

Planning Commission Staff Report

June 25, 2014
Item 6.a.

- SUBJECT:** P14-0440
- APPLICANT:** City of Pleasanton
- PURPOSE:** Review Housing Element Update Preliminary Draft
- EXHIBITS:**
- A. [Draft Housing Element - Goals, Policies and Programs*](#)
 - B. [Draft Housing Element - Background Report*](#)
 - C. [Draft Appendix A \(Review and Assessment of 2007 Housing Element\)*](#)
 - D. [Draft Appendix B \(Housing Sites Inventory\)*](#)
 - E. [Table 1, 2007-2014 Housing Element Potential Housing Sites, Acreages, and Densities Originally Considered for Rezoning](#)
 - F. [Letter from Citizens for a Caring Community](#)

* Exhibits A through D are also available on the City's Housing Element Update website at: <http://www.cityofpleasantonca.gov/business/planning/HousingElement/housingelementupdate.html>

BACKGROUND

The Housing Element is part of the City's General Plan and 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 the Housing Element are an expression of the statewide housing goal of "attaining decent housing and a suitable living environment for every California family," as well as a reflection of the unique concerns of the community.

The current Housing Element adopted in 2012 covers the period of 2007 to 2014. The City has retained Jennifer Gastelum from PMC to assist in preparing a revised Housing Element for the period of January 31, 2015 to January 31, 2023, which is required to be submitted to the state by January 31, 2015. Periodic updates of the Housing Element, including State certification, are required to ensure that City policies continue to reflect the changing community needs, challenges, and opportunities in compliance with State law. Lack of a State-certified Housing Element could also subject the City to penalties as a result of legal challenge. If a court finds that the Housing Element does not comply with State law, the court may suspend City authority to issue building permits or grant zone changes.

As part of the required update, HCD requires each City to demonstrate capacity to meet their assigned affordable housing obligation, known as the “Regional Housing Needs Allocation” (RHNA). Based on State law, our Housing Element update is required to designate specific locations to accommodate our assigned affordable housing obligation for the review period. In order to address this requirement, the updated Housing Element includes a site inventory of parcels within the City that demonstrates the City’s capacity to accommodate sufficient housing to meet our assigned RHNA goals.

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 study sessions in April to help guide the process.

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 encourage a Master Plan for East Pleasanton.

In addition to reviewing the current Housing Element and housing programs, the Planning Commission also reviewed requests by several property owners to review the potential of rezoning multiple properties to allow for residential development (Irby-Kaplan-Zia, Pleasant View Church of Christ, Lester, Shriners, Merritt and CenterPoint Church sites). Residential neighbors of the CM Capital Properties site on West Las Positas also requested the City consider the rezoning of the property, currently zoned for Mixed-Use, to convert it to

commercial use only (CM Property 1 site). The owner of the property requested that the option for residential be retained on the property.

At the conclusion of the Planning Commission hearing, the Commission recommended further consideration of rezoning only the Irby-Kaplan-Zia property since the property was reviewed and analyzed previously and no additional environmental work would have to be done. In response to the CM Capital request, the Commission had concerns regarding changing the zoning of a property without the property owners consent but indicated that further discussion of the rezoning is warranted and should continue to be discussed as part of the Housing Element update. The remaining property owners have been notified that although their requests would not be considered as part of the Housing Element update, that if they wish to pursue further development of their sites, they may apply and be considered through the usual development review process.

DISCUSSION

Following comments received from interested parties, community members, stakeholders and Commissioners a preliminary draft Housing Element update has been prepared for review. The draft Housing Element is comprised of four parts:

1. Draft Housing Element - Goals, Policies and Programs;
2. Draft Housing Element - Background Report;
3. Draft Appendix A (Review and Assessment of 2007 Housing Element); and
4. Draft Appendix B (Housing Sites Inventory).

Changes made to the Housing Element reflect changes that have occurred within the City and through State Law since the adoption of the previous Housing Element in 2012. A summary of the four sections is as follows.

Draft Housing Element - Goals, Policies and Programs:

State law requires the Housing Element 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.

Staff is recommending that most of the programs included in the 2007-2014 Housing Element be carried forward with adjustments and refinements where necessary. A summary of the changes include the following:

- Modified "Time Period" objectives to meet requirements of Government Code 65583;
- Clarify programs to include assistance to those with disabilities (including developmental disabilities) to meet objectives of Senate Bill (SB) 812;

- Consolidate Condominium Conversion Programs to reevaluate the City Condominium Conversion Ordinance and regulations;
- Add incentives such as a density bonus to utilize rehabilitation funds in exchange for affordable housing;
- Delete all programs addressed within the previous planning period.

Staff is seeking the Planning Commission's input regarding other refinements or additions to the Housing Elements Goals, Policies and Programs.

Draft Housing Element – Background Report:

As required by State law, the Housing Element Background Report describes the current status of housing in the City and reviews progress in meeting housing objectives of the 2007-2014 Housing Element. The updated Background Report contains overview of the City housing market for the various economic segments of the community and household trends, assesses existing and future housing needs and identifies governmental and non-governmental constraints in meeting housing needs. The updated Background Report describes City goals, policies, and programs for the planning period of 2015-2023, emphasizing capacity for providing adequate housing for persons of all economic segments, as well as policies and programs to address housing needs of existing and future residents. The Background Report also provides analysis to demonstrate the City's capacity to meet their assigned affordable housing obligation.

Staff believes that the majority of the Background Report and comprehensive housing analysis continue to meet the objectives required for certification by HCD with only updates to the housing and population data needed. A summary of the changes include the following:

- Incorporation of amendments to zoning regulations that were approved since the adoption of the previous Housing Element 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.
- Updated housing and population data provided by the 2000 and 2010 U.S. Census and ABAG Data Profiles for Housing Elements, 2013. The majority of the tables and charts have been updated as part of the update.

The Housing Element Background Report is the main document within the Housing Element. Staff is seeking the Planning Commission's input regarding other refinements or clarification to the Housing Elements Background Report.

Draft Appendix A (Review and Assessment of 2007 Housing Element):

State law requires the Housing Element include a comprehensive Review and Assessment of the 2007-2014 Housing Element. Section 65400 of the California Government Code requires the City to file an annual report addressing the status of the General Plan Housing Element and progress made toward implementing its goals and policies. This comprehensive assessment is taken directly from the yearly reports that have been made since the Housing Element original adoption.

Staff is seeking the Planning Commission’s input regarding other refinements or clarification to the Review and Assessment of the 2007-2014 Housing Element.

Draft Appendix B (Housing Sites Inventory):

As part of the required update, HCD requires each City to demonstrate capacity to meet their assigned affordable housing obligation, known as the “Regional Housing Needs Allocation” (RHNA). Based on State law, our Housing Element update is required to designate specific locations to accommodate our assigned housing obligation for the review period. In order to address this requirement, the updated Housing Element includes an updated site inventory list of parcels within the City that demonstrates the City’s capacity to develop sufficient housing to meet our assigned RHNA goals for 2015 -2023.

The preparation of an inventory of land suitably zoned to meet the City’s housing need, and the rezoning that had to be undertaken by the City to meet our housing need was a large part of the effort for the last Housing Element update. All of these multifamily sites remain available and can be included in the City’s inventory as either Vacant/Underutilized Residential Sites or Housing Sites with Planning Approval. Due to the existing residential site inventory within these two categories, the City does not anticipate having to rezone any properties to meet the City’s housing needs during the current Housing Element Update.

Estimated Current Capacity Table

Income Levels	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
2014-2022 RHNA	716	391	407	553	2,067
Estimated Capacity	1,482		1,515	362	3,359
RHNA surplus/shortfall	+375		+1,108	-191	+1,292

Although the City does not anticipate being required to rezone any properties to meet RHNA requirements, the Planning Commission has acknowledged that further consideration of: 1) rezoning the Irby-Kaplan-Zia property to residential; and 2) rezoning the CM Capital property to convert it to commercial use only may be appropriate.

Prior to the adoption of the 2007-2014 Housing Element Update, the City of Pleasanton considered rezoning 20 different sites and through review and analysis narrowed the properties down to 9 sites it had identified to accommodate the development of housing consistent with City's "fair share" regional need numbers. The review process for these sites included several factors. 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.).

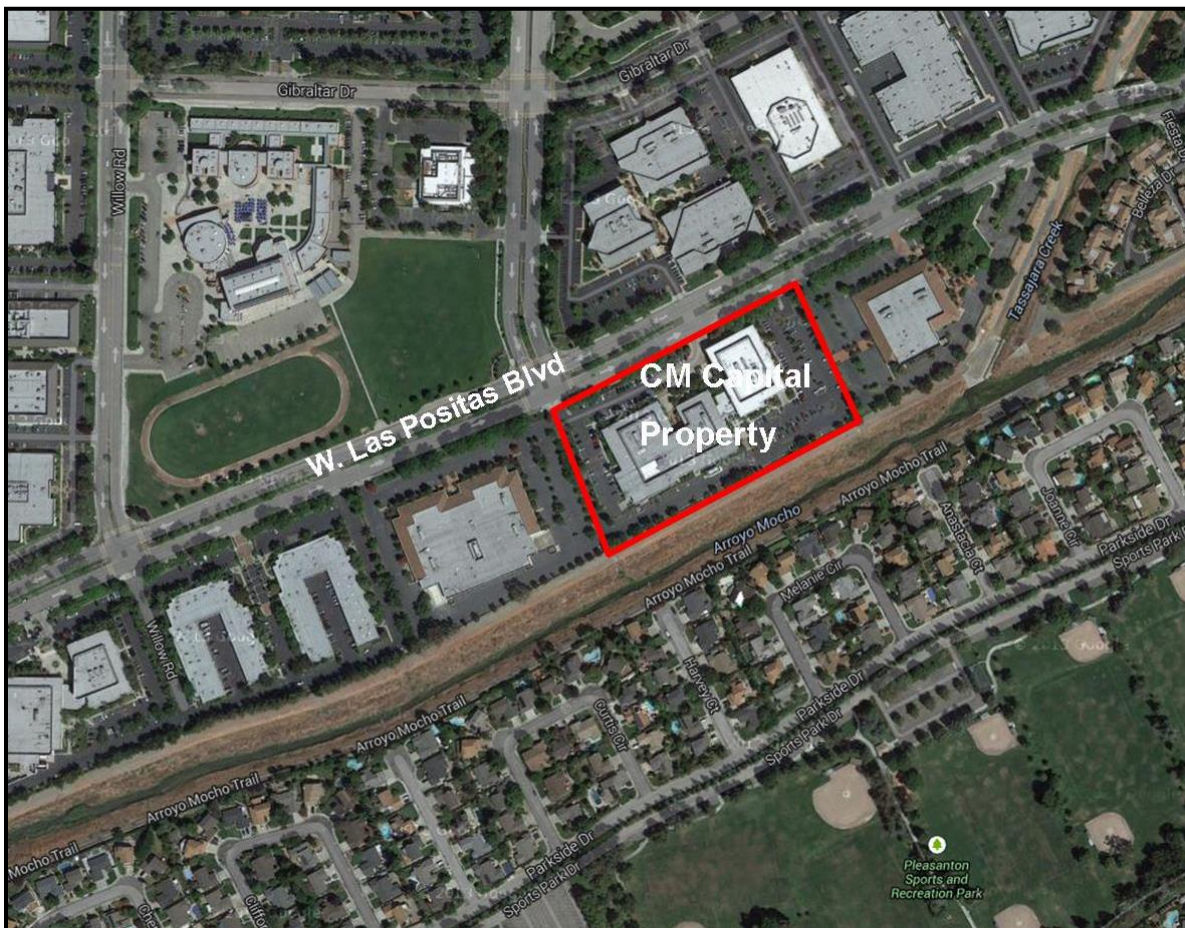
The Irby-Kaplan-Zia and the CM Capital sites were both included within the analysis, however only the CM Capital site was chosen to be rezoned. Both of the properties received a score of 24 for criteria important for California Tax Credit Allocations for affordable housing funding. The original site evaluation ranking criteria has been included within Exhibit E. The highest score received was 27. The CM Capital site was considered desirable for a high density site of 30 units or more per acre. The Irby-Kaplan-Zia site, although scoring well, was not selected to be a high density residential site at that time.

General descriptions of the properties have been included on the following pages. Staff is seeking the Planning Commission's input regarding additional information needed to consider the requested rezonings and any feedback as to whether the Planning Commission wishes to recommend pursuing these rezonings.

CM Capital Site – Aerial 1

The CM Capital properties consisting of two parcels (5.9 acres and 6.7 acres) was zoned MU (Mixed-Use) in 2012 as part of the previous Housing Element Update. The 5.9 acre property at 5850 W. Las Positas has received approvals for Summer Hill Apartments to construct a new 177 unit apartment development. The remaining 6.7 acre site located at 5758 and 5794 W. Las Positas remains unentitled with an existing commercial office building.

The adjacent residents across the arroyo within the Parkside Neighborhood have requested the City consider down-zoning the property to a lower density development or zoning the property back to a commercial zone to allow no further residential development. The property owner is in opposition to any re-designation of their property and has expressed a wish to maintain the current Mixed-Use zoning.

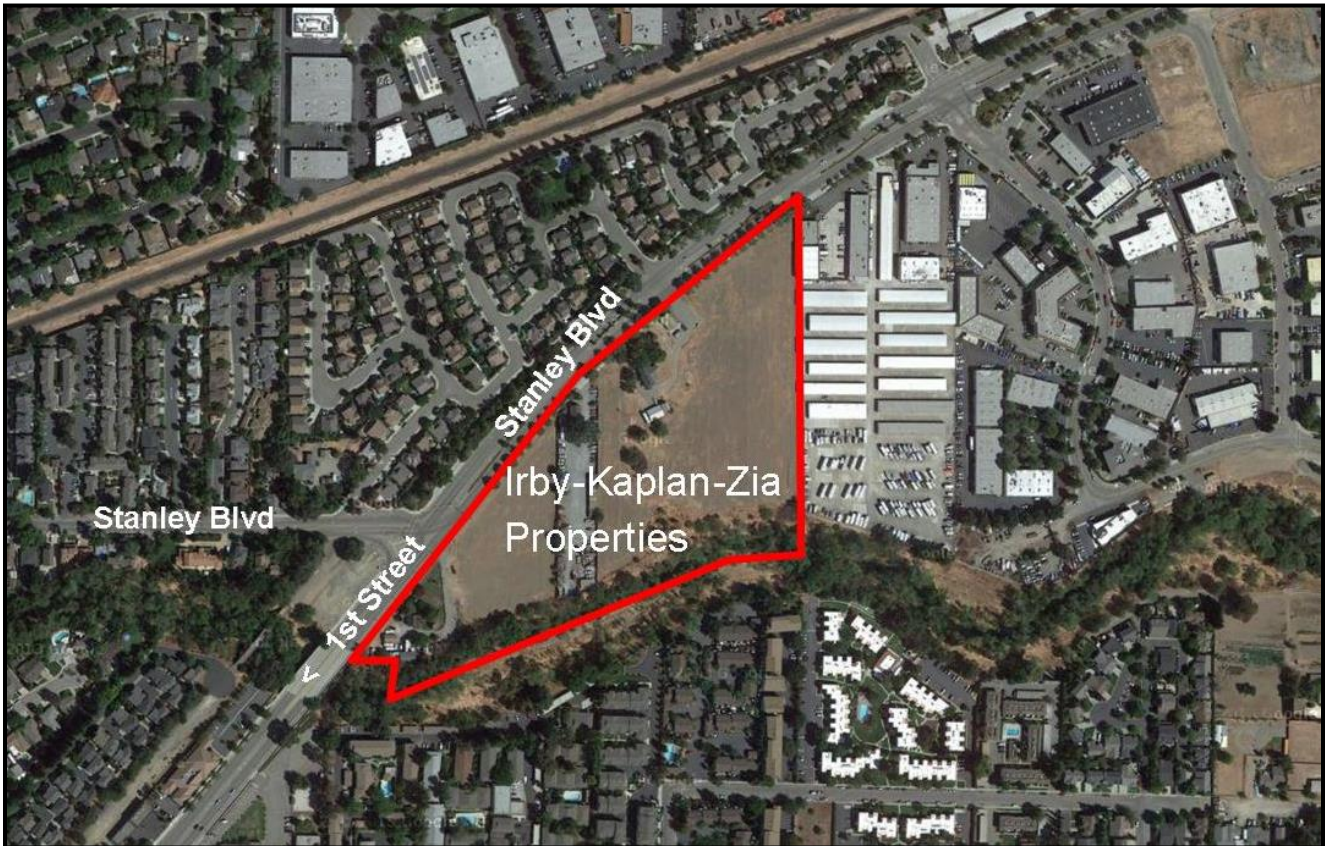


Aerial 1 – CM Capital Site

Irby-Kaplan-Zia Site – Aerial 2

The Irby and Zia properties are generally located at 3760, 3780, and 3988 Stanley Boulevard are currently zoned A (Agriculture) district. The two properties are developed with single family compounds including barns and agricultural buildings. The Kaplan property located at 3878 Stanley Boulevard is zoned C-S (Service Commercial) district and is developed with an existing contractor’s storage facility. All together the three properties total approximately 14.91 acres of land with approximately 6-8 acres allowable for development when taking the existing structures and sensitive creek habitat into consideration. The property owners wish to restore and retain the historic buildings on-site and develop a medium density residential development around them. No specific plans have been presented at this time.

Potential benefits of rezoning this site include the assembly and comprehensive planning and development of parcels in multiple ownerships; potential preservation of historic structures; a trail along the arroyo; provision of neighborhood open space; the extension and connection of Nevada Street to Stanley Boulevard; and completion of loop improvements for sewer and water service.



Aerial 2 – Irby-Kaplan-Zia Site

NEXT STEPS

With the Housing Commission, Planning Commission and community input, Staff hopes to be able to provide a Final Draft Housing Element for review at a Community Meeting scheduled for July 16th and to the Planning Commission and City Council in August or September for authorization to submit to HCD.

PUBLIC NOTICE

Notice of this item was published in The Valley Times. In addition the City sent notification to about 1,481 properties adjacent to the Irby-Kaplan-Zia Site and the CM Capital Site, as well as all interested parties who have provided contact information during the Housing Element update process. Staff received comments from Citizens for a Caring Community dated June 18, 2014. The letter has been included within Exhibit F for your reference.

STAFF RECOMMENDATION

Staff recommends that the Commission provide feedback as appropriate on the Housing Element Preliminary Draft, hear community input and provide feedback for any revisions and additions to the 2015-2023 Housing Element update.

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