



## Planning Commission Staff Report

September 23, 2009  
Item 6.b.

- SUBJECT:** PRZ 48 (PUD-81-30-45M/PUD-85-08-19M)
- APPLICANT:** City of Pleasanton
- PROPERTY OWNERS:** Site 1: W.P. Carey  
Site 2: BRE Properties Inc.  
Site 3: Roche (Boehringer Mannheim Corporation)
- PURPOSE:** Application for Planned Unit Development (PUD) rezoning to allow Mixed-Use development (including residential at 30 units or more per acre).
- GENERAL PLAN:** Mixed Use/Business Park
- ZONING:** Site 1: PUD-I/C-O  
Site 2: PUD-I/C-O  
Site 3: PUD-I/C-O
- LOCATION:** Site 1: Southeast corner of Willow Road and Owens Drive (APN 941-2778-013 and a portion of APN 941-2778-012)  
Site 2: North of Gibraltar Drive and Hacienda Drive (APN 941-2778-011)  
Site 3: Southeast corner of Gibraltar Drive and Willow Road (a portion of APN 941-2761-003)
- ATTACHMENTS:**
1. Exhibit A, showing location of sites to be rezoned
  2. Exhibit B, Recommended sections of the Ordinance adopting the Rezoning
  3. Exhibit C, Draft Negative Declaration

## BACKGROUND

In April 2003 the City Council adopted a Housing Element which provided (in Program 19.1) that the City would complete land use studies to identify sites that could be converted from non-residential to high density residential uses, and following those studies to modify the General Plan Land Use Element and rezone land sufficient to accommodate 871 multifamily residential units, which was the unmet portion of the City's regional housing allocation at that time. In March, 2005, the State Department of Housing and Community Development (HCD) decertified the City's Housing Element because these rezonings had not been accomplished. Three years ago, a nonprofit organization, Urban Habitat Program, filed litigation against the City claiming that various City policies and ordinances prevent or hinder the development of affordable housing in Pleasanton. Its allegations include that the City has failed to fully implement Program 19.1 of the 2003 Housing Element.

In communications with HCD and in court documents related to the Urban Habitat litigation, the City has stated its intention to complete the rezonings as soon as possible following the adoption of the updated General Plan. Although Program 19.1 has been satisfied in part with the approval (in October 2008) of the 350-unit Windstar development at the new BART station, there remain 521 units to be accommodated under the 2003 Housing Element. In the meantime, the City has received its regional housing needs allocation for the next Housing Element which will require the City to plan for an additional 3,277 units, approximately 1,800 of which are to be affordable to very low- and low-income households. State housing law (Government Code, Section 65583.2(c)) requires that land counted towards the vacant lands inventory for housing for low and very-low income households be zoned for residential development at 30 units or more per acre.

The transformation of Hacienda to a mixed use development integrated with the transit hub at the BART station was extensively discussed during the General Plan update process. In the General Plan adopted in July 2009, Hacienda is designated as Mixed Use/Business Park on the Land Use Map, and policies in the Land Use Element encourage the development of mixed use and residential densities that support affordable housing and transit.

In August 2008, the City Council and the Planning Commission met in a Joint Workshop to discuss future planning options for the Hacienda area. At that meeting, the City Council directed the formation of a subcommittee to oversee a comprehensive PUD modification process, with extensive public input, that would identify a new vision for Hacienda, address park-wide planning objectives, and create modified development standards and design guidelines to be included in the individual site development proposals. This process will commence shortly and is likely to take approximately nine to twelve months. Because of the pending litigation, staff believes immediate action should be taken to complete the rezonings on the three identified sites now that the General Plan has been adopted, and that these rezonings – which do not involve any

specific development proposals – should proceed ahead of the comprehensive PUD modification process.

## **SITE DESCRIPTION**

The three project sites are located within Hacienda in the City of Pleasanton as shown in Figure 1 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 and the BRE site 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 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 sites are generally flat and undeveloped except for the south portion of Site #1 which includes a surface parking area serving the Shaklee building. The only landscaping is some trees on the perimeter of the sites and trees in the parking lot on Site #1. Site locations are shown in Figure 1, below.



If the rezoning is approved, residential development of the sites at a density of at least 30 units per acre would yield about 950 units. Mixed use development, including a combination of any of the allowed uses (residential, office, retail commercial, industrial or research and development) would also be allowed. 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.

This proposed rezoning is a first step in the development process. Development of any of the sites would not proceed until a PUD development plan has been reviewed by the Planning Commission and approved by the City Council. The development plan is required to include precise information regarding: the location and design of all buildings, streets and other improvements; site topography and grading; impacts to any existing trees; a soils and geological report; a landscape plan; population density and unit types; and desired permitted uses.

Rezoning to allow mixed-use development, including residential development of at least 30 units per acre, is proposed on three sites as described in the table below. In addition, the Hacienda land use description would be changed as shown to allow residential and retail development as well as office, research and development and light manufacturing, as currently allowed.

This rezoning is proposed as a City-initiated project, in order to simplify the public hearing and environmental review process for the three sites. The land owners support the rezoning as proposed.

Site #/ Name Figure 1	Size (Acres)	Hacienda Site #	Existing Zoning	Proposed Zoning	Existing Hacienda Land Use	Proposed Hacienda Land Use
1. W.P.Carey	11	7G & part of 7F	PUD-I/C-O (Planned Unit Development Industrial/ Commercial Office)	PUD MU (Planned Unit Development Mixed Use)	Mixed Office, Research & Development/ Light Manufacturing (MOIPD)	Mixed Retail/ Commercial/ Financial/ Office, Research & Development/ Light Manufacturing, Residential (MCOIRPD)
2. BRE	8.2	7E	As above	As above	As above	As above
3. Roche	12.4	6	As above	As above	As above	As above

## **ANALYSIS**

The proposed rezonings represent the first step in implementation of the General Plan goals, policies, and programs and Land Use designation for the Hacienda area. In the General Plan adopted in July 2009, the non-residential portions of Hacienda are designated Mixed Use/ Business Park, while the residential areas remain in the High Density Residential designation.

The proposed rezoning is consistent with the following goals, policies and programs in the General Plan:

### **Land Use Element**

Policy 2: Integrate land use and transportation planning in order to ensure patterns that facilitate safe and convenient mobility of people and goods at a reasonable cost, and to increase travel alternatives to the single-occupant automobiles.

Program 2.1: Reduce the need for vehicular traffic by locating employment, residential, and service activities close together, and plan development so it is easily accessible by transit, bicycle, and on foot.

Program 2.4: Require higher residential and commercial densities in the proximity of transportation corridors and hubs, where feasible.

Program 4.1: Ensure consistency between the General Plan Land Use Map and the zoning designation for all properties within the City's Sphere of Influence.

Policy 16: Encourage mixed-use development which encompasses any combination of commercial development, housing units, or community facilities in an integrated development. In areas served by transit, encourage mixed use and residential densities that support affordable housing and transit.

Policy 18: Establish a well-planned mixture of land uses around the BART stations.

Program 18.2: Provide land use flexibility for the Hacienda Business Park, portions of Stoneridge Mall area, and other areas through the Mixed Use/Business Park, and Mixed Use land use designations. The intent is to plan for a mixed use area sufficient to accommodate the City's Regional Housing Needs Determination.

## Housing Element

Policy 9: Promote mixed-use development where appropriate throughout the city, such as residential uses constructed over commercial uses and adjacent to transit. Use the PUD process to reduce residential development standards in mixed use developments, such as sharing parking and reducing open space. Apply for federal and state grants offered for mixed use development near transit centers.

Policy 16: Strive toward meeting Pleasanton's share of regional housing needs, as defined by the Regional Housing Needs Determination (RHND).

Program 16.1: Designate sufficient land at appropriate densities to meet local and regional housing needs.

Policy 19: Make appropriate modifications to the Land Use Element of the General Plan, Zoning Ordinance, and other City ordinances, programs, and policies to facilitate the provision of housing, especially housing affordable to moderate-, low- and very-low-income households.

Program 19.1: Within one year of adoption of the Housing Element, complete land use studies to identify for conversion as many of the sites identified in Table IV-6 from non-residential to high density residential use as are necessary at appropriate densities (for example, approximately 30 acres at 30 units per acre or 40 acres at 20 units per acre) to meet the City's regional housing needs goal. Follow through with appropriate modifications to the Land Use Element and rezonings as soon as possible, but not later than June 2004, so that implementation can occur within the planning period.

### Further Analysis with the Development Plan

At the time a development plan is submitted and additional information regarding site design, traffic circulation, architecture, landscaping, and other details are available, a more detailed analysis will be prepared and reviewed by the Planning Commission and City Council.

### NEIGHBORHOOD MEETING

Staff held a Neighborhood Meeting on September 10, 2009, to provide information and answer questions on the proposed rezonings in an informal setting. All residents, owners, and business tenants (approximately 1,985 addresses) were notified, and about eight residents and several commercial property owners or representatives attended. The following questions and concerns were raised. (*Staff response, where appropriate, follows in italics*):

- Concern regarding moving forward on rezoning these sites in advance of the comprehensive PUD Major Modification, and making decisions about the development of these sites without extensive public input. *Staff believes that the rezonings should move forward at this time because of the pending litigation and the previous commitment to rezoning to allow additional high density residential development. The discussions that took place during the General Plan update discussed the concept of creating a residential and mixed use/transit oriented development in this location and included public input at two workshops and several public hearings.*
- Questions regarding the litigation, State housing law, and the voter-initiated residential cap. *As noted above, State housing law requires that land counted towards fulfillment of the low- and very low-income housing requirement be zoned for development at 30 or more units per acre. The residential development which could result from these rezonings can be accommodated within the 29,000 unit cap.*
- Skepticism regarding the reduction in trips likely with transit-oriented development compared to conventional development or traditional business park uses. *Staff noted that additional information regarding “mode-shift” (i.e., percent of trips by transit, etc. rather than single occupancy car) as a result of transit oriented development will be provided as part of the PUD Major Modification planning process.*
- A preference expressed by one resident for a quiet environment after business hours and on weekends. No desire for additional uses or activity in the area.
- Concern regarding the potential impact on Hacienda assessments on existing housing units as a result of additional residential development. *James Paxson responded that there is currently no reason to think the residential assessments would be raised. However, if, during the PUD Major Modification process, additional park amenities or other expenditures are proposed, the potential impact on residential assessments would be evaluated. Such a proposal would be subject to public discussion during the planning process.*
- Concern regarding the impact of additional development on the existing infrastructure. *In general there are no known infrastructure inadequacies. However, all such potential impacts will be evaluated at the time a development plan is reviewed for a specific site.*
- Concern that residential development on the rezoned sites will move forward prior to the completion of the comprehensive PUD Major Modification. *The PUD Major Modification planning process will result in an updated vision for Hacienda including revised design guidelines for individual parcels and the park as a whole. It is anticipated that approval of a development plan for any of the three sites will wait until the completion of the PUD major modification process.*



## **PUBLIC NOTICE**

Public Hearing notices were sent to 1,985 property owners and tenants within the Hacienda Business Park, and published in The Valley Times.

## **FINDINGS**

As noted above, the proposed rezonings for the three sites in Hacienda are consistent with and further several policies and programs in the General Plan related to mixed use development and the provision of housing at densities appropriate for affordable housing and transit.

## **ENVIRONMENTAL ASSESSMENT**

A Draft Negative Declaration (Exhibit C) was prepared and published/posted on September 2, 2009. The 20-day public review period will end on September 22, 2009. No comments have been received at the time of report writing.

Based on an initial study, staff believes that the project impacts, as they are known at this time, are less than significant. Staff, therefore, believes that the Negative Declaration can be adopted in conformance with the California Environmental Quality Act (CEQA). If the Planning Commission concurs with this environmental assessment, it must make the finding that the Negative Declaration is appropriate prior to approving the rezonings.

## **CONCLUSION**

Staff proposes City-initiated rezonings for the three sites identified in the attached figure to allow for residential or mixed use development. A recommended condition of the PUD rezoning requires any residential development to be of 30 or more units per acre, consistent with State housing law for sites to be considered as part of the inventory of land for affordable housing. Development of these sites will be deferred until the completion of the PUD Major Modification planning process for the entire park, unless the property owner can show good cause to proceed earlier. Therefore, the specific uses, densities, and design of these sites would be determined only after extensive public input as part of the broader planning process. Nevertheless, staff believes that rezoning these parcels to allow residential development at a density appropriate for affordable housing would satisfy Program 19.1 in the Housing Element.

## **STAFF RECOMMENDATION**

1. Find that the project would not have a significant effect on the environment and adopt a resolution recommending approval of the attached Draft Negative Declaration;
2. Find that the proposed PUD rezoning from PUD-I/C-O to PUD-MU is consistent with the General Plan and purposes of the PUD ordinance;
3. Adopt a resolution recommending approval of Case PRZ-48.

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