Planning Commission Staff Report

January 26,2011
Item 6.b.

SUBJECT: **PUD-81-3048M/PUD-85-821M**

APPLICANT: City of Pleasanton

PURPOSE: Application for a Major Modification to the Planned Unit Development for Hacienda Business Park to adopt various standards and guidelines to guide development on three parcels close to the Dublin/Pleasanton BART station, and to provide design concepts for associated improvements including streets, landscaping, bike and pedestrian connections and open space (Hacienda TOD Standards and Design Guidelines).

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GENERAL PLAN: Mixed Use/Business Park

ZONING: PUD-MU

LOCATION:
Site 1: Southeast corner of Willow Road and Owens Drive (APN 941-2778-013)
Site 2: North of Gibraltar Drive and Hacienda Drive (APN 941-2778-011)
Site 3: Southeast corner of Gibraltar Drive and Willow Road (a portion of APN 941-2761-003)

EXHIBITS:
A. Draft Hacienda TOD Standards and Design Guidelines, dated January 21, 2011
B. Draft Initial Study and Mitigated Negative Declaration (Not attached: will be provided prior to the meeting.)
C. Location of sites covered by the Hacienda TOD Standards and Design Guidelines
D. December 16, 2010, Joint Workshop Minutes.
E. Memo dated 1/17/2010 from Rick Williams regarding LEED ND

BACKGROUND

Early in 2010, the City Council confirmed a 21-member Task Force with the mission of drafting guidelines and development regulations that will be used to evaluate mixed use or residential projects on sites near the Pleasanton/Dublin BART station. The idea of creating a lively, pedestrian-oriented, mixed use development with additional housing near BART in the Hacienda business park is embodied in Pleasanton's General Plan and is seen as consistent with the General Plan's sustainable development theme. In addition, three owners of properties close to the BART station expressed interest in the potential for residential or mixed use development, rather than building the office/R&D development which is already entitled.

The Task Force has held fifteen meetings since March 2010, including a field trip to sites in the south bay and east bay, and has discussed various aspects of Transit Oriented Development including: the feasibility and best location for retail development, the appropriate design of Owens Drive and impacts on traffic circulation, the appropriate density and design of residential development, the need for and appropriate location of open space and pedestrian connections, and impacts on schools and infrastructure. The last several meetings of the Task Force were devoted to reviewing and refining several drafts of a document describing proposed development standards and guidelines.

Among other requirements, the Settlement Agreement in the matter of *Urban Habitat v. City of Pleasanton* included several provisions related to development in Hacienda Business Park. These required adoption of certain core standards related to density, affordability and unit mix for Sites 1,2 and 3 (the W.P. Carey site just south of the BART station, the BRE site, at Gibraltar and Hacienda, and the northern portion of the Roche site on the south west corner of Gibraltar and Hacienda, respectively). The agreement also required the adoption of non-core development standards and guidelines. According to the agreement, the non-core standards and guidelines for Hacienda must be adopted by March 1, 2011. The Draft Hacienda TOD Standards and Guidelines (Exhibit A) incorporate both the core and non-core standards.

HACIENDA TOD STANDARDS AND DESIGN GUIDELINES

The draft Hacienda TOD Standards and Design Guidelines accompanying this report comprise the core and non-core standards and provide direction to developers and property owners on the key components of use, density, building mass and height, setbacks, architectural features, open space, parking, access and street character. The Standards and Guidelines illustrate desired development on three vacant parcels near the BART station in Hacienda, and provide a framework for street improvements and connections between the parcels and BART.

The document includes:

- An Introduction section outlining the document's purpose, the development review process, the vision for development of the Hacienda TOD, and two framework diagrams providing context for future development and existing and future street and pedestrian improvements.

- A listing of the core PUD regulations consistent with the Settlement Agreement.

- Non-core standards, retail and live/work requirements, and permitted uses.

- Development standards and design guidelines related to street design, site planning, building types and architectural features.

- Illustrations and descriptions of six residential building types varying in density from 14 units per acre to 80 units per acre, various retail buildings, and live/work prototypes.

The document includes three types of guidance to developers: Core PUD regulations, non-core standards, and guidelines. Although development project on sites 1,2 and 3 will be required to meet all the Core Standards, the City Council may exercise discretion in the application of the other development standards, if such proposals meet the intent and purpose of the standards. Some flexibility is warranted in order to comply with the guidelines where specific site circumstances would make application of the guideline infeasible, produce an undesirable outcome that is counter to the Vision, or where a creative alternative clearly promotes the intent expressed in this document.

JOINT PLANNING COMMISSION/CITY COUNCIL WORKSHOP

On December 16, 2010, the Hacienda Task Force met in a Joint Workshop with the Planning Commission and City Council to discuss the draft document (draft minutes attached as Exhibit D). Issues raised fell broadly into three areas: items that need clarification in the draft Hacienda TOD Standards and Design Guidelines; policy issues yet to be resolved; and "bigger picture" items that need further discussion (mostly by the City Council or other entities) but that cannot be resolved by the Task Force or within the Hacienda document.

- Issues addressed by changes/clarifications to the Draft Hacienda TOD Standards and Design Guidelines. The following amendments/clarifications were discussed with the Hacienda Task Force at a follow-up meeting on January 6, 2011. There was general agreement with the changes noted below; any additional comments from the Task Force are included.

Issue	**Resolved by:**
Owens Drive – desire to see an option which does not significantly change the existing curb line of Owens Drive	Page 18 now includes an Owens Drive option showing the existing curb lines and median, and therefore requiring minimal change to the configuration of Owens Drive.
Minimum height of retail buildings	Page 12 now shows a 25-foot minimum height for principal structures.
Permitted uses: should be specific or generalized?	At the January 6, 2011 Task Force meeting there was conflicting input regarding making the list of uses more general or specific, and what uses should be prohibited or made subject to a Conditional Use Permit (CUP). Staff has made revisions (reflected in the draft, attached) and has clearly indicated uses requiring a CUP (including permitted uses operating between 10 p.m. and 6 a.m.) and prohibited uses. The current list does not prohibit liquor stores (as some Task Force members had desired) because staff was unable to draw a distinction between that and the wine bar/wine sales use that Task Force members wished to allow.
Need for some flexibility regarding setbacks	Staff notes the existing language under "Review Process" on p. 5 which provides for flexibility in implementing both the standards and the guidelines.
General: appropriate language for guidelines (i.e. no "shalls")	Text on pages 5, 6, 13, 33 and 49 changes "shall" to "should" in various guidelines.
Bike and ped circulation around and through development is not clear	Text or a legend has been added to diagrams on p. 7 and p. 9 to identify bike and pedestrian paths

- Policy Issues Yet to be Resolved.
  The issues outlined below were unresolved at the time of the Joint Workshop. Any further recommendations made by the Hacienda Task Force at its January 6 meeting are noted below.

Issue	**Resolved by:**
The feasibility of potential projects developed under the TOD Standards and Guidelines	Staff/consultants will review and evaluate pro forma numbers provided by the developer and will prepare a memo on feasibility. This item is in process and will be available prior to City Council action on the Standards and Guidelines.
The provision of group (private) open space or a public park	Some Task Force members wished to provide greater encouragement including incentives for a public park to serve new development in Hacienda. Text in the draft was changed to specifically identify that the group open space requirement can be met with a public park. The Planning Commission may wish to consider additional incentives to make a public park an attractive option for developers.
Residential density: need for an average density to be included in the TOD Standards and Guidelines	As this issue was discussed by the Task Force at its last meeting it appeared to be more an issue of potential incompatibility of new three or four story residential development with surrounding lower intensity residential uses. Additional design guidelines (section D.10) have been added in the revised draft to identify features that assist in making the two types of development compatible such as additional landscaping and architectural treatments.
Retail development: how much and where?	The Task Force discussed this issue again at its last meeting. All members present, except one, agreed with the minimum retail requirement of 5,000 square feet of retail on Parcel 1 and a minimum of 10,000 square feet for the three parcels combined, as stated on p. 13. There was less clear-cut support for the text in the Live/Work section. However, when the live/work space was described as "live/work or other "active" space" there

Issue	Resolved by:
	appeared to be majority support for the guidelines as stated on p. 14. "Active" space would allow for "Active" uses such as an exercise room, management offices, building showroom or other like uses.

- "Bigger Picture" Issues: These are issues that have been raised by the Task Force or at the Joint Workshop that will not be resolved within the Hacienda TOD Standards and Design Guidelines document. Noted below are suggestions from staff as to how the issue could be resolved; in some cases the Task Force made specific recommendations to the Planning Commission and City Council.

Issue:	Resolution:
Impacts of development on Pleasanton Unified School District and concerns regarding overcrowding in local area schools.	The Task Force recommends a Joint Meeting between the City Council and the Pleasanton Unified School District Board to discuss the potential impact of development in Hacienda and additional city-wide residential development considered for the Housing Element Update.
Union request regarding using local hires.	The Task Force recommends the City Council address this issue at the development plan stage.
Request for more detail on the specific income levels of households for affordable units.	Staff notes that specific affordability levels for the 130 "very low income" units required by the Settlement Agreement will be addressed in the affordable housing agreement between the City and the developer.
What funding sources are available for affordable housing/mixed use projects in Transit Oriented Developments? Funding sources for infrastructure improvements?	Staff and consultants are preparing a list of potential funding sources including MTC, ABAG, CalTrans Livable Communities Grants, etc. This will be available prior to the City Council consideration of the TOD Standards and Design Guidelines.
Providing services to lower income tenants.	Staff notes that such services are allowed uses per the TOD Standards and Guidelines.

Issue:	Resolution:
Should the standards and guidelines incorporate LEED ND requirements?	See Memo from Rick Williams (Exhibit E). Note that many LEED ND concepts are included in the TOD Standards/Guidelines and that projects will be subject to Green Building/CalGreen.
Potential for future condo conversions.	The implications regarding the income-restricted units and the units affordable to moderate income households will be addressed in the Affordable Housing Agreement.
How should the Hacienda PUD be amended to account for TOD development?	This issue will be addressed by the City Council.
Affordable housing: facilitate development by a non-profit?	Staff notes that the TOD Standards and Guidelines would allow for an "inclusionary" project or a stand-alone development.

As noted above, the Task Force has reached agreement on most of the topics covered in the standards and guidelines. A few areas remain where there are differences of opinion as to the approach to be taken in the document. These include:

- **Retail.** The Retail Mixed Use Market Study Update (previously provided to the Planning Commission) concluded that a mixed use, transit-oriented development is well suited to accommodate a 45,000 to 65,000 square foot "Urban Village" at build-out, featuring a series of small retail spaces and anchored by a small specialty grocer/deli and/or pharmacy. The retail study identified the Owens Drive area at BART as the primary location. Subsequent discussion among Task Force members explored the option of starting with a smaller retail area and/or moving the location along Gibraltar west of Hacienda -- closer to the existing residential east of Hacienda, and toward the geographic center of employment. The current draft of the document requires a minimum of 5,000 square feet of retail space on Parcel 1 and a minimum of 10,000 square feet on the three sites combined, as well as live/work or other "active" space on the balance of the Owens Drive frontage and on 50 percent of the Gibraltar Drive frontage. The requirement for live/work or "active" space would preserve the option for additional retail space (above the 10,000 square foot minimum) in the future. The Planning Commission should indicate any further recommendations regarding the amount and location of retail space.

- **Group Open Space.** The TOD Standards and Guidelines generally refer back to the City's zoning ordinance provisions for group open space. The TOD open space standards do not require the provision of private balcony or patio areas for every individual unit, and also offer incentives for development of a "public" plaza or park area. The Standards and Guidelines illustrate minimum open space and lawn areas for inclusion on each site. Many Task Force members support the concept of group open space integrated into future residential development, and others believe a larger, public park should also be incorporated. The standards and guidelines currently allow the area of any public park or plaza to be counted towards the project's group open space requirement. The Planning Commission should indicate if there are other incentives that should be considered which would make a public park an attractive option for developers.

- **Residential Density** – The core development standards require residential development at a **minimum** of 30 units per acre (average), and require at least two building types be constructed on each site. Allowing or encouraging somewhat higher density development may allow the aggregation of larger green spaces and a variety of product types. The Planning Commission should indicate any recommended changes to the standards and guidelines on the topic of residential density.

The Planning Commission may also wish to discuss other topics covered in the Standards and Guidelines.

SCENARIOS

In order to test the feasibility of the proposed standards and guidelines, the consultant prepared illustrated graphics showing development on Site 1 using several of the proposed residential prototypes, and applying set-back, open space, parking, and other standards. These scenarios were previously distributed to the Planning Commission.

ENVIRONMENTAL REVIEW

Staff is currently preparing an Initial Study and Draft Negative Declaration for the project. This document will be distributed to the Planning Commission prior to the January 26th meeting.

PUBLIC NOTICE

Public Hearing notices were sent to 2,506 property owners and tenants within the Hacienda Business Park, and published in The Valley Times.

STAFF RECOMMENDATION

Staff recommends that the Commission take the following actions:

1. Receive public input on the Draft Hacienda TOD Development Standards and Design Guidelines and then close the public hearing;
2. Find that the project would not have a significant effect on the environment and adopt a resolution recommending approval of the Draft Negative Declaration;
3. Provide any recommendations for amendments to the Draft;
4. Find that the proposed Major Modification to the PUD is consistent with the General Plan and purposes of the PUD ordinance;
5. Adopt a resolution recommending approval of PUD-81-3048M/PUD-85-821M.

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