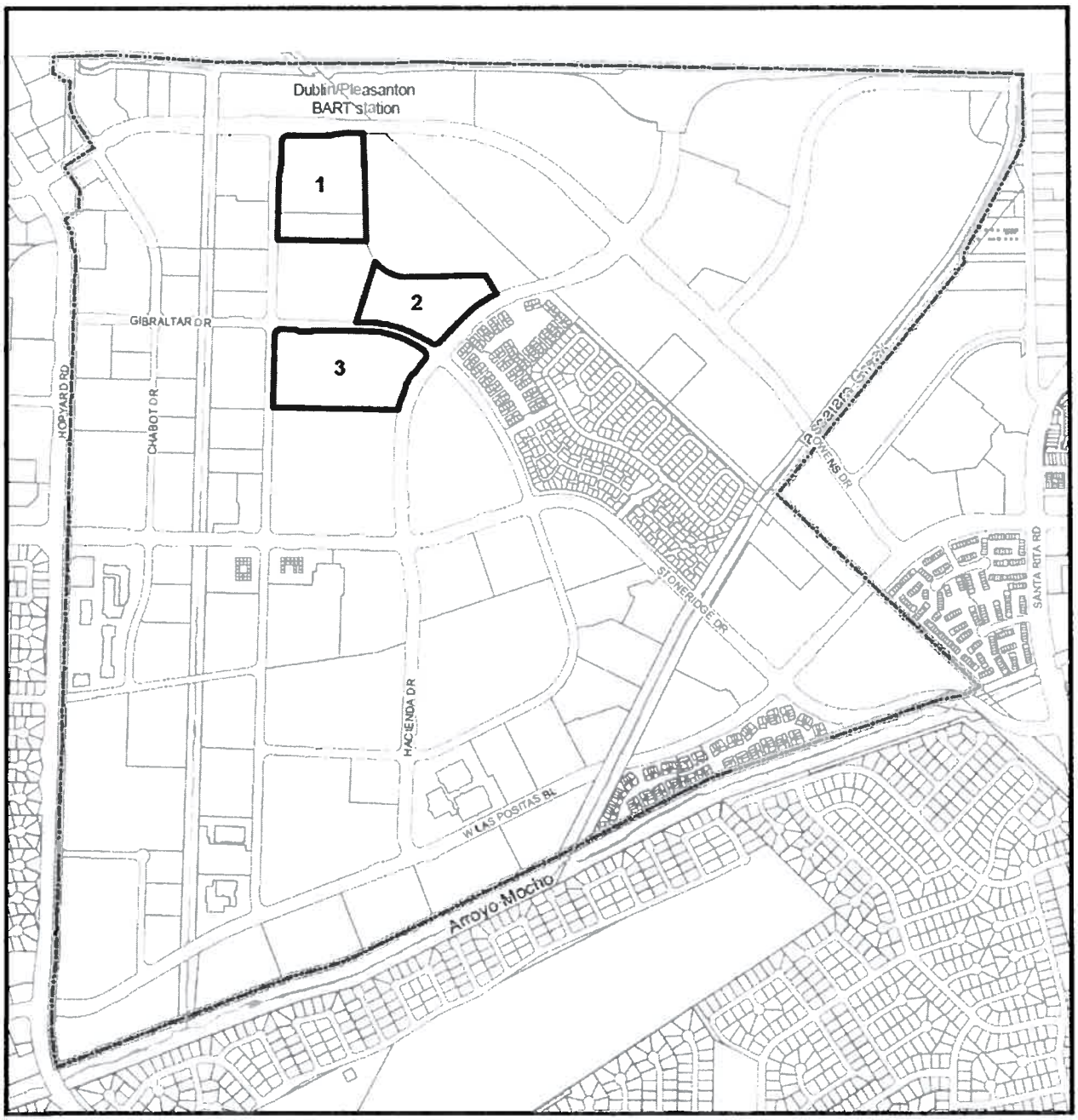
EXHIBIT A: LOCATION OF SITES



THE CITY OF PLEASANTON

975 487.5 0 975 Feet

N

Legend

- 1 Site#1: W.P. Carey, 11.0 acres
- 2 Site#2: BRE, 8.2 acres
- 3 Site#3: Roche Molecular Systems, 12 acres
- Hacienda Business Park Boundary

'Pleasgis_data'gis_data'Planning'Projects'HBP_alternatives'Hacienda_rezone.mxd
Revised 050809

EXHIBIT B

Recommended sections of the Ordinance adopting the Rezonings
Case PRZ-58

Section 1: The following provisions apply to residential development of the three sites:

(1) Density: Minimum of 30 units per acre
(2) Affordability: The greater of (a) 15 percent of all units, or (b) 130 units, will be made available exclusively to very-low income (50% of AMI) households. Through the affordable housing agreements entered into between the City and each developer, these affordable units will be deed-restricted in perpetuity. The affordable housing agreements will be recorded and will run with the land.
(3) Section 8 Rental Assistance Vouchers: Through the affordable housing agreements entered into between the City and each developer, the developments will be required to accept HUD Section 8 Rental Vouchers as a means of assisting qualified applicants.
(4) Bedroom Mix of Affordable Units: A minimum of 10 percent of the total affordable units will be three-bedroom units; a minimum of 35 percent of the total affordable units will be two-bedroom units; and the remaining affordable units will be one bedroom units.
(5) Location of Affordable Units: Affordable units will be dispersed throughout the development.

EXHIBIT C

ORDINANCE NO. 1998

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLEASANTON APPROVING THE CITY-INITIATED REZONING OF THREE SITES IN HACIENDA BUSINESS PARK, AS FILED UNDER CASE PRZ-48

WHEREAS, the City of Pleasanton has initiated the rezoning of three sites in Hacienda Business Park from Planned Unit Development – Industrial-Commercial/ Office (PUD-I/C-O) District to Planned Unit Development – Mixed Use (PUD-MU) District: (1) The W.P. Carey site (Hacienda Site 7G), at the southeast corner of Owens Drive and Willow Road (Assessor's Parcel No. 941-2778-013-00 and part of APN 941-2778-012-00); (2) The BRE site (Hacienda Site 7E), at the north corner of Hacienda Drive and Gibraltar Drive (APN 941-2778-011-00); 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); and

WHEREAS, based on the Initial Environmental Study, a Negative Declaration was adopted by the City Council on October 20, 2009; and

WHEREAS, at its meeting of October 20, 2009, the City Council received the Planning Commission's positive recommendation for approval of the rezoning of Sites 1 and 2 of the project site; and

WHEREAS, a duly noticed public hearing was held on October 20, 2009; and

WHEREAS, after a review of the materials presented, the City Council determined that the proposed rezoning of the three sites is appropriate; and

WHEREAS, the City Council finds that the rezoning of the three sites is consistent with the General Plan, adopted on July 21, 2009

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Approves the rezoning of three properties in Hacienda Business Park from the Planned Unit Development – Industrial-Commercial/Office (PUD-I/C-O) District to Planned Unit Development – Mixed Use (PUD-MU) District: (1) The W.P. Carey site (Hacienda Site 7G), at the southeast corner of Owens Drive and Willow Road (Assessor's Parcel No. 941-2778-013-00 and part of APN 941-2778-012-00); (2) The BRE site (Hacienda Site 7E), at the north corner of Hacienda Drive and Gibraltar Drive (APN 941-2778-011-00); 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).

SECTION 2. The property owners shall prepare new CC&Rs, in plain language, subject to review and approval by the City Attorney, revised to include the changes to the zoning designation of the properties.

SECTION 3. Any residential development proposed for the above sites shall be at a density of 30 units or more per acre.

SECTION 4. Except as modified above for the parcels specified, all present conditions of the approved Hacienda PUD development plans and design guidelines and City-approved major and minor modifications shall remain in full force and effect.

SECTION 5. Approval of any subsequent development plan requesting residential and/or Mixed-Use development on the sites described in Section 1, above, shall not be granted until the completion of a PUD Major Modification for the entire Hacienda Business Park, unless the property owner can show good cause to proceed earlier.

SECTION 6. The Zoning Map of the City of Pleasanton, dated April 18, 1960, on file with the City Clerk, designating and dividing the City into zoning districts, is hereby amended by Zoning Unit Map No. 477, attached hereto as Exhibit A, dated October 20, 2009, and incorporated herein by this reference.

SECTION 7. A summary of this ordinance shall be published once within fifteen (15) days after its adoption in "The Valley Times," a newspaper of general circulation published in the City of Pleasanton, and the complete ordinance shall be posted for fifteen (15) days in the City Clerk's office within fifteen (15) days after its adoption.

SECTION 8. This ordinance shall be effective thirty (30) days after its passage and adoption.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Pleasanton on October 20, 2009 by the following vote and adopted at a regular meeting of the City Council of the City of Pleasanton on November 3, 2009 by the following vote:

Ayes:	Councilmembers Cook-Kallio, Thorne, Mayor Hosterman
Noes:	Councilmembers McGovern, Sullivan
Absent:	None
Abstain:	None

Jennifer Hosterman, Mayor

ATTEST:

for Karen Diaz, City Clerk

APPROVED AS TO FORM:

Michael H. Roush, City Attorney

EXHIBIT D

ORDINANCE NO. 2012

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLEASANTON AMENDING THE ZONING OF THREE SITES IN HACIENDA BUSINESS PARK, AS FILED UNDER CASE PRZ-57

WHEREAS, by its Ordinance No. 1998, the City of Pleasanton has rezoned three sites in Hacienda Business Park from Planned Unit Development Industrial/Commercial Office (PUD-I/C-O) District to Planned Unit Development Mixed Use (PUD-MU) District.

WHEREAS, the sites are: (1) The W.P. Carey site at the southeast corner of Owens Drive and Willow Road (Assessor's Parcel No. 941-2778-013-00 and part of APN 941-2778-012-00); (2) The BRE site at the north corner of Hacienda Drive and Gibraltar Drive (APN 941-2778-011-00); 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); and

WHEREAS, said rezoning was the subject of litigation filed against the City of Pleasanton, *Urban Habitat et al v The City of Pleasanton*, Alameda Supreme Court Case No. RG06-293831; and,

WHEREAS, the parties entered into a Settlement Agreement dated August 17, 2010; and,

WHEREAS, the terms of the Settlement Agreement involve deletion of Section 5 of Ordinance No. 1998; and,

WHEREAS, the City Council intends that by adopting this ordinance, development applications consistent with the Settlement Agreement may now be submitted; and,

WHEREAS, based on the Initial Environmental Study, a Negative Declaration was adopted by the City Council on October 20, 2009, and further environmental analysis is not warranted; and

WHEREAS, at its meeting of October 5, 2010, the City Council received the Planning Commission's positive recommendation for the amendment; and

WHEREAS, a duly noticed public hearing was held on October 5, 2010; and

WHEREAS, after review of the materials presented, the City Council determined that the proposed amendment of the zoning of the three sites is appropriate; and,

WHEREAS, the City Council finds that the amendment to the zoning of the three sites is consistent with the General Plan adopted on July 21, 2009.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PLEASANTON DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Section 5 of Ordinance No. 1998 is hereby deleted. All other provisions of Ordinance No. 1998 relating to rezoning for the three sites in Hacienda Business Park from Planned Unit Development – Industrial/Commercial-Office (PUD-I/C-O) District to Planned Unit Development – Mixed Use (PUD-MU) District shall remain in full force and effect. The three sites are: (1) The W.P. Carey site (Hacienda Site 7G), at the southeast corner of Owens Drive

and Willow Road (Assessor's Parcel No. 941-2778-013-00 and part of APN 941-2778-012-00); (2) The BRE site (Hacienda Site 7E), at the north corner of Hacienda Drive and Gibraltar Drive (APN 941-2778-011-00); 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).

Section 2. A summary of this ordinance shall be published once within fifteen (15) days after its adoption in "The Valley Times," a newspaper of general circulation published in the City of Pleasanton, and the complete ordinance shall be posted for fifteen (15) days in the City Clerk's office within fifteen (15) days after its adoption.

Section 3. This ordinance shall be effective thirty (30) days after its passage and adoption.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Pleasanton on October 5, 2010, and adopted at a regular meeting of the City Council of the City of Pleasanton on October 19, 2010, by the following vote:

Ayes: Councilmembers Cook-Kallio, McGovern, Sullivan, Thorne, Mayor Hosterman
Noes: None
Absent: None
Abstain: None

Jennifer Hosterman, Mayor

ATTEST:

Karen Diaz, City Clerk

APPROVED AS TO FORM:

Jonathan P. Lowell, City Attorney

EXHIBIT E

CITY OF PLEASANTON
INITIAL STUDY AND PROPOSED NEGATIVE DECLARATION FOR Hacienda Rezoning

August 31, 2009

An Initial Study has been prepared under the direction of the City of Pleasanton Community Development Department to rezone the subject properties from the PUD-I/C-O (Industrial/Commercial-Office) District to the PUD-Mixed-Use District. The proposed project consists of three sites. These are located at the southeast corner of Owens Drive and Willow Road, Assessor's Parcel Number 941 2778-013-00 and a portion of Assessor's Parcel Number 941 2778-012-00; at the north corner of Hacienda Drive and Gibraltar Drive, Assessor's Parcel Number 941 2778-011-00; and south of Gibraltar Drive between Willow Road and Hacienda Drive, a portion of Assessor's Parcel Number 941 2761-003-00.

Based upon the following Initial Study that evaluated the environmental effects of the proposed project, the City of Pleasanton has found that the proposed project (including any mitigation measures that would be incorporated into the project) would not have a significant effect on the environment. The City of Pleasanton has concluded, therefore, that it is not necessary to prepare an Environmental Impact Report for this project.

City of Pleasanton
Hacienda Mixed Use Rezoning
Initial Study and Draft Negative Declaration

PREPARED BY:

City of Pleasanton
Community Development Department
Post Office Box 520
200 Old Bernal Avenue
Pleasanton, California 94566
(925) 931-5606

August, 2009

TABLE OF CONTENTS

Environmental Checklist Form

I. BACKGROUND

1. *Project title:*
   Hacienda Mixed Use Rezoning
2. *Lead agency name and address:*
   City of Pleasanton
   200 Old Bernal Avenue
   P.O. Box 520
   Pleasanton, CA 94566
3. *Contact person and phone number:*
   Janice Stern, Principal Planner
   (916) 931-5606
4. *Project location:*
   Three sites within Hacienda, Pleasanton, California (See Section II.2, Project Location and Context, below)
5. *Project sponsor's name and address:*
   City of Pleasanton
   200 Old Bernal Avenue
   P.O. Box 520
   Pleasanton, CA 94566
6. *General plan designation:*
   Mixed Use/Business Park
7. *Zoning:*
   PUD-I/C-O (Industrial/Commercial-Office)
8. *Description of project:* See Section III.2. Project Characteristics and Approvals, below.
9. *Surrounding land uses and setting: (Briefly describe the project's surroundings.)*
   See Section II.2 Project Location and Context, below.
10. *Other public agencies whose approval is required:*
    No approvals are needed from other public agencies.

II. PROJECT DESCRIPTION

1. Introduction

This Initial Study and Negative Declaration (IS/ND) provides the California Environmental Quality Act (CEQA) environmental analysis for the proposed PRZ-48 Hacienda Mixed Use Rezoning project.

The environmental analysis for the proposed project uses current and historical documented information derived from proximate projects as well as previous development applications of the subject sites. The historical information has been reviewed and analyzed to ensure that no changed circumstances exist related to that information.

This Initial Study / Negative Declaration consists of an environmental checklist, a brief explanation of topics addressed in the checklist, and a determination that an EIR is not required.

This Initial Study refers to the Final Environmental Impact Report (EIR) for the Pleasanton General Plan 2005-2025 ("Pleasanton General Plan EIR.") The Pleasanton General Plan EIR analyzes buildout of the Planning Area without considering interim buildout. This project has been analyzed in the Pleasanton General Plan EIR as part of the Concentrated Development/Transit Oriented Development Alternative.

This Initial Study analyzes project-specific environmental impacts due to changing the zoning on three sites in Hacienda. For each potential impact topic, this Initial Study first summarizes the Pleasanton General Plan EIR impacts, if applicable, and incorporates them by reference. Then this Initial Study evaluates specific impacts associated with the currently proposed rezoning, and identifies any potential impacts not previously addressed in the Pleasanton General Plan EIR. Additional mitigation measures, if warranted, to reduce some impacts to a less-than-significant level or to be carried forward for evaluation in a Supplemental or Subsequent EIR will also be included herein. No actual development of the subject sites to be rezoned is proposed at this time, and any proposal involving residential or mixed-use development would be subject to a separate public review process and further, more refined environmental review under CEQA.

2. Project Location and Context

The three project sites are located within Hacienda in the City of Pleasanton as shown in Figure 1 (following page 4) and as described below:

1. The W.P. Carey site (Hacienda Site 7G), at the southeast corner of Owens Drive and Willow Road (Assessor's Parcel Number 941 2778-013-00 and a portion of Assessor's Parcel Number 941 2778-012-00), approximately 11 acres.
2. The BRE site (Hacienda Site 7E), at the north corner of Hacienda Drive and Gibraltar Drive (Assessor's Parcel Number 941 2778-011-00), approximately 8.2 acres.
3. The Roche Molecular Systems site (a portion of Hacienda Site 6), south of Gibraltar Drive between Willow Road and Hacienda Drive (a portion of Assessor's Parcel Number 941 2761-003-00), about 12.4 acres (of the approximate 33.4 acre Roche site).

These three project sites are located south of and within one-half mile of the Pleasanton/Dublin BART Station. The sites are generally south of Interstate 580 (I-580), east of Hopyard Road, west of Hacienda Drive and Santa Rita Road, and north of Stoneridge Drive within the Hacienda Business Park ("Hacienda"). The Iron Horse Trail is located north and east of the three sites. The W.P. Carey site (Hacienda Site 7G), and the BRE site (Hacienda Site 7G) are located on the block bounded by Owens Drive, Hacienda Drive, Gibraltar Drive, and Willow Road. The Roche Molecular Systems site is located on the block bounded by Gibraltar Drive, Hacienda Drive, Stoneridge Drive, and Willow Road.

The project sites are currently zoned as PUD-I/C-O with a Hacienda land use designation of Mixed Office, Research and Development/Light Manufacturing Planned District (MOIPD), which allows light industrial, research and development, and office uses. PUD-I/C-O is a Planned Unit Development zoning classification. The basic site requirements of Planned Unit Development zoning are established in conjunction with approval of a final development plan. Chapter 18.68 of the *Pleasanton Municipal Code* sets forth the requirements for this zoning, including those related to the required development plan. A development plan shall be accompanied by a site plan, topographical map, grading plan, development

profiles showing relationship of the proposed project to any dominant geological or topographical features, current preliminary soils and geological report, if warranted, and a landscaping plan. Residential development applications in a Planned Unit Development must also include information regarding population density of the development, location of proposed dwelling units and types, and the total number of bedrooms. A traffic analysis is commonly required as part of a Planned Unit Development plan proposal.

The Planning Commission and City Council may permit any use in a Planned Unit Development district which is consistent with the General Plan; compatible with the purposes of the district, the neighborhood, and general vicinity of the proposed project; and in keeping with protection of the public health, safety and general welfare. The City may also impose conditions to protect the public health, safety and general welfare.

The total size of the three project sites combined is about 31.6 acres compared to 730.4 acres (854 acres including roadways) of developable land within the Hacienda area. The City has previously approved office / research and development (R&D) development plans for these project sites; however, the proposed rezoning would allow residential/mixed-use development on these sites as envisioned in the General Plan. The existing development standards for each site includes a floor area ratio (FAR) of 0.6 (or 60 percent), a height limit of 85.5 feet and/or six stories, a 30 percent landscaping requirement, and parking ratios of one parking space for each 250 to 300 square feet of development. Thus currently the three sites combined could accommodate a maximum of about 826,000 square feet of office and light industrial development, requiring between about 2,750 and 3,300 parking spaces.

3. Project Characteristics and Approvals

The proposed project would rezone three sites in Hacienda from PUD-I/C-O (Hacienda land use designation MOIPD) to PUD Mixed Use (Hacienda land use designation MCOIRPD [Mixed Retail/Commercial/Financial, Office, Research and Development / Light Manufacturing, Residential Planned District]). This proposed rezoning would allow the same type of industrial, research and development, and office uses as currently allowed on the sites by the existing zoning and by an existing development agreement. The zoning change would allow residential and some retail uses. If residential planned unit development plans were subsequently approved, the rezoning would require a minimum of 30 residential units per acre, for a total of at least 948 dwelling units on the three project sites. For the impact analysis, this Initial Study assumes the following:

1. The W.P. Carey site (Hacienda site 7G) would accommodate at least 330 dwelling units and allow some neighborhood-serving retail uses.
2. The BRE site (Hacienda site 7E) would accommodate at least 245 dwelling units and allow some neighborhood-serving retail uses.
3. The Roche Molecular Systems site (a portion of Hacienda site 6) would accommodate at least 372 dwelling units and allow some neighborhood-serving retail uses.

Under State housing law, parcels with a minimum density of 30 or more dwelling units per acre may be considered adequate sites for lower income housing. Thus this zone change would accommodate at least 948 dwelling units and could accommodate more units.[1] This zone change would satisfy Program

[1] If the development plans were to require a 0.6 floor area ratio (FAR), and assuming an average of 800 square feet per unit, the total number of units that the three sites could accommodate would be about 1,030 units. The size of one-bedroom apartments in Pleasanton range from about 550 to 800 square feet, while two-and three-bedroom units are larger. A project could have more units than the average assumed herein if it contained more studio/one-bedroom units and fewer

19.1 of the 2003 Housing Element to rezone land sufficient to accommodate the remaining unaccommodated housing need. (At the time the Housing Element was adopted in 2003, this need was 871 units. However, with the approval of the Windstar Project (PUD-82) which would accommodate 350 units, the remaining need is now only 521 units.)

Development of these sites with residential/mixed-use development pursuant to the General Plan would require the following approvals from the City of Pleasanton:

- Rezone the three sites within Hacienda from PUD-I/C-O (Hacienda land use designation MOIPD) to PUD Mixed Use (Hacienda land use designation MCOIRPD) (the currently proposed action);
- Adopt, through a public process, a PUD modification to determine the specific type of development for these sites, to consider common Hacienda--wide improvements to facilitate pedestrian access throughout Hacienda and to the BART station, and to adopt specific development standards/design guidelines for mixed-use development;
- Modify the existing development agreements for Hacienda as necessary to accommodate mixed-use, transit-oriented development; and,
- Approve individual PUD development plans for each site.

A public process leading to a PUD modification and new design guidelines/development is anticipated and would be required prior to approving any PUD development plan for these sites.

III. DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

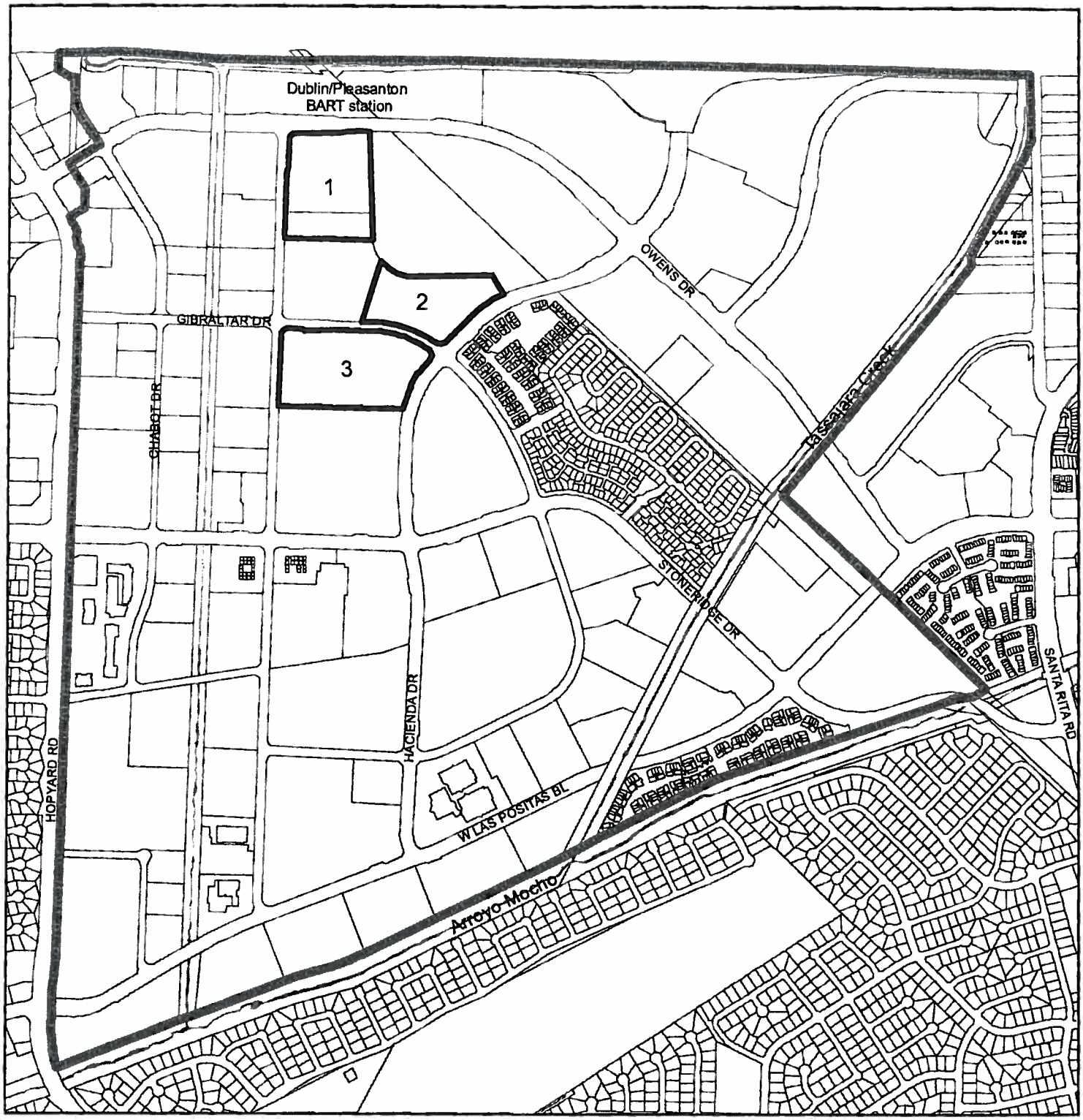
Signature

Date 8/31/09

Janice Stern
Printed name

family units or if the FAR were greater than a 0.6 FAR. The General Plan does not set any maximum FAR for housing within a mixed-use designation., and the maximum FAR for Mixed Use is 1.2.

Figure 1: Proposed Residential Rezonings in Hacienda



N

1,000 500 0 1,000 Feet

Legend

- 1 Site#1: W.P. Carey, 11.0 acres
- 2 Site#2: BRE, 8.2 acres
- 3 Site#3: Roche Molecular Systems, 12 acres
- Hacienda Business Park Boundary

IV. ENVIRONMENTAL CHECKLIST

The following checklist contains the environmental checklist form presented in Appendix G of the California Environmental Quality Act (CEQA) Guidelines. The checklist form is used to describe the impacts of the proposed project. A discussion follows each environmental issue identified in the checklist.

For this project, the following designations are used:

Less Than Significant: Any impact that would not be considered significant under CEQA relative to existing standards.

No Impact: Any impact that does not apply to the project.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
1. Aesthetics – Would the project:				
a) Have a substantial adverse effect on a scenic vista?			X	
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?			X	
c) Substantially degrade the existing visual character or quality of the site and its surroundings?			X	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?			X	

Environmental Setting

The area south of the Interstate 580 (I-580) between Hopyard Road and Hacienda Drive that includes the three project sites is relatively flat. No scenic vistas or scenic resources are located within Hacienda although views of the surrounding hills, including Mount Diablo to the north, are available from many locations within Hacienda. In distant views from the surrounding hills, the three project sites currently appear as open areas in a campus-like setting. The project sites are located within Hacienda and are surrounded by business park buildings and other relatively new multi-residential development. The roadways within Hacienda are relatively wide and are oriented to vehicle access. The BART station and parking lot are visible from the W.P. Carey site (Hacienda site 7G).

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Questions

Less-than-Significant Impacts. The proposed zoning change could potentially result in development of housing and neighborhood-serving retail uses instead of office or light industrial uses. From distant views future development of the three project sites would show infill buildings in an already developed area that would be similar to what currently is allowed.

Design and aesthetics are, by definition, subjective and open to interpretation by decision-makers and members of the public. A proposed project would therefore be considered to have a significant adverse effect on visual quality under *CEQA* only if it would cause a substantial and demonstrable negative change. In an urban area, infill development of additional structures would generally not be considered to cause a substantial and demonstrable negative change. The zoning change itself would not result in such a negative change, and the resulting buildings would not be expected to result in such a change as future development would be subject to design review by the City. Furthermore, the Hacienda PUD includes design guidelines for the Hacienda area, and it is anticipated that any forthcoming mixed-use PUD development plan for Hacienda would include the adoption of design guidelines and development standards for mixed-use development, which would address issues of design and aesthetics.

No additional light and glare would be anticipated from buildings developed under the proposed zoning compared to those that could currently be built on the project site. In addition, given the location of surrounding buildings set back from the property lines, any future buildings resulting from the proposed zoning change would not be expected to be located in proximity to other development.

The W.P. Carey site (Hacienda site 7G) is located across from the BART station and parking lot. The zone change would allow residential buildings to be located across from potential light sources at the BART Station. During the development process, potential conflicts with BART's nighttime lighting would be considered in order to protect future residents of that site.

As there are few trees (and any heritage trees would be protected under the City's ordinance), minimal landscaping, and no buildings on any of the three sites, and as the sites are not readily visible from I-680, a scenic highway, development of the three project site due to rezoning of the project sites would result in a less than significant impact on scenic resources.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
2. Agriculture Resources – In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Dept. of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:				
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				X
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?				X
c) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?				X

Environmental Setting

Environmental Setting

The three project sites are located within Hacienda and are surrounded by office, light industrial, and residential development. The sites are already allowed to be developed under the Hacienda PUD (for which a EIR has been certified). No agricultural land uses are located within the project vicinity.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Questions

No Impact. The project sites are not developed as farmland, are not under *Williamson Act* contract, and have been within a business park since its inception.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
3. Air Quality – Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a) Conflict with or obstruct implementation of the applicable air quality plan?			X	
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?			X	
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?			X	
d) Expose sensitive receptors to substantial pollutant concentrations?			X	
e) Create objectionable odors affecting a substantial number of people?			X	

Background

Land uses such as schools, children's daycare centers, hospitals, convalescent homes, and senior housing are considered to be more sensitive than the general public to poor air quality because the population groups associated with these uses have a greater susceptibility to respiratory distress. Persons engaged in strenuous work or exercise also have a greater sensitivity to poor air quality. Residential areas are considered more sensitive to air quality conditions than commercial and industrial areas, because people generally spend longer periods of time at their residences, resulting in greater exposure to ambient air quality conditions. Recreational uses are also considered sensitive, due to the greater exposure to ambient air quality conditions, and because the presence of pollution detracts from the recreational experience.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic. Also, the significance criteria related to question 3b) are further explained below.

The significance criteria established by the Bay Area Air quality Management District (BAAQMD) is used to determine the significance of air quality impacts. A project would have a significant impact on air quality if the proposed project and uses would cause total criteria air pollutant emissions (i.e., from both stationary and mobile sources) to equal or exceed the following BAAQMD-defined thresholds:

Reactive organics	80 lbs/day
Nitrogen oxides	80 lbs/day
Particulate matter (PM_{10})	80 lbs/day

According to *BAAQMD Guidelines*, proposed projects would warrant carbon monoxide analysis if (1) daily CO vehicle emissions would exceed 550 lbs/day, (2) project traffic would impact intersections or roadway links operating at Level of Service (LOS) D, E or F, or would cause LOS to decline to D, E, or F, or (3) project traffic would increase traffic volumes by 10 percent or more, unless the increase in traffic volume would be less than 100 vehicles per hour. A project would have a significant impact on air quality if the following threshold were exceeded:

Carbon monoxide (CO) 9 parts per million (ppm) averaged over 8 hours, and 20 ppm averaged over 1 hour

Finally, according to the *BAAQMD Guidelines*, a project that would individually have a significant air quality impact would also be considered to have a significant cumulative air quality impact. No regulatory agency has adopted standards of significance with regard to toxic air emissions from mobile sources.

Discussion of Checklist Items

Less-than-Significant Impacts. Currently the City is in compliance with State and federal carbon monoxide standards. In the future, carbon monoxide emission rates from motor vehicles are expected to decline from their present average values resulting in lower future carbon monoxide emissions. Future cumulative development in Alameda County would drop about 72 percent from 2005 to 2025, as shown on Table 1, below. Even with increased development in the Bay Area and in Pleasanton, carbon monoxide emission rates would also be expected to drop. Development impacts resulting from this proposed zoning change have been considered in this cumulative total.

TABLE 1
PROJECTED COUNTY-WIDE VEHICULAR EMISSIONS, 2005 AND 2025 (TONS/DAY)

	2005	2025	% Change
Vehicle Miles Traveled	36,218,000	48,872,000	35 %
Diesel Consumption (gallons)	409,030	481,420	18 %
Gasoline Consumption (gallons)	1,755,530	2,342,660	33 %
Pollutants (in Tons per Day)			
Reactive Organic Gases (ROG)	31.03	11.11	- 65 %
Nitrogen Oxides (NOX)	72.31	20.5	- 72 %
Sulfur Oxides (SOX)	0.57	0.27	- 53 %

Particulate Matter (PM_{10})	3.02	2.52	- 17 %
Carbon Monoxide (CO)	295.45	83.34	- 72 %
Carbon Dioxide (CO_2)	21.19	28.1	+ 33 %

Source: Illingworth & Rodkin, using Emfac2007 V2.3 Nov. 2006, 2007.

In 2005, ozone was the only pollutant for which the Bay Area was in non-attainment. It is anticipated that in the future the Bay Area will be in non-attainment for particulate matter.

Because the proposed project is a zoning change, no construction would occur as a result of this project. At the time a development plan is considered for any of the three project sites, the City will conduct environmental analysis under CEQA to consider the potential for carbon monoxide, ozone, and particulate air quality impacts due to project construction and operation, and will identify mitigation measures, as warranted. The project site exceeds 4.0 acres. Thus an enhanced dust control program during construction would be applicable to development resulting from this project.

Future development due to the zoning change may contain residential land uses, the closest of which would be about 500 feet from I-580. Thus any future residential development would be in compliance with the California Air Resources Board's *Air Quality and Land Use Handbook: A Community Health Perspective*, April 2005 and with programs contained in the Air Quality Element of the General Plan. Air quality impacts due to nearby mobile sources on residential development would be less than significant.

Table 1, above, shows that greenhouse gas emissions (carbon dioxide or CO_2) will increase in Alameda County. Table 2, below, shows the expected increase of greenhouse gas emissions in the Planning Area in the future. Although the table below considered development from this project in the cumulative total, it did not consider the reduced traffic impacts of locating high-density housing close to the BART line. Such housing would help reduce vehicle trips and trip lengths in the future. This issue will be addressed in the environmental review documents at the time development plans are proposed for the project sites.

TABLE 2: GREENHOUSE GAS EMISSIONS

Emission Source	Existing Conditions (2005)		Buildout (2025)	
	(CO_2e in MT/Year)	% all CO_2e	(CO_2e in MT/Year)	% all CO_2e
Residential	0.277	21	0.319	16
Commercial/Office/R&D/Other	0.241	18	0.404	21
Industrial	0.043	3	0.082	4
Transportation	0.777	58	1.140	59
Total Annual Emissions	1.338	100	1.940	100

Notes: CO_2 =carbon dioxide, e =equivalent, CO_2e =carbon dioxide equivalent, MT=million tons

Source: LSA Associates, August 2008.

See a discussion about toxic air contaminants in Section V. 7 Hazards and Hazardous Materials, below.

Residential development resulting from the proposed zoning change would not generate objectionable odors; some automobile exhaust odors from on-site vehicles could be expected but would have a less than significant environmental impact.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
4. Biological Resources – Would the project:				
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				X
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?				X
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				X
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X

Environmental Setting

The three project sites are covered with non-landscaped, ruderal (weedy) vegetation. No special status species are found on the project sites. The three project sites contain no riparian land or wetlands; they are not a stopping point for migratory birds.

The City of Pleasanton designates trees over 55 inches in circumference or more or than 35 feet in height as heritage trees subject to regulations governing their removal in the *Pleasanton Municipal C de*, Chapter 17.16: Tree Preservation. There may be trees along the property lines or near the sidewalk of the BRE site (Hacienda site 7E) and/or the Roche Molecular Systems site (a portion of Hacienda site 6) which should be evaluated at the time a development plan is reviewed.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impact. The zoning change itself would not remove any trees. At the time a development plan is proposed for the project sites, the impacts to any existing trees and their potential significance, if any, will be considered in the project-specific environmental review. It is anticipated that any future impacts regarding tree removal would be less than significant due to mitigation requirements of the *Pleasanton Municipal Code*, Chapter 17.16: Tree Preservation.

No Impact. The proposed project would have no impact on any special status species, riparian habitat, or migratory bird species. In addition, it would not conflict with an adopted Habitat Conservation Plan, Natural Community Conservation Plan or other approved local, regional, or state habitat conservation plan, as no such plans apply to the project sites.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
5. Cultural Resources – Would the project:				
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?				X
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?		X		
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d) Disturb any human remains, including those interred outside of formal cemeteries?		X		

Environmental Setting

Hacienda is located in an area of relatively high archaeological sensitivity. A portion of the former Willow Marsh, which once housed aboriginal populations, was located in the western and southern portions of Hacienda. Over the millennia, the edges of this marsh and the arroyos that fed it from the east moved back and forth across the area. Given that Hacienda is located within a region of historical and archaeological significance, the potential for finds exists within the area.[2]

The project sites contain no historic structures. Hacienda demolished all extant buildings during development of the business park.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic. The text below further explains and defines the significance criteria for impact question b).

CEQA Guidelines Section 15064.5(c) applies to effects on archaeological sites. Effects on non-unique archaeological resources are not considered significant. Regarding unique archaeological resources, lead agencies may require that reasonable efforts be made to allow such resources to be preserved in place or left in an undisturbed state. To the extent that unique archaeological resources are not preserved in place or left undisturbed, *Public Resources Code* Section 21083.2 requires mitigation measures to protect

[2] City of Pleasanton, Hacienda Business Park Planned Unit Development, PUD-81-30, Final Environmental Impact Report, May 1982.

such resources. Additionally, mitigation measures may be imposed to provide for archaeological sites discovered during construction. Generally, imposing mitigation measures would reduce archeological resource effects to a less-than-significant level.

Discussion of Checklist Items

Less-than-Significant Impacts. As noted above, the project site is in an area of high archaeological sensitivity. The zoning change itself would not include any construction, and the proposed residential and retail land uses would not be expected to result in any greater impacts, if any, than could occur under existing zoning and under the existing development plan. This issue will be addressed in the environmental review documents at the time a development plan is proposed for the project sites.

No Impact. As noted above, all pre-business park structures located at Hacienda were demolished and only the relatively new structures related to the business park remain. Therefore, the project would not result in a direct impact to historic resources. No rock outcroppings are located in the project vicinity and no paleontological remains have been identified nearby, or would be expected in this area.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
6. Geology and Soils – Would the project:				
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.				X
ii) Strong seismic ground shaking?			X	
iii) Seismic-related ground failure, including liquefaction?			X	
iv) Landslides?				X
b) Result in substantial soil erosion or the loss of topsoil?			X	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?			X	
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?			X	
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?				X

Environmental Setting

The three project sites are located on relatively flat land. The City has referred to the Public Safety Element of the Pleasanton General Plan and to the geotechnical investigation prepared for the Hacienda

Business Park before its development[3] to analyze whether the project sites are located in areas of seismic activity. The three sites are located in the vicinity of the known Mt. Diablo Fault, although they are not in any landslide zone or in an Alquist Priolo Special Study Zone (Figures 5-1, 5-2, and 5-5 of the Public Safety Element). The sites are in an area designated as "Severe to Violent" for relative intensity of ground shaking by the California Geological Survey and are listed in a liquefaction zone in the California Geological Survey Seismic Hazards Zonation Program (Figures 5-3 and 5-4 of the Public Safety Element of the General Plan). Regarding expansive soils, the three sites have the potential to contain such soils.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impacts. The project vicinity has a relatively high susceptibility to seismic shaking. The greatest seismic risks for the area are from a large earthquake on the Calaveras fault on the Pleasanton Ridge flank, and to a slightly lesser extent, large magnitude earthquakes on the more distant Calaveras fault segments, as well as on the Calaveras, Concord, Greenville, Hayward, or San Andreas faults. Such events could cause extensive damage to structures and infrastructure.

Because the site vicinity is located in an area susceptible to liquefaction and expansive soils, the potential exists for development due to the proposed zoning change to be subject to these hazards. Thus the project sponsor of development of the site would have to submit geotechnical or soils studies at the time development is proposed on any of the three project sites, if required to update the existing analysis conducted in 1981.

The City of Pleasanton requires all development projects to conform to the most current *California Building Code* as amended by *Pleasanton Municipal Code* Chapter 20.08: Building Code. Thus the project sponsor would be required to design and build all structures to withstand predicted peak accelerations of a maximum credible earthquake. Development of the three project sites due to the proposed zone change would require an NPDES permit as the proposed grading would involve more than 1 acre of ground disturbance. Implementation of the required NPDES permit would reduce this impact to a less-than-significant level for soil erosion issues.

No Impact. The Alquist-Priolo map for the project vicinity shows no fault trace or Alquist-Priolo special studies zone on or adjacent to any of the three project sites. The project area is located about ½ mile south of the Mount Diablo Fault and approximately 2 miles east of the Calaveras Fault. Therefore fault rupture would not be expected to impact the project.

The sites are generally level with no hills located nearby. Therefore, landsliding in the project vicinity would be unlikely.

Sanitary sewers would serve the project vicinity and development resulting from the proposed zoning change would not involve continued or proposed used of septic systems.

[3] Wahler Associates, Geotechnical Engineer, "Preliminary Geotechnical Investigation, Hacienda Business Park, Pleasanton, California," June 1981.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
7. Hazards and Hazardous Materials – Would the project				
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?			X	
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			X	
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			X	
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to *Government Code* Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				X
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?			X	
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				X

Environmental Setting

The three currently vacant sites are not used to store hazardous materials. The EIR for the General Plan checked the Cal EPA website in January 31, 2008 to verify whether any hazardous materials could be found in Pleasanton. Those sites are listed on Table 3.13-1 of the EIR for the General Plan,. That list does not identify any sites as being located in Hacienda. The City rechecked the Cal EPA in June 2009 and found two additional sites on the Cortese List: Nuclepore Corporation at 2035 Commerce Circle and Tenneco Chemical, Inc. at 5555 Sunol Boulevard.[4] Neither of these sites is located within Hacienda. The City also checked for leaking underground storage tanks and found one listed at 4770 Willow Road, the ANG Newspaper site, in Hacienda.[5]

The project sites are located more than 2 miles from the Livermore Airport, and are outside both the General Referral Area and the Height Referral Area

The project sites are infill sites in an urban area and are not located close to any wildlands.

[4] Calepa website, accessed June 1, 2009 at: http://www.dtsc.ca.gov/SiteCleanup/Cortese_List.cfm

[5] Calepa website, accessed June 1, 2009 at: https://geotracker.waterboards.ca.gov/

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impacts. The proposed project would not expose people to potential health hazards through the routine transport, use, storage or disposal of hazardous materials. Future residents and tenants at the potential neighborhood-serving retail establishments due to implementation of the zoning change may use or store relatively small amounts of hazardous materials. During construction on the project sites contractors would use some hazardous materials. Hazards associated with those materials would be reduced to less-than-significant levels by compliance with State and federal transport, storage, and disposal requirements. No additional mitigation is warranted. This issue will be addressed in more detail, including any impacts on nearby schools, in the environmental review documents at the time a development plan is proposed for the project sites.

No toxic air contaminant would result from the proposed zone change, and no worse impacts than could occur under the existing zoning of the sites could occur due to project implementation. The issue of toxic air contaminant emissions will be addressed in the environmental review documents at the time a development plan is proposed for the project sites. For example, a dry-cleaning establishment could be proposed on one of the project sites. The actual neighborhood-serving retail uses are unknown at this time.

No Impacts. Regarding airport hazards, all three sites are located outside both the General Referral Area and the Height Referral Area and the project would have no impact on an airport.

The City has adopted a Comprehensive Emergency Management Plan to provide for the safety of the community in the event of a major emergency such as an earthquake, flood, fire, nuclear accident, civil disturbance, or hazardous materials spill. The plan provides the basis for direction and control of emergency operations and contains task assignments for City personnel under emergency conditions.[6] Any future development resulting from the zone change would be subject to the City's Emergency Operations Plan.

The project sites are infill sites in an urban area and are not located close to any wildlands. No wildland fires would impact the area.

[6] City of Pleasanton Comprehensive Emergency Management Plan, Revised September 26, 2005

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
8. **Hydrology and Water Quality** – Would the project:				
a) Violate any water quality standards or waste discharge requirements?				X
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				X
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?			X	
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?			X	
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?			X	
f) Otherwise substantially degrade water quality?				X
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?			X	
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?			X	
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?			X	
j) Inundation by seiche, tsunami, or mudflow?				X

Environmental Setting

All three project sites are currently located in a 500-year flood zone and are within the Del Valle Dam Inundation Area as shown on Figures 5-7 and 5-8, respectively, of the Public Safety Element of the proposed Pleasanton General Plan.

Significance Criteria

The impact questions above constitute the significance standard for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impacts. The proposed zone change would not cause any hydrology or water quality impacts.

Development due to buildout of the proposed zone change would be subject to the Construction General Permit, the Alameda Countywide Municipal Stormwater National Pollution Discharge Elimination System (NPDES) Permit, Industrial General Permit, Waste Discharge Requirements for the Livermore-Amador Valley Water Management Agency, Dublin-San Ramon Services District, City of Pleasanton, Livermore-Amador Valley Water Management Agency Export and Storage Facilities Intermittent Peak Wet Weather Discharge to the San Lorenzo Creek, Alamo Canal, or Wastewater Treatment Plant Permit, Order No. R2-2006-0026, NPDES Permit No. CA0037813), Master Water Recycling Permit, and potentially an individual Waste Discharge Requirement for construction dewatering, if substantial groundwater was encountered during construction, or an individual Waste Discharge Requirement if there would be discharges of water to the land surface, other than recycled water covered under the Master Water Recycling Permit.

Consequently, several regulatory mechanisms would ensure that the potential for violation of a Waste Discharge Requirement would not be substantial within the areas to be rezoned. Furthermore, the existing regulations are considered protective of water quality standards. The potential for discharges of polluted stormwater from construction to affect beneficial uses of groundwater recharge, fish migration and spawning, wildlife habitat, water contact and non-contact water recreation, and cold and warm freshwater habitat for nearby waterways would not be substantial. Implementation of existing regulatory requirements for the National Pollution Discharge Elimination System permit would ensure that any violation of Waste Discharge Requirements or water quality standards during any construction in Pleasanton would be less than significant.

Further, residential land uses due to implementation of the proposed zone change would not be expected to result in any adverse water quality effects that would be significant.

The project sites are located within the 500-year flood zone and could be impacted by some flooding, although such flooding would not be considered potentially significant.

The project sites are not at any greater hazard for flood inundation due to a levee or dam failure than any other site within Pleasanton. The project sites, like most of Pleasanton, are within the Del Valle Dam Flood inundation area.

No Impact. Development of housing due to implementing the proposed zone change would not violate any water quality standards, waste discharge requirements, or otherwise degrade water quality. Furthermore, the proposed project would not involve any groundwater extraction or augmentation. There is no risk of seiche, tsunami, or mudflow at the project sites because the site is inland.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
9. Land Use and Planning – Would the project:				
a) Physically divide an established community?				X
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?			X	
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				X

Environmental Setting

The three project sites are located within Hacienda, a developed business park with some residential land uses, designated on the General Plan land use map as Mixed Use/Business Park. Currently all three sites are vacant with ruderal (weedy) vegetation.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impact. To change the zoning designation to allow residential and retail land uses would not conflict with any applicable land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect. Thus the project would result in a less-th -significant land-use effect.

No Impact. Development due to the proposed rezoning would be infill development in an established business and residential park thus it would not disrupt or divide an established community. No habitat conservation plan is applicable in this developed area.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
10. Mineral Resources – Would the project:				
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				X

Environmental Setting

No mineral resources that would be of value to the region and the residents of the state are known to occur in the project vicinity.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

No Impact. The project sites are not within the mapped mineral resources zone. Several gravel quarries that are designated Aggregate Resource Areas in the City's General Plan are located on El Charro Road more than 2 miles east of the project sites. The project would not result in the loss of those mineral resource areas.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
11. Noise – Would the project result in:				
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?			X	
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?			X	
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?			X	
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X

Environmental Setting

The Noise Element of Pleasanton's General Plan incorporates State noise / land-use compatibility guidelines for various land uses. The noise goal for noise sensitive land uses including residential development is an interior noise level of 45 L_{dn}. L_{dn} accounts for the difference in response of people to daytime and nighttime noises by weighting the noise decibels generated during the nighttime when background noise is generally less and people are more sensitive to noise events. To compensate for people's increased sensitivity during nighttime hours, the L_{dn} measurement multiplies each nighttime noise event by a factor of ten, approximately equal to a doubling in perceived loudness.

Existing noise levels around the project site derive mainly from vehicular sources on I-580, including BART, and vehicle traffic on roadways within Hacienda. Figure 11-2 of the 2005-2025 General Plan (Future (2025) Noise Contours) shows outdoor noise levels at the more northerly sites in excess of 70 dBA.

Regarding airport noise, all three project sites are located more than 2 miles from the Livermore Airport.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impacts. The *Pleasanton Municipal Code* limits construction-related noise from any one piece of equipment to 83 dBA with up to 86 dBA total. Note that such noise levels would be sporadic rather than continuous in nature because different types of construction equipment would be used throughout the construction process. As the receptor moves away from the noise source, the rate

of attenuation (lessening) is about six decibels (dBA) for every doubling of distance from a point source.[7] Average construction-related noise levels would generally be maintained below 80 dBA throughout project construction at distances of approximately 50 feet from the noise source. Distances of approximately 200 feet would generally maintain average noise levels below 70 dBA. Construction due to implementation of the proposed zone change on the BRE project site and potentially on the Roche Molecular Systems site would cause temporary noise impacts on the nearby Siena housing development. The proposed zone change itself would not result in any construction or construction noise.

Title 24 of the *California Code of Regulations* establishes uniform noise insulation standards for residential structures. Title 24 requires that residential structures (other than detached single-family dwellings) be designed to prevent the intrusion of exterior noise so that the noise level with windows closed, attributable to exterior sources, shall not exceed 45 dBA[8] in any habitable room. In addition, the General Plan Noise Element includes standards for indoor and outdoor noise, when noise studies are required, and a requirement that noise mitigation is included as a condition of project approval. Residential development in areas with outside noise levels up to 75 dBA is conditionally allowed and would require an acoustical study and mitigation. Thus any residential development that might occur to implement the proposed zone change would be required to meet the noise standards of the General Plan.

Development due to the proposed zone change would not include any activities that would result in excessive groundborne vibration or noise. The future residential and commercial land uses would not increase ambient noise levels in the project vicinity above existing ambient noise levels in the area.

Construction and operational noise will be addressed in more detail, including any impacts on sensitive noise receptors, in the environmental review documents subject to the *California Environmental Quality Act* at the time development plans are proposed for the project sites. In addition, vibration impacts from the nearby BART Station on proposed residential land uses will also be analyzed at that time. Mitigation measures, if warranted, would be included as part of that process.

No Impact. The site is not in the vicinity of a private airstrip or within 2 miles of a public airport.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
12. Population and Housing – Would the project:				
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?			X	
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X

[7] Thus 86 dBA at 25 feet would attenuate to 80 dBA at 50 feet, 74 dBA at 100 feet, 68 dBA at 200 feet and 62 dBA at 400 feet while 83 dBA at 25 feet would attenuate to 77 dBA at 50 feet, 71 dBA at 100 feet, and 65 dBA at 200 feet.

[8] dbA = A weighted decibels.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-Than-Significant Impact. The project would induce residential population growth close to the Pleasanton/Dublin BART station. The proposed zone change would require a minimum of 30 residential units per acre in addition to the other allowed uses for a total of at least 948 dwelling units and up to about 1,030 dwelling units or more on the three project sites. These housing units would be counted against Pleasanton's housing cap.

Under State housing law, parcels that require 30 or more dwelling units per acre may be considered adequate sites for lower income housing. Thus this zone change would satisfy Program 19.1 of the 2003 Housing Element to rezone land sufficient to accommodate the City's remaining unaccommodated need, which is currently 521.

The proposed rezoning would enable, but not require, the sites to be developed with housing rather than with the office/R&D uses that are currently allowed. Developing these sites with housing would increase the residential population in the area, but potential housing was analyzed as an alternative in the General Plan EIR and found to be not significant. Further analysis will occur when actual development plans are proposed.

No Impacts. Development due to the proposed zone change would not result in displacing any housing or residents as the land is undeveloped.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
13. Public Services				
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
Fire protection?			X	
Police protection?			X	
Schools?			X	
Parks?			X	
Other public facilities?			X	

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impacts. The Livermore-Pleasanton Fire Department serves the City of Pleasanton and would provide fire services to the project sites. All three sites are in an area with a travel time of 5 minutes or less from the nearest fire station. The sites are located between Fire Station 2 at 6300 Stoneridge Drive and Fire Station 3 at 3200 Santa Rita Road. The Community Development and Fire Department also require built-in fire protection systems in certain new developments, including automatic fire sprinklers, fire-resistant construction, and early warning fire detection systems, in addition to access and setback requirements which facilitate firefighters' entry and fire separation.

The City of Pleasanton Police Department would continue to provide police services to the project sites. The Police Department divides the City into three geographical districts. The project would be located in District Two, with two police sergeants and at least 12 officers assigned to the district. In Pleasanton, the average police response time for emergency calls in 2008 was over 4 minutes 40 seconds.

The proposed zone change would not result in development not previously planned or accounted for by fire or police service providers.

The proposed zone change would accommodate at least 948 dwelling units. Some units would be expected to house children. The Pleasanton Unified School District collects school impact fees on new construction before the City issues building permits for such construction. Thus development of the proposed sites due to the rezoning would result in school impact fees that are expected to cover most construction costs of accommodating additional children. At the time an actual development plan is proposed, the property owners and Hacienda representatives will be required to work with the Pleasanton Unified School District to determine the projected number of school-age children, attendance areas, impacts to individual schools, and mitigations that may be necessary to reduce the impact of additional school-age children on the District. By doing so, any impacts on schools would be lessened to a less-than-significant level.

For a discussion of parks and recreation, see the discussion, below, under 14. Recreation.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
14. Recreation				
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?			X	
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?			X	

Environmental Setting

The City has developed parks in the project vicinity. Two parks are located within Hacienda: 1) Owens Plaza Park with picnic tables, barbeques, and both tot and youth play areas; and 2) Creekside Park with similar facilities to Owens Plaza Park plus restrooms, basketball, softball, and volleyball facilities. All the

sites are within one-half mile of a park. The Thomas Hart Middle School gymnasium is also open to the public during some non-school hours with its basketball, volleyball, and restroom facilities.

Within the Pleasanton Planning area are 16 community parks run by the City and two regional parks – Pleasanton Ridge Park and Shadow Cliffs Recreational Area – that are run by the East Bay Regional Park District.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impacts. Development of the project sites due to the proposed zone change would not be expected to increase use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of any facility would occur or be accelerated.

The City of Pleasanton Parks and Community Services Department would provide park services to any new residents that result from development allowed by this proposed rezoning. As shown on Tables 6-1 and 6-2 in the Public Facilities and Community Programs Element of the General Plan, the City is proposing additional park, recreation, and sports facilities to accommodate future growth in the City, including development that would result due to the proposed zone change. The proposed project would not result in development not planned for and accounted for by the City and its impacts on parks and recreational facilities would be less than significant. However, when actual development plans are proposed and considered for these sites, the recreational needs of any new residents will be analyzed with respect to existing and planned new recreational and park facilities.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
15. Transportation/Traffic – Would the project:				
a) Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume to capacity ratio on roads, or congestion at intersections)?			X	
b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways?			X	
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X
f) Result in inadequate parking capacity?				X
g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				X

Environmental Setting

I-580, an eight-lane interstate freeway, is the northern boundary, Tassajara Creek to the Iron Horse Trail right-of-way to Arroyo Mocho is the eastern boundary, Arroyo Mocho is the southern boundary, and Hopyard Road is the western boundary of Hacienda. (See Figure 1, above.) The three sites are surrounded by Owens Drive (a four-lane road), Hacienda Drive (a four-lane road), Stoneridge Drive (a four-lane road) and Willow Road (a four-lane road). Gibraltar Drive (a two-lane road), is the boundary between the BRE site (Hacienda Site 7E) and the Roche Molecular Systems site (Hacienda Site 6).

The Pleasanton/Dublin BART station is less than ½ mile due north of the three project sites.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic. In addition, the project would result in a significant effect if it would:

- Result in a substantial increase in traffic that would cause the corridor or intersection level of service to drop during the peak hour below acceptable level of service (LOS) D, or if levels of service are already below D, a deterioration of 0.01 or more in volume-to-capacity (V/C) ratio.

Discussion of Checklist Items

Less-than-Significant Impacts. Development due to the proposed zone change may alter the land uses on the project sites from office and light-industrial land-uses to residential and neighborhood-serving retail land uses. As these proposed land uses would be located within ½ mile of a BART station, local automobile traffic due to the proposed project would be expected to differ from the currently permitted land uses on the site. A higher percentage of trips would be expected to be walking, bicycle, or transit trips, and vehicle traffic would be expected to travel the opposite direction of other traffic in the area.

The EIR for the General Plan analyzed the Concentrated Residential / Mixed Use Alternative which generally covers potential impacts of this proposed zone change. Although the EIR included an analysis using a reduced traffic generation rate to reflect the potential impact of a transit oriented development with potential residential units readily walkable to BART, this impact analysis was someone confounded by including additional commercial development on another site in this alternative. In any case, the analysis showed that all intersections (excluding downtown and gateway intersections) could be mitigated to LOS D and the needed improvements were included in the General Plan. At the time development plans are proposed for the project sites, this topic will be addressed in the environmental review document subject to the *California Environmental Quality Act*, and a new traffic analysis for the specific development proposed will be conducted. If any potentially significant effects were identified, then mitigation measures, such as those included in the EIR for the General Plan for the Concentrated Residential / Mixed Use Alternative, would be included. On a program level, the impacts due to the zone change would be less than significant for the reasons stated above.

No Impacts. The project would make no change to traffic patterns, would not change the design of existing arterial or collector roads, would not introduce incompatible vehicles (such as farm equipment) on the roadways, or cause conflicts with plans or policies supporting alterative transportation. The change to a mixed use designation on the three sites would support alternative transportation b providing for housing and neighborhood-serving retail uses with one half mile of a BART station.

The zone change could lead to future development. At that time, the development plans would provid a design for emergency vehicle access routes and for parking. This issue will be addressed in th

environmental review document subject to the *California Environmental Quality Act* at the time development plans are proposed for the three project sites.

	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
16. Utilities and Service Systems – Would the project:				
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?			X	
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?			X	
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?			X	
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?			X	
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?			X	
g) Comply with federal, state, and local statutes and regulations related to solid waste?			X	

The City of Pleasanton currently supplies domestic water to Hacienda. The Dublin San Ramon Services District currently treats wastewater from Hacienda at its treatment plant near I-680 and Stoneridge Drive. The Pleasanton Garbage Service provides refuse disposal to the project vicinity through a franchise agreement with the City and transports solid waste to a landfill site on Vasco Road. PG&E provides gas and electrical service to Hacienda.

Significance Criteria

The impact questions above constitute the significance criteria for this environmental topic.

Discussion of Checklist Items

Less-than-Significant Impacts. Capacity of the Dublin San-Ramon Sanitary District (DSRSD) treatment plant is 17 million gallons per day (mgd), of which Pleasanton's allotted share is 8.5 mgd. Pleasanton is currently using about 6 mgd of its allocation. Therefore, adequate capacity exists to serve the development accommodated by the proposed zone change. DSRSD has a maximum trea ment plant ultimate design capacity of 20.7 mgd, although it has not begun expansion planning for its current sewage treatment plant.

The City requires that new development install appropriately-sized storm drains. As identified and budgeted in the City's Capital Improvement Program, the City has scheduled improvements in periodic increments to older portions of the storm drain network.

Buildout consistent with the City of Pleasanton General Plan will lead to additional water supply needs. Due to anticipated growth, the City plans to construct two new water tanks. Development at the project site has been accounted for and considered in Pleasanton's plans. The City and Zone 7 have secured adequate water supplies for the project area.

Buildout consistent with the City of Pleasanton General Plan will lead to additio al landfill needs. The proposed project would incrementally increase demand on landfill capacity, but this impact is not considered to be significant. Development at the project site has been accounted for and considered in Pleasanton's plans. There is sufficient local landfill capacity.

The incremental increase in the project's demand for utilities would not exceed amounts expected and provided for in the area. Residential and neighborhood serving development due to the proposed zone change would not generate solid waste in excess of the capacity of waste-disposal services, and would not increase water and energy consumption, in excess of amounts planned and provided for in this area. Hence, this project would not adversely affect utilities and service systems.

	Yes	No
17. Mandatory Findings of Significance		
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?		X
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?		X
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?		X

Discussion

Based on these findings, the City of Pleasanton has determined that this project would not have a significant effect on the environment and this project requires preparation of a Negative Declaration.

SETTLEMENT AGREEMENT

This Settlement Agreement and Covenant Not to Sue ("Settlement Agreement") is entered into by and among Plaintiffs URBAN HABITAT PROGRAM and SANDRA DE GREGORIO, Intervenor PEOPLE OF THE STATE OF CALIFORNIA, EX REL. EDMUND G. BROWN JR., ATTORNEY GENERAL and Defendants CITY OF PLEASANTON and CITY COUNCIL OF PLEASANTON.

1. RECITALS

This Settlement Agreement is entered into based upon the following facts:

1.1 On or about June 20, 2006, Plaintiffs sent a letter to the City of Pleasanton asserting various shortcomings in the City's compliance with affordable housing laws, and requesting a meeting to resolve the issues identified. A meeting was held on or about August 22, 2006, but the parties could not resolve the matter at the time.

1.2 After further informal discussions proved unsuccessful, on or about October 17, 2006, Plaintiffs Urban Habitat Program and Sandra De Gregorio filed an action in Alameda Superior Court known as *Urban Habitat Program, et al. v. City of Pleasanton, et al.*, Case No. RG 06 293831 ("Urban Habitat Litigation"). The Complaint alleged, among other things, and the City denies, that the City had failed to complete the rezoning of sites for affordable housing, that certain City ordinances and housing practices, including the City's 29,000-unit "Housing Cap," conflicted with State law, and that certain acts and omissions of the City unlawfully discriminated against housing for lower-income households and against lower-income families with children. The Complaint asserted, and the City denies, eight causes of action, alleging violations of State statutes and the State Constitution.

1.3 On or about May 17, 2007, after a previous demurrer had been sustained with leave to amend, the Superior Court sustained the City's demurrer to the First Amended Complaint without leave to amend. The Court held that all eight causes of action were time-barred and that three causes of action were unripe.

1.4 On or about June 20, 2008, the Court of Appeal reversed the Superior Court, reinstating six of the eight causes of action asserted. *Urban Habitat Program v. City of Pleasanton*, 164 Cal. App. 4th 1561 (2008). The California Supreme Court denied the City's petition for review on or about October 22, 2008.

1.5 On remittitur to the Superior Court, Plaintiffs filed a Second Supplemental and Amended Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief on or about May 1, 2009. The Second Amended Complaint included causes of action, which the City contests, for writ of

mandate (first through fourth causes of action) and additional causes of action for declaratory and injunctive relief (seventh and eighth causes of action). The Parties agreed to bifurcate the seventh and eighth causes of action for separate trial.

1.6 On or about June 24, 2009, People of the State of California, ex rel. Edmund G. Brown Jr., Attorney General, filed a Complaint in Intervention in the Urban Habitat Litigation, joining in Plaintiffs' first three causes of action. The Court overruled the City's demurrers to the Second Amended Complaint and the Complaint in Intervention on or about August 27, 2009.

1.7 On or about August 21, 2009, People of the State of California, ex. Rel. Edmund G. Brown Jr., Attorney General, filed an action in Alameda Superior Court known as *People of the State of California v. City of Pleasanton, et al.*, Case No. RG 09 469878 ("General Plan/CEQA Litigation"). The Complaint alleged, among other things, and the City denies, that in adopting an updated General Plan and certifying an environmental impact report the City failed to fully evaluate and disclose reasonably foreseeable environmental effects or to consider less environmentally harmful alternatives, in violation of the California Environmental Quality Act ("CEQA"). On or about September 15, 2009, the Superior Court entered the Parties' stipulated stay of the General Plan/CEQA litigation pending the Court's ruling in the Urban Habitat Litigation.

1.8 On or about October 15, 2009, Plaintiffs filed a Motion for Writ of Mandate on their first, second, third, and fourth causes of action in the Urban Habitat Litigation. Intervenor concurrently filed a Motion for Writ of Mandate on its first, second, and third causes of action. Those motions came on regularly for hearing before the trial court on December 18, 2009.

1.9 On or about March 12, 2010, the Court issued its Order Granting Petition for Writ of Mandate ("March 12, 2010 Order"). For purposes of reference, the March 12, 2010 Order is attached hereto as **Exhibit A**.

1.10 Soon after entry of the March 12, 2010 Order, the Parties began a series of meetings to determine whether negotiation of a resolution of Plaintiffs' and Intervenor's disputed claims would be possible and advisable. The tenor of these meetings was amicable and the negotiations were constructive. The parties have worked extensively to reach a settlement that benefits all participants and achieves results for each party that they could not have achieved through a litigated outcome.

1.11 The Parties have worked in good faith to arrive at this Settlement Agreement. As reflected herein, the City has an interest in making housing more available and affordable in Pleasanton, and has worked with Plaintiffs and Intervenor to arrive at a resolution of the issues that promote

the interests of the Pleasanton community while meeting the housing needs of lower-income families. The City has agreed to satisfy the obligations set forth in this Settlement Agreement. The City has welcomed, and welcomes, the participation of Plaintiffs and Intervenor in all public processes relating thereto.

1.12 In July 2010, the Parties agreed in concept on a tentative settlement. That tentative settlement was memorialized by a Term Sheet and attachments thereto. Plaintiffs and Intervenor approved the Term Sheet and attachments on July 14, 2010; the City Council approved the Term Sheet and attachments on July 20, 2010. For purposes of reference, the Term Sheet and attachments are attached hereto as **Exhibit B**.

1.13 The Parties desire to fully settle and resolve the merits of the Urban Habitat Litigation and General Plan/CEQA Litigation, without further litigation on the terms set forth herein.

2. DEFINITIONS

2.1 "DATE OF APPROVAL" means the first date on which all of the parties have executed this Agreement.

2.2 "PLAINTIFFS" means Urban Habitat Program and Sandra De Gregorio.

2.3 "INTERVENOR" means the People of the State of California, ex rel. Edmund G. Brown Jr. Attorney General.

2.4 "DEFENDANTS" and "CITY" may be used interchangeably herein, and mean the City of Pleasanton and its City Council.

2.5 "URBAN HABITAT LITIGATION" means the action filed by Plaintiffs on or about October 17, 2006 known as *Urban Habitat Program, et al. v. City of Pleasanton, et al.*, Case No. RG 06 293831, in which the People of the State of California, ex rel. Edmund G. Brown Jr., Attorney General intervened on or about June 24, 2009.

2.6 "GENERAL PLAN" means the City's updated General Plan for the period 2005-2025, adopted on or about July 21, 2009.

2.7 "GENERAL PLAN/CEQA LITIGATION" means the action filed by The State of California on or about August 21, 2009 known as *People of the State of California, ex rel. Edmund G. Brown Jr., Attorney General v. City of Pleasanton, et al.*, Case No. RG 09 469878.

2.8 "HOUSING CAP" means the City's maximum housing buildout of 29,000 units within its Planning Area, as currently designated in Policy 24 and Programs 24.1, 24.2, and 24.3 of the Land Use Element of the General Plan of the City of Pleasanton.

2.9 "HCD" means the California Department of Housing and Community Development.

2.10 "HUD" means the U.S. Department of Housing and Urban Development.

2.11 "RHNA" means the Regional Housing Needs Allocation as set periodically by the Association of Bay Area Governments pursuant to California Government Code section 65584.

2.12 "AMI" means the Area Median Income, as adjusted for household size, and as determined from time to time by HUD and HCD.

2.13 "PRIOR PLANNING PERIOD" means the period covering the third revision of the housing element, for which the Association of Bay Area Governments assigned the City, in or about March 2001, a RHNA comprising 5,059 total units, including 729 very-low income units, 455 low-income units, 1,239 moderate-income units, and 2,636 above-moderate income units.

2.14 "CURRENT PLANNING PERIOD" means the period covering the fourth revision of the housing element, for which the Association of Bay Area Governments assigned the City, in or about May 2008, a RHNA comprising 3,277 total units, including 1,076 very-low income units, 728 low-income units, 720 moderate-income units, and 753 above-moderate income units.

2.15 "THREE HACIENDA SITES" means the three sites referenced in City Ordinance No. 1998, specifically, sites 7G (the WP Carey site at the southeast corner of Owens Drive and Willow Road, Asssessor Parcel No. (APN) 941-2778-013-00 and part of APN 941-2778-012-00), 7E (the BRE site at the north corner of Hacienda Drive and Gibraltar Drive, APN 941-2778-011-00), and portions of Site 6 (the Roche Molecular Systems site south of Gibraltar Drive between Willow Road and Hacienda Drive, a portion of APN 941-2761-003-00) in the Hacienda Business Park.

2.16 "WINDSTAR" means the 350-unit residential project which the City approved in or around September 2008, to be located on a 6.9-acre parcel adjacent to the future West Dublin/Pleasanton BART station.

AGREEMENT

3. RECITALS INCORPORATED.

3.1 The above recitals and definitions are incorporated into and made a part of this Settlement Agreement.

4. HOUSING CAP

4.1 No later than October 19, 2010, the City Council will amend the Pleasanton General Plan by:

4.1.1 Eliminating Policy 24 and Programs 24.1, 24.2 and 24.3 from the Land Use Element of its General Plan, and

4.1.2 Eliminating all references to the Housing Cap and related programs and policies throughout the various elements of its General Plan.

4.1.3 Pending the amendment of the General Plan as set forth in this Paragraph 4.1, the City shall continue not to implement, administer or enforce Policy 24 or Programs 24.1, 24.2 and 24.3 of its General Plan.

4.2 Nothing in this Settlement Agreement shall prohibit the City from exercising its legislative authority to enact new and different growth management or other regulations in compliance with State law and consistent with this Settlement Agreement.

5. NON-DISCRIMINATION POLICY

5.1 The City represents, and Plaintiffs and Intervenor agree, that on July 20, 2010, the City adopted a non-discrimination resolution, Resolution No. 10-390. That Resolution is attached as **Exhibit C** to this Settlement Agreement, and incorporated herein by this reference.

6. HOUSING ELEMENT

6.1 No later than August 16, 2011, the City will submit to HCD, for its statutory compliance review, a draft updated Housing Element for the Current Planning Period.

6.2 The City will adopt an updated Housing Element for the Current Planning Period within 90 days after receiving HCD's comments on its draft Housing Element.

6.2.1 For unique and unforeseen circumstances, the Parties may agree to a reasonable extension of this date. Any delay or controversy in the Housing Element update and HCD review process related to any claim by the City that it should be credited for the rezoning of 350 lower-income units during the Prior Planning Period, based on its approval of the 350-unit Windstar project in or around September 2008, shall not constitute a unique and unforeseen circumstance for purposes of this section. Nothing in this Settlement Agreement shall limit the City's right, which the City reserves, to argue and address this issue during the Housing Element update and HCD review process.

6.3 No later than February 20, 2011, the City will release to the public, and provide to Plaintiffs and Intervenor, a draft Housing Element site inventory pursuant to Government Code §§ 65583(a)(3) and 65583.2.

6.4 As part of its Housing Element update process, the City will study, evaluate and consider adoption of Housing Element goals and programs that promote affordable non profit housing development for families as well as special needs households and that strengthen and promote construction of affordable units for families, as set forth more fully in **Exhibit C**.

6.5 The City will implement the actions set forth in Sections 2 and 3 of Resolution No. 10-390, adopted by the City Council on July 20, 2010, in the form attached as **Exhibit C** to this Settlement Agreement, in the course of the City's Housing Element update process. Nothing in this section or this Settlement Agreement is intended to limit the City's discretion with respect to the implementation of Resolution No. 10-390.

6.6 The City will complete any and all rezonings and General Plan amendments necessary to accommodate in full its RHNA at each income level for the Current Planning Period prior to or concurrent with its adoption of the updated Housing Element.

6.7 The City will prepare and certify an environmental impact report (EIR) prior to or concurrent with adoption of the updated Housing Element.

7. HACIENDA BUSINESS PARK REZONINGS

7.1 The obligations of this section shall apply solely to the Three Hacienda Sites.

7.2 No later than November 2, 2010, the City Council will amend Ordinance No. 1998 to delete Section 5, "PUD Modification Contingency."

7.3 Development Standards, Design Guidelines and Application Process

7.3.1 Phase I: Core Development Standards

(a) No later than January 4, 2011, the City Council will approve the following core development standards for the three Hacienda sites:

(i) Density: Minimum of 30 units per acre

(ii) Affordability: The greater of (a) 15% of all units, or (b) 130 units, will be made available exclusively to very-low income (50% of AMI) households. Through the affordable housing

agreements entered into between the City and each developer, these affordable units will be deed-restricted in perpetuity. The affordable housing agreements will be recorded and will run with the land.

(iii) Section 8 Rental Assistance Vouchers: Through the affordable housing agreements entered into between the City and each developer, the developments will be required to accept HUD Section 8 Rental Vouchers as a means of assisting qualified applicants.

(iv) Bedroom Mix of Affordable Units: A minimum of 10% of the total affordable units will be three-bedroom units; a minimum of 35% of the total affordable units will be two-bedroom units; and the remaining affordable units will be one bedroom units.

(v) Location of Affordable Units: Affordable units will be dispersed throughout the development.

7.3.2 Phase II: Non-Core Development Standards and Design Guidelines

(a) No later than March 1, 2011, the City will develop and approve non-core development standards and design guidelines for the three Hacienda sites that are not inconsistent with the core development standards set forth in Section 7.3.1.

7.3.3 Phase III: Adoption of Development Standards and Design Guidelines

(a) No later than March 1, 2011, the City Council will adopt a PUD zoning ordinance for the three Hacienda sites setting forth the core and non-core development standards and design guidelines, as described in Sections 7.3.1 and 7.3.2.

7.3.4 Phase IV: Project Application

(a) Commencing at the effective date of the PUD Zoning Ordinance, the City will accept development application(s) from developer(s)/property owner(s) as part of the City's PUD application process to determine

conformity with development standards and design guidelines.

7.3.5 Phase IV Project Approvals

(a) In processing Phase IV development applications, the City will use its discretion to adopt conditions relative to interpretation of design standards and design guidelines but shall not deny a PUD application for a housing development on the three Hacienda Sites that meet the core and non-core development standards and/or design guidelines, and in accordance with Government Code §65589.5 shall not condition a project in a manner that makes it infeasible.

8. CLIMATE ACTION PLAN

8.1 No later than February 17, 2012, the City will adopt a Climate Action Plan. The City shall prepare a Supplemental Environmental Impact Report ("SEIR") for the Climate Action Plan.

8.2 On July 20, 2010 the City approved a professional services agreement, incorporating a July 8, 2010 Revised Scope, Budget and Timeline for Pleasanton Climate Action Plan: General Plan Update and Housing Element Environmental Documentation with ESA, a consultant for the preparation of the Climate Action Plan and SEIR. The proposal upon which that agreement was based, which the City has provided to Plaintiffs and Intervenor, is attached hereto as **Exhibit D**. The City will implement the Scope of Services as proposed; provided, however, that the City may, in its discretion, and after providing advance written notice to Intervenor and Plaintiffs, modify the Scope of Services in a manner that does not prevent the City from fully addressing the allegations raised by the General Plan/CEQA litigation.

8.3 The Climate Action Plan will address the allegations raised by the GENERAL PLAN/CEQA LITIGATION, as spelled out in the Scope of Services.

8.4 The Attorney General's Office has interpreted CEQA and its Guidelines to require that the City analyze its GHG emissions and reduction strategies for the life of a project (through 2025 for the City's General Plan), and to require that the City measure GHG impacts against physical environmental conditions as they exist at the time a Notice of Preparation is published, not against a "business as usual" scenario. The City acknowledges, but is not bound by, these interpretations, and shall consider drafting the SEIR to be consistent with these interpretations.

8.5 Except as otherwise expressly provided herein, nothing in this Settlement Agreement requires the City to undertake any obligation with respect to the Climate Action Plan, or the SEIR for the Climate Action Plan, in excess of the obligations generally imposed under CEQA or any other State law.

9. CEQA

9.1 As appropriate, the City will conduct environmental analysis in accordance with CEQA and CEQA Guidelines for the actions identified in this Settlement Agreement.

10. NO ADDITIONAL LITIGATION; PLAINTIFFS' WAIVER AND RELEASE

10.1 The City shall not pursue an appeal or further litigation of claims brought by Plaintiffs or Intervenor in the Urban Habitat Litigation or the General Plan/CEQA Litigation.

10.2 Upon entry of judgment in accordance with section 12.1, Plaintiffs and Intervenor shall voluntarily dismiss with prejudice the two remaining causes of action in the Urban Habitat Litigation (Seventh and Eighth Causes of Action) and the entire General Plan/CEQA Litigation.

10.3 Except as expressly provided herein, for and in consideration of the covenants made herein, Plaintiffs do hereby completely waive, release and forever discharge the City, and the City's predecessors and successors-in-interest, heirs, assigns, past, present, and future, Council members, staff, principals, agents, officers or directors, managers, employees, attorneys, insurers and all other persons or entities in any manner related thereto or acting on their behalf, from any and all claims, demands, actions, proceedings and causes of action of any and every sort, whether known or unknown, arising out of or relating to the Urban Habitat Litigation. Except as expressly provided herein, Plaintiffs further covenant not to sue the City for claims, damages and/or any and all other relief arising from or in any manner connected with the Urban Habitat Litigation, and promise and agree that they will not file, participate in, or encourage, assist or instigate the filing of any claims and/or causes of action in any state or federal court or any proceedings before any local, state, or federal agency, against the City arising out of the Urban Habitat Litigation.

10.4 Plaintiffs and the City intend this Settlement Agreement to be and constitute a full general release and to constitute a full and final accord and satisfaction extending to all claims arising out of or relating to the Urban Habitat Litigation, whether the same are known, unknown, suspected or anticipated, unsuspected or unanticipated. Accordingly, except as expressly provided herein, Plaintiffs, by signing this Settlement

Agreement, agree and warrant that they have read, understand and expressly release and waive the provisions of California Civil Code Section 1542, which reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs understand and acknowledge that the significance and consequence of this release and waiver of California Civil Code Section 1542 is that, except as expressly provided herein, even if Plaintiffs should eventually suffer additional damages or losses arising out of or relating to the Urban Habitat Litigation, or should there exist other undisclosed rights, obligations or liabilities arising out of or relating to the Urban Habitat Litigation or the General Plan/CEQA Litigation, Plaintiffs may not make any claim for those damages, losses or obligations.

10.5 In consideration of the City's satisfaction of its obligations under this Settlement Agreement, Plaintiffs and Intervenor will not pursue additional litigation against the City in any state or federal court or before any local, state or federal agency with respect to any claims existing as of the Date of Approval, known or unknown, with respect to the matters alleged in the Urban Habitat Litigation and the General Plan/CEQA Litigation. Plaintiffs shall not encourage or assist any other person or entity to do so.

10.6 This Settlement Agreement shall not extend to any claim or cause of action arising from any transaction or occurrence subsequent to the Date of Approval, including without limitation any claim that Plaintiffs or Intervenor may assert in connection with the City's new Housing Element update or the City's Climate Action Plan prepared pursuant to Section 8 of this Agreement.

11. CITY PERMITTING AUTHORITY

11.1 Effective on the Date of Approval, all restrictions on the City's non-residential permitting authority imposed by the Court's March 12, 2010 Order shall be lifted, and the City's full permitting authority shall be restored completely and without limitation or restriction of any kind. The City's rights under this paragraph shall be and are automatic and self-effectuating, and shall not require any additional approval by Plaintiffs, Intervenor and/or the Court.

12. JUDGMENT AND ENFORCEMENT

12.1 This Settlement Agreement shall be incorporated into a Judgment of the Court, in the form attached as **Exhibit E**, and shall be enforceable pursuant to Code of Civil Procedure Section 664.6.

12.2 The Court shall retain continuing jurisdiction to effectuate the provisions of the Settlement Agreement and Judgment until such time as the Parties have completely performed all the terms of the Agreement.

12.3 In the event that any Party believes that another Party is in breach of any of the terms set forth in this Settlement Agreement, that Party asserting a breach shall give written notice to the other Party of the breach and the Parties shall meet and confer within fourteen (14) business days of such notice before any party seeks judicial enforcement.

12.4 Nothing shall preclude Plaintiffs or Intervenor from seeking the imposition of permitting restrictions or other enforcement remedies if judicial enforcement of any provision of this Settlement Agreement is required.

13. ATTORNEYS' FEES AND LITIGATION COSTS

13.1 The City shall pay Public Advocates, Inc., on behalf of Plaintiffs and Plaintiffs co-counsel, the sum of One Million Nine Hundred and Ninety Thousand Dollars ($1,990,000.00) in full settlement of Plaintiffs' attorneys' fees and costs for prosecuting the Urban Habitat Litigation through the Date of Approval of this Settlement Agreement. Payment of this settlement amount shall be made in two equal payments, as follows:

13.1.1 The City shall make payment of one-half of the settlement amount, namely, Nine Hundred and Ninety-Five Thousand Dollars ($995,000.00), within thirty days of the Date of Approval.

13.1.2 The City shall make payment of one-half of the settlement amount, namely, Nine Hundred and Ninety-Five Thousand Dollars ($995,000.00), no later than July 31, 2011.

13.2 Intervenor shall not seek any recovery of attorneys' fees in connection with the Urban Habitat Litigation or General Plan/CEQA Litigation.

13.3 Except as expressly set forth herein, Plaintiffs, Intervenor and their attorneys shall have no other claim or right to, and hereby waive and release the City from, any and all other or additional consideration or payment of any kind in connection with or arising from the Urban Habitat Litigation and the General Plan/CEQA Litigation arising prior to the Date of Approval. If Plaintiffs, Intervenor or their attorneys, or any other person or entity acting on their behalf, makes any claim or assertion for additional or other attorneys fees or compensation of any kind arising

prior to the Date of Approval, the City's obligation to pay attorneys fees and costs under this Paragraph 13 shall be null and void, and Plaintiffs and their attorneys shall be obligated to immediately reimburse the City for any and all payments made by the City under this Paragraph 13. This waiver and release shall not apply to claims for attorneys fees and costs incurred after the Date of Approval to enforce the Settlement Agreement.

14. OTHER PROVISIONS

14.1 No Admission of Liability. Nothing in this Settlement Agreement may be used or construed by the Parties or by any other person or entity as an admission of liability or fault.

14.2 Effective Date; Counterparts. This Settlement Agreement shall be effective as of the Date of Approval. This Settlement Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Settlement Agreement.

14.3 Integration. This Settlement Agreement embodies the entire agreement and understanding which exists between the signatories hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, and undertakings. No supplement, modification, or amendment of this Settlement Agreement shall be binding unless executed in writing by all the parties. No waiver of any of the provisions of this Settlement Agreement shall be deemed, or shall constitute, a waiver of any other provisions whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

14.4 Gender/Tense. Whenever required by the context hereof, the singular shall be deemed to include the plural, and the plural shall be deemed to include the singular, and the masculine, feminine and neuter genders shall each be deemed to include the other.

14.5 Headings. The headings in this Settlement Agreement are inserted for convenience only and shall not be used to define, limit, or describe the scope of this Settlement Agreement or any of the obligations herein. All attachments that are labeled Exhibits are attached hereto and incorporated herein by reference.

14.6 California Law. This Settlement Agreement shall be construed, interpreted, and governed by the laws of California without regard to the choice of law provisions thereof.

14.7 Additional Documents and Good Faith Cooperation. All Parties agree to cooperate fully in good faith and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement.

14.8 No Inducement. The Parties acknowledge, warrant and represent that no promises, inducements or agreements not expressly contained herein have been made to enter into this Settlement Agreement and that this Settlement Agreement, including all Releases herein, constitute the entire agreement between the Parties, are contractual and binding and are not merely recitals.

14.9 Advice of Counsel. Each Party warrants and represents that prior to executing this Settlement Agreement, said Party has relied upon the advice of legal counsel of said Party's choice. The Settlement Agreement, its text and other consequences and risks have been completely explained to the Parties by their respective counsel and the Parties warrant and represent that they understand and accept the terms of this Settlement Agreement and intend, by their signatures, to enter into and be bound hereby.

14.10 Authority of Signatories. The Parties covenant that they possess the necessary capacity and authority to sign and enter into this Settlement Agreement.

14.11 Tax Treatment and Consequences. Plaintiffs understand and agree that the City is neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Settlement Agreement. Plaintiffs further agree that they will not seek any indemnification from the City for any tax obligations or consequences that may arise from this Settlement Agreement. Plaintiffs agree that in the event that any taxing body determines that additional taxes are due from them, Plaintiffs and Intervenor acknowledge and assume all responsibility for the payment of any such taxes and agrees to indemnify, defend and hold the City harmless for the payment of such taxes, and any failure to withhold. Plaintiffs further agree to pay, on the City's behalf, any interest or penalties imposed as a consequence of such tax obligations, and to pay any judgments, penalties, taxes, costs and attorneys' fees incurred by the City as a consequence of Plaintiffs' failure to pay any taxes due.

14.12 No Waiver. The failure of the Parties, or either of them, to insist upon strict adherence to any term of this Settlement Agreement on any occasion shall not be considered a waiver thereof, or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Settlement Agreement.

14.13 Cooperation In Litigation Challenging Settlement Agreement. Plaintiffs and Intervenor shall cooperate with the City in any litigation brought by a third party or parties challenging this Settlement Agreement, which could include support or assistance at the discretion of Intervenor or Plaintiffs.

14.14 Binding On Successors. This Settlement Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, and the Parties' successors, devisees, executors, heirs, administrators, managers, officers, representatives, assigns, insurers, and employees.

14.15 No Third Party Beneficiaries. The Parties do not intend to create any third party beneficiary of, or any other rights under, this Agreement.

IN WITNESS WHEREOF, the undersigned agree and stipulate to the terms and conditions stated above:

DATED: _____

CITY OF PLEASANTON and CITY COUNCIL OF PLEASANTON

By: _____
NELSON FIALHO, CITY MANAGER

DATED: _____

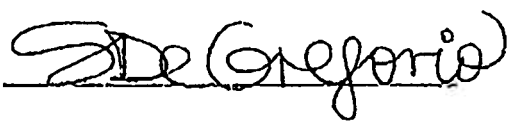
URBAN HABITAT PROGRAM

By: _____

Its: _____

DATED: 8/12/2010

SANDRA DE GREGORIO

By: 

DATED: _____

PEOPLE OF THE STATE OF CALIFORNIA ex rel. EDMUND G. BROWN JR., ATTORNEY GENERAL

By: _____

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IN WITNESS WHEREOF, the undersigned agree and stipulate to the terms and conditions stated above:

DATED: _____

CITY OF PLEASANTON and CITY COUNCIL OF PLEASANTON

By: _____
NELSON FIALHO, CITY MANAGER

DATED: _____

URBAN HABITAT PROGRAM

By: _____

Its: _____

DATED: _____

SANDRA DE GREGORIO

By: _____

DATED: Aug. 12, 2010

PEOPLE OF THE STATE OF CALIFORNIA ex rel. EDMUND G. BROWN JR., ATTORNEY GENERAL

By: Lisa Markley