



## Planning Commission Staff Report

August 28, 2013  
Item 6.a.

- SUBJECT:** PUD-81-30-55M / PUD 85-8-27M
- APPLICANT:** City of Pleasanton
- PURPOSE:** Application for Major Modification to PUD-81-30-55M and PUD 85-8-27M to address residential development and how it affects the developable square footage in Hacienda Business Park (Hacienda).
- GENERAL PLAN:** Mixed Use/Business Park
- ZONING:** Planned Unit Development – Mixed Use and Planned Unit Development - High Density Residential Districts
- LOCATION:**
- Site 1: **BART Property** – Northeast corner of Willow Road and Owens Drive
  - Site 2: **California Center** – Northeast corner of Owens Drive and Rosewood Drive
  - Site 3: **Nearon** – Northwest corner of Stoneridge Drive and West Las Positas Boulevard
  - Site 4: **CM Capital Properties** – South side of West Las Positas Boulevard at Hacienda Drive
  - Site 5: **BRE Property North** – Southeast corner of Owens Drive and Willow Road
  - Site 6: **BRE Property East** – North corner of Hacienda Drive and Gibraltar Drive (N)
  - Site 7: **Roche Property** – South side of Gibraltar Drive (N) between Willow Road and Hacienda Drive
- EXHIBITS:**
- A. Draft Revised Conditions of Approval for PUD-85-08-55M and PUD 81-30-27M
  - B. Map of Sites (1-7)
  - C. Hacienda's Remaining Development Square Footage
  - D. Rezoned Residential Sites
  - E. Ordinance 1596
  - F. Public Noticing Map
  - G. Comments from Hacienda Owners Association

## **BACKGROUND**

The City Council has, over the last three years, approved residential development in Hacienda Business Park (Hacienda) on seven sites (Exhibit B). These actions took place after extensive community engagement and environmental review.

### The First Three Sites

In March 2010, the Hacienda Task Force began meeting to develop recommendations for the rezoning of three properties in Hacienda. This resulted, in the spring of 2011, in the City Council approving a Major Modification of Hacienda's PUD for three sites in the development as follows: (1) the WP Carey site (now identified as BRE North) at the southeast corner of Owens Drive and Willow Road (APN 941-2778-0130-0); (2) the BRE site at the north corner of Hacienda Drive and Gibraltar Drive (APN 941-2778-0110-0); and (3) the Roche Molecular Systems site, south of Gibraltar Drive between Willow Road and Hacienda Drive (a portion of APN 941-2761-003-00) to allow for residential and mixed use development.

### The Next Four Sites

In October 2010, the City Council convened an 11-member Housing Element Task Force to oversee the update of the City's Housing Element. Following review and discussion of the Task Force's work at its meeting on June 19, 2011, the Planning Commission made recommendations to the City Council on a Draft Housing Element. The Housing Element was ultimately adopted by the City Council on February 13, 2012, resulting in the rezoning of nine sites throughout the City. Four of these nine Housing Element sites are located within Hacienda as follows: (1) the BART site at the northerly end of Willow Road at Owens Drive (APN 941-2771-0150-0 and 941-2778-0020-0); (2) the California Center site at the northwestern corner of Owens Drive and Rosewood Drive (8.4 acres at the westerly portion of APN 941-2780-0160-0); (3) the Nearon site at the northwest corner of Stoneridge Drive and West Las Positas Boulevard (APN 941-2764-0150-0); and (4) the CM Capital sites at the south side of West Las Positas Boulevard at Hacienda Drive (APN 941-2762-0060-0 and 941-2762-0110-1). As with the previous three sites, the Hacienda PUD's were modified in January of 2012 to allow for residential and mixed use development this type of development at these four sites.

As part of the analysis of both the initial rezonings and, most importantly the Housing Element, the City performed extensive reviews, particularly of traffic concerns, to carefully analyze impacts. Because of the need to look comprehensively at a variety of future planning scenarios, the environmental analysis looked closely at a number of buildout conditions for not just Hacienda but the entire community. In Hacienda's case, the analysis looked specifically at how new residential development could be accommodated within Hacienda's existing plan at buildout (i.e. assuming the full development of Hacienda under the existing PUD development cap, see discussion below). This analysis demonstrated that such accommodation could occur in conformance with the General Plan. All findings and recommendations in this report are derived from this analysis and are based on modeling using the Pleasanton Traffic Model and reviewed through the Housing Element Environmental Impact Report which followed

the California Environmental Quality Act process. Based on the foregoing, staff's recommendation is to exempt the current seven housing sites from Hacienda's development cap and to return to the City Council with a unified program that will clarify how development will be counted in future calculations. In so doing, this exemption will provide the clarification needed to allow Hacienda to accommodate residential development within Pleasanton in furtherance of the City's RHNA objectives without jeopardizing Hacienda's ability to build out under the existing limitations on development.

## **HACIENDA PUD AND DEVELOPMENT CAP**

Hacienda was established using the PUD section of the Zoning Ordinance, which recognizes that conditions change over time, including City policy and direction, market and economic conditions and property owner plans. The Zoning Ordinance establishes a PUD modification process that enables changes to a PUD.

Hacienda was originally developed in two phases. Phase 1 was established with PUD-81-30 and covered 573 acres. Phase 2 was established with PUD-85-8 and covered 260 acres. These two PUD's have undergone numerous changes since their creation. The changes have ranged from small alterations to an individual site plan or architecture, to major modifications that address the requirements of the entire project. Previous Major Modifications have addressed issues relating to floor area ratio (FAR), residential uses and the amount of development allowed within Hacienda (the limit or cap on development).

Although limits on development have existed since Hacienda's first PUD, the first numerical development cap was set in 1987 and had a not-to-exceed total square footage of 11,755,000 square feet. Subsequent modifications to the PUDs reduced the square footage down to its current cap of 9,889,000 square feet. Reductions in Hacienda's cap have occurred twice and were made at the same time as other changes were made to the PUD. The cap was reduced by 1.4 million square feet in 1992 when 79 acres of land was rezoned to High Density Residential and reduced in 1993 by 500,000 square feet when changes were made to allowed uses within the development. However, rezoning to residential or changing the allowed uses has not always included a reduction in the cap. There are examples of modifications made to the Hacienda PUD when areas were changed to residential without lowering the cap. In 1990, Ordinance 1456 modified the PUD to allow 12.4 acres to be changed to high density residential and the cap remained unchanged. In 1994 FAR's in the Park were increased by Ordinance 1637 and the cap remained unchanged.

What is important to note about the recent PUD modifications is the fact that, while the 2011 and 2012 PUD Modifications allowed for the development of High Density Residential, the modifications to the PUDs did not specifically address the relationship of that development with the development cap. The development cap described in the Hacienda PUD excludes residential construction. Ordinance 1596, adopted June 15, 1993, states that all residential areas should be excluded from the calculation of the 9,889,000 square feet as follows:

*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, child day-care facilities, transit/public service center facilities, and BART stations and related facilities.”*

However, it is unclear if that language was intended to apply only to the existing and proposed residential projects in 1993, or if it was intended to apply to future residential development in Hacienda. Staff is recommending, based on its review and the environmental impact analysis that assumes the housing element approved residential development is on top of the development cap, that the seven development sites approved for residential development in response to the Housing Element litigation not be included as part of the 9,889,000 square foot total floor area limit for all other uses within Hacienda. This recommendation would in no way affect other limitations on development within Hacienda. Hacienda’s PUDs contemplate additional restrictions on individual sites as to the amount and type of development, permitted and conditional uses, structure sizes and a number of other parameters that would remain unchanged. Furthermore, no change to the approval process for individual developments would occur as a result of this recommendation and each project that is brought forward for consideration will continue to receive the same level of review by staff and the various approving bodies involved with project approvals.

## **REMAINING SQUARE FOOTAGE IN HACIENDA**

Hacienda has two methods to account for development within the development cap. Initially, all development was applied toward the cap irrespective of the type of development constructed. This method was followed until 1993. Approved projects on properties developed prior to 1993 total 4,796,914 square feet. With the adoption in 1993 of Ordinance 1596, an alteration occurred in how the development cap was applied. The Ordinance created a system whereby, going forward, all undeveloped sites were counted based on the number of traffic trips they produce. A specific allotment of 4,631,059 square feet of the overall 9,889,000 square foot development cap was set aside to account for projects built after 1993. To date, a total of 3,387,892 square feet of development has been constructed using this methodology.

	<b><i>Total Square Feet Allowed</i></b>
<i>Pre-1993</i>	<i>5,257,941</i>
<i>Post-1993</i>	<i>4,631,059</i>
<i>Total</i>	<i>9,889,000</i>

Since its inception, Hacienda has built 8,184,806 square feet of development. The remaining amount to be built is shown below.

#### Remaining Square Feet Prior to 2011 and 2012 PUD modifications

	<b>Total Square Feet Allowed</b>	<b>Total Constructed Square Feet</b>	<b>Total Remaining Square Feet<sup>2</sup></b>
<i>Pre-1993</i>	5,257,941	4,796,914	461,027
<i>Post-1993</i>	4,631,059	3,387,892 <sup>1</sup>	1,243,167 <sup>1</sup>
<i>Total</i>	9,889,000	8,184,806	1,704,194

<sup>1</sup>For post-1993 properties, all uses are converted into office-equivalent square footage based on the PM peak hour traffic trips generated.

<sup>2</sup>Includes development approved but not built.

Prior to the two PUD modifications, approximately 62,000 square feet of development was approved and not built in the Pre-1993 allocation, and approximately 1,117,000 square feet of development was approved and not built in the Post-1993 allocation. This leaves approximately 525,000 square feet of unallocated development between both the Pre-1993 and Post 1993 properties. Going forward, with the cap held at 9,889,000 square feet, exempting the aforementioned housing sites will allow approximately 900,000 square feet of office to be distributed elsewhere in the park. If the approved residential projects on the sites are not constructed, the previous office allocation would remain as before on the sites.

#### **CHANGES TO FUTURE TRACKING OF DEVELOPMENT AGAINST THE CAP**

Continuing to track development in Hacienda with two separate property groups limits the flexibility of future development and involves a cumbersome system that makes development approvals difficult. Staff will work with the Hacienda Owners Association to develop a method of calculating a development's change to the remaining square footage regardless of the Pre/Post- 1993 property designation. This will allow for an easier and clearer discussion regarding the development's impact on the cap in the future. This recommendation will be brought back to the City Council at a later date.

#### **ENVIRONMENTAL ASSESSMENT**

In 2012, the City Council certified a Supplemental Environmental Impact Report (SEIR) and adopted the CEQA (California Environmental Quality Act) Findings and a Statement of Overriding Considerations for the Housing Element update and Climate Action Plan General Plan Amendment and Rezonings. This SEIR was a supplement to the Environmental Impact Report (EIR) prepared for the Pleasanton 2005-2025 General Plan which was certified in July 2009. In the Supplemental EIR development potential for the seven sites discussed in this staff report was assumed to include both any approved or allocated commercial development as well as residential development assumed in the Housing Element project, in addition to the full build out of Hacienda.

The California Environmental Quality Act specifies that development projects, such as these sites, that are proposed pursuant to the requirements of an adopted SEIR that has been prepared and certified are exempt from additional environmental review provided: (1) there are no substantial changes to the project or to the circumstances under which the project is being undertaken that involve new significant environmental effects or that substantially increase the severity of previously identified effects; or (2) that no new information of substantial importance which was not known at the time the previous EIR was certified shows the project will have one or more significant effects not discussed in the EIR. The proposed PUD major modification would allow the exemption from the development cap of residential development on seven sites, thus increasing the amount of residential development allowed in Hacienda. The project analyzed in the Supplemental EIR included both residential and non-residential development on the seven Hacienda sites, and the impact analysis, mitigations, and Mitigation Monitoring and Reporting Program accounts for this development. Thus, staff recommends this project be reviewed without any additional CEQA review or process.

### **PUBLIC COMMENT**

Staff received public comment from James Paxson and Martin Inderbitzen in a meeting held on August 14, 2013. Staff received the attached letter (Exhibit G) from James Paxson on August 22, 2013.

### **STAFF RECOMMENDATION**

Staff recommends that the Planning Commission take the following actions:

1. Find that the proposed modifications to the PUD's are consistent with the General Plan; and
2. Adopt a resolution recommending approval of Case PUD-85-08-55M/ PUD-81-30-27M subject to the Conditions of Approval listed in Exhibit A, and forward the application to the City Council for public hearing and review.