



PLANNING COMMISSION MEETING MINUTES

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

APPROVED

Wednesday, August 28, 2013

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

CALL TO ORDER

The Planning Commission Meeting of August 28, 2013, was called to order at 7:00 p.m. by Chair Pearce.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Commission.

1. ROLL CALL

Staff Members Present: Brian Dolan, Director of Community Development; Janice Stern, Planning Manager; Julie Harryman, Assistant City Attorney; Steve Otto, Senior Planner; Deborah Diamond, Consulting Planner; Mike Tassano, City Traffic Engineer; and Maria L. Hoey, Recording Secretary

Commissioners Present: Commissioners Nancy Allen, Greg O'Connor, Arne Olson, Jennifer Pearce, Mark Posson, and Herb Ritter

Commissioners Absent: None

2. APPROVAL OF MINUTES

a. July 24, 2013

Commissioner Posson referred to the ninth paragraph on page 7 and noted that his question was on the applicability of Measure PP, to which Mr. Dolan provided a longer answer than just "No," indicating that there were areas with a slope greater than 25 percent but that Measure PP would not apply because the project had less than ten

units. He requested that the tape recording be checked and the corresponding change made.

Chair Pearce asked Mr. Dolan if he was comfortable with that change.

Mr. Dolan said yes.

Commissioner Olson moved to approve the Minutes of July 24, 2013 as amended. Commissioner O'Connor seconded the motion.

ROLL CALL VOTE:

**AYES: Commissioners Allen, O'Connor, Olson, Pearce, and Ritter.
NOES: None.
ABSTAIN: None.
RECUSED: None.
ABSENT: None.**

The Minutes of the July 24, 2013 Meeting were approved as amended.

b. August 14, 2013

Commissioner Posson stated that he did not make the statements on the fifth paragraph of page 12 and the third paragraph on page 13 and that he thinks Mr. Dolan did.

Commissioner Allen moved to approve the Minutes of August 14, 2013 as amended. Commissioner Ritter seconded the motion.

ROLL CALL VOTE:

**AYES: Commissioners Allen, O'Connor, Olson, Posson, and Ritter.
NOES: None.
ABSTAIN: Commissioner Pearce.
RECUSED: None.
ABSENT: None.**

The Minutes of the August 14, 2013 Meeting were approved as amended.

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

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

4. **REVISIONS AND OMISSIONS TO THE AGENDA**

Janice Stern advised that there were no revisions or omissions to the Agenda.

5. **CONSENT CALENDAR**

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

There were no items for consideration under the Consent Calendar.

6. **PUBLIC HEARINGS AND OTHER MATTERS**

- a. **PUD-81-30-55M/PUD-85-08-27M, City of Pleasanton**
Application for a Major Modification to PUD-81-30 and PUD-85-08 to address residential development and how it affects the developable square footage in the Hacienda Business Park. Zoning for the property is PUD-I/C-O (Planned Unit Development -Industrial/Commercial-Office), PUD-MU (Planned Unit Development – Mixed Use), and PUD-HDR (Planned Unit Development – High Density Residential) Districts.

Commissioner O'Connor advised that he was going to recuse himself from this item because of his financial investments at Hacienda.

Mr. Dolan presented the staff report, stating that the proposal, in its essence, is just to exempt the housing sites that had been rezoned earlier in response to the City's past litigation and the Housing Element and fulfilling its obligations under the Regional Housing Needs Assessment (RHNA), from the total square footage count in Hacienda. He noted that in some ways, it is a very simple concept and does not require very much language change at all to the current proposals; but in other ways, one can get lost in all the mathematics of the numbers. He indicated that all the numbers are included in the staff report but that he is going to stay at a little higher level in his presentation, although he has the fundamental ones that will help the Commission understand the concepts.

Total Gross Floor Area within the Project shall not exceed nine million, eight hundred eighty-nine thousand (9,889,000) square feet, excluding residential areas development existing as of August 2013, residential development on the seven sites shown on the attached Exhibit B, child day-care facilities, transit/public service center facilities, and BART stations and related facilities.

Mr. Dolan then displayed the particular language with the PUD approvals from Ordinance 1596 that needed to be changed, explaining that it essentially stated that "the total Gross Floor Area within the project shall not exceed 9,889,000 square feet, excluding residential" and just goes on to say "child day care facilities, transit/public

service center facilities, and BART stations and related facilities.” He indicated that what staff is proposing is to add the development that exists currently in the Park as well as all the sites that have been rezoned to meet our RHNA responsibilities. He noted that a reference is made to an attachment showing the specific sites and displayed the map showing those sites.

Mr. Dolan stated that if the language is taken verbatim as it is, an argument could be made that these are already exempt because the language, as written, says that all residential is exempt. He noted, however, that when one looks at that and when it was written, it was impossible then to anticipate all the additional rezoning that has transpired in the last three years. He added that staff felt the right thing to do was to go back and revisit this issue and clarify whether or not that language is going to apply to the new residential. He indicated that this is the question before the Commission tonight.

Mr. Dolan stated that there are a number of different sites: the BART site, the two BRE properties, the Roche property, California Center, Nearon, and CM Capital Properties. He displayed a table showing additional information about all those sites, including the acreage totals, approximately 64 acres. He noted that some of them have been approved, but there are two, Roche and CM Capital Properties, that basically show what they are zoned for but for which a project has not yet been considered.

Mr. Dolan then presented some history on the development cap within Hacienda, noting that it was originally approved for 11,755,000 square feet. He indicated that there have been some changes over time: (1) the cap was reduced by approximately 1,400,000 square feet in 1992 when 79 acres were rezoned to residential; (2) it was reduced by another 500,000 square feet in 1993 when changes to allow uses were made; and (3) it was not reduced in 1990 when 12.4 acres were converted to residential. He noted that there is not a consistency in the approach and suggests that each of these situations was evaluated on a case-by-case basis to determine what was appropriate for the City at that particular time. He added that with the adjustments over time, the current cap is at 9,889,000 square feet, with approximately 1.7 million square feet of capacity remaining. He indicated that if this PUD amendment to exempt the housing is not approved or is expressly disapproved, then that remaining office capacity is reduced down to just below 800,000 square feet, and that would be all that would go forward in the future in the Park.

Mr. Dolan stated that there is an issue that some of the Commissioners may or may not be aware of regarding the tracking of development within the Park as the approval package has evolved. He noted that the tracking is very complicated, with pre- and post-1993 property designations. He indicated that the development of the park is in two different categories, and they are like two piles of allotments that are tracked differently. He added that it is very confusing to keep track of, not only for staff but for applicants as well who come to the Park and try to figure out what the possibilities are. He added that it is a nightmare for James Paxson, Hacienda General Manager, who is very much in favor of changing that tracking methodology. Mr. Dolan clarified that that

particular action would be neutral on how much development would ultimately be allowed. He indicated that staff is not tackling that issue in this one application and plans to follow-up on it sometime in the relatively near future. He added that staff sees it as more of a clean-up process and should not be confused with the fundamental issue that is being considered tonight.

Mr. Dolan stated that staff's support of this clarification started with the general thinking about what was going to happen in Hacienda in the last time the General Plan was updated. He explained that before that Update, there was no mixed-use designation, but the City started to envision Hacienda as something more than just a business park. He noted that when residential was first allowed in Hacienda, the sites were rezoned for high-density residential; however, the General Plan really started to envision the area as a mixed-use development. He further noted that the Mixed-Use Business Park designation was widely applied throughout the Park and was considered to be positive, a good location for housing, and good for the Park and the City.

Mr. Dolan stated that the second reason is that the required RHNA housing must go somewhere, and if it does not go into Hacienda, it will go somewhere else throughout the City. He noted that in some ways, if it goes elsewhere, the City will get the housing and the office anyway; however, the City thinks that Hacienda is the right location to put both, as envisioned in the General Plan.

Mr. Dolan continued that the third reason for staff's support of this change, which is very important, is that the Housing Element EIR documents evaluated a large amount of development. He indicated that basically, this scenario where the office number is not reduced but residential is added on top of it works in all infrastructure areas and, most importantly to most people, in traffic. He noted that staff has done the analysis and traffic should not be a concern as the circulation system works, and the total number of trips is well beyond what this action would allow.

Mr. Dolan stated that the fourth reason is that Hacienda needs the additional square footage to remain competitive as the City moves forward. He noted that there is competition for new projects as parks are constantly evolving, changing, and adjusting to the new marketplace. He indicated that expansion of the opportunity in Hacienda is important to remain competitive, and he believes the Commission may hear a little bit more about that this evening from others. He stated that all other limitations on development in Hacienda will remain in effect; it does not change the site development standards that have been adopted for the housing sites or the site development standards that apply to commercial development. He added that the uses are not changed, and the FAR restrictions on a site-by-site basis are not affected by this change; it is just the total amount of development that changes.

Mr. Dolan stated that the last reason is a narrow issue but is something that the Commission needs to understand. He indicated that the California Center project that has already been approved cannot move forward unless it is expressly exempted from the current cap. He explained that Hacienda reviews development projects proposed in

the Park before they come to the City for consideration. He stated that when the owners of the California Center site volunteered a number of years ago to become a housing site, they asked Hacienda if they could pursue this additional entitlement, and Hacienda said yes, but only if they were not affecting the cap. He noted that staff encouraged California Center to move forward because it was the highest ranked housing site on the list; however, the project can move forward only if these clarifications being considered tonight are approved.

Mr. Dolan concluded that that is essentially the issue here. He stated that there is a lot more detail staff could go into if the Commission is interested. He noted that there were some emails back and forth between staff and Commissioner Allen, copies of which were given to the Commissions. He indicated that some of the emails had very specific questions, a lot were mathematical, and staff tried to answer those and share with everybody. He stated that a lot of the tracking has to do with traffic, and the staff person who is most familiar with the technicalities of tracking is Mike Tassano, City Traffic Engineer, who is also present tonight to answer any questions.

Mr. Dolan also acknowledged that he had conversations with Commissioner Allen about whether or not this would be more appropriately first brought forward in a workshop so the Commission could have more time with the issue. He indicated that he decided not to do that, but should the Commission need to take more time to absorb some parts of this proposal, the Commission has the ability to do that. He further indicated that he tried to keep his presentation simple so it was easily understandable should the Commission wanted to move forward.

Commissioner Allen inquired what the trigger is for bringing this proposal forward now versus waiting for a longer term look at a unified program to clarify how development will be counted in the future. She further inquired if the trigger is mainly the California Center project.

Mr. Dolan replied that the trigger for right now is California Center. He explained, however, that what is being talked about in the future is a processing methodology, and this is sort of the substance of whether or not they are exempt. He noted that there are other projects that have been out there that will require the square footage at some point. He further noted that several years ago, there has been a proposal that actually got a complete application for additional development on the California Center site that was not originally anticipated in the current approval. He indicated that it got the same nod from Hacienda, with the same condition that it receive additional capacity from the City. He continued that that proposal has been on hold, and part of the property that would have housed that project was used for the housing that was ultimately proposed on California Center. He added that staff does not really know what that will ultimately look like, but he believes that California Center plans on coming forward. He further added that California Center is a unique site; it is a very large site but is considered to be inefficiently development because it does not have very much development on it now.

Mr. Dolan stated that there is a natural evolution of the Park where additional development proposals are anticipated, although this might not happen immediately. He indicated that he does not know the exact timing but he has an example in the building at 4225 Hacienda Drive at Gibraltar Drive: a 22-acre site that is developed with an industrial use, very lightly utilized and very underutilized; additional development is inevitable, and additional office development will be expected and necessary down the road.

Commissioner Allen stated that being new to the Planning Commission and not being around, like most of the Commissioners, when the Hacienda ordinances were adopted, approved, she is always looking at intent, what happened when the existing ordinance was adopted. She inquired what the original thinking was behind this square footage originally assigned to Hacienda; what the thinking was behind the changes in 1992 and with the additional changes that occurred in 1993; and what the implications are on how some of the residential buildings were treated, for example, Archstone was treated differently than Verona: what the thinking was regarding why the cap was increased in one and was not increased in the other.

Mr. Dolan replied that he does not think he can accurately report on that. He noted that Mr. Paxson was around and might have some insight into that.

Commissioner Posson disclosed that he had some discussion with Mr. Paxson about the history of the PUD's and the transportation limitations.

Commissioners Ritter and Allen indicated that they did as well.

Chair Pearce stated that she talks to Mr. Paxson all the time, and Commissioner Olson stated that he also talked to Mr. Paxson, generally on this subject, over a year ago.

THE PUBLIC HEARING WAS OPENED.

James Paxson, General Manager of Hacienda Business Park, stated that Hacienda supports the staff report and the staff recommendation and concurs with all the findings staff had made. He indicated that there are three points in particular that he wanted to get to before he tries to answer Commissioner Allen's questions, which is going to be mostly conjecture on his part but he thinks he can address at least some of it.

Mr. Paxson stated that first, it is really important to underscore the competitiveness issue. He emphasized that this is really a very competitive region and it is extremely important that the City and Hacienda do whatever it can to position the Park so as it can begin to experience the recovery that the region is in right now and take advantage of the opportunities that come up. He indicated that this does a lot toward helping to position Hacienda and the City to be able to capitalize on those opportunities.

Mr. Paxson continued that the second thing that he really wants to emphasize was kind of brought up in the report and which he also kind of touched in his letter that is in the

Commission's packet: there is nowhere else in the City where the City has the opportunity to simultaneously meet several really important objectives that are outlined in the General Plan – sustainability, environmental objectives, economic objectives, and place-making objectives. He noted that all of those things happen in Hacienda in a way that cannot happen elsewhere.

Mr. Paxson stated that the third really important thing is kind of an offshoot of the second. He noted that nowhere else in the City has it already been paid for and is continuing to be paid for other than in Hacienda. He indicated that the Park was bonded to the tune of about \$5.50 per square foot of indebtedness to build all of the improvements that are there now and beyond. He noted that Hacienda had built way more than the Park and, as staff has pointed out, the capacity built in the Park was for something much larger than what it is permitted to build today; in addition, Hacienda will maintain that until 2039. He noted that, for example and to give an idea, just in straight year-by-year dollars, Hacienda has already put close to \$60 million dollars in maintenance and other types of things that are not available anywhere else in the City, and that agreement is going to be going on for several more years. He reiterated that being able to accommodate the additional residential in Hacienda, plus being able to simultaneously meet all these objectives, is an opportunity that is not available anywhere else in the City.

With respect to Commissioner Allen's questions, Mr. Paxson stated that he was not at the table when the ordinances were adopted and added that he would like to believe that if he were there, he would have said this was a really bad idea and should not be done. He indicated that the fact is that everything with regard to a lot of those changes had to do with negotiating with the Councils that were in place at that time and figuring out how to move things forward. He noted that 1993, in particular, was an incredibly difficult period, and the economy was just coming off the last really awful downturn from the S&L debacle which hurt Hacienda considerably. He indicated that at that point, Hacienda had to look creatively at what it was going to do to keep the Park moving forward. He stated that he was not the table then and did not know what the content of the specific points of the discussions were, so he does not have a really good answer. He indicated, however, that anecdotally, given the things that have happened over that time and what people say, he thinks those were fairly good suppositions of what that conversation was like.

Martin Inderbitzen, representing California Center, stated that Mr. Dolan did a good job at summarizing the right level of what the issues were about and explaining where California Center fits in that process. He reiterated that they are kind of between a rock and a hard spot, being put in a position where the City asked them if they were willing to entertain residential, and they were certainly willing to entertain and think it was a great opportunity, being the highest ranked site in the whole Housing Element update process, but they would have to trade Hacienda's cap for residential. He continued that they thought the Hacienda owners would not allow it and did not, and they were told that they would not be allowed to go forward.

Mr. Inderbitzen stated that California Center needs this change in order to keep its project alive and moving forward. He added that this is a little bit timely because these rezonings took place almost two years ago; they have been going through the process and are anxious to get the construction drawings and bids so they can get under construction next year. He noted that every day that is a delay is a delay in that process because the owner does not want to commit more than the already hundreds of thousands of dollars they have committed to get through the approval process.

Mr. Inderbitzen stated that he was not present at the discussions that occurred in 1992 and 1993, but he was very active in the community at that time doing a lot of projects. He suggested that at least one of the issues had to do with what the traffic impacts were relative to residential now appearing in the Business Park. He noted that in this case, that issue has been very well vetted in the Supplemental EIR that came forward with the Housing Element, and it was clear that residential in Hacienda Business Park was not going to be a substitute or trade-off for non-residential or commercial development. He stated that that would not be the right thing to do.

Mr. Inderbitzen stated that competitiveness and timing are worth mentioning again. He mentioned an example that probably could not occur in Hacienda under this current environment that did occur just across the street off of Hopyard Road: the expansion of the site for Clorox to come to Pleasanton. He noted that when a hot opportunity like that comes around with a piece of property that is available, one has to be really proactive and reactive in order to get those projects in and built in a timely fashion. He added that with every additional step in the approval process, even if California Center were singled-out moving forward, Mr. Paxson and the Hacienda Owners Association are going to have to deal with this issue with every one of those projects that brushes up against the cap. He encouraged the Commission to move this forward, sooner rather than later, adding that they are also anxious to move forward.

THE PUBLIC HEARING WAS CLOSED.

Commissioner Allen shared that she really struggled with this project and was hoping to get some feedback from others that might help her think this one through because she is still trying to absorb some of the information. She indicated that she is very supportive of high-density residential in Hacienda. She noted that she had been at all the Housing Commission Meetings early on, fighting for that and wishing it would go to Hacienda as that is a perfect fit. She expressed concern with exempting all of the seven sites mentioned. She stated that she is fine with California Center because it is required as to support RHNA, and that was one that the Commission pushed for and were under the gun to do so, and that it would now need to be followed through and allowed to go forward. She added, however, that she was troubled with the others.

Commissioner Allen stated that in the big picture, she is thinking of them like Archstone, the Sienna property, and several others where, for the most part, there is land. She referred to the Pleasanton Gateway project, where land that was zoned commercial was allowed by the City to be used for residential, resulting in a win-win for both the City and

the developers. Referring back to the case tonight, she noted that the developers chose to build residential on these sites, not commercial, because that makes sense for them. She further noted that had commercial been built on those sites, commercial would have counted against the cap; therefore, since they chose to build residential, it would seem residential should count against the cap as well because the land is now used.

Commissioner Allen stated that she is troubled with the idea that, aside from California Center and potentially the BART location because that is a little different, the Commission may be setting a precedent that other Councils and Commissions will have to deal with should this come up many years down the line. She indicated that she had been sending many letters to staff today, but really looking at Verona and all of those properties and the intent, as she read the ordinance and spent many hours on it, it is very clear to her that the cap that was identified in the current ordinance, the reason it said it excluded residential, was because residential was already part of the base; it was already taken care of. She added that even with the discussion on BART, it was clear they were thinking that BART, even if it were never built, would be counted in terms of the cap.

Commissioner Allen reiterated that she thinks the Commission is setting the wrong precedent for future Councils. She indicated that she sees the big picture with a three-fold impact:

1. This is essentially a huge giving-away of rights to develop an additional 900,000 square feet of land in Hacienda without the community gaining anything. Unlike California Center where the community gained the right to meet the City's RHNA needs, the community is not getting anything from this change. If an acre is worth a million dollars, these 50 or 70 acres could be a \$70-million dollar deal, and the Commission needs to think about that as a City and not just give up that right.
2. This sets a dangerous new precedent and is not consistent with any of the previous decisions around residential, excluding the decision on the Verona project. All the other five residential properties that were built had the cap shifted because the properties were being used for residential and not commercial. So the cap has been used, and that is why the cap is there, and the cap is no longer being used. Allowing this one exception leads to a precedent beyond this Commission.
3. Finally and probably most important, making this decision for the other properties is inconsistent with the City's community of character and the voice of its citizens. The community has been clear that growth and traffic congestion are two of its biggest concerns. Traffic is not a big deal on this project; it is clear that it has a minimal impact of a few seconds at a few intersections. But there are other impacts to the City. Even with the housing cap being overturned, citizens expect the City to honor the spirit of that vote and carefully manage growth. The City

cannot control RHNA and needs to live with it, but it can control how the cap is managed. That is a trigger that the Commission has a choice to use or not use, and the Commission should manage it, not by counting projects where land is going to be residential and not business when they were approved for business. It should count against cap as the land is not being used anymore and should not go into a pool.

With respect to competitiveness, Commissioner Allen stated that she also believes Hacienda should be kept very, very competitive; however, dealing with it with this proposal and as the reason it is being discussed today is the wrong way to keep Hacienda competitive. She indicated that it should be dealt with by revising floor area ratios, and, as has been done in the past to keep Hacienda competitive, doing it above board in a thoughtful way with a message of keeping competitive, rather than like a little bit of a back-door deal by taking property, putting it back into a pool, and not counting it against a cap. She added that she has significant concerns that this is the wrong precedent, and if other residents get wind of this, they are going to start to wonder what is going on and how much the Commission is representing them.

Finally, Commissioner Allen stated that if the Commission were to consider approval of this, she would like to propose the following two changes to the wording: (1) specify that this applies only to California Center and not to the other sites; and (2) eliminate the last six words "*and BART stations and related facilities.*" She noted that the BART property was already thought of as being addressed in the seven sites. She added that this is from the old ordinance and was included only because BART had not been built; but now that BART has been built and built out, it should be removed as it is confusing and misleading and no longer applies.

Chair Pearce asked Mr. Dolan if it was his perspective that the BART station and related facilities are left-overs and not applicable.

Mr. Dolan replied that he thinks Commissioner Allen made a good point. He referred to staff for comments. He noted that Ms. Stern pointed out that BART could be intending to enhance its site with additional amenities, but that it is a minor issue. He indicated that it could be eliminated.

With respect to Commissioner Allen's question regarding how the cap came about, Commissioner Olson stated that like Mr. Paxson, he was not at those meetings but that he agreed with Mr. Paxson that had he been at the meeting, he would have said that the cap is a bad idea. He indicated that it is the same political pressure that has been in this town for a long time. He noted that he has been in this City for 25 years, and it has always had to have caps. He further noted that the City had a housing cap for a long time, and everyone knows where that went. He added that it were up to him, he would not have a cap on development in Hacienda; but rather, look at each project and then allow Hacienda to respond to the times and to the competitive pressures that are confronting it. He indicated that he, in fact, has wondered what it would take to get rid of the cap.

Regarding the points that were raised that, first, this is a give-away and that the community is not getting anything in return, Commissioner Olson stated that he thinks that totally misses the idea as the businesses pay taxes here. He noted that businesses that come into Hacienda generate local jobs and the whole idea of mixed-use, and it just blows his mind that this is not seen as helpful for the community. As to the second point that this will set a precedent, he stated that, again, this is based on the cap, and he does not see what is sacrosanct about the cap. He indicated that he would not be in favor of any changes here and that he is in alignment with staff's recommendation.

Commissioner Ritter stated that he is looking at this as a simplification of the government process, cleaning up the way this old PUD was put together. He noted that he is always in favor of reducing government bureaucratic processes, and it makes sense in the new economy. He added that he does not sense that it goes contrary to anything that the Master Plan is trying to do and noted that the Commission will still see all of these as permits come through and will be able to review them to make sure they fit in line with what the caps are that are out there. He noted that this is a nice way to clean up this process, make it more business-friendly, and help the citizens. He added that he is also in favor of the way the staff report is written.

Commissioner Posson stated that he thinks this is an equitable clarification of the ordinance and also addresses the current needs of the community. He noted that where there was a need for more housing, industrial and commercial areas have been converted to mixed-use areas. He added that things are going to continue to evolve, and as projects are proposed, the Commission will have the opportunity to look at those, evaluate the impacts, and determine if there is any additional limitations there. He indicated that he is also supportive of staff's recommendation.

Chair Pearce stated that she is also supportive of staff's recommendation. She commented that Commissioner Olson and she were talking before the meeting about how they felt like this issue has been around forever and that, in fact, this was one of the Planning Commission's priorities sent up to the City Council when the Council created its list of priorities.

Chair Pearce stated that she believes it is equitable. She noted that she honestly is not a big fan of the cap and that as mentioned earlier, it feels like political pressure way back when, similar to the housing cap. She noted that if the Planning Commission has the opportunity to review projects as they come through for impacts and things like that, she does not really understand the concept of an overarching cap. She further noted that the infrastructure is in place, the Commission is treating all the sites the same, and this is a net zero to the City. She added that something like this that is equitable and reasonable and allows Hacienda to continue to be competitive makes a lot of sense to her and does a lot of good for the City. She reiterated that she is supportive of staff's recommendations in its entirety, although, if the last six words are unnecessary and old language, she is amenable to taking them off.

Commissioner Olson moved to find that the proposed modifications to the PUDs are consistent with the General Plan and to recommend approval to the City Council of Case PUD-81-30-55M/PUD-85-08-27M, subject to the Conditions of Approval listed in Exhibit A of the staff report, with a modification that the last six words of Condition No. 2.D. of City Council Ordinance No. 1596 be deleted. Commissioner Posson seconded the motion.

ROLL CALL VOTE:

AYES: Commissioners Olson, Pearce, Posson, and Ritter.
NOES: Allen.
ABSTAIN: None.
RECUSED: Commissioner O'Connor.
ABSENT: None.

Resolution No. PC-2013-44 recommending approval to the City Council of PUD-81-30-55M/PUD-85-08-27M was entered and adopted as motioned.

Commissioner O'Connor returned to the dais.

**b. P13-2012, City of Pleasanton
Application to amend Title 17 of the Pleasanton Municipal Code by adding a new Chapter 17.38 (Density Bonus) to comply with State Density Bonus Law.**

Deborah Diamond presented the staff report and explained that scope and key elements of the proposal.

Commissioner O'Connor noted that requests for density bonus are so uncommon and inquired why the City has so few requests for density bonus or none at all.

Ms. Diamond replied that a lot of it depends on the individual projects and the individual sites. She indicated that many times, for a bonus, a city will establish a maximum density that will allow housing up to the amount of development that the builder could get under wood frame construction, and anything above that would have to go to steel or concrete. She added that many times, developers are not willing to take on the additional expense and retooling to do non-wood frame construction. She noted that there are affordable housing developers who are developing straight affordable housing, probably not much in the Bay Area, who frequently use density bonus as a tool. She added, however, that sometimes, when there is something odd about a site, a developer will provide affordable housing, not so much to get the bonus but to get a concession such as a reduced setback or some other re-configuration.

Mr. Dolan stated that in one of his conversations with Ms. Stern about their planning careers, both noted that they had never processed one of these applications in all the

time that they have been doing this. He indicated that that does not mean that it does not happen but that it is pretty uncommon. He added that there are the costs of higher density, and everyone has assumed for years and years that the higher the density, the more money it will make, and of course everybody would want it.

Mr. Dolan stated that the issue of the type of construction is very important. He noted that when the City did all these re-zonings, staff was suggesting to some people to go higher; and staff could only talk a couple of people into going higher because they knew that would put them into a podium product, and they did not think the market could support it and so they wanted the lower density. He indicated that sometimes it is difficult to get extra density when developers start to look at all of the site development standards such as getting the parking to fit, and they just run out of space. He noted that higher density just does not work out with all the landscape, open space, and setbacks requirements. He added that there is also a weird thing that happens, based on the particular regulatory structure, and it exists right now here where the high-density General Plan designation is anything above eight units per acre, which, theoretically, goes to infinity. He stated that every high-density project, all of this things sound pretty scary, but if someone comes and the land is designated high-density, there is nothing to add the bonus to as it is eight units to infinity. He noted that it is the exact same conversation that staff has on a regular project with no bonus, and so no one every bothers to bring it forward.

Mr. Dolan stated that density bonus is 135 percent of the allowed density. He indicated that the allowed density goes up as high as possible, and then these other limiting factors come in and really determine what the project is going to be. He noted that because the City does so many things with PUDs, and other communities do the same thing, density bonus just becomes an exercise that is never going to happen in reality. He concluded that while this sounds a little scary, the likelihood of the City getting very many applications using density bonus is not very high.

Commissioner O'Connor stated that he misunderstood what density bonus meant and was thinking that with density bonus, the increased number of units that the developer might get would take the place of the required open space. He noted that the City does not generally or normally build out the land totally; it is pretty generous with its open space and probably requires more open space than most cities.

Mr. Dolan stated that a developer could ask for a concession on that particular requirement. He added that there is not one listed that is automatic; the developer would have to go do a financial analysis and provide the documentation. He emphasized that density bonus is available to anyone right now, whether the City adopts this ordinance or not, because it is State law. He explained that in the past, if a city does not adopt it, the State law is afforded to everyone; however, the State now says that a city is committed to it in its Housing Element and must adopt it. He added that the City is going to have its own version that it can live with, but there are a lot of things that State law provides that the City cannot just avoid. He noted, however, that if a city adopts it on time, the City is given the opportunity in its next Housing Element

round to be eligible for an abbreviated, streamlined review that the State is introducing. He indicated that the City does not know what to expect but staff would surely like to try an abbreviated, streamlined review of the Housing Element as opposed to the normal process.

Commissioner Ritter inquired what the area median income is for Pleasanton.

Ms. Stern replied that it is approximately \$80,000 for a family of three.

Mr. Dolan added that that is a county number. He referred the question to Mr. Paxson.

Mr. Paxson stated that he thought it was around \$86,000 for a family of four.

Ms. Stern indicated that that was for the year 2010, but for 2013, it is \$80,000 for a family of three.

Commissioner Ritter inquired if this proposal is similar to what the cities of Dublin and Livermore and all the other cities have, and if this is pretty much the template given by the State.

Ms. Diamond said yes. She added that many cities just basically took the State density bonus language verbatim and included it in their Codes. She indicated that Pleasanton tried to make it a little more organized and understandable.

Commissioner Ritter commented that he likes the streamlining process.

**Commissioner O'Connor moved to recommend approval to the City Council of Case P13-2102, as shown in Exhibit A of the staff report.
Commissioner Allen seconded the motion.**

ROLL CALL VOTE:

**AYES: Commissioners Allen, O'Connor, Olson, Pearce, and Ritter.
NOES: None.
ABSTAIN: None.
RECUSED: None.
ABSENT: None.**

Resolution No. PC-2013-45 recommending approval of Case P13-2012 was entered and adopted as motioned.

7. MATTERS INITIATED BY COMMISSION MEMBERS

No discussion was held or action taken.

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

a. Future Planning Calendar

No discussion was held or action taken.

b. Actions of the City Council

No discussion was held or action taken.

c. Actions of the Zoning Administrator

No discussion was held or action taken.

d. Matters for Commission's Information

Pearce: Historic Preservation meeting tomorrow night.

9. ADJOURNMENT

Chair Pearce adjourned the Planning Commission meeting 8:10 p.m.

Respectfully,

JANICE STERN
Secretary