-2023 Housing Element planning period. The cost of the potable-water upgrades could exceed \$1 million dollars for some of these low-density residential sites. While City's water infrastructure is sufficient for future development units, water sources in California are scarce. In response to scarcity of water sources, state of California in 2009 enacted SBX7-7 requiring water providers to reduce their water demand by 20 percent by calendar year 2020 (20-20 Program). In compliance with the California's 20-20 Program, City of Pleasanton has implemented public outreach and water conservation methods for its customers. These methods include indoor plumbing retrofit and outdoor landscape irrigation efficient upgrades. City Council approved Pleasanton's 2010 Urban Management Plan and directed staff to implement recommended water conservation programs and also establish programs for funding for water recycling in the City. Future development units will be designed utilizing the latest available water conserving technology for indoor plumbing fixtures and outdoor irrigation devices and also participate in recycled water program funding.

In November 2013 the City Council approved the Recycled Water Feasibility Study allowing the City to proceed forward with the environmental documentation necessary to move forward with implementation of the recycled water program. Upon implementation of this program will serve many of the developments in the Hacienda Park (BART, Nearon, California Center, and CM Capital Properties) will be able to utilize recycled water for landscaping purposes.

As required by Government Code Section 65589.7, in May 2008, the City of Pleasanton adopted an administrative policy to provide priority water and sewer service for housing developments serving lower income households.

## **Second Units**

As the City reaches build-out, second units increase in importance as a source of housing, particularly affordable housing. They have particular value as a source of housing for seniors who would otherwise have to sell their homes and leave their neighborhoods, for young adults who might otherwise have to double- or triple-up to afford housing, and for "au pairs" or other household workers who would otherwise have to find conventional housing or commute from other communities.

In the period 2007 through 2014, approximately 50 second units were built, or about six second units a year. This slowdown in the construction of second units tracks the general decline in residential construction.

## Feasibility of Identified Mixed Use Development Sites

The availability of developable sites does not assure development; market conditions will in most cases dictate when any particular development will commence. An issue specific to the availability of mixed use sites for housing purposes is the question “what is it,” i.e., precisely what mix of uses is likely to occur. Many mixed use zoning districts are permissive in this regard, as is the case in the City of Pleasanton. A mixed use site could be all retail mixed with office or housing or any combination of these uses consistent with other aspects of the zoning district.

While this opportunity leads to some uncertainty regarding housing production on these sites, from a market feasibility standpoint, and in practice, housing is increasingly part of mixed use development in California suburban settings such as Pleasanton. The reason is that housing has tended to generate considerably higher value per square foot of developed building than office or retail uses. Given the relatively high cost of land and construction of mixed use buildings, the housing component is often essential to achieve a financially feasible development. Even when not absolutely necessary, rent-seeking investors will tend to maximize value and a housing component can help achieve this objective.

Experience with financial analysis of mixed use buildings has repeatedly demonstrated this point. A simple reference to the marketplace also underscores this point – a common prototypical vertical mixed use building, with hundreds of examples having been built recently in California, involves a retail/office ground-floor “podium” with two or more floors of residential flats located above. Alternative “side-by-side” projects also exist. Of course there will always be circumstances that lead site owners to variations in the mixed use prototype including single-use buildings and those involving no residential development, changing market dynamics, cost/risk factors, and business objectives. Prior to the adoption of the 2015-2023 Housing Element, the Pleasanton City Council rezoned nine sites (BART, Sheraton, Stoneridge Shopping Center, Kaiser, Pleasanton Gateway, Auf der Maur/Rickenbach, Nearon, CarrAmerica, and CM Capital Properties) to accommodate the City’s RHNA allocation. Of these nine sites, five (BART, Sheraton, Stoneridge Shopping Center, Kaiser, and Carr America) allow for mixed use development. In large part, these sites were selected for mixed use because of their potential for housing development in the context of prior infill planning and City policies. Accordingly it is very likely that these mixed use rezonings will incorporate a high density housing component,

## Meeting Projected Housing Needs

Prior to the adoption of the 2015-2023 Housing Element, the City completed the rezoning and General Plan Amendments necessary to accommodate the City’s RHNA. The City has experienced tremendous development interest for these sites, as evidenced by entitlements on five sites for large-scale apartment and mixed-use developments, which are described in more detail in **Appendix B**. Table 30 summarizes all high density residential sites within the City that maintain density to accommodate development of 30 units/acre or greater. The pages immediately following the summary table include background information and development considerations for the five sites that remain vacant or underutilized. The five sites listed can accommodate a minimum capacity of approximately 991 units. The environmental impacts that could result from development of these sites at the identified densities were analyzed in the certified Supplemental Environmental Impact Report (SEIR) for the previous Housing Element update. The sites and densities were determined by taking into account a variety of factors including: zoning, environmental constraints, Smart Growth principles, feasibility of development and criteria important for California Tax Credit Allocations for affordable housing funding, ensuring that existing infrastructure could accommodate new growth, protecting existing neighborhoods, and enhancing the City’s quality of life. These sites are also included in the Housing Sites Inventory (**Appendix B**) and described in further detail below. The following figures are numbered to correspond with their housing site number, as shown in **Appendix B**.



# BACKGROUND

**Table 30: High Density Residential Sites Zoned to Accommodate 30 units per acre or Greater of Residential Development**

Site	Current Use	New General Plan / Zoning	Potential Acreage for Multi-family Development	30 units/ac	Site Constraints
<b>Vacant / Underutilized Sites</b>					
Sheraton	Hotel	Mixed Use /PUD-MU	3.3	99	P
Stoneridge Shopping Center <sup>1</sup>	Shopping Center	Mixed Use /PUD-MU	2.2	88	P
Kaiser	Vacant / parking lot	Mixed Use /PUD-MU	6.1	183	P
BART <sup>1</sup>	Parking lot	Mixed Use/Business Park /PUD-MU	8.3	249	S/P
Hacienda 3 (Roche)	Vacant	Mixed Use-Business Park/PUD-MU	12.40	372	S/P
<b>TOTAL</b>				<b>991</b>	
<b>Sites with Planning Approval</b>					
Hacienda Site 1 (Essex)	Vacant	Mixed Use-Business Park/PUD-MU	8.4	255	
Hacienda Site 2 (Essex)	Vacant	Mixed Use-Business Park/PUD-MU	8.2	251	
Auf der Maur	Vacant	HDR	11.5	345	
Carr America	Parking lot	Mixed Use/Business Park /PUD-HDR	8.4	305	
Pleasanton Gateway	Vacant	High Density Residential /PUD-HDR	7	210	
CM Capital 1	Office	Mixed Use/Business Park /PUD-MU	5.9	177	
Nearon Site	Vacant / parking lot	Mixed Use-Business Park /PUD-HDR	5.6	168	
<b>TOTAL</b>				<b>1,711</b>	

*Endnotes:*

<sup>1</sup> Estimate of potentially developable area.

S/P New sewer pump station and pipelines

P New pipelines



## SITE #20

### BART

**Location:** Dublin/Pleasanton BART

**General Plan Designation:** Mixed Use/Business Park

**Site Zoning Accommodating High Density Residential Units:** PUD-MU (High Density Residential 30+ du/ac—8.3 ac max.)

**Estimated Potential Number of Housing Units per General Plan Designation and Zoning:** 249+

**Acreage for High-Density Residential Development:** 8.3 acres – the minimum of 249 units may be developed on fewer acres at a higher density.

### Background Description:

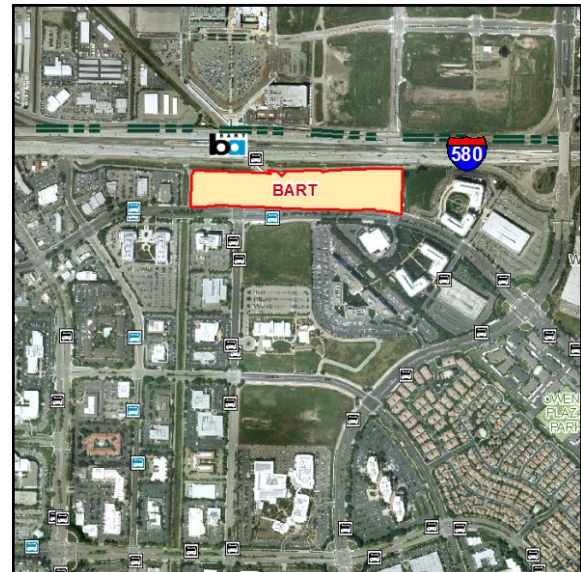
- Surface parking area at Bay Area Rapid Transit (BART) station.
- Within ½ mile of freeway on ramps.
- Adjacent to a bike route.
- Within ½ mile of a park.
- Tall, large buildings in area.
- Site is more than 5 acres in size allowing for design flexibility.

### Key Considerations for Site Development:

- Consider reducing parking requirements for units within ¼ mile of BART.

### Feasibility for Site Development:

The BART site is currently developed with surface parking serving the Hacienda BART station. BART was a key member of the City's Hacienda Transit Oriented Development Task Force which developed the Hacienda TOD Development Standards and Design guidelines for TOD around the Hacienda BART station. BART advocated for and assisted in the preparation of site specific detailed development standards and guidelines titled "Pleasanton TOD Standards and Guidelines: BART Property" for the subject site for the purpose of facilitating mixed use development of the site including a substantial high density residential component.



## SITE #34

### Sheraton

**Location:** 5990 Stoneridge Mall Road

**General Plan Designation:** Mixed Use

**Site Zoning Accommodating High Density Residential Units:** PUD-MU (High Density Residential at a minimum of 30+ du/ac—3.3 ac max.)

**Estimated Potential Number of Housing Units per General Plan Designation and Zoning:** 99+

**Acreage for High-Density Residential Development:** 3.3 acres

### Background Description:

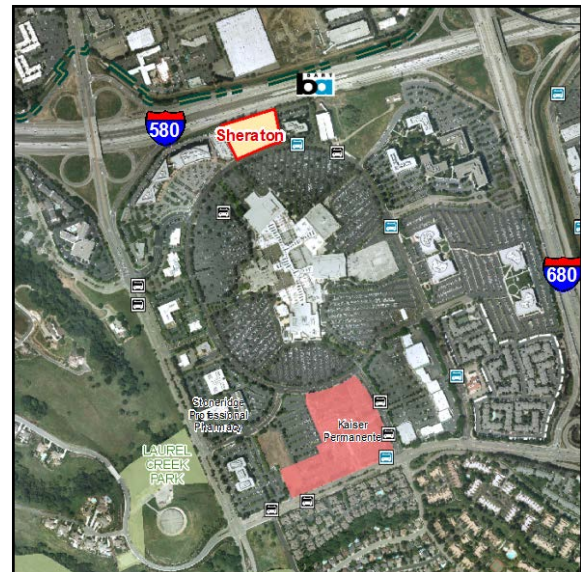
- Hotel building near BART station.
- Within ½ mile of freeway on-ramps.
- Tall, large buildings in area.

### Key Considerations for Site Development:

- Consider reducing parking requirements for units within ¼ mile of BART.

### Feasibility for Site Development:

The Sheraton site contains a hotel constructed in 1986 that has been operated by a number of owners. In recent years, City planning staff members have received multiple inquiries from residential developers interested in converting the property to a residential use. The site is immediately adjacent to the West Dublin/Pleasanton BART station, and across the street from the Stoneridge Mall and the high concentration of office employment in the Stoneridge area. Momentum for the residential development of this site will benefit the evolving transit oriented village envisioned for the mall and BART area.



## SITE #37

### Stoneridge Shopping Center

**Location:** Stoneridge Mall Road Borders Site

**General Plan Designation:** Mixed Use Site Zoning Accommodating High Density Residential Units: PUD-MU (High Density Residential 40+ du/ac—10.0 ac max.)

**Estimated Potential Number of Housing Units per General Plan Designation and Zoning:** 88+

**Acreage for High-Density Residential Development:** 2.2 acres

### Background Description:

- Surface parking area of existing regional shopping center; project would require relocation of existing parking to a parking structure.
- Near BART station.
- Within ½ of freeway on ramps.
- Tall, large buildings in area.
- Site is more than 5 acres in size allowing for design flexibility.



### Key Considerations for Site Development:

- Consider reducing parking requirements for units within ¼ mile of BART.
- Parking structures anticipated as part of any development proposal. No net loss of parking anticipated.

### Feasibility for Site Development:

The Stoneridge Shopping Center, owned by Simon Properties, currently contains approximately 40 acres of surface parking. Together with City staff, Simon originally identified 10 of those acres as available and suitable for high density residential development. The new development is envisioned to create a dynamic new neighborhood to complement the existing mall use. Simon has participated in several other similar residential projects at their malls at The Domain, in Austin Texas, the Firewheel Town Center in Garland Texas, and the South Park Mall in Charlotte, North Carolina. Since the previous Housing Element update Simon has also been exploring additional development options such as adding on additional commercial area within the original high-density 10 acre areas. Although no plans have been submitted for review, staff has reduced the area available for high-density residential to 2.2 acres to accurately reflect potential development.



## SITE #26

### Kaiser

**Location:** Southeast of Laurel Creek Way

**General Plan Designation:** Mixed Use

**Site Zoning Accommodating High Density**

**Residential Units:** PUD-MU (High Density Residential 30+ du/ac—6.1 ac max.)

**Estimated Potential Number of Housing Units per General Plan Designation and Zoning:** 183+

**Acreage for High-Density Residential Development:** 6.1 acres

### Background Description:

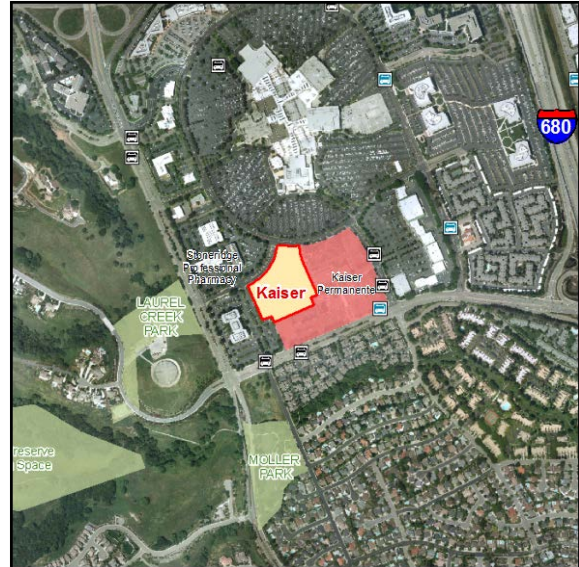
- Vacant site adjacent to an existing medical office complex.
- Within ½ mile of freeway on ramps and BART station.
- Tall, large buildings in area.
- Site is more than 5 acres in size allowing for design flexibility.

### Key Considerations for Site Development:

- None

### Feasibility for Site Development:

The 6.1 acre Kaiser site is currently vacant and available for development.



## SITE #25

### Hacienda 3 (Roche)

**Location:** 4300 Hacienda

**General Plan Designation:** Mixed Use/Business Park

**Site Zoning Accommodating High Density Residential Units:** PUD-MU (High Density Residential 30+ du/ac—12.40 ac max.)

**Estimated Potential Number of Housing Units per General Plan Designation and Zoning:** 372

**Acreage for High-Density Residential Development:** 12.40 acres of the 33.4 acre site



### Background Description:

- Approximately 1/3 of parcels with existing vacant/semi-vacant office buildings.
- Within ½ mile of a Bay Area Rapid Transit (BART) station.
- Within ½ mile of freeway on ramps.
- Adjacent to a Iron Horse Trail route.
- Tall, large buildings in area.
- Site is more than 5 acres in size allowing for design flexibility.

### Key Considerations for Site Development:

- Consider a feathering of densities, with the lowest densities by the Arroyo Mocho and adjacent 1 story commercial developments.
- Consider landscape screening by the Arroyo Mocho and adjacent 1 story commercial developments.

### Feasibility of Site Development:

The 12.4 acres The Hacienda 3 (Roche) site is a 33.4 acre site developed with an office and conference complex. The very low Floor Area Ratio (FAR) of the current facilities leaves generous lawn and landscape areas and surface parking lots that provide significant development potential on this Hacienda business park site. The Hacienda 3 site consists of 12.4 acres currently vacant to north of the site along Willow Road, Gibraltar Drive and Hacienda Drive.

## **C POTENTIAL NON-GOVERNMENTAL CONSTRAINTS TO HOUSING**

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Non-governmental constraints to housing production and affordability include market conditions such as land costs, construction costs, and the availability of financing that affect the cost of housing. These costs are not directly related to local government regulations or policies. An overview of these housing constraints is presented below

### **Land Costs**

The cost of land is a major determinant of the price of housing. Not only does the City not have direct control of land costs, but the cost of land is also a function of the regional housing market; therefore, any efforts the City may make in this area would be limited. Nonetheless, the City's ability to influence the supply of developable land which is zoned for housing can result in the production of more housing, which may have a positive influence on housing cost. Land costs in Pleasanton vary according to density, location, and other factors. According to publicly available sources such as Trulia.com, low-density land costs range from \$20,700 per acre to over \$1.7 million per acre and medium-/high-density land costs up to \$1.2 million for raw land. Low-, medium-, and high-density land with improvements would cost between \$1 and 2 million per acre, depending in the level of improvements. Land costs average around 15-20 percent of construction costs for multi-family developments. Even though land costs for single-family homes vary widely, the costs (as a percentage) are significantly higher than for multi-family development.

### **Building Construction Costs**

Building construction includes the costs of materials, labor, fees, and financing. Factors involved in construction costs include the type of construction, the quality of construction, building shape and size, site conditions, and amenities. Local government has no influence on these costs, but they do constitute a significant portion of overall housing costs. General economic conditions have a major bearing on the amount of these costs and whether they increase at a fast or slow rate. During the down economy from 2008 to 2011, and the rate of inflation relatively low over these years, construction costs did not increase significantly. Lower interest rates have reduced the financing component of construction costs, making the cost of this financing component relatively low in recent years. Since 2011 construction costs have risen at a more rapid rate than the recovery in the economy in general.

The National Building Cost Manual (NBCM) estimates that the cost to construct a new single-family home in Pleasanton is approximately \$125 per square foot, or \$376,283 in total costs. This estimate assumes the construction of a 3,000-square-foot home with eight corners, a 500-square-foot attached garage, built with average-quality building materials, and does not include custom-quality materials or design. At \$125 per square foot, a 2,000-square-foot home would cost approximately \$250,855 to construct. The NBCM estimates that 85 percent of the construction cost is due to direct costs including equipment, materials, and labor. Approximately 4 percent of the cost reflects indirect costs, while the remaining 11 percent is the contractor's markup. The construction cost does not include related costs associated with land, permits, or financing. Also, many new homes in Pleasanton include custom materials and design, which also increase the total construction cost. This cost estimate further excludes the cost of land. Factoring in related cost and custom materials plus the cost of land, the construction of a new single-family home in the city would range between \$800,000 and \$1.2 million.

Due to the high price of land in the city, the cost to develop multi-family housing is also high. Multi-family construction costs, not including land costs, range from approximately \$190 per square foot for a garden style apartment to \$250 per square foot for an apartment with podium parking. The cost to develop each

unit is roughly 20 percent of the cost to develop a single-family home, making multi-family housing the more affordable housing development option.

## Availability of Financing

The cost and availability of financing affects a person’s ability to purchase a home. As home mortgage interest rates decrease, homebuyers can use a greater portion of their available money towards the price of the home, and home sales increase. As interest rates increase, homebuyers must use a greater portion of their available money towards financing. As a result, they can afford “less house,” and home sales decline. Higher interest rates translate to either a larger monthly payment or a larger down payment for a given house price, or having to find a lower-priced house. The fluctuation of interest rates thus has an influence on home affordability. To the extent that home mortgage rates have declined towards the end of this Housing Element period, more homebuyers have been able to qualify for home loans than previously, when rates were high. However, as this is a cyclical process dependent on the national economy, interest rates can be expected to rise in the future.

In the decade between 2000 and 2010 there was dramatic growth in alternative mortgage products, including graduated mortgages and variable rate mortgages. These types of loans allow homeowners to take advantage of lower initial interest rates and to qualify for larger home loans. However, variable rate mortgages are not ideal for low- and moderate-income households that live on tight budgets. In addition, the availability of variable rate mortgages has declined in the last few years due to greater regulation of housing lending markets. Variable rate mortgages may allow lower-income households to enter into homeownership, but there is a definite risk of monthly housing costs rising above the financial means of that household. Therefore, the fixed interest rate mortgage remains the preferred type of loan, especially during periods of low, stable interest rates. **Table 31** illustrates interest rates as of March 2014. The table presents both the interest rate and annual percentage rate (APR) for different types of home loans. The interest rate is the percentage of an amount of money which is paid for its use for a specified time, and the APR is the yearly percentage rate that expresses the total finance charge on a loan over its entire term. The APR includes the interest rate, fees, points, and mortgage insurance and is therefore a more complete measure of a loan's cost than the interest rate alone. However, the loan's interest rate, not its APR, is used to calculate the monthly principal and interest payment.

**Table 31: Interest Rates**

	Interest	APR
Conforming		
30-year fixed	4.375%	4.460%
15-year fixed	3.625	3.772
5-year adjustable rate	3.250	3.968%

Source: [www.wellsfargo.com](http://www.wellsfargo.com), March 2014

Notes: Conforming loan for a single-family home is for less than \$417,000. A jumbo loan for a single-family home is equal to or greater than \$417,000. The jumbo loan threshold increase for projects with additional units.

Small changes in the interest rate for home purchases dramatically affect affordability. A 30-year home loan for a \$680,000 home at 5 percent interest has monthly payments of roughly \$3,102. A similar home loan at 7 percent interest has payments of roughly 24 percent more, or \$3,845. The Housing Element contains policies and programs which would use the City’s Lower Income Housing Fund to write down mortgage costs and provide City assistance in obtaining financing for affordable housing developments and to issue bonds or provide other funding to reduce the mortgage rates for apartments in exchange for extended or perpetual assisted-housing time periods. In these ways, the City can increase housing affordability by influencing the financing component of housing costs.



## Foreclosures

The housing market in many California communities in recent years has experienced a foreclosure crisis. Fortunately, Pleasanton has not suffered negative impacts to the degree that other cities have. Nevertheless, the City continues to monitor the local housing market and provides several resources to assist homeowners who are at risk of foreclosure or who must deal with the consequences once foreclosure occurs. For example, the City has provided ongoing support to agencies such as the Tri-Valley Housing Opportunity Center and ECHO Housing, both of which provide resources and support for both pre- and post-foreclosure to Pleasanton residents. The Housing Element contains policies and programs which would use the City's Lower Income Housing Fund and other resources to continue to provide support to residents facing foreclosure or who are at risk of foreclosure.

## Community Resistance to New Housing

Another common constraint to housing production in the Bay Area is community resistance to new developments. There are a number of concerns that are often expressed at meetings, including: (1) new developments will cause increased traffic (or will likely place a burden on other forms of infrastructure such as schools), (2) additional housing or density will adversely affect the community character, (3) affordable housing will impact property values, and (4) valuable open space will be lost. Regardless of the factual basis of the concern, vociferous opposition can slow or stop development.

Additionally, at times there is a tension between the desire to provide certain individuals (such as nurses, teachers, law enforcement, etc.) preferential access to affordable housing, and Fair Housing Law. In many cases, it is not possible to target housing to select groups. These concerns are often expressed during project review processes and can present significant political barriers to development.

Potential opposition to affordable housing exists in many communities throughout the Bay Area. It is important in this regard to identify sites for special needs and affordable housing that fit with community character and have minimum impacts. Design plays a critical role in creating new developments that blend into the existing neighborhood, especially in higher density developments that might otherwise seem out of place. Good design can help ensure that high density developments are not bulky or out-of-scale. Through sensitive design, a building's perceived bulk can be significantly reduced to create a development that blends with the existing character of the neighborhood. Design strategies which the City has used to minimize the perception of bulk and create a blending with the community do not necessarily increase costs. These include:

- (1) Break-up the building "mass" in its architecture and detailing (e.g., create several smaller buildings instead of one large building).
- (2) Vary the roofline.
- (3) Create a three-dimensional facade (rather than a massive, flat facade).
- (4) Step-back the building height, with the lowest part of the building towards the street and adjacent properties, locating the highest part of the building towards the center of the property.
- (5) Site the building appropriately in relation to surrounding buildings.
- (6) Use architectural design, landscaping, materials and colors that fit with the area.
- (7) Use landscaping to blend the buildings with the natural setting.
- (8) Provide for open space and pathways throughout the development.

## Working with For-Profit and Nonprofit Housing Developers

The key to the success of nonprofit developers lies in three areas: (1) their ability to draw upon a diversity of funding sources and mechanisms to make their developments work financially; (2) their commitment to working cooperatively and constructively with the local community; and, (3) their long-term commitment to ensuring excellence in design, construction and management of their developments, creating assets that are valued by the people who live in the developments as well as their neighbors and others. The City can work with nonprofit developers where there are opportunities.

There are a wide variety of resources provided through federal, state and local programs to support affordable housing development and related programs and services. Specific programs and sources of funding are summarized earlier in the Housing Element. Local government resources, which have historically played a less important role in supporting housing development, now play a fairly significant role by making local developments more competitive for federal and state financing. There is considerable competition for the program funds that are available, and any one development will need to draw upon multiple resources to be financially feasible. When developments are able to demonstrate a financial commitment and contribution from local sources — especially if coupled with regulatory support through policies such as fast-track processing, fee waivers, and/or density bonuses — they are better able to leverage funding from other 'outside' sources.

The City of Pleasanton already has a tradition of working with nonprofit developers on several successful affordable housing projects. Past projects involving nonprofit partnerships include The Parkview (BRIDGE Housing Corporation), The Promenade (Citizens Housing Corporation), and Ridge View Commons (Eden Housing). The City was working closely with MidPen Housing on a concept to redevelop Kottinger Place and Pleasanton Gardens, two older complexes for very low income senior citizens.

## **D** POTENTIAL GOVERNMENTAL CONSTRAINTS TO HOUSING

As with other cities, Pleasanton's development standards and requirements are intended to protect the long-term health, safety, and welfare of the community. The City of Pleasanton charges fees and has a number of procedures and regulations it requires any developer to follow. There are many locally imposed land use and building requirements that can affect the type, appearance, and cost of housing built in Pleasanton. These local requirements include zoning standards, development fees, parking requirements, subdivision design standards, and design review. Other building and design requirements imposed by Pleasanton follow state laws, the California Building Code, Subdivision Map Act, energy conservation requirements, etc.

The City's development standards are necessary to ensure the protection and preservation of the existing housing stock. By Bay Area standards, they are not unduly restrictive and, in general, Pleasanton's development standards and requirements are comparable to many other communities in the Bay Area.

### Land Use Controls

The City exercises land use controls over residential development through its General Plan, Zoning Ordinance, building review and permit procedures, and Growth Management Program (GMP). The General Plan, primarily through the General Plan Land Use Map, regulates the general use and density of future developments in Pleasanton. The Zoning Ordinance regulates specific site requirements such as building height, setbacks, etc. Pleasanton makes extensive use of Planned Unit Development (PUD) zoning to provide residential builders with substantial flexibility in planning their projects. The City's Building and Safety Division reviews all buildings for conformance with the California Building Code and other codes to ensure the health and safety of its residents. Finally, the City allocates a range of housing units to be built per year through the GMP based on housing need and the City's ability to provide infrastructure and City services, as called for in General Plan policies.

# BACKGROUND

The tables below list all of the City's provisions for various types of housing, standard zoning districts which allow residential development, and provides the development standards (setbacks, minimum lot size, building height, open space, parking) which are required in these traditional zoning districts. While there is a reason for each standard, such as providing open space to meet the recreational needs of residents, on-site parking to store residents' motor vehicles, and setbacks for light and privacy, any standard which results in less building area and fewer dwelling units can theoretically produce less housing required to meet regional housing needs and can increase the price of housing. To the extent that such standards are reasonable and do not exceed what is necessary to create a suitable living environment, they would not be identified as a constraint to housing production. However, excessive standards can result in higher housing costs. Pleasanton does have large-lot, single-family residential zoning districts (R-1-20,000 and R-1-40,000) which result in lower-density and higher-priced housing. However, these districts typically are found in hillside areas where steep slopes and other environmental constraints dictate larger lots, greater setbacks, and increased open space.

Multifamily development in areas zoned R-M, and single family development in areas zoned R-1 that meet the site development standards described in the table following are permitted uses. Development consistent with the zoning district requirements would be reviewed by the Planning Commission for conformance with design review criteria included in PMC 18.20.030. In addition to single-family and multi-family dwellings, the City offers a variety of housing opportunities that are available to residents of all economic segments, as well as some of the more vulnerable members of the community, including lower-income households, seniors, and the homeless. These housing opportunities include mobile homes, second units, and a number of special needs housing options including transitional housing, supportive housing and agricultural employee housing. Allowed uses for housing are presented in **Table 32** for residential zoning districts and **Table 33** for nonresidential zoning districts. A summary of site development standards is presented in **Table 34** below.

Table 24 above shows the districts that allow residential uses and the permitting procedure required. Multifamily housing is allowed as a permitted use without a conditional use permit in the R-M (Residential Multifamily) and C-C (Community Commercial) districts. It is also allowed as a permitted use with a minimum density of 30 units per acre in the Planned Unit Development (PUD) districts on Sites 1, 2, 3, 4, 5, 6, 7, 9, 20, 25, 26, and 37. Although the PUD process requires development review by both the Planning Commission and City Council, by allowing multifamily as a permitted use, the regulations do not impose a constraint on multifamily development. Five large-scale apartment and mixed-use developments totaling 1,302 units were approved within the last planning period with one of these five entitled projects having begun construction.

**Table 32: Provision for a Variety of Housing, Residential Zoning Districts**

	R-1- 40,000	R-1- 20,000	R-1- 10,000	R-1- 8,500	R-1- 7,500	R-1- 6,500	RM- 4,000	RM- 2,500	RM- 2,000	RM- 1,500
Single-Family Dwellings	P	P	P	P	P	P	P	P	P	P
Multi-family Dwellings	P	P	P	P	P	P	P	P	P	P
Mobile Home Park	---	---	---	---	---	---	C	---	---	---
Second Dwelling Units	P	P	P	P	P	P	P	P	P	P
Small Child Day Care (1-6 children)	P	P	P	P	P	P	P	P	P	P
Large Child Day Care (7-14 children)	C	C	C	C	C	C	C	C	C	C
Emergency Shelters*	---	---	---	---	---	---	---	---	---	---
Transitional Housing (< 6 adults)	P	P	P	P	P	P	P	P	P	P
Transitional Housing (> 6 adults)	---	---	---	---	---	---	P	P	P	P
Supportive Housing (< 6 adults)	P	P	P	P	P	P	P	P	P	P
Supportive Housing (> 6 adults)	---	---	---	---	---	---	P	P	P	P
Employee Housing (agricultural)	P	P	P	P	P	P	P	P	P	P

**Table 33: Provision for a Variety of Housing, Nonresidential Zoning Districts**

	C-C	Q*	CF	A	C-S	H-P-D	PUD**
Single-Family Dwellings	---	---	---	P	---	P	P
Multi-Family Dwellings	P	---	---	P	---	---	P
Mobile Home Park	---	C	C	---	---	---	---
Second Dwelling Units	---	---	---	P	---	---	---
Emergency Shelters*	---	---	---	---	C	---	---
Transitional Housing (< 6 adults)	P	---	---	P	---	P	---
Transitional Housing (> 6 adults)	---	---	---	---	---	---	---
Supportive Housing (< 6 adults)	P	---	---	P	---	P	---
Supportive Housing (> 6 adults)	---	---	---	---	---	---	---
Employee Housing (agricultural)	---	---	---	P	---	P	---

\* In the Q District dwellings are allowed accessory to an agricultural use.

\*\* In PUD districts on Sites 1, 2, 3, 4, 5, 6, 7, 9, 20, 25, 26, and 37, multifamily housing at a minimum density of 30 units per acre is a permitted use.

# BACKGROUND

Table 34: Site Development Standards for Sites Which Allow Residential Uses

ZONING DISTRICT	MINIMUM/MAXIMUM UNITS PER ACRE	MINIMUM LOT SIZE			MINIMUM YARDS			SITE AREA PER DWELLING UNIT	GROUP USABLE OPEN SPACE PER DWELLING UNIT 18.84.170`	PRIVATE OPEN SPACE PER DWELLING UNIT GROUND FLOOR/ ABOVE	FAR	MAXIMUM HEIGHT OF MAIN STRUCTURE 18.84.140
		Area	Width 18.84.050	Depth	Front 18.84.080	One Side/Both Sides 18.84.090	Rear 18.84.090					
A		5 acre	300 ft	---	30 ft	30 ft; 100 ft	50 ft	---	---	--	---	30 ft
R-1-40,000	0/1	40,000 sq ft 18.84.040	150 ft	150 ft 18.84.060	30 ft	5 ft; 50 ft	30 ft	40,000 sq ft	---	--	25%	30 ft
R-1-20,000	0/2	20,000 sq ft 18.84.040	100 ft	125 ft 18.84.060	25 ft	5 ft; 30 ft	25 ft	20,000 sq ft	---	--	30%	30 ft
R-1-10,000	0/4	10,000 sq ft 18.84.040	80 ft	100 ft 18.84.060	23 ft	5 ft; 20 ft	20 ft	10,000 sq ft	---	--	40%	30 ft
R-1-8,500	0/4	8,500 sq ft 18.84.040	75 ft	100 ft 18.84.060	23 ft	5 ft; 15 ft	20 ft	8,500 sq ft	---	--	40%	30 ft
R-1-7,500	0/5	7,500 sq ft 18.84.040	70 ft	100 ft 18.84.060	23 ft	5 ft; 14 ft	20 ft	7,500 sq ft	---	--	40%	30 ft
R-1-6,500	0/6	6,500 sq ft 18.84.040	65 ft	100 ft 18.84.060	23 ft	5 ft; 12 ft	20 ft	6,500 sq ft	---	--	40%	30 ft
RM-4,000	0/11	8,000 sq ft	70 ft	100 ft 18.84.060	20 ft	7 ft; 16 ft	30 ft	4,000 sq ft 18.84.030(E)	---	--	40%	30 ft
RM-2,500	0/17	7,500 sq ft	70 ft	100 ft	20 ft	8 ft; 20 ft	30 ft	2,500 sq ft	400 sq ft	150/50 SF	50%	30 ft

# BACKGROUND

ZONING DISTRICT	MINIMUM/MAXIMUM UNITS PER ACRE	MINIMUM LOT SIZE			MINIMUM YARDS			SITE AREA PER DWELLING UNIT	GROUP USABLE OPEN SPACE PER DWELLING UNIT 18.84.170`	PRIVATE OPEN SPACE PER DWELLING UNIT FLOOR/ ABOVE	FAR	MAXIMUM HEIGHT OF MAIN STRUCTURE 18.84.140
		Area	Width 18.84.050	Depth	Front 18.84.080	One Side/Both Sides 18.84.090	Rear 18.84.090					
				18.84.060				18.84.030(E)				
RM-2,000	0/21	10,000 sq ft	80 ft	100 ft 18.84.060	20 ft	8 ft; 20 ft	30 ft	2,000 sq ft 18.84.030(E)	350 sq ft	150/50 SF	50%	40 ft
RM-1,500	0/29	10,500 sq ft	80 ft	100 ft 18.84.060	20 ft	8 ft; 20 ft	30 ft	1,500 sq ft 18.36.060 18.84.030(E)	300 sq ft	150/50 SF	50%	40 ft
C-C	0/43	---	---	---	18.84.130	18.84.130	---	1,000 sq ft 18.44.090 18.84.030E	150 sq ft	150/50 SF	300%	40 ft 18.84.150
Q		50 acre	---	---	100 ft 18.52.060 18.52.100	100 ft; 200 ft 18.52.060 18.52.100	100 ft 18.52.060 18.52.100	---	---	--	---	40 ft
PUD Housing Site Standards	30/50 35/50 40/50 depending on site	--	--	--	10-21 ft	8, 20 ft	20 ft	--	300 sq ft	--	--	65
TOD Standards for BART (Site 25)	30/50	--	--	--				--			--	

Notes: Hacienda TOD Standards and Design Guidelines (adopted March 1, 2011) apply to Sites 1, 2, and 25. Draft Housing Site Development Standards and Design Guidelines apply to Sites 3, 4, 5, 6, 7, 9, 20, 26, and 37.



## Residential Parking Requirements for Standard Zoning Districts

### Dwellings and Lodgings

1. Single-family dwelling units shall have at least two parking spaces. Second units shall have at least one covered or uncovered parking space which shall not be located in the required front or street side yard and shall not be a tandem space.
2. Condominiums, community apartments and separately owned townhouses shall have at least two parking spaces per unit.
3. Apartment house parking requirements shall be computed as follows:
  - a. For apartments with two bedrooms or less, a minimum of two spaces shall be required for each of the first four units; one and one-half spaces for each additional unit.
  - b. For apartments with three or more bedrooms (or two bedrooms and a den convertible to a third bedroom), a minimum of two spaces per unit shall be required. Parking requirements for units having less than three bedrooms shall be computed separately from the requirements for units having three bedrooms or more and then added together.
  - c. Visitor parking, in a ratio of one parking space for each seven (1:7) units, shall be provided. All visitor parking spaces shall be clearly marked for this use. Visitor parking may be open or covered and does not count as part of the covered parking requirement described in subsection A4 of this section.
4. At least one space per dwelling unit of the off-street parking required in subsections (A)(1), (A)(2) and A(3) of this section shall be located in a garage or carport.
  5. Trailer parks shall have a minimum of one space for each unit, plus at least one additional space for each three units, none of which shall occupy area designated for access drives.

Source: Chapter 18.88 of the Pleasanton Municipal Code, 2011.

Pleasanton has created two procedures which have reduced development standards from those required for conventionally zoned developments. One is the Core Area Overlay District, which reduces parking, open space, and building setback standards for apartment developments in the City's Downtown area. It applies in both the RM (Multiple-Family Residential) and C-C (Central Commercial) Districts, thereby allowing for increased density and mixed uses in the Downtown, both of which can result in affordable housing at higher densities within walking distance of the Downtown commercial area. Several developments have taken advantage of these reduced development standards in recent years, such as Railroad Avenue Apartments and a fourplex/office development on Spring Street.

The second such procedure is the Planned Unit Development (PUD). The Zoning Ordinance does not specify any development standards for PUDs, instead creating standards on a case-by-case basis based on General Plan density, proposed housing type, City and developer objectives, opportunities to increase density and affordability, neighborhood issues, and environmental constraints. Density bonuses, whereby

additional units are approved in exchange for making them affordable to lower-income households, have been approved under the PUD procedure, such as the Suncrest Townhomes on Santa Rita Road and Rotary Commons on Palomino Drive. The City has been able to approve developments with higher overall densities, exceptions to the development standards and a greater number of affordable housing units through the PUD process than it would have been possible with conventional zoning.

The PUD process requires review at both the Planning Commission and City Council level. However, it allows great flexibility regarding the standards to be used and these standards can be tailored to specific sites, thus ensuring, for example, that sites near transit incorporate elements of Transit Oriented Development, and that a mix of land uses is allowed where appropriate. The City's adopted Housing Site Development Standards and Design Guidelines for Multifamily Development helps to ensure that the flexibility of the PUD process does not create uncertainty for potential developers.

The site development standards adopted for the Hacienda TOD (Sites 1, 2, and 25) and for the multi-family development sites (Sites 3, 4, 5, 6, 7, 9, 20, 26, and 37). are shown in Table 34 Site Development Standards, above. The adoption of the Housing Site Development Standards, and Pleasanton TOD Standards and Guidelines for the BART property establish requirements for setbacks, open space, height, parking, and internal street and alley standards. Minimum densities (ranging from 30 to 40 units per acre) for these sites were established by rezoning which was adopted in January 2012.

## **Affordable Housing Bonus**

The City provides for the development of affordable housing for lower-income households through its affordable housing bonus program, in accordance with state density bonus law (Government Code Section 65915 et seq.). The City amended the Municipal Code to outline specific provisions of this density bonus program in September 2013 (see Section 17.38 of the Pleasanton Municipal Code). When utilizing the affordable housing bonus program, the allowable density is increased by up to 100 percent for senior housing and 35 percent for non-senior housing.

## **Building Code**

Pleasanton uses the California Building Code (CBC) which sets minimum standards for residential development and all other structures. The standards may add material and labor costs, but are felt to be necessary minimums for the safety of those occupying the structures. Modification of the Code in order to reduce the cost of housing would not be appropriate if it affects safety or adversely impacts neighboring properties.

The Building Division enforces energy conservation standards enacted by the state and Chapter 17.50 of the Pleasanton Municipal Code, Green Building, which generally requires new residential projects and residential additions greater than 2,000 square feet in size to incorporate Leadership in Energy and Environmental Design (LEED) or GreenPoint Rated measures. The standards may increase initial construction costs, but over time will result in energy savings.

Pleasanton's Building Code enforcement practices are complaint-driven, as are those of 70 percent of the local governments surveyed by the HCD.

The Building Division has adopted special construction rules primarily for safety related reasons, and to further clarify the requirements of the CBC. Examples of this are the Code requirements regarding increased pool height fencing for life-safety reasons and additional rebar requirements in soils susceptible to failure during an earthquake. These standards may increase initial construction costs, but over time will improve the safety of residents.

## Dedications and Fees

Pleasanton requires payment of several fees either by ordinance or through conditions of development approval. All fees are tied to the City's costs of providing necessary services, such as plan-checking fees, or providing facilities, such as parks. The City waives certain fees, such as the low-income housing fee, for projects which fulfill specific City policies, such as the provision of lower-income housing. The City also requires physical improvements from developers, such as streets, as allowed under municipal regulatory power and the Subdivision Map Act. City fees are reviewed and adjusted periodically, while required improvements are established on a case-by-case basis depending on the on- and off-site improvements needed for individual projects.

The City collects various fees both for its own administrative services and facilities and for some outside agencies such as the Alameda County Flood Control and Water Conservation District. City fees include planning application fees, building permit and plan-checking fees, and engineering improvement plan-checking fees. Lower-Income Housing fees, from which affordable-housing developments are exempt, are collected in a fund which the City uses to develop affordable housing or to contribute toward affordable-housing developments built by nonprofit or for-profit developers. Park dedication fees help the City meet its parkland obligations for developments which do not provide public parks, and regional traffic fees are collected to mitigate area-wide traffic impacts of new development in the Tri-Valley area. The table below summarizes development fees for a typical multi-family and single family development in Pleasanton. The City building and permit fees, as of March 2014, are listed in **Table 35**. This table includes planning permit fees. For purposes of analysis, the table assumes the most expensive scenario for planning fees, including costs of both a PUD application (\$2,000) and a subdivision map (\$2,300). Other planning permit fees can be as inexpensive as \$25 for administrative design review, but are not used for analysis below.

**Table 35: Building and Development Impact Fees**

	Fee Type	Single-Family	For 30-Unit Single Family Project	Multi-Family Unit	For 170-Unit Project
1	Building Permit and Plan Check Fees <sup>1</sup>	\$7,600	\$228,800	Avg \$1,700/unit	\$289,033
2	Local Water Connection Fee	\$3,000	\$90,000	Avg \$56/unit	\$9,600
3	Local Water Meter Fee	\$570	\$17,100	Avg \$5/unit	\$910
4	Local Sewer Connection Fee	\$500	\$15,000	\$330/unit	\$56,100
5	Public Facilities Fee	\$4,722	\$141,660	\$2,880/unit	\$489,600
6	Low-Income Housing Fee	\$10,880	\$326,400	\$2,696/unit <sup>2</sup>	\$458,320
7	Local Traffic Impact Fee	\$4,700	\$141,000	\$3,289/unit	\$559,130
8	In-Lieu Park Dedication Fee	\$9,707	\$291,210	\$7,969/unit	\$1,354,730
9	GIS Mapping Fee, \$0.002/sf site	\$12	\$360	Avg \$3/unit	\$488
10	Zone 7 Water Connection Fee	\$24,030	\$720,900	Varies -Avg \$1,131/unit	\$192,240
11	DSRSD Sewer Connection Fee	\$14,385	\$431,550	\$9,479/unit	1,611,430
12	Tri-Valley Transportation Fee	\$2,313	\$69,390	\$1,472/unit	\$250,240
13	Zone 7 Drainage Fee, \$1.00 / sf	\$3,000	\$90,000	\$1.00/sf	\$177,250
14	PUSD School Impact Fee	20,220	606,600	\$3.04/sf	\$538,840
<b>Total per unit and per project Permit and Impact Fees</b>		<b>\$105,639</b>	<b>\$3,169,170</b>	<b>\$35,223<sup>3</sup></b>	<b>\$5,987,977</b>
15	PUD Application Fee	n/a	\$2,000	n/a	\$2,000
16	Subdivision Map Fee	n/a	\$2,300	n/a	n/a
<b>Total Processing, Permit and Impact Fees; and per unit</b>		<b>\$105,639</b>	<b>\$3,173,470</b>	<b>\$35,223<sup>3</sup></b>	<b>\$5,989,977</b>

Source: City of Pleasanton Community Development Department.

Notes:

1. Project assumptions include the following.

- For single-family development, the estimate assumes:
  - 3,000 sq ft home with an 800 sq ft garage
  - 6,000 sq ft lot
  - 4,000 sq ft impervious surface
  - 1-inch water meter for each home
  - 30 unit project
- For the multi-family project, the estimate assumes:
  - 170 units on 5.6 acres
  - 4,000 sq ft recreation and pool facility
  - 177,250 gross sq ft of residential development
  - 275 parking spaces (175 in garage; 200 surface parking)
  - 38,000 sq ft walkways, 58,000 sq ft landscaping, 122,000 sq ft of impervious surface
  - One 2-inch water meter

2. Low Income Housing Fee not paid on MF units restricted to lower-income households.

3. Per-unit estimate calculated by dividing total for 170-unit project by 170 units.

A range of planning fees apply, depending on the type of approval required. The City’s planning fees are presented in **Table 36**, current as of March 2014.

**Table 36: Planning Fees**

<b>Administrative Design Review</b>	<b>\$25</b>
Conditional Use Permit	\$150
Condominium Conversion	\$50
<b>Design Review</b>	<b>\$50</b>
General Plan Amendment	\$250
Growth Management	\$200
Initial Environmental Assessment	\$25
Lot-Line Adjustment	\$50
Minor Subdivision	\$50
PUD Development Plan	\$2,000
PUD Major Modification	\$2,000
PUD Minor Modification	\$25
<b>Rezoning</b>	<b>\$250</b>
Site Design Review	\$15
Specific Plan Amendment	\$250
Tentative Map	\$2,000 + \$10/lot
Variance	\$50

It is acknowledged that development fees add to the cost of housing since they are passed on to the housing consumer by developers. Fees cover the costs of specific services and facilities which accompany development, some of which had been paid by local government through their general funds before the passage of Proposition 13. While some of the fees that the City collects are controlled by the City of Pleasanton, others are not. The above-mentioned fees include school, water, sewer, tri-valley transportation, and South Livermore Agricultural Trust fees that are imposed by outside agencies over which the City has no control. Fees associated with agencies other than the City include Zone 7 Water connection fees, DSRSD sewer connection fees, Tri-Valley transportation fee, Zone 7 drainage fee and PUSD school impact fee.

**Table 37** identifies the typical development fees for single-family and multi-family housing, summarizing information presented in earlier sections and tables from this report. The total fees for a single-family unit comprise approximately 23 percent of development costs, including the costs of land, fees, and construction. This assumes the cost for a single-family home on a 6,000- square-foot lot. The total fees for a multi-family unit constitute approximately 12 percent of development costs, accounting for construction, fee, and land costs for an average multi-family unit size of approximately 1,043 square feet constructed at a cost of \$200 per square foot.

**Table 37: Total Processing and Impact Fees for Single-family and Multifamily Units in Pleasanton per Unit**

Housing Type	Total Fees per Unit	Estimated Development Cost per Unit	Estimated Proportion of Fees to Development Costs per Unit
Single-family Unit	\$105,639	\$460,616	23%
Multifamily Unit	\$35,233	\$300,000	12%

Source: City of Pleasanton 2014. Building-Cost.net 2014. PMC 2014; Trulia.com

Notes: Single-family development cost assumes building costs, fees, and the costs of land. Land costs based on a survey of costs of vacant land, which averaged at \$612,257/acre, or \$84,333 per 6,000 square foot lot.

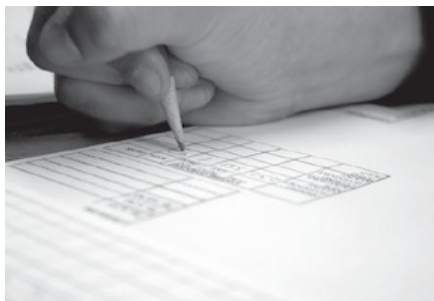
While fees add to the cost of housing, Pleasanton’s are not unusual for the Tri-Valley Area or the Bay Area. As shown below in **Table 38**, the City’s building permit plan check and inspection fees are generally lower than those of surrounding jurisdictions. The City’s plan check and inspection fees may be reevaluated in the future to be more closely commensurate with the City’s costs to inspect and plan check.

**Table 38: Building Permit and Building Plan Check Fee Comparison**

Type of Project	Pleasanton	Livermore	Dublin	San Ramon	Fremont	Walnut Creek
New House (2,000 sq. ft.)	\$4,935	\$4,778	\$5,966	\$6,359	\$4,413	\$7,736
New 8 Unit Residential Condominium Project (13,500 sq. ft.)	\$24,193	\$13,802	\$27,409	\$21,435	\$17,772	\$30,135

Source: City of Pleasanton Building Division, January 2014.

## Development Process and Permit Procedures



The intent of Pleasanton’s development review process is to ensure a comprehensive, inclusive process in the least practical amount of time. It is the City’s experience that processes which actively encourage citizen participation and input into new development projects have a much better chance of being approved while avoiding the added time and cost of preparing full environmental impact reports (EIRs) and reducing the risk of legal challenge. The discussion below related to the general process

followed by the City for properties in the housing inventory that were not part of the high density residential properties. The process for those latter sites is specifically addressed at the ends of this and the following section.

While the City uses both conventional zoning and PUDs, most new housing developments are processed under the PUD procedure, for the reasons described above. In some cases, where new development is proposed for large, undeveloped or underdeveloped areas with a series of problems such as infrastructure financing, environmental sensitivity, and a variety of property owners, the City uses the specific plan process to master plan the uses/densities and financing mechanism necessary for development of the area. The specific plan is followed by pre-zoning and annexations for unincorporated areas, or directly by PUD rezoning and development plans for areas already within City boundaries.

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For the formal PUD submittal, developers prepare a comprehensive development package consisting of site plans, grading plans, landscape plans, building architecture or design guidelines, and case-specific studies such as traffic reports and acoustical analyses. These documents are reviewed by staff, the public is notified and input received, and public hearings are held by the Planning Commission and City Council. In some cases, the Housing Commission first considers the project to make recommendations and to assess the affordability of the project and its compliance with the Inclusionary Zoning Ordinance; this occurs during, not after, staff's review of the project. The environmental review for these projects is usually an EIR or Negative Declaration (or Mitigated Negative Declaration), unless the project is within a Specific Plan area for which an EIR was previously prepared, in which case no further environmental analysis occurs. The Planning Commission makes its recommendation to the City Council, which adopts an ordinance approving a PUD development plan. The City's goal is to process PUD applications within 6 months; however, an application can take longer to process depending on its complexity, such as when an EIR is required by the California Environmental Quality Act (CEQA).

The City encourages, prior to submittal of a formal PUD application, the use of the Preliminary Review process. Although not required, the City has found that this three-to four-week review process facilitates and shortens the overall process. No fee is required and detailed plans are not encouraged; submittal of a rough site plan and conceptual building designs is sufficient to achieve the intended purpose, which is to identify key issues, make suggestions to improve the project, and assign a staff person to work with the developer. In some cases, neighborhood meetings or workshops conducted by the Housing Commission or Planning Commission are held.

Development in conventional zoning districts requires only design review and possibly conditional use permit approval. These typically require Planning Commission and sometimes City Council approval, although the City has been streamlining its use-permit process and has amended its Code to allow approval of second units at the staff level. Shelters, transitional housing, and non-PUD multiple-family housing developments would also go to the Planning Commission. If they are handled with a Negative Declaration or are categorically exempt, it is the City's goal to process these applications within approximately eight weeks; however, the process can be longer depending on the complexity of the application. Variances, minor subdivisions, lot-line adjustments, design review for single-family homes, and minor changes to approved PUD's and design review projects are also handled administratively. It is the City's goal to process these applications within six weeks.

The City's review process is coordinated so that staff's planning, building, and engineering review occurs simultaneously through a Staff Review Board. Furthermore, after project approval is obtained, these divisions work together in the building permit and final map processes so that plan check occurs simultaneously among all divisions to streamline this portion of the process. The Building and Safety Division coordinates the plan-check and permit-issuance procedure, while the Engineering Division coordinates the final map approval process. For projects which have been approved, the Building Division offers an expedited outside plan check process. Policy 31 of Pleasanton's 2003 Housing Element allows for an expedited permit process as an incentive for housing developments which include at least 25 percent very-low and low-income housing unit held in perpetuity. This policy is incorporated in Pleasanton's 2015-2023 Housing Element.

In general, the Planning, Building, and Engineering Divisions staff the public information counter nine hours a day, five days a week to assist applicants and the general public. At the counter are a series of handouts on the City's various review procedures which describe the process, list submittal requirements, and provide a review flowchart/timeline. For some areas of the city, there are design guidelines which indicate the types of development and architectural styles preferred for that area so that property owners and developers know in advance the type of proposal which would be likely to get approved. Also available at the counter are frequently used Code sections, application forms, copies of recent publications, and contact information for City Council members and Commissioners.



There are many factors which influence the cost and supply of housing, both market-rate and affordable, in the Bay Area. The availability of a plentiful, unconstrained, and inexpensive supply of land and a risk-free approval process would encourage housing development at affordable prices. As is currently the case with virtually all communities in the Bay Area, those conditions are no longer present in Pleasanton. Pleasanton is part of a very large housing market, and without government intervention, much less affordable housing would be built. Citizen concerns over freeway congestion, environmental quality, and availability of drinking water supplies, among many other issues, have led to federal and state mandates which often increase the time, cost, and risk of the local development review processes. Complying with requirements such as urban storm-water runoff, wetland mitigation, and wildlife preservation are Pleasanton's goals as well, and the City strives to streamline its development review process to produce housing at all levels while meeting these requirements. With respect to the other communities in the Bay Area, the City of Pleasanton's development review process compares favorably in terms of timing and cost; therefore, it cannot be concluded that the process alone is a significant constraint to the production of housing. Nevertheless, the City is aware of the need to maintain a process favorable to housing development, and it maintains a staff development coordination committee to continue working to remove barriers to the process.

Development proposals on the housing sites rezoned in 2012 will also go through the process outlined in the PUD ordinance. However, projects on these sites will be evaluated relative to specific Site Development Standards and Design Guidelines adopted in August of 2012, which provide clear direction on what is required by the City for approval of a project on these sites. These sites have already been evaluated for development with residential use in the Housing Element Environmental Impact Report. Necessary mitigation for identified environmental impacts has been identified and will be applicable to future development proposals on these sites.

## **On- and Off-Site Improvements**

New development is required to provide public improvements to serve its new residents. The City has adopted engineering standards to inform developers of how these improvements should be constructed, and these standards are reduced where appropriate to save costs or to enable a better fit of the project with the surrounding area (such as reduced street widths for hill area developments). Public improvement obligations include providing streets, curb, gutter, sidewalks, storm drainage, sewer connections, water connections, fire department access, street lights, and clean water-runoff measures. While additional development costs, these improvements are unavoidable in that they provide the necessary facilities and services needed and demanded by residents living in an urban/suburban environment.

The site development standards adopted for the Hacienda TOD (Sites 1, 2 and 25) and for the multi-family development sites (Sites 20, 26, 34, and 37) are shown in Table 34 Site Development Standards Table. These design standards include required setbacks, internal street and alley widths, and open space requirements consistent with creating desirable and safe living environments. Most of the multi-family development sites included in the City's inventory are infill sites which do not require the development of new public streets. Multi-family development applications were recently approved for Hacienda Sites 1 and 2 where BRE, developers of multi-family housing, propose to build 500 units. Thus, the on- and off-site improvements required by the City do not unduly constrain multi-family residential development.

Occasionally the City requires off-site improvements in areas where further development will occur, and it sets up reimbursement agreements so that future developers will reimburse the original developer for those costs. Other mechanisms to "front" public improvement costs include assessment districts and specific plan finance agreements. The City will typically contribute towards the cost of public improvements for affordable-housing developments with money from its Lower-Income Housing Fund.

The site development standards adopted for the Hacienda TOD (Sites 1, 2 and 25) and proposed for the multi family development sites (sites 3, 4, 5, 6, 7, 9, 20, 26, and 37) are shown in the Site Development Standards Table on page 80. These design standards include required setbacks, internal street and alley widths, and open space requirements consistent with creating desirable and safe living environments. Most of the multi family development sites included in the City's inventory are infill sites which do not require the development of new public streets. Multi family development applications were recently approved for Sites 1 and 1 where BRE, developers of multi family housing, proposes to build 500 units. Thus, the on- and off site improvements required by the City do not unduly constrain multi family residential development.

## **Codes and Enforcement**

The City's building and zoning enforcement is handled by one senior Code Enforcement officer. Working mainly on a complaint basis, Code Enforcement identifies zoning and building Code violations and work with the property owners and Planning and Building Division staff to resolve and legalize these violations. Another function of the Code Enforcement officer is to identify housing units which are substandard, overcrowded, or unsafe and to work together with other City staff to remedy these deficiencies. The impact of these efforts on the development of affordable housing is considered minor, but their impact on housing safety and on maintaining decent housing conditions is considered major. By requiring repair, maintenance, and compliance with building and fire Codes and zoning setbacks, the City's Code Enforcement program has eliminated hazardous conditions which are a threat to housing and residents of all income levels.

## **Housing Constraints for Persons with Disabilities**

The major constraint with providing housing which meets the needs of persons with disabilities in Pleasanton is the added cost of providing the physical improvements and features which accommodate the needs of persons with disabilities. In many cases, persons with physical, mental, or developmental disabilities are also low-income, making it difficult for them to afford the added costs of the physical improvements needed to make their living areas accessible to them. The location of accessible housing is also a constraint, since housing for people with disabilities is best located where services and transportation are available for these community members. The additional costs, plus the reluctance of the development community to provide accessible units for a relatively small proportion of the housing market, result in an inadequate number of such units for the need. As such, local government has an obligation to assist in meeting this need, working with nonprofit agencies and housing developers to provide accessible housing.

The City of Pleasanton has addressed the need for housing for persons with disabilities in several past projects. For example, the City used federal HOME funds to construct four apartments within the Promenade project (a tax credit family apartment project) with all of the amenities needed for households with a person with physical disabilities. An additional four units in the complex were reserved for persons with developmental disabilities. The City has also used HOME funds to assist the acquisition of residential properties by Tri-Valley REACH (formerly HOUSE, Inc.) to provide housing for adults with developmental disabilities who can live independently with supportive services. In 2006, the City Council adopted Senior Housing Guidelines to provide a framework to help guide the planning, design, and review of new senior housing developments in Pleasanton. The guidelines incorporate many of the standards of Universal Design to promote the creation of new housing where residents will be able to age in place.

Among the City's housing goals is the provision of specially-designed housing for persons with disabilities in appropriate locations. A number of Housing Element programs specifically address ways for this goal to be accomplished. These include requiring as many units as is feasible to be accessible and adaptable to persons with disabilities within large rental projects, using a portion of the City's Community Development Block Grant (CDBG) funds for developers of special needs housing and service providers, setting aside a portion of the City's Lower-Income Housing Fund for housing which accommodates

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persons with physical, mental, and developmental disabilities, encouraging the production of housing for persons with disabilities in infill locations where services are available, and encouraging group homes/community care facilities for six persons or less throughout the City. These programs result in the use of City resources to help fund modifications to make units adaptable and accessible to persons with disabilities and to help fund the development of new accessible units.

Through its design review and plan-check procedures, the City ensures that the legally-required number of parking spaces for persons with disabilities is provided for all developments. Under its PUD process, the City has reduced the number of parking spaces for assisted-living and other special-needs housing projects where it is shown that the demand for the Code-required parking does not exist.

The City's review process is not considered to be a constraint to the development of housing for individuals with disabilities since there are no special requirements or procedures for such housing. The City complies with state law regarding allowing group homes with six or fewer individuals by right with no review. Group homes with seven or more occupants require conditional use permits by the Planning Commission at a public hearing where surrounding neighbors receive notification. There are no spacing requirements or other standards or pre-conditions to limit their establishment. The City long ago re-defined "family" to include unrelated individuals living as a housekeeping unit, removing that impediment to fair housing. The addition of ramps and most other improvements needed to retrofit homes for accessibility are approved administratively; only exterior changes over ten feet in height require design review, and those are handled administratively and expedited. "Over the counter" approvals, such as the ramps, have no Planning fees, and the fee for Administrative Design Review is \$25.00.

The City uses its Building Code and plan-check process to ensure compliance with Title 24 and the Americans with Disabilities Act (ADA) accessibility and adaptability requirements. The City has adopted the 2013 CBC (based on the 2012 International Building Code), and it has not adopted any amendments which diminish the ability to accommodate persons with disabilities. The City's Building and Safety Division ensures that access provisions for persons with disabilities are incorporated into plans as part of the plan-check process, and building inspectors check to make sure that they are built as part of the project. The City's development services center includes lower counters to make it accessible for individuals in wheelchairs so that accommodations are made for the issuance of planning and building approvals. The City is currently conducting a citywide analysis for ADA compliance in its public buildings.

As stated in the "Special Needs Housing" section, the City supports a number of facilities and services which address housing needs for persons with disabilities within Pleasanton (a few of which are in or near the downtown) and the Tri-Valley area.

## **Reasonable Accommodation**

Both the federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (i.e., modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. For example, it may be reasonable to accommodate requests from persons with disabilities to waive a setback requirement or other standard of the Zoning Ordinance to ensure that homes are accessible for the mobility impaired. Whether a particular modification is reasonable depends on the circumstances. In February 2013, the City adopted a formal Reasonable Accommodations for Persons with Disabilities procedure (see Section 18.86 of the Pleasanton Municipal Code).

## **Mid-Point Densities**

The General Plan indicates density ranges for residential development so that various zoning districts can be consistent with the General Plan and to enable developments of varying densities to be built under each residential land use designation. The mid-point of the General Plan density ranges designates holding capacity so that the City can plan its infrastructure, facilities, and services to accommodate new

development. This concept acknowledges that development will occur both under and over the mid-point, while in general averaging towards the mid-point at build-out.

The Medium Density and Low Density Residential General Plan designations are discrete density ranges, and the mid-point, in addition to being used for holding capacity, indicates a density above which project amenities are provided to compensate for the added density of housing built. However, in the High Density Residential designation (8 or more units per acre), there is no upper density limit and there is no amenity requirement. Thus, the mid-point of the High Density Residential density range does not limit project density, nor does it constrain higher density, affordable-housing development.

## **Growth Management**

The City adopted its first growth management ordinance in 1978, designed to regulate the location and rate of new residential growth in a period of sewage treatment constraints and air quality concerns. The following categories of residential units are exempt from the Growth Management ordinance:

- Second units approved in accordance with City zoning regulations.
- Mobilehomes and/or living quarters located on school sites, public and institutional properties, and commercial/industrial properties used for security purposes or other purposes ancillary to the primary use, the use of which has been approved in accordance with City zoning regulations, when such residential units do not exceed one dwelling per site.
- A condominium conversion or replacement unit of an existing unit demolished and/or destroyed. (Ord. 2054 § 2, 2012)

In 2010, the City amended its Growth Management ordinance to ensure that it did not prevent the City from approving residential development assigned to the City through the RHNA process. The City completed further revisions to the Growth Management Program in 2012 and 2013 to streamline the growth management process and ensure the RHNA goals are met. These revisions included the elimination of suballocation categories and the addition of a requirement that the City Manager provide a report to the City Council detailing annual unit allocations for each RHNA planning period within 90 days of the RHNA's adoption by ABAG. Based on this report, the City Council would adopt a new unit allocation for that planning period. A Growth Management Report was presented to the City Council on October 15, 2013, determining that the annual unit allocation commencing July 1, 2014 through June 30, 2022 would be 235 units, consistent with RHNA allocation requirements.

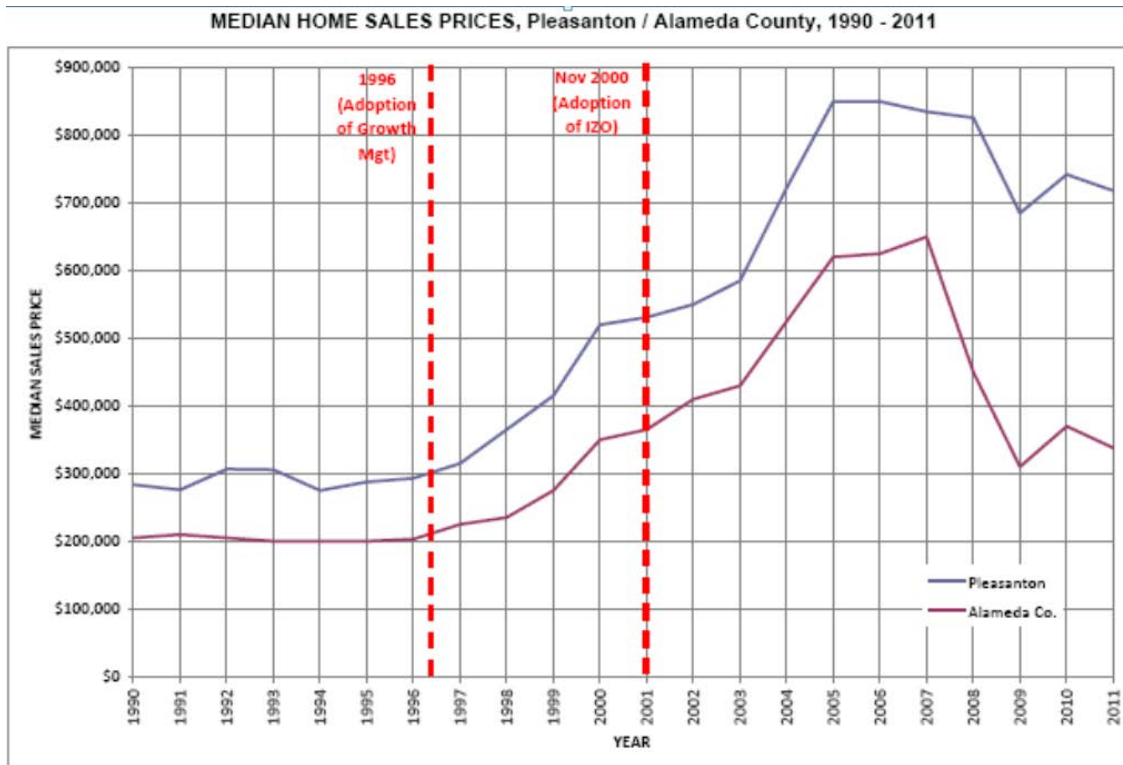
To streamline the process, allocations are granted on a “first come” basis, with provisions that the City Council can “borrow” from future years to accommodate all levels of the RHNA. The program includes provisions for carrying over growth management allocations to subsequent years, borrowing allocations from succeeding years, and for use of unused allocations in each year. The City Council has the discretion to borrow growth allocations from future years as part of a development agreement, growth management agreement, or other legislative act. This discretionary process would ensure that applications to build affordable housing units would not be rejected simply because the growth management allocations for a particular year have been exhausted. In recent years, the Growth Management Ordinance has had minimal impact on housing production or cost, as the number of issued residential building permits has been, on a yearly basis, lower than the annual Growth Management ordinance unit allocation. The City Council also considered refining the allocation process in the event that growth management applications exceed the number of annual growth management unit allocations available. At that time City Council decided to defer refining the allocation process until the Housing Element update process is complete in order to ensure the allocation process reflects the City's final, adopted strategy for the provision of housing, Program 30.2 would require the City to review and amend, if necessary, the Growth Management Program to reflect current housing and infrastructure conditions and current housing needs, and to ensure that the Growth Management Ordinance does not include constraints that would prevent the City from meeting its share of the regional housing need. Potential

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revisions include establishing a regional housing need allocation exemption for all lower income housing, incorporating all lower income regional housing need allocation requirements into the growth management allocation, and mandating the ability to “borrow” allocation units for lower income housing from future years to accommodate all levels of regional housing need allocation through the developer’s development agreement, growth management agreement or other legislative act. The time frame for completing this review is January 2016.

The impact of growth management on the cost of housing in Pleasanton over the life of the program is not clear. It is acknowledged that growth management may add a layer of processing to development review if the number of development applications requires decisions related to borrowing, reallocation and other growth management approval options. The added time to process a development adds cost to a project. However, the cost to complete a project is not likely to affect the price of homes, as the price of housing is based on what the market is willing to bear, and the added costs are more likely to reduce the profit for the land owner rather than increase the price of a housing unit on the market.

As shown in the graph below, the annual difference in the cost of housing in Pleasanton compared to the cost of housing in Alameda County has varied over the period of time the Growth Management Ordinance has been in effect. The difference in the cost of housing in Pleasanton and the County was greater in 2011 than when growth management was implemented in 1996. The gap widened notably during the boom years around 2005 and again around 2009 when values in Pleasanton did not drop as dramatically as the remainder of the County. It is not possible to say whether growth management was the cause of this difference in housing costs. Scarcity of developable land in the City, high scoring schools, abundant services and recreational opportunities, attractive appearance, easy accessibility to major employment centers, and desirable location have likely been the primary factors driving housing prices in Pleasanton. Ultimately, the cost of housing depends on what people are willing to pay for those attributes relative to the cost in other communities.



**NOTES:**  
Figures for Pleasanton are from BayEast Association of Realtors. Figures for Alameda County are from the Alameda County HOME Consortium Analysis of Impediments, 2010 (Source: DataQuik).



The total amount of housing in Pleasanton has risen approximately 20 percent since the adoption of the Growth Management Ordinance in 1996. During the same period, housing growth in the remainder of Alameda County has grown only 12 percent. These figures suggest that adoption of the Growth Management Ordinance has not had a significant impact on housing production in Pleasanton relative to housing production in Alameda County.

The Housing Element includes Program 30.2 to amend and update the Growth Management Ordinance to reflect infrastructure conditions and housing needs. The intent of the amendment is to provide a system that, in addition to acknowledging infrastructure limitations on growth, (a) incorporates the City's RHNA obligations, (b) is more efficient for the applicant and the City to implement, and (c) includes flexible unit phasing to accommodate the anticipated increase in higher density (30 units per acre or more) multi family development that is less conducive to unit phasing than low density subdivisions of detached homes.

## **Urban Growth Boundary**

The City's Urban Growth Boundary has been incorporated into Pleasanton's General Plan as an expression of the practical limits to the City's physical boundaries. The northern and parts of the eastern boundary lines represent other City limits, Dublin and Livermore, respectively, beyond which Pleasanton cannot extend. The western and southern boundaries, comprised of steep slopes and ridgelines, reflect the joint policies of the City, Alameda County, and the Local Agency Formation Commission (LAFCO) to avoid development in topographically and environmentally constrained lands and encourage development within infill areas of existing City limits. Its intent is not to limit growth but to promote "smart growth" by focusing new housing in areas which can be readily serviced and which avoid major environmental issues. The City's analysis of approved and potential new units shows that the City can meet its share of the regional housing needs within its Urban Growth Boundary.

East Pleasanton is the only area where the Urban Growth Boundary limits the extent of development in an area where development is feasible. In this area, approximately 100 acres of incorporated land lies outside the Urban Growth Boundary, approximately 75 acres of which is potentially developable as residential uses. (The other 25 acres is located within the Livermore Airport Protection Area which prohibits residential development.) However, the East Pleasanton Specific Plan area also includes approximately 100 acres of vacant land remediated from previous mining operations that are within the City limits and within the Urban Growth Boundary. As such, the boundary serves to discourage sprawl but still provides sufficient land within its borders to accommodate several decades of growth without impact to cost, supply, timing, and affordability of housing.

The City can also be pro-active in the attainment of housing affordability. Sending positive signals to nonprofit and for-profit developers interested in building affordable housing through incentives can attract such development to the City. Creating educational programs to inform the public what "affordable housing" developments can look like and that they are intended to house people who may already live and work in the community are positive steps which government can take to overcome perceptions and to facilitate housing to meet the community's needs.

## **Evaluation of Inclusionary Zoning as a Constraint**

In 2000, the City's Housing Commission developed an Inclusionary Zoning Ordinance (IZO) which modified the City's requirements for the provision of affordable housing by the builders of new residential projects. With the increasing cost of housing in recent years and the diminishing availability of land, the Commission found it critical to increase the City's efforts to acquire affordable housing through new development. The IZO requires that any new single-family residential development of 15 units or more must provide at least 20 percent of its units at a below-market sales price (or at least 15 percent of the total units for multi-family developments). Developers must seek the approval of the City Council in order to utilize an alternative, such as payment of a fee in lieu of constructing the affordable housing.

# BACKGROUND

In 1994, the California Coalition for Rural Housing (CCRH) conducted the first statewide survey on inclusionary housing and found that 12 percent of statewide jurisdictions had an inclusionary program. In 2003, CCRH and Non-Profit Housing Association of Northern California (NPH) collaboratively conducted a follow-up survey, which revealed that the number of jurisdictions with inclusionary housing had jumped to 20 percent. The 2003 survey generated interest in obtaining more precise production data on the types of housing built and the income levels served. In 2006, a new study was launched to determine the growth in inclusionary programs statewide, and provide a detailed snapshot of the housing that is being produced by these programs. *Affordable Housing by Choice — Trends in California Inclusionary Programs* (NPH 2007) is the most recent survey of inclusionary ordinances statewide. The study looked at housing produced through inclusionary programs from January 1999 through June 2006 and found that:

- (1) Nearly one-third of California jurisdictions now have Inclusionary Programs.
- (2) More than 80,000 Californians have housing through Inclusionary Programs.
- (3) Most Inclusionary housing is integrated within market-rate developments.
- (4) Inclusionary housing provides shelter for those most in need — nearly three-quarters of the housing produced through Inclusionary Programs is affordable to people with some of the lowest incomes. These findings shed new light on the popular perception that inclusionary policies create ownership units mostly for moderate-income families.
- (5) Lower-income households are best served through partnerships — When market-rate developers work with affordable housing developers to meet their inclusionary requirement, the units are more likely to serve lower-income households. Joint ventures play a particularly important role in developing units for households most in need. One-third of all the housing built through Inclusionary Programs resulted from such partnerships.



**Table 39: Comparison of Inclusionary Requirements**

Jurisdiction	Minimum Project Size	Percent Required	Incentives
Pleasanton	15 units	15% (20% for single family projects)	Alternatives to construction of units on-site, fee waiver, design modifications. State Density Bonus, use of City funds, priority processing.
Livermore	11 units for construction. Smaller projects required to pay in-lieu fee.	15% (10% in Redevelopment Plan areas)	Alternatives to construction of units on-site, second units. State Density Bonus, fee waiver, design modifications, use of City funds, priority processing.
Dublin	20 units	13%	Alternatives to construction of units on-site, State Density Bonus, density flexibility, fee waiver, design modifications, use of City funds, priority processing.
Hayward	20 units	15%	Alternatives to construction of units on-site, State Density Bonus, fee waiver, design modifications, use of City funds, priority processing.
Fremont	7 units	15%	Alternatives to construction of units on-site, State Density Bonus, design modifications.
San Rafael	2 units	2-10 units:10%; 11-20 units: 15%; 21+ units; 20%	Alternatives to construction of units on-site, State Density Bonus, design modifications, density bonus.
Napa	2 units	10%	Conversion to affordable housing, in-lieu fee, land dedication, off-site construction, State Density Bonus, fee waiver, design modifications, use of City funds, priority processing.
Foster City	Larger sites with Redevelopment Area	(15% requirement) but up to 30% because of the contributions and incentives provided by the City.	Redevelopment, Alternatives to construction of units on-site, State Density Bonus, density flexibility, fee waiver, design modifications, use of City funds, priority processing.
San Mateo	11 units	10%	Alternatives to construction of units on-site, State Density Bonus, density flexibility, fee waiver, design modifications, use of City funds, priority processing.

## Pleasanton Inclusionary Requirements

Pleasanton's inclusionary requirements help to achieve the City's affordable housing goals by increasing the production of residential units affordable to households of very low, low, and moderate income either through construction of units or by providing funds for affordable housing. Another purpose of the requirement is to ensure that the remaining developable land in Pleasanton is utilized in a manner consistent with the city's housing policies and needs. For all new single-family residential projects of 15 units or more, at least 20 percent of the project's dwelling units must be affordable to very low, low, and/or moderate income households. The court in *Palmer/Sixth Street Properties v. City of Los Angeles* (175 Cal. App. 4th 1396 (2009)) held that local inclusionary requirements requiring rent restricted units violate the Costa-Hawkins Act, which allows landlords to establish the initial rent for new units and adjust rents to market levels whenever a unit is vacated. Following the restrictions imposed by the *Palmer* case, the City continues to strive to voluntarily negotiate affordable housing agreements meeting the goals of the IZO consistent with state statutory and common law. The City attempts to maintain 15 percent of the total number of units of all new multiple-family residential projects containing 15 or more units be affordable to very low- and low-income households. Commercial, office, and industrial development are also required either to construct units or pay an in-lieu fee.

Inclusionary units must: (1) be dispersed throughout the project unless otherwise approved by the City; and, (2) be constructed with identical exterior materials and an exterior architectural design that is consistent with the market rate units in the project. However, inclusionary units can be of smaller size than the market units in the project and they may have fewer interior amenities than the market rate units in the project. Other requirements are that the inclusionary units remain affordable in perpetuity through recordation of an affordable housing agreement, and that the inclusionary units in a project be constructed concurrently within or prior to the construction of the project's market rate units.

The *Palmer/Sixth Street Properties v. City of Los Angeles* case resulted in the inability to enforce certain aspects of the IZO with regard to rental housing projects, although developers may still choose to voluntarily comply. The City applies the IZO consistent with state statutory and common law. The City is currently exploring alternatives regarding rental housing projects and has included Program 17.1 to review and amend the IZO within a year of the Housing Element certification.

## Pleasanton Inclusionary Flexibility and Incentives

The primary emphasis of the inclusionary zoning ordinance is to achieve the inclusion of affordable housing units to be constructed in conjunction with market rate units within the same project in all new residential projects. However, since this may not always be practical, the City allows alternative ways for a development to meet its inclusionary requirement. At the discretion of the City, alternatives include: construction of units off-site at a location within the city other than the project site; land dedication; credit transfers if a project exceeds the total number of inclusionary units required; alternate methods of compliance as approved by the City Council; and payment of a lower income housing fee.

The use of any of these alternative methods of compliance is subject to City review and approval memorialized in an Affordable Housing Agreement. The Agreement is negotiated by City staff and the applicant. It is then brought to the Housing Commission for recommendation and ultimately to the City Council for final approval. The Agreements include a contribution of City Affordable Housing funds towards the project to help offset the cost of including affordable units. The process is run simultaneously with the development application review and adds no time to the development review process. The discussions concentrate on the level of affordability a particular project can afford given its own particular circumstances. No project has ever been denied due to the failure to negotiate an Affordable Housing Agreement that has been acceptable to both the City and the applicant.

The following incentives may be approved for applicants who construct inclusionary units on-site: (1) fee waiver or deferral; (2) design modifications (reduced setbacks; reduction in infrastructure requirements; reduced open space requirements; reduced landscaping requirements; reduced interior or exterior

amenities; reduction in parking requirements; and height restriction waivers); (3) use of available lower income housing funds for the purpose of providing second mortgages to prospective unit owners or to subsidize the cost of a unit to establish an affordable rent or an affordable sales price; and (4) priority processing of building and engineering approvals.

## Evaluation

The City of Pleasanton's inclusionary requirements are similar to those of other jurisdictions in Alameda County and similar size communities in the Bay Area. In general, inclusionary requirements in the Bay Area range from 10 percent up to 25 percent, with the majority of jurisdictions requiring 15-20 percent of the units in projects to be affordable to very low-, low-, and moderate-income households. Projects have been submitted recently that provide further evidence of the feasibility of developing units under the City's inclusionary requirements. Many communities offer a variety of concessions or incentives for construction of affordable units, including but not limited to, density bonuses or incentives of equal financial value, waiver or modification of development standards, provision of direct financial assistance, and deferral or reduction of payment of fees.

The general range for the size of projects requiring the construction of affordable units (and tipping of inclusionary requirements) is at 10 or more units. However, there are jurisdictions in that require the payment of fees for smaller projects. Those jurisdictions require a proportional fee based on the size of the project.

Since the adoption of the Inclusionary Housing Ordinance in Pleasanton in 2000, the cost of housing has increased through 2007 and then decreased through the end of 2011 and is once again on the rise. Similarly, the production of housing has increased and then decreased since 2000, consistent with trends in Alameda County.

The difference in the cost of housing in Pleasanton as compared to Alameda County as a whole is greater than when the Inclusionary Housing Ordinance was implemented in 2000. However, it is difficult to conclude that the Inclusionary Housing Ordinance was the cause of this increased disparity. Scarcity of developable land in the City, high scoring schools, services and recreational opportunities, easy accessibility to employment centers, and the picturesque natural and built environment that Pleasanton is noted for have likely been the primary factors driving housing prices in Pleasanton above those in other communities. It is obvious that the program does have an impact on the total cost to develop housing since each unit requires a substantial subsidy from the developer. These additional costs lead to lower profits for the developer and/or the original land owner, and potentially fewer projects. However, ultimately, the cost of housing depends on what people are willing to pay for those attributes relative to the cost in other communities, and does not necessarily reflect the cost to develop a certain project.

The rate of housing production in Pleasanton has been consistent with the amount of housing growth in Alameda County as a whole. Since the adoption of inclusionary zoning in 2000, the total amount of housing in Pleasanton has grown by approximately nine percent. During that same time period, total housing growth in Alameda County grew by approximately eight percent, suggesting that there were no significant adverse impacts on housing production as a result of the Inclusionary Housing Ordinance in Pleasanton.

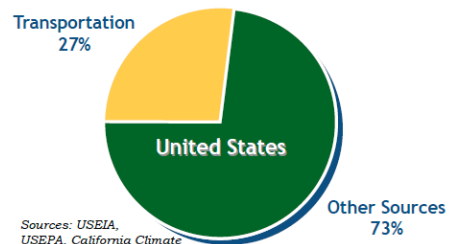
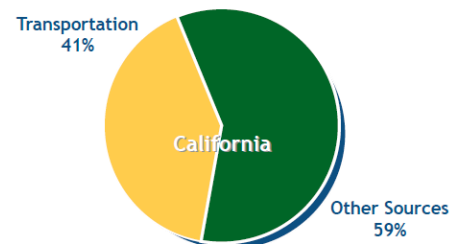
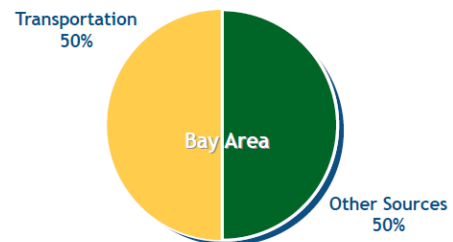
## E SUSTAINABILITY, CLIMATE CHANGE AND ENERGY

The City of Pleasanton encourages resource conservation in residential projects. The use of energy and water conservation, alternative energy, and “green building” measures has become a major priority of the City due to energy cost increases and the general recognition that continuing demand for energy and water has implications for environmental quality and the ability of energy and water suppliers to meet this demand. The use of resource-conserving measures can greatly reduce the ongoing costs of heating, cooling, and water by reducing the need for electricity, natural gas, and water. As energy and water prices rise, they become a higher proportion of the overall cost of housing, and they can have a major impact on the ability of households to meet their monthly housing budget. This is a concern for households at all income levels, but particularly very low-, low-, and moderate-income households.

All residential projects are reviewed for opportunities to maximize natural heating and cooling through the climate orientation of lots and buildings, and the use of appropriate landscaping and street trees. Residential structures must meet all requirements of the CBC with respect to energy saving materials and designs. The use of innovative, cost-effective materials and designs to exceed these Code requirements is encouraged. City policies, together with the General Plan Map, also encourage the location of higher-density residential projects within walking distance of transit stops, commercial centers, and employment sites, thereby reducing consumption of gasoline.

Sustainability, climate action planning, and energy conservation are local, regional and national concerns. According to the Environmental Protection Agency (EPA), “Smart growth development practices support national environmental goals by preserving open spaces and park land and protecting critical habitat; improving transportation choices, including walking, bicycling, and transit, which reduces emissions from automobiles; promoting brownfield redevelopment; and reducing impervious cover, which improves water quality.”

Greenhouse Gas Emissions from Transportation Sector



Sources: USEIA, USEPA, California Climate Action Team, BAAQMD

## Sustainability and Climate Change

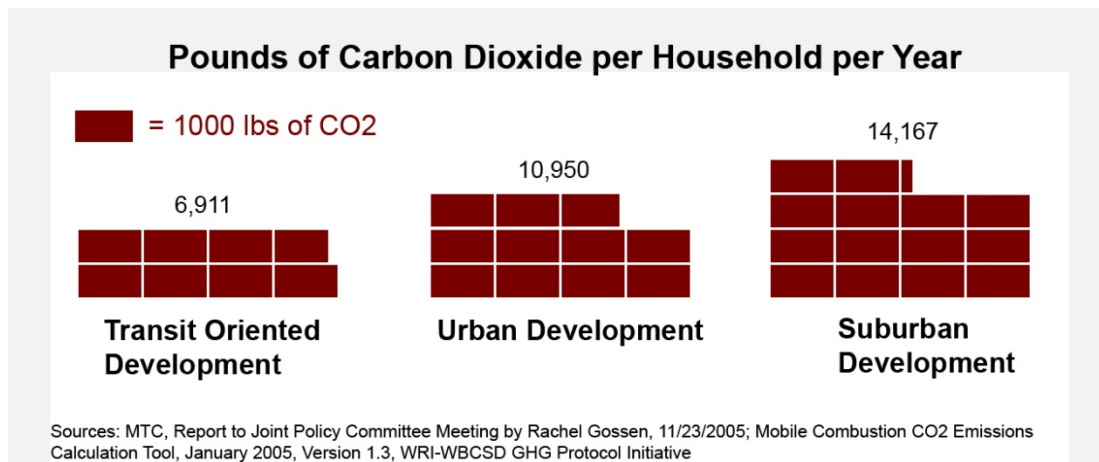


A major focus of federal, state, and local governments on new urbanism, smart growth, and transit-oriented development is the revitalization and densification of cities, with a goal of making cities across America walkable, mixed-use communities, with pedestrians and bicycles given top priority over automobiles. This goal includes a serious focus on increasing use of bicycles, buses and trains as major forms of transportation.

The Metropolitan Transportation Commission (MTC) has evaluated commuting patterns of people that live within half a mile of a transit center, versus those who live in urban and suburban areas (Report to Joint Policy Commission by R. Gossen, 11/23/2005). They found that being in transit-oriented development dramatically reduces the number of car trips that people take and the total vehicle miles traveled. A typical suburban household drives just over 40 miles a day, which causes over 14,000 pounds of CO<sub>2</sub> a year (see figure below). A typical resident in a transit-oriented development drives half that distance, and consequently produces half as much carbon dioxide.

One of the best ways of reducing the number and length of car trips is by providing walkable communities that offer a mix of housing, retail and commercial buildings, all near varied transportation options (called transit oriented developments). This alone reduces vehicle miles by 30 percent and adds to the quality of life of residents (Growing Cooler, Urban Land Institute, 2008).

A large part of the reduction in CO<sub>2</sub> is because residents who live near transit use it. According to the MTC, over 30 percent of households in transit-oriented developments commute by public transit. The state's AB 32 global warming legislation and newly passed SB 375 will place increasing emphasis on sustainable community patterns regionally that incorporate feasible balances between jobs and housing, and emphasize transit oriented development near major transit stops or high quality transit corridors (train and bus) identified in the regional transportation plan.



## Energy Conservation

Housing Elements are required to identify opportunities for energy conservation. Energy costs have increased significantly over the past several decades, and climate change concerns have increased the need and desire for further energy conservation and related green building programs. Buildings use significant energy in their design, construction and operation. The use of green building techniques and materials can significantly reduce the resources that go into new construction and can make buildings operate much more efficiently. One common definition of green building is “design and construction practices that significantly reduce or eliminate the negative impacts of buildings on the environment through energy efficiency and renewable energy, conservation of materials and resources, water efficiency, site planning and indoor environmental quality.”



Title 24 of the California Administrative Code sets forth mandatory energy standards for new development, and requires adoption of an energy budget. In turn, the home building industry must comply with these standards while localities are responsible for enforcing the energy conservation regulations. In addition, in January 2011 CALGreen became effective established mandatory minimum Green Building requirements throughout California.

The City enforces energy conservation standards enacted by the state and Chapter 17.50 of the Pleasanton Municipal Code, Green Building, which generally requires new residential projects and residential additions greater than 2,000 square feet in size to incorporate Leadership in Energy and Environmental Design or GreenPoint Rated measures, and policies and programs incorporated into the General Plan. In July 2009, the City of Pleasanton adopted a General Plan which includes housing policies and programs for existing and new units related to green building, energy conservation, energy efficiency, water conservation, climate change, and community character.

Implement the applicable housing related air quality, climate change, green building, water conservation, energy conservation, and community character programs of the Pleasanton General Plan, including: Policy 6 and programs 6.1 and 6.3 of the Air Quality and Climate Change Element; Programs 1.5, 1.7, 1.8, 1.12, 1.13, 1.14, and 3.12 of the Water Element; Program 9.1 of the Community Character Element; and, Policies 2,3, 4, 6 and 7 and programs 2.1-2.7, 3.1-3.5, 4.1-4.3, 6.1-6.4, 7.1-7.3, and 7.6 of the Energy Element.

The 2015–2023 Housing Element also contains Program 46.2, which encourages consideration of utilizing the City’s Lower-Income Housing Fund for low-interest loans to support alternative energy usage and significant water conservation in exchange for securing very-low- and low-income new and/or existing rental housing units.

The City of Pleasanton also established a Solar Affordable Housing Program in 2004. The program, which is administered in collaboration with GRID Alternatives (a private company), provides grant funds that are coordinated with volunteer labor and technical assistance to enable the installation of photovoltaic systems on deed-restricted homes that were purchased by eligible low income homeowners in Pleasanton. In addition to coordinating the labor, GRID assists the homeowners to obtain state subsidies resulting in no out-of-pocket costs to the homeowners. Low-income households benefit two-fold by promoting energy conservation while significantly reducing their monthly energy expenditures.



## **Energy Conservation Services by Pacific Gas and Electric**

Pacific Gas & Electric (PG&E) provides a variety of energy conservation services for residents and PG&E also participates in several other energy assistance programs for lower-income households, which help qualified homeowners and renters, conserve energy and control electricity costs. These include the California Alternate Rates for Energy (CARE) program and the Relief for Energy Assistance through Community Help (REACH) program. CARE provides a 15 percent monthly discount on gas and electric rates to income qualified households, certain nonprofits, facilities housing agricultural employees, homeless shelters, hospices and other qualified nonprofit group living facilities.

The REACH program provides one-time energy assistance to customers who have no other way to pay their energy bill. The intent of REACH is to assist low-income customers, particularly the elderly, persons with disabilities, sick, working poor, and the unemployed, who experience severe hardships and are unable to pay for their necessary energy needs.



## Appendix A

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# Review and Assessment of 2007 Housing Element



December 2014 Final Draft

## Appendix A: Review and Assessment of 2007 Housing Element Housing Element Implementation

### Program Implementation Status

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
<p><b>Program 1.1:</b> Discourage the redesignation of areas designated for High Density Residential development. The objective of this program is to ensure that adequate sites are available to accommodate the City's regional housing need for all income levels.</p>	<p>Policy 1: At a minimum, maintain the amount of high-density residential acreage currently designated on the General Plan Map and permitting high density housing.</p>	<p>Ongoing</p>	<p>The City continues to discourage any redesignation of areas currently designated for High Density Residential development. Within the last Housing Element planning period the City rezoned nine sites to permit high density residential development. One high density housing site was re-zoned from Planned Unit Development – High Density Residential/Commercial District to Planned Unit Development – Mixed Use District. The City found that the remaining sites identified in the Housing Element were adequate to accommodate the jurisdiction's share of the regional housing need pursuant to Section 65584 as well as Program 1.1</p>	<p>This program will be continued.</p>
<p><b>Program 2.1:</b> Continue to allow mobile home and factory-built housing projects which have permanent foundations and meet all zoning and design review requirements on any parcel designated Rural, Low, Medium, or High Density Residential.</p>	<p>Policy 2: Permit mobile homes and factory-built housing on appropriately located sites.</p>	<p>Ongoing</p>	<p>The City continues to allow mobile home and factory-built housing projects in the city though no projects were submitted for review during the last planning period. The City continues to implement this program on an ongoing basis.</p>	<p>This program will be deleted. The Zoning Code allows for mobile homes and factory built housing.</p>
<p><b>Program 6.1:</b> Continue monitoring second units to determine if they are being rented and, if so, determine their rent levels. Include conditions of approval for second unit Administrative Design Review approvals requiring a monitoring program.</p>	<p>Policy 6: Actively promote the creation of second units on single-family residential lots and their maintenance as sources of housing affordable to moderate-, low-, and very-low-income households.</p>	<p>Complete next survey by December 2013</p>	<p>The City continues to monitor second units in the city as required by the following standards for all approved second units: <i>The owner of the lot on which a second unit is located shall participate in the city's monitoring program to determine rent levels of the second units being rented</i></p>	<p>This program will be continued.</p>

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
			The City assisted in the development of approximately 50 second units since 2007 included within the City database of second units. An updated rent survey was sent out in February 2014.	
<b>Program 6.2:</b> Create incentives for homeowners to rent their second units to moderate-, low-, and very-low-income households. The City's role would be to develop the program materials including information, criteria for qualifications, and incentives, and to monitor the success of the program. Incentives should include fee reductions or waivers and information/assistance to help homeowners be landlords. Such incentives should be made available to applicants of second units during the Administrative Design Review or Building permit process.		Initiate by end of 2012	The City continues to assist homeowners of second units by developing a "toolkit" to promote rental of second units by interested owners. In conjunction with the survey update, the City is working with a housing counseling agency to develop a toolkit to promote rental of second units by interested owners. Initial discussions took place with ECHO Housing (a non-profit housing counseling agency) in 2012. The toolkit is planned for completion in mid-2014 and implementation in fall 2014.	This program will be continued.
<b>Program 6.3:</b> Consider allowing second units without an Administrative Design Review process in new single-family developments, subject to performance standards, and consider reducing the existing Second Unit Ordinance requirements, such as the parking and height limit requirements, to encourage the development of second units, and consider other measures to promote the creation of second units.		January 2013	The City continues to promote the creation of second units. In 2013, staff reviewed all existing design and performance standards for second units and concluded that creating an exception to the 15-foot height limit to enable construction of second units above a detached garage would allow greater flexibility for accommodating a second unit with minimal impacts to neighboring properties. On September 17, 2013, the City Council adopted Ordinance No. 2080 amending Pleasanton Municipal Code Chapter 18.84 and Chapter 18.106 to comply with Program 6.3 of the Housing Element.	This program will be modified to remove implemented portions and continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
<b>Program 7.1:</b> Monitor new multiple-family residential development proposals with respect to housing tenure to ensure that sufficient numbers of rental units are provided to meet the above policy.	Policy 7: Encourage at least 50 percent of multiple-family housing units to be rental apartments.	Ongoing	The City continues to monitor new multi-family residential developments. From 2007 to 2013, 66 percent of the residential building permits issued were for rental housing.	This program will be continued.
<b>Program 8.1:</b> Regulate condominium, townhouse, and mobile home conversions and mitigate tenant displacement through the provisions of the City's Condominium Conversion Ordinance, and Government Code, Section 65863.7 (as to mobile homes).	Policy 8: Minimize displacement of tenants in rental apartments and mobile homes and encourage ownership of lower-cost residential units by prior renters through the regulation of condominium conversions.	As needed	The City continues to regulate condominium conversions. This program is implemented on an ongoing basis, although there were no residential rental units converted to ownership units between 2007 and 2014.	This program will be continued.
<b>Program 8.2:</b> Deny conversion of apartment units to condominiums if the percentage of multiple-family units available for rent, city-wide, is below 50 percent.		As needed	The City continues to monitor the number of for-rent versus for-ownership units in the city. There were no applications to convert residential rental units to ownership units between 2007 and 2014.	This program will be combined with Program 8.1..
<b>Program 8.3:</b> Review the City's Condominium Conversion Ordinance to identify desirable changes, such as potentially requiring more housing units affordable to low- and very-low-income households and longer tenant noticing requirements, if market conditions are resulting in the displacement of lower-income tenants.		As needed based on market conditions	The City continues to administer the Condominium Conversion Ordinance. Between 2007 and 2014 no tenants were displaced as a result of condominium conversion because there were no rental units converted to ownership units during the year. When market conditions are more favorable to conversions the City will further review the Condominium Conversion Ordinance to identify any desirable changes.	This program will be continued.
<b>Program 8.4:</b> Require condominium converters to maintain rental units for households with special needs, such as lifetime leases with rental caps for persons with disabilities, to the extent permitted by State law.		As needed	The City's Condominium Conversion Ordinance currently requires extended leases and limitations on rent increases for elderly and handicapped tenants. When market conditions are more favorable to conversions the City will review the Condominium Conversion Ordinance to identify any desirable changes.	This program will be combined with Program 8.1..

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
<p><b>Program 9.1:</b> Conduct a review of the Growth Management Program and amend as necessary to assure the rate of residential development is consistent with the City's current and new infrastructure capacities, including roadways, water, sewer, and facilities, etc. The objective of this program is to assure that the City's Growth Management Program is consistent with State law and that there is a procedure for assuring that there is available infrastructure to serve future approved residential development.</p>	<p>Policy 9: Support the development and rehabilitation of housing affordable to extremely low-, low- and very-low-income households and review infrastructure needs.</p>	<p>End of 2012; then annually</p>	<p>The City continues to monitor the Growth Management Program. On November 20, 2012, the City Council adopted Ordinance No. 2054 amending Pleasanton Municipal Code Chapter 17.36 establishing a revised program to ensure that the Growth Management Program does not prevent the City from meeting its share of the regional housing need (per Program 29.2). A Growth Management Report was presented to the City Council on October 15, 2013, determining that the annual unit allocation commencing July 1, 2014, through June 30, 2022, shall be 235 units, consistent with RHNA allocation requirements.</p>	<p>This program will be continued.</p>
<p><b>Program 9.2:</b> Require the duration of extremely low-, low- and very-low-income set-aside units within projects to be in perpetuity.</p>		<p>Ongoing</p>	<p>The City continues to require all regulatory agreements for below-market rental units have been in perpetuity (or if required due to financing, for 99 years) since 2001.</p>	<p>This program will be continued.</p>
<p><b>Program 9.3:</b> Seek State and Federal assistance for the development of housing to meet the housing needs of households with extremely low-, low- and very-low incomes. Potential sources may include the HUD Section 202 and 811 programs (for senior housing and housing for persons with disabilities), the State HELP and CHFA programs, State/Federal lower-income housing tax credits, and bond financing. The timing of application will depend upon the schedule for specific projects proposed by individual developers in as much as the City does not currently own any land for development of housing affordable to low-</p>		<p>Ongoing; Dependent on Specific Development Proposals</p>	<p>The City continues to seek state and federal assistance to the greatest extent feasible. The City's ability to secure an open source of funding for affordable housing has been hampered by the significant reduction and/or elimination in recent years of many of the traditional programs such as 202, 811, and HELP. The City continues to review available options on a project-specific basis and is considering financing programs related to the potential redevelopment of Kottinger Place and Pleasanton Gardens senior housing complexes. The City continues to monitor the availability of new funding sources for affordable housing and will apply as appropriate (for example, the City successfully secured \$2 million in state HELP funds in 2003, 2007, and 2008 to develop a down payment assistance program and an</p>	<p>This program will be continued.</p>

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
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and very-low-income households. If the City is successful in securing an open source of funding for housing affordable to low- and very-low-income households, such as State HELP funds, the availability of these funds will be promoted through the City's web site, in local newspapers, and through posting at public places subject to normal procedures. The objective of this program is to secure available funding required to finance new affordable housing development. A timeline would be developed on a project by project basis as affordable development inquiries/applications are submitted to the City.			affordable assisted living development).	
<b>Program 9.4:</b> Continue to provide incentives such as reduced development fees, assistance in public improvements, priority in permit processing, increased density, altered site-development standards, mortgage revenue bonds, affordable-housing competition, and other creative incentives to encourage the development of housing affordable to moderate-, low-, extremely low-, and very-low-income households. A priority will be placed on projects that provide the largest number of units at the greatest level of affordability. The availability of incentives is incorporated in the City's Inclusionary Zoning Ordinance, but for specific projects, will also be promoted through the City's		Enhanced promotional effort to be completed by June 2012	The City is continuing to provide incentives and assistance to encourage the development of affordable housing. Enhanced promotional efforts were completed in September 2012 and an additional developer workshop was held in February 2013 to further promote the City's newly rezoned residential properties. The availability of incentives is incorporated in the City's Inclusionary Zoning Ordinance, but for specific projects, was also promoted through the City's website, in local newspapers, and through posting at public places subject to normal procedures. This program helped to ensure that incentives were made available and known to the development community.	This program will be continued.

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web site, in local newspapers, and through posting at public places subject to normal procedures. The objective of this program is to assure that incentives are made available and known to the development community.				
<b>Program 9.5:</b> Seek creative alternative and non-traditional means, including using available City financial and property resources and working cooperatively with community groups, that will assist in the production of or preserve housing for extremely low-, very-low-, low-, and moderate-income- households.		Ongoing	The City continues to utilize available Low Income Housing funds to provide loans and grants for special needs housing such as REACH/HOUSE, Inc.. The City has also had meetings with several groups, including Habitat for Humanity, MidPen Housing, and Tri-Valley REACH, which may lead to the development of new affordable housing within the next several years.	This program will be continued.
<b>Program 9.6:</b> Adopt a density bonus ordinance consistent with State law.		Mid-2013	On September 17, 2013, the City Council adopted Ordinance No. 2082 adding Pleasanton Municipal Code Chapter 17.38 to comply with Program 9.6 of the Housing Element and State Density Bonus Law.	This program was completed and will not be continued. The City will promote the use of density bonuses as an incentive to developers through the implementation of Program 9.4.
<b>Program 9.7:</b> Adopt Development Standards and Design Guidelines to facilitate the development of high quality multifamily housing and to create more certainty for residential development on Sites 25 through 33 in Appendix B housing Sites Inventory. These standards are intended to be substantially similar to those		Sep-12	On August 21, 2012, the City Council adopted Ordinance Nos. 2044–2029 to incorporate the Housing Site Development Standards and Design Guidelines for Multifamily Development for properties 25 through 33.	This program was completed and will not be continued.



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developed for the Hacienda TOD (sites 22, 23 and 24) and would provide more certainty for multifamily developers during the PUD process.				
<b>Program 11.1:</b> Maintain zoning adequate to accommodate Pleasanton's share of the regional housing need for all income levels. Sites designated High Density Residential or Mixed Use shall be developed at a minimum density of 30 units per acre, and comport with the development standards and design guidelines set forth in Program 9.7.	Policy 11: Strive toward meeting Pleasanton's share of regional housing needs, as defined by the Regional Housing Needs Determination (RHND).	Ongoing	The City continues to monitor the zoning within the City to accommodate all RHNA needs. This is implemented on an ongoing basis.	This program will be continued.
<b>Program 11.2:</b> Attempt to rehabilitate five ownership-housing units affordable to extremely low-, low- and very-low-income households identified as having major building code violations each year between 2007 and 2014, and maintain their affordability. Attempt to rehabilitate at least one apartment complex by 2014. Single-family homes will be identified through the City's Housing Rehabilitation Program which already has in place an outreach program. The City will survey existing apartment complexes, including working with local non-profit housing development agencies, to ascertain the need for rehabilitation. Owners of identified complexes will be contacted and made aware of the availability of rehabilitation assistance.		Annually/Ongoing	The City continues to rehabilitate housing to the greatest extent feasible. A total of six homes received loans for major rehab work in 2012 and 2013 through the City's existing Housing Rehabilitation Program. In addition, 24 homeowners received minor home repair grants through the program. All homes were occupied by low-, very low-, and extremely low- income households. No City-sponsored major rehab work was implemented in apartment complexes; however, the City completed one small project to install accessibility improvements at a privately owned rental unit occupied by an extremely low-income tenant.	This program will be continued.

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<p><b>Program 11.3:</b> Strive to construct, rehabilitate, and conserve the City's regional share of housing within the constraints of available infrastructure, traffic, air quality, and financial limits, by the conclusion of the current Regional Housing Needs Determination period – in 2014.</p>		By 2014	<p>Prior to the adoption of the 2007–2014 Housing Element, the City completed the rezoning and General Plan Amendments for nine sites to meet the City's need. These are dispersed, infill sites that are close to transportation and services in areas of available infrastructure. The City continues to strive to construct housing within the constraints of available infrastructure, traffic, air quality, and financial limits. Combined these sites can accommodate approximately 2,326 units.</p>	This program will be continued.
<p><b>Program 11.4:</b> Work with the Tri-Valley Housing Opportunity Center and employers to develop partnerships for participating in programs to make housing affordable to their workers.</p>		Initiate program by end of 2012.	<p>The City collaborated with the TVHOC and other Tri-Valley cities to hold a forum on employer-assisted housing in May 2012 during national Affordable Housing Week. The event was attended by representatives from approx. 50 major employers.</p>	This program will be continued.
<p><b>Program 13.1:</b> Preserve for the longest term feasible, rent restricted assisted projects affordable to extremely low-, low- and very-low-income households, and provide assistance to retain below-market rate rent restrictions.</p>	<p>Policy 13: Preserve for the longest term feasible, restricted units affordable to extremely low-, low- and very-low-income households which are at risk of changing to market-rate housing.</p>	Ongoing	<p>Since 2001, all regulatory agreements have included a provision that the terms shall apply in perpetuity (or for 99 years if restricted due to financing requirements). The City continues to implement this policy on all new projects, including several new apartment developments currently under review.</p>	This program will be continued.
<p><b>Program 13.2:</b> Structure future rent-restriction contract agreements to allow the City the opportunity to purchase or subsidize assisted units at the conclusion of the rent-restriction period.</p>		As needed	<p>The City continues to analyze rent-restriction contract agreements as they come in on a case-by-case basis. In 2012, two BRE project agreements were executed but they were subject to the terms of a settlement agreement. Several additional projects were approved or under review in 2013 and 2014 that were structured to be affordable in perpetuity.</p>	This program will be continued.
<p><b>Program 13.3:</b> Structure future rent-restriction contract agreements for all new assisted projects with limited or no time restrictions to minimize the displacement of tenants.</p>		Ongoing	<p>The City continues to look at creative ways to structure contract agreements. Affordable units during the 2009–2014 planning period were all structured to be affordable in perpetuity.</p>	This program will be continued.

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<p><b>Program 13.4:</b> Provide rehabilitation funds where appropriate for apartment complexes in exchange for extended or perpetual assisted-housing time periods.</p>		<p>Ongoing; dependent on specific proposals</p>	<p>The City continues to attempt to provide apartment rehabilitation loans to the greatest extent feasible; however, no apartment projects sought City funding for rehabilitation projects in 2012 or 2013. The City will continue to monitor future opportunities for providing financial assistance to existing apartment complexes in exchange for affordability restrictions.</p>	<p>This program will be continued.</p>
<p><b>Program 13.5:</b> Issue bonds or provide other funding where appropriate to reduce apartment complex mortgage rates in exchange for extended or perpetual assisted-housing time periods.</p>		<p>Ongoing; dependent on specific proposals</p>	<p>The City continues to issue bonds and provide funding for appropriate projects. Since 2007, the City has issued 315 bonds to reduce apartment complex mortgages. In 2013, 35 bonds were issued for units affordable to very low-income households and 133 bonds issued for units affordable to above moderate-income households.</p>	<p>This program will be continued.</p>
<p><b>Program 14.1:</b> Identify a funding mechanism for infrastructure improvements contained in the General Plan to accommodate projected housing growth.</p>	<p>Policy 14: Make appropriate modifications to the Land Use Element of the General Plan, Zoning Ordinance, and other City ordinances, programs, and policies to facilitate the provision of housing, especially housing affordable to moderate-, low-, and very-low-income households.</p>	<p>Annually</p>	<p>The City continues to make infrastructure improvements on an as-needed basis. Improvements to sewer capacity have been funded through the CIP under existing replacement and expansion funds.</p>	<p>This program will be continued.</p>
<p><b>Program 14.2:</b> Waive City fees for housing developments affordable to extremely low-, low- and very-low-income households.</p>		<p>Ongoing</p>	<p>The City continues to waive City fees for eligible affordable projects. In 2012, the Lower Income Housing Fee was waived for the two BRE housing projects for which Affordable Housing Agreements were approved with very low-income units. The fees waived for the two projects approved in 2012 would be \$653,542 and \$645,823. In 2013, the Lower Income Housing Fee was waived for four new apartment developments for which Affordable Housing Agreements were approved with very low-, low-, and median-income rental units (Anton</p>	<p>This program will be continued.</p>

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			Hacienda, California Center, Commons at Gateway, and Vintage (Auf der Maur)). Three projects submitted for building permits in late 2013. The aggregate fees waived for the four projects approved in 2013 is slightly over \$3 million (with 1,125 total units).	
<b>Program 14.3:</b> Expedite the development review process for housing proposals affordable to moderate-, low-, extremely low, and very-low-income households.		Ongoing	The City continues to expedite development review process as shown by two BRE projects approved in 2012 with 505 total units (38 very low-income units in each), four residential projects approved in 2013 with a total of 1,125 units (with 185 units at various affordability rates), and two residential projects in 2014 with a net total of 272 units (with a new total of 113 net affordable units at various affordability rates.)	This program will be continued.
<b>Program 14.4:</b> Advocate changes in Federal and State legislation to provide incentives for the development of housing affordable to extremely low-, low- and very-low-income households and to overcome barriers to housing affordable to low- and very-low-income households.		Ongoing	The City continues to advocate federal and state legislative changes and provides general support on an ongoing basis.	This program will be continued.
<b>Program 14.5:</b> Support State legislative reform to improve the fair-share housing process and provide financial and other incentives to strengthen local jurisdictions' abilities to meet their fair-share responsibilities.		Ongoing	The City continues to support state reform and provides general support on an ongoing basis.	This program will be continued.
<b>Program 14.6:</b> Assess the level of effort to overcome infrastructure constraints to housing affordable to extremely low-, low- and very-low-income households on a periodic basis.		As needed or in conjunction with the Housing Element update	The City continues to assess infrastructure constraints and needs on a periodic basis to be addressed as needed.	This program will be continued.

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<b>Program 14.7:</b> Assess future sewer infrastructure needs, including sewer infrastructure upgrades and facilities to accommodate future RHNA cycles in the region.		2011–2012	The City continues to assess sewer infrastructure as new residential projects are reviewed. Sewer capacity was not a deterrent to housing development during the 2007–2014 planning period.	This program will be continued.
<b>Program 14.8:</b> Continue to work with non-profit and for-profit housing developers, service providers, Pleasanton employers, the Pleasanton Unified School District, and urban planning specialists to develop new programs and incentives for meeting the full range of Pleasanton's future affordable housing needs.		Ongoing	As noted above, the City continues to work with nonprofit and for-profit developers and collaborated with the TVHOC and other Tri-Valley cities to hold a forum on employer assisted housing in May 2012. In addition, a workshop was held in February 2013 to inform nonprofit housing developers on City programs and resources to promote the development of new affordable housing.	This program will be continued.
<b>Program 14.9:</b> As required by State law, the City will review the status of Housing Element programs by April of each year, beginning April 2012. The review will cover consistency with other General Plan programs and community goals, the status of implementing actions, accomplishments, and a review of housing sites identified in the Housing Element. In particular, the annual review will cover development assumptions and actual development activity on sites by assessing projected development potential compared to actual development approval and construction. This will also include residential units anticipated on mixed use zoned sites. The primary intent of the annual review is to maintain adequate sites during the Housing Element planning period. In addition, the		Ongoing	On a yearly basis the City continues to review the status of all Housing Element programs as well as evaluate the effectiveness of the City's inclusionary zoning requirements. By April each year, the City has submitted its annual progress report to the state.	This program will be continued.

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annual review will evaluate the effectiveness of the City's inclusionary zoning requirements (see Programs 16.1 and 16.2) to determine if modifications are needed.				
<b>Program 15.1:</b> Continue housing education programs available on the City's website, at other public venues, through City publications and mailings, and through partnerships with regional organizations.	Policy 15: Educate the public regarding the community, environmental, and economic benefits of Pleasanton's affordable housing program.	Ongoing	Between 2007 and 2014 the City continued to maintain updated information in electronic (i.e., web) and printed format to education private citizens, developers, and other interested parties on the range of programs promoting affordable housing. In addition, the City worked with agencies such as TVHOC and ECHO Housing to sponsor specific workshops on issues such as foreclosure prevention, homebuyer education, and housing law for tenants and landlords.	This program will be continued.
<b>Program 15.2:</b> Continue to coordinate public information with surrounding communities to provide up-to-date listings of opportunities for regional affordable housing and programs for extremely low-, low- and very-low-income households.		Ongoing	Between 2007 and 2014 the City continued to provide public information regarding regional affordable housing and programs available. Additionally, in 2012, the City of Pleasanton assumed staffing leadership for the Tri-Valley Affordable Housing Committee and coordinated a comprehensive update of the "Tri-Valley Rental Housing Opportunities Guide," a collaborative regional publication providing information and resource on affordable rental housing in the Tri-Valley area.	This program will be continued.
<b>Program 15.3:</b> Develop incentive/revitalization programs for neighborhoods to encourage support for affordable housing opportunities. Such incentives could include enhanced public amenities or other investment in areas where additional multifamily housing is planned.		2011-2014	While no neighborhood incentives/revitalization programs were implemented between 2007 and 2014, the City adopted standards and guidelines for high density housing to ensure compatibility with existing high quality neighborhoods. The City continues to analyze and review possible programs for future incentives in coordination with new projects.	This program will be modified to include a more specific timeline.

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<p><b>Program 16.1:</b> Monitor the results of the Inclusionary Zoning Ordinance annually to determine if developers are primarily building new housing units affordable to low- and very-low-income households instead of paying in-lieu fees for new developments. If it is determined by the City Council, upon recommendation by the Housing Commission, that the Inclusionary Zoning Ordinance is not producing sufficient housing affordable to low- and very-low-income households, consider modifying the Ordinance so that it can better achieve that objective. As part of the inclusionary ordinance review, conduct meetings with developers to identify specific changes that may be considered by the City.</p>	<p>Policy 16: Ensure compliance with the Inclusionary Zoning Ordinance by requiring each for-sale residential and non-residential development to include its pro-rata share of housing needs for low- and very-low-income households or, if the Ordinance criteria are met, to contribute to the lower-income housing fund to facilitate the construction of housing affordable to extremely low, low-, very-low, and moderate-income households. Review and modify policies for rental housing to conform with the Costa Hawkins Act. It is strongly encouraged that the Inclusionary Zoning Ordinance requirements be met by building housing affordable to extremely-low, low- and very-low-income households.</p>	<p>Annually/Ongoing</p>	<p>The City has continued to monitor the inclusionary zoning ordinance. In August 2012, the City circulated a Request for Proposals for consultant services to conduct a comprehensive nexus study to review and potentially update the City's Lower Income Housing Fee. A consultant was selected in December 2012. The consultant presented the Lower Income Housing Fee Study to the City Council and Housing Commission at a joint workshop in October 2013, at which the Council voted to maintain the Lower Income Housing Fee. In addition to considering the true cost of providing affordable housing, the study reviewed the impact of recent court rulings on inclusionary zoning ordinances (e.g., Palmer, Costa-Hawkins).</p>	<p>This program will be continued.</p>



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<p><b>Program 16.2:</b> Review the City's Inclusionary Zoning Ordinance and amend if required:</p> <ul style="list-style-type: none"> <li>• for consistency with the Housing Element and other City affordable housing programs;</li> <li>• to identify incentives for non-profit housing developers and other housing developers to construct projects including three bedroom units for large households;</li> <li>• to determine if it is appropriate to increase the percentage of affordability to support housing affordable to low- and very-low-income households;</li> <li>• to be consistent with recent court decisions regarding rental housing;</li> <li>• as a potential constraint to housing.</li> </ul>		Annually/Ongoing.	As noted above, the City circulated a Request for Proposals for consultant services to conduct a comprehensive nexus study to review and potentially update the City's Lower Income Housing Fee associated with the City's Inclusionary Zoning Ordinance. A consultant was selected in December 2012. The consultant presented the Lower Income Housing Fee Study to the City Council and Housing Commission at a joint workshop in October 2013. In addition to considering the true cost of providing affordable housing, the study will review the impact of recent court rulings on inclusionary zoning ordinances (e.g., Palmer, Costa-Hawkins).	This program will be continued.
<p><b>Program 17.1:</b> Review and modify the lower-income-housing fee annually in conformance with AB 1600, and consider changing the basis of the fee to reflect the true cost of providing housing.</p>	<p>Policy 17: Use the lower-income-housing fee to generate funds for the provision of housing affordable to extremely low-, low- and very-low-income households. The low-income housing fund should be used primarily to leverage State and Federal funds in the development of housing affordable to low- and very-low-income households and in-house loan programs, so that the fund may be used most efficiently and maintained over time. When considering allocation of these</p>	Annually	As noted above, the City continues to monitor the inclusionary zoning ordinance and circulated a Request for Proposals for consultant services to conduct a comprehensive nexus study to review and potentially update the City's Lower Income Housing Fee. A consultant was selected in December 2012. The consultant presented the Lower Income Housing Fee Study to the City Council and Housing Commission at a joint workshop in October 2013.. In addition to considering the true cost of providing affordable housing, the study will review the impact of recent court rulings on inclusionary zoning ordinances (e.g., Palmer, Costa-Hawkins).	This program will be continued.

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	funds, priority will be given to non-profit housing developers with a project including three bedroom units affordable to large extremely low-, low- and very-low-income households.			
<p><b>Program 17.2:</b> Exempt all housing units affordable to low- and very-low-income households from the low-income housing fee.</p>		Ongoing	The City has continued to exempt all affordable housing units from the low income housing fee between 2007 and 2014. The two BRE projects approved in 2012 were exempted from the low-income housing fee, as well as the four residential projects approved in 2013 and two in 2014. The City is working on several other new projects and the expectation is that all units affordable to low- and very low-income households will be exempt from payment of the Lower Income Housing Fee in conformance with the City's long-standing policy.	This program will be continued.
<p><b>Program 17.3:</b> Use the Lower-Income Housing Fund to help build housing affordable to low- and very-low-income households on City-owned land.</p>		As needed/Ongoing	Between 2007 and 2014, the City used the Lower-Income Housing Fund to help develop Kottinger Gardens. The City currently has ownership of one parcel of land at 4138 Vineyard Avenue (acquired in May 2011 using the Lower Income Housing Fund) that will be used to provide new affordable housing in conjunction with redevelopment of the adjacent Kottinger Place senior housing (a public housing complex). The City does not presently own any other significant parcels of land that are designated for residential development.	This program will be continued.
<p><b>Program 17.4:</b> Use the Lower-Income Housing Fund to extend rent restriction agreements, purchase land, write down mortgage costs, rehabilitate units, subsidize rents, issue tax-exempt bonds, post loan collateral, pay pre-development costs, and</p>		As needed/Ongoing	In 2013, the City Council appropriated \$10 million from the Lower Income Housing Fund (LIHF) to assist a major project to redevelop Kottinger Place and Pleasanton Gardens, two aging rental complexes that provide housing to extremely low-income elderly. In addition, the City worked with Habitat for Humanity on potential	This program will be continued.

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otherwise help produce housing units affordable to lower-income households. The objective of this is to utilize the Lower Income Housing Fund in a manner consistent with City ordinance and to support affordable housing, particularly developments proposed by non-profit developers that include units for large families at very low incomes.			funding for a 10-unit project for low income homeowners on Vineyard Avenue. Additional LIHF funds were utilized to provide several down payment assistance loans and several grants to nonprofit agencies that provide housing services to primarily low-income residents (e.g., TVHOC, ECHO Housing, CRIL / Community Resources for Independent Living).	
<b>Program 17.5:</b> When considering how to utilize the City's Lower-Income Housing Fund, consider whether a proposal with a non-profit housing developer and a for-profit housing developer partnership should be a higher priority project due to its ability to potentially secure better funding and be developed.		Ongoing	Although this situation did not present itself between 2007 and 2014, the City will continue to consider nonprofit vs for-profit partnerships on a case-by-case basis.	This program will be continued.
<b>Program 25.1:</b> Actively assist owners of property zoned or designated High-Density-Residential in soliciting non-profit housing organizations for proposals to develop housing affordable to extremely low-, moderate-, low-, and very-low-income households on available sites using lower-income-housing fees. The objective of this program is to assure that owners of HDR properties are informed of City affordable housing programs. The City will notify all property owners of HDR sites of available City housing programs within 6 months of Housing Element adoption.	Policy 25: Encourage non-profit and joint for-profit housing developments by offering incentives. Non-profit and joint for-profit housing developers of housing affordable to moderate-, low-, extremely low, and very-low-income households shall have the highest City priority for approval.	Ongoing; information to property owners by August 2012.	The City continues to assist owners of high-density zoned residential properties. Information was made available on the City's website in mid-2012. A targeted e-mail packet was developed in 2012 for dissemination in January 2013 as a follow-up. In addition, a workshop was organized for February 5, 2013, to provide direct information to nonprofit housing developers on specific opportunities and programs.	This program will be continued.

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Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
<p><b>Program 25.2:</b> Continue to actively support the activities of non-profit organizations that provide housing affordable to low- and very-low-income households, through technical assistance or other means. The objective of this program is to assure that the City maintains a full range of incentives that are beneficial to assisting non-profit housing developers.</p>		Ongoing	<p>The City maintained active support (including financial assistance through the City's Housing and Human Services Grant program) for a wide range of nonprofit organizations between 2009 and 2014, including East Bay Housing Organizations, ECHO Housing, CRIL, TVHOC, and Abode Services. In addition, the City worked directly with MidPen Housing and Habitat for Humanity on project-specific activities.</p>	<p>This program will be continued.</p>
<p><b>Program 25.3:</b> When land becomes available to the City, consider reserving those sites for non-profit organizations to build housing affordable to moderate-, low-, extremely low, and very-low-income households that include three bedroom units for large households.</p>		As needed	<p>As noted above, the City acquired one parcel of land at 4138 Vineyard Avenue in May 2011 with the intent of using the land to provide new affordable housing in conjunction with redevelopment of Kottinger Place by MidPen Housing (a nonprofit). The City will continue to monitor future opportunities to acquire land for affordable housing.</p>	<p>This program will be continued.</p>
<p><b>Program 29.1:</b> Continue to use the Growth Management Report to monitor the numbers and types of units built at all income levels. Use this information to facilitate the issuance of sufficient numbers of permits to meet the regional housing need throughout the planning period.</p>	<p>Policy 29: Encourage substantial private development of housing affordable to extremely low, low, and very low income households through the Growth Management Program.</p>	<p>With preparation of Growth Management Report</p>	<p>On November 20, 2012, the City Council adopted Ordinance No. 2054 amending Pleasanton Municipal Code Chapter 17.36 establishing a revised Growth Management Program. The revisions include a provision requiring the City Manager to provide a report to the City Council detailing a new annual unit allocation for the upcoming RHNA period within 90 days after it has been adopted by the Association of Bay Area Governments. This report was presented to the City Council on October 15, 2013, determining that the annual unit allocation commencing July 1, 2014, through June 30, 2022, shall be 235 units.</p>	<p>This program will be continued.</p>
<p><b>Program 29.2:</b> Review and amend if necessary the Growth Management Ordinance to reflect current housing and infrastructure conditions and current</p>		<p>End of 2012, then annual review.</p>	<p>The City continues to review and amend the Growth Management Program as necessary. A Growth Management Report was presented to the City Council on October 15, 2013, determining that the annual unit</p>	<p>This program will be continued.</p>

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
<b>Name of Program</b>	<b>Objective</b>	<b>Time Frame in H.E.</b>	<b>Status of Program Implementation</b>	<b>Continue Modify or Delete</b>
housing needs, and to ensure that the Growth Management Ordinance does not include constraints that would prevent the City from meeting its share of the regional housing need.			allocation commencing July 1, 2014, through June 30, 2022, shall be 235 units. The report also indicated that, as part of the Housing Element update process, current housing and infrastructure needs would be further analyzed as part of the 2015–2023 Housing Element update.	
<b>Program 32.1:</b> Enforce the provisions of the City Zoning, Building, and Fire Codes.	Policy 32: Encourage the maintenance of safe, sound, and well-kept housing city-wide.	Ongoing	The City continues to enforce all provisions of the City Zoning, Building and Fire Codes. This program is implemented on an ongoing basis.	This program will not be continued. The City's Building Department Fire Department implements this program.
<b>Program 34.1:</b> Maintain building and housing code enforcement programs, and monitor project conditions of approval.	Policy 34: Eliminate all substandard housing conditions within the community.	Ongoing	The City continues to maintain an active Building and Code Enforcement programs in the city. The City responds to resident complaints related to Building Code and Housing Code violations. Generally, when such complaints are received, a Building Inspector, Code Enforcement Officer, or both, respond and investigate to determine if code violations exist. While this type of case is not tracked separately, it is estimated that approximately 10 cases per year of this type are investigated. The most significant, which started in 2010, was a residential home that was so full of junk and was so dilapidated, that the resident was barred from entering the property and the Superior Court ordered the property into receivership. The property was rehabilitated under court order.	This program will be continued.
<b>Program 34.2:</b> Continue the Rental Housing Rehabilitation Program to improve rental units affordable to low-, extremely low-, and very-low-income households.		Ongoing	The City continues to improve affordable rental units through the Rental Housing Rehabilitation program. While the bulk of activity in the Housing Rehab Program involves low income homeowners, one grant was	This program will be continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
			provided to extremely low-income tenants in 2012 and 2013. Both projects involved accessibility improvements in privately owned rental housing.	
<p><b>Program 34.3:</b> Supplement CDBG funds with the City's Lower-Income Housing Fund for rehabilitation of housing units affordable to extremely low-, low- and very-low-income households.</p>		Ongoing	Between 2009 and 2014, the City continued to supplement CDBG funds with other funding sources. The City's Housing Rehab Program was funded through a combination of local (City Lower Income Housing Funds) and federal (CDBG and HOME) funds.	This program will be modified to identify the CDBG funding priority for the next eight-year planning period.
<p><b>Program 35.1:</b> Provide and maintain existing sites zoned for multi-family housing, especially in locations near existing and planned transportation and other services, as needed to ensure that the City can meet its share of the regional housing need.</p>	<p>Policy 35: Disperse high-density housing throughout the community, in areas near public transit, major thoroughfares, shopping, and employment centers.</p>	Ongoing	The City continues to maintain existing residential sites near transportation corridors and services. Prior to the adoption of the 2009–2014 Housing Element, the City completed the rezoning and General Plan Amendments for nine sites to meet the City's need. These are dispersed, infill sites that are close to transportation and services. Combined they can accommodate approximately 2,326 units. Of these nine sites, five large scale apartment and mixed-use developments totaling 1,302 units have received approval, one of which has begun construction. In addition, three sites were previously rezoned for high density, mixed-use development in the Hacienda Business Park as part of a TOD near the BART station. Two of the sites received approval for 506 multi-family units but have yet to commence construction.	This program will be continued.
<p><b>Program 36.1:</b> Maintain existing zoning of infill sites at densities compatible with infrastructure capacity and General Plan Map designations.</p>	<p>Policy 36: Strongly encourage residential infill in areas where public facilities are or can be made to be adequate to support such development.</p>	Ongoing	The City continues to maintain existing zoning of infill sites with densities consistent with the General Plan. This program is implemented on an ongoing basis.	This program will be continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
<p><b>Program 36.2:</b> Encourage the development of second units and shared housing in R-1 zoning districts to increase the number of housing units while preserving the visual character within existing neighborhoods of single-family detached homes.</p>		Ongoing	The City continues to help assist homeowners of second units by developing a "toolkit" to promote rental of second units by interested owners. The City continues to promote the creation of second units. In 2013, staff reviewed all existing design and performance standards for second units and concluded that creating an exception to the 15-foot height limit to enable construction of second units above a detached garage would allow greater flexibility for accommodating a second unit with minimal impacts to neighboring properties.	This program will be continued.
<p><b>Program 36.3:</b> Adopt incentives and design guidelines for constructing residential uses above-ground-floor commercial establishments. This may be accomplished through the preparation and adoption of multifamily development standards as described in Program 9.8.</p>		2012	Multifamily Development Standards and Guidelines were adopted in August 2012, to guide development on the nine sites rezoned for high density housing and for TOD sites in the Hacienda Business Park. The intent of these standards and guidelines is to promote residential development at densities that support workforce housing that are compatible with Pleasanton's existing high-quality neighborhoods. They provide direction to developers and property owners on the key components of use, density, building mass and height, setbacks, architectural features, parking, access, and street character.	This program was completed and will not be continued.
<p><b>Program 36.4:</b> For those properties designated for high density residential development with existing commercial uses, conduct outreach with property owners and businesses in 2012 to identify specific incentives for business relocation and to encourage property owners to develop their properties with housing. Develop appropriate incentives that would</p>		Initiate by end of 2012.	Of the nine rezoned sites, only three have existing commercial uses. The Nearon site is mostly vacant but contains an abandoned car wash. A development proposal was approved and permits for construction of 168 units on the Nearon site have been issued. The CM Capital site includes two properties, each with existing office buildings; a proposal was approved to develop half of the CM Capital site with 177 potential future units. The third site occupied with a commercial use is the Sheraton	This program will be continued.



Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
<p>facilitate relocating existing commercial/office/industrial uses in order to enable development with residential uses. Specific incentives may include the following:</p> <ul style="list-style-type: none"> <li>• Transfer of development rights;</li> <li>• A review of traffic requirements and evaluation measures to facilitate mixed use development;</li> <li>• Development of transit alternatives;</li> <li>• Use of development agreements;</li> <li>• Flexibility of parking standards; and</li> <li>• Expedited processing of development applications.</li> </ul>			<p>Hotel site adjacent to the West Dublin/Pleasanton BART Station. A targeted e-mail packet was developed in 2012 for dissemination in January 2013 as a follow-up. In addition, a workshop was organized for February 5, 2013, to provide direct information to nonprofit housing developers on specific opportunities and programs.</p>	
<p><b>Program 38.1:</b> Acquire and/or assist in the development of one or more sites for housing affordable to low- and very-low-income households.</p>	<p>Policy 38: Reserve suitable sites for subsidized housing affordable to low- and very-low-income households.</p>	<p>Ongoing dependent on specific proposals and opportunities.</p>	<p>The City continues to assist in the development of affordable housing. As noted above, the City acquired one parcel of land at 4138 Vineyard Avenue in 2011 to facilitate redevelopment of Kottinger Place by MidPen Housing (a nonprofit). The City will continue to monitor future opportunities to acquire sites for affordable housing.</p>	<p>This program will be continued.</p>
<p><b>Program 38.2:</b> Utilize tax-exempt bonds, and other financing mechanisms, to finance the construction of housing units affordable to extremely low-, low- and very-low-income households, to purchase land for such a use, and to reduce mortgage rates.</p>		<p>Ongoing; dependent on specific proposals and opportunities.</p>	<p>The City continues to look for new financing mechanisms to assist in the development of affordable units. The City initiated discussion with one for-profit developer on a potential issuance of tax-exempt bonds for a 168-unit apartment project in Hacienda Business Park that will include a significant component of units for low-income households.</p>	<p>This program will be continued.</p>
<p><b>Program 38.3:</b> If the City acquires or obtains control of a potential housing site, in order to facilitate the provision of</p>		<p>As appropriate, based on land availability.</p>	<p>The Vineyard Avenue site described above was committed to the project that was the subject of a prior RFP that was awarded to MidPen Housing in 2011. Any</p>	<p>This program will be continued.</p>

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
<b>Name of Program</b>	<b>Objective</b>	<b>Time Frame in H.E.</b>	<b>Status of Program Implementation</b>	<b>Continue Modify or Delete</b>
affordable housing and a mixed-income environment, the City may issue an RFP in conjunction or in partnership with non-profit or for-profit partnerships for development providing at least 20 percent of the units to very low income households and 20 percent of the units to low income households.			future sites that are acquired by the City for affordable housing will be considered for development through an RFP process on a case-by-case basis similar to past practice (e.g., the Promenade Apartments, Ridge View Commons, and the Parkview).	
<b>Program 40.1:</b> Support State and Federal provisions for enforcing anti-discrimination laws.	Policy 40: Promote fair and equal access to housing for all persons regardless of race, color, religion, gender, disability, sexual orientation, age, national origin, or family status. The City will promote equal housing opportunities through printed housing brochures that are distributed at City Hall, the Senior Center, the Library, and other public places. The City will also maintain up-to-date information on housing opportunities affordable to low- and very-low-income households and fair housing issues on its web site.	As needed	The City continues to support state and federal provisions for enforcing anti-discrimination laws. This program is implemented on an ongoing basis.	This program will be continued.
<b>Program 41.1:</b> Continue to provide housing opportunities for households with special needs such as studio and one-bedroom apartments for the elderly and single-person households, three-bedroom apartments for large households, specially designed units for persons with disabilities, SRO's, emergency shelter and transitional housing for the homeless, and units	Policy 41: Provide for the special-housing needs of large households, the elderly, persons with disabilities, extremely low income households, the homeless, farm workers, and families with single-parent heads of households.	Ongoing	The City continues to provide housing opportunities for households with special needs. In 2013, the City is also working with MidPen Housing on a 185-unit project for low- and extremely low-income elderly on the Kottinger Place site (including the commitment of \$8 million in local funds). A total of \$107,000 was allocated to several nonprofit agencies (e.g., TVHOC, Abode Services, ECHO Housing, CRIL) to provide housing-related services to low-income residents, with a focus on	This program will be continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
affordable to extremely low-, low- and very-low-income households with single-parent heads of households. The City will continue to make available funding from sources such as the City's Lower-Income Housing Fund, and the City's Federal HOME and CDBG grants to assist local non-profit agencies and housing developers. The City will also provide technical support to agencies to seek other sources of funding and to plan and develop housing for persons with special needs.			residents with special needs. Additional assistance was provided indirectly through the City's Housing Rehab Program.	
<b>Program 41.2:</b> Require as many low- and very-low-income units as is feasible within large rental projects to utilize Universal Design standards to meet the needs of persons with disabilities and to allow for aging in place.		As needed	The City continues to require universal design standards on all development projects involving new construction of 10 or more single-family dwellings or 15 or more multifamily dwellings, both ownership and rental housing, and must provide a minimum of 10 percent of the total units as universally designed units that meet standard condition requirements.	This program will be continued.
<b>Program 41.3:</b> Set aside a portion of the City's CDBG funds each year to developers of extremely low income housing, special needs housing and service providers.		Annually	The City continues to set aside CDBG funds each year for extremely low-income housing and special needs housing. The City's Human Services Commission included housing in its priority statement for the Housing and Human Services Grant (HMSG) application processes between 2007 and 2014. Between 2007 and 2014, the majority of the City's allocation of CDBG funds benefited these groups.	This program will be continued.
<b>Program 41.4:</b> Set aside a portion of the City's Lower-Income Housing Fund for housing projects which accommodate the needs of special housing groups such as for persons with physical, mental, and/or		Annually	The City continues to set aside Lower-Income Housing Fund (LIHF) money to assist in projects that accommodate those with special needs. While a specific percentage has not been identified, the City has allocated a significant level of funding each year between	This program will be continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
developmental disabilities, and persons with extremely low-incomes.			2007 and 2014 through the HHSG grant program to agencies that address the needs of special housing groups. In 2012, \$107,000 in LIHF funds were allocated to these groups.	
<b>Program 41.5:</b> Give priority for the production of housing for persons with disabilities in infill locations, which are accessible to City services.		Ongoing	The City continues to give priority to housing for persons with disabilities. Sites for new high density housing are located in infill locations and accessible to transit and commercial services.	This program will be continued.
<b>Program 41.6:</b> Continue to permit the development of group homes for six persons or fewer (i.e., community care facilities) in appropriate locations throughout the community.		Ongoing	The City continues to permit the development of group homes for six persons or fewer in appropriate locations in throughout the community. This program is implemented on an ongoing basis.	This program has been completed and group homes for six persons or fewer are allowed by right as stated in the zoning code. Therefore, this program will not be continued.
<b>Program 41.7:</b> Encourage the provision of special-needs housing, such as community care facilities for the elderly, and persons with disabilities in residential and mixed-use areas, especially near transit and other services. The City will provide regulatory incentives such as expedited permit processing in conformance with the Community Care Facilities Act and fee reductions where the development would result in an agreement to provide below-market housing or services. The City will maintain flexibility within the Zoning Ordinance to permit such uses in non-residential zoning districts.		Ongoing	On March 19, 2013 the City Council adopted Ordinance No. 2060 adding Pleasanton Municipal Code Chapter 18.86 (Reasonable Accommodations) to comply with Program 41.10 of the Housing Element. As approved the ordinance would include a fee waiver on the basis of hardship.	This program will be continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
<p><b>Program 41.8:</b> Require some units to include Universal Design and visitability features for all new residential projects receiving governmental assistance, including tax credits, land grants, fee waivers, or other financial assistance. Consider requiring some units to include Universal Design and visitability features in all other new residential projects to improve the safety and utility of housing for all people, including home accessibility for people aging in place and for people with disabilities.</p>		Ongoing	The City continues to require universal design for larger new residential projects. Inclusion of universal design elements was required as a condition of approval for two recent multi-family housing projects. Inclusion of universal design elements is now required for development projects involving new construction of 10 or more single-family dwellings or 15 or more multifamily dwellings, both ownership and rental housing, and must provide a minimum of 10 percent of the total units as universally designed units that meet standard condition requirements.	This program will be continued.
<p><b>Program 41.9:</b> To ensure that there are adequate sites to accommodate the need for farm worker housing, modify the zoning ordinance as necessary to comply with the requirements of the Health and Safety Code sections 17021.5 and 17021.6 related to farm-worker employee housing.</p>		Sept. 2012	On March 19, 2013, the City Council adopted Ordinance No. 2062 amending various chapters in the Pleasanton Municipal Code Title 18 to comply with California Health and Safety Code pertaining to Housing for Agricultural Employees consistent with Program 41.9 of the Housing Element.	This program was completed and will not be continued.
<p><b>Program 41.10:</b> Adopt a reasonable accommodation ordinance to permit modifications of zoning provisions for housing intended to be occupied by persons with disabilities.</p>		By mid-2013	On March 19, 2013, the City Council adopted Ordinance No. 2060 adding Pleasanton Municipal Code Chapter 18.86 (Reasonable Accommodations) to comply with Program 9.10 of the Housing Element. As approved, the ordinance would include a fee waiver on the basis of hardship.	This program was completed and will not be continued.
<p><b>Program 44.1:</b> Implement the applicable housing related air quality, climate change, green building, water conservation, energy conservation, and community character programs of the Pleasanton General Plan, including:</p>	Policy 44: Preserve and enhance environmental quality in conjunction with the development of housing, including additions and remodels.	Ongoing	The City continues to implement applicable housing related air quality, climate change, green building, water conservation, energy conservation, and community character programs of the Pleasanton General Plan. This is implemented on an ongoing basis through project review.	This program will be continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
<ul style="list-style-type: none"> <li>• Policy 6 and programs 6.1 and 6.3 of the Air Quality and Climate Change Element</li> <li>• Programs 1.5, 1.7, 1.8, 1.12, 1.13, 1.14, and 3.12 of the Water Element</li> <li>• Program 9.1 of the Community Character Element</li> <li>• Policies 2, 3, 4, 6 and 7 and programs 2.1-2.7, 3.1-3.5, 4.1-4.3, 6.1-6.4, 7.1-7.3, and 7.6 of the Energy Element</li> </ul>				
<p><b>Program 44.2:</b> Utilize the City's Lower-Income Housing Fund for low-interest loans to support alternative energy usage and/or significant water conservation systems in exchange for securing new and/or existing rental housing units affordable to low and very-low income households.</p>		Ongoing	The City continues to utilize the City's Lower-Income Housing Fund. In 2012, the City funded the addition of photovoltaic panels on six price-restricted homes owned by low-income first-time homebuyers in Pleasanton through a partnership with GRID Alternatives (an ongoing program). The solar systems promote affordability will be reducing the monthly housing costs for these residents. Although the program continued to be available in 2013, no homeowners sought assistance during that period.	This program will be continued.
<p><b>Program 45.1:</b> Identify the level of need for special needs housing, including housing for low-income-non-senior adults with disabilities, in the community that is not being met in existing housing. The City Council shall consider the appropriate steps to address the identified needs.</p>	Policy 45: Implement Resolution 10-390, requiring enhancements to existing non-discrimination housing policies.	Ongoing	The Background Report for the Pleasanton Housing Element was finalized in 2012. It includes analyses of housing affordability and special needs housing. Also, the City collaborated with the cities of Livermore and Dublin to conduct a human services needs assessment for the Tri-Valley area. The Eastern Alameda County 2011 Human Services Needs Assessment: Findings Report was approved by the City Council on June 5, 2012. The report includes analysis of affordable housing issues, the service delivery efforts, gaps and barriers, and suggestions for improvement. (See additional comments under Program 45.4 below on the	This program will be continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
			Consolidated Annual Performance Evaluation Report.)	
<p><b>Program 45.2:</b> Survey older multi-family residential complexes and consider utilizing the City's Lower-Income Housing Fund, Federal grants, and/or other funds to provide low-interest loans to retrofit existing residential units for the purpose of developing three bedroom rental units affordable to large low and very low income households.</p>		2011–2014	The City continues to promote the creation of three bedroom affordable rental units. However, no requests for rehabilitation occurred between 2007 and 2014.	This program will be continued.
<p><b>Program 45.3:</b> The City will coordinate a workshop with non-profit housing developers and owners of sites rezoned to accommodate housing affordable to low- and very-low-income households for the purpose of facilitating discussion regarding potential opportunities, programs, financial support, etc. The City will utilize its Lower-Income Housing Fund, Federal funds, and/or other funds/financial support to assist with the acquisition of a site or to assist with development of a project with</p>		Schedule workshop by December 2012	The City continues to support the development of new residential projects and coordinated a workshop a February 5, 2013, that was attended by nonprofit and for-profit developers as well as owners of current residential sites within the city.	This program will be continued.



Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
three bedroom units affordable to large low- and very-low-income households by a non-profit housing developer. The City will work cooperatively with developers to identify any funding gap in project financing and will make contributions from its Lower Income Housing Fund to help close this gap. A minimum of \$1 million will be made available for this purpose.				
<b>Program 45.4:</b> As part of the City's Consolidated Annual Performance Evaluation Report approval, or other time deemed appropriate by the City Manager, the City Manager will present a report regarding the City's efforts to fulfill Resolution 10-390, the success of the efforts and the plan and proposals to attract well-designed housing affordable to low and very low income households with children in the future.		Annually or as deemed needed by CM	In August of each year, the CAFER was completed for the previous fiscal year. The reports were reviewed by the Pleasanton Human Services Commission prior to its submittal to HUD. The reports included demographic information on persons assisted by various programs during the fiscal year, including income, race, elderly and disabled.	This program will be continued.
<b>Program 45.5:</b> The City is committed to work in good faith with non-profit and for-profit developers in the East Pleasanton Specific Plan area during the specific plan process to secure property for the development of family housing affordable to low and very low income households.		During preparation of the East Pleasanton Specific Plan	The East Pleasanton Specific Plan (EPSP) process was started in August 2012. The task force guiding the process continues to encourage developers to seek affordable housing solutions within the specific plan area. On February 5, 2013, the Planning and Housing staff conducted a meeting with nonprofit housing developers to identify potential opportunities for affordable housing, including the EPSP area.	This program will be continued.
<b>Program 46.1:</b> Conduct public outreach and revise the Zoning Title of the Pleasanton Municipal Code within one year of the adoption of the Housing Element to	Policy 46: Revise the Zoning Title of the Pleasanton Municipal Code to address SB2	Within one year of adoption of HE	On March 19, 2013, the City Council adopted Ordinance No. 2061 amending various chapters in the Pleasanton Municipal Code Title 18 to comply with California Government Code pertaining to Emergency Homeless	This program was completed and will not be continued.

Program Description (By Housing Element Program Names)	<b>Housing Programs Progress Report - Government Code Section 65583.</b> Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
Name of Program	Objective	Time Frame in H.E.	Status of Program Implementation	Continue Modify or Delete
accommodate emergency shelters consistent with SB 2. The zoning district proposed to accommodate this use as a permitted use is the C-S (Service Commercial) zone . The zoning text amendment will also establish objective development standards to encourage and facilitate the use, and will subject shelters to the same development standards that apply to other permitted uses in this district.			Shelters, Supportive Housing and Transitional Housing consistent with Programs 46.1 and 46.2 of the Housing Element.	
<b>Program 46.2:</b> Conduct public outreach and revise the Zoning Title of the Pleasanton Municipal Code within one year of adoption of the Housing Element to accommodate supportive and transitional housing consistent with SB2. The Zoning Ordinance will be amended to permit transitional and supportive housing as a residential use and subject to the development regulations that apply to other dwellings of the same type in the same zone.		Within one year of adoption of HE	On March 19, 2013, the City Council adopted Ordinance No. 2061 amending various chapters in the Pleasanton Municipal Code Title 18 to comply with California Government Code pertaining to Emergency Homeless Shelters, Supportive Housing and Transitional Housing consistent with Programs 46.1 and 46.2 of the Housing Element.	This program will be modified to allow transitional and supportive housing in all zones that allow residential.

**Appendix B**

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# **Housing Sites Inventory**

**2015–2023 UPDATE**

**DECEMBER 2014 FINAL DRAFT**



HOUSING SITES INVENTORY

Site #	APN	Name	Location	GP Des	Vacancy Status	Specific Plan Area	Zoning	Acres	Max Density (Units/Acre)	Max Capacity	Realistic Capacity	Site Constraints	RHNA Met			
													VL/L >80%	M 80<120%	AM >120%	Total
Permitted and Approved																
1	941-2778-012-00	Hacienda Site 1 (BRE)	SEC Owens Dr./Willow Rd.	Mixed Use/Business Park	Vacant - Entitled	None	PUD-MU	8.4	30	252	255	Based on deed-restricted units in the Low Income Housing Agreement that was developed with the City and approved at the time of entitlements.	38	217		255
2	941-2778-011-00	Hacienda Site 2 (BRE)	NWC Gibraltar Dr./Hacienda	Mixed Use/Business Park	Vacant - Entitled	None	PUD-MU	8.2	30	246	251	Based on deed-restricted units in the Low Income Housing Agreement that was developed with the City and approved at the time of entitlements.	38	213		251
3	946-4542-045-03	Auf der Maur	3150 Bernal (SEC Stanley Blvd./Bernal Ave.)	HDR	Vacant - Entitled	None	PUD-HDR	11.5	30	345	345	Based on deed-restricted units in the Low Income Housing Agreement that was developed with the City and approved at the time of entitlements.		345		345
4	941-2780-019-01	The Residence at California Center (Carr America)	4550 Rosewood Dr.	Mixed Use/Business Park	Vacant - Entitled	None	PUD-MU	8.9	30	267	305	Based on deed-restricted units in the Low Income Housing Agreement that was developed with the City and approved at the time of entitlements.	23	282		305
5	947-0008-003-00	Commons at Gateway (HDR)	1600 Valley Ave.	HDR	Vacant - Entitled	None	PUD-HDR	7	30	210	210	Based on deed-restricted units in the Low Income Housing Agreement that was developed with the City and approved at the time of entitlements. Note: Only the HDR portion of the project is deed restricted.	32	178		210
6	947-0008-003-01	Commons at Gateway (MDR)	1600 Valley Ave.	HDR	Vacant - Entitled	None	PUD-MDR	19.7	8	157	97	Realistic unit capacity based on development agreement.			97	97
7	941-2762-006-00	Summerhill Apartments (CM Capital 1)	5850 W. Las Positas	Mixed Use/Business Park	Vacant - Entitled	None	PUD-MU	5.9	30	177	177	Based on deed-restricted units in the Low Income Housing Agreement that was developed with the City and approved at the time of entitlements.	18	159		177
8	946-1691-011-00	Ponderosa Homes (Ivy Lane)	4204 Stanley	PUD-MDR	Vacant - Entitled	None	PUD-MDR	2.1	8	16	12	Realistic unit capacity based on approved City entitlements.			12	12

Site #	APN	Name	Location	GP Des	Vacancy Status	Specific Plan Area	Zoning	Acres	Max Density (Units/Acre)	Max Capacity	Realistic Capacity	Site Constraints	RHNA Met			
													VL/L >80%	M 80<120%	AM >120%	Total
9	941-2764-015-00	Anton Hacienda (Nearon)	5725 W. Las Positas	Mixed Use/Business Park	Vacant - Entitled	None	PUD-MU	5.6	30	168	168	Based on deed-restricted units in the Low Income Housing Agreement that was developed with the City and approved at the time of entitlements.	35	133		168
10	094-0013-017-00	Kottinger Gardens	240 and 251 Kottinger and 4133 and 4138 Vineyard Avenue	HDR	50 Units - Entitled	None	PUD-HDR	3.47	30	192	185	Based on deed-restricted units in the Low Income Housing Agreement that was developed with the City and approved at the time of entitlements. Required lot consolidation to demolish Kottinger Place (50 homes) and Pleasanton Garden (40 homes) and construct 185 new senior units. The demolished units are included within the realistic capacity but excluded from the RHNA Total.	95			95
	HDR			40 Units - Entitled	None	PUD-HDR	1.95								0	
	HDR			Vacant non-habitable structure - Entitled	None	PUD-HDR	0.51								0	
	HDR			Non-habitable structure - Entitled	None	PUD-HDR	0.5								0	
11	946-1689-011-00	Molinaro/Donato	4189 and 4171 Old Stanley Blvd., including 3 adjacent unaddressed parcels to the north	HDR	Vacant - Entitled	DTSP	R-1-65	0.14	15	2	12	Non-vacant: 1 existing unit, 1.17 acre potential for development, required site consolidation. Multiple lots under current APNs will be merged into a single site.			12	12
	HDR			SFR - Entitled	DTSP	R-1-65	0.32	15					4			0
	HDR			Vacant - Entitled	None	R-1-6,500	0.26	15					3			0
	HDR			Vacant - Entitled	None	R-1-6,500	0.30	15					4			0
	HDR			Vacant - Entitled	None	R-1-6,500	0.15	15					2			0
15	946-4603-010-00	Berattlis Place <sup>1</sup>	7 Berattlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.42	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-011-00	Berattlis Place <sup>1</sup>	15 Berattlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.50	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-012-00	Berattlis Place <sup>1</sup>	23 Berattlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.59	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-013-00	Berattlis Place <sup>1</sup>	31 Berattlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.36	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-014-00	Berattlis Place <sup>1</sup>	39 Berattlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.35	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-015-00	Berattlis Place <sup>1</sup>	47 Berattlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.37	2	1	1	Realistic unit capacity based on development agreement.			1	1

Site #	APN	Name	Location	GP Des	Vacancy Status	Specific Plan Area	Zoning	Acres	Max Density (Units/Acre)	Max Capacity	Realistic Capacity	Site Constraints	RHNA Met			
													VL/L >80%	M 80<120%	AM >120%	Total
	946-4603-016-00	Beratlis Plac <sup>1e</sup>	55 Beratlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.60	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-017-00	Beratlis Place <sup>1</sup>	63 Beratlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.51	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-018-00	Beratlis Place <sup>1</sup>	40 Beratlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.89	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-019-00	Beratlis Place <sup>1</sup>	19 Beratlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.64	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-020-00	Beratlis Place <sup>1</sup>	24 Beratlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.58	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-021-00	Beratlis Place <sup>1</sup>	16 Beratlis Place	LDR	Vacant - Entitled	None	PUD-LDR	0.54	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-009-00	Beratlis Place <sup>1</sup>	2999 Crestablanca Drive	LDR	Vacant - Entitled	None	PUD-LDR	0.49	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-008-00	Beratlis Place <sup>1</sup>	2708 Crellin Road	LDR	Vacant - Entitled	None	PUD-LDR	0.48	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4603-007-00	Beratlis Place <sup>1</sup>	2720 Crellin Road	LDR	Vacant - Entitled	None	PUD-LDR	0.49	2	1	1	Realistic unit capacity based on development agreement.			1	1
13	946-4614-019-00	Hatsushi <sup>2</sup>	2798 Vineyard	LDR	Vacant - Entitled	VASP	PUD-LDR	7.27	2	14	9	Realistic unit capacity based on development agreement.			9	9
	946-4614-014-00	Hatsushi <sup>2</sup>	1 Hatsushi Terrace	LDR	Vacant - Entitled	VASP	PUD-LDR	1.46	2	2	1	Realistic unit capacity based on development agreement.			1	1
	946-4614-015-00	Hatsushi <sup>2</sup>	5 Hatsushi Terrace	LDR	Vacant - Entitled	VASP	PUD-LDR	0.52	2	1	1	Realistic unit capacity based on development agreement.			1	1
			9 Hatsushi Terrace	LDR	Vacant - Entitled	VASP	PUD-LDR	0.56	2	1	1	Realistic unit capacity based on development agreement.			1	1
	946-4614-017-00	Hatsushi <sup>2</sup>	13 Hatsushi Terrace	LDR	Vacant - Entitled	VASP	PUD-LDR	0.48	2		1	Realistic unit capacity based on development agreement.			1	1
14	946-1350-015-08	Apperson Ridge	1944 Three Oaks Drive	MDR	Vacant - Entitled	VASP	PUD-LDR	8.00	8	64	10	Realistic unit capacity based on development agreement. Non-vacant: 1 existing unit, 8 acre potential for development, contains a parcel with three General Plan designations under one APN for total of 20 acres.			10	10



Site #	APN	Name	Location	GP Des	Vacancy Status	Specific Plan Area	Zoning	Acres	Max Density (Units/Acre)	Max Capacity	Realistic Capacity	Site Constraints	RHNA Met			
													VL/L >80%	M 80<120%	AM >120%	Total
15	946-4615-004-03	Austin Property	3459 Old Foothill Road	LDR	Vacant - Entitled	None	PUD-LDR	8.40	2	16	8	Realistic unit capacity based on development agreement. Non-vacant: 1 existing unit, 8.4 acre potential for development, contains a parcel with multiple General Plan designations under one APN for total of 30.4 acres.			8	8
16	946-4611-002-00	Oak Ridge Estates <sup>3</sup>	1 Winding Oaks Drive	LDR	Vacant - Entitled	VASP	PUD-LDR	1.402	2	2	1	Realistic unit capacity based on development agreement.			1	1
	946-4611-003-00	Oak Ridge Estates <sup>3</sup>	2 Winding Oaks Drive	LDR	Vacant - Entitled	VASP	PUD-LDR	1.561	2	3	1	Realistic unit capacity based on development agreement.			1	1
	946-4611-004-00	Oak Ridge Estates <sup>3</sup>	3 Winding Oaks Drive	LDR	Vacant - Entitled	VASP	PUD-LDR	1.964	2	3	1	Realistic unit capacity based on development agreement.			1	1
	946-4611-005-00	Oak Ridge Estates <sup>3</sup>	4 Winding Oaks Drive	LDR	Vacant - Entitled	VASP	PUD-LDR	3.963	2	7	1	Realistic unit capacity based on development agreement.			1	1
	946-4611-006-00	Oak Ridge Estates <sup>3</sup>	5 Winding Oaks Drive	LDR	Vacant - Entitled	VASP	PUD-LDR	3.345	2	6	1	Realistic unit capacity based on development agreement.			1	1
	946-4611-007-00	Oak Ridge Estates <sup>3</sup>	6 Winding Oaks Drive	LDR	Vacant - Entitled	VASP	PUD-LDR	3.295	2	6	1	Realistic unit capacity based on development agreement.			1	1
	946-4611-008-00	Oak Ridge Estates <sup>3</sup>	7 Winding Oaks Drive	LDR	Vacant - Entitled	VASP	PUD-LDR	3.755	2	7	1	Realistic unit capacity based on development agreement.			1	1
<b>Vacant and Underutilized Sites</b>																
17	946-3479-001-00	Hoile (Altieri/Marshall)	1851 Rose Ave.	MDR	Underutilized	None	PUD-MDR	6.95	8	55	19	Non-vacant: 1 existing unit, 6.95 acre potential for development, contains a parcel with three General Plan designations under one APN for total of 9.09 acres.			19	19
18	094-0153-001-00	Auf de Maur / Maestas Property	418 Rose Ave.	HDR	Vacant	DTSP	RM-15	0.26	15	3	4	Vacant residential: access constraints.			4	4
19	948-0004-006-03	Auf der Maur property	4534 Bernal Ave.	MDR	Vacant	None	PUD-MDR	10.25	8	82	51	Non-vacant: 2 existing units, 1.2 acre potential for development with slope and fault line setbacks.			51	51

Site #	APN	Name	Location	GP Des	Vacancy Status	Specific Plan Area	Zoning	Acres	Max Density (Units/Acre)	Max Capacity	Realistic Capacity	Site Constraints	RHNA Met			
													VL/L >80%	M 80<120%	AM >120%	Total
20	941-2771-015-00	BART	5859 Owens Drive	Mixed Use/Business Park	Vacant	None	PUD-MU	6.96	30*	208	124	Previously rezoned vacant: parking lot, requires new sewer pump station and pipelines;	124			124
	941-2778-002-00	BART	3838 Owens Drive	Mixed Use/Business Park	Vacant	None	PUD-MU	7.97	30*	239	125	Previously rezoned vacant: parking lot, requires new sewer pump station and pipelines.	125			125
21	941-2762-011-01	CM Capital Property 2	5758 W. Las Positas	Mixed Use/Business Park	Underutilized	None	PUD-MU	6.69	12.5	84	84	Previously rezoned non-vacant: office, requires new sewer pump station and pipelines.			84	84
22	941-2100-009-00	Fuller/Frades property	4134 Foothill (west side of Foothill Rd. in general)	RDR	Vacant	None	A/RDR	5.09	1	1	1	Vacant residential: 0.9 acre potential for development accounting for slope and fault line setback, water constraints, maximum of one unit permitted per site.			1	1
23	946-1146-047-00	Gonsalves property	2215 Martin Ave.	LDR	Underutilized	None	PUD-LDR	1.66	2	3	1	Non-vacant: 1 existing unit, sewer constraints			1	1
24	941-2100-005-00	Gywy property Foothill	4100 Foothill (west side of Foothill Rd. in general)	RDR	Vacant	None	PUD-RDR/LDR/OS	6.67	0.2	1	1	Vacant residential: 0.3 acre potential for development, water constraints.			1	1
25	941-2761-003-00	Hacienda Site 3 (Roche)	4300 Hacienda	Mixed Use/Business Park	Vacant	None	PUD-MU	12.40	30*	372	372	Vacant nonresidential with residential allowed: sewer constraints.	372			372
26	941-1201-052-03	Kaiser	5600 Stoneridge Mall Road	Mixed Use/Business Park	Vacant	None	PUD-MU	6.10	30*	183	183	Previously rezoned vacant: parking lot, requires new pipelines.	183			183

Site #	APN	Name	Location	GP Des	Vacancy Status	Specific Plan Area	Zoning	Acres	Max Density (Units/Acre)	Max Capacity	Realistic Capacity	Site Constraints	RHNA Met			
													VL/L >80%	M 80<120%	AM >120%	Total
27	950-0004-002-06	Lin Property	1400 Hearst Dr.	LDR	Vacant	None	PUD-RDR	76.84	2	153	10	Vacant residential: contains a parcel with multiple General Plan designations under one APN for a total of 560.3 acres, including non-developable portions. Capacity assumes site with residential development capacity, very limited capacity due to water, sewer and utility constraints. Constraints associated with topography and sensitive environmental areas also reduce capacity.			10	10
28	948-0015-001-04	Lund Ranch II Property 1a	Lund Ranch Rd.	LDR	Underutilized	None	PUD-LDR	58.43	2	116	40	Non-vacant parcel: 1 existing unit, 36 acre potential for development when accounting for slope and fault line setback, contains parcel with multiple General Plan designations under one APN for a total of 195.07 acres, 50 total units on the property is the realistic capacity per the known seismic study.			40	40
	948-0015-001-04	Lund Ranch II Property 1b	Lund Ranch Rd.	RDR	Underutilized	None	PUD-LDR	123.00	0.2	24	10	Non-vacant parcel: 1 existing unit, 36 acre potential for development when accounting for slope and fault line setback, contains parcel with multiple General Plan designations under one APN for a total of 195.07 acres, 50 total units on the property is the realistic capacity per the known seismic study.			10	10
29	946-3930-050-01	McCarthy property	2768 Foothill Rd.	LDR	Underutilized	None	R-1-40	1.61	2	3	1	Non-vacant: 1 existing unit.			1	1
30	940-0128-041-00	Nolan & Dwyer Property	1027 Rose Ave.	MDR	Underutilized	None	PUD-MDR	1.50	8	12	3	Non-vacant: 1 existing unit, 10,000 sq. ft. lot minimum.			3	3
31	946-3930-004-02	Olesen Property	West of 2776 Foothill Rd.	LDR	Vacant	None	R-1-40,000	1.11	2	2	1	Vacant residential: 1 acre potential for development accounting for slope and fault line setback.			1	1

Site #	APN	Name	Location	GP Des	Vacancy Status	Specific Plan Area	Zoning	Acres	Max Density (Units/Acre)	Max Capacity	Realistic Capacity	Site Constraints	RHNA Met					
													VL/L >80%	M 80<120%	AM >120%	Total		
32	946-1704-008-01	Remen Tract	3683 Vineyard Avenue	MDR	Underutilized	None	R-1-10	0.82	8	6	3	Non-vacant: 1 existing unit, may require demolition of existing structures, sewer constraints.			3	3		
33	946-1704-008-05	Remen Tract	3731 Vineyard Avenue	MDR	Underutilized	None	R-1-10	0.33	2	1	1	Non-vacant: 1 existing unit, sewer constraints.			1	1		
34	941-1201-057-02	Sheraton	5990 Stoneridge Mall Road	Mixed-Use	Underutilized	None	PUD-MU	3.30	30*	99	99	Previously rezoned non-vacant: hotel, requires new pipelines.	99			99		
35	946-1146-046-00	Singleton property	2207 Martin Ave.	LDR	Underutilized	SDSP	PUD-LDR	1.67	2	3	1	Non-vacant: 1 existing unit, sewer constraints.			1	1		
36	948-0015-002-01	Spotorno 1, MDR portion of site	1000 Minnie	MDR	Vacant	HVSP	PUD-MDR	13.25	8	106	30	Vacant residential: contains a parcel with two zonings under one APN for total of 42.4 acres, one of the zonings is a non-residential			30	30		
	948-0015-002-02	Spotorno 2, LDR portion of site	1000 Minnie	LDR	Underutilized	HVSP	PUD-LDR	2.94	2	5	5	Non-vacant: 1 existing unit.			5	5		
	949-0016-006-00	Spotorno 3a, Low Density portion of site	1000 Minnie	Low Density: 1 Dwelling	Vacant	HVSP	PUD-SRDR	23.07	1	1	1	Vacant residential: contains a parcel with multiple zonings under one APN for a total of 111.3 acres, with nonresidential-zonings.			1	1		
	949-0016-006-00	Spotorno 3b, MDR portion of site	1000 Minnie	MDR	Vacant	HVSP	PUD-MDR	0.60	8	4	4	Vacant residential: contains a parcel with multiple zonings under one APN for a total of 111.3 acres, with nonresidential-zonings.			4	4		
37	941-1201-094-03	Stoneridge Shopping Center	1008 Stoneridge Mall Road	Mixed Use	Underutilized	None	PUD-MU	74.60	40*	2,984	88	Previously rezoned non-vacant: shopping center, requires new pipelines; 10 acre potential for MF development.	88			88		
38	946-4574-004-00	Wiemken property	3747 Trenerly Dr.	LDR	Underutilized	SDSP	PUD-LDR	1.00	2	2	1	Non-vacant: 1 existing unit, sewer constraints.			1	1		
<b>Totals</b>																		
Totals								593.74							1,270	1,527	446	3,243
RHNA															1107	407	553	2,067
Surplus Units															163	1,120	(107)	1,176

<sup>1</sup> Beratlis Place: Vacant residential parcel with restricted capacity due to topography and hillside slope issues; 1 single parcel that was approved to be subdivided for 14 new single-family home lots, and is listed as separate entries since property has been subdivided but not developed.

<sup>2</sup> Hatsushi Terrace: Non-vacant: 1 existing unit, 10.28 acre potential for development, required site consolidation. A portion of the development has already processed a Parcel Map to create 4 of the 13 total lots.

<sup>3</sup> Oak Ridge Estates: Vacant residential parcel with restricted capacity due to topography and hillside slope issues; 1 single parcel that was approved to be subdivided for 7 new single-family home lots, and is listed as separate entries since property has been subdivided but not developed.

# MEMO

**To:** Jennifer Wallis, Associate Planner  
City of Pleasanton

**From:** Courtney Wood and Jennifer Gastelum, PMC

**Cc:** Adam Weinstein

**Date:** August 28, 2014

**Re:** Sentate Bill (SB) 244 Disadvantaged Communities Analysis

Dear Ms. Wallis,

PMC has completed the following analysis to satisfy the City of Pleasanton's SB 244 analysis to identify disadvantaged communities.

## INTRODUCTION

SB 244 (Wolk) was approved by Governor Brown in October 2011 and requires cities and counties to address the infrastructure needs of disadvantaged unincorporated communities (DUCs) in city and county general plans and Local Agency Formation Commission (LAFCo) Municipal Service Reviews (MSRs) and annexation decisions.

For cities and counties, Government Code Section 65302.10(a) requires that before the due date for adoption of the next housing element after January 1, 2012, the general plan land use element must be updated to identify and describe each DUC (Fringe Community and/or Island Community) that exists within the city's sphere of influence (SOI); analyze for each identified community the water, wastewater, stormwater drainage, and structural fire protection needs; and identify financial funding alternatives for the extension of services to identified communities. SB 244 defines a DUC as a place that meets the following criteria:

- Contains 10 or more dwelling units adjacent or in close proximity to one another where 12 or more registered voters reside (for the purpose of this analysis, close proximity is defined as a density greater than 1 unit per acre);
- Is either within a city SOI (also known as a Fringe Community), is an island within a city boundary (also known as an Island Community), or is geographically isolated and has existed for at least 50 years (also known as a Legacy Community) (Figure 1 graphically depicts these types of communities); and
- Has a median household income that is less than \$49,120, which is 80 percent or less than the statewide median household income (according to the 2008–2012 American Community Survey, the median household income for California in 2014 [latest figures available] was \$61,400).

Based on communication with the Governor's Office of Planning and Research (OPR) (Christopher Calfee, OPR Senior Counsel, 11/20/12), if a local jurisdiction completes the SB 244 analysis and does not identify any unincorporated disadvantaged communities, it can prepare a memo documenting these findings and present the findings in a public hearing before decision-makers so that the information is included in the public record. This process would result in the local jurisdiction meeting the intent of SB 244 and therefore not require an update to their general plan land use element.

## **ANALYSIS OF CITY OF PLEASANTON DISADVANTAGED UNINCORPORATED COMMUNITIES**

An analysis to identify DUCs within the City of Pleasanton (City) SOI was conducted in order to address the requirements of SB 244. The city is located in Alameda County, one of the nine Bay Area counties bordering the San Francisco Bay. In conducting the analysis, resources utilized included the SB 244 Technical Advisory (OPR, 2/15/2013), the City of Pleasanton's General Plan (adopted July 2009), and documentation from local jurisdictions, agencies, and special districts. Based on available resources, no areas in the immediate vicinity of the city were identified as earning 80 percent or less of the statewide median household income. Figure 2 depicts a map of the city and areas adjacent to the current city limits and SOI by median income.

### **DISADVANTAGED UNINCORPORATED COMMUNITIES (DUCs)**

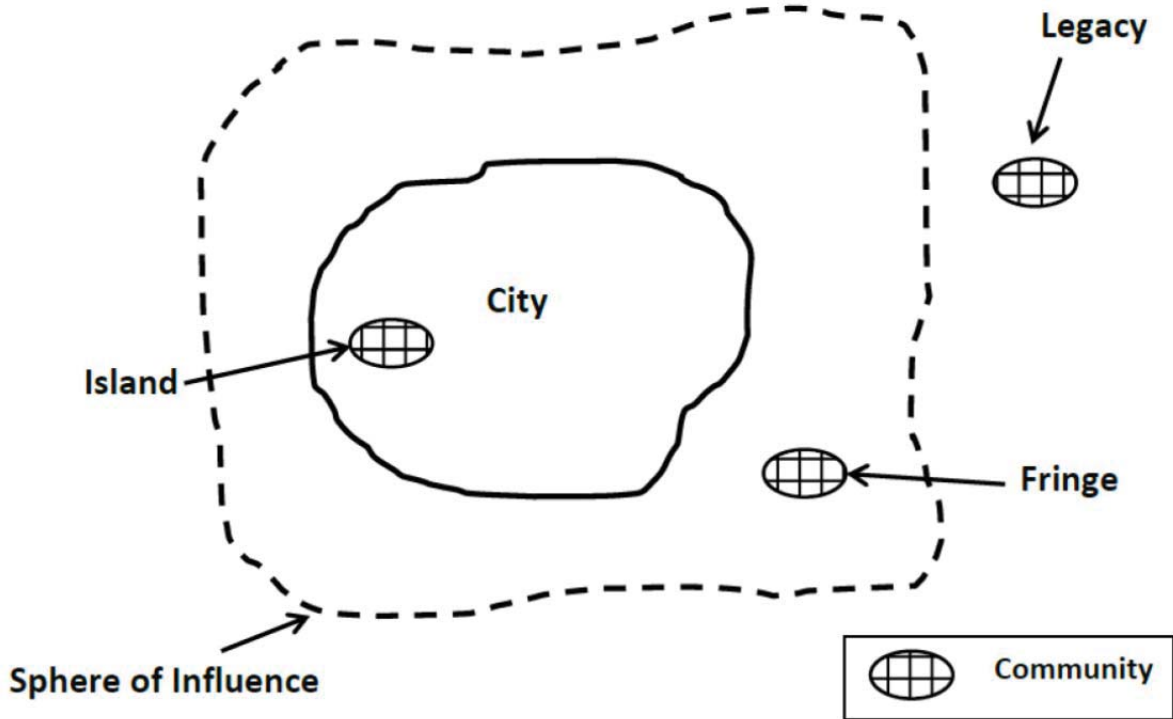
The City of Pleasanton was incorporated in 1894. As depicted on the City's General Plan Land Use Diagram, the city boundaries and SOI cover a 64.6-square mile area. The city boundaries cover a 22.4-square mile area over which Pleasanton exercises zoning control and police powers. The SOI consists of a 42.2-square mile area of unincorporated Alameda County and a small portion of Hayward. The city is bordered by Dublin in the north and Livermore on the east. To the south is the unincorporated community of Sunol and to the west lay the Main and Pleasanton Ridges.

The Alameda County East County Area Plan Land Use Map indicates that land uses along the western and southern boundaries of the city are designated with a mixture of Rural Density Residential, Medium Density Residential, Parklands, Water Management, and Major Commercial uses. Review of aerial photography indicates that residences exist outside of the city boundaries in the SOI. The majority of these residential units are large single-family units located in the hills above the City of Pleasanton. As shown in Figure 2, median incomes in areas within the city limits and SOI are well above the 80 percent of the statewide median income threshold.



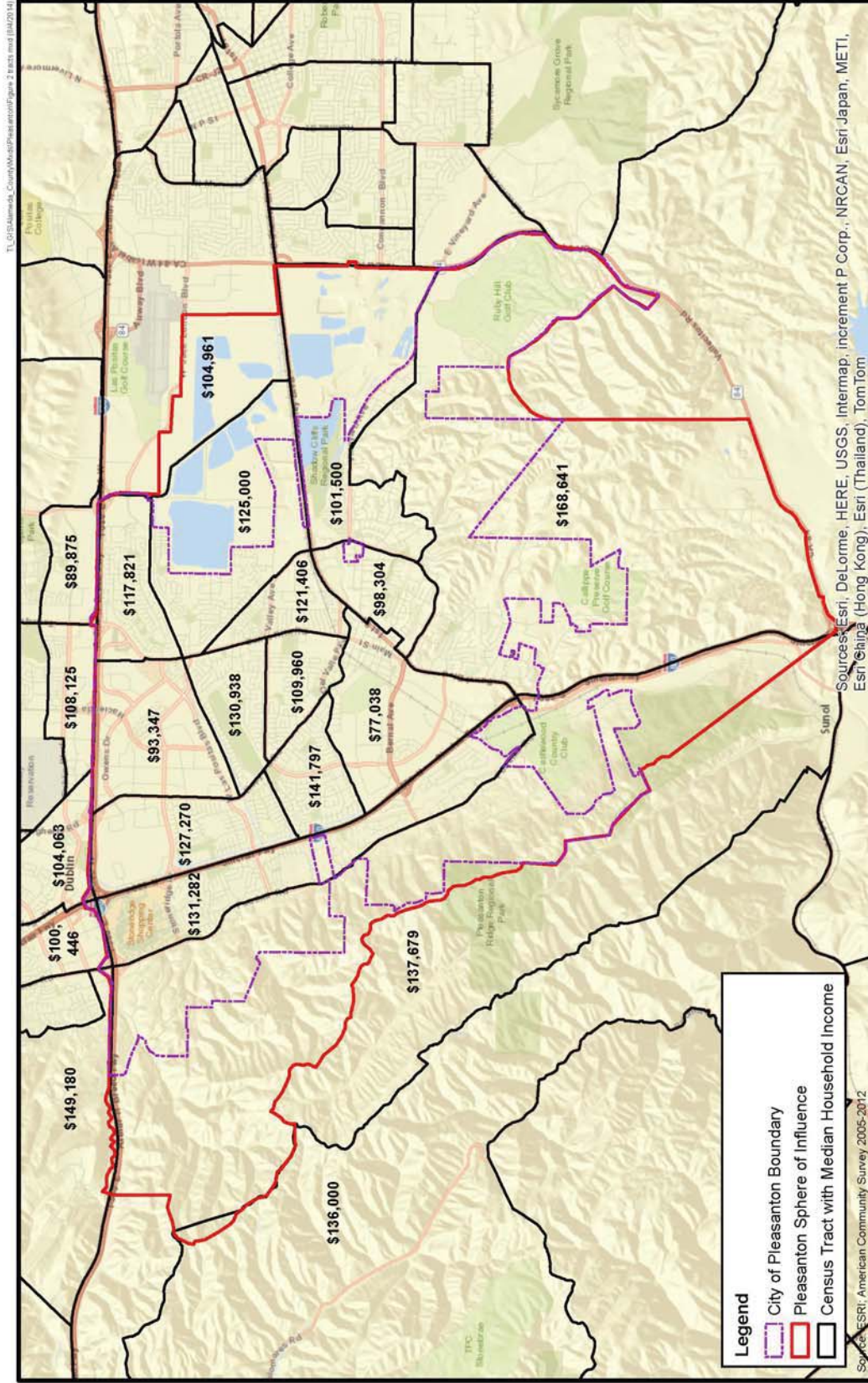
FIGURE I

**Types of Communities**



Source: California Office of Planning and Research, 2013

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**Figure 2**  
 City of Pleasanton  
 Median Household Income by Census Tract



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Based on review of the City and County General Plan Land Use Maps, aerial photography, and associated median household income levels, no DUCs exist within the City of Pleasanton's boundaries and SOI.

### **Future Annexations Considered**

The City of Pleasanton Planning Department was consulted to determine whether or not the City or any local development companies were considering annexing territory within the city's SOI into the city limits. Based on discussions with City staff in August 2014, no future annexations have been analyzed.

### **Conclusion**

Based on information contained in this analysis, extension of services is not required because no DUCs were identified. No additional analysis infrastructure or financing alternatives are necessary at this time.

### **LIST OF SOURCES**

Alameda County. 2000. *Alameda County East County Area Plan*.

ESRI. 2014. Aerial photography.

Calfee, Christopher. Governor's Office of Planning and Research (OPR) Senior Counsel.  
Correspondence dated 11/20/12.

City of Pleasanton. 2009. *General Plan*.

———. 2014. Correspondence with Planning Department.

OPR (California Governor's Office of Planning and Research). 2013. *Technical Advisory*.

US Census Bureau. 2006–2010 American Community Survey.



October 8, 2014

Mr. Jess Negrete  
**Department of Housing and Community Development**  
Division of Housing Policy Development  
2020 West El Camino Avenue - Suite 500  
Sacramento, CA 95833

Dear Mr. Negrete,

Below and attached please find our comments on Pleasanton's Draft Housing Element (DHE) for the 2015-2023 Planning Period. Citizens for a Caring Community (CCC) has actively participated in Pleasanton's Housing Element update process for the last ten years. As Pleasanton's most active advocates for affordable housing, we have observed and appreciated the City's high level of community outreach and citizen input. We also have, since 2011, tracked and documented Pleasanton's pursuit of the Housing Element's Goals through the implementation of its Policies and Programs. CCC has reviewed Pleasanton's DHE submitted, and have general areas of concern outlined below. You will find more detailed comments in Exhibit A and the Attachments that follow. We have done our best to organize the information and its supporting documentation to assist your review. However, please feel free to contact us if you need more information or have questions.

General areas of concern are:

1. Pleasanton's reliance on its legally defunct IZO has substantially reduced the percentage of affordable units in market rate High Density Residential (HDR) plans. The City briefly considered developing a new housing ordinance, but appears to have dropped the idea in favor of retaining the illegal and ineffective IZO "guidelines". Since 2011, the Very Low Income (VLI) and Low Income (LI) percentages approved by Council for HDR developments, on the sites zoned 30 units/acre to accommodate affordable housing for Pleasanton's RHNA, have trended ever downward to 0% in September 2014. We conclude **Pleasanton cannot achieve its RHNA assignment for ELI, VLI, and LI housing as long as the IZO remains part of the Housing Element, and a certified alternative to the adoption of plans to meet regional fair share housing requirements with nonprofit housing providers.**
2. The City Council declined to raise the housing in-lieu fees, even after completing a Nexus Study which found Pleasanton's fees inadequate to mitigate the demand for ELI, VLI and LI housing created by residential and commercial development. However, after declining to raise the Lower Income Housing Fee (LIHF), the Council initiated a practice of negotiating with an apartment developer for a much higher in-lieu fee (consistent with Nexus Study recommendations), and diverting the amount paid in excess of the "official" LIHF (about 2/3) into a separate account where the Council can spend it for purposes other than affordable housing. **The practice of diverting housing in-lieu payments from the Lower Income Housing Fund will severely limit Pleasanton's ability to fulfill its RHNA obligations, and should not be allowed to continue.**
3. Reports to CCC from affordable housing providers describing Pleasanton's HDR site availability suggest that some, if not all, of the "underutilized" sites identified in the DHE will not become available for residential development during the next planning period, if ever. Although owners have not objected to having their properties accept the additional residential zoning entitlement, only one (CM Capital) has approached the City with an HDR development plan. After considering the proposal, the Council responded by down-zoning the property to 12.5 units/acre, removing it from the DHE's "underutilized sites" inventory. **Before certifying the DHE, HCD should require Pleasanton to provide written statements from site owners of their schedule to complete development in time to bring housing on line before 2024. If site owners cannot commit to proceed on this schedule, the City should, in order to qualify Pleasanton's DHE for certification, zone additional HDR sites that will complete development within the 2015-2023 planning period.**
4. The availability of the "incentives" for nonprofit development in the DHE are the same ones that failed to attract any nonprofit proposals in the last planning period. HCD should not expect these same policies to yield any different result between now and 2023. Because this incentive program has proved so completely ineffective, the DHE should not qualify certification until the City adopts a better plan to facilitate nonprofit development.

Ironically, City staff has an excellent track record securing VLI and LI housing for the community, as evidenced by Pleasanton's outstanding, (mostly for seniors), nonprofit housing. All required the City to issue RFPs to nonprofits for development of City-owned land. The City well understands the necessity of land acquisition for nonprofit housing if Pleasanton wants to meet RHNA affordability requirements. The City could purchase the land it needs with in-lieu fees from the LIHF. The City could also accept land dedication



facilitated with an enforceable housing ordinance and fee structure designed to provide incentives for these objectives. To assure that Pleasanton enters the next planning period with the policy tools needed to provide its fair share of regional housing, **we recommend withholding certification until the City adds Policies and Programs delineating a realistic program to acquire sufficient land for the nonprofit housing, and until the Council enacts enforceable ordinances that support this objective.**

5. For political, financial, and environmental reasons, prospects for the urban development of East Pleasanton range from uncertain to improbable. Therefore, any land acquisition plan for nonprofit housing that relies upon a significant financial or land contribution from the East Pleasanton Specific Plan (EPSP) area is highly speculative. If Pleasanton is serious about achieving RHNA, the City needs to work "in good faith" with property owners and developers throughout Pleasanton to acquire land for nonprofit family housing. **Limiting the "good faith" effort to the EPSP won't provide enough land to fulfill Pleasanton's regional housing responsibilities, and it may not provide any at all.**

It's been a disappointing few years for Pleasanton's housing advocates. By September 2014, the percentage of affordable units included in HDR plans had declined from 15% down to zero, with 95% of the housing approved since 2012 unaffordable for the 49.6% of employees that hold Pleasanton jobs paying at the Very Low Income level. Informed by Planning Staff that Pleasanton had surplus HDR sites (CCC disagrees. See Attachment 13), Council removed sites. They replaced an approved, 350 unit, 20% VLI apartment plan at BART with a 430,000 sq ft office complex, and down-zoned a Hacienda Business Park site, coincidentally the only "underutilized site" with an active housing plan, from 30 to 12.5 units/acre. All the development, both contemplated and approved, will increase both the City's large, unmet demand for ELI, VLI, and LI housing, and its contribution to greenhouse gas emissions. We believe that carrying forward most of the Policies and Programs that produced these now quantifiable impacts, requires Pleasanton to produce a Supplemental EIR for the DHE. (See Attachment 12.)

While housing advocates feel dismayed by these setbacks, the Council seems satisfied with what the City accomplished. Pleasanton was ranked fourth on Wall Street 24/7's "Best American Cities to Live In" list. Although the Council did have to approve an unprecedented number of new apartment complexes, thanks to Pleasanton's unenforceable IZO, they didn't include many affordable units. The City didn't lose any property tax revenue by using land for nonprofit housing. The Council made sure the LIHF will never accumulate sufficient money to assist enough nonprofit development to satisfy RHNA. Nonetheless, Council did figure out how to collect those "way too high" housing in-lieu fees recommended by their Nexus Study and use those millions for priorities they rank higher than RHNA. Clearly the City plans to run out the clock by acting "all thumbs" at the workforce housing thing, while using up Pleasanton's remaining land, sewer, and water resources for the commercial and high end residential development that keeps property tax revenue strong and residents happy.

Please feel free to contact me if you have any questions regarding the attached materials.

Very sincerely,

  
Becky Dennis  
Co-Chair, Citizens for a Caring Community

EXHIBIT A: Notes on the Housing Element and Background

Attachments:

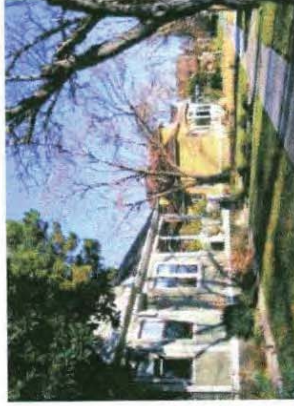
- 1-IZO Yield Trends
- 2- IZO Staff Report
- 3-Lower Income Housing Fee Staff Report
- 4-Council Says No to Higher Affordable Housing Fees
- 5-Council Votes to Take Cash
- 6-Workday Approval
- 7-CM Capital downzoning
- 8-Resolution 10-390
- 9- East Pleasanton Specific Plan, Notice of Preparation and CCC comments
- 10- Wastewater Export Capacity
- 11- Pleasanton Commute Trends
- 12- Letter to Council Requesting preparation of a Supplemental EIR for the Housing Element, September 2, 2014
- 13- Letter to Paul McDougall,, HCD, re:Pleasanton claims of a housing sites surplus

CC: Brian Dolan, Jennifer Wallis, City of Pleasanton



Exhibit A

**4. HOUSING ELEMENT** -- annotated pages



**September 2014 Draft**

# 4.0 HOUSING ELEMENT

## GOALS, POLICIES, AND PROGRAMS

### *Housing Variety, Type, and Density*

**Goal 1:** Attain a variety of housing sizes, types, densities, designs, and prices which meet the existing and projected needs of all economic segments of the community.

**Goal 2:** Provide residential densities capable of accommodating housing affordable to extremely low-, low- and very low-income households while taking into account the character and development pattern of the surrounding area.

**Policy 1:** At a minimum, maintain the amount of high-density residential acreage currently designated on the General Plan Map and permitting high density housing.

**Program 1.1:** Discourage the redesignation of areas designated for High Density Residential development. The objective of this program is to ensure that adequate sites are available to accommodate the City's regional housing need for all income levels.

1. Pleasanton has failed to adhere to Policy 1 and Program 1.1.

In 2013 the City Council scrapped previously approved plan for 350 unit apartment complex (20% Very Low Income) at the West Pleasanton BART station and replaced it with a 430,000 sq.ft. office complex.

In September 2013 the City Council downzoned Site 21 (CM Capital, 6.69 acres, 200+ units) from 30 units/acre to 12.5 units/acre at the request of a nearby, nonadjoining neighborhood.

**Policy 2:** Permit mobile homes and factory-built housing on appropriately located sites.

**Policy 3:** Encourage developments on sites designated for multiple-family residential uses which are adjacent to commercial districts to be designed at the maximum height allowed for multiple-family residential zoning districts, consistent with neighborhood character; however in the Downtown, multiple-family residential building height should be consistent with the design policies of the Downtown Specific Plan and the Downtown Design Guidelines.



## 4.0 HOUSING ELEMENT

Policy 4: Give favorable consideration for approval for proposed developments which provide extremely low-, very low- and low-income units that meet the requirements of the Inclusionary Zoning Ordinance, as long as all other City development standards are met.

Policy 5: Apply for Federal and State grants offered for mixed-use development near transit centers.

2. The Council did not apply for any grants to save mixed use affordable development at the West Pleasanton BART Station.

Policy 6: Actively promote the creation of second units on single-family residential lots and their maintenance as sources of housing affordable to moderate-, low-, and very low-income households.

Program 6.1: Continue monitoring second units to determine if they are being rented and, if so, determine their rent levels. Include conditions of approval for second unit Administrative Design Review approvals requiring a monitoring program.

Responsible Agency: Housing Division, Housing Commission, Planning Division

Time Period: Complete surveys annually beginning in May 2015

Funding Source: Housing Division, Planning Division Budgets

Program 6.2: Create incentives for homeowners to rent their second units to moderate-, low-, and very low-income households as well as those with disabilities (including developmental disabilities). The City's role would be to develop the program materials including information, criteria for qualifications, and incentives, and to monitor the success of the program. Incentives should include fee reductions or waivers and information/assistance to help homeowners be landlords. Such incentives should be made available to applicants of second units during the Administrative Design Review or Building permit process.

Responsible Agency: Housing Division, Housing Commission, Planning Division, Building Division, Planning Commission

Time Period: Complete by the end of 2016

Quantified Objective: Five units per year.

Funding Source: Housing Division, Planning Division, Building Division Budgets

# 4.0 HOUSING ELEMENT

needs including those with developmental disabilities, such as lifetime leases with rental caps for persons with disabilities, to the extent permitted by State law and denying conversion of apartment units to condominiums if the percentage of multiple-family units available for rent, city-wide, is below 50 percent.

Responsible Agency: City Council

Time Period: As needed when any applications for conversion are received.

Funding Source: Not Applicable

Program 8.2: Review the City's Condominium Conversion Ordinance to identify desirable changes, such as potentially requiring more housing units affordable to low- and very low-income households and longer tenant noticing requirements, if market conditions are resulting in the displacement of lower-income tenants.

Responsible Agency: City Council

Time Period: Complete the review by the end of 2016.

Funding Source: Housing Division Budget

**Goal 4:** Encourage the production of market-rate moderate-income ownership housing and assisted ownership housing affordable to low- and very low-income households.

### *Housing Affordability*

**Goal 5:** Produce and retain a sufficient number of housing units affordable to extremely low-, low- and very low-income households to address the City's responsibility for meeting the needs of Pleasanton's workforce, families, and residents, including those with special needs.

Policy 9: Support the development of housing for persons with special needs.

3. The City Council's decision to retain its unenforceable IZO "requiring" new apartment developments to include only 15% lower income units, and currently yielding much less to none (see Attachment 1, page 1), is inconsistent with Goal 5.



4. In spite of declining percentages of affordable units offered in HDR development proposals, and an inability to attract the necessary nonprofit proposals, Program 11.1 retains same ineffective IZO and incentives offered in the previous planning period. Planning staff anticipated this will continue if the Council did not introduce new policies to replace the IZO, and suggested a six month timeline to develop measures to address the problem. (See Attachment 2, pages 1 and 3.)

Policy 11: Give greater priority to providing housing which is affordable to extremely low income households and to households at the low end of the low-income range (50 to 80 percent of median income).

Program 11.1: Continue to provide incentives such as reduced development fees, assistance in public improvements, priority in permit processing, increased density, altered site-development standards, mortgage revenue bonds, affordable-housing competition, and other creative incentives to encourage the development of housing affordable to moderate-, low-, extremely low-, and very low-income households and households with special needs. A priority will be placed on projects that provide the largest number of units at the greatest level of affordability. The availability of incentives will be incorporated in the City's Inclusionary Zoning Ordinance, to be consistent with State law and recent court decisions, but for specific projects, will also be promoted through the City's web site, in local newspapers, and through posting at public places subject to normal procedures. The objective of this program is to assure that incentives are made available and known to the development community.

Responsible Agency: City Council

Time Period: Ongoing and enhanced promotional efforts at least once by May 2017.

Funding Source: Lower-Income Housing Fund

Policy 12: Strive toward meeting Pleasanton's share of regional housing needs, as defined by the Regional Housing Needs Determination (RHND).

Program 12.1: Maintain zoning adequate to accommodate Pleasanton's share of the regional housing need for all income levels. Sites designated High Density Residential or Mixed Use shall be developed at a minimum density of 30 units per acre, and comport with the adopted Housing Site Development Standards and Design Guidelines for Multifamily Development.

5. RHNA defines housing need by income, not density. Only nonprofit development can provide the affordability required by RHNA. Pleasanton chooses to define the limits of its RHNA assignment in terms of density, and considers affordability of units to be out of the City's control due to market conditions. (See Attachment 2, page 3.)

As reflected in the other proposed HE policies, City Council intends to indefinitely postpone consideration of new programs to facilitate the nonprofit development needed to achieve Pleasanton's RHNA affordability requirements.

Program 12.2: Attempt to rehabilitate five ownership-housing units affordable to extremely low-, low- and very low-income households identified as having major building code violations each year between 2015 and 2023, and maintain their affordability. Attempt to rehabilitate at least one apartment complex by 2020. Single-family homes will be



# 4.0 HOUSING ELEMENT

Program 14.4: Provide rehabilitation funds or other incentives such as a density bonus where appropriate for apartment complexes in exchange for extended or perpetual assisted-housing time periods.

Responsible Agency: City Council

Time Period: Ongoing; dependent on specific proposals.

Funding Source: Lower-Income Housing Fund; CDBG Funds

Program 14.5: Issue bonds or provide other funding where appropriate to reduce apartment complex mortgage rates in exchange for extended or perpetual assisted-housing time periods.

Responsible Agency: City Council, Finance Department

Time Period: Ongoing; dependent on specific proposals.

Funding Source: Lower-Income Housing Fund; Tax-Exempt Bonds

## *City Government Actions*

**Goal 9:** Process housing proposals affordable to extremely low-, low- and very low-income households and use available City programs and incentives so as to promote and facilitate housing affordability for low- and very low-income households.

**Goal 10:** Remove unnecessary governmental constraints to the provision of housing affordable to extremely low-, low- and very low-income households and associated public services and facilities.

Policy 15: Make appropriate modifications to the Land Use Element of the General Plan, Zoning Ordinance, and other City ordinances, programs, and policies to facilitate the provision of housing, especially housing for those with disabilities (including developmental disabilities), and housing affordable to moderate-, low-, and very low-income households.

Program 15.1: Identify funding mechanisms for infrastructure improvements contained in the General Plan to accommodate projected housing growth.

6. Council voted TWICE to ADD financial constraints to the City's ability to facilitate ELI, VLI, and LI housing.

The first vote (October 2013) retained the inadequate Lower Income Housing Fee (LIHF), against staff recommendation and Nexus Study findings. The second vote (September 2014) diverted two third's of an affordable housing in-lieu payment (an amount consistent with Nexus Study recommendations) from the LIHF into a separate account so the money could be available for non-housing purposes. (See Attachments 3, 4, and 5.)



## 4.0 HOUSING ELEMENT

Program 15.2: Waive City fees for housing developments that provide a minimum of 15 percent affordable to extremely low-, low- and very low-income households.

Responsible Agency: City Council

Time Period: As applications are received for projects containing units for lower-income households.

Funding Source: Lower-Income Housing Fund

Program 15.3: Expedite the development review process for housing proposals that provide a minimum of 15 percent affordable to moderate-, low-, extremely low, and very low-income households.

Responsible Agency: Planning Division

Time Period: As applications are received for projects containing units for moderate- and lower-income households.

Funding Source: Planning Division Budget

Program 15.4: Support State legislative reform to improve the fair-share housing process and provide financial and other incentives to strengthen local jurisdictions' abilities to meet their fair-share responsibilities.

Responsible Agency: Housing Commission, City Council

Time Period: Ongoing.

Funding Source: General Fund

Program 15.5: Assess the level of effort to overcome infrastructure constraints to housing affordable to extremely low-, low- and very low-income households on a periodic basis.

Responsible Agency: Housing Division

Time Period: As needed or in conjunction with the next Housing Element update.

Funding Source: Housing Division Budget

Program 15.6: Assess future sewer infrastructure needs, including sewer infrastructure upgrades and facilities to accommodate future RHNA cycles in the region.

6.5. the City should provide HCD with an analysis of sewer capacity as it relates to Pleasanton's progress in achieving the RHNA levels of affordability. Pleasanton's preference for approving for-profit apartments projects that yield less than 10% VLI and LI units, uses limited wastewater export capacity for nonessential 92% MI and AMI units. Unless required, the City has no policy or plans to reserve any existing export capacity for the unbuilt ELI, VLI, and LI units assigned by RHNA.

The anticipated increase in wastewater export capacity to 10.3 mgd (discussed in the background) requires unanimous approval by Pleasanton, Livermore, Dublin San Ramon Services District (DSRSD), with possible voter approval necessary in all three jurisdictions. (See Attachment 10.) Given the political challenge of providing affordable housing in Pleasanton, early action by HCD requiring reservation of pre-expansion wastewater capacity for RHNA's ELI, VLI, and LI housing requirements seems wise. Pleasanton residents will not vote to pay for additional sewer capacity if it's needed to serve lower income housing.



## 4.0 HOUSING ELEMENT

Responsible Agency: Operation Services Department, Housing Division, City Council

Time Period: 2014–2015.

Funding Source: Sewer Enterprise Fund

Program 15.7: Continue to work with non-profit and for-profit housing developers, service providers, Pleasanton employers, the Pleasanton Unified School District, and urban planning specialists to develop new programs and incentives for meeting the full range of Pleasanton’s future affordable housing needs.

Responsible Agency: Housing Division

Time Period: Ongoing and meet annually with groups mentioned in the program.

Funding Source: Housing Division Budget

Program 15.8: As required by State law, the City will review the status of Housing Element programs by April of each year, beginning April 2012. The review will cover consistency with other General Plan programs and community goals, the status of implementing actions, accomplishments, and a review of housing sites identified in the Housing Element. In particular, the annual review will cover development assumptions and actual development activity on sites by assessing projected development potential compared to actual development approval and construction. This will also include residential units anticipated on mixed use zoned sites. The primary intent of the annual review is to maintain adequate sites during the Housing Element planning period. In addition, the annual review will evaluate the effectiveness of the City’s inclusionary zoning requirements (see Programs 7.1 and 7.2) to determine if modifications are needed.

7. In 2013 the Housing Commission became concerned about declining VLI and LI units proposed for apartment developments on Pleasanton’s HDR sites. The Commission found the IZO ineffective, and its unenforceability the primary cause of diminishing affordability. They began the process of developing a more effective ordinance. In April 2013 the Commission held workshop with stakeholders, and developed a number of IZO replacement alternatives. Council considered the Housing Commission’s alternatives in May 2013. In their report to Council, Staff estimated that developing a replacement affordable housing ordinance would take 6 months or less— plenty of time to include the new measures in the DHE. Program 15.8 indicates the City’s satisfaction with the status quo, including lower income housing availability well below RHNA requirements. (See Attachment 2, pages 1 and 8.)

Policy 16: Educate the public regarding the community, environmental, and economic benefits of Pleasanton’s affordable housing program.

Program 16.1: Continue housing education programs available on the City’s website, at other public venues, through



## 4.0 HOUSING ELEMENT

City publications and mailings, and through partnerships with regional organizations.

Responsible Agency: Housing Division, Housing Commission

Time Period: Ongoing and update information annually or as needed.

Funding Source: Housing Division Budget; Housing Grants

Program 16.2: Continue to coordinate public information with surrounding communities to provide up-to-date listings of opportunities for regional affordable housing and programs for extremely low-, low- and very low-income households.

Responsible Agency: Housing Division

Time Period: Ongoing and update information annually or as needed.

Funding Source: Housing Division Budget

Program 16.3: Develop incentive/revitalization programs for neighborhoods to encourage support for affordable housing opportunities. Such incentives could include enhanced public amenities or other investment in areas where additional multifamily housing is planned.

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: As applications are received for projects containing affordable housing opportunities.

Funding Source: Housing Division Budget

Policy 17: Ensure compliance with the Inclusionary Zoning Ordinance by requiring each for-sale residential and non-residential development to which the Ordinance applies to include its pro-rata share of housing needs for low- and very low-income households or, if the Ordinance criteria are met, to contribute to the lower-income housing fund to facilitate the construction of housing affordable to extremely low-, low-, very low-, and moderate-income households. Review and modify policies for rental housing to conform with State law and recent court decisions. It is strongly encouraged that the Inclusionary Zoning Ordinance requirements be met by building housing affordable to extremely-low, low- and very low-income households.

8. Policy 17 conflicts with Goal 5 and Policy 12.

Goal 5 calls for Pleasanton to meet regional housing responsibilities. Policy 12 calls for the City to "Strive toward meeting Pleasanton's share of regional housing needs, as defined by the Regional Housing Needs Determination (RHND)."

Policy 17 requires the City to "Ensure compliance with Pleasanton's Inclusionary Zoning Ordinance" The IZO permits market rate HDR developments to include a minimum of 85% Moderate and Above Moderate income units. This makes it impossible for the City to achieve affordability as defined by RHNA.



# 4.0 HOUSING ELEMENT

Program 17.1: Review the City's Inclusionary Zoning Ordinance and amend:

- for consistency with the Housing Element and other City affordable housing programs;
- to identify incentives for non-profit housing developers and other housing developers to construct projects including three bedroom units for large households;
- to determine if it is appropriate to increase the percentage of affordability to support housing affordable to low- and very low-income households;
- to be consistent with recent court decisions regarding rental housing and State law;

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: January 2016, then annually.

Funding Source: Housing Division Budget

8.5. Amendments have already proven warranted. (See Comment 7.)

Why wait until 2016 when staff said it would take 6 months? No change from the IZO will prevent Pleasanton from even coming close to fulfilling RHNA. It will continue the pattern of wasting nonprofit appropriate sites and limited infrastructure seen from 2011 to 2014.

Program 17.2: Monitor the results of the Inclusionary Zoning Ordinance annually to determine consistency with State law and recent court decisions and to determine if developers are primarily building new housing units affordable to low- and very low-income households instead of paying in-lieu fees for new developments. If it is determined by the City Council, upon recommendation by the Housing Commission, that the Inclusionary Zoning Ordinance is not producing sufficient housing affordable to low- and very low-income households, consider modifying the Ordinance so that it can better achieve that objective. As part of the Inclusionary Ordinance review, conduct meetings with developers to identify specific changes that may be considered by the City.

9. In September 2014, against staff recommendation, the City Council changed Auf der Maur's approved HDR plan (345 units, 10 VLI, 17 LI units), allowing the project to build with NO affordable units. The developer will pay a \$4.5 million in-lieu fee. However, Council voted to assign only \$1 million to the LIHF, and voted to place \$3.5 million into a separate account with no restrictions on how the money can be spent. Artificial turf and lighting for sports fields, or assistance for PUSD projects were among the suggestions. Obviously the City could use this higher in-lieu fee to support nonprofit workforce for families, per Resolution 10-390, but they have no plans to accomplish this objective. (Attachment 5)

Policy 18: Use the lower-income-housing fee to generate funds for the provision of housing affordable to extremely low-, low- and very low-income households. The low-income housing fund should be used primarily to leverage State and Federal funds in the development of housing affordable to low- and very low-income households and in-house loan programs, so that the fund may be used most efficiently and maintained over time. When considering allocation of these funds, priority will be given to non-profit housing developers with a project including three bedroom units affordable to large extremely low-, low- and very low-income households.



## 4.0 HOUSING ELEMENT

Program 18.1: Review and modify the lower-income-housing fee annually in conformance with AB 1600, and consider changing the basis of the fee to reflect the true cost of providing housing.

10. The City completed a Nexus study which showed Pleasanton's Lower Income Housing Fee (LIHF) to be very inadequate to meet the existing and future demand for affordable housing generated by residential and commercial development. However, the City Council voted not adjust the LIHF to a more appropriate level as suggested in Program 18.1, citing their desire to spare corporations wanting to locate in Pleasanton the cost of mitigating housing demand created by their employees. (See Attachments 3 and 4.)

Program 18.2: Continue to exempt all housing units affordable to low- and very low-income households from the low-income housing fee.

Responsible Agency: Housing Commission, City Council  
Time Period: Ongoing  
Funding Source: Lower-Income Housing Fund

Program 18.3: Use the Lower-Income Housing Fund to help build housing affordable to low- and very low-income households on City-owned land.

11. The City has recently acquired a small parcel of land to facilitate the construction of additional senior housing at Kottlinger Place. However, the LIHF's current and prospective balance is too low to purchase sufficient land to meet Pleasanton's nonprofit housing needs for RHNA, due to the previous Council votes restricting LIHF revenue. (See notes 6, 9, 10, and Attachments 4 and 5.)

Program 18.4: Use the Lower-Income Housing Fund to extend rent restriction agreements, purchase land, write down mortgage costs, rehabilitate units, subsidize rents, issue tax-exempt bonds, post loan collateral, pay pre-development costs, and otherwise help produce housing units affordable to lower-income households. The objective of this is to utilize the Lower Income Housing Fund in a manner consistent with City ordinance and to support affordable housing, particularly developments proposed by non-profit developers that include units for large families at very low incomes.

Responsible Agency: City Council  
Time Period: Explore ways to use the fund for the list of activities in the program annually and as needed.  
Quantified Objective: 150 units  
Funding Source: Lower-Income Housing Fund



## 4.0 HOUSING ELEMENT

Program 18.5: When considering how to utilize the City's Lower-Income Housing Fund, consider whether a proposal with a non-profit housing developer and a for-profit housing developer partnership should be a higher priority project due to its ability to potentially secure better funding and be developed.

12. Pleasanton's IZO contains insufficient incentives for property owners or support for nonprofit housing developers to foster such partnerships.

Policy 19: Encourage the use of density bonuses for housing which is affordable to extremely low-, moderate-, low-, and very low-income households.

Policy 20: Require owners of rental units who receive financial support from the City to accept Section 8 certificates/vouchers and/or Project Based Section 8 in their developments.

Policy 21: Work with the Alameda County Housing Authority and other agencies to maintain funding for Section 8 and other Federal subsidy programs.

Policy 22: Assist in the relocation of persons displaced by public projects.

Policy 23: Incentivize the development of housing units affordable to extremely low-, low- and very low-income households when rezoning non-residential properties to high-density residential.

Policy 24: Use the City's lower-income housing fund as seed money for Federal and State tax credits to promote the construction of housing affordable to extremely low-, low- and very low-income households.

Policy 25: Ensure that livability is considered when considering proposals for high-density residential developments, including open space, amenities, and facilities for the intended occupants.

13. Policy 23 has no implementing Programs. Furthermore, it appears the Policy 23 now works in reverse, with developers offering incentive payments to the City well above the housing fees specified in the IZO in exchange for the City dropping HE requirements to include affordable units in their projects.

# 4.0 HOUSING ELEMENT

## *City Priorities for Housing Developments* 1. Non-Profit Housing Developers

**Policy 26:** Encourage non-profit and joint for-profit housing developments by offering incentives. Non-profit and joint for-profit housing developers of housing affordable to moderate-, low-, extremely low-, and very low-income households shall have the highest City priority for approval. Specific City incentives to encourage such housing developments are the following:

- Priority for the Growth Management affordable-housing sub allocation;
- Expedited permit processing;
- Fee waivers;
- Contributions from the lower-income housing fund;
- Use of available City-owned land;
- Density bonuses;
- City assistance in obtaining financing or funding;
- Assistance in providing public improvements;
- Consideration of reduced development standards, such as reducing the number of parking spaces (this consideration does not include reducing the number of required on-site parking spaces in the Downtown Specific Plan Area); and
- Consideration of mortgage revenue bonds.

Program 26.1: Actively assist owners of property zoned or designated High-Density-Residential in soliciting non-profit housing organizations for proposals to develop housing affordable to extremely low-, moderate-, low-, and very low-income households on available sites using lower-income-housing fees. The objective of this program is to assure that owners of HDR properties are informed of City affordable housing programs. The City will notify all property owners of HDR sites of available City housing programs within 6 months of Housing Element adoption.

14. Property owners and for-profit apartment developers are well aware of Pleasanton's affordable housing programs. However, they have no incentive to request the City's assistance in finding a nonprofit partner when they can build an almost 90% to 100% market rate project. In addition, the City's housing ordinance and fee structure do not incent property owners or for-profit builders to dedicate the land necessary to acquire a nonprofit partner.



# 4.0 HOUSING ELEMENT

Program 26.2: Continue to actively support the activities of non-profit organizations that provide special needs housing as well as housing affordable to low- and very low-income households, through technical assistance or other means. The objective of this program is to assure that the City maintains a full range of incentives that are beneficial to assisting non-profit housing developers.

Responsible Agency: City Council, Housing Commission, Housing Division

Time Period: Meet with nonprofit housing providers annually and ongoing.

Funding Source: Housing Division Budget

Program 26.3: When land becomes available to the City, consider reserving those sites for non-profit organizations to build housing affordable to moderate-, low-, extremely low, and very low-income households that include three bedroom units for large households.

14.5. Land will not magically become available for City ownership without a purchase or dedication plan. Pleasanton owns no land appropriate for nonprofit development. Council's actions in October 2013 and September 2014 to restrict contributions to the LIHF ensure the City cannot purchase land. Pleasanton has no ordinances or incentives to ensure land dedication for nonprofit housing development. No land, no money, no requirements, and no incentives virtually assure that land will never become available to the City so the Council can "consider" reserving sites for nonprofit development. However, they can "consider" using the land for more unnecessary moderate income housing.

## 2. For-Profit Housing Developers

### Policy 27:

Housing developments with at least 25 percent of all units affordable to extremely low-, very low- and/or low-income households in perpetuity shall be considered to have the second highest priority in terms of City approval. Incentives shall include the following:

- Priority for the Growth Management affordable-housing sub-allocation for the affordable-housing component;
- Expedited permit processing;
- Fee waivers;
- Contributions from the lower-income housing fund;
- Density bonuses;
- Assistance in obtaining financing;
- Assistance in obtaining Federal and State tax credits through use of City resources as seed money when significant numbers of housing units affordable to low- and very low-income households are provided;
- Assistance in providing public improvements; and
- Consideration of reduced development standards, such as reducing the number of required parking spaces; and Mortgage revenue bonds.

15. Due to a lack of sufficient incentives and a weak affordable housing ordinance, Pleasanton has received no proposals for developments with this profile.



# 4.0 HOUSING ELEMENT

## 3. Developers of Small Housing Units

**Policy 28:** Strongly encourage housing developers to build small single-family housing units, including detached second units. Single-family residential developments with units and/or second units less than 1,200 square feet in floor area, which provide housing affordable to moderate-income households, shall have the third highest priority for City approval. To the extent that these developments provide resale restrictions to retain the units as affordable to moderate-income households, they may qualify for incentives at the discretion of the City Council.

### *Growth Management*

**Goal 11: Manage residential growth in an orderly fashion while enabling Pleasanton to meet its housing needs.**

**Goal 12: Retain flexibility in the growth management process in order to accommodate housing affordability.**

**Policy 29:** Retain flexibility in the growth management process in order to accommodate housing affordability.

**Policy 30:** Encourage substantial private development of housing affordable to extremely low-, low- and very low-income households through the Growth Management Program.

**Program 30.1:** Continue to use the Growth Management Report to monitor the numbers and types of units built at all income levels. Use this information to facilitate the issuance of sufficient numbers of permits to meet the regional housing need throughout the planning period.

**Responsible Agency:** Planning Division; City Council

**Time Period:** With annual preparation of growth management report.

**Funding Source:** Planning Division Budget

**Program 30.2:** Review and amend if necessary the Growth Management Program to reflect current housing and infrastructure conditions and current housing needs, and to ensure that the Growth Management Ordinance does not include constraints that would prevent the City from meeting its share of the regional housing need.

16. Pleasanton allocates Growth Management by the number of units proposed on a first come first served basis. Market rate units of all kinds may reserve Growth Management allocations, regardless of whether the City has met its RHNA requirements for affordability. Pleasanton does not allocate Growth Management in a way that encourages market rate builders to support nonprofit development. Nor has the need for a Growth Management allocation ever, to our knowledge, resulted in a for-profit developer providing a "substantial" amount of ELI, VLI, or LI housing.

# 4.0 HOUSING ELEMENT

**Goal 15:** Adopt land use changes from non-residential to residential designations where appropriate.

**Policy 37:** Disperse high-density housing throughout the community, in areas near public transit, major thoroughfares, shopping, and employment centers.

**Program 37.1:** Provide and maintain existing sites zoned for multi-family housing, especially in locations near existing and planned transportation and other services, as needed to ensure that the City can meet its share of the regional housing need.

17. Despite Program 37.1, the City Council twice voted to change site use and density that will negatively affect Pleasanton's ability to address regional housing need. In 2013 Council scrapped a previously approved plan for a 350 unit apartment complex (20% Very Low Income) at the West Pleasanton BART station and replaced it with a 430,000 sq.ft. office complex. (Attachment 6)  
In September 2013 the City Council downzoned Site 21 in Hacienda Business Park (CM Capital, 6.69 acres, 200+ units) from 30 units/acre to 12.5 units/acre at the request of a nearby, nonadjoining neighborhood. (Attachment 7)

**Policy 38:** Strongly encourage residential infill in areas where public facilities are or can be made to be adequate to support such development.

**Program 38.1:** Maintain existing zoning of infill sites at densities compatible with infrastructure capacity and General Plan Map designations.

**Responsible Agency:** Planning Division, Planning Commission, City Council  
**Time Period:** Ongoing  
**Funding Source:** Planning Division Budget

**Program 38.2:** Encourage the development of second units and shared housing in R-1 zoning districts to increase the number of housing units while preserving the visual character within existing neighborhoods of single-family detached homes.

**Responsible Agency:** Planning Division  
**Time Period:** Ongoing  
**Funding Source:** Planning Division Budget



# 4.0 HOUSING ELEMENT

18. Incentives listed are only sufficient to encourage conversion from commercial use to market rate residential.

Program 38.3: For those properties designated for high density residential development with existing commercial uses, conduct outreach with property owners and businesses to identify specific incentives for business relocation and to encourage property owners to develop their properties with housing. Develop appropriate incentives that would facilitate relocating existing commercial/office/industrial uses in order to enable development with residential uses. Specific incentives may include the following:

- Transfer of development rights;
- A review of traffic requirements and evaluation measures to facilitate mixed use development;
- Development of transit alternatives;
- Use of development agreements;
- Flexibility of parking standards; and
- Expedited processing of development applications.

Responsible Agency: Housing Division and Planning Division to Identify Potential Options for Housing Commission, Planning Commission, City Council Review  
Time Period: Annually.

Funding Source: Housing Division Budget

Policy 39: For phased residential developments, ensure that the majority of units affordable to low- and very low-income households are not postponed until the final stages of development.

Policy 40: Reserve suitable sites for subsidized housing affordable to low- and very low-income households.

Program 40.1: Acquire and/or assist in the development of one or more sites for housing affordable to low- and very low-income households.

Responsible Agency: Housing Division, City Council

Time Period: Convene City staff meeting annually to discuss potential opportunities and ongoing dependent on specific proposals and opportunities.

Funding Source: Lower-Income Housing Fund, Federal and State Housing Programs, Use of City-owned Land, if Available

19. The City has recently purchased land to facilitate Kottinger Place Redevelopment for low income seniors, but not for families in spite of the greater need for workforce housing. Unless The City quickly adopts an aggressive program to increase contributions to the LIHF (currently restricted), this program will not produce any nonprofit housing.



# 4.0 HOUSING ELEMENT

Program 40.2: Utilize tax-exempt bonds, and other financing mechanisms, to finance the construction of housing units affordable to extremely low-, low- and very low-income households, to purchase land for such a use, and to reduce mortgage rates.

Responsible Agency: City Council

Time Period: Ongoing; dependent on specific proposals and opportunities.

Funding Source: Tax-Exempt Bonds

Program 40.3: If the City acquires or obtains control of a potential housing site, in order to facilitate the provision of affordable housing and a mixed-income environment, the City may issue an RFP in conjunction or in partnership with non-profit or for-profit partnerships for development providing at least 20 percent of the units to very low-income households and 20 percent of the units to low-income households.

20. Pleasanton will have insufficient LIHF revenue to acquire land for this program. In the unlikely event that a market rate builder dedicates a portion of their project site to the in lieu of LIHF payment, the City should use all the land for nonprofit ELI, VLI, and LI housing. Pleasanton should not further reduce the potential of its HDR sites to meet RHNA requirements by using land dedicated to the City for market-rate development.

Policy 41: Increase housing in the commercial portion of the Downtown area by permitting three-story construction in the Downtown area pursuant to the Downtown Specific Plan, with one or two stories of residential over commercial in mixed-use buildings.

## Housing Discrimination

**Goal 16: Continue City policies eliminating discrimination in housing opportunities in Pleasanton.**

Policy 42: Promote fair and equal access to housing for all persons regardless of race, color, religion, gender, disability, sexual orientation, age, national origin, or family status. The City will promote equal housing opportunities through printed housing brochures that are distributed at City Hall, the Senior Center, the Library, and other public places. The City will also maintain up-to-date information on housing opportunities affordable to low- and very low-income households and fair housing issues on its web site.

21. Policy 42 should include promoting housing opportunities for people of all income levels. However, it only commits to inform the public about existing housing available to Very Low and Low income households.



22. The ability of East Pleasanton Specific Plan developers to make any significant contribution to Pleasanton's affordable housing requirements is very tenuous, and will require voter approval for the industrial uses outside Pleasanton's Urban Growth Boundary. The large amount of development and the environmental impacts make voter approval unlikely. (See Attachment 9.)

Program 47.5 should call for the City to work in good faith with property owners and developers of sites throughout Pleasanton to acquire land for the nonprofit housing to meet RHNA affordable housing needs. That would show much more commitment to implementing Resolution 10-390 (see Attachment 8) and have a better chance of succeeding too!

Responsible Agency: Housing Division, City Council

Time Period: Schedule workshop by January 2016; other assistance dependent on specific proposals.

Funding Source: Housing Division Budget

Program 47.4: As part of the City's Consolidated Annual Performance Evaluation Report approval, or other time deemed appropriate by the City Manager, the City Manager will present a report regarding the City's efforts to fulfill Resolution 10-390, the success of the efforts and the plan and proposals to attract well-designed housing affordable to low- and very low-income households with children in the future.

Responsible Agency: Housing Division

Time Period: Annually, or Other Time as Deemed Appropriate by the City Manager

Funding Source: Housing Division Budget

Program 47.5: The City will be committed to work in good faith with non-profit and for-profit developers in the East Pleasanton Specific Plan area during the specific plan process to secure property, within Pleasanton and its current sphere of influence, for the development of well-designed affordable housing for families with children in Pleasanton, family housing affordable to low- and very low-income households.

Responsible Agency: Housing Division, Planning Division

Time Period: During preparation of the East Pleasanton Specific Plan.

Funding Source: Housing Division and Planning Division Budgets

*Senate Bill (SB) 2*

**Goal 20: Satisfy the supportive housing, and transitional housing requirements of SB 2.**

Policy 48: Revise the Zoning Title of the Pleasanton Municipal Code to address SB 2.

Program 48.1: Revise the Zoning Ordinance to permit transitional and supportive housing in all zones allowing residential uses and define transitional and supportive housing as residential uses allowed in the same way and subject to the same development regulations that apply to other dwellings of the same type in the same zone.

Responsible Agency: Housing Division, Housing Commission, Planning Division, Planning Commission, City Council

Time Period: Within One Year of the Adoption of the Housing Element

Funding Source: Housing Division and Planning Division Budgets



## INDEX OF HOUSING ELEMENT NOTES

1. Pleasanton has failed to adhere to Policy 1 and Program 1.1.  
In 2013 the City Council scrapped previously approved plan for 350 unit apartment complex (20% Very Low Income) at the West Pleasanton BART station and replaced it with a 430,000 sq.ft. office complex.  
In September 2013 the City Council downzoned Site 21 (CM Capital, 6.69 acres, 200+ units) from 30 units/acre to 12.5 units/acre at the request of a nearby, nonadjoining neighborhood.
2. The Council did not apply for any grants to save mixed use affordable development at the West Pleasanton BART Station. (Policy 5)
3. (Goal 5) The City Council's decision to retain its unenforceable IZO "requiring" new apartment developments to include only 15% lower income units, and currently yielding much less to none (see Attachment 1, page 1), is inconsistent with Goal 5.
4. In spite of declining percentages of affordable units offered in HDR development proposals, and an inability to attract the necessary nonprofit proposals, Program 11.1 retains same ineffective IZO and incentives offered in the previous planning period. Planning staff anticipated this will continue if the Council did not introduce new policies to replace the IZO, and suggested a six month timeline to develop measures to address the problem. (See Attachment 2, pages 1 and 3.)
5. (Policy 12) RHNA defines housing need by income, not density. Only nonprofit development can provide the provide the affordability required by RHNA. Pleasanton chooses to define the limits of its RHNA assignment in terms of density, and considers affordability of units to be out of the City's control due to market conditions. (See Attachment 2, page 3.)  
As reflected in the other proposed HE policies, City Council intends to indefinitely postpone consideration of new programs to facilitate the nonprofit development needed to achieve Pleasanton's RHNA affordability requirements.
6. (Goal 10) Council voted TWICE to ADD financial constraints to the City's ability to facilitate ELI, VLI, and LI housing.  
The first vote (October 2013) retained the inadequate Lower Income Housing Fee (LIHF), against staff recommendation and Nexus Study findings. The second vote (September 2014) diverted two third's of an affordable housing in-lieu payment (an amount consistent with Nexus Study recommendations) from the LIHF into a separate account so the money could be available for non-housing purposes.  
(See Attachments 3, 4, and 5.)
- 6.5. (Program 15.6) City should provide HCD with an analysis of sewer capacity as it relates to Pleasanton's progress in achieving the RHNA levels of affordability.  
Pleasanton's preference for approving for-profit apartments projects that yield less than 10% VLI and LI units, uses limited wastewater export capacity for nonessential 92% MI and AMI units. Unless required, the City has no policy or plans to reserve any existing export capacity for the unbuilt ELI, VLI, and LI units assigned by RHNA.  
The anticipated increase in wastewater export capacity to 10.3 mgd (discussed in the background) requires unanimous approval by Pleasanton, Livermore, Dublin San Ramon Services District (DSRSD), with possible voter approval nexessary in all three jurisdictions. (See Attachment 10.) Given the political challenge of providing affordable housing in Pleasanton, early action by HCD requiring reservation of pre-expansion wastewater capacity for RHNA's ELI, VLI, and LI housing requirements seems wise. Pleasanton residents will not vote to pay for additional sewer capacity if it's needed to serve lower income housing.



7. (Program 15.8) In 2013 the Housing Commission became concerned about declining VLI and LI units proposed for apartment developments on Pleasanton's HDR sites. The Commission found the IZO ineffective, and its unenforceability the primary cause of diminishing affordability. They began the process of developing a more effective ordinance. In April 2013 the Commission held workshop with stakeholders, and developed a number of IZO replacement alternatives. Council considered the Housing Commission's alternatives in May 2013. In their report to Council, Staff estimated that developing a replacement affordable housing ordinance would take 6 months or less- plenty of time to include the new measures in the DHE. Program 15.8 indicates the City's satisfaction with the status quo, including lower income housing availability well below RHNA requirements.(See Attachment 2, pages 1 and 8.)
8. Policy 17 conflicts with Goal 5 and Policy 12.  
Goal 5 calls for Pleasanton to meet regional housing responsibilities. Policy 12 calls for the City to "Strive toward meeting Pleasanton's share of regional housing needs, as defined by the Regional Housing Needs Determination (RHND)."  
Policy 17 requires the City to "Ensure compliance with Pleasanton's Inclusionary Zoning Ordinance" The IZO permits market rate HDR developments to include a minimum of 85% Moderate and Above Moderate income units. This makes it impossible for the City to achieve affordability as defined by RHNA.
- 8.5. (Program 17.1) Amendments have already proven warranted. (See Comment 7.)  
Why wait until 2016 when staff said it would take 6 months? No change from the IZO will prevent Pleasanton from even coming close to fulfilling RHNA. It will continue the pattern wasting nonprofit appropriate sites and limited infrastructure seen from 2011 to 2014.
9. (Program 17.2) In September 2014, against staff recommendation, the City Council changed Auf der Maur's approved HDR plan (345 units, 10 VLI, 17 LI units), allowing the project to build with NO affordable units. The developer will pay a \$4.5 million in-lieu fee. However, Council to assign only \$1 million to the LIHF, and voted to place \$3.5 million into a separate account with no restrictions on how the Council could spend the money. Artificial turf and lighting for sports fields, or assistance for PUSD projects were among the suggestions. Obviously the City could use this higher in-lieu fee to support nonprofit workforce for families, per Resolution 10-390, but they have no plans to accomplish this objective. (Attachment 5)
10. (Program 18.1) The City completed a Nexus study which showed Pleasanton's Lower Income Housing Fee (LIHF) to be very inadequate to meet the existing and future demand for affordable housing generated by residential and commercial development. However, the City Council voted not adjust the LIHF to a more appropriate level as suggested in Program 18.1, citing their desire to spare corporations wanting to locate in Pleasanton the cost of mitigating housing demand created by their employees. (See Attachments 3 and 4.)
11. (Program 18.3) The City has recently acquired a small parcel of land to facilitate the construction of additional senior housing at Kottinger Place. However, the LIHF's current and prospective balance is too low to purchase sufficient land to meet Pleasanton's nonprofit housing needs for RHNA, due to the prev Council votes restricting LIHF revenue.  
(See notes 6, 9, 10, and Attachments 4 and 5.)
12. (Program 18.5) Pleasanton's IZO contains insufficient incentives for property owners or support for nonprofit housing developers to foster such partnerships.



13. Policy 23 has no implementing Programs. Furthermore, it appears the Policy 23 now works in reverse, with developers offering incentive payments to the City well above the housing fees specified in the IZO in exchange for the City dropping HE requirements to include affordable units in their projects.
14. (Program 26.1) Property owners and for-profit apartment developers are well aware of Pleasanton's affordable housing programs. However, they have no incentive to request the City's assistance in finding a nonprofit partner when they can build an almost 90% to 100% market rate project. In addition, the City's housing ordinance and fee structure do not incent property owners or for-profit builders to dedicate the land necessary to acquire a nonprofit partner.
  - 14.5. (Program 26.3) Land will not magically become available for City ownership without a purchase or dedication plan. Pleasanton owns no land appropriate for nonprofit development. Council's actions in October 2013 and September 2014 to restrict contributions to the LIHF ensure the City cannot purchase land. Pleasanton has no ordinances or incentives to ensure land dedication for nonprofit housing development. No land, no money, no requirements, and no incentives virtually assure that land will never become available to the City so the Council can "consider" reserving them for nonprofit development. However, they can also "consider" using the land for more unnecessary moderate income housing.
15. (Policy 27) Due to a lack of sufficient incentives and a weak affordable housing ordinance, Pleasanton has received no proposals for developments with this profile.
16. (Policy 30, Program 30.1) Pleasanton allocates Growth Management by the number of units proposed on a first come first served basis. Market rate units of all kinds may reserve Growth Management allocations, regardless of whether the City has met its RHNA requirements for affordability. Pleasanton does not allocate Growth management in a way that encourages market rate builders to support nonprofit development. Nor has the need for a Growth Management allocation ever, to our knowledge, resulted in a for-profit developer providing a "substantial" amount of ELI, VLI, or LI housing.
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20. (Program 40.3) Pleasanton will have insufficient LIHF revenue to acquire land for this program. In the unlikely event that a market rate builder dedicates a portion of their project site to the in lieu of LIHF payment, the City should use all the land for nonprofit ELI, VLI, and LI housing. Pleasanton should not further reduce the potential of its HDR sites to meet RHNA requirements by using land dedicated to the City for market-rate development.

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Program 47.5 should call for the City to work in good faith with property owners and developers of sites throughout Pleasanton to acquire land for the nonprofit housing to meet RHNA affordable housing needs. That would show much more commitment to implementing Resolution 10-390 (see Attachment 8) and have a better chance of succeeding too!

# Housing Element

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# BACKGROUND



**2015–2023 UPDATE**

**SEPTEMBER 2014 DRAFT**



## Section I

### INTRODUCTION

#### A STATE LAW REQUIREMENTS FOR HOUSING ELEMENTS



State law requires each city and county to adopt a General Plan containing at least seven elements including a Housing Element. Regulations regarding Housing Elements are found in the California Government Code Sections 65580–65589. Although the Housing Element must follow state law, it is by nature a local document. The focus of the Pleasanton Housing Element is on the needs, desires, and vision of Pleasanton residents as it relates to housing in the community. Within these parameters, the intent of the element is also to comply with state law requirements.

Unlike the other mandatory General Plan elements, the Housing Element must be updated every four to eight years, and is subject to detailed statutory requirements and mandatory review by the California Department of Housing and Community Development (HCD). The City's current Housing Element planning period is eight years in length. According to state law, the Housing Element must:

- Provide goals, policies, quantified objectives, and scheduled programs to preserve, improve, and develop housing.
- Identify and analyze existing and projected housing needs for all economic segments of the community.
- Identify adequate sites that will be zoned and available (prior to Housing Element adoption) within the eight-year housing cycle to meet the city's fair share of regional housing needs at all income levels.
- Be internally consistent with other parts of the General Plan (and is critical to having a legally adequate General Plan).
- Be submitted to HCD to determine if the agency will certify the Housing Element as being in compliance with state law.

State law establishes detailed content requirements for Housing Elements and requires a regional "fair share" approach to distributing housing needs. State Housing Element law recognizes that in order for the private sector to address housing needs and demand, local governments must adopt land use plans and implementing regulations that provide opportunities for, and do not unduly constrain, housing development.

In accordance with state law, the Housing Element must be consistent and compatible with other General Plan elements. Additionally, the Housing Element should provide clear policy and direction for making decisions pertaining to zoning, subdivision approval, housing allocations, and capital improvements. The housing action program must also identify adequate residential sites available for a variety of housing types for all income levels; assist in developing adequate housing to meet the needs of low- and

1. If the City retains HE Policy 17 to ensure developers' compliance with the IZO, then the DHE has failed to identify adequate sites to "... meet the city's fair share of regional housing needs at all income levels. Policy 17 directs developers of HDR sites to include 15% VLI and LI units. This rule, prevents Pleasanton from meeting its "fair share of regional housing needs at all income levels" on the number of HDR sites the Draft HE identifies. Certification of Pleasanton's HE, with Policy 17 and the IZO standards included would seem to grant permission an inevitable failure to achieve RHNA,



**Workforce Affordable Housing:** Housing that is affordable to the workforce in the community. Workforce housing is housing for the occupations needed in every community, including teachers, nurses, police officers, firefighters, and many other critical workers. The families in need of workforce housing do not fall neatly into a single narrow income category. Employees in some industries (e.g., retail sales, food service, tourism) are likely to be in the lower income ranges. Seasoned workforce jobs with education or training requirements, such as teachers, police officers, or nurses, may fall into the middle income brackets but still find it difficult to afford homes in the community where they work.

## C 2007–2014 HOUSING ELEMENT REVIEW

### Summary of Key Accomplishments

State law (California Government Code Section 65588(a)) requires each jurisdiction to review its Housing Element as frequently as appropriate and evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.
- The effectiveness of the Housing Element in attainment of the community's housing goals and objectives.
- The progress in implementation of the Housing Element.

The evaluation provides valuable information on the extent to which programs have been successful in achieving stated objectives and addressing local needs, and to which these programs continue to be relevant to addressing current and future housing needs in Pleasanton. The evaluation provides the basis for recommended modifications to policies and programs and the establishment of new objectives in the Housing Element.

2. Many Policies and Programs which the City should have changed or eliminated based on ineffectiveness in the last planning period remain in the HE Draft.

Housing Element, and compares the City's progress in fulfilling these objectives. A program-by-program review is contained in Appendix A. The City's 2007–2014 Housing Element has supported implementation of a number of programs providing affordable housing. One of the objectives of the Housing Element update is to build upon the City's successes. Below are some of the key accomplishments of the City:

The Pleasanton General Plan Housing Element was adopted on October 12, 2012, and certified by HCD on October 29, 2012.

**BMR Apartments.** Over 1,000 below-market rental (BMR) apartment units have been built in Pleasanton since the mid-1980s. The City has encouraged the construction of affordable rental housing by allowing special consideration for projects that provide units at BMR levels. Four of the largest apartment complexes in Pleasanton include some units in which rents are lower than market rents due to a regulatory agreement between the City and the apartment owner. As an example, three projects that occupy the City's former 14-acre corporation yard site (**The Promenade, Ridge View Commons, and The Parkview**) demonstrate a variety of housing types and also the City's willingness to contribute land and other assistance for affordable housing. Whereas the earliest BMR apartment projects had 15-year expiration terms, the most recent projects will remain affordable in perpetuity.

- Building permits were issued for 1,025 dwelling units between 2007–2014. Of these 173 units or 16.8 percent of the total units will be affordable to very low-, low-, and moderate-income households.
- Planning approvals were awarded to seven high density/mixed-use projects with a combined total of 1,711 rental apartments (two BRE projects in Hacienda, Carr America site, Pleasanton Gateway,

3. Promenade: 1997, family housing, 68 VLI and LI units, 78 market rate units.  
Ridgeview Commons: 1989, senior housing, 200 VLI and LI units.  
Parkview Senior Assisted Living: 2007, 31 VLI units, 74 market rate units.



## BACKGROUND

Nearon site and half of the CM Capital site). Affordable housing agreements were negotiated and approved for all projects to provide for a total of 216 units at varying affordability levels.

- The City's Growth Management Program was amended to ensure that it does not prevent the City from meeting its share of the regional housing need.
- The City circulated a Request for Proposal and selected a consultant to conduct a comprehensive nexus study to review and potentially update the City's Lower Income Housing Fee. The consultant presented the Lower Income Housing Fee Study to the City Council and Housing Commission at a joint workshop in October 2013, at which the Council voted to maintain the current Lower Income Housing Fee.
- Multifamily Development Standards and Guidelines were adopted for high density housing. These standards and guidelines promote residential development at densities that support work force housing and are compatible with Pleasanton's existing high-quality neighborhoods.
- City Housing Programs. The City of Pleasanton operates a number of housing programs to support affordable housing, including the City's BMR Rental Program, temporary rental assistance (in coordination with the City of Livermore and Abode Services through the Tri-Valley Housing Scholarship Program), Section 8 vouchers in coordination with the Alameda County Housing Authority, the Pleasanton Homeownership Assistance Program (PHAP) for first-time homebuyers, the Down Payment Assistance (DPA) program, the Housing and Human Services Grant (HHS) program (which uses Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and local funds), the Housing Rehabilitation Program for low-income homeowners and mobile home owners, a Lower Income Housing Fund, and inclusionary zoning requirements for new development.
- Staff outreach in support of affordable housing included promotion of the City's affordable housing incentives, meetings with several nonprofit developers regarding potential projects, and preparation for a workshop for nonprofit developers held in February 2013. Additional outreach was hosted in February and March 2014.
- The City maintained active support for a wide range of nonprofit organizations and worked directly with MidPen Housing and Habitat for Humanity on project-specific activities.

#### 4. MidPen collaboration was for senior, not family, housing. Habitat project is in Livermore.

- Homeownership Assistance. In addition to the PHAP, which makes available homes for sale at below-market prices, the City established the DPA program in 2004 using local funds combined with an allocation of state HELP (Housing Enabled by Local Partnership) funds from the California Housing Finance Agency (CalHFA). HELP funds were depleted in 2007, and since then the program has been funded 100 percent locally. The DPA program currently provides up to \$20,000 in down payment assistance for low- and moderate-income buyers. Assistance is in the form of a low interest (3.5%) loan that is amortized over 20 years.
- Housing for Persons with Disabilities. Through programs such as HHS, the City has assisted the development of specific housing units in Pleasanton that are reserved for persons with disabilities using federal and local funds. Rental opportunities in these developments are administered either by the on-site management or by a supporting agency. For example, the City worked with East Bay Innovations and HCD to reserve four BMR apartments at The Promenade for very low-income persons with developmental disabilities who are able to live independently. The City also provided deferred zero-interest loans to Tri-Valley REACH to acquire and rehabilitate several group homes for adults with developmental disabilities.
- Housing Data Collection and Preservation of At-Risk Affordable Housing. The City conducts an annual survey of rents and vacancy rates in order to monitor affordability in the local rental housing stock. The City has also worked to ensure the preservation of existing affordable housing, such as the



# BACKGROUND

## Population Trends

In 1990, Pleasanton's median age was lower than it was for California as a whole. As of 2000, Pleasanton's median age was 37 years compared to 33 for the state and 35 for the county. According to the 2010 US Census, Pleasanton's median age is now 41 years, which is a significant increase in just 10 years. The gradual increase of the median age from 26 years in 1970 to 41 years in 2010 indicates a significant aging of the population. This is occurring despite the increases in school enrollment, indicating that the aging of the existing population is more than compensating for the increase of school-age children. The 2010 median age in Pleasanton is higher than the median age for both the county (37 years) and the state (35 years).

The distribution of Pleasanton's population by age group is shown in **Table 9**. As individuals age, their lifestyles, household composition, living preferences, and income levels tend to change as well. For example, young adults (18–34) typically move more frequently and earn less than older adults. As a result, younger adults generally are not ready, or cannot afford, to purchase homes, and instead look for rental units to meet their housing needs. In contrast, middle-aged residents (35–54) typically have higher earning potential and higher homeownership rates. Residents approaching retirement age or recently retired (early 60s to mid-70s) tend to have the highest rates of homeownership. After individuals retire, many look for smaller homes on properties that are easier to maintain, or for residential communities that cater specifically to their lifestyles, needs, and preferences.

The age distribution of the City's population has shifted between 2000 and 2010. The number of residents between the ages of 55 and 64 increased by approximately 48 percent, while the number of residents 65 years and older increased by approximately 58 percent. The City experienced a simultaneous decline in residents less than 5 years old (10% decline), between 25 to 34 years old (21% decline), and 35 to 44 (18% decline). In general, shifts in age distribution likely reflect aging demographics within the community of Pleasanton.

**Table 9: Population by Age, 2000–2010**

Age (years)	2000		2010		Percent Change
	Persons	Percent	Persons	Percent	
< 5	4,359	7%	3,904	6%	-10%
5 to 14	10,807	17%	11,256	16%	4%
15 to 24	6,288	10%	8,242	12%	31%
25 to 34	7,988	13%	6,345	9%	-21%
35 to 44	13,251	21%	10,912	16%	-18%
45 to 54	10,487	16%	13,599	19%	30%
55 to 64	5,636	9%	8,366	12%	48%
65+	4,838	8%	7,661	11%	58%
<b>Total</b>	<b>63,654</b>	<b>100%</b>	<b>70,285</b>	<b>100%</b>	<b>10%</b>

Source: 2000 and 2010 U.S. Census (ABAG Data Profiles for Housing Elements 2013)

A more detailed comparison of age cohorts in Pleasanton in 2000 and 2010 is shown in the graph below. The graph shows the significant increase in the number of teens and adults under 25, seniors, and those nearing senior age in Pleasanton over the past 10 years. The most significant decline has been in the number of young adults in the 25 through 44 years of age cohorts. Some of this decline may be due to the availability of lower cost housing in the community, as young adults seek more affordable housing elsewhere.

5. The shrinking population of residents <5 and 25 to 44 years of age reflects the growing unmet demand for affordable workforce housing in Pleasanton

Normally people do not retire in high cost of living communities like Pleasanton. The increase of population over 55 years of age likely results from the City's support for and approval of senior only affordable and market rate housing.



# BACKGROUND

- Residential projects with development entitlements with building occupancy to be issued post December 31, 2013.
- Vacant or underutilized land designated for residential development with no entitlements, including four of the original nine sites identified to accommodate the 2007–2014 RHNA needs.

**Table 29** summarizes the residential unit potential from the above methods and provides a comparison with Pleasanton's 2014-2022 RHNA. The City is able to exceed RHNA needs for the 2014-2022 planning period with permits finalized and units approved since 2013, as well as vacant or underutilized land already designated for residential development. The City's land inventory identifies a capacity for 1,176 new units, including a capacity for 279 deed-restricted units for low and very low income categories.

**Table 29: City's Housing Need and Capacity to Meet 2014-2022 RHNA**

	Total	Extremely Low, Very Low, and Low Income	Moderate Income	Above Moderate Income
2014-2022 RHNA	2,067	1,107	407	553
Permitted and Approved Projects	1,980	276	1,527	174
Vacant and underutilized land	1,263	991	-	272
Total Capacity	3,243	1,297	1,527	446
Capacity Over and Above Housing Need	1,176	163	1,120	(-107)

Sites from the City's land inventory are shown in **Figure 7** and **Figure 8**. These sites provide capacity to meet the 2014-2022 RHNA. Approved residential projects with development entitlements issued post 2013 are shown in **Figure 7**, while **Figure 8** illustrates the location of vacant and underutilized land. **Appendix B** includes a detailed summary of these sites. Sites identified for rezones in programs from the previous Housing Element have been rezoned to allow residential development and are included in this land inventory. The land inventory is also described in greater detail in the following section.

6. This "surplus" Moderate Income housing is essentially wasted capacity that Pleasanton could have dedicated to nonprofit housing that would have met all of the City's Very Low and Low Income housing requirements until 2023!



## BACKGROUND

were rezoned for high-density-residential use to accommodate RHNA as described in the "Meeting Projected Housing Needs" section below. In the 2007 Wastewater Master Plan, these sites were anticipated to be developed for office-commercial use, with a correspondingly lower wastewater flow than now anticipated (with high-density-residential use). The rezoned sites located east of Hopyard Road and north of Stanley Boulevard (BART, Nearon, California Center, and CM Capital Properties) require the construction of a new sewer pump station and pipelines. The pump station and appurtenant pipelines are not needed immediately, but will likely be necessary after the first major high-density-residential development in this area is occupied. The pump station is currently in the preliminary design phase, and anticipated to be operational by late 2015. Several other sites (Sheraton, Stoneridge Shopping Center, Kaiser, Auf der Maur/Rickenbach) will require new sewer pipelines as well as limited upsizing of some existing pipelines to accommodate new residential growth. The sewer pump station project is estimated to cost over \$3 million dollars. The local sewer pipe upgrades are anticipated to cost between a few hundred thousand to several hundred thousand dollars. Replacement and improvement funds in the City's CIP are funding the first phases of the pump station project, and the City's CIP and/or new development, will fund the later phases. The cost to fund the new sewer facilities will be funded on a pro rata basis between existing users and future development.

Dublin-San Ramon Services District (DSRSD) provides Pleasanton's sewage treatment services. Under a contract with DSRSD, Pleasanton has treatment capacity entitlement to 8.5 million gallons daily (mgd) of average dry weather flow (ADWF). DSRSD owns the treatment plant's remaining treatment capacity of 8.5 mgd (for a total treatment capacity of 17 mgd).

As part of the 2007 Wastewater Master Plan, the City of Pleasanton performed a sewer flow monitoring capacity study. Results showed that in 2004 the ADWF from Pleasanton to DSRSD's regional sewage treatment plant was approximately 5.47 mgd. With the future growth projected in the 2009 General Plan, Pleasanton's flow is anticipated to increase to approximately 7.7 mgd. At the time the 2009 General Plan was adopted, Pleasanton's capacity entitlement at the treatment plant was deemed sufficient to accommodate growth; however, total flows at the treatment plant were expected to reach 17 mgd around 2015 due to growth in both Pleasanton's and DSRSD's sewer service area, and as a result, an expansion of the treatment plant was deemed warranted. DSRSD has not designed this expansion; but, it is anticipated that the final expansion will accommodate a total of 20.7 mgd. After the expansion is complete, Pleasanton's capacity entitlement at the plant will increase to 10.3 mgd. Pleasanton's existing and future capacity entitlements are anticipated to adequately accommodate increased flows as a result of the high-density-residential rezonings during the 2007–2014 Housing Element planning period. The total cost of the plant expansion is anticipated to be approximately \$18 million dollars (in 2007 dollars). DSRSD's fees for new sewage connections are anticipated to increase in the future to pay for this expansion.

Disposal of treated effluent from DSRSD's plant to the San Francisco Bay is provided by means of disposal lines managed by LAVWMA (Livermore Amador Valley Water Management Agency), a Joint Powers Authority (JPA) between the City of Pleasanton, the City of Livermore, and DSRSD. LAVWMA's disposal capacity is 41.2 mgd peak wet weather flow (PWWF), of which Pleasanton has capacity entitlement to 14.4 mgd. The cost of the upgrade has not been estimated, but it is anticipated that it could be extremely expensive.

After the adoption of the 2007–2014 Housing Element, the City updated its 2007 Wastewater Master Plan to assess the full extent of the needed upgrades/expansions to accommodate (to the extent possible) future RHNA cycles. This assessment is consistent with programs 15.5 and 15.6 of the 2015–2023 Housing Element which state:

7. The City should provide HCD with an analysis of sewer capacity as it relates to Pleasanton's progress in achieving the RHNA levels of affordability.

Pleasanton's preference for approving for-profit apartments projects that yield less than 10% VLI and LI units, uses limited wastewater export capacity for nonessential 92% MI and AMI units. Unless required, the City has no policy or plans to reserve any existing export capacity for the unbuilt ELI, VLI, and LI units assigned by RHNA.

The anticipated increase in wastewater export capacity to 10.3 mgd requires unanimous approval by Pleasanton, Livermore, Dublin San Ramon Services District (DSRSD), with possible voter approval necessary in all three jurisdictions. (See Attachment 10.) Given the political challenge of providing affordable housing in Pleasanton, early action by HCD requiring reservation of pre-expansion wastewater capacity for RHNA's ELI, VLI, and LI housing requirements seems wise. Pleasanton residents will not vote to pay for additional sewer capacity if it's needed to serve lower income housing.



**Program 15.5:** Assess the level of effort to overcome infrastructure constraints to housing affordable to low- and very-low-income households on a periodic basis.

Responsible Agency: Housing Division

Time Period: As Needed or in Conjunction with the Housing Element Update

Funding Source: Housing Division Budget

**Program 15.6:** Assess future sewer infrastructure needs, including sewer infrastructure upgrades and facilities to accommodate future RHNA cycles in the region.

Responsible Agency: Operation Services Department, Housing Division, City Council

Time Period: 2014-2015

Funding Source: Sewer Enterprise Fund

8. The outcome of the assessment depends on how HCD requires Pleasanton to measure "meeting the regional housing need", by density or by affordability.

The City also reviewed infrastructure conditions and the Growth Management Program between 2011 and 2014. In 2012 and 2013 the City revised the Growth Management Program, as directed by Program 9.1 and 29.2 of the 2007–2014 Housing Element. These recent revisions ensure that the program does not prevent the City from meeting its share of the regional housing need.

To reduce the use of potable water and impacts to sewer facilities, the JPA members of LAVWMA have agreed to use recycled wastewater for landscaping irrigation when feasible, and Program 6.1 of Pleasanton's General Plan Water Element states:

**Program 6.1:** Utilize wastewater reuse/reclamation methods to the fullest extent financially and environmentally feasible.

## Water Supply and Infrastructure

Water supply is an issue at the forefront of long-term planning efforts in the City. Based on the 2010 Urban Water Management Plan, Zone 7 has sufficient water to accommodate planned growth through 2030, as accounted for in the General Plans of its member agencies. Zone 7 has concluded that a combination of water conservation and the development of new supplies and storage facilities will allow the agency to supply water to all planned growth within its service area, including housing-related growth in Pleasanton, even during multiple dry years (as is currently the case). The Urban Water Management Plan will be updated in 2015, and is expected to include a similar approach to accommodating growth as the 2010 plan, even in the midst of a severe drought.

However, continued drought conditions will require the City to adopt new methods to stretch its limited supply of water. In May 2014, the City declared a Local Drought Emergency and instituted a Stage 3 drought declaration intended to reduce water consumption by 25%. Between March and June 2014, the City Council approved amendments to Chapter 9.30 (Water Conservation Plan) of the Pleasanton Municipal Code, outlining further water reduction measures, including restrictions on outdoor irrigation and decorative water features to be implemented during droughts. In addition, after approval of the Recycled Water Feasibility Study in November 2013, the City is moving forward with implementation of a recycled water program. This recycled water program will reduce the demand for potable water within Zone 7 and assist in creating a more reliable water supply, since the recycled water would be generated



9. Pleasanton has structured its HE to support >93% growth in market rate housing stock and <7% growth in affordable workforce housing stock. Does infrastructure truly meet community needs?

## BACKGROUND

and consumed locally. These measures will assist in ensuring the City's water supply meets the needs of the community in addition to planned growth as part of the 2015-2023 Housing Element planning period.

However, the City also possesses the flexibility to institute more stringent measures to reduce water demand in the event of a prolonged drought, pursuant to a 2009 Water Shortage Contingency Plan developed by the water retailers who purchase water from Zone 7 (including the cities of Pleasanton and Livermore, Dublin-San Ramon Services District, and California Water Service Company-Livermore District). The Water Shortage Contingency Plan identifies a series of water conservation measures that could be implemented by each of the water retailers at different drought declarations. At a Stage 3 or 4 drought declaration, the plan allows water retailers to refuse new or additional service requests for residential, commercial, industrial, and institutional projects comprising more than 500 dwelling units (or an equivalent square footage of commercial or industrial uses).

It is not anticipated that any of the sites which were rezoned to accommodate Pleasanton's RHNA for the 2007-2014 Housing Element planning period or the new RHNA for 2015- 2023 will require potable-water pumping, storage, or pipeline upgrades. Several housing sites zoned for low-density-residential development, such as sites west of Foothill Road, will need such improvements, but these sites are zoned for low-density-residential development, and will not address Pleasanton's RHNA for the 2015-2023 Housing Element planning period. The cost of the potable-water upgrades could exceed \$1 million dollars for some of these low-density residential sites. While City's water infrastructure is sufficient for future development units, water sources in California are scarce. In response to scarcity of water sources, state of California in 2009 enacted SBX7-7 requiring water providers to reduce their water demand by 20 percent by calendar year 2020 (20-20 Program). In compliance with the California's 20-20 Program, City of Pleasanton has implemented public outreach and water conservation methods for its customers. These methods include indoor plumbing retrofit and outdoor landscape irrigation efficient upgrades. City Council approved Pleasanton's 2010 Urban Management Plan and directed staff to implement recommended water conservation programs and also establish programs for funding for water recycling in the City. Future development units will be designed utilizing the latest available water conserving technology for indoor plumbing fixtures and outdoor irrigation devices and also participate in recycled water program funding.

In November 2013 the City Council approved the Recycled Water Feasibility Study allowing the City to proceed forward with the environmental documentation necessary to move forward with implementation of the recycled water program. Upon implementation of this program will serve many of the developments in the Hacienda Park (BART, Nearon, California Center, and CM Capital Properties) will be able to utilize recycled water for landscaping purposes.

As required by Government Code Section 65589.7, in May 2008, the City of Pleasanton adopted an administrative policy to provide priority water and sewer service for housing developments serving lower income households.

### Second Units

10. This gives luxury market rate apartment projects with just a few affordable units priority for water. The City should adopt a minimum standard of 50% VLI and LI units before defining a development as "serving lower income households."

As the City reaches build-out, second units increase in importance as a source of housing, particularly affordable housing. They have particular value as a source of housing for seniors who would otherwise have to sell their homes and leave their neighborhoods, for young adults who might otherwise have to double- or triple-up to afford housing, and for "au pairs" or other household workers who would otherwise have to find conventional housing or commute from other communities.

In the period 2007 through 2014, approximately 50 second units were built, or about six second units a year. This slowdown in the construction of second units tracks the general decline in residential construction.



## Feasibility of Identified Mixed Use Development Sites

The availability of developable sites does not assure development; market conditions will in most cases dictate when any particular development will commence. An issue specific to the availability of mixed use sites for housing purposes is the question "what is it," i.e., precisely what mix of uses is likely to occur. Many mixed use zoning districts are permissive in this regard, as is the case in the City of Pleasanton. A mixed use site could be all retail mixed with office or housing or any combination of these uses consistent with other aspects of the zoning district.

While this opportunity leads to some uncertainty regarding housing production on these sites, from a market feasibility standpoint, and in practice, housing is increasingly part of mixed use development in California suburban settings such as Pleasanton. The reason is that housing has tended to generate considerably higher value per square foot of developed building than office or retail uses. Given the relatively high cost of land and construction of mixed use buildings, the housing component is often essential to achieve a financially feasible development. Even when not absolutely necessary, rent-seeking investors will tend to maximize value and a housing component can help achieve this objective.

Experience with financial analysis of mixed use buildings has repeatedly demonstrated this point. A simple reference to the marketplace also underscores this point – a common prototypical vertical mixed use building, with hundreds of examples having been built recently in California, involves a retail/office ground-floor "podium" with two or more floors of residential flats located above. Alternative "side-by-side" projects also exist. Of course there will always be circumstances that lead site owners to variations in the mixed use prototype including single-use buildings and those involving no residential development, changing market dynamics, cost/risk factors, and business objectives. Prior to the adoption of the 2015-2023 Housing Element, the Pleasanton City Council rezoned nine sites (BART, Sheraton, Stoneridge Shopping Center, Kaiser, Pleasanton Gateway, Auf der Maur/Rickenbach, Nearon, CarrAmerica, and CM Capital Properties) to accommodate the City's RHNA allocation. Of these nine sites, five (BART, Sheraton, Stoneridge Shopping Center, Kaiser, and Carr America) allow for mixed use development. In large part, these sites were selected for mixed use because of their potential for housing development in the context of prior infill planning and City policies. Accordingly it is very likely that these mixed use rezonings will incorporate a high density housing component,

## Meeting Projected Housing Needs

Prior to the adoption of the 2015-2023 Housing Element, the City completed the rezoning and General Plan Amendments necessary to accommodate the City's RHNA. The City has experienced tremendous development interest for these sites, as evidenced by entitlements on five sites for large-scale apartment and mixed-use developments, which are described in more detail in **Appendix B**. Table 30 summarizes all high density residential sites within the City that maintain density to accommodate development or 30 units/acre or greater. The pages immediately following the summary table include background information and development considerations for the five sites that remain vacant or underutilized. The five sites listed can accommodate a maximum capacity of approximately 991 units. These sites are also included in the Housing Sites Inventory (**Appendix B**) and described in further detail below. The following figures are numbered to correspond with their housing site number, as shown in **Appendix B**.

11. These are for-profit projects with a very small percentages of BMR units. Because these mixed use developments do not have a sufficient number of ELI, VLI, and LI units, which only nonprofit development can provide, both the 90% market rate housing and the retail commercial uses add a net increase to Pleasanton's unmet workforce housing demand, especially for VLI workforce housing.



# BACKGROUND

**Table 30: High Density Residential Sites Zoned to Accommodate 30 units per acre or Greater of Residential Development**

Site	Current Use	New General Plan / Zoning	Potential Acreage for Multi-family Development	30 units/ac	Site Constraints
<b>Vacant / Underutilized Sites</b>					
Sheraton	Hotel	Mixed Use /PUD-MU	3.3	99	Not active.
Stoneridge Shopping Center <sup>1</sup>	Shopping Center	Mixed Use /PUD-MU	2.2	88	P
Kaiser	Vacant / parking lot	Mixed Use /PUD-MU	6.1	183	Not active
BART <sup>1</sup>	Parking lot	Mixed Use/Business Park /PUD-MU	8.3	249	S/P
Hacienda 3 (Roche)	Vacant	Mixed Use-Business Park/PUD-MU	12.40	372	S/P
<b>TOTAL</b>				<b>991</b>	
<b>Sites with Planning Approval</b>					
Hacienda Site 1 (Essex)	Vacant	Mixed Use-Business Park/PUD-MU	8.4	255	
Hacienda Site 2 (Essex)	Vacant	Mixed Use-Business Park/PUD-MU	8.2	251	
Auf der Maur	Vacant	HDR	11.5	345	
Carr America	Parking lot	Mixed Use/Business Park /PUD-HDR	8.4	305	
Pleasanton Gateway	Vacant	High Density Residential /PUD-HDR	7	210	
CM Capital 1	Office	Mixed Use/Business Park /PUD-MU	5.9	177	
Nearon Site	Vacant / parking lot	Mixed Use-Business Park /PUD-HDR	5.6	168	Under construction
<b>TOTAL</b>				<b>1,711</b>	

## 12. SITES - ARE THEY AVAILABLE?

**STONERIDGE MALL:** The Mall is currently adding a movie theatre, and Mall representatives have indicated to some Pleasanton officials that they have decided not to pursue residential development.

**BART:** When Pacific West Communities, an affordable housing developer, inquired about Site 20, a representative informed him that BART had no interest in developing residential uses there.

**HACIENDA 3:** It has long been rumored that Roche would reserve this site for expansion of its corporate facilities. Should the site develop, the number of affordable units allowable is 15%VLI per Pleasanton's settlement agreement with Urban Habitat.

**AUF DER MAUR:** Has no VLI or LI units.



# BACKGROUND

Rotary Commons on Palomino Drive. The City has been able to approve developments with higher overall densities, exceptions to the development standards and a greater number of affordable housing units through the PUD process than it would have been possible with conventional zoning.

The PUD process requires review at both the Planning Commission and City Council level. However, it allows great flexibility regarding the standards to be used and these standards can be tailored to specific sites, thus ensuring, for example, that sites near transit incorporate elements of Transit Oriented Development, and that a mix of land uses is allowed where appropriate. The City's adopted Housing Site Development Standards and Design Guidelines for Multifamily Development helps to ensure that the flexibility of the PUD process does not create uncertainty for potential developers.

The site development standards adopted for the Hacienda TOD (Sites 1, 2, and 25) and for the multi-family development sites (Sites 3, 4, 5, 6, 7, 9, 20, 26, and 37). are shown in Table 34 Site Development Standards, above. The adoption of the Housing Site Development Standards, and Pleasanton TOD Standards and Guidelines for the BART property establish requirements for setbacks, open space, height, parking, and internal street and alley standards. Minimum densities (ranging from 30 to 40 units per acre) for these sites were established by rezoning which was adopted in January 2012.

## Affordable Housing Bonus

13. No developer has ever applied for a density bonus in Pleasanton. Developers generally have preferred to reduce density to improve profitability, marketability, and financial feasibility.

The City provides for the development of affordable housing for lower-income households through its affordable housing bonus program, in accordance with state density bonus law (Government Code Section 65915 et seq.). The City amended the Municipal Code to outline specific provisions of this density bonus program in September 2013 (see Section 17.38 of the Pleasanton Municipal Code). When utilizing the affordable housing bonus program, the allowable density is increased by up to 100 percent for senior housing and 35 percent for non-senior housing.

## Building Code

Pleasanton uses the California Building Code (CBC) which sets minimum standards for residential development and all other structures. The standards may add material and labor costs, but are felt to be necessary minimums for the safety of those occupying the structures. Modification of the Code in order to reduce the cost of housing would not be appropriate if it affects safety or adversely impacts neighboring properties.

The Building Division enforces energy conservation standards enacted by the state and Chapter 17.50 of the Pleasanton Municipal Code, Green Building, which generally requires new residential projects and residential additions greater than 2,000 square feet in size to incorporate Leadership in Energy and Environmental Design (LEED) or GreenPoint Rated measures. The standards may increase initial construction costs, but over time will result in energy savings.

Pleasanton's Building Code enforcement practices are complaint-driven, as are those of 70 percent of the local governments surveyed by the HCD.

The Building Division has adopted special construction rules primarily for safety related reasons, and to further clarify the requirements of the CBC. Examples of this are the Code requirements regarding increased pool height fencing for life-safety reasons and additional rebar requirements in soils susceptible to failure during an earthquake. These standards may increase initial construction costs, but over time will improve the safety of residents.



# BACKGROUND

Table 35: Building and Development Impact Fees

	Fee Type	Single-Family	For 30-Unit Single Family Project	Multi-Family Unit	For 170-Unit Project
1	Building Permit and Plan Check Fees <sup>1</sup>	\$7,600	\$228,800	Avg \$1,700/unit	\$289,033
2	Local Water Connection Fee	\$3,000	\$90,000	Avg \$56/unit	\$9,600
3	Local Water Meter Fee	\$570	\$17,100	Avg \$5/unit	\$910
4	Local Sewer Connection Fee	\$500	\$15,000	\$330/unit	\$56,100
5	Public Facilities Fee	\$4,722	\$141,660	\$2,880/unit	\$489,600
6	Low-Income Housing Fee	\$10,880	\$326,400	\$2,696/unit <sup>2</sup>	\$458,320
7	Local Traffic Impact Fee	\$4,700	\$141,000	\$3,289/unit	\$559,130
8	In-Lieu Park Dedication Fee	\$9,707	\$291,210	\$7,969/unit	\$1,354,730
9	GIS Mapping Fee, \$0.002/sf site	\$12	\$360	Avg \$3/unit	\$488
10	Zone 7 Water Connection Fee	\$24,030	\$720,900	Varies -Avg \$1,131/unit	\$192,240
11	DSRSD Sewer Connection Fee	\$14,385	\$431,550	\$9,479/unit	1,611,430
12	Tri-Valley Transportation Fee	\$2,513	\$69,390	\$1,472/unit	\$250,240
13	Zone 7 Drainage Fee, \$1.00 / sf	\$3,000	\$90,000	\$1.00/sf	\$177,250
14	PUSD School Impact Fee	20,220	606,600	\$3.04/sf	\$538,840
<b>Total per unit and per project Permit and Impact Fees</b>		<b>\$105,639</b>	<b>\$3,169,170</b>	<b>\$35,223<sup>3</sup></b>	<b>\$5,987,977</b>
15	PUD Application Fee	n/a	\$2,000	n/a	\$2,000
16	Subdivision Map Fee	n/a	\$2,300	n/a	n/a
<b>Total Processing, Permit and Impact Fees; and per unit</b>		<b>\$105,639</b>	<b>\$3,173,470</b>	<b>\$35,223<sup>3</sup></b>	<b>\$5,989,977</b>

14.

An examination of Pleasanton's Impact Fee Schedule reflects how the City has prioritized mitigation of the various impacts of new development. For instance:

Pleasanton is well known for its abundance of public parks and recreational facilities. Pleasanton assesses multi-family development a Park In-Lieu Fee of \$7,969/unit.

Pleasanton is also well known for having a significant and growing jobs/housing imbalance as a result of placing a high priority on attracting new businesses but a low priority on securing housing opportunities for the businesses' employees. This pursuit of commercial land uses has steadily increased Pleasanton's unmet workforce housing need. As a result, a growing number of retail/service employees commute from outside the Tri-Valley into Pleasanton and back to the closest housing they can afford. (See Attachment 11.)

In spite of high impacts on roadways, air quality, and carbon emissions generated by the employee in-commute which the City could mitigate with workforce housing, the housing in-lieu fee of \$2,696/mf unit is Pleasanton's lowest impact fee, merely one third of what the City charges new development for its impact on community parks.



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focusing new housing in areas which can be readily serviced and which avoid major environmental issues. The City's analysis of approved and potential new units shows that the City can meet its share of the regional housing needs within its Urban Growth Boundary.

East Pleasanton is the only area where the Urban Growth Boundary limits the extent of development in an area where development is feasible. In this area, approximately 100 acres of incorporated land lies outside the Urban Growth Boundary, approximately 75 acres of which is potentially developable as residential uses. (The other 25 acres is located within the Livermore Airport Protection Area which prohibits residential development.) However, the East Pleasanton Specific Plan area also includes approximately 100 acres of vacant land remediated from previous mining operations that are within the City limits and within the Urban Growth Boundary. As such, the boundary serves to discourage sprawl but still provides sufficient land within its borders to accommodate several decades of growth without impact to cost, supply, timing, and affordability of housing.

The City can also be pro-active in the attainment of housing affordability. Sending positive signals to nonprofit and for-profit developers interested in building affordable housing through incentives can attract such development to the City. Creating educational programs to inform the public what "affordable housing" developments can look like and that they are intended to house people who may already live and work in the community are positive steps which government can take to overcome perceptions and to facilitate housing to meet the community's needs.

15. Financial incentives and enforceable rules are known to work better than friendly vibes, happy thoughts, fairy dust, and "positive signals", which clearly don't work at all.

In 2000, the City's Housing Commission developed an Inclusionary Zoning Ordinance (IZO) which modified the City's requirements for the provision of affordable housing by the builders of new residential projects. With the increasing cost of housing in recent years and the diminishing availability of land, the Commission found it critical to increase the City's efforts to acquire affordable housing through new development. The IZO requires that any new single-family residential development of 15 units or more must provide at least 20 percent of its units at a below-market sales price (or at least 15 percent of the total units for multi-family developments). Developers must seek the approval of the City Council in order to utilize an alternative, such as payment of a fee in lieu of constructing the affordable housing.

In 1994, the California Coalition for Rural Housing (CCRH) conducted the first statewide survey on inclusionary housing and found that 12 percent of statewide jurisdictions had an inclusionary program. In 2003, CCRH and Non-Profit Housing Association of Northern California (NPH) collaboratively conducted a follow-up survey, which revealed that the number of jurisdictions with inclusionary housing had jumped to 20 percent. The 2003 survey generated interest in obtaining more precise production data on the types of housing built and the income levels served. In 2006, a new study was launched to determine the growth in inclusionary programs statewide, and provide a detailed snapshot of the housing that is being produced by these programs. Affordable Housing by Choice — Trends in California Inclusionary Programs (NPH 2007) is the most recent survey of inclusionary ordinances statewide. The study looked at housing produced through inclusionary programs from January 1999 through June 2006 and found that:

- (1) Nearly one-third of California jurisdictions now have Inclusionary Programs.
- (2) More than 80,000 Californians have housing through Inclusionary Programs.
- (3) Most Inclusionary housing is integrated within market-rate developments.
- (4) Inclusionary housing provides shelter for those most in need — nearly three-quarters of the housing produced through Inclusionary Programs is affordable to people with some of the lowest incomes. These findings shed new light on the popular perception that inclusionary policies create ownership units mostly for moderate-income families.

16. This is not true in Pleasanton, where the vast majority of restricted inclusionary units are affordable to households earning no less than 80% AMI. Nonprofit and public housing serves those earning less than 80% AMI, primarily lower income seniors.

## BACKGROUND

- (5) Lower-income households are best served through partnerships — When market-rate developers work with affordable housing developers to meet their inclusionary requirement, the units are more likely to serve lower-income households. Joint ventures play a particularly important role in developing units for households most in need. One-third of all the housing built through Inclusionary Programs resulted from such partnerships.

17. Pleasanton has only one such market rate/nonprofit partnership workforce housing development, The Promenade, built in 1997.



## INDEX OF HOUSING ELEMENT BACKGROUND NOTES

1. (Page 1) If the City retains HE Policy 17 to ensure developers' compliance with the IZO, then the DHE has failed to identify adequate sites to "... meet the city's fair share of regional housing needs at all income levels. Policy 17 directs developers of HDR sites to include 15% VLI and LI units. This rule, prevents Pleasanton from meeting its "fair share of regional housing needs at all income levels" on the number of HDR sites the Draft HE identifies. Certification of Pleasanton's HE, with Policy 17 and the IZO standards included would seem to grant permission an inevitable failure to achieve RHNA,
2. (Page 5) Many Policies and Programs which the City should have changed or eliminated based on ineffectiveness in the last planning period remain in the HE Draft.
3. (Page 5) Promenade: 1997, family housing, 68 VLI and LI units, 78 market rate units.  
Ridgeview Commons: 1989, senior housing, 200 VLI and LI units.  
Parkview Senior Assisted Living: 2007, 31 VLI units, 74 market rate units.
4. (Page 6) MidPen collaboration was for senior, not family, housing. Habitat project is in Livermore.
5. (Page 20) The shrinking population of residents <5 and 25 to 44 years of age reflects the growing unmet demand for affordable workforce housing in Pleasanton.  
Normally people do not retire in high cost of living communities like Pleasanton. The increase of population over 55 years of age likely results from the City's support for and approval of senior only affordable and market rate housing.
5. (Page 55) The shrinking population of residents <5 and 25 to 44 years of age reflects the growing unmet demand for affordable workforce housing in Pleasanton  
Normally people do not retire in high cost of living communities like Pleasanton. The increase of population over 55 years of age likely results from the City's support for and approval of senior only affordable and market rate housing.
7. (Page 62) The City should provide HCD with an analysis of sewer capacity as it relates to Pleasanton's progress in achieving the RHNA levels of affordability.  
Pleasanton's preference for approving for-profit apartments projects that yield less than 10% VLI and LI units, uses limited wastewater export capacity for nonessential 92% MI and AMI units. Unless required, the City has no policy or plans to reserve any existing export capacity for the unbuilt ELI, VLI, and LI units assigned by RHNA.  
The anticipated increase in wastewater export capacity to 10.3 mgd (discussed in the background) requires unanimous approval by Pleasanton, Livermore, Dublin San Ramon Services District (DSRSD), with possible voter approval necessary in all three jurisdictions. (See Attachment 10.) Given the political challenge of providing affordable housing in Pleasanton, early action by HCD requiring reservation of pre-expansion wastewater capacity for RHNA's ELI, VLI, and LI housing requirements seems wise.  
Pleasanton residents will not vote to pay for additional sewer capacity if it's needed to serve lower income housing.
8. (Page 63) The outcome of the assessment depends on how HCD requires Pleasanton to measure "meeting the regional housing need", by density or by affordability.
9. (Page 64) Pleasanton has structured its HE to support >93% growth in market rate housing stock and <7% growth in affordable workforce housing stock. Does infrastructure truly meet community needs?
10. (Page 64) This gives luxury market rate apartment projects with just a few affordable units priority for water. The City should adopt a minimum standard of 50% VLI and LI units before defining a development as "serving lower income households."



11. (Page 65) These are for-profit projects with a very small percentages of BMR units. Because these mixed use developments do not have a sufficient number of ELI, VLI, and LI units, which only nonprofit development can provide, both the 90% market rate housing and the retail commercial uses add a net increase to Pleasanton's unmet workforce housing demand, especially for VLI workforce housing.
12. ( Page 66) SITES - ARE THEY AVAILABLE?  
STONERIDGE MALL: The Mall is currently adding a movie theatre, and Mall representatives have indicated to some Pleasanton officials that they have decided not to pursue residential development.  
BART: When Pacific West Communities, an affordable housing developer, inquired about Site 20, a representative informed him that BART that had no interest in developing residential uses there.  
HACIENDA 3: It has long been rumored that Roche would reserve this site for expansion of its corporate facilities. Should the site develop, the number of affordable units allowable is 15%VLI per Pleasanton's settlement agreement with Urban Habitat.  
AUF DER MAUR: Approved with has no VLI or LI units.
13. (Page 82) No developer has ever applied for a density bonus in Pleasanton. Developers generally have preferred to reduce density to improve profitability, marketability, and financial feasibility.
14. (Page 84)  
An examination of Pleasanton's Impact Fee Schedule reflects how the City has prioritized mitigation of the various impacts of new development. For instance:  
Pleasanton is well known for it's abundance of public parks and recreational facilities. Pleasanton assesses multi-family development a Park In-Lieu Fee of \$7,969/unit.  
Pleasanton is also well known for having a significant and growing jobs/housing imbalance as a result of placing a high priority on attracting new businesses but a low priority on securing housing opportunities for the businesses employees. This pursuit of commercial land uses has steadily increased Pleasanton's unmet workforce housing need. As a result, a growing number of retail/service employees commute from outside the Tri-Valley into Pleasanton and back to the closest housing they can afford. (See Attachment 11.)  
In spite of high impacts on roadways, air quality, and carbon emissions generated by the employee in-commute which the City could mitigate with workforce housing, the housing in-lieu fee of \$2,696/mf unit is Pleasanton's lowest impact fee, merely one third of what the City charges new development for its impact on community parks.
15. (Page 93) Financial incentives and enforceable rules are known to work better than friendly vibes, happy thoughts, fairy dust, and positive signals", which clearly don't work at all.
16. (Page 93) This is not true in Pleasanton, where the vast majority of restricted inclusionary units are affordable to households earning no less than 80% AMI. Nonprofit and public housing serves those earning less than 80% AMI, primarily lower income seniors.
17. (page 94) Pleasanton has only one such market rate/nonprofit partnership workforce housing development, The Promenade, built in 1997.

LOSS OF AFFORDABLE UNITS IN 2014
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## Residential Projects With Development Entitlements As of 12/31/13

Entitled Sites	0-49%	50%	51-79%	80%	81-120%	>120%	TOTAL
Auf der Maur	0	10 (3%)	0	17 (5%)	318 (92%)	0	345
CA Center	0	8 (3%)	0	15 (5%)	282 (92%)	0	305
Pls Gateway (30du/acre)	0	16 (8%)	16 *(8%)	0	178 (82%)	97	307
St. Anton Hacienda	0	18 (14%)	0	18 (14%)	132 (64%)	0	168
<b>Total Entitled Units</b>	<b>0</b>	<b>52</b>	<b>16</b>	<b>50</b>	<b>910</b>	<b>97</b>	<b>1,125</b>
<b>% BMR achieved</b>	<b>0</b>	<b>5%</b>	<b>1%</b>	<b>4%</b>	<b>81%</b>	<b>9%</b>	<b>100%</b>

\* 60% AMI

Residential Projects With Development Entitlements  
Without Building Permits Or Not Occupied As Of 9/30/2014

Entitled Sites	0-49%	50%	51-79%	80%	81-120%	>120%	TOTAL
Auf der Maur **	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	345 (100%)	0	345
CA Center	0	8 (3%)	0	15 (5%)	282 (92%)	0	305
Pls Gateway (30du/acre)	0	16 (8%)	16*(8%)	0	178 (82%)	97	307
St. Anton Hacienda	0	18 (14%)	0	18 (14%)	132 (64%)	0	168
<b>Total Entitled Units</b>	<b>0</b>	<b>42</b>	<b>16</b>	<b>33</b>	<b>937</b>	<b>97</b>	<b>1,125</b>
<b>% BMR achieved</b>	<b>0</b>	<b>4%</b>	<b>1%</b>	<b>3%</b>	<b>83%</b>	<b>9%</b>	<b>100%</b>

\* 60% AMI

\*\*In September 2014, City Council voted 3-2 to allow developer to pay the in-lieu fee rather than provide affordable 27 (9%) units. Staff recommended that Council require the developer to provide the affordable units, consistent with the original project approval and housing Element Policy 17



**LOSS OF AFFORDABLE UNIT POTENTIAL IN 2014**

**Probable Yield of BMR Units Using Pleasanton's IZO As of 12/31/13**

**On Vacant or Underutilized Land Designated for Residential Development**

**With No Entitlements Identified for 30 du/acre Zoning**

Sites	AMI	0-49%	50%	51-79%	80%	81-120%	TOTAL
			(5% of Total Units)	(1% of Total Units)	(4% of Total Units)	(89% of Total Units)	
Roche		0	19	4	15	334	372
BART		0	14	3	11	246	274
Sheraton		0	5	1	4	89	99
Stoneridge		0	4	1	4	79	88
Kaiser		0	9	2	7	165	183
CM Capital		0	10	2	8	180	200
<b>TOTAL</b>							
<b>Probable BMR</b>		<b>0</b>	<b>61</b>	<b>13</b>	<b>49</b>	<b>1093</b>	<b>1216</b>

**Probable Yield of BMR Units Using Pleasanton's Current IZO 9/30/2014**

**On Vacant or Underutilized Land Designated for Residential Development**

**With No Entitlements Identified for 30 du/acre Zoning**

Sites	AMI	0-49%	50%	51-79%	80%	81-120%	TOTAL
			(4% of Total Units)	(1% Total Units)	(3% of Total Units)	(92% of Total Units)	
Roche		0	15	4	11	342	372
BART		0	11	3	8	252	274
Sheraton		0	4	1	3	91	99
Stoneridge		0	4	1	3	80	88
Kaiser		0	7	2	5	169	183
* <del>CM Capital*</del>		<del>0</del>	<del>10</del>	<del>0</del>	<del>12</del>	<del>178</del>	<del>200</del>
<b>TOTAL</b>							
<b>Probable BMR</b>		<b>0</b>	<b>41</b>	<b>11</b>	<b>30</b>	<b>934</b>	<b>1016</b>

\* Removed from HDR inventory 9-2-14. Downzoned to 12.5 units/acre



CITY COUNCIL AGENDA REPORT

May 1, 2013  
Assistant City Manager

**TITLE: JOINT WORKSHOP WITH THE HOUSING COMMISSION TO DISCUSS CITY AFFORDABLE HOUSING POLICIES RELATED TO NEW MULTI-FAMILY RENTAL RESIDENTIAL DEVELOPMENT**

**SUMMARY**

At your meeting of April 16, 2013, the City Council approved a joint workshop with the Housing Commission for the purpose of discussing Policy 16 of the City Housing Element that anticipates both a review and modification of the Inclusionary Zoning Ordinance (IZO) to assure conformance with City goals, state legislation, including the Costa-Hawkins Act, and recent court rulings including the *Palmer/Sixth Street Properties L.P. v. City of Los Angeles ("Palmer")* case. As such, this workshop is intended to review existing City policy related to affordable housing, the overall legal environment and a number of staff and Housing Commission concepts for amending the IZO. In addition, staff anticipates the City Council will provide direction regarding IZO amendment timelines and the most appropriate approach for continuing to process affordable housing agreements during the time that the IZO is undergoing the amendment process. Attachment 1 to this report is the April 16, 2013, agenda report concerning the purpose of this workshop which provides background information.

**RECOMMENDATION**

1. Identify one or more of the five IZO amendment option(s) as detailed in this report, or one that emerges from the workshop, that should be the focus of the IZO amendment process.
2. Indicate acceptance or modification to the project time line as outlined in this report for completing the IZO update process. Staff estimates the amended IZO and related material could be presented to the City Council in September/October.
3. Identify one of the interim negotiating options outlined in this report, or one that emerges from the workshop, for addressing developer requests to negotiate an affordable housing agreement. This interim approach would be in place until the City Council formally amends the IZO. Staff is recommending interim negotiation process #2 involving continued negotiations in an attempt to obtain satisfactory project affordability.

**FINANCIAL STATEMENT**

There is no direct financial impact to the City as a result of this action.

Staff estimates 6 months to develop an IZO replacement.



## **BACKGROUND**

The City's IZO was adopted to establish a clear and attainable plan for using the limited remaining developable land in a manner that is consistent with City housing policies. To that end, the IZO establishes that 15% of all units in a new residential multi-family rental development in excess of 15-units shall be rent-restricted to very low (50% of the Area Median Income or AMI; currently \$44,600 for a four person household) and low income households (80% of the AMI; currently \$71,350 for a four person household) and that 20% of all units in a new residential ownership development be made available to very low, low income households and/or moderate income (120% of the AMI; currently \$105,050 for a four person household) households. In addition while the IZO is clear in stating that its goal is to obtain affordable inclusionary units, it does recognize that this may not always be practical and as such, it lists alternatives including:

- Provide for inclusionary units at a location within the City other than the project site
- Dedication of land to a non-profit housing developer for development of affordable units
- Credit transfers that allow one unit with an excess in the number of affordable units to make them available to another development
- Other alternatives approved by the City

In addition to the above, upon City approval, an applicant may pay the City's Lower Income Housing Fee (LIHF) which is currently \$2,655/unit for rental developments and single family homes under 1,500 sf in lieu of providing affordable units. The fee for single family homes in excess of 1,500 sf is currently \$10,713/unit and the fee for commercial development is \$2.83 per sf. It should be noted that in accordance with long term practice, the fee option is considered only after all other options are determined to be impractical.

In addition to these alternatives, the IZO also outlines incentives the City may offer to assist with obtaining inclusionary units including, fee waivers, design modifications such as reduced setbacks and landscaping, second mortgages and other City financial assistance, and priority permit processing.

In addition to the IZO, in July 2010, the City Council adopted Resolution 10-390 which states in part, the City will act affirmatively to promote development of well designed affordable housing for families with children and the construction of affordable three bedroom units for large families (Attachment 3).

### **Current IZO Environment**

In general, the most significant issue regarding the IZO is that there is currently a "disconnect" between the requirement that 15% of all units in a new residential multi-family rental development be rent-restricted and the *Palmer* case which held that local inclusionary requirements requiring rent restricted units violate the Costa-Hawkins Act that allows landlords to set the initial rent for a new unit and to adjust rents to market levels whenever a unit is vacated (so-called "vacancy decontrol").



This disconnect is also evident between the City's *Housing Site Development Standards and Design Guidelines* which require compliance with the City's IZO and the "by right" aspect of high density rental housing.

Finally, the City is expected to implement a range of Housing Element programs that should, if appropriately applied, lead to meeting state mandated and RHNA housing and affordable housing targets. However, absent strict IZO requirements, it is doubtful that new affordable housing units will approach these targets. Regarding this matter, as evidenced in the table below, even in the best of situations, meeting RHNA targets is impractical within the current housing market.

...or through staff negotiations seeking developer compliance with an illegal ordinance!

**SUMMARY OF CURRENT AND DRAFT RHNA**

Income Levels	2007 – 2014 Adopted RHNA	2014 – 2022 Draft RHNA
Very Low (50% AMI)	1,076	713
Low (80% AMI)	728	389
Moderate (80% to 120% AMI)	720	405
Above Moderate (+120% AMI)	753	551
<b>TOTAL UNITS</b>	<b>3,277</b>	<b>2,058</b>

As an example, assuming that the California Center, St. Anton and Auf der Maur developments each met its affordability goals by providing all 15% of their inclusionary units at very low income, a total of 117 very low income units would be provided. Notwithstanding this situation, the City is obligated to carrying out its Housing Element that is designed to meet both RHNA goals and state housing policies requiring cities to demonstrate how they will meet existing and projected housing needs for all income categories.

**Affordable Housing Rent Calculations**

Prior to reviewing available options for amending the IZO, it's important to note that the generally accepted definition of affordability is to provide housing so that a household pays no more than 30 percent of its monthly income on housing (i.e., rent or mortgage). Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. As a way of fine tuning the definition, HUD established various generally accepted income categories of very low, low, median and moderate which are used as identifiers for various income levels. Further, these general income levels are categorized by household size. (Attachment 3 details the recent HUD income figures.) As a result, providing affordable housing units includes establishing a rent structure that is no more than 30% percent of a household's income based on annual income and household size.

One common variation to the above standard is that while household size is always consistent when determining annual income qualification (that is a three person household must meet the income requirements for a three person household), the



actual rent calculations are generally set on a negotiated preset household size regardless of the number of individuals residing in a unit. As an example, while a rent for a two bedroom unit may be based on a three person household, the unit could be leased to a two or four person household all of which would pay the same rent. A sample of the rent calculations are as follows:

**Rent and Income Calculations**

- 50% AMI with 2 Person Household: \$35,700
- 50% AMI with 3 Person Household: \$40,150
- Rent for a two-bedroom unit based on a two person household:  $\$35,700 / 12 \text{ months} = \$2,975 * 30\% = \$893/\text{mo}$
- Rent for a two-bedroom units based on a three person household):  $\$40,150 / 12 \text{ months} = \$3,345 * 30\% = \$1,004/\text{mo}$

As a result of the above, staff's affordability efforts regularly focus on setting not only income categories, but household sizes to determine rents. Also, while the IZO sets household size for each type of unit by bedroom size, staff has historically negotiated the household size/rent amount with developers as a means of obtaining the largest amount of affordability.

The table below lists a sampling of market rents as compared to standard affordable rent for a one bedroom apartment.

**Survey of Market Versus Affordable Rents (1)**

Complex	Estimated Monthly Rent
Stoneridge Apartments	\$1,540 to \$1,652
Kensington Apartments	\$2,280 to \$2,340
Archstone Hacienda	\$1,755 to \$1,985
Avalon Bay (Dublin)	\$1,830
Affordable at 50% AMI	\$893
Affordable at 80% AMI	\$1,428
Affordable at Median (100%)	\$1,784

1. Market rents obtained from phone survey on April 22, 2013

**IZO Amendment Options**

Staff's overall impression is that the IZO has been a useful tool for acquiring inclusionary affordable housing and as such, potential amendments are intended to address legal matters and City Council objectives without, most likely, a complete rewrite of the ordinance. However, as noted above, as it relates to rental unit requirements, it is in conflict with *Palmer*. Nevertheless, the concepts below are intended to be comprehensive and stand alone by themselves however; they can be combined or amended to meet objectives. All of the options below were discussed at the Housing Commission's April 9 workshop and it felt them appropriate for discussion at this joint workshop.



1. Amend Section 17.44.040 by removing the very low and low income 15% affordability requirement and replace it with either or a combination of:
  - a. A lower percentage of affordable units, such as 12%.
  - b. Replace the requirement for a specific percentage of affordable units with a statement indicating that the developer and city will negotiate an appropriate level affordability with a City goal/target of 15% affordable to very low and low income households.
  - c. Both (a) and (b) could be augmented so that for every one percent less than 15%, the project would pay the LIHF for 7% of the development's total units. As an example, if a development provided 10% affordable units in the low and very low income categories, it would also pay the LIHF on 35% of the total project's units ( $15 - 10 = 5 \times 7 = 35\%$  of the total units required to pay the LIHF).
  - d. Allowing up to a certain percentage of the affordable units (perhaps 35%) to be affordable to households at the median income. In addition, this option could be combined with requiring only a minimum number of very-low (3%) and low income (4%) units and an accompanying LIHF component for median units.

The effect of the above is that the City retains the basic structure of the IZO but sets standards and targets that are more easily attainable and more likely to be agreeable to developers. The downside of these alternatives is that both (a), (c), and (d) would continue to be in conflict with *Palmer* and thus a developer could potentially refuse to meet them or exercise their legal rights which would leave the City with few options for meeting affordability.

2. Explore the potential for providing housing for lower income households without implementing rent restrictions. With this option the property is required to provide evidence that a certain percentage of its units are occupied by very low income or low income households. In most cases, meeting this target results in a large percentage of the households paying more than 30% of their income for rent. However, in theory, it leads to "market" adjustments to assure that the affordability targets are met and it can open the door for lower income households obtaining rental units in Pleasanton. This option is currently in place at the Gatewood Apartments located on Stoneridge Drive.

While this option may lead to some reduced rents, there is little motivation to establish rents consistent with 30% of annual income. As such, it would most likely have minimal impact in addressing affordable housing needs. Further, developers may view this as veiled rent control and thus, raise legal objections. Finally, project monitoring would be difficult and its doubtful that this option would be considered as providing affordable units that could be counted toward meeting the City's RHNA as it requires rent restricted units.



The developer of the Auf der Maur property (345 units) recently offered Pleasanton (and the Council accepted) a \$4.5 million payment (\$13,043 per apartment unit) in lieu of including the 27 affordable units required in their affordable housing agreement with the City. This is only slightly less per unit than the in-lieu fee justified for a 1 bedroom apartment recommended in Pleasanton's Nexus Study.

3. Shift attention from inclusionary units to maximizing affordable housing fee payments/revenue to purchase or construct unit affordability. As indicated, the LIHF nexus study that is underway (and scheduled for completion in August/September) will identify a supportable fee that is closer to offsetting the impact (i.e., based on mitigating the impact) of not providing affordable units and attempt to create a legally sustainable nexus and as such, it should provide revenue that could be leveraged to acquire affordable units.

For this option to be effective, the City Council would need to set the fee at an amount that is at or closer to the amount that will be recommended in the study rather than retaining the modest fees currently in place. Also, once the fees are paid, the City would need to identify opportunities to acquire property for developing a City driven project, partner with a developer that is willing to include inclusionary units in its development or provide a developer with financial incentives for enhancing project affordability. One issue with the latter option is that developers have recently been hesitant to accept financial contributions from the City since it may trigger State prevailing wage requirements. As such, the City's best effort would most likely be to pursue its own development, such as Ridge View Commons and the Promenade that involve partnering with a non-profit developer. This option also would allow the City to pursue the IZO's alternative approaches, such as land acquisition, off site housing, etc.

While a number of cities have moved to this option as a way of complying with *Palmer*, the sustainability of the fee is largely dependent of the quality of the LIHF nexus study and its overall acceptance in the development community. As such, fees are often approved well below the amount recommended in the nexus study which raises concern that the fee revenue will be adequate to develop any significant amount of affordable housing.

4. This Option involves establishing a new zoning designation for Nonprofit High Density Residential, Mixed Income (NHDRMI) requiring that all properties the City identified for high density residential development (30+units/acre) receive a NHDRMI zoning designation. Zoning requirements include the property owner designating a nonprofit provider that would control the site and develop at least 40% of the residential units. The nonprofit would also select the for profit developer that would develop the remainder of the site's units.

As outlined in the Citizens for a Caring Community correspondence dated April 8, 2013, (Attachment 4), which has recommended this option, it would focus on creating mixed income neighborhoods rather than mixed income households within buildings. Further, because there would most likely be a separation of buildings designating affordable and market, it could better qualify for tax credits and other funding options. In essence, it allows the market developer to focus on its expertise that is providing market rate housing, while allowing the nonprofit to focus on its expertise, which is providing affordable housing. Citizens for a Caring Community is careful to point out that this option would not necessarily lead to 100% affordable buildings, which has been a concern of the City Council, but could have some mixture of incomes in the nonprofit



buildings. Nevertheless, to make the option feasible, there would be "affordable buildings" that would house the majority or all of the affordable households in the development.

Staff's review to date indicates significant legal issues with establishing zoning for a specific type of entity, e.g., requiring a non-profit specifically. The City Council may recall a similar dialogue regarding the Wal-Mart Neighborhood Market proposal in that cities cannot create zoning that would specifically ban Wal-Mart or similar corporations from developing or occupying a site where the proposed use is consistent with the zoning. Further, staff anticipates that this option would result in considerable financial contribution from the City since this is typically necessary to obtain the levels of affordability anticipated in this option.

While the City cannot legally zone a property to require a non-profit to develop part or all of a site, staff does see the value in promoting this type of nonprofit/for profit arrangement and would not hesitate adding it to the listing of alternatives to providing inclusionary units and to strongly encourage developers to work with nonprofits. Recently, the City of Dublin processed a development application that utilized this model whereby two developers, a nonprofit and a market developer, worked collaboratively to develop a single site.

5. Establish an affordable housing overlay zone designation that provides a density bonus, unique development standards or other benefit to accommodate a stand-alone affordable housing project or one that is combined with a market project. In general, this designation requires a high level of affordability concentrated in a specific building or portion of a site and, like option 4; its purpose is to have one portion of the development assume affordability for the entire development.

With this option, which has been adopted recently by Corte Madera and is being considered by Menlo Park, most of the development incentives included in the zoning overlay are included in our existing IZO and can be applied as needed to assist the project. (The exception is the option of a density bonus.) Further, staff has not received any feedback from developers indicating that the City's recently adopted development standards and design guidelines are creating impediments to providing affordable housing. As such, staff sees little advantage to pursuing it at this time.

Based on the above, staff recommendation includes the City Council identifying one or two of the above amendment options that staff would use during a public review process guided by the Housing Commission. In addition, during the workshop the City Council could identify additional or alternative options for staff review.

#### **Housing Commission Processing Recommendations**

As indicated above, at its April 9 workshop, the Housing Commission reviewed all of the above IZO amendment options but did not recommend specific ones in favor of having then considered as part of the workshop. However, in addition to the above options, the Housing Commission at its April 9 workshop outlined two process items for



consideration. The first calls for creating a rating system to determine a project's overall benefit to lower income households (for example, relationship to transportation, percentage of inclusionary units, project amenities, units for disabled households). This system could be developed along the lines of the State's tax credit application evaluation system that looks at similar key factors as part of the tax credit awarding process. It should be noted that as part of the Housing Element update, staff did rate each high density site and determined its suitability for tax credits. As a result, while this process could provide benefit as a means of weighing a project's overall benefits, its application may be difficult in practice.

The second process change would be to require that all affordability proposals be presented to the Commission at two public meetings. The first meeting would include a project overview and a discussion on the affordability proposal/concepts to allow for public comment and for the Commission to provide feedback for staff and developer consideration early in the review process. The second meeting would be to review the affordable housing and final terms of affordability. The Commission sees this approach as being similar to the Planning Commission's utilization of workshops to conduct a preliminary review of a proposed development. In the past, staff has attempted to present projects on more than one occasion; however, developers have expressed dissatisfaction with this approach as it disrupts the project review timeline and is inconsistent with Palmer.

Finally, the Commission also urged staff to promote state legislation that can reverse the impacts of Palmer and establish new criteria for affordable housing. As an example, Assembly Bill-1229 would allow for cities to adopt ordinances regulating zoning that include inclusionary zoning as a condition of development approval.

As part of the workshop, the City Council may want to comment on these matters and direct that they be included as part of the IZO amendment process.

#### **Timeline**

Depending on the City Council direction provided at the workshop, staff anticipates it could provide a general report to the Housing Commission at its June/ July meeting and that there would be at least one additional public meeting to review final draft language. Staff also assumes that the final draft documents would also be forwarded to the Planning Commission and/or the Economic Vitality Commission for comment. As such, a final document may be available for City Council for its action in September/October.

#### **Direction for Interim Affordable Housing Standards/Process**

Due to concerns related to *Palmer*, staff has taken a cooperative approach with the St. Anton, California Center and the Auf der Maur projects in an attempt to both identify incentives that result in an agreement to provide affordable units and to generally stress the importance of affordable housing within the context of the City's Housing Element and the City's *Housing Site Development Standards and Design Guidelines*. As evidenced with the California Center project, this approach resulted in 15% rent restricted units that are at higher income limits than are currently allowed in the IZO.

Discussions with the other two developers have included a range of concepts geared toward obtaining 15% rent restricted units.

In anticipation of St. Anton, Auf der Maur and the Gateway project's (the latter is just now in the preliminary application review process) continuing their application review process, staff has identified three interim negotiation approaches for addressing this situation:

1. Direct staff to adhere to the affordability standards as outlined in the IZO. (This retains legal exposure.)
2. Direct staff to continue to negotiate in an attempt to acquire as much affordability as possible, utilizing an incentive based approach, including financial contributions.
3. Direct staff to focus its work on completing the LIHF nexus study as compared to processing development applications.

Based on the current legal environment and the results of staff's approach to date, staff recommends a continuance of the current practice as outlined in interim Option 2.

Submitted by:



Steve Bocian  
Assistant City Manager

Approved by:



Nelson Fialho  
City Manager

Attachments

1. April 16, 2013, City Council Agenda Report
2. City Inclusionary Zoning Ordinance
3. City Resolution 10-390 concerning Non-Discrimination
4. HUD 2013 Income and Rent Limits
5. April 8, 2013 Letter from Citizens for a Caring Community
6. General Information on state of Inclusionary Housing
7. Legislative summary of AB -1229



## *Citizens for a Caring Community*

P.O. Box 1781, Pleasanton CA 94566

April 9, 2013

### **Concept for providing affordable housing without implementing rent restrictions.**

- Modify the current IZO offsite development and land dedication alternatives to create mixed income neighborhoods rather than mixed income buildings.
- Prohibit rent restricted units in market rate developments on property zoned 30 units+/acre.
- On property zoned 30+units/acre, restrict contributions from the Lower Income Housing Fund (LIHF) to qualified nonprofit housing providers in order to assure efficient and transparent use of these limited funds.

#### **SUGGESTION FOR DISCUSSION:**

Replace the IZO with a new zoning category:

#### **Nonprofit/High Density Residential (NP/HDR)**

All properties the City identifies as suitable for high density residential development (30+units/acre) in the Housing Element update process would receive NP/HDR zoning. In addition, other property owners not so identified could apply for this zoning on all or a portion of their property. This would be the only HDR zoning available in Pleasanton greater than 23 units/acre.

Requirements for developing with NP/HDR zoning would be:

- A qualified nonprofit housing provider, hired by the property owner and market rate developer to create a plan for the site.
- The nonprofit would provide at least 40% of the site's residential units as affordable to low, very low, and/or extremely low income households on land dedicated by the property owner.
- The non-profit lead would select a for-profit developer to build market rate units on the site. At least 40% of the market rate units would be built at the same or greater density than the nonprofit units.
- The market rate portion of the development will be exempt from paying the LIHF.
- Rents in the market rate portion of the development would have no restrictions.
- The LIHF would provide financial assistance to the nonprofit housing project lead as outlined in the current IZO, or additional assistance as recommended by the Housing Commission and approved by Council.
- The City would expect and facilitate the nonprofit and for-profit developer(s) to cooperate in the creation of an attractive, mixed income neighborhood including shared amenities for workforce families and singles consistent with the Housing Element Goals and Policies.



## CITY COUNCIL AGENDA REPORT

See page 10 and 11 for Staff recommendation

October 22, 2013  
Assistant City Manager

**TITLE: JOINT WORKSHOP WITH THE HOUSING COMMISSION TO DISCUSS THE LOWER INCOME HOUSING FEE STUDY**

### **SUMMARY**

At your meeting of November 20, 2012, the City Council approved an agreement with Economic & Planning Systems, Inc. (EPS) to prepare a Lower Income Housing Fee Study. The study includes both an analysis of a supportable City lower income housing fee and a development feasibility analysis concerning the impact a fee adjustment could have on local development. The draft reports are complete and EPS will provide an overview of its findings at this workshop. As presented, the overall study is separated in the following four documents hereinafter referred to as the "Report:"

- Nexus- Based Affordable Housing Fee Analysis for Rental Housing;
- Nexus- Based Affordable Housing Fee Analysis for For-Sale Housing;
- Nonresidential Development Housing Linkage Fee Nexus Study;
- Nexus-Housing Fee Survey and Development Feasibility Considerations.

In addition to reviewing the Report, staff is recommending the City Council and Housing Commission provide staff with direction regarding an appropriate lower income housing fee adjustment, if any. If the direction is to make a fee adjustment, staff will prepare the appropriate material and present it at a future City Council meeting. If the direction is no fee adjustment, staff will continue processing new development with the existing fee.

### **RECOMMENDATION**

1. Accept the Report and its fee methodology.
2. Continue to apply the City's Lower Income Housing Fee in the categories of single family homes greater than 1,500 square feet, single family homes less than 1,500 square feet, multi-family homes and commercial.
3. Select one of the four fee options detailed in this report, or an alternative option. If either Option 3 or 4, or an alternative option, is selected that results in a fee adjustment, direct staff to prepare the appropriate information for review and approval at a future City Council meeting. If either Option 1 or 2 are selected, then no further action is required.

### **FINANCIAL STATEMENT**

The potential financial impacts are outlined in this report.



**BACKGROUND**

The City initially adopted a lower income housing fee (LIHF) for residential development as part of its growth management program in the late 1970s. In 1989, in cooperation with a community task force, the LIHF was amended to apply to all new residential and commercial properties. This effort also included the establishment of a methodology/model used to assure that the fee was consistent with California AB1600 which requires there be a nexus between the fee amount and the development's impact. At the same time, a provision was incorporated to annually adjust the fee amounts based on the Consumer Price Index (CPI). City staff conducted updates to the 1989 model in 1998 and 2003. Since 2003, the LIHF has been amended only to be consistent with CPI adjustments. The current lower income housing fee, effective January 1, 2013, is as follows:

**Current City Lower Income Housing Fee**

Single Family Residential (over 1,500 sf)	Single Family Residential (less than 1,500 sf)	Multi-Family Residential	Commercial/ Office/ Industrial (C/O/I)
\$10,713/ unit	\$2,655/ unit	\$2,655/ unit	\$2.83 per sf

The purpose of the LIHF is to provide an alternative to providing affordable units as part of new construction. When a fee is paid, funds are placed in the Lower Income Housing Fund (271900) to provide financial assistance for affordable housing projects or City efforts to promote affordable housing. The fund has a current overall balance of \$16.4 million.

The recently adopted General Plan Housing Element Amendment includes a number of specific programs and policies requiring further study. One of these, Program 17.1, states "review and modify the lower-income housing fee annually in conformance with AB1600, and consider changing the basis of the fee to reflect the true cost of providing housing." To address this and other Housing Element related matters, the Housing Commission reviewed the Housing Element implementation plan adopted on April 3, 2012, and identified a need to follow through with Program 17.1. This need mirrors staff's assessment that it is advisable to review LIHF methodology fully to identify any appropriate changes or adjustments required to be consistent with current nexus methodologies.

As indicated above, the current methodology used for determining the amount and applicability of the lower income housing fee has been in place since 1989. However, recent court decisions have resulted in cities reassessing their lower income housing fee to assure it is consistent with these decisions. As such, the scope of work for the study included:

- Developing a nexus between the need for affordable rental and ownership housing
- A non-residential nexus analysis that looks at commercial impacts and associated fees
- A LIHF feasibility analysis that assesses the impact of various fee amounts
- A survey of lower income housing fees in other jurisdictions



### **LIHF Methodology**

In summary, the Report's LIHF methodology/nexus is based on quantifying the impacts that new market rate housing units and workspace development have on the local economy relative to the demands this new housing/workspace development creates for affordable housing. As indicated in the Report, the basic premise of the nexus argument for fees on new housing is that new households create a demand for goods and services which are met to a degree through jobs with wages that are below what is required to obtain market rate housing. As a result, a nexus fee is based on mitigating the impact that these new homes will have on demand for affordable housing. To that end, developing the nexus for fees on housing include three separate steps as follows:

**Step 1.** Estimate the typical subsidy required to construct units affordable to households at various income levels (the "affordability gap").

**Step 2.** Determine the market-rate households' demand for goods and services, the jobs created by that demand, and the affordable housing needs of workers in those jobs.

**Step 3.** Combine the affordability gap with the anticipated demand for affordable housing to compute a maximum LIHF.

Related to the above, some of the Report's key findings are:

- The per-unit subsidy required to construct affordable housing units in Pleasanton ranges from approximately \$57,800 to \$163,900 depending on the target affordable income level.
- Typically, larger sized market housing units create greater demand for affordable housing than smaller sized units.
- Approximately 57 public sector jobs are required to support each 1,000 units of market rate housing.
- Each 100 market rate units generates on an average a demand of six (6) housing units affordable to "very low income" households at 50% of the Area Median Income (AMI).

A similar approach was taken to update the fees on Commercial/Office/Industrial (C/O/I) development. The nexus study shows that new C/O/I development increases total employment in the City, and that some of the jobs do not pay well enough to provide for employees to afford market-rate housing, thus increasing demand for affordable housing in Pleasanton. Retail development has a particularly strong impact on affordable housing demand, as retail workers are among the lowest-paid occupations.



Based on the above, the Report identifies the maximum supportable LIHF which is as follows:

<b>Maximum Supportable Lower Income Housing Fee</b>	
<b>Unit/Fee Type</b>	<b>Amount</b>
<b>Rental Housing Per Unit:</b>	
Studio Unit	\$12,639
1 Bedroom Unit	\$13,508
2 Bedroom Unit	\$15,694
3 Bedroom Unit	\$18,936
<b>Single Family Housing (Per Sq Ft):</b>	
1,000 sq ft	\$15,227
1,500 sq ft	\$20,291
2,000 sq ft	\$22,272
2,500 sq ft	\$23,422
3,000 sq ft	\$27,187
3,500 sq ft	\$30,877
4,000 sq ft	\$34,392
<b>Commercial (Per Sq Ft):</b>	
Hotels/Motel	\$23.85
Retail	\$108.24
Office/Light Industrial/R&D	\$4.67

Because the overall analysis and findings related to the above maximum supportable fees are detailed in the Report, staff encourages the Council/Commission to review that document for detailed information supporting the above information as it is not discussed in this report. Nevertheless, highlighting a few of the differences between the Report's analysis and the current methodology may be helpful in evaluating the Report's results.

The City's current LIHF methodology, in a briefly summarized format, is based on the following principle components:

- It identifies the financial gap between monthly rental rates for a market rate rental housing unit and an affordable rental housing unit at 50% and 80% of the AMI and converts that into the amount of financial subsidy needed to fill that per-unit gap over a period of thirty years.
- It multiplies the required per-unit financial subsidy by the total number of units required to meet the City's long term affordable housing need to generate the long term subsidy needed to meet projected affordable housing needs.
- It makes a determination on the fee required from new projected market rate housing and C/O/I development to equal the required long term subsidy.

As indicated, the EPS methodology is a departure from the existing methodology with the primary difference being that it focuses on affordable housing demand created by market rate housing and C/O/I employment and the financing gap required to provide affordable housing. While there are some benefits to the existing methodology, the EPS methodology has been generally accepted as being an appropriate way of demonstrating nexus requirements for lower income housing fees and therefore, regardless of City Council action on an adjusted fee amount, it should serve as the foundation for the LIHF in the future.

**LIHF Development Feasibility**

While the study identifies the maximum sustainable Lower Income Housing Fee, the feasibility portion of the study uses an EPS-developed financial pro forma to evaluate the financial impact that the LIHF would have on developer return on investment which is a primary indicator for determining the financial attractiveness/viability of new housing or commercial development. As such, this study looks to determine if a particular fee amount could be an impediment to new development.

A summary of the supportable fees as detailed in the Report is as follows:

**Financially Supportable/Feasible LIHF**

Type	Existing	Maximum	Feasible
<b>Residential</b> (1)			
Single Family Ownership >1,500 (2)	\$10,713	\$27,187	\$27,187
Single-Family Ownership <1,500 (3)	\$2,655	\$18,265	\$18,265
Multi-Family (4)	\$2,655	\$15,694	\$2,655
<b>Commercial</b> (5)			
Retail Commercial	\$2.83	\$108.24	\$4.67
Office Commercial	\$2.83	\$4.67	\$4.67
R&D/ Light Industrial	\$2.83	\$4.67	\$4.67
Hotel/Motel	\$2.83	\$23.85	\$4.67

- 1. Per unit fees
- 2. Assumes 3,000 square foot unit, but actual maximum and feasible figures depend on unit size/price.
- 3. Assumes 1,200 square foot unit, but actual maximum and feasible figures depend on unit size/price.
- 4. Assumes 2 BR unit
- 5. Per square foot fees

As detailed in the Report's feasibility analysis, EPS used the same development value and cost assumptions in this report as it did for its East Pleasanton Specific Plan analysis. However, unlike that study; this EPS Report includes analysis for hotel/motel and R&D/ light industrial. Further, it's important to note that while the Report indicates that office, R&D/light industrial, and hotel development are financially challenged under near-term market conditions, the \$4.67 fee may be considered "feasible" because it represents a small increment of cost (above the existing fee) relative to the overall costs of development when market conditions will support new construction.



### **LIHF Category- Recommendations**

While the primary purpose of the Report is to advise the Council regarding a supportable lower income housing fee, staff is also seeking City Council/ Commission direction regarding the following two areas that are somewhat separate from direction requested for a fee amount. These are as follows:

1. Accept the Report's Methodology – As indicated, the EPS methodology is generally accepted to be appropriate for developing a nexus between affordable housing fees and the impact of development and as such, it is more current and supportable than the City's existing methodology. Because of the concern regarding the current validity of the City's current fee methodology, staff has not updated the existing fee methodology to determine if it produces larger or lesser fee options. As a result, if the City Council reject's the EPS presented methodology, staff would pursue that process and report back to the City Council. Further, staff finds the report complete and consistent with project scope.

**Staff Recommendation** – Accept the Report and incorporate its methodology as the basis for establishing a maximum supportable Lower Income Housing Fee.

2. LIHF Categories – The City's LIHF currently includes four fee categories: single family home greater than 1,500 square feet, single family home less than 1,500 square feet, multi-family and commercial/office/industrial. As addressed below, there are a number of fee category options available that more closely relate to the various options reviewed in the Report and some of these are as follows:

#### **Current Versus Potential Alternative Fee Categories**

<b>Current Fee Categories</b>	<b>Potential Alternative Categories</b>
Single Family > 1,500 sq ft	Residential Square Footage – Fee per square foot regardless of type of housing
Single Family < 1,500 sq ft	Residential Zoning Density – Higher densities eligible for lower per unit fees
Multi-Family	Number of Bedrooms – Higher fee payment as number of bedrooms increase
Commercial/Office/Industrial	Nonresidential – Specific fee amounts for retail, office, hotel/motel, R&D/ light industrial to better reflect affordable housing impact

While there is justification for all of the above fee types, due to efficiency in administration and fee familiarity within the development community, staff supports retaining the current fee categories. However, for commercial in particular, this support assumes that the fee will be set at a level that is supportable and financially feasible for all of the commercial types. Should the Council determine that, based on the Report's findings, it's appropriate to have a higher fee for retail uses, then that fee would need to be placed in a separate fee category.



### **LIHF Analysis and Recommendation**

Money collected from the Lower Income Housing Fee is placed in the City's Lower Income Housing Fund and utilized in accordance with PMC 17.40 (Attachment 2) that mandates the fees be used in support of the activities to implement the City's Housing Element including, but not limited to, land acquisition, construction, rehab, subsidization, counseling, and assistance to other agencies, business or individuals to expand housing opportunities to lower income households. In accordance with this, the City has used these funds for a range activities including:

- *Land acquisition including the recently acquired 4138 Vineyard Avenue site for the Kottinger Place Development project*
- *Housing Rehabilitation and Second Mortgage loans for lower income households*
- *Capital improvements for existing housing developments such as Pleasanton Gardens*
- *Loans and grants for special needs housing such as REACH / HOUSE, Inc.*
- *Professional services for studies and services related to affordable housing programs and services including assistance with the recently completed Housing Element update*
- *Loans and financial assistant for new affordable housing projects such as the recently approved Anton Hacienda development.*
- *Reimbursement of staffing costs, including those of the City's Housing Specialist and the Assistant City Manager, for affordable housing services*
- *Support to nonprofit agencies such as the Tri-Valley Housing Opportunity Center, ECHO Housing, and Community Resources for Independent Living (CRIL)*

Included as Attachment 3 is a February 13, 2013, agenda report that includes a listing of recent projects benefiting from the use of the Lower Income Housing Fund.

Of the Lower Income Housing Fund's overall balance, \$8 million is appropriated to the Kottinger Place development project and \$500K is appropriated to paying the In-Lieu Traffic Impact fee for the St. Anton Development resulting in a current balance of \$7.9 million. In addition, the City Council will soon review the option of accepting a payment of \$4.5 million from the Auf der Maur development in lieu of it including affordable housing units which if placed in this fund, would increase its balance.

In considering a LIHF adjustment, staff is presenting the following four options for City Council and Housing Commission consideration:

- Option 1 - *Retain the current fee amounts with no adjustment.*

The current fee schedule calls for the fees to be adjusted annually in an amount equal to the CPI and as a result, the current fee will continue to increase in an amount that is at least somewhat consistent with increased program costs. Further, based on the development feasibility analysis, multi-family, office and R&D/ light industrial development already face feasibility challenges and therefore, no upward adjustment may be appropriate for at least those use categories. Selecting this



option would not alter existing or planned programming and will not alter City revenue projections.

- *Option 2 - Retain the current fee amounts for one year to allow the City to complete its review of other development impact and processing fees and to assess the economic recovery. At the completion of one year, the Council will reconsider a fee adjustment.*

This option utilizes the same perspective as Option 1 but recognizes that with an improving economy it may be appropriate to review the fee when the economy stabilizes. Inherent in this option is recognition that there is justification for a fee increase in at least a few use categories. Selecting this option will not alter existing or planned programming and will not alter City revenue projections; however, it may result in increased LIHF revenue in the future.

- *Option 3 - Increase the fee for single family homes by 10% and 5% for multi-family and commercial. This option could also include a fee adjustment for single family only without any other adjustments.*

Option 3 relies heavily on the fee analysis and financial feasibility document that reflects both nexus-based supportability for fee increases and the ability for the development community to absorb those increases. This option assumes an across the board increase for all categories including multi-family and commercial which show less tolerance for absorbing fee adjustments. As a result of that situation, these categories would have a smaller increase (5%). Further, while the Council has considerable latitude in identifying a LIHF for single family homes, the range for multi-family and commercial is more limited since the financial feasibility analysis shows negative returns for both office and R&D/light industrial uses under current market circumstances. Notwithstanding those negative returns, the Report does indicate that based on the relative minimal impact of a fee adjustment, an increase in commercial fees can be tolerated.

In view of the above, should the Council select this option, staff recommends an adjustment such as 10% for all single family homes and 5% for multi-family and C/O/I. As indicated above, as a reflection of the Report's feasibility findings, this option could include an adjustment to only single family homes. Finally, while the proposed percentage increases are somewhat arbitrary, they seem to be appropriate for generating increased fee revenue and being implemented without any significant impact to new development.

- *Option 4 - Adjust the fee to the maximum supportable amount that is financially feasible.*

This option assumes that the Council's goal is to adjust fees to their maximum supportable amount based on Report's findings. Selection of this option generally

reflects a perspective focused on fully mitigating the impact that new development has on the creation of affordable housing within the context of the feasibility study.

A summary of the potential fee options is as follows:

**LIHF Adjustment Per Unit Options**

Fee Category	Current	Option 1	Option 2*	Option 3	Option 4
Single Family > 1,500 sq ft	\$10,713	\$10,713	TBD	\$11,784	\$27,187 (1)
Single Family < 1,500 sq ft	\$2,655	\$2,655	TBD	\$2,920	\$18,265 (2)
Multi-Family	\$2,655	\$2,655	TBD	\$2,790	\$15,694
Commercial/Office/Industrial	\$2.83	\$2.83	TBD	\$3.00	\$4.67

\*Assumes a fee review and potential adjustment in one year.

(1) Assumes a 3,000 square foot home

(2) Assumes a 1,200 square foot townhome

**Financial Impact**

Staff has looked at three areas of financial impact regarding a fee adjustment; overall potential for increased fee revenue, development fees in neighboring communities and the survey data included in the report. Staff is relying on the Report's analysis regarding the potential for development to absorb a fee increase.

Estimating potential revenue increases from LIHF's is difficult since the City's focus has been for residential development to provide affordable units in lieu of paying a fee. As such there is not a direct correlation between planned/anticipated development and the amount of fees collected. However, for comparison purposes, the table below list LIHF revenue collected over the past three years.

**LIHF Over The Past Three Years**

Fee Type	FY2011	FY2012	FY2013	Total
Residential	\$131,463	\$158,858	\$742,012	\$1,032,333
Commercial	\$17,018	\$190,985	\$68,305	\$276,308
Total	\$148,481	\$349,843	\$810,317	\$1,308,641

Notwithstanding the issues of estimating LIHF revenue, as part of the City Capital Improvement Program (CIP), staff makes assumptions regarding new development and as such, applying these to the fee adjustment options listed above yields the following results. Note for impact purposes only, these assumptions do not include the CarMax and Workday developments which are currently under review and would impact the commercial amounts considerably.



**Estimated LIHF Revenue From The Four Adjustment Options**

Fee Category	Option 1	Option 2*	Option 3	Option 4
Single Family > 1,500 sq ft (1)	\$342,816	\$342,816	\$377,088	\$891,872
Single Family < 1,500 sq ft	\$0	\$0	\$0	\$0
Multi-Family	\$0	\$0	\$0	\$0
Commercial/Office/Industrial (2)	\$96,220	\$96,220	\$102,000	\$158,780
<b>TOTAL</b>	<b>\$439,036</b>	<b>\$439,036</b>	<b>\$479,088</b>	<b>\$1,050,652</b>

- (1) Assumes 32 units
- (2) Assumes 34,000 square feet

Regarding the fees for neighboring communities, included as Attachment 4 is staff's review of fees in place for the surrounding communities of San Ramon, Dublin, and Livermore. The fee estimates are based on staff's best attempt to calculate fees. However, each community has its own process and the attached reflects a general amount rather than the actual. A summary of the fees are as follows:

**Comparison of Estimated Typical Residential Development Fees**

Development Type	Pleasanton	Livermore	Dublin	San Ramon
Single Family (2,000 sf)	\$98,593	\$86,086	\$99,429	\$86,299
Multi-Family (2BDR)	\$65,688	\$62,191	\$69,292	\$64,932

In addition to the pro forma based financial analysis, the Report includes a survey of regional affordable housing fees which, as indicated on page 4 and 5 of the feasibility document, ranges from a high of \$53,392 (San Carlos) to low of \$2,500 (San Ramon) for single family units and a high of \$22.83/sq ft (San Francisco) to a low of \$1.00/sq ft (San Ramon) for commercial. Regarding the survey data, as can be expected, different communities set their fees for various purposes within the context of their overall fee structure, and the survey data included in the Report should be viewed as a guideline rather than an absolute.

**Staff Fee Recommendation**

As indicated previously, the City's Lower Income Housing Fund has an estimated uncommitted balance of approximately \$7.9 million available to support the City's affordable housing programs as set forth in the Housing Element, Council policy and the City Budget and as such, there is not an immediate shortfall of funding to meet City needs. Further, the City does not subsidize any portion of the planning or plan review process with General Fund revenues as is the case with the processing of development application, plan check and inspections. As a result of this situation, a case can be made for no fee adjustment regardless of the Report's justification for a fee adjustment.

Notwithstanding the above, the City' production of affordable housing and implementation of programs for households with limited incomes are both well below the targets set in the Housing Element, and this situation can be viewed as an indication of the need to be doing more, perhaps significantly more, in the area of affordable housing. Viewing new development as an example, the recent California Center, St. Anton, Auf der Maur, and Bernal Gateway developments were approved for 1,125 units



of which 69 or (6%) of that total will be reserved for very low income households. However, the current RHNA includes a very low income unit target of 716 units representing 35% of the total 2,067 unit target. Considering that the recently approved developments included one tax credit project, it's unlikely that the City will be able to rely on market rate developers to meet the very low income targets and as such, the most probable course of action for increasing very low income units may be for the City to acquire property and pursue a non-profit partnership to construct a development that is focused on this income category. As can be imagined, considering that the Kottinger Place/Pleasanton Gardens development will require at least \$8 million in City contributions with the land being provided at no cost, the current lower income housing fund balance of \$7.9 million may be insufficient to meet this type of a project.

While the Report clearly outlines justification to adjust fees, staff is recommending either Option 1 or Option 3, with Option 3 being the preferred option. Overall, Option 1 can be recommended because, as indicated above, there is no immediate need for increased revenue and because staff expects that it will continue to pursue the provision of affordable units rather than the payment of fees for new development. Therefore, there may not be any significant revenue gains from residential development in connection with and adjusted fee. Further, programmatic needs are not driving the need for additional LIHF. Notwithstanding this, the Report states clearly that new market rate development is not mitigating need for affordable housing that it is creating and as such, a fee increase is justified. This is particularly true in the area of single family homes. Also, as noted above, the City is most likely well short of meeting its affordable housing goals as set forth in its Housing Element and opportunities to lower this gap will most likely require considerable funding from the City. Finally, the Report's development financial feasibility analysis indicates that development can reasonably absorb these increases and still meet financial expectations.

**Housing Commission**

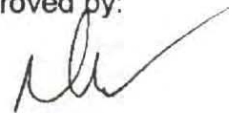
The Housing Commission reviewed the draft fee report as an informational item, minus the development feasibility analysis, at its meeting of July 23, 2013. At that time, the Commission expressed interest in maintaining the current fee categories and requested that staff provide a survey of fees in other Tri-Valley communities. As indicated previously, the fee survey is included as Attachment 4.

Submitted by:



Steve Bocian  
Assistant City Manager

Approved by:



Nelson Fialho  
City Manager



## **Pleasanton Says No to Higher Affordable Housing Fees**

'Kicking can down the road,' Cook-Kallio says

by Jeb Bing / Pleasanton Weekly/October 29, 2013

With the local economy still recovering and competition increasing for large new retail and commercial investments, the Pleasanton City Council joined with the city's Housing Commission Tuesday to keep current low income housing fees that are charged to developers in place.

That came as good news to developers after a consulting firm hired to review Pleasanton's fee structure recommended raising fees by thousands of dollars.

Builders of homes over 1,500 square feet in floor space must now pay \$10,713 into Pleasanton's lower income housing fund. Apartment developers must pay \$2,655 for every unit in the planned complex and even developers of large and small businesses, both industrial and retail, must pay \$2.83 per square foot. Representatives of Economic & Planning Systems, Inc., the consulting firm, told council and Housing Commission members in a joint meeting that current fees are inadequate for providing low income housing to meet state guidelines. Instead of \$10,713, EPS recommended charging \$27,187. Fees for apartment builders would go from \$2,655 to \$15,694 per unit, and fees for retail and commercial developers would nearly double to \$4.67.

"We're just coming out of a recession and vacancy rates in our office parks are going in the right direction," said Mayor Jerry Thorne. "We don't want to mess with that."

Although the EPS study showed nearby cities are charging higher fees, it was also reported Tuesday that some of these cities, including Dublin and Livermore, are waiving all fees for new commercial and retail developments.

The fees collected in Pleasanton go into a special fund that the city uses to help finance housing projects for those with low- to very-low incomes. In recent years, these funds have been used to acquire land for rebuilding Kottinger Place, housing rehabilitation and second mortgage loans for lower income households and loans and grants for special needs housing such as REACH.

The state requires updated information periodically on what cities are doing in terms of providing affordable housing. Pleasanton often allows developers to pay cash into the affordable housing fund instead of actually building affordable units, which are often dedicated as low-rent, subsidized housing in perpetuity.

Recent projects approved as part of a court-ordered rezoning in Pleasanton to allow more high density housing have mostly chosen to make the payments rather than tie up 15-20% of their apartment complexes with affordable units.

Steve Bocian, assistant city manager who has charge of the affordable housing program, said Pleasanton's fee structure was last evaluated in 2003. Prior to that, in 1989, a provision was incorporated to annually adjust the fee amounts based on the Consumer Price Index (CPI). That was done in 1998 and 2003, but there have been no changes since then.

Affordable housing advocates have complained numerous times when new developments are under consideration that there are too few homes and apartments that are affordable to Pleasanton's workforce. But Bocian pointed out that by having developers pay into the city's special fund in lieu of building affordable units, the millions of dollars given allow the city to fund major projects, such as Ridge View Commons and the Promenade and Parkview. Those developments provide special housing for seniors, the disabled and individuals with dementia. Today, Bocian pointed out, the affordable housing fund balance is \$7.9 million, which may not be enough to finance the redevelopment of Kottinger Place and Pleasanton Gardens, where cost estimates are at least \$8 million.

Although Tuesday night's joint meeting was considered a workshop with no formal action taken, the council and commission reached a consensus to keep fees as they are, but to ask city staff to review all the options in six months or so and report back.

Councilwoman Cheryl Cook-Kallio said the council has talked about affordable housing for the seven years she's been a member "and we still don't have a substantive plan for dealing with it. "To some degree, we're kicking the can down the road again," she added.



## **Council Votes to Take Cash Developer Won't Have to Build Affordable Units**

The Independent - Friday, September 26, 2014 12:00 am

The Pleasanton City Council voted last week to accept a \$4.5 million payment in lieu of requiring a developer to build 52 affordable units.

The below market rate housing would have been built as part of a 345 multifamily development at the corner of Bernal Avenue and Stanley Boulevard. The city had negotiated a development agreement with E&S Ring that stipulated that the council would make the final decision as to whether the units were to be built or a cash payment would be asked.

**The \$4.5 million fee negotiated as part of the agreement is \$3.5 million higher than the city's in lieu fee.**

Staff presented the council with three options: option one would be to require that the units be built; option two would have the city take the money and place \$1.04 million in the lower income housing fund and the remaining \$3.5 million in a separate fund to be used for financial assistance for a specific future affordable housing project; the third option would accept the cash payment and allocate \$1.04 million to the lower income housing fund and place the remaining cash in a special fund. The special fund could be used for a one time operating program or capital project. There would be no restriction on how the money could be spent.

During the public hearing, Pleasanton Chamber of Commerce CEO Scott Raty suggested that the money might be used to provide artificial surfaces and add lighting to sports fields. The artificial surfaces would help during the drought. He stated, "Option three provides the greatest flexibility for the council to determine where the money goes." Staff recommended that the council require construction of the units.

There were several votes on the issue. Karla Brown made a motion to go with the third option, citing the desire for flexibility in determining how to use the money. The motion failed 2-3 with Cheryl Cook-Kallio, Jerry Pentin and Kathy Narum voting "no."

The final motion, made by Mayor Jerry Thorne, supported option 3. The caveat was added that staff would work with the school district to determine if there were a project that would help students that the city could help fund.

The vote was 3 to 2 with Cook-Kallio and Pentin opposed.

In making her motion, Brown argued there were sufficient numbers of affordable units coming on line as part of other developments. "This is an unusual negotiation and a bit of a windfall for the city. We could decide on the uses for the money in the future."

Pentin said he could have supported the motion if the money were split 50-50 into the low income housing fund and the special fund.

Cook-Kallio stated that she wanted the units built. She noted that the council continues to give lip service to providing affordable housing, but has done nothing to address the need. Now the decision is to take away 52 units when we desperately need entry level and workforce housing.

She added that if the rest of the council preferred taking the money, she would like to see the second option approved. She said that money earmarked to assist lower income residents could be used to make a difference now. She pointed out that the school district has talked about the need to provide services to students who may not have access to technology or places to study. "Some money could be provided to those kinds of services," she said.

Mayor Jerry Thorne said that he wanted to see all of the options on how the money might be spent before committing funds. He said that the special fund could help to provide housing for seniors or to help finance Sunflower Hill.

The goal of Sunflower Hill is to create a sustainable, special needs community for individuals and families seeking programming and residential options.

Narum, who at first supported option 2, wanted all of the funds targeted towards affordable housing. For example, she pointed out that the city has committed \$10 million towards the development of the Kottinger Place senior affordable housing. However, the final numbers are not in; additional funds may be needed.

She was told that option 3 would allow that.

Cook-Kallio continued to argue for money to be set aside to assist students.

Pentin said that he hadn't come to the meeting with a list of items that he would like to see receive money. "If the school district comes to the city and says it has a need, we could support it. I just don't want to do it tonight."



## ATTACHMENT 6: Workday

### Workday to add 6-story building to Pleasanton complex

by Jeb Bing / Pleasanton Weekly/ March 6, 2014

Workday, a fast-growing software company with headquarters on Stoneridge Mall Road in Pleasanton, plans to build a six-story glass and steel building between its main campus and I-580.

When completed, it will be Pleasanton's second tallest building at 87-1/2 feet tall at the top of roof parapet and a height of 105 feet at the apex of a rooftop circular screen wall.

Only Safeway's corporate headquarters near the Workday complex is taller, but only by less than a foot.

The architecturally-striking 430,000-square-foot office building will be placed on a site that includes BART-owned property once designated for a 350-unit apartment house complex and retail center adjacent to the West Dublin-Pleasanton BART station. That site, once-needed to satisfy Pleasanton's need for affordable housing, was never developed as planned. The office building will have a unique and striking three-sided shape featuring layered architecture creating a base, middle and top. The base will feature glass walls highlighted by the building entry features and a covered outdoor dining area. The middle layer will feature continuous ribbon windows separated by horizontal bands. The top layer begins with recessed sixth-floor walls continuing up to a deep eave soffit with a simple band at the parapet and finishes with horizontally-scored rooftop equipment screens.

The new building will accommodate a growing workforce. Founded by CEOs Dave Duffield and Aneel Bhusri in 2005, Workday now has more than 1,750 employees and 400 customers.

Employees have gradually been moving from its leased floors in an office building on Stoneridge Mall Road into buildings a few blocks away in Stoneridge Corporate Plaza, which is being acquired by NPC Holdings, LLC, a wholly-owned affiliate of Duffield. This was a strategic investment for Duffield and his venture, NPC, which is separate from Workday. NPC will continue to manage the space as a multi-tenant office, and Workday will occupy some of the space as an expansion of its corporate headquarters.

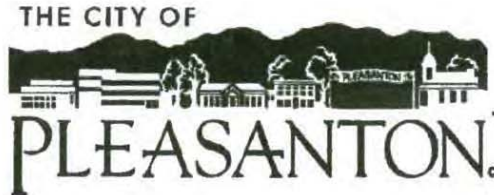
Plans for the new six-story Workday center were discussed last week at an informal workshop meeting of the city's Planning Commission. Two commissioners, Jennifer Pearce and Herb Ritter, voiced concerns over traffic on Stoneridge Mall Road, especially during the winter holidays.

"At Christmastime, the traffic is horrible in that area," Ritter said

Two five-story parking garages will also be built as part of the project, and the Workday developer is considering a walkway from the BART station to the new complex.

Workday will now formalize its plan into a final proposal to take to the Planning Commission and then to the City Council for ultimate approval.

Work on the new building is expected to start in 2015.



**MEMORANDUM**

**Date:** April 17, 2014  
**To:** Planning Commission  
**From:** Janice Stern, Planning Manager  
**Subject:** **Workday Project's Consistency with State Housing Law**

Approval of this proposal will require rezoning of the 6.9-acre BART site from PUD-HDR/C (Planned Unit Development – High Density Residential/Commercial) District to PUD-MU (Planned Unit Development – Mixed Use) District. According to State Housing Law (Sec. 65863), as this site was previously rezoned to accommodate a 350 unit multifamily residential project and this project was included in the City's Housing Site inventory for the 2007-2014 Housing Element of the General Plan, the City may not rezone this site to reduce (or eliminate) residential development unless it makes written findings for both the following:

- a) The reduction is consistent with the adopted General Plan, including the Housing Element;
- b) The remaining sites identified in the Housing Element are adequate to accommodate the jurisdiction's share of the regional housing need pursuant to Section 65584.

The staff report discussed the consistency of the proposed development with the General Plan Land Use Element. Regarding consistency with the Housing Element policies and programs, the following program is relevant to this proposal:

Program 1.1: Discourage the redesignation of areas designated for High Density Residential development. The objective of this program is to ensure that adequate sites are available to accommodate the City's regional housing need for all income levels.

The Workday proposal would result in the redesignation of a site designated for High Density Residential development. However, the objective of the program is to ensure that adequate housing sites are available. The table on the following page is from the Housing Element Background Report.

Not consistent with the HE's designation of sites located near transit as having a high priority for preservation.

Neither is it certain that Pleasanton has adequate sites remaining for HDR housing. In fact, recent inquiries by affordable housing developers have not shown owners of ANY of the sites in Pleasanton's inventory other than CM Capital in Hacienda to be viable.



**Table III-1**  
**Showing Sufficient Appropriately-Zoned Land to meet the City's Housing Need**

	Total	Very Low Income	Low Income	Moderate Income	Above Moderate Income
Remaining Need from 1999-2007	871	0	871	0	0
2007-2014 RHNA	3,277	1,076	728	720	753
Total RHNA	4,148	1,076	1,599	720	753
Minus Permits Finaled 2007 through 2010	319	0	5 <sup>1</sup>	38 <sup>2</sup>	276
Minus Units under construction	82	0	5 <sup>3</sup>	39 <sup>4</sup>	38
Minus Approved (zoned) projects with building permit not issued	1,321	<del>102<sup>5</sup></del>	32 <sup>6</sup>	312 <sup>7</sup>	875
Remaining units to be accommodated	2,862	2,531		331	-436
Land designated for residential development with no entitlements (Appendix B) <sup>8</sup>	3,447	2,774 <sup>8</sup>		474	199
Remainder: Capacity over and above housing need	500	<del>243</del>	173	99 <sup>9</sup>	594 <sup>10</sup>

Notes:

1. Low income units from Birch Creek project.
2. Includes 2 units from Birch Creek, 31 second units, and 5 apartment units.
3. Low Income Civic Square Apartments
4. Includes 7 second units, 31 moderate income Civic Square Apartments, and 1 apartment.
5. Includes 32 units in the Continuing Life Communities Agreement, and 70 units in the Windstar Agreement.
6. 32 units affordable to Low Income Households in the Continuing Life Communities Agreement.
7. Includes 32 units affordable to Moderate Income Households in the Continuing Life Communities Agreement and the balance of the Windstar Apartments (280). Should be deleted from total.
8. Sites 24 through 33 in Appendix B, plus 76 units in the Affordable Housing Agreement for sites 22 and 23.
9. Balance of units from Sites 22 and 23, plus Site 5 in Appendix B
10. Sites in Appendix B not counted in Notes 8 and 9.

As noted in the last row of the above Table, there are a number of "remainder units," i.e. the City's inventory of available sites and previously approved development exceeded the City's RHNA need. There was an excess of 243 units in the Low and Very Low Income categories, and 99 units in the Moderate Income category. In addition, the California Center Project was approved with 305 multifamily units which exceeded the minimum density requirement by 11 units. These "excess" units add to 353 housing units, which would exceed the loss of units (350 units) as a result of the proposed rezoning. Therefore, the City can make the required State findings.

## ATTACHMENT 7

THE PLEASANTON WEEKLY – Opinion – September 5, 2014

### 'The sky is falling'

Henny Penny, with her hysterical phrase that "the sky is falling," should have been at Tuesday night's City Council meeting to join the scores of protestors over the city's Housing Element that the council approved 4-1 after a three-hour-long debate. Many in the room, like Henny, had never been there, but speaking from strikingly similar notes told the lawmakers that enough's enough; they didn't want any more apartments in Pleasanton.

Councilwoman Karla Brown chimed in, speaking loudly and agreeing with the protestors to stop building high-density housing. "We should take a deep breath," she said before voting against the Housing Element document.

But there weren't any housing issues on the council's agenda, only a state-required Housing Element that the council must submit to housing authorities this fall for review. It is part of the city's General Plan required by all California cities to show that they are meeting the statewide housing goal of "attaining decent housing and a suitable living environment for every California family."

The plan covers land use and housing development during the next cycle of the state's Regional Housing Needs Allocation (RHNA), which starts next year and extends through 2023 and must be certified by the State Department of Housing and Community Development (HCD).

Certification is required to ensure that the city's General Plan, to be fully legal in meeting state requirements, includes policies that continue to reflect changing community needs, challenges and opportunities in compliance with state law.

In order to catch up to the 2007-2014 RHNA cycle -- which ends this year -- and after nearly two years and hundreds of hours of community meetings, public hearings and staff discussions, the City Council rezoned 70 acres for high-density residential development in 2012. In the end, those rezonings of nine separate sites in various parts of Pleasanton provided a surplus that some critics want stripped out of the plan before it goes to the state for new certification.

According to city data, the city provided entitlements for 508 units in 2012, 1,148 in 2013 and 247 this year. The majority of these approvals are apartment-style units to accommodate requirements in state housing laws.

The city's rush to rezone sufficient acreage for more high-density development came after Pleasanton lost a costly court battle over its 1996 housing cap, which was ruled illegal. Both the California Attorney General's Office (then headed by Jerry Brown) and an Oakland-based affordable housing coalition demanded the city meet its RHNA requirements. Of 20 sites considered for rezoning during a series of public hearings and community meetings, the council chose nine where high-density developments of 30 units per acre would be allowed.

Many of the speakers Tuesday, reading from iPads and hand-written and typed notes, took particular aim at housing under consideration by the East Pleasanton Task Force and on one of the approved high-density (30 units per acre) projects on property owned by C.M. Capital on West Las Positas Road.

The Housing Element has nothing to do with east Pleasanton, and the council -- with one exception -- had already agreed with the city's Planning Commission to reduce C.M. Capital's entitlement to only 12.5 units per acre and to chop the height of anything built there to two stories at the most. The exception was Councilwoman Cheryl Cook-Kallio, who wanted to keep the higher density formula.

Despite having all this explained by an exasperated Mayor Jerry Thorne, who pounded the gavel to stop the applause and cheering by placard-waving protestors, the speeches dragged on. Finally at 10:50 p.m., the approval vote was taken with the Housing Element document now in the hands of the state Housing Department ahead of this year's deadline.



## ATTACHMENT 8

### RESOLUTION NO. 10-390 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLEASANTON, APPROVING ENHANCEMENTS TO EXISTING NON-DISCRIMINATION HOUSING POLICIES

**WHEREAS**, in 2003, the Pleasanton City Council adopted a Housing Element; and

**WHEREAS**, the City's Housing Element includes goals and programs that prohibits discrimination to housing opportunities in Pleasanton, including the goal of identifying and making special provisions for the community's special needs housing; and

**WHEREAS**, the City is about to embark on an update to the existing Housing Element; and

**WHEREAS**, through adoption of this resolution, the City Council reaffirms its position on housing non-discrimination, and

**WHEREAS**, it is the intent of the City Council to update its Housing Element goals and programs through study and consideration of adoption of additional goals and programs related to eliminating discrimination in the areas of affordable housing for families with children and senior citizens as part of its Housing Element update process.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON  
CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

**SECTION 1.** That the Council does hereby adopt the following Non-Discrimination Policy:

In recognition of State and Federal laws which prohibit municipalities from discriminating against developers of affordable housing, including non-profit developers of affordable housing, and from discriminating against families with children in need of affordable housing, it is the official policy of the City of Pleasanton, that the City staff and the City Council will act affirmatively to promote the development of well-designed affordable housing for families with children in Pleasanton. The City Manager will report regularly to the City Council on the City's efforts to fulfill this policy, the success of those efforts, and plans and proposals to attract well-designed affordable housing for families with children in the future.

**SECTION 2.** As part of its Housing Element update process the City will study and consider adoption of goals and programs promoting affordable non-profit housing development for families, as well as for other special needs households, including strengthening existing programs to promote construction of affordable three bedroom units for large families and including the goal of building affordable family units and affordable senior units in proportion to the need for each.

**SECTION 3.** As part of the Housing Element Update process, the City staff will conduct analysis and prepare information for review by the public and consideration of adoption by the City Council, related to Sections 1 and 2 above. This analysis will include identifying sites that may be most competitive for Low Income Housing Tax Credits based on the "site amenities" point criteria included as part of the California Tax Credit Allocation Committee Application. Following the public review process for the Housing Element, which will include discussion with non-profit affordable housing developers, and identification of the most competitive sites for Lower Income Housing Tax Credits, the City Council will adopt and implement one or more programs to attract non-profit affordable housing development for families for the identified sites. Such program(s) shall not preclude non profit housing developments on sites other than the identified sites. The City will also study its existing Lower Income Housing Fee and Inclusionary Housing Ordinance to determine if it is appropriate to increase the amount of the fee or percentage of affordability to support affordable housing development.

**PASSED, APPROVED, AND ADOPTED** by the City Council of the City of Pleasanton at a regular meeting held on July 20, 2010.

I, Karen Diaz, City Clerk of the City of Pleasanton, California, certify that the foregoing Resolution was adopted by the City Council at a regular meeting held on the 20th day of July, 2010, by the following vote:

Ayes: Councilmembers Cook-Kallio, McGovern, Thorne, Mayor Hosterman

Noes: None

Absent: Councilmember Sullivan

Karentiaz, City Clerk 3

APPROVED AS TO FORM:

Jothan P. Lowell, City Attorney

**Table 1: Specific Plan Alternatives Summary - Residential**

Plan	Single-Family du/a			Multi-Family du/a		Residential Units	Percent Single Family/ Multi-Family
	4	8	11	23	30		
Preferred Plan	183	664	296	241	375	1,759	65/35
Alternative 1	500	—	—	195	305	1,000	50/50
Alternative 1A	500	—	—	195	305	1,000	50/50
Alternative 4	—	641	—	250	393	1,283	50/50
Alternative 5A	237	560	176	276	510	1,759	55/45
Alternative 5B	322	304	264	299	570	1,759	50/50
Alternative 6	112	278	932	383	574	2,279	58/42
Alternative 8	328	437	165	170	330	1,430	65/35

Note:  
du/a = dwelling units per acre  
Source: City of Pleasanton, 2013.

**Table 2: Specific Plan Alternatives Summary – Non-Residential**

Plan	Square feet			Acres			
	Retail	Office	Industrial	Destination Use	Public Park	Private Open Space	Public and Institutional
Preferred Plan	91,000	442,000	1,057,000	3	45	35	17
Alternative 1	91,000	442,000	1,442,000	3	45	34	—
Alternative 1A	91,000	442,000	1,442,000	3	45	34	17
Alternative 4	91,000	442,000	2,169,000	3	46	40	—
Alternative 5A	91,000	442,000	1,057,000	3	45	35	17
Alternative 5B	91,000	442,000	1,057,000	3	45	35	17
Alternative 6	91,000	442,000	1,057,000	3	45	35	17
Alternative 8	91,000	442,000	1,057,000	3	45	35	17

Source: City of Pleasanton, 2013.

**East Pleasanton Specific Plan Alternative Descriptions**

From the  
"Notice of Preparation and Scoping Meeting for the  
Environmental Impact Report for the East Pleasanton Specific Plan"  
October 24, 2013



**EAST PLEASANTON SPECIFIC PLAN ALTERNATIVES - Comparison of Affordable Housing Demand Generated and Proposed**

Plan Alternatives Residential/Commercial	DEMAND				EPSP Affordable Units Proposed vs. Demand Generated	
	<50% AMI	Residential/Commercial <60% AMI	<80% AMI	<50% - <80% AMI units proposed vs. Total Demand Generated (%)	<50% - <80% AMI units proposed vs. Demand Generated* (%)	81% - 120% AMI units proposed (8)
Preferred Plan	134/487	85/160	64/411	56/1,341 (4%)	560/584 (96%)	
Alternative 1 and 1A	81/643	52/210	39/517	46/1,542 (3%)	454/775 (59%)	
Alternative 4	87/935	52/303	42/716	59/2,135 (3%)	584/1,134 (51%)	
Alternative 5A	129/487	77/160	62/411	77/1,326 (6%)	709/584 (121%)	
Alternative 5B	126/487	76/160	60/411	86/1,322 (7%)	783/584 (134%)	
Alternative 6	153/487	86/160	72/411	86/1,369 (6%)	871/584 (149%)	
Alternative 8	112/487	69/160	54/411	50/1,293 (4%)	450/584 (77%)	

\* Commercial demand only

**Assumptions:**

- 1) Generation of Residential and Commercial demand calculated using metric from the 2013 Pleasanton Nexus Studies for nonresidential development and residential developments.
- 2) Mix of housing sizes:  
 4 du/acre for developments <200 units assumes 50% 4000sf, 50% 3500sf. For >200 units assumes 33.33% each 4000sf, 3500sf, and 3000sf.  
 8 du/acre assumes 17% 1500sf, 33% 2000sf, 34% 2500sf, and 16% 3000sf.  
 11 du/acre assumes for-sale, 50% 1000sf and 50% 1500sf.  
 23 and 30 du/acre assumes rental with a mix of 17% studio, 35% 1BR, 43% 2BR, and 8% 3BR.
- 3) Below Market Rate (BMR) units are assumed to be 15% of 30 du/acre portions of each Alternative. This number was subtracted from the total before calculating the impact of market rate 30 du/acre units.
- 4) Commercial demand was calculated using household formation rates of 89.9% for Retail and 96.8% for all other Commercial development.
- 5) Retail square footage was assumed to have 33% Food Service component. Housing demand was adjusted to account for lower earnings of food service workers.
- 6) AMI bands for Industrial use were assumed to be an average of Light Manufacturing, Office (Nexus study metrics), service commercial (such as retail leasing and delivery services), and wholesale warehouse use. Employee density was calculated as an average using information from the Land Use Element of Pleasanton's General Plan and the 2013 Nexus nonresidential nexus study.
- 7) Industrial AMI Bands averaging uses above: <50% =22%, <60% = 7%, <80% =15%, 80% to 120% =27%
- 8) All Market Rate rental units (23 and 30 du/acre) are assumed affordable to Moderate Income households.

*Citizens for a Caring Community*

P.O. Box 1781, Pleasanton CA 94566

December 10, 2013

City of Pleasanton  
Planning Division  
P.O. Box 520  
Pleasanton CA 94566  
ATTN: Janice Stern, Planning Manager

Dear Ms. Stern

Thank you for the opportunity to comment on issues related to the Draft Environmental Impact Report for the East Pleasanton Specific Plan (EPSP). As affordable housing advocates we have been concerned for many years about Pleasanton's jobs/housing imbalance and the impacts of the City's lack of affordable workforce housing. Long commutes, rising fuel prices, and high housing costs most directly and negatively affect employees with income levels too low to access housing close to their workplace. However, the air pollution caused by long unwanted drives to work affect everyone in the form of reduced air quality and global warming caused by greenhouse gas emissions.

Because commute traffic and vehicle miles traveled are a primary generator of greenhouse gasses, it has become the responsibility of all California cities to reduce emissions through land use planning designed to shorten the distance between its businesses and their employees. This involves planning for and facilitating the development of housing affordable to the workforce. Therefore, the DEIR should quantify greenhouse gas emissions generated by the EPSP at build-out from automobile commuting by its residents and businesses. The DEIR should also consider the related impact of lower-income housing demand created by the market rate residential and commercial portions of the development.

According to the 2013 "*Pleasanton Economic Development Strategic Plan Background Report*" (PEDSP), 75.7% of the City's nonresident workforce commutes into Pleasanton from outside the Tri-Valley area. Of employed Pleasanton residents, 72.6% commute to jobs outside the Tri-Valley. The percentages of Pleasanton's in-commute and out-commute have increased inexorably since 1990.

**In and Out Commuting - 1990 to 2010**

**Portion of Pleasanton jobs held by employees commuting in from beyond the Tri-Valley:**

1990 Census - 36.6% 2000 Census: 47.1% 2010 Census: 75.7%

**Portion of Pleasanton residents working in Pleasanton:**

1990 Census - 27.3% 2000 Census - 19.8% 2010 Census - 15.4%

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Sources: "*Economic Development Strategic Plan Background Report*" 2006, Bay Area Economics  
"*Pleasanton Economic Development Strategic Plan Background Report*" 2013, Strategic Economics

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Applying the metrics of Pleasanton's recently completed "*Non-Residential Development Housing Linkage Fee Nexus Study*", the "*Nexus-Based Affordable Housing Fee Analysis for For-Sale Housing*", and the "*Nexus-Based Affordable Housing Fee Analysis for Rental Housing*", all the alternatives proposed will generate demand for housing affordable to households with incomes below 80% and 50% AMI in excess of the amount of such housing provided. The EPSP assumes, optimistically, that plan will provide only 15% of the 30 du/acre portion of the development in apartments affordable to households earning less than 80% and/or 50% AMI. This is far less affordable housing than the need generated by the Plan's proposed market rate residential and commercial development. In addition, some of the Alternatives, including the Preferred Plan, fail to provide adequate (market rate) housing to accommodate the workforce demand generated by proposed nonresidential development. (See attached table).

The nexus study also notes that, "...According to the U.S. Census Bureau's 'On the Map', 49.6 percent of all jobs located in the City of Pleasanton in 2010 paid less than \$40,000 per year, which equates to the 'very low income' level for the County." Although Pleasanton has recently experienced a dramatic increase in higher paying jobs in the Information industry sector, the PEDSP also indicates that "...Pleasanton comprises nearly 40 percent of the Tri-Valley's 13.4 million square feet of retail in Pleasanton, Dublin, and Livermore...(and) leads the Tri-Valley in total taxable retail sales..." Retail sales jobs are among the lowest paying and, from 1995 to 2009, increased as a portion of Pleasanton's total jobs from 9% to 11%. The industry sector of Administration, Support, Waste Management & Remediation, another area providing Very Low Income jobs, also increased as a portion of all jobs, from 5.4% to 6.9%. Additionally, this sector led all others in startups, with an average of 112 annually, in contrast to the Information sector's 19 startups. The lowest paying Accommodations and Food Services sector also grew from 2,520 to 3,658 jobs, though it fell as a portion of the whole from 6.1% to 5.4%.

Notwithstanding the lower wages paid by these industry sectors, Pleasanton encourages their growth, and reaps benefits from substantial sales tax revenue. However, the lower pay required to provide competitively priced goods and services currently precludes these sectors' employees from finding housing in Pleasanton, resulting in long commutes, and increasing greenhouse gas emissions. Given the rising percentage of employees commuting from beyond the Tri-Valley, the DEIR should identify, based on current Pleasanton employment for all industry sectors, (see Figure 19 of the "Pleasanton Economic Development Strategic Plan Background Report"), the amount of housing in the EPSP that will be affordable to employees currently holding jobs in Pleasanton.

Also, per the Pleasanton Nexus Studies, please analyze project impacts based on generation of unmet lower income housing demand. Review the commute pattern information provided in the PEDSP (Figures 9-13), and additional information from U.S. Census Longitudinal Employer-Household Dynamics, 2010. Also review housing prices within Pleasanton's commute shed to determine where the additional lower income employees will reside if the EPSP builds out with the very limited amount of affordable workforce housing currently proposed. Then determine the air quality impacts of the additional in-commute of lower income workers who will provide services to EPSP residents and businesses.

Also, please estimate the air quality impacts of EPSP residents' out-commuting, based on income requirements to rent or purchase housing in the Plan area as well as the location and numbers of jobs that meet those income requirements. Determine whether build-out of the EPSP area will contribute to the continued decline in the percentage of employees that both live and work in Pleasanton.

Finally, analyze whether these impacts can feasibly be mitigated with a somewhat different mix of housing that utilizes nonprofit developers to deepen the level of affordability and increase the percentage of affordable units in order to create a plan that, at a minimum, mitigates its own housing impacts and, ideally, makes a net contribution to addressing Pleasanton's longstanding jobs/housing imbalance. If a self mitigating plan proves infeasible, and the Preferred Plan or an Alternative is developed, address where else in Pleasanton the additional housing demands created above and beyond the current RHNA requirements, could best be addressed. If no plan can result in self-mitigation, reconsider this land use.

Please feel free to contact me if you have any questions. Thank you for your consideration.

Sincerely,

*Becky Dennis*

Citizens for a Caring Community



## ATTACHMENT 10

### ANALYSIS - How near is the end of sewer capacity?

Using information from LAVWMA and the latest Pleasanton General Plan, we looked at the City's estimates of the growth in annual wastewater discharge in gallons per day (GPD) from 2005 (6,250,000 GPD) to 2025 (8,261,706 GPD). (**Exhibit G**)

Because Pleasanton had a Housing Cap in 2005, we recalculated the impact on export capacity of fulfilling the City's RHNA obligations of 4148 dwelling units (du), plus the additional Above Moderate Income housing approved (594 du), for a total of 4742 du. In calculating service need, LAVWMA has allotted 180 GPD per residential du. Therefore we conservatively estimate the impact of housing development during this planning period as requiring export service for an additional 853,560 GPD. This assumes no additional approvals for Above Moderate Income housing.

Adding this 853,560 GPD to the 2005 discharge rate of 6,250,000 GPD brings the total up to 7,103,560 GPD (excluding any uses other than residential). Subtract this amount from Pleasanton's capacity allotment in the LAVWMA pipeline of 10,300,000 GPD. This leaves Pleasanton with a remaining capacity of 3,196,440 GPD at the end of 2014. Again, this assumes no service requirements from other new uses.

Recall that the LAVWMA agreements require that, when an individual member agency reaches 75% of its allotted capacity, other member agencies must cooperate in implementing additional facilities to assist that agency in meeting its wastewater needs. Expanding export capacity requires unanimous approval of LAVWMA's member agencies, who are also permitted to take the question of expansion (and its cost) to their voters. Pleasanton will reach the 75% mark when it uses 7,725,000 GPD of its allotted capacity. Therefore, by the end of the planning period in 2014, Pleasanton will have a margin of only 621,440 GPD (realistically probably far less), before reaching 75% of its capacity. At that time, the ability and political will to assure export capacity for affordable housing could become an issue.

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Comments by Citizens for a Caring Community (CCC) on Pleasanton's August 2011 Draft Housing Element

## ATTACHMENT 11

### Pleasanton Commute Trends 1990 to 2010

#### In and Out Commuting - 1990 to 2010

##### **Portion of Pleasanton jobs held by employees commuting in from beyond the Tri-Valley:**

1990 Census - 36.6% 2000 Census: 47.1% 2010 Census: 75.7%

##### **Portion of Pleasanton residents working in Pleasanton:**

1990 Census - 27.3% 2000 Census - 19.8% 2010 Census - 15.4%

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Sources: "Economic Development Strategic Plan Background Report" 2006, Bay Area Economics  
"Pleasanton Economic Development Strategic Plan Background Report" 2013, Strategic Economics

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*Citizens for a Caring Community*

P.O. Box 1781 , Pleasanton CA 94566

September 2, 2014

Mayor Jerry Thorne  
Pleasanton City Council  
Re: Housing Element Draft

Dear Mayor Thorne and City Councilmembers,

Citizens for a Caring Community has reviewed the staff report and the amended draft of the Housing Element. Because you have already received a significant amount of input from us on the Draft, these comments will focus on the new, but related, question of environmental impacts of implementing the Housing Element as proposed and the EIR Addendum prepared by PMC.

We do not believe their analysis is adequate, and that the City is required to prepare a supplemental EIR. Since the adoption of the Housing Element for 2007-2014, the City has new information regarding the probable impacts of implementing its Housing Element. The City acquired this information as a result of the Nexus Study it commissioned in 2012 regarding the housing need generated by various forms of commercial and residential development.

In addition, the City has learned how much affordable housing development on land zoned 30 units/acre will yield under the Pleasanton's unenforceable IZO, including various incentives available to market rate developers and property owners. Below see the number and percentages of affordable units produced under the current Housing Element goals and policies. This includes the Inclusionary Zoning Ordinance (IZO), which is not proposed for any changes although the lack of an enforceable ordinance has proved a severe impediment to fulfilling Pleasanton's regional housing responsibilities (RHNA). **Here is the number of affordable units out of the 1,534 HDR units approved as of September 2013.**

**Very Low and Extremely Low Income (<50%AMI)**

Units affordable at <49% AMI: 0 approved  
Units affordable at 50% AMI: 147 approved  
**1,076 needed for 0-50% per RHNA.**  
**14% of total need approved**

**Low Income (51-80% AMI)**

Units affordable at 60% AMI: 16 approved  
Units affordable at 80% AMI: 16 approved  
**1,599 needed per RHNA.**  
**3.4% of total need approved**

Therefore, according to point 3 A and B on page 3.0-2 of the Environmental Analysis, a Supplemental EIR is required. The metrics of the Nexus Study show a net increase in affordable housing demand created by the very high percentage of market rate units allowed under the IZO.

The City could mitigate these impacts (a quantifiable increase in Pleasanton's unmet affordable workforce housing demand, increased commute traffic, and increased greenhouse gas emissions) with policies and programs to provide nonprofit housing on land zoned for RHNA at 30 units/acre. However, the City has chosen not to pursue a nonprofit development strategy on land it zones for affordable housing, and has declined to implement a funding strategy to support an adequate amount of nonprofit housing to meet the needs of Pleasanton's workforce. Therefore, 3D also applies, which covers the circumstance where "project proponents" (City of Pleasanton), decline to implement a mitigation measure.

Given the availability of new information, the recommendation not to change the core IZO regulation causing the impact, and the City's decision not to adequately fund mitigation of increased workforce housing demand and increased GHG emissions, the current EIR addendum is not appropriate.

Very sincerely,

*Becky Dennis*

Citizens for a Caring Community



*Citizens for a Caring Community*

*P.O. Box 1781, Pleasanton CA 94566*

March 24, 2014

Mr. Paul McDougall – Manager  
**Department of Housing and Community Development**  
Division of Housing Policy Development  
P.O. Box 952053  
Sacramento CA 94252-2053

Dear Mr. McDougall,

We are writing on behalf of Citizens for a Caring Community (CCC) regarding the City of Pleasanton's Housing Element (HE) update for the 2014 to 2022 planning period. CCC's members have worked as Pleasanton's most active affordable housing advocates since the late 1990s. The 2014-2022 HE update marks our third cycle of participation in the update process, as well as our third opportunity to monitor HE implementation close up in our community. As Pleasanton's longest lived organization of affordable housing advocates, we have acquired historic and detailed knowledge of both the City's housing sites, as well as the effect of the City's HE policies that control their ultimate use.

CCC's reason for contacting you in advance of the 2014-2022 HE public comment period relates to Pleasanton's preliminary work on the HE update draft. We have particular concerns about recent staff representations to City Council and the public that Pleasanton has a surplus of sites zoned to meet RHNA requirements for Very Low and Low income housing. In response to Council member questions, staff has offered assurances of HCD's verbal (though not written) support for staff's finding of a surplus. We strongly disagree with Pleasanton staff's perspective for reasons outlined below.

Because of the far reaching impacts of HCD concurrence with Pleasanton's assertion that it has more zoned land than RHNA requires, as well as the increasing number of Commission recommendations and pending land use decisions now reliant upon the assumption of this dubious surplus, we thought it prudent to let you know of our concerns now. There are some key City meetings scheduled in the near future which address future planning. Because of the number public of meetings where we have heard the mantra of Pleasanton's site surplus repeated, we have concern that Commissions will make recommendations and the City Council will make decisions based on the assumption of a housing site surplus when, in fact, none exists. We hope the information that follows allows HCD to address the issue with Pleasanton's planning staff, should you choose to do so, before they produce additional analysis, or for that matter, an entire HE draft based upon a premise which HCD may find unacceptable.

**Pleasanton does not have a site surplus.**

In their March 4 report (Attachment 1) staff asks Council for direction regarding whether the City should proceed with a draft EIR for the recently completed East Pleasanton Specific Plan (EPSP) in light of new calculations showing Pleasanton had surplus land zoned to accommodate lower income housing. The City originally viewed the EPSP area as the potential location for a significant amount of the 30 du/acre zoning needed for RHNA 2014-2022. However, when staff applied their understanding of HCD policy allowing cities to carry over unbuilt inventory and projects from previous planning periods, they counted 1,493 Very Low and Low Income units. Since the current RHNA requires only 1,107 units, staff reported to Council that Pleasanton had a 386 unit surplus of lower income housing capacity. (See Attachment 1: March 4 Staff Report, Tables 1-4). This conclusion is incorrect for several reasons.



Unfortunately, staff and Council failed to consider that units from three of the zoned sites, BRE (entitled) and Roche (not entitled) did not receive approvals as part of HCD's Housing Element update process. Rather, the City zoned these sites to settle Urban Habitat's 2006 lawsuit against Pleasanton's Housing Cap and the resulting failure to complete the zoning necessary to accommodate RHNA during the 1999-2006 planning period. (See Attachment 2) The Settlement Agreement (SA) also sets a threshold for both the number of affordable units required (15%), and their level of affordability (50% AMI). (Table A). Unless Urban Habitat and the Court approve, the City cannot use BRE's VLI units as a credit against Pleasanton's RHNA for 2014-2022. Nor can the City count potential units on the Roche site using Default Density (i.e. density presumed to be suitable to help support the development of both Very Low and Low Income affordable housing across the entire site).

**Table A: Undeveloped Projects/Land Zoned 30 du/acre  
On Sites Controlled by Court Ordered Settlement Agreement**

Affordable @ % AMI <sup>1</sup>	0-49%	50%	51-79%	80%	81-120%	TOTAL
<b>Zoned and Entitled</b>						
BRE Hacienda (Sites 1 and 2)	0	75	0	0	423	498
<b>Zoned, BMR units secured</b>						
Roche Hacienda (Site 3)	0	56	0	0	316	372
<b>Total BMR Units secured for the 1999 - 2006 Planning Period</b>	<b>0</b>	<b>131</b>	<b>0</b>	<b>0</b>	<b>739</b>	<b>870</b>
<b>% BMR units required per Settlement Agreement <sup>2</sup></b>	<b>0</b>	<b>15%</b>	<b>0%</b>	<b>0%</b>	<b>85%</b>	<b>100%</b>

<sup>1</sup> Note that application of Pleasanton's IZO to market rate apartment developments effectively excludes, by agreement with the City, provision of units affordable to households with income 49% and below or between 51 and 79%.

<sup>2</sup> Housing development on Hacienda Sites 1, 2, and 3 controlled by terms of the July 20, 2011 Settlement Agreement for a lawsuit, *Urban Habitat v City of Pleasanton*. Under the binding terms of the Agreement, the Very Low Income units approved for these sites were credited against Pleasanton's unfulfilled RHNA requirements for the 1999-2006 planning period.

Tables B, C, and D (below) contain the corrected information for Very Low and Low Income housing found in the staff report.

**Table B:  
Vacant or Underutilized Land Without Entitlements**

Sites	Units credited to RHNA@ 30/acre
BART <sup>1</sup>	249
Sheraton <sup>1</sup>	99
Stoneridge Mall <sup>2</sup>	88
Kaiser <sup>1</sup>	183
CM Capital <sup>3</sup>	200
<b>TOTAL</b>	<b>819</b>

<sup>1</sup> Sites retained original zoning and/or use in addition to High Density Residential. It is important to note that property owners have not approached the City with any development application on these sites. In spite of receiving 30 unit/acre zoning, many may not wish to develop as residential for quite some time, if ever. Nor do we have any information that has the City has discussed or approached these property owners with any suggestions for nonprofit development opportunities.

<sup>2</sup> A recent plan for Mall expansion reduced HDR development potential from on their site from 400 units to 88 units.

<sup>3</sup> As mentioned in the Staff report, in response to resident concerns regarding HDR development on the adjacent site, the Council was asked to consider reversing the zoning on this property to Commercial/Office zoning.

**Table C: Projects Zoned 30 du/acre In Process as of 3-4-2014  
Actively Seeking Entitlement to Develop, 2014-2022**

Affordable @ % AMI	0-50%	51-79%	80%	81-120%	TOTAL
<b>Sites in Process</b>					
Summerhill*	6 (@50% only)	0	12	159	177
Kottinger Redevelopment (Senior Housing, 100% VLI)	95 (@0-50%)	0	0	0	95
<b>Total BMR Units (anticipated)</b>	<b>101</b>	<b>0</b>	<b>12</b>	<b>159</b>	<b>272</b>
<b>% BMR workforce units</b>	<b>3%</b>	<b>0%</b>	<b>7%</b>	<b>90%</b>	<b>100%</b>
<b>% BMR senior units</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>100%</b>

\* Per recommendation of the Housing Commission. The March 4 SR appears to have reduced the number of Very Low and Low Income units from 18 to 13.



**Table D: 2007-2014 Planning Period**  
 Entitled Residential Projects Zoned 30 du/acre  
 Without Building Permits Or Not Occupied As Of 12-31-2013

<b>Affordable @ % AMI</b>	<b>0-49%</b>	<b>50%</b>	<b>51-79</b>	<b>80%</b>	<b>81-120%</b>	<b>TOTAL</b>
<b>Entitled Sites*</b>						
Auf der Maur	0	10 (3%)	0	17 (5%)	318 (92%)	345
CA Center	0	8 (3%)	0	15 (5%)	282 (92%)	305
Pleasanton Gateway	0	16 (8%)	0	16 (8%)	178 (82%)	210
St. Anton Hacienda	0	18 (14%)	0	18 (14%)	132 (64%)	168
<b>Total Entitled Units</b>	<b>0</b>	<b>52</b>	<b>0</b>	<b>66</b>	<b>910</b>	<b>1,028</b>
<b>% BMR units achieved</b>	<b>0</b>	<b>5%</b>	<b>0</b>	<b>6%</b>	<b>89%</b>	<b>100%</b>

\* It seems questionable that any site that has pulled a building permit prior to the approval of the HE Update should be allowed to be counted toward the 2014-2022 RHNA.

Ironically, Pleasanton could have generated an actual surplus capacity by including nonprofit housing on a portion of the sites zoned for RHNA 2007-2013. Nonprofit participation would have produced many more units and much deeper affordability than the City's total reliance on market rate developers and the legally deficient IZO which the Council voted to retain. Instead, while adhering to reporting and outreach requirements of the HE, the Council has consistently enacted decisions to make nonprofit development even more difficult. (See Attachment 3)

Furthermore, of the sites listed in Table B, and the Roche site in Table A, none have indicated an interest in bringing forward any development proposal, either affordable or market rate, consistent with their residential zoning. In fact, Stoneridge Mall chose to reduce their residential potential in favor of expanded retail space. Therefore, HCD may wish to have Pleasanton contact these property owners to verify their interest and timeline for development.

### **Some consequences of allowing Pleasanton to declare a site surplus.**

As evidenced by their performance, the City has yet to adopt effective programs that will increase affordable housing availability in Pleasanton. If HCD concurs that Pleasanton has a surplus of sites for affordable housing, the Council may feel disinclined to change practices which have "worked so well." In addition, the finding of a surplus allows the City Council to take a number of actions which will further limit Pleasanton's supply of affordable housing.

1. The City will proceed with replacing approved transit oriented housing adjacent to BART, which includes 70 Very Low Income units, in favor of permitting a new office complex designed to accommodate 4,000 additional employees. (See Attachment 4) If HCD accepts Pleasanton's claims of surplus capacity, the City will not have to zone replacement acreage to ensure no net loss of housing capacity. Furthermore, given the recent settlement with the Building Industry Association regarding implementation of Plan Bay Area, this could prove an even more significant site loss for Pleasanton should job-rich suburban communities be required to make a greater contribution to providing workforce housing in the near future.
2. Pleasanton will proceed with planning development in East Pleasanton, re-configuring the plan to eliminate the politically troublesome 30 unit/acre areas of the plan (See Attachment 5 ). The huge amount of office, commercial, and industrial development in the 7 plan alternatives proposed for analysis in the DEIR will create a huge additional demand for workforce housing affordable below 80% AMI in the 2014-2022 planning period.

Even retaining the 305 to 574 HDR units currently included in the EPSP will not mitigate this demand, especially since the EPSP assumes that only 15% of these units would serve lower income households. (See Attachment 6). In addition, the resulting commute patterns created by this added imbalance will significantly increase Pleasanton's responsibility for greenhouse gas emissions.

- An HCD finding of "surplus capacity" endorses Pleasanton's current practice of entering into Affordable Housing Agreements with market rate developers to provide a very limited amount of affordable units ONLY to households with an income of 80% AMI or 50% AMI. Of the 1,028 units Pleasanton has entitled since HCD approved the last HE update, **the City has not secured a single affordable unit for workforce households earning between 51-79% AMI or below 50% AMI.** We have great concerns about Pleasanton's implementation of RHNA in a way that discriminates against a majority of employees working in Pleasanton\*. For example, applying the City's current IZO methodology to the unentitled 819 units claimed as a 100% credit against RHNA 2014-2022 (Table B) yields just 89 units of the least possible affordability (Table E). This low yield will continue, or perhaps decline further, unless Pleasanton is persuaded to implement policies and programs capable of securing nonprofit development on land zoned for affordable workforce housing.

\* "...According to the U.S. Census Bureau's 'On the Map', 49.6 percent of all jobs located in the City of Pleasanton in 2010 paid less than \$40,000 per year, which equates to the 'very low income' level for the County." "Non-Residential Development Housing Linkage Fee Nexus Study", Economic & Planning Systems, Inc., report prepared for the City of Pleasanton, March 8, 2013

**Table E:**  
**Vacant or Underutilized Land Without Entitlements**  
**Zoned 30 du/acre per the 2007-2013 Housing Element**  
 Probable Yield of BMR Units Using Pleasanton's Current IZO Methodology

Affordable @ AMI	0-49%	50%	51-79%	80%	81-120%	TOTAL
BART <sup>1</sup>	0	12	0	15	222	249
Sheraton <sup>1</sup>	0	5	0	6	88	99
Stoneridge Mall <sup>2</sup>	0	4	0	5	79	88
Kaiser <sup>1</sup>	0	9	0	11	163	183
CM Capital <sup>3</sup>	0	10	0	12	178	200
<b>TOTAL</b>						
<b>Probable BMR</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>49</b>	<b>730</b>	<b>819</b>
<b>% BMR units</b>	<b>0%</b>	<b>5%</b>	<b>0</b>	<b>6%</b>	<b>89%</b>	<b>100%</b>

<sup>1,2,3</sup> See notes on Table B

CCC has worked diligently to offer our support to staff and Council for implementing Pleasanton's Housing Element in a manner consistent with HCD's goals and standards. Nothing in this letter will come as a surprise to the City. CCC has consistently raised these issues with both Pleasanton and HCD during the last HE update, and regularly with the Pleasanton Council, the Housing and the Planning Commissions whenever RHNA implementation appeared on their



meeting agendas. While we initially felt optimistic that Pleasanton would develop a plan to ensure nonprofit participation on at least half of the sites zoned to accommodate lower income workforce housing, instead the City moved strategically to block this possibility.

In response to housing advocates concern that proposals to develop land recently zoned for affordable housing contained the smallest percentage of affordable units in Pleasanton's history, City Council held a workshop in April 2013 to hear ideas for new policies that could produce a higher percentage of affordable units through nonprofit development. After presentations from housing advocates and market rate developers, the Council expressed regret over the negative effects of *Palmer* and *Patterson* on affordable housing. The Council then decided not to develop a replacement ordinance. Instead, they directed staff to negotiate with the developers of the market rate projects for the most affordable units they could get. The previous tables reflect the poor outcome of these negotiations.

The City then completed a nexus study to inform a better alignment of the Lower Income Housing Fee (LIHF) with the true cost of providing housing (HE Program 17.1). However, in spite of the study's conclusions showing a need for significant LIHF increases, on October 22, 2013 the Council decided not to raise the fee for fear of discouraging new retail and commercial development (See Attachment 7).

Acting to divest itself of any financial resources, policies, or programs necessary to provide affordable housing clearly shows the City's hostility to the idea that Pleasanton should, as a "jobs center", mitigate its ever growing impacts on the region's workforce housing needs and greenhouse gas emissions.

From the standpoint of Pleasanton's tax revenue, "RHNA fail" 2007-2013 had its rewards. The City zoned land for affordable housing, but entitled it for apartment complexes with 90% luxury units and the most limited affordability possible. Even better, they got a 100% lower income RHNA credit for the units on the unentitled sites of future luxury apartment complexes. Well played Pleasanton! If allowed to start the 2014-2022 season with a 386 unit credit, and under the same rules, the City has plans to entitle up to 3,000,000 square feet of new commercial development. They would have no responsibility (and probably no remaining land) to address the resulting impacts on regional workforce housing need and GHG emissions until 2023.

After witnessing Pleasanton's consistent refusal to take the steps needed to meet RHNA objectives, CCC can only conclude that our advocacy for affordable and nonprofit development in Pleasanton, while morally satisfying, has proved completely ineffective. We could only feel more discouraged if the City's willful lack of progress in providing its fair share of affordable workforce housing from 2007 to 2013 led HCD to support Pleasanton's claim of a site surplus for 2014-2022!

In conclusion, we encourage HCD to review the attached materials and our analysis of Pleasanton's performance before officially concurring that the City has surplus housing capacity. If we have misunderstood any HCD policies, please feel free to provide feedback so that we may comment appropriately on Pleasanton's updated HE after the City submits it to you. We appreciate your guidance.

Very sincerely,

Pat Belding and Becky Dennis  
Co-Chairs Citizens for a Caring Community

cc: Brian Dolan, City of Pleasanton  
Lisa Bates, Deputy Director, HCD  
Glen Campora, Assistant Deputy Director, HCD

**Attachments: 7**

RECEIVED

NOV 18 2014

CITY OF PLEASANTON  
PLANNING DIVISION

Jess Negrete  
Department of Housing and Community Development  
Division of Housing Policy Development 2020 West El  
Camino Avenue, Ste. 100 Sacramento, CA 95833

November 17, 2014

Dear Mr. Negrete,

I am writing to you as a concerned citizen, a long term city and county housing authority commissioner and a former member of the housing element task force. After reviewing recent comments made by HCD to several other Bay Area cities, I feel compelled to write to make sure that issues surrounding Pleasanton's Draft Housing Element, as previously outlined in Becky Dennis's letter of October 8, 2014, are given careful consideration by HCD. Given what I have seen by way of comments from HCD to other cities I would appreciate it if HCD would require Pleasanton to address its affordable housing obligations in a similar manner. I believe the City's draft Housing Element is deficient in several respects. Two points in particular deserve scrutiny: (1) Pleasanton has not clearly demonstrated that the policies in the draft Housing Element will in the least way support the affordable housing objectives required by the State, and (2) Pleasanton's inventory of sites is insufficient to address the needs allocated under the RHNA.

As has been addressed by others, the draft Housing Element is deficient in several areas. Sadly this has become evident in the disturbing trends seen in Pleasanton since the last approved Housing Element. These trends have significantly undermined good opportunities to produce affordable workforce housing and if they continue they will exacerbate the need for affordable housing during the upcoming planning period. Please consider that:

Pleasanton recently elected to take a transit-oriented site that had previously been designated for and approved for a deeply affordable housing project (Windstar) and permitted the development of a significant office project that will help create the demand for the type of housing that was eliminated.

In April of this year, Pleasanton embarked on an Economic Development Zone Program designed to proactively rezone approximately 35 acres of current industrial-type properties for other uses, predominately retail which provides valuable sales tax revenue to the city. But, it is an established fact that retail creates a large percentage of lower income wage earners who need affordable housing. (For example, Costco has long been rumored to be interested in a store at this location).

Pleasanton has actively pursued retail users at other locations including the Staples Ranch development area for CarMax and a 120,00 sq.ft., retail center all creating the same demand for affordable housing.

Pleasanton has been actively supporting the expansion of the Stoneridge Regional Shopping Mall to provide more shopping and entertainment opportunities. This is likely to be at the expense of the site identified as being desirable for affordable housing.

Pleasanton's proposed inventory of sites for affordable housing is full of locations with little or no likelihood of being developed in the next planning period; three (the Sheraton, Kaiser and Stoneridge Mall), in particular have existing improvements that show no sign of being changed or are actively being planned for non-residential uses.

Pleasanton recently negotiated an agreement with a residential developer to either build affordable units or pay a \$4.5M fee. The city chose to accept the fee - which had been negotiated as part of the discussion around unit affordability - and placed the majority of the fee in the General Fund not the Housing Fund so that it could be used for purposes other than creating housing affordability.

In response to neighborhood pressure, Pleasanton signaled a willingness to downzone one of the sites in its inventory of affordable housing sites (CM Capital) reducing the density from 30 units per acre to 12.5 units per acre. In doing so the city effectively eliminated the site as an opportunity for affordable housing within a highly desirable business park location.

Given the above, it is all the more important that the Pleasanton Housing Element specifically detail how its policies and inventory will be able to support the RHNA stipulated production of affordable housing during the upcoming planning period. I believe that this cannot be done with the proposed draft element and the city's willingness to change the use and density of proposed developments.

While I have expressed my deep concerns about the proposed draft it is important that you know that over many years the city has built three outstanding nonprofit affordable housing developments, one for families, one senior and an assisted living with a low income component - all built on city owned land. Currently the City is in the process of redeveloping two adjacent HUD senior projects with a nonprofit developer and has committed \$10M from the City Low Income Housing Fund. As a result of this commitment the housing fund is sorely depleted.

There is no more city owned land to help defray the very land costs in the City. While the City had approved several for-profit multifamily developments with varying levels of support for lower income families the city has turned away from actively seeking nonprofit developers to build the badly needed family housing for the rapidly expanding workforce in the city.

As the City seeks and has sought to compete successfully for tax credit financing etc, the contributions of land and money from the housing fund and been and will continue to be a critical element to our success. As a member the task force working on the redevelopment of the senior housing I greatly appreciated the city's financial commitment from the housing fund.

But, the recent diversion of funds that could have been used to help write down the soaring land costs is distressing as is the City's apparent reluctance to again seek out nonprofit developers to provide badly needed family workforce housing complete with services.

As a Housing Authority of Alameda County commissioner for over 20 years I have watched as HUD has cut programs and reduced the availability of Section 8 Vouchers year by year. As rents continue to climb even those with a voucher are unable to locate housing and over the past 6 years participation in the City has declined as those opportunities have disappeared. Sadly, many of the residents of Pleasanton do not appreciate that our thriving business parks and regional shopping center have been a financial blessing affording us with many benefits but they are also sustained by many low paying jobs. As federal and state funds have diminished cities do face a challenge but I consider them opportunities and Pleasanton should not be allowed to squander them.

I look forward to reading your response to the city's submittal.

Sincerely,

A handwritten signature in black ink that reads "Christine T. Steiner". The signature is written in a cursive, flowing style.

Christine T. Steiner  
596 Hamilton Way Pleasanton, CA 94566  
cc. Jennifer Wallis, City of Pleasanton Paul McDougall HCD





## CITY COUNCIL AGENDA REPORT

October 15, 2013  
Assistant City Manager

**TITLE: DETERMINATION OF GROWTH MANAGEMENT PROGRAM ANNUAL UNIT ALLOCATION****SUMMARY**

In October 2012, the City Council amended the City's Growth Management Ordinance (GMO) (PMC 17.36) implementing changes consistent with the City's Housing Element, state regulations and recommendations made by the City Council subcommittee comprised of then councilmembers Thorne and McGovern. The adopted ordinance includes a number of timelines and anticipated actions that are scheduled to occur after the Association of Bay Area of Governments (ABAG's) adoption of the Regional Needs Allocation Plan which sets forth the Regional Housing Needs Allocation (RHNA) housing numbers assigned to the City for the years beginning in January 1, 2014 and ending in October 31, 2022. One of the timelines stipulates that the City Manager provide the City Council with a report indicating 1) the new RHNA and 2) the annual growth management unit allocation number based on the RHNA that will take effect on July 1, 2014. This report is intended to meet that requirement.

**RECOMMENDATION**

Approve the following actions related to the Growth Management Ordinance:

1. That the annual GMO unit allocation commencing July 1, 2014 through June 30, 2022 shall be 235 units subject to revision as determined with adoption of the revised Housing Element.
2. A decision regarding adoption of a process for allocating growth management approvals in the event the number of growth management applications exceed the number of annual growth management unit allocations available will be determined after January 31, 2015

**FINANCIAL STATEMENT**

There is no financial impact as a result of this action.

## BACKGROUND

The City utilizes a comprehensive development review process, consistent with its General Plan that incorporates considerable community and commission review to assure that proposed development meets community and City Council expectations. Since 1978, one step of the process includes application of the Growth Management Ordinance that provides the guidelines for pacing the rate of construction for approved residential developments. This pacing is accomplished by establishing the number of residential building permits available in any given year. The number of available residential building permits available is referred to as the annual unit allocation. The GMO was last amended in October 2012 to include, in part, the following:

1. Requires the City Manager to provide a report indicating the annual unit allocation based on the ordinance's requirement that it be determined by dividing the number of RHNA housing units assigned to Pleasanton divided by the years in the current RHNA cycle. Prior to this amendment, the GMO allowed building permits for up to 350 residential units annually except when necessary to meet the City's RHNA numbers.
2. Removes reference to three categories/ suballocations including affordable housing, major project and first-come, first served. As a result, all growth management allocations are on a "first come" basis with the provision that the Council can "borrow" from future years to meet growth management needs as it determines appropriate.
3. Permits the trading and transfers of growth management allocations to reflect changes in project construction scheduling and the number of applications received. Approvals are at the discretion of the City Council and may not result in the total number of unit allocations exceeding the number of units assigned to the City for a specific RHNA cycle.

## DISCUSSION

Regarding number 1 above, the GMO (Section 17.36.060) establishes that effective July 1, 2014, the annual growth management unit allocation shall be equal to the number of units required to meet the City's RHNA for the fifth cycle which runs from January 1, 2014 to October 31, 2022. Listed below are the approved RHNA numbers for the fifth RHNA cycle commencing January 1, 2014.

**PLEASANTON'S REGIONAL HOUSING NEEDS ALLOCATION FOR THE 5<sup>th</sup> CYCLE**

RHNA Cycle	Very Low (50% AMI)	Low (80% AMI)	Moderate (120% AMI)	Above Moderate	Total
RHNA for Fifth Cycle	716	391	407	553	2,067

Based on the above, in accordance with the GMO, the annual GMO unit allocation commencing July 1, 2014 will be 235 units (2,067 total RHNA units / 8.8 years in the fifth cycle = 235 units). While the current RHNA will run until October 31, 2022, for implementation/administration purposes, staff is recommending this annual allocation number remain in effect until June, 30, 2022 at which time the new RHNA numbers should be available for the sixth RHNA cycle.



Section 17.36.050 of the GMO outlines the contents of a staff generated growth management report which may be prepared “periodically” as determined by the City Council to outline the City’s progress toward meeting general plan goals and policies, to provide a summary of building permit activity, and to provide an analysis of the city infrastructure’s capability of meeting anticipated new residential development.

As the City Council recalls, as part of the upcoming RHNA, the City is required by January 31, 2015, to update its Housing Element which will involve a thorough review of housing matters including rezoning, development impacts, and affordable housing programs. Further, this process will involve an environmental review process which will look at infrastructure matters that may impact residential growth. As a result, staff perspective is that the Housing Element process will provide information regarding housing impacts to a level that will most likely exceed what would be provided in a growth management report and therefore, it will be completed in lieu of a growth management report. Additionally, staff recommends that any decision made regarding an adjustment to the 235 annual unit allocation number be done after completion of the Housing Element in January 2015.

Regarding number 3 above, when the Council reviewed recommended amendments to the GMO in October 2012, specifically those related to removing the then existing subcategories of growth management allocation, it did so with the understanding that there would be a future review of the GMO to identify a mechanism for allocating growth management approvals in the event that the number of applications for growth management exceeded the number of available unit allocations. While the actual methodology for this was not discussed specifically by the Council, the Subcommittee explored a number of concepts including a point system that takes into account infrastructure improvements, development design quality, amenities, impacts, green building, etc. that would be considered by the City Council as part of its decision making process. However, there are various options available, including retaining the current system of working with developers to adjust allocations to be consistent with their construction schedules and City Council expectations. Notwithstanding the potential need for this type of allocation process, there is benefit of completing the Housing Element update process prior to discussing the growth management process as it will provide important information that may play a part in determining an appropriate new allocation process, if any. As such, staff is recommending the allocation process discussion occur after adoption of the Housing Element update.

Submitted by:



Steven Bocian  
Assistant City Manager



Brian Dolan  
Director of Community  
Development

Approved by:



Nelson Fialho  
City Manager

Attachments:

1. City Growth Management Ordinance
2. Bay Area RHNA

# 4.0 HOUSING ELEMENT

Program 6.3: Conduct a review of the Second Unit Ordinance, including a survey of similar requirements in other Bay Area cities. Using this review, consider allowing second units without an Administrative Design Review process in new single-family developments, subject to performance standards, ~~and~~ consider reducing the existing Second Unit Ordinance requirements, such as the parking and height limit requirements, to encourage the development of second units, ~~and~~ consider other measures to promote the creation of second units, and adopt necessary changes as appropriate.

Responsible Agency: Planning Division, Planning Commission, City Council

Time Period: May 2016

Quantified Objective: 5 percent of new single family homes include a second unit.

Funding Source: Planning Division Budget

## *Housing Tenure*

**Goal 3: Endeavor to provide and retain a sufficient number of rental housing units to serve Pleasanton residents who choose to rent or who cannot afford ownership housing.**

Policy 7: Encourage at least 50 percent of multiple-family housing units to be rental apartments.

Program 7.1: Monitor new multiple-family residential development proposals with respect to housing tenure to ensure that sufficient numbers of rental units are provided to meet the above policy.

Responsible Agency: Housing Division

Time Period: As multiple-family residential development proposals are received.

Funding Source: Housing Division Budget

Policy 8: Minimize displacement of tenants in rental apartments and mobile homes and encourage ownership of lower-cost residential units by prior renters through the regulation of condominium conversions.



# 4.0 HOUSING ELEMENT

Program 30.2: Review and amend ~~if necessary~~ the Growth Management Program to reflect current housing and infrastructure conditions and current housing needs, and to ensure that the Growth Management Ordinance does not include constraints ~~that would prevent~~ including preventing the City from meeting its share of the regional housing need for all income levels during the Housing Element planning period. Potential revisions include establishing a regional housing need allocation exemption for all lower income housing, incorporating all lower income regional housing need allocation requirements into the growth management allocation, and mandating the ability to “borrow” allocation units for lower income housing from future years to accommodate all levels of regional housing need allocation through the developer’s development agreement, growth management agreement or other legislative act.

Responsible Agency: City Council

Time Period: ~~January 2016~~ for review and amendments ~~if necessary~~ and continue annual review. The City shall notify HCD of implementation, utilizing the annual General Plan progress report required by Government Code Section 65400.

Funding Source: Planning Division Budget

## *Existing Housing Condition*

### **Goal 13: Encourage the preservation and rehabilitation of the existing housing stock.**

Policy 31: Provide incentives to encourage the maintenance of affordability in existing housing that is rehabilitated.

Policy 32: Encourage and support the formation of a Valley Housing Authority to administer the Section 8 Program for the entire Tri-Valley area and also to maintain the public housing units in each city.

Policy 33: Encourage the maintenance of safe, sound, and well-kept housing city-wide.

Policy 34: Encourage the preservation of historically and architecturally significant residential structures citywide including in the Downtown area, pursuant to the General Plan and the Downtown Specific Plan.

# BACKGROUND

- Opposition to additional zoning for higher-density residential uses;
  - Ensuring the Housing Element, including the wording of goals, policies, and programs, reflects community values and maintains community character;
  - The desire for new development to pay for infrastructure, schools, and traffic mitigation;
  - The ability of the City's limited water supply to accommodate new growth;
  - Concerns about existing overcrowded schools and the ability of the City's school infrastructure to accommodate new growth;
  - Support for incentivizing affordable housing, including the construction of second units, and clarifying the requirements/fees for the construction of such housing;
- The importance of workforce housing and the need to encourage partnerships with nonprofit developers to build such housing.

## Public Comments Received during HCD Review Period

During the HCD public review period, staff received two comment letters: one dated October 8, 2014 from Becky Dennis, on behalf of Citizens for a Caring Community (CCC) and one dated November 17, 2014 from Christine T. Steiner. CCC's comments focused on the City's Inclusionary Zoning Ordinance (IZO), the City's Housing In-Lieu fees, the availability of underutilized sites, available incentives for nonprofit development, and future land acquisition within the City. Ms. Steiner's comments focused on the likelihood that Housing Element policies will result in the construction of new affordable housing, and the sufficiency of the Housing Sites Inventory.

CCC has concerns with the City's current use of the IZO to expand the City's supply of affordable units in light of recent court cases. Staff has acknowledged that changes to the IZO are needed and has incorporated Program 17.1, which states:

### Program 17.1: Review the City's Inclusionary Zoning Ordinance and amend:

- for consistency with the Housing Element and other City affordable housing programs;
- to identify incentives for non-profit housing developers and other housing developers to construct projects including three bedroom units for large households;
- to determine if it is appropriate to increase the percentage of affordability to support housing affordable to low- and very low-income households;
- to be consistent with recent court decisions regarding rental housing and State law;

Responsible Agency: Housing Division, Housing Commission, City Council

Time Period: January 2016, then annually.

Funding Source: Housing Division Budget

Staff feels that the IZO has been successful in increasing the City's supply of affordable units in the past. With the incorporation of Program 17.1 as well as Program 17.2, which require annual monitoring of the

# BACKGROUND

IZO, the IZO will continue to be a successful tool for providing future affordable units. The current IZO also has the flexibility to allow for developers to pay an in-lieu fee into the Low-income Housing Fund. The current lower income housing fee was reviewed by the City Council in 2013, which determined that based on economic conditions, no changes to the fee should be made at that time.

Both CCC and Ms. Steiner raised concerns regarding the availability of underutilized and other sites within the Housing Sites Inventory. All high density sites within the Site Inventory were reviewed and analyzed in 2012 and were evaluated based on the criteria developed by the Housing Element Update Task Force, with guidance and feedback from the community at community workshops, housing experts, and decision-makers. Staff has reviewed the previous analysis and has concluded that all of the City's high density sites (including the vacant and underutilized sites) continue to maintain the development potential as addressed and shown in Section III (B) of the Background report. The City believes that, taking into account site constraints, these sites could reasonably be developed with housing to meet its Regional Housing Needs Allocation (RHNA) requirements. Although the City continues to pursue a balanced approach to economic development, including the attraction and retention of new retail uses, it remains committed to facilitating the development of affordable housing, including workforce housing. While the City acknowledges that some of the high density sites may not be imminently planned for housing development, the Site Inventory fulfills the obligation to identify land that can reasonably be developed with housing in the near term.

CCC and Ms. Steiner also expressed concerns about the efficacy of the City's housing incentives and policies, including those for nonprofit developers. The City has reviewed and analyzed all of the programs and incentives within Appendix A, Review and Assessment of 2007 Housing Element, in the context of issued entitlements for housing projects. This analysis indicates that the City has been successful in using programs and incentives to develop market-rate housing projects with substantial affordable components, particularly at the high density sites. The City has processed entitlements of five large-scale apartment and mixed-use developments totaling 1,302 units (and one of these five entitled projects has begun construction). Many of these projects have utilized City incentives such as reduced fees in exchange for the provision of affordable units.

Furthermore, since the adoption of the previous Housing Element in 2012, the City has approved 279 affordable residential units. The City has also contributed additional funds to the City's Low Income Housing Fund which will help develop future low income housing.

The City believes that the currently proposed housing programs, many of which are carried over from the previous Housing Element, are effective at increasing the City's supply of affordable housing, and will continue to implement these programs to facilitate the development of housing for all income levels. The City also believes that, in the long-term, these programs will help nonprofit developers successfully build affordable housing because they address the basic economic impediments to housing construction that are faced by both for-profit and nonprofit developers.

Lastly, CCC has recommended that the City focus future land acquisition plans throughout the City rather than focusing on the East Pleasanton Specific Plan (EPSP) area to achieve RHNA requirements. The City has not included any properties within the EPSP as part of the current Site Inventory and is not dependent on any of the sites in the EPSP area to meet RHNA goals. The City believes that CCC's concerns are addressed through Program 40.1, which indicates that the City should acquire and/or assist in the development of one or more sites for housing affordable to low- and very low-income households. This program would apply to all properties throughout the City and not just the EPSP.

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household earns less than \$46,750 per year, while a low-income four-person household earns less than \$67,600 per year.

**Table 15** shows the distribution of extremely low-income households by tenure, and overpayment for housing, and overcrowding in Pleasanton according to the 2006–2010 CHAS database (based on ACS data). As shown, approximately 8,632 ~~8,617~~ households (36% of occupied housing units) in the City of Pleasanton experienced household cost burden, paying 30 percent or more of income for housing. Nearly 40 percent of households paying 30 percent or more for housing consisted of extremely low-, very low- and low-income households (3, 400~~385~~ households). Of the City’s total occupied housing units, 3,929 owner-occupied units experienced 30 percent to 50 percent cost burden for housing (17% of total occupied housing units), while approximately 2, 284~~279~~ renter-occupied units experienced 30 percent to 50 percent cost burden (10% of total occupied housing units). Although ABAG data does not analyze cost burden for extremely low-income households, approximately 1,485 very low-income households experienced greater than 50 percent cost burden for housing (680 owner-occupied units, and 805 renter-occupied units). Very-Extremely low-income households paying greater than 50 percent of their income for housing constituted 6-4 percent of the City’s total occupied housing units.

**Table 15: Households Overpaying for Housing**

Household Income Category	30% to 50% Cost Burden		50%+ Cost Burden		30%+ Cost Burden (Total Overpaying)	
	Units	Percentage of Occupied Units	Units	Percentage of Occupied Units	Units	Percentage of Occupied Units
<b>Total Owner Occupied</b>	<b>3,929</b>	<b>17%</b>	<b>2,279</b> <del>284</del>	<b>10%</b>	<b>6,208</b> <del>213</del>	<b>26%</b>
<u>Extremely Low Income (≤30% of AMI)</u>	<u>40</u>	<u>0%</u>	<u>320</u>	<u>2%</u>	<u>405</u>	<u>2%</u>
Very Low Income (≤30%–50% of AMI)	<del>460</del> <u>120</u>	<b>1%</b>	<del>680</del> <u>320</u>	<u>13%</u>	<del>840</del> <u>440</u>	<u>42%</u>
Income (50–80%)	235	<b>1%</b>	425	<b>2%</b>	660	<b>3%</b>
Moderate (80–120%)	444	<b>2%</b>	580	<b>2%</b>	1024	<b>4%</b>
Above Moderate (120%+)	3,090	<b>13%</b>	594	<b>3%</b>	3684	<b>16%</b>
<b>Total Renter Occupied</b>	<b>1,369</b> <del>364</del>	<b>6%</b>	<b>1,045</b> <del>050</del>	<b>4%</b>	<b>2,409</b> <del>2,419</del>	<b>10%</b>
<u>Extremely Low Income (≤30% of AMI)</u>	<u>75</u>	<u>0%</u>	<u>495</u>	<u>2%</u>	<u>570</u>	<u>2%</u>
Very Low Income (30%≤–50% of AMI)	<del>320</del> <u>250</u>	<b>1%</b>	<del>805</del> <u>315</u>	<u>13%</u>	<del>1125</del> <u>565</u>	<u>25%</u>
Low Income (50– 80%)	520	<b>2%</b>	240	<b>1%</b>	760	<b>3%</b>
Moderate (80–120%)	450	<b>2%</b>	0	<b>0%</b>	450	<b>2%</b>
Above Moderate (120%+)	74	<b>0%</b>	0	<b>0%</b>	74	<b>0%</b>
<b>Total Overpaying Occupied Units</b>	<b>5,298</b> <del>293</del>	<b>22%</b>	<b>3,324</b>	<b>14%</b>	<b>8,617</b> <del>632</del>	<b>36%</b>
<b>Total Occupied Units</b>	<b>23,745</b> <del>720</del>					

Source: CHAS, based on 2006-2010 ACS 5-year estimates (ABAG Housing Element Data Profiles)

Note: ABAG Data Profiles for Housing Elements does not include extremely low income as a category for this topic.



# BACKGROUND

- Residential projects with development entitlements with building occupancy to be issued post December 31, 2013, within the 2014-2022 RHNA planning period.
- Vacant or underutilized land designated for residential development with no entitlements, including four of the original nine sites identified to accommodate the 2007–2014 RHNA needs.

**Table 29** summarizes the residential unit potential from the above methods and provides a comparison with Pleasanton’s 2014-2022 RHNA. The City is able to exceed RHNA needs for the 2014-2022 planning period with all permits finalized and units approved during the 2014-2022 planning period, as well as vacant or underutilized land already designated for residential development. The City’s land inventory identifies a capacity for 1,176 new units, including a capacity for 279 deed-restricted units for low and very low income categories.

**Table 29: City’s Housing Need and Capacity to Meet 2014-2022 RHNA**

	Total	Extremely Low, Very Low, and Low Income	Moderate Income	Above Moderate Income
2014-2022 RHNA	2,067	1,107	407	553
Permitted and Approved Projects	1,980	279	1,527	174
Vacant and underutilized land	1,263	991	-	272
Total Capacity	3,243	1,270	1,527	446
Capacity Over and Above Housing Need	1,176	163	1,120	(-107)

Sites from the City’s land inventory are shown in **Figure 7** and **Figure 8**. These sites provide capacity to meet the 2014-2022 RHNA. Approved residential projects with development entitlements issued post 2013 are shown in **Figure 7**, while **Figure 8** illustrates the location of vacant and underutilized land. **Appendix B** includes a detailed summary of these sites. Sites identified for rezones in programs from the previous Housing Element have been rezoned to allow residential development and are included in this land inventory. The land inventory is also described in greater detail in the following section.

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were rezoned for high-density-residential use to accommodate RHNA as described in the “Meeting Projected Housing Needs” section below. In the 2007 Wastewater Master Plan, these sites were anticipated to be developed for office-commercial use, with a correspondingly lower wastewater flow than now anticipated (with high-density-residential use). The rezoned sites located east of Hopyard Road and north of Stanley Boulevard (BART, Nearon, California Center, and CM Capital Properties) require the construction of a new sewer pump station and pipelines. The pump station and appurtenant pipelines are not needed immediately, but will likely be necessary after the first major high-density-residential development in this area is occupied. The pump station is currently in the preliminary design phase, and anticipated to be operational by late 2015. Several other sites (Sheraton, Stoneridge Shopping Center, Kaiser, Auf der Maur/Rickenbach) will require new sewer pipelines as well as limited upsizing of some existing pipelines to accommodate new residential growth. The sewer pump station project is estimated to cost over \$3 million dollars. The local sewer pipe upgrades are anticipated to cost between a few hundred thousand to several hundred thousand dollars. Replacement and improvement funds in the City’s CIP are funding the first phases of the pump station project, and the City’s CIP and/or new development, will fund the later phases. The cost to fund the new sewer facilities will be funded on a pro rata basis between existing users and future development.

Dublin-San Ramon Services District (DSRSD) provides Pleasanton’s sewage treatment services. Under a contract with DSRSD, Pleasanton has treatment capacity entitlement to 8.5 million gallons daily (mgd) of average dry weather flow (ADWF). DSRSD owns the treatment plant’s remaining treatment capacity of 8.5 mgd (for a total treatment capacity of 17 mgd).

As part of the 2007 Wastewater Master Plan, the City of Pleasanton performed a sewer flow monitoring capacity study. Results showed that in 2004 the ADWF from Pleasanton to DSRSD’s regional sewage treatment plant was approximately 5.47 mgd. With the future growth projected in the 2009 General Plan, Pleasanton’s flow is anticipated to increase to approximately 7.7 mgd. At the time the 2009 General Plan was adopted, Pleasanton’s capacity entitlement at the treatment plant was deemed sufficient to accommodate growth; however, total flows at the treatment plant were expected to reach 17 mgd around 2015 due to growth in both Pleasanton’s and DSRSD’s sewer service area, and as a result, an expansion of the treatment plant was deemed warranted. DSRSD has not designed this expansion; but, it is anticipated that the final expansion will accommodate a total of 20.7 mgd. After the expansion is complete, Pleasanton’s capacity entitlement at the plant will increase to 10.3 mgd. Pleasanton’s existing and future capacity entitlements are anticipated to adequately accommodate increased flows as a result of the high-density-residential rezonings during the 2007–2014 Housing Element planning period. The total cost of the plant expansion is anticipated to be approximately \$18 million dollars (in 2007 dollars). DSRSD’s fees for new sewage connections are anticipated to increase in the future to pay for this expansion.

Disposal of treated effluent from DSRSD’s plant to the San Francisco Bay is provided by means of disposal lines managed by LAVWMA (Livermore Amador Valley Water Management Agency), a Joint Powers Authority (JPA) between the City of Pleasanton, the City of Livermore, and DSRSD. LAVWMA’s disposal capacity is 41.2 mgd peak wet weather flow (PWWF), of which Pleasanton has capacity entitlement to 14.4 mgd. The cost of the upgrade has not been estimated, but it is anticipated that it could be extremely expensive.

After the adoption of the 2007–2014 Housing Element, the City updated its 2007 Wastewater Master Plan to assess the full extent of the needed upgrades/expansions to accommodate (to the extent possible) future RHNA cycles. The 2014-2022 Housing Element does not require the City to rezone any additional residential sites beyond what was already plan for in the 2007-2014 Housing Element and therefore With no additional housing sites required for the 2014-2022 planning period, the 2007 Wasterwater Master Plan will continue to cover all housing capacity in the this RHNA period. This assessment is consistent with programs 15.5 and 15.6 of the 2015–2023 Housing Element which state:

**Program 15.5:** Assess the level of effort to overcome infrastructure constraints to housing affordable to low- and very-low-income households on a periodic basis.

Responsible Agency: Housing Division

Time Period: As Needed or in Conjunction with the Housing Element Update

Funding Source: Housing Division Budget

**Program 15.6:** Assess future sewer infrastructure needs, including sewer infrastructure upgrades and facilities to accommodate future RHNA cycles in the region.

Responsible Agency: Operation Services Department, Housing Division, City Council

Time Period: 2014-2015

Funding Source: Sewer Enterprise Fund

The City also reviewed infrastructure conditions and the Growth Management Program between 2011 and 2014. In 2012 and 2013 the City revised the Growth Management Program, as directed by Program 9.1 and 29.2 of the 2007–2014 Housing Element. These recent revisions ensure that the program does not prevent the City from meeting its share of the regional housing need.

To reduce the use of potable water and impacts to sewer facilities, the JPA members of LAVWMA have agreed to use recycled wastewater for landscaping irrigation when feasible, and Program 6.1 of Pleasanton's General Plan Water Element states:

**Program 6.1:** Utilize wastewater reuse/reclamation methods to the fullest extent financially and environmentally feasible.

## Water Supply and Infrastructure

Water supply is an issue at the forefront of long-term planning efforts in the City. [The City of Pleasanton's water is supplied by Zone 7.](#) Based on the 2010 Urban Water Management Plan, Zone 7 has sufficient water to accommodate planned growth through 2030, as accounted for in the General Plans of its member agencies. [The existing Urban Water Management Plan thus is designed to provide an adequate water supply to the City during the 2014-2022 RHNA planning period.](#) Zone 7 has concluded that a combination of water conservation and the development of new supplies and storage facilities will allow the agency to supply water to all planned growth within its service area, including housing-related growth in Pleasanton, even during multiple dry years (as is currently the case). The Urban Water Management Plan will be updated in 2015, and is expected to include a similar approach to accommodating growth as the 2010 plan, even in the midst of a severe drought.

However, continued drought conditions will require the City to adopt new methods to stretch its limited supply of water. In May 2014, the City declared a Local Drought Emergency and instituted a Stage 3 drought declaration intended to reduce water consumption by 25%. Between March and June 2014, the City Council approved amendments to Chapter 9.30 (Water Conservation Plan) of the Pleasanton Municipal Code, outlining further water reduction measures, including restrictions on outdoor irrigation and decorative water features to be implemented during droughts. In addition, after approval of the Recycled Water Feasibility Study in November 2013, the City is moving forward with implementation of a recycled water program. This recycled water program will reduce the demand for potable water within

## Feasibility of Identified Mixed Use Development Sites

The availability of developable sites does not assure development; market conditions will in most cases dictate when any particular development will commence. An issue specific to the availability of mixed use sites for housing purposes is the question “what is it,” i.e., precisely what mix of uses is likely to occur. Many mixed use zoning districts are permissive in this regard, as is the case in the City of Pleasanton. A mixed use site could be all retail mixed with office or housing or any combination of these uses consistent with other aspects of the zoning district.

While this opportunity leads to some uncertainty regarding housing production on these sites, from a market feasibility standpoint, and in practice, housing is increasingly part of mixed use development in California suburban settings such as Pleasanton. The reason is that housing has tended to generate considerably higher value per square foot of developed building than office or retail uses. Given the relatively high cost of land and construction of mixed use buildings, the housing component is often essential to achieve a financially feasible development. Even when not absolutely necessary, rent-seeking investors will tend to maximize value and a housing component can help achieve this objective.

Experience with financial analysis of mixed use buildings has repeatedly demonstrated this point. A simple reference to the marketplace also underscores this point – a common prototypical vertical mixed use building, with hundreds of examples having been built recently in California, involves a retail/office ground-floor “podium” with two or more floors of residential flats located above. Alternative “side-by-side” projects also exist. Of course there will always be circumstances that lead site owners to variations in the mixed use prototype including single-use buildings and those involving no residential development, changing market dynamics, cost/risk factors, and business objectives. Prior to the adoption of the 2015-2023 Housing Element, the Pleasanton City Council rezoned nine sites (BART, Sheraton, Stoneridge Shopping Center, Kaiser, Pleasanton Gateway, Auf der Maur/Rickenbach, Nearon, CarrAmerica, and CM Capital Properties) to accommodate the City’s RHNA allocation. Of these nine sites, five (BART, Sheraton, Stoneridge Shopping Center, Kaiser, and Carr America) allow for mixed use development. In large part, these sites were selected for mixed use because of their potential for housing development in the context of prior infill planning and City policies. Accordingly it is very likely that these mixed use rezonings will incorporate a high density housing component,

## Meeting Projected Housing Needs

Prior to the adoption of the 2015-2023 Housing Element, the City completed the rezoning and General Plan Amendments necessary to accommodate the City’s RHNA. The City has experienced tremendous development interest for these sites, as evidenced by entitlements on five sites for large-scale apartment and mixed-use developments, which are described in more detail in **Appendix B**. Table 30 summarizes all high density residential sites within the City that maintain density to accommodate development of 30 units/acre or greater. The pages immediately following the summary table include background information and development considerations for the five sites that remain vacant or underutilized. The five sites listed can accommodate a minimum capacity of approximately 991 units. The environmental impacts that could result from development of these sites at the identified densities were analyzed in the certified Supplemental Environmental Impact Report (SEIR) for the previous Housing Element update. The sites and densities were determined by taking into account a variety of factors including: zoning, environmental constraints, Smart Growth principles, feasibility of development and criteria important for California Tax Credit Allocations for affordable housing funding, ensuring that existing infrastructure could accommodate new growth, protecting existing neighborhoods, and enhancing the City’s quality of life. These sites are also included in the Housing Sites Inventory (**Appendix B**) and described in further detail below. The following figures are numbered to correspond with their housing site number, as shown in **Appendix B**.



## SITE #26

### Kaiser

**Location:** Southeast of Laurel Creek Way

**General Plan Designation:** Mixed Use

**Site Zoning Accommodating High Density Residential Units:** PUD-MU (High Density Residential 30+ du/ac—6.1 ac max.)

**Estimated Potential Number of Housing Units per General Plan Designation and Zoning:** 183+

**Acres for High-Density Residential Development:** 6.1 acres

**Background Description:**

#### Background Description:

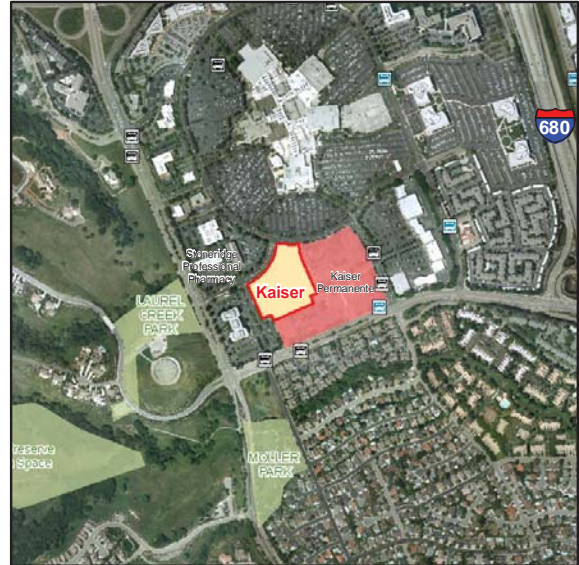
- Vacant site adjacent to an existing medical office complex.
- Within ½ mile of freeway on ramps and BART station.
- Tall, large buildings in area.
- Site is more than 5 acres in size allowing for design flexibility.

#### Key Considerations for Site Development:

- None

#### Feasibility for Site Development:

The 6.1 acre Kaiser site is currently vacant and available for development.



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development. This concept acknowledges that development will occur both under and over the mid-point, while in general averaging towards the mid-point at build-out.

The Medium Density and Low Density Residential General Plan designations are discrete density ranges, and the mid-point, in addition to being used for holding capacity, indicates a density above which project amenities are provided to compensate for the added density of housing built. However, in the High Density Residential designation (8 or more units per acre), there is no upper density limit and there is no amenity requirement. Thus, the mid-point of the High Density Residential density range does not limit project density, nor does it constrain higher density, affordable-housing development.

## Growth Management

The City adopted its first growth management ordinance in 1978, designed to regulate the location and rate of new residential growth in a period of sewage treatment constraints and air quality concerns. The following categories of residential units are exempt from the Growth Management ordinance:

- Second units approved in accordance with Ceity zoning regulations.
- Mobilehomes and/or living quarters located on school sites, public and institutional properties, and commercial/industrial properties used for security purposes or other purposes ancillary to the primary use, the use of which has been approved in accordance with Ceity zoning regulations, when such residential units do not exceed one dwelling per site.
- A condominium conversion or replacement unit of an existing unit demolished and/or destroyed. (Ord. 2054 § 2, 2012)

In 2010, the City amended its Growth Management ordinance to ensure that it did not prevent the City from approving residential development assigned to the City through the RHNA process. The City completed further revisions to the Growth Management Program in 2012 and 2013 to streamline the growth management process and ensure the RHNA goals are met. These revisions included the elimination of suballocation categories and the addition of a requirement that the City Manager provide a report to the City Council detailing annual unit allocations for each RHNA planning period within 90 days of the RHNA's adoption by ABAG. Based on this report, the City Council would adopt a new unit allocation for that planning period. A Growth Management Report was presented to the City Council on October 15, 2013, determining that the annual unit allocation commencing July 1, 2014, through June 30, 2022 would be 235 units, consistent with RHNA allocation requirements.

To streamline the process, allocations are granted on a "first come" basis, with provisions that the City Council can "borrow" from future years to accommodate all levels of the RHNA. The program includes provisions for carrying over growth management allocations to subsequent years, borrowing allocations from succeeding years, and for use of unused allocations in each year. The City Council has the discretion to borrow growth allocations from future years– as part of a development agreement, growth management agreement, or other legislative act. This discretionary process would ensure that applications to build affordable housing units would not be rejected simply because the growth management allocations for a particular year have been exhausted. In recent years, the Growth Management Ordinance has had minimal impact on housing production or cost, as the number of issued residential building permits has been, on a yearly basis, lower than the annual Growth Management ordinance unit allocation. The City Council also considered refining the allocation process in the event that growth management applications exceed the number of annual growth management unit allocations available. At that time City Council decided to defer refining the allocation process until the Housing Element update process is complete in order to ensure the allocation process reflects the City's final, adopted strategy for the provision of housing. Program 30.2 would require the City to review and amend, if necessary, the Growth Management Program to reflect current housing and infrastructure conditions and current housing needs, and to ensure that the Growth Management Ordinance does not include

# BACKGROUND

constraints that would prevent the City from meeting its share of the regional housing need. Potential revisions include establishing a regional housing need allocation exemption for all lower income housing, incorporating all lower income regional housing need allocation requirements into the growth management allocation, and mandating the ability to “borrow” allocation units for lower income housing from future years to accommodate all levels of regional housing need allocation through the developer’s development agreement, growth management agreement or other legislative act. The time frame for completing this review is January 2016.

The impact of growth management on the cost of housing in Pleasanton over the life of the program is not clear. It is acknowledged that growth management may add a layer of processing to development review if the number of development applications requires decisions related to borrowing, reallocation and other growth management approval options. The added time to process a development adds cost to a project. However, the cost to complete a project is not likely to affect the price of homes, as the price of housing is based on what the market is willing to bear, and the added costs are more likely to reduce the profit for the land owner rather than increase the price of a housing unit on the market.

As shown in the graph below, the annual difference in the cost of housing in Pleasanton compared to the cost of housing in Alameda County has varied over the period of time the Growth Management Ordinance has been in effect. The difference in the cost of housing in Pleasanton and the County was greater in 2011 than when growth management was implemented in 1996. The gap widened notably during the boom years around 2005 and again around 2009 when values in Pleasanton did not drop as dramatically as the remainder of the County. It is not possible to say whether growth management was the cause of this difference in housing costs. Scarcity of developable land in the City, high scoring schools, abundant services and recreational opportunities, attractive appearance, easy accessibility to major employment centers, and desirable location have likely been the primary factors driving housing prices in Pleasanton. Ultimately, the cost of housing depends on what people are willing to pay for those attributes relative to the cost in other communities.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500  
Sacramento, CA 95833  
(916) 263-2911 / FAX (916) 263-7453  
www.hcd.ca.gov



November 20, 2014

Mr. Adam Weinstein, Planning Manager  
Community Development Department  
City of Pleasanton  
P.O. Box 520  
Pleasanton, CA 94566

Dear Mr. Weinstein:

**RE: City of Pleasanton's 5<sup>th</sup> Cycle (2015-2023) Draft Housing Element**

Thank you for submitting the City of Pleasanton's draft housing element update which was received for review on September 23, 2014, along with additional revisions received on October 31, November 13, 14, 15, 17, and 19, 2014. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by communications with you, Mr. Brian Dolan, Director, Ms. Jennifer Wallis, Associate Planner, and the consultants, Ms. Jennifer Gastelum and Ms. Courtney Wood, both with PMC. In addition, the Department considered comments from Citizens for a Caring Community and Ms. Christine T. Steiner pursuant to GC Section 65585(c).

The Department conducted a streamlined review of the draft housing element based on the City meeting all eligibility criteria detailed in the Department's Housing Element date Guidance. The City also utilized ABAG's pre-approved housing element data.

The draft housing element with revisions meets the statutory requirements of State housing element law. The draft housing element with revisions will comply with State housing element law (GC, Article 10.6) when they are adopted and submitted to the Department, in accordance with GC, Section 65585(g).

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the City must adopt its housing element within 120 calendar days from the statutory due date of January 31, 2014 for ABAG localities. If adopted after this date, GC Section 65588(e)(4) requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit our Department's website at: [http://www.hcd.ca.gov/hpd/hrc/plan/he/he\\_review\\_adoptionsteps110812.pdf](http://www.hcd.ca.gov/hpd/hrc/plan/he/he_review_adoptionsteps110812.pdf).



Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

The Department appreciates your efforts and dedication, as well as those of Mr. Dolan and Ms. Wallis, in preparation of the housing element and looks forward to receiving Pleasanton's adopted housing element. If you have any questions or need additional technical assistance, please contact Jess Negrete, of our staff, at (916) 263-7437.

Sincerely,

A handwritten signature in blue ink, appearing to read "P. McDougall". The signature is stylized and somewhat cursive.

Paul McDougall  
Housing Policy Manager

**ORDINANCE NO. 2030**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLEASANTON APPROVING THE CITY-INITIATED REZONING OF THE CM CAPITAL PROPERTIES SITE (5758 AND 5850 WEST LAS POSITAS BOULEVARD), AS FILED UNDER CASE P11-0923**

**WHEREAS**, the City of Pleasanton has initiated the rezoning of the CM Capital Properties site (Site 13) located at 5758 and 5850 West Las Positas Boulevard (APN 941-2762-006-00 and APN 941-2762-011-01) from the Planned Unit Development – Industrial/Commercial-Office (PUD-I/C-O) District to the Planned Unit Development – Mixed Use (PUD-MU) District; and

**WHEREAS**, a Supplemental Environmental Impact Report was prepared for this project, and a resolution certifying the Environmental Impact Report as complete and adequate in compliance with the California Environmental Quality Act was adopted on January 4, 2012; and

**WHEREAS**, at its meeting of January 4, 2012, the City Council received the Planning Commission's positive recommendation for approval of the rezoning of the CM Capital Properties site; and

**WHEREAS**, a duly noticed public hearing was held on January 4, 2012; and

**WHEREAS**, after consideration of the staff report, review of the materials presented, and comment at the public hearing, the City Council determined that the proposed rezoning of the CM Capital Properties site is appropriate; and

**WHEREAS**, the rezoning of the CM Capital Properties site is consistent with the General Plan, adopted on July 21, 2009.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1.** The City Council finds that the rezoning of the CM Capital Properties site is consistent with the General Plan, adopted on July 21, 2009.

**Section 2.** Approves the rezoning of the CM Capital Properties site (Site 13) located at 5758 and 5850 West Las Positas Boulevard (APN 941-2762-006-00 and APN 941-2762-011-01) from the Planned Unit Development – Industrial/Commercial-Office (PUD-I/C-O) District to the Planned Unit Development – Mixed Use (PUD-MU) District.

**Section 3.** The uses allowed and development standards applicable to this site are those specified in the Hacienda PUD and Design Guidelines for Hacienda sites 18A and 19, and multifamily residential with a minimum density of 30 units per acre is authorized.

**Section 4.** Except as modified above, all present conditions of the approved Hacienda PUD development plans and design guidelines and City-approved major and minor modifications shall remain in full force and effect.

**Section 5.** The Zoning Map of the City of Pleasanton, dated April 18, 1960, on file with the City Clerk, designating and dividing the City into zoning districts, is hereby amended by Zoning Unit Map No. 487, attached hereto as Exhibit A, dated January 4, 2012, and incorporated herein by this reference.

**Section 6.** The full text of this ordinance shall be published once within fifteen (15) days after its adoption in "The Valley Times," a newspaper of general circulation within the City of Pleasanton.

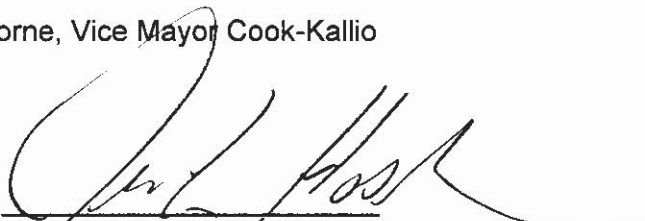
**Section 7.** This ordinance shall be effective thirty (30) days after its passage and adoption.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Pleasanton on January 4, 2012 by the following vote:

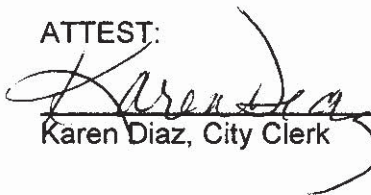
Ayes: Councilmembers Cook-Kallio, McGovern, Sullivan, Thorne, Mayor Hosterman  
Noes: None  
Absent: None  
Abstain: None

And adopted at a regular meeting of the City Council of the City of Pleasanton on January 10, 2012 by the following vote:

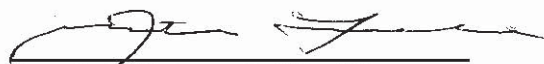
Ayes: Councilmembers McGovern, Sullivan, Thorne, Vice Mayor Cook-Kallio  
Noes: None  
Absent: Mayor Hosterman  
Abstain: None

  
Jennifer Hosterman, Mayor

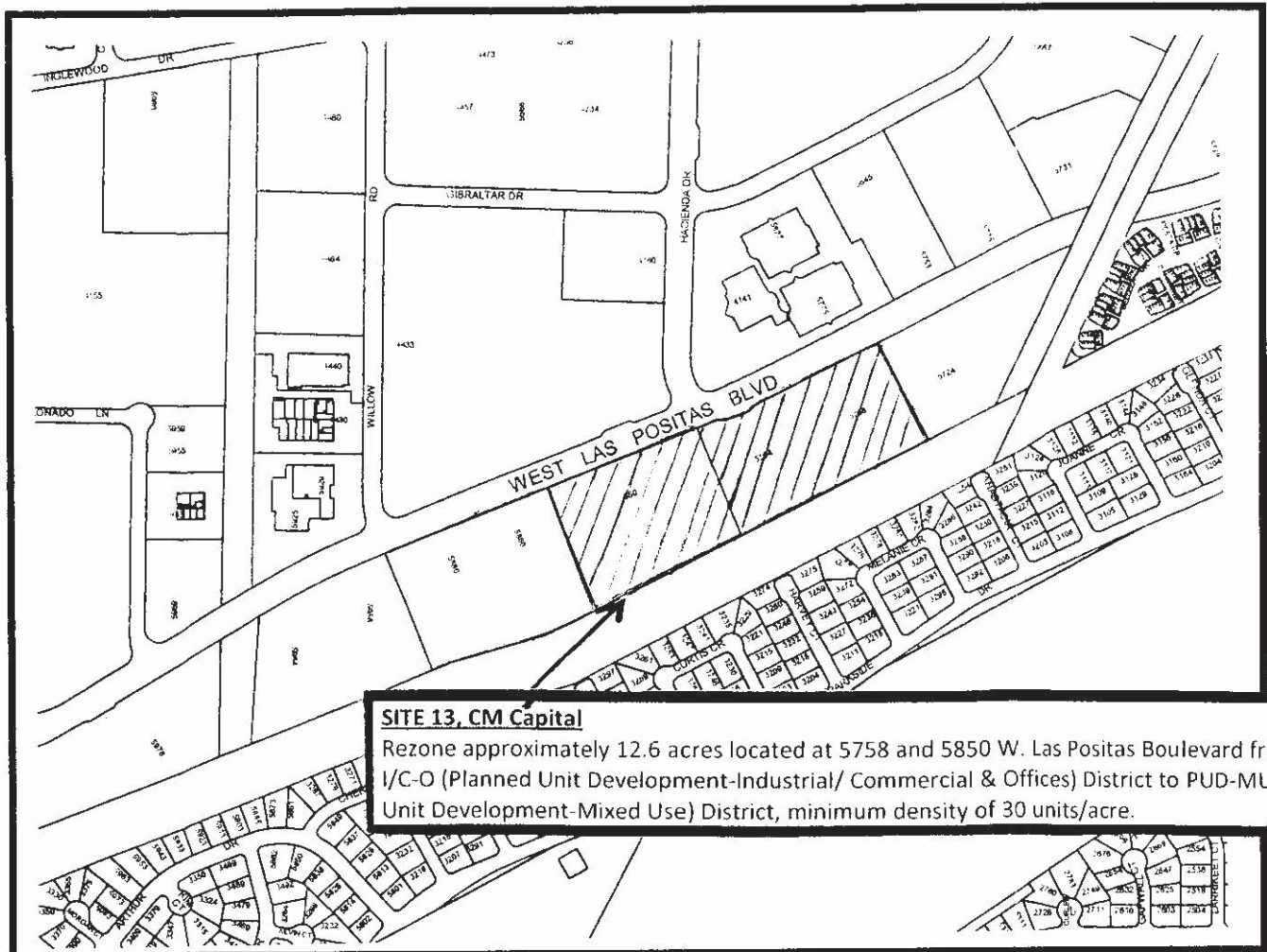
ATTEST:

  
Karen Diaz, City Clerk

APPROVED AS TO FORM:

  
Jonathan P. Lowell, City Attorney





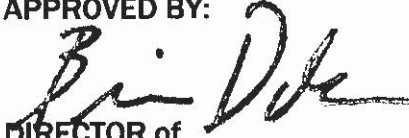
**SITE 13, CM Capital**  
 Rezone approximately 12.6 acres located at 5758 and 5850 W. Las Positas Boulevard from PUD-I/C-O (Planned Unit Development-Industrial/ Commercial & Offices) District to PUD-MU (Planned Unit Development-Mixed Use) District, minimum density of 30 units/acre.

**CITY OF PLEASANTON  
 PLANNING DIVISION**

**Ordinance No. 2030  
 Zoning Unit Map No. 487**

**DRAWN BY:**  
 T. Snyder

**SCALE:**  
 1" = 300'

**APPROVED BY:**  
  
 DIRECTOR of  
 COMMUNITY DEVELOPMENT

**DATE:**  
 January 4, 2012

**SEC. NO.:**  
 P11-0923 (Rezone)



**HOUSING ELEMENT  
EXHIBIT K**

CITY OF PLEASANTON  
2015-2023 HOUSING ELEMENT

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**Addendum to the City of Pleasanton  
Housing Element and Climate Action Plan General Plan Amendment and Rezoning  
Supplemental EIR  
SCH# 2011052002**

CITY OF PLEASANTON  
123 MAIN STREET  
PLEASANTON, CA 94566

**AUGUST 1, 2014**



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ADDENDUM TO THE EIR  
FOR THE  
CITY OF PLEASANTON  
Housing Element and Climate Action Plan General Plan Amendment and Rezonings  
Supplemental EIR  
2015–2023 HOUSING ELEMENT  
SCH# 2011052002

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*Prepared for:*

CITY OF PLEASANTON  
123 MAIN STREET  
PLEASANTON, CA 94566

*Prepared by:*



**AUGUST 1, 2014**





**1.0 INTRODUCTION**

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**2.0 PROJECT DESCRIPTION**

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## 1.0 INTRODUCTION

### 1.1 Introduction

This Addendum was prepared in accordance with the California Environmental Quality Act (CEQA) and the CEQA Guidelines (Article 11, Sections 15162 and 15164). The City of Pleasanton certified the Housing Element and Climate Action Plan General Plan Amendment and Rezonings Supplemental EIR (SCH No. 2011052002) on January 4, 2012. This document is referred to as the General Plan Amendment and Rezonings Supplemental EIR, or the Supplemental EIR, in this Addendum.

The California Department of Housing and Community Development (HCD) allocates regional housing needs numbers to regional councils of governments throughout the State. For areas with no council of governments, HCD determines housing market areas and defines the regional housing need for cities and counties in these areas. HCD assigned the Bay Area a Regional Housing Needs Allocation (RHNA) of 1,857,990 for the 2014-2022 planning period. The Association of Bay Area Governments (ABAG) then further defined the RHNA to distribute the region's share of the Statewide need to the cities and counties in the Bay Area region. For the 2015–2023 Housing Element update, the City of Pleasanton is allocated an RHNA of 2,067 units, with allocations for specific income groups.

The City of Pleasanton 2015–2023 Housing Element is designed to address the projected housing needs of current and future city residents and to comply with State law requiring amendment of the Housing Element every five or eight years, depending on jurisdiction (California Government Code Sections 65580–65589.8). The proposed Housing Element is the City's policy document guiding the provision of housing to meet future needs for all economic segments of Pleasanton, including housing affordable to lower-income households.

The analysis provided in this Addendum (see Section 3.0 for the technical analysis) provides substantial evidence supporting the City's determination that the proposed Housing Element does not meet the criteria for preparing a subsequent or supplemental EIR under CEQA Guidelines Section 15162 and is consistent with the provisions of CEQA Guidelines Section 15164.

### 1.2 Organization and Scope

#### SECTION 1.0 – INTRODUCTION

Section 1.0 provides an introduction and overview describing the intended use of the EIR Addendum.

#### SECTION 2.0 – PROJECT DESCRIPTION

This section provides a detailed description of the proposed Housing Element.

#### SECTION 3.0 – ENVIRONMENTAL ANALYSIS

Section 3.0 provides substantial evidence to support that none of the circumstances set forth in CEQA Guidelines Section 15162 would result from adoption of the proposed Housing Element. CEQA Guidelines Section 15162 and the Addendum's consistency with these guidelines are addressed.

### 2.0 PROJECT DESCRIPTION

#### 2.1 Proposed Housing Element

The City of Pleasanton 2015–2023 Housing Element builds on the other elements in the Pleasanton General Plan and is consistent with the General Plan’s policies. Housing policy draws on the development capacity levels established in the Land Use Element to determine the appropriate locations for housing development. The 2015–2023 Housing Element includes programs that may result in changes to the City’s Zoning Ordinance; however, these changes do not involve the rezoning or upzoning of land to another zoning district that would result in the development of additional housing beyond that currently anticipated in the Zoning Ordinance. Therefore, the Housing Element is consistent with the land use assumptions of the General Plan Amendment and Rezoning Supplemental EIR.

The City of Pleasanton Housing Element is based on 20 goals:

Goal 1:	Attain a variety of housing sizes, types, densities, designs, and prices which meet the existing and projected needs of all economic segments of the community.
Goal 2:	Provide residential densities capable of accommodating housing affordable to extremely low-, low-, and very low-income households while taking into account the character and development pattern of the surrounding area.
Goal 3:	Endeavor to provide and retain a sufficient number of rental housing units to serve Pleasanton residents who choose to rent or who cannot afford ownership housing.
Goal 4:	Encourage the production of market-rate moderate-income ownership housing and assisted ownership housing affordable to low- and very low-income households.
Goal 5:	Produce and retain a sufficient number of housing units affordable to extremely low-, low-, and very low-income households to address the City’s responsibility for meeting the needs of Pleasanton’s workforce, families, and residents, including those with special needs.
Goal 6:	Promote the production of housing affordable to extremely low-, low-, and very low-income households by actively working with and creating incentives for nonprofit housing developers.
Goal 7:	Preserve and/or replace assisted rental apartment housing which is at risk of changing to market-rate housing.
Goal 8:	Assist occupants of at-risk units by either retaining those units as affordable for their income category or by finding new housing for them that is affordable to low- and very low-income households.
Goal 9:	Process housing proposals affordable to extremely low-, low-, and very low-income households and use available City programs and incentives so as to promote and facilitate housing affordability for low- and very low-income households.
Goal 10:	Remove unnecessary governmental constraints to the provision of housing affordable to extremely low-, low-, and very low-income households and associated public services and facilities.
Goal 11:	Manage residential growth in an orderly fashion while enabling Pleasanton to meet its housing needs.
Goal 12:	Retain flexibility in the growth management process in order to accommodate housing affordability.
Goal 13:	Encourage the preservation and rehabilitation of the existing housing stock.
Goal 14:	Provide adequate locations for housing of all types and in sufficient quantities to meet Pleasanton’s housing needs.
Goal 15:	Adopt land use changes from nonresidential to residential designations where appropriate.
Goal 16:	Continue City policies eliminating discrimination in housing opportunities in Pleasanton.
Goal 17:	Identify and make special provisions for the community’s special housing needs.
Goal 18:	Promote resource conservation and environmental protection for new and existing housing.
Goal 19:	Enhance existing non-discrimination housing policies.
Goal 20:	Satisfy the supportive housing, and transitional housing requirements of SB 2.



## 2.0 PROJECT DESCRIPTION

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The intent of the Pleasanton Housing Element is to address the housing needs of all income levels. In particular, the housing needs of extremely low-, very low-, and low-income households are explicitly mentioned because special emphasis on these income groups is needed. The proposed Housing Element addresses housing needs for all income groups by maintaining and preserving the existing affordable housing stock, assisting in the development of housing, removing constraints to housing development, and promoting equal housing opportunity.

While the Housing Element is subject to CEQA, no specific development projects are proposed as part of the Housing Element. The City currently has adequate housing sites to meet the RHNA, requiring no changes in the General Plan Land Use Map designations. The following two Housing Element programs require an amendment to the City's Zoning Ordinance:

Program 17.1: Review the City's Inclusionary Zoning Ordinance and amend:

- for consistency with the Housing Element and other City affordable housing programs;
- to identify incentives for nonprofit housing developers and other housing developers to construct projects including three-bedroom units for large households;
- to determine if it is appropriate to increase the percentage of affordability to support housing affordable to low- and very low-income households;
- to be consistent with recent court decisions regarding rental housing and State law.

Program 47.1: Revise the Zoning Ordinance to permit transitional and supportive housing in all zones allowing residential uses and define transitional and supportive housing as residential uses allowed in the same way and subject to the same development regulations that apply to other dwellings of the same type in the same zone.

Although the 2015–2023 Housing Element includes many policies and programs, the majority of these are a continuation of an existing policy or program. No Housing Element policies or programs result in policy changes to other elements of the General Plan. No policies or programs, except for those listed above, would result in changes to the Zoning Ordinance. As such, the 2015–2023 Housing Element is considered to be internally consistent with the currently adopted City of Pleasanton General Plan.



### 3.0 ENVIRONMENTAL ANALYSIS

#### 3.1 Basis for Decision to Prepare Addendum

When an environmental impact report (EIR) has been certified for a project, Public Resources Code Section 21166 and CEQA Guidelines Sections 15162 through 15164 set forth the criteria for determining whether a subsequent EIR, subsequent negative declaration, addendum, or no further documentation should be prepared in support of further agency action on the project. In determining whether an addendum is the appropriate document to analyze the modifications to the project and its approval, CEQA Guidelines Section 15164 (Addendum to an EIR or Negative Declaration) states, "The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." Under the CEQA Guidelines, a subsequent EIR or negative declaration shall be prepared if any of the following criteria are met. Text in italics is from the CEQA Guidelines, while underlined text provides the substantial evidence supporting the City's decision to prepare an addendum.

*(a) When an EIR has been certified or negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:*

*(1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;*

The Housing Element does not propose any changes to existing land use designations in the General Plan, nor does the Housing Element propose any changes to existing General Plan policies. The programs of the Housing Element resulting in revisions to the Zoning Ordinance bring the ordinance into compliance with State law. Programs 17.1 and 47.1 are required by the State of California in order to provide adequate housing and remove any constraints to adequate housing for all persons in the State. None of the changes result in physical changes to the environment and therefore do not affect the impact analysis contained in the General Plan Amendment and Rezoning Supplemental EIR.

*(2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or*

The General Plan was adopted on July 21, 2009. Since that time, a number of land use changes were implemented which were analyzed in the General Plan Amendment and Rezoning Supplemental EIR. The City has not changed the city boundaries since the adoption of the General Plan or the certification of the Supplemental EIR. The 2015–2023 Housing Element does not propose any annexation of land, nor does it increase the intensity of development beyond that identified in the General Plan. Therefore, the Housing Element is consistent with the land use assumptions of the General Plan Amendment and Rezoning Supplemental EIR. No substantial changes in circumstances have occurred.

### 3.0 ENVIRONMENTAL ANALYSIS

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(3) *New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:*

(A) *The project will have one or more significant effects not discussed in the previous EIR or negative declaration;*

As discussed in this Addendum, the proposed Housing Element does not increase the level of any environmental impact identified in the General Plan Amendment and Rezonings Supplemental EIR. The proposed changes align definitions with State law. The changes in definitions affect the existing built environment or would be part of future project(s) and subject to additional project-level environmental analysis.

(B) *Significant effects previously examined will be substantially more severe than shown in the previous EIR;*

The proposed Housing Element does not increase the severity of any of the environmental impacts identified in the General Plan Amendment and Rezonings Supplemental EIR, as the proposal does not make changes to the land use designations or patterns nor propose any development that would not be consistent with the land use assumptions in the Supplemental EIR.

(C) *Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or*

No new mitigation measures are proposed as a result of the new Housing Element. The changes in housing policy are procedural in nature and affect the processing and review of future housing projects.

(D) *Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.*

The proposed Housing Element does not make any changes to the land use designations or map, and there is no need to modify the mitigation measures contained in the General Plan Amendment and Rezonings Supplemental EIR that address projects developed pursuant to the General Plan.

(b) *If changes to a project or its circumstances occur or new information becomes available after adoption of a negative declaration, the lead agency shall prepare a subsequent EIR if required under subdivision (a). Otherwise, the lead agency shall determine whether to prepare a subsequent negative declaration, and addendum, or no further documentation.*

As summarized above and further discussed in this Addendum, the proposed Housing Element does not make changes to the goals, policies, or programs or to the land use designations of the General Plan that would require substantial revisions to the General Plan Amendment and



Rezoning Supplemental EIR. Circumstances have not changed significantly since certification of the General Plan Amendment and Rezoning Supplemental EIR in January 2012 that would require revision of the Supplemental EIR.

### 3.2 DISCUSSION OF FINDINGS

As demonstrated in this Addendum, adoption of the new Housing Element does not meet the criteria for preparing a supplemental or subsequent EIR. First, the Housing Element does not propose substantial changes to existing General Plan policies. Programs 17.1 and 47.1 are required by the State of California in order to provide adequate housing and remove any constraints to adequate housing for all persons in the State. None of the changes result in physical changes to the environment and therefore do not affect the impact analysis contained in the General Plan Amendment and Rezoning Supplemental EIR. Adoption of a new Housing Element with these changes to policy and procedure is not anticipated to result in an increase in severity of any previously identified significant impact beyond that identified in the General Plan Amendment and Rezoning Supplemental EIR (CEQA Guidelines Section 15162[a][1]) that would require major revisions to the Supplemental EIR.

The Housing Element is a policy-level document, meaning that while the Housing Element encourages the provision of a range of housing types and affordability levels, it does not include any specific development designs or proposals, nor does it grant any entitlements for development that would adversely affect the environment. Environmental impacts of subsequent development projects would also be considered pursuant to CEQA on a case-by-case basis following submittal of a specific development proposal.

In addition to the General Plan policies, all land development in the City is governed by engineering standards, the California Building Code, and State and federal permitting associated with wetlands, cultural resources, water, and other environmental resources. These requirements apply to both nondiscretionary (by right) and discretionary development permits. Discretionary permits have the added protection of both conditions of approval and additional CEQA analysis. The General Plan Amendment and Rezoning Supplemental EIR evaluated urban development in Pleasanton and recognized the existing permitting and approval process described above.

Second, the 2015–2023 Housing Element’s proposed modifications to the Zoning Ordinance are programmatic in nature. The Housing Element includes a set of goals, policies, and programs intended to guide the City’s decision-making process as private development projects are considered. While the Housing Element establishes housing targets for income levels as required in the RHNA, the City can only encourage the development of housing units. As a policy document, the Housing Element does not propose changes in physical circumstances that would cause a new significant impact or substantially increase the severity of a previously identified significant impact, and there have been no other changes in circumstances that meet this criterion (CEQA Guidelines Section 15162[a][2]). Therefore, there have been no changes in the environmental conditions in the City not contemplated and analyzed in the General Plan Amendment and Rezoning Supplemental EIR that would result in new or substantially more severe environmental impacts.

Third, as documented in this Addendum, there is no new information of substantial importance (which was not known or could not have been known at the time of General Plan adoption by Pleasanton in 2012) that identifies a new significant impact (condition “A” in CEQA Guidelines Section 15162[a][3]); there would not be a substantial increase in the severity of a previously identified significant impact (condition “B” in CEQA Guidelines Section 15162[a][3]); and there

### **3.0 ENVIRONMENTAL ANALYSIS**

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are no mitigation measures or alternatives previously found infeasible that would now be feasible and would substantially reduce one or more significant effects of the General Plan, or mitigation measures or alternatives that are considerably different from those analyzed in the General Plan Amendment and Rezonings Supplemental EIR which would substantially reduce one or more significant effects on the environment (conditions "C" and "D" in CEQA Guidelines Section 15162[a][3]). The Housing Element only encourages the provision of a range of housing types and affordability levels. The Housing Element does not include any specific development designs or proposals, nor does it grant any entitlements for development that would adversely affect the environment. None of the "new information" conditions listed in CEQA Guidelines Section 15162[a][3] are present here to trigger the need for a subsequent or supplemental EIR.

### 3.0 ENVIRONMENTAL ANALYSIS

**TABLE 3.0-1 GENERAL PLAN AMENDMENT AND REZONINGS IMPACTS/HOUSING ELEMENT IMPACT DETERMINATION**

General Plan Amendment and Rezonings Impact		General Plan Amendment and Rezonings Supplemental EIR Determination	Housing Element Impact Determination
<b>Aesthetics</b>			
Impact 4.A-1	Potentially adverse effect on a scenic vista	Less than significant with mitigation	Does not change the impact
Impact 4.A-2	Potentially damage scenic resources, including, but not limited to, trees, rocks, outcroppings, and historic buildings within a state scenic highway	Less than significant	Does not change the impact
Impact 4.A-3	Potentially degrade the existing visual character or quality of Planning Area	Less than significant	Does not change the impact
Impact 4.A-4	Potentially create a new source of substantial light or glare	Less than significant	Does not change the impact
<b>Air Quality</b>			
Impact 4.B-1	Result in increased long-term emissions of criteria pollutants associated with construction activities that could contribute substantially to an air quality violation	Less than significant with mitigation	Does not change the impact
Impact 4.B-2	Conflict with the Bay Area 2010 Clean Air Plan	Less than significant	Does not change the impact
Impact 4.B-3	Conflict with the Clean Air Plan	Less than significant	Does not change the impact
Impact 4.B-4	Expose sensitive receptors to substantial health risk from diesel particulate matter (DPM) and other TACs from mobile and stationary sources	Less than significant with mitigation	Does not change the impact
Impact 4.B-5	Potentially include residential developments that expose occupants to sources of substantial odors affecting a substantial number of people	Less than significant with mitigation	Does not change the impact
Impact 4.B.6	Potentially be inconsistent with the growth assumptions of the <i>Bay Area 2010 Clean Air Plan</i> resulting in a cumulative air quality impact	Less than significant	Does not change the impact
<b>Biological Resources</b>			
Impact 4.C-1	Substantial adverse effect, either directly or through habitat modifications, on species identified as a candidate,	Less than significant with mitigation	Does not change the impact

### 3.0 ENVIRONMENTAL ANALYSIS

**TABLE 3.0-1 GENERAL PLAN AMENDMENT AND REZONINGS IMPACTS/HOUSING ELEMENT IMPACT DETERMINATION**

General Plan Amendment and Rezonings Impact		General Plan Amendment and Rezonings Supplemental EIR Determination	Housing Element Impact Determination
	sensitive, or special-status species		
Impact 4.C-2	Potentially adversely affect wetlands, streams, or riparian habitat	Less than significant with mitigation	Does not change the impact
Impact 4.C-3	Potentially interfere with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites	Less than significant with mitigation	Does not change the impact
Impact 4.C-4	Conflict with local policies or ordinances protecting biological resources	Less than significant	Does not change the impact
Impact 4.C-5	Conflict with the provisions of an adopted habitat conservation plan	Less than significant	Does not change the impact
Impact 4.C-6	Potentially have a cumulatively considerable impact on biological resources	Less than significant	Does not change the impact
<b>Cultural Resources</b>			
Impact 4.D-1	Potential to adversely change the significance of historical resources	Significant and unavoidable	Does not change the impact
Impact 4.D-2	Potential to adversely affect archaeological resources	Less than significant with mitigation	Does not change the impact
Impact 4.D-3	Destroy a unique paleontological resource or site or unique geologic feature	Less than significant with mitigation	Does not change the impact
Impact 4.D-4	Potential to disturb human remains, including those interred outside of formal cemeteries	Less than significant with mitigation	Does not change the impact
Impact 4.D-5	Cumulative impact to historical resources	Less than significant with mitigation	Does not change the impact
<b>Greenhouse Gas Emissions</b>			
Impact 4.E-1	Potentially produce greenhouse gas emissions that could exceed applicable quantitative thresholds	Less than significant	Does not change the impact
Impact 4.E-2	Potentially conflict with an applicable plan, policy or	Less than significant	Does not change the impact



### 3.0 ENVIRONMENTAL ANALYSIS

**TABLE 3.0-1 GENERAL PLAN AMENDMENT AND REZONINGS IMPACTS/HOUSING ELEMENT IMPACT DETERMINATION**

General Plan Amendment and Rezonings Impact		General Plan Amendment and Rezonings Supplemental EIR Determination	Housing Element Impact Determination
regulation of an appropriate regulatory agency adopted for the purpose of reducing greenhouse gas emissions			
<b>Geology</b>			
Impact 4.F-1	Expose people or structures to rupture of a known earthquake fault	Less than significant	Does not change the impact
Impact 4.F-2	Potentially expose people or structures to adverse effects of strong seismic ground shaking or seismic-related ground failure	Less than significant	Does not change the impact
Impact 4.F-3	Potentially expose people or structures to landslides or mudflows	Less than significant	Does not change the impact
Impact 4.F-4	Potentially be subject to risk from settlement and/or subsidence of land, lateral spreading, or expansive soils	Less than significant	Does not change the impact
Impact 4.F-5	Potentially result in cumulative impacts to geologic and seismic hazards	Less than significant	Does not change the impact
<b>Hazards and Hazardous Materials</b>			
Impact 4.G-1	Potentially significant hazard to the public through routine transport, use, or disposal of hazardous materials	Less than significant	Does not change the impact
Impact 4.G-2	Accidentally release hazardous materials into the environment, creating a potentially significant hazard to the public or environment	Less than significant with mitigation	Does not change the impact
Impact 4.G-3	Potentially result in hazardous emissions or handling of hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school	Less than significant	Does not change the impact
Impact 4.G-4	Potentially be located on one or more sites that are included on a list of hazardous materials sites	Less than significant	Does not change the impact
Impact 4.G-5	Potentially affect the operations at the Livermore	Less than significant with mitigation	Does not change the impact

### 3.0 ENVIRONMENTAL ANALYSIS

**TABLE 3.0-1 GENERAL PLAN AMENDMENT AND REZONINGS IMPACTS/HOUSING ELEMENT IMPACT DETERMINATION**

General Plan Amendment and Rezonings Impact		General Plan Amendment and Rezonings Supplemental EIR Determination	Housing Element Impact Determination
	Municipal Airport or present a safety hazard to people residing or working in the vicinity		
Impact 4.G-6	Potentially result in a safety hazard for people residing or working in the vicinity of a private airstrip	Less than significant	Does not change the impact
Impact 4.G-7	Potentially impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan	Less than significant	Does not change the impact
Impact 4.G-8	Expose people or structures to a significant risk of loss, injury or death involving wildland fires	Less than significant	Does not change the impact
Impact 4.G-9	Cumulative hazards or hazardous materials impacts	Less than significant	Does not change the impact
<b>Hydrology and Water Quality</b>			
Impact 4.H-1	Potential impacts on water quality, flooding, and could create additional sources of polluted runoff	Less than significant	Does not change the impact
Impact 4.H-2	Potentially deplete groundwater supplies or interfere with groundwater recharge	Less than significant	Does not change the impact
Impact 4.H-3	Potentially alter runoff characteristics on sites proposed for residential development which could lead to on-site and off-site erosion or flooding	Less than significant	Does not change the impact
Impact 4.H-4	Potentially result in construction of residences within a FEMA 500-year flood hazard area	Less than significant	Does not change the impact
Impact 4.H-5	Potentially expose people and structures to flooding as a result of a levee or dam failure	Less than significant	Does not change the impact
Impact 4.H-6	Cumulative adverse impact with respect to hydrology and water quality	Less than significant	Does not change the impact
<b>Land Use</b>			
Impact 4.I-1	Potentially physically divide an established community	Less than significant	Does not change the impact
Impact 4.I-2	Potentially conflict with applicable land use plans and	Less than significant	Does not change the impact

### 3.0 ENVIRONMENTAL ANALYSIS

**TABLE 3.0-1 GENERAL PLAN AMENDMENT AND REZONINGS IMPACTS/HOUSING ELEMENT IMPACT DETERMINATION**

General Plan Amendment and Rezonings Impact		General Plan Amendment and Rezonings Supplemental EIR Determination	Housing Element Impact Determination
	policies		
Impact 4J-3	Potentially conflict with adopted habitat conservation plans	Less than significant	Does not change the impact
Impact 4J-4	Cumulative land use conflicts	Less than significant	Does not change the impact
<b>Noise</b>			
Impact 4J-1	Potentially increase construction noise levels at sensitive receptors located near construction sites	Less than significant with mitigation	Does not change the impact
Impact 4J-2	Potentially generate ground-borne vibration at neighboring sensitive uses	Less than significant with mitigation	Does not change the impact
Impact 4J-3	Future residents could potentially be exposed to excessive exterior and interior noise exposure from train noise events	Less than significant with mitigation	Does not change the impact
Impact 4J-4	Future residents would be exposed to substantial vibration from train pass-by events	Less than significant	Does not change the impact
Impact 4J-5	Potentially generate additional traffic on local area roadways and associated increases in traffic noise exposure relative to existing conditions	Less than significant with mitigation	Does not change the impact
Impact 4J-6	Potentially be affected by existing, stationary (non-transportation) noise sources	Less than significant with mitigation	Does not change the impact
Impact 4J-7	Potentially be exposed to aircraft noise	Less than significant with mitigation	Does not change the impact
Impact 4J-8	Cumulative noise effects at noise-sensitive uses	Less than significant	Does not change the impact
Impact 4J-9	Cumulative increase in traffic noise exposure under the project scenario	Less than significant with mitigation	Does not change the impact
Impact 4J-10	Exposing future residents to excessive exterior and interior traffic noise exposure	Less than significant with mitigation	Does not change the impact

### 3.0 ENVIRONMENTAL ANALYSIS

**TABLE 3.0-1 GENERAL PLAN AMENDMENT AND REZONINGS IMPACTS/HOUSING ELEMENT IMPACT DETERMINATION**

General Plan Amendment and Rezonings Impact		General Plan Amendment and Rezonings Supplemental EIR Determination	Housing Element Impact Determination
<b>Population and Housing</b>			
Impact 4.K-1	Induce substantial population growth in the city	Less than significant	Does not change the impact
Impact 4.K-2	Potentially displace substantial numbers of existing homes	Less than significant	Does not change the impact
Impact 4.K-3	Potentially displace substantial numbers of people	Less than significant	Does not change the impact
Impact 4.K-4	Potentially introduce additional population to the region, and would result in unanticipated population, housing, or employment growth, or the displacement of existing residents or housing units on a regional level.	Less than significant	Does not change the impact
<b>Public Services and Utilities</b>			
Impact 4.L-1	Potentially result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities	Less than significant	Does not change the impact
Impact 4.L-2	Potentially require new or expanded water supply resources or entitlements	Less than significant with mitigation	Does not change the impact
Impact 4.L-3	Potentially result in the need for construction of wastewater treatment facilities or exceed capacity available by the wastewater treatment provider	Less than significant	Does not change the impact
Impact 4.L-4	Potentially be served by a landfill with insufficient permitted capacity to accommodate the project's solid waste disposal needs	Less than significant	Does not change the impact
Impact 4.L-5	Potentially result in an increased demand for utilities services	Less than significant	Does not change the impact
<b>Recreation</b>			
Impact 4.M-1	Potentially increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facilities would	Less than significant	Does not change the impact



### 3.0 ENVIRONMENTAL ANALYSIS

**TABLE 3.0-1 GENERAL PLAN AMENDMENT AND REZONINGS IMPACTS/HOUSING ELEMENT IMPACT DETERMINATION**

General Plan Amendment and Rezonings Impact		General Plan Amendment and Rezonings Supplemental EIR Determination	Housing Element Impact Determination
	occur or be accelerated		
Impact 4.M-2	Potentially include recreational facilities or require the construction or expansion of recreational facilities that might have an adverse physical effect on the environment	Less than significant	Does not change the impact
Impact 4.M-3	Potentially result in an increased demand for recreational facilities	Less than significant	Does not change the impact
<b>Transportation and Traffic</b>			
Impact 4.N-1	Potentially affect levels of service at the local study intersections	Less than significant	Does not change the impact
Impact 4.N-2	Potentially increase traffic safety hazards for vehicles, bicyclists, and pedestrians	Less than significant	Does not change the impact
Impact 4.N-3	Potentially generate services calls from emergency vehicles	Less than significant	Does not change the impact
Impact 4.N-4	Potentially be inconsistent with adopted policies, plans, and programs supporting alternative transportation.	Less than significant	Does not change the impact
Impact 4.N-5	Potentially generate temporary increases in traffic volume and temporary effects on transportation conditions	Less than significant	Does not change the impact
Impact 4.N-6	Potentially affect levels of service at the local study intersections under Cumulative plus Project conditions	Less than significant	Does not change the impact
Impact 4.N-7	Potentially add traffic to the regional roadway network to the point at which they would operate unacceptably under Cumulative plus Project conditions	Significant and unavoidable	Does not change the impact

## **3.0 ENVIRONMENTAL ANALYSIS**

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### **3.3 PROPOSED HOUSING ELEMENT IMPACTS**

The Housing Element is consistent with the land uses envisioned in the General Plan and would not remove or modify any policies that currently protect environmental resources. Additionally, the Housing Element does not propose any policies or programs that would be inconsistent with General Plan policies designed to protect environmental resources.

The proposed Housing Element is a policy-level document. While the Housing Element encourages the provision of a range of housing types and affordability levels, it does not include any specific designs or proposals, nor does it grant any entitlements for development that would degrade the existing visual character of the city. The Housing Element anticipates land uses that are consistent with the land use designations established by the General Plan Land Use Element. No policies or programs are included in the 2015–2023 Housing Element that would result in a change to the existing General Plan land use designations or upzoning to a greater density or result in growth greater than what was analyzed in the General Plan Amendment and Rezonings Supplemental EIR. The City would require that all future residential development projects be compliant with General Plan policies.

#### **SUMMARY**

The proposed Housing Element would result in land uses and development consistent with that assumed and analyzed in the original General Plan Amendment and Rezonings Supplemental EIR. The *General Plan Amendment and Rezonings Supplemental EIR* determined that implementation of the General Plan amendments and rezones would result in significant and unavoidable impacts to cultural resources (potential to adversely change the significance of historical resources) and transportation and traffic (potentially add traffic to the regional roadway network to the point at which it would operate unacceptably under Cumulative plus Project conditions). Since the policies in the Housing Element are consistent with the existing General Plan policies, no new areas are proposed for urban development, and no changes are proposed to the existing permitting and approval process, adoption of the 2015–2023 Housing Element would not result in greater impacts in either of these impact areas or in any other impact area analyzed in the Supplemental EIR.

#### REFERENCES

City of Pleasanton. 2009. *Pleasanton General Plan 2005–2025*. Adopted July 21, 2009. Accessed July 31, 2014. <http://www.cityofpleasantonca.gov/business/planning/genplan-090721-final.html>.

City of Pleasanton. 2011. *Housing Element and Climate Action Plan General Plan Amendment and Rezonings – Draft Supplemental Environmental Impact Report* (SCH# 2011052002). <http://www.cityofpleasantonca.gov/business/planning/HousingElement/he-cap-dseir.html>.

City of Pleasanton. 2012. *Housing Element and Climate Action Plan General Plan Amendment and Rezonings – Final Supplemental Environmental Impact Report* (SCH# 2011052002). <http://www.cityofpleasantonca.gov/business/planning/HousingElement/he-cap-dseir.html>.

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE APPROVING THE CITY-INITIATED REZONING OF THE CM CAPITAL 2 SITE (5758 AND 5794 WEST LAS POSITAS BOULEVARD), AS FILED UNDER CASE P14-1309**

**WHEREAS**, the City of Pleasanton has initiated the rezoning of the CM Capital 2 site located at 5758 and 5794 West Las Positas Boulevard (and APN 941-2762-011-01) from the Planned Unit Development – Mixed Use (PUD-MU) District (minimum density of 30 units per acre) to the Planned Unit Development – Mixed Use (PUD-MU) District (maximum density of 12.5 units per acre); and

**WHEREAS**, a Supplemental Environmental Impact Report was prepared for this project, and a resolution certifying the Environmental Impact Report as complete and adequate in compliance with the California Environmental Quality Act was adopted on January 4, 2012; and

**WHEREAS**, at its meeting of January \_\_, 2015, the City Council received the Planning Commission’s positive recommendation for approval of the rezoning of the CM Capital Properties site; and

**WHEREAS**, a duly noticed public hearing was held on January \_\_, 2015; and

**WHEREAS**, after consideration of the staff report, review of the materials presented, and comment at the public hearing, the City Council determined that the proposed rezoning of the CM Capital 2 site is appropriate; and

**WHEREAS**, the rezoning of the CM Capital 2 site is consistent with the General Plan, adopted on July 21, 2009.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES HEREBY ORDAIN AS FOLLOWS:**

**Section 1.** The City Council finds that the rezoning of the CM Capital Properties site is consistent with the General Plan, adopted on July 21, 2009.

**Section 2.** Approves the rezoning of the CM Capital 2 site located at 5758 and 5794 West Las Positas Boulevard (APN 941-2762-011-01) from the Planned Unit Development – Mixed Use (PUD-MU) District (minimum density of 30 units per acre) to the Planned Unit Development – Mixed Use (PUD-MU) District (maximum density of 12.5 units per acre).

**Section 3.** The building height is limited to 40 feet for the site and the uses allowed and development standards applicable to this site are those specified in the Hacienda PUD and Design Guidelines for Hacienda sites 18A, and residential with a maximum density of 12.5 units per acre is authorized.



**Section 4.** Except as modified above, all present conditions of the approved Hacienda PUD development plans and design guidelines and City-approved major and minor modifications shall remain in full force and effect.

**Section 5.** The Zoning Map of the City of Pleasanton, dated April 18, 1960, on file with the City Clerk, designating and dividing the City into zoning districts, is hereby amended by Zoning Unit Map No. \_\_\_\_, attached hereto as Exhibit A, dated January \_\_, 2015, and incorporated herein by this reference.

**Section 6.** A summary of this ordinance shall be published once within fifteen (15) days after its adoption in "The Valley Times," a newspaper of general circulation published in the City of Pleasanton, and the complete ordinance shall be posted for fifteen (15) days in the City Clerk's office within fifteen (15) days after its adoption.

**Section 7.** This ordinance shall be effective thirty (30) days after its passage and adoption.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Pleasanton on January \_\_, 2015 by the following vote:

Ayes:  
Noes:  
Absent:  
Abstain:

And adopted at a regular meeting of the City Council of the City of Pleasanton on January \_\_, 2015 by the following vote:

Ayes:  
Noes:  
Absent:  
Abstain:

\_\_\_\_\_  
Jerry Thorne, Mayor

ATTEST:

\_\_\_\_\_  
Karen Diaz, City Clerk

APPROVED AS TO FORM:

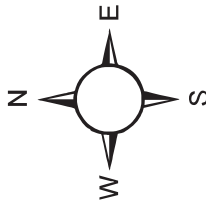
\_\_\_\_\_  
Jonathan P. Lowell, City Attorney

**Notification Plot**

**City of Pleasanton**

**GIS**

**Department**



**HOUSING ELEMENT  
EXHIBIT M**



Printed 12/4/2014

