



Housing Commission Minutes [SUBJECT TO APPROVAL]

June 17, 2021 – 7:00 p.m.

This meeting was conducted in accordance with Governor Newsom's Executive Orders N-20-20 and N-35-20 and COVID-19 pandemic protocols

CALL TO ORDER

Chair Galvin called a teleconference meeting of the Housing Commission to order at 7:00 p.m.

Pledge of Allegiance

The Pledge of Allegiance to the flag was recited.

ROLL CALL

Commissioners Present: Commissioners Kate Duggan, Karline Fischer, Neil Kripalani, Tony Soby, and Chairperson Jay Galvin

Commissioners Absent: Zarina Kiziloglu

Staff Present: Steve Hernandez, Housing Manager; Brian Dolan, Assistant City Manager; Ellen Clark, Director of Community Development; Jenny Soo, Associate Planner; and Edith Caponigro, Recording Secretary

AGENDA AMENDMENTS

None.

MINUTES

1. Approve Regular Meeting Minutes of April 15, 2021 and May 13, 2021.

Corrections to April 15, 2021 meeting minutes:

Page 4, Future Agenda Items, para.2 - ...with the ~~consultation~~ *consultant* a week...

Motion made by Commissioner Soby, seconded by Commissioner Duggan, to approve the April 15, 2021 meeting minutes as corrected. **The motion was approved with Commissioner Kripalani abstaining.**

Corrections to May 13, 2021 meeting minutes:

Page 3, Item 4, para.4 - ...total of 440,000 ~~united~~ *units* were identified.

Page 4, Item 4, para.10 - ...about *the city making* housing opportunities available and ~~but developers~~ *not being responsible for to making make them it happen*

Page 6, Item 4, para. 6 - ...Commissioner Fischer questioned whether ~~other median-income California cities have been successful in implementing housing element requirements~~ there are *other cities in California, but average median-income like Pleasanton, that* have been successful in implementing housing element requirements.

Page 6, Item 4, para.7 – Chairperson Galvin indicated his intent in this paragraph should have been to ask about the possibility of trading housing requirements.

Motion made by Commissioner Soby, seconded by Commissioner Duggan, to approve the May 13, 2021 meeting minutes as corrected. **The motion was approved with Commissioner Kripalani abstaining.**

CONSENT CALENDAR

None.

MEETING OPEN TO THE PUBLIC

2. Introductions / Awards / Recognitions

Chairperson Galvin welcomed and introduced new commissioner Neil Kripalani.

3. Public Comment

None.

MATTERS BEFORE THE COMMISSION

4. Review and Recommendation to City Council an Affordable Housing Agreement with AVS Ranch, LLC for the Spotorno Ranch Project (PUD-138)

Mr. Dolan advised that this is one of the projects that comes around periodically and is included in the Inclusionary Zoning Ordinance and requires a recommendation from the Housing Commission. He advised that the Spotorno Family, also referred to as the AVS Ranch, LLC, has submitted an application for the development of 22 single-family residences on a 31-acre portion their 112-acre site that is identified as Lot 98 in the Happy Valley Specific Plan.

Commissioners were provided details by Mr. Dolan about the Happy Valley area being brought into the city limits with the development of the Callippe Golf course and how the Happy Valley Specific Plan identifies more units for the Spotorno property than is being requested within the project being proposed. He commented on fee alternatives and RHNA requirements noting that the project being proposed will include the building of Accessory Dwelling Units (ADUs) on each of the 22 buildable lots that will ultimately be counted against RHNA requirements.

Mr. Hernandez reviewed with commissioners a PowerPoint presentation of the PUD-138 site detailing the 22-lots being proposed on the 31-acre flat area of the property with the remaining acreage being dedicated as an open space agricultural easement. He noted that because the proposal is for more than 15 units the Inclusionary Zoning Ordinance requires including five (5) affordable units or other options be considered, i.e., affordable housing fees, land dedication, credit transfers, off-site projects, or other creative concepts. If the housing fee option were to be selected the owner would pay an affordable housing fee of \$46,000 per unit but the Spotorno Family has elected to include the building of an ADU on each of the 22-lots.

Mr. Spotorno provided information about the Spotorno Ranch being a heritage ranch and the southern portion of the property being sold to build the Westbridge Road in its current configuration as well as the total building allocation for the Spotorno Ranch originally being for 102-units on 1.5-acre lots. He further commented on the 22 lots being a minimum of 1-acre and provided details about the wetland retention area which is on approximately 3-acres and noted that he hoped the proposed project would go before and be approved by City Council.

Mr. Spotorno confirmed comments made by Mr. Dolan regarding history of the Spotorno Ranch and five lots on record from the early 1920's, noting that three lots would be accessible with two being in the hill area. He discussed zoning limitations overlaid on the property and current agreements that have been entered.

Martin Inderbitzen, attorney for Mr. Spotorno, advised that the Spotorno Family has gotten tired trying to deal with developers for their site with what is outlined within the Happy Valley Strategic Plan. He noted that the property is low-density rural property with no amenities close by suitable for low-income families and the proposed ADUs to be built on each of the 22 lots could be counted toward the City of Pleasanton's RHNA requirements while in-lieu fees would only generate \$1M for the 22-units.

Commissioner Duggan commented on the difficulty of getting projects done but was unsure about the benefits of the \$1M of in-lieu fees and the ADU specifications. She felt the \$1M in fees was a small amount to go towards another project and asked for more details regarding the inclusion of ADUs.

Mr. Dolan advised that the City of Pleasanton's Municipal Codes defines ADUs as units that must include a bathroom and a kitchen and are units that can be used at the discretion of the property owners. He noted that past Housing Commission members have strongly encouraged staff for them to be included in projects and staff feels good about getting guaranteed ADUs included in this Spotorno project. Mr. Spotorno added additional information about the guidelines and Code Section 8116 that are being following for his project.

Commissioner Duggan was informed by Ms. Soo that the ADU units would be assigned their own addresses and could be rented out by the property owners.

Commissioner Duggan questioned if there was any possibility that townhomes or stand-alone units could be included in this project. Mr. Dolan provided information about the Happy Valley Specific Plan and how townhomes do not fit into it and how it has been the practice of City Council to take in-lieu fees to help with other projects that include lower-income units. Mr. Inderbitzen noted that in higher density projects it is often possible to find places to include lower-income units but in this project the Spotornos are trying to do something that will add ADU units that can be detached and rentable.

Commissioner Duggan asked about changes to the road or the addition of another road. Mr. Dolan advised that construction of a bypass road would require an engineering feat, and though it is still included for the area it is not something that is being included with this project. Mr. Inderbitzen provided information about the road through the project that will allow residents to access the trail system throughout. He noted that the 81-acres of the property behind the project will be dedicated as open-space and could include the bypass road.

Commissioner Fischer asked about ownership and rent rates for the ADUs. Mr. Dolan advised the ADUs would be owned by property owners and could not be subdivided and would likely be rented at the market rate; however, the city could not put restrictions on this. Commissioner Fischer confirmed there would be no limitations put on property owners regarding rent rates and questioned if the in-lieu fee amount would be dependent on the size of home built and how the fee would be used. She also questioned how the city was planning to use the \$1M received in fees. Mr. Dolan advised that fees would be added to the Lower Income Housing Fund (LIHF) and used for low-income housing projects and could include partnership with a non-profit and providing funding that they could use to help close a funding gap. He noted that when last he checked the balance in the LIHF was approximately \$10M.

Commissioner Kripalani thanked the Mr. Spotorno for his presentation and agreed with comments and questions made by Commissioners Duggan and Fischer regarding the \$47K in-lieu fee. Mr. Dolan confirmed for Commissioner Kripalani that the in-lieu fee recommendation was determined by City Council based on results of the Nexus study.

Commissioner Kripalani stated that from an economic value standpoint, the assumption that the homes in this proposed project will sell in the \$5M range and in-lieu fees will be passed on to purchasers of the lots, it seemed that the in-lieu fee was being based on 1% of the homes built being in the \$5M range.

Chairperson Galvin agreed with Commissioner Kripalani's comments and felt the in-lieu fee amounts was something the commission needed to discuss at a future meeting. Commissioner Kripalani agreed that more in-lieu fees were needed as current fees did not equate to the city's mission for getting more low-income housing. Mr. Dolan indicated this was an issue that council had discussed at length, and he agreed it was something the commission could discuss in the future as part of the Housing Element but should not take it into consideration for this Spotorno project.

Commissioner Soby was informed that the idea of including ADU units in this project was raised by staff in response to comments made by previous members of the Housing and Planning Commissions who had thought including them would provide a variety of housing types and is now something the Planning Commission looks at when reviewing housing applications.

Commissioner Soby asked about rezoning requirements for affordable units and whether including five affordable units in this project would require all five units be built on one lot. He indicated he was pleased with the proposal for including 22 ADU units instead of five affordable units and was pleased they could be included in the RHNA count and felt the only area of concern might be with regard to rent fees. Mr. Dolan commented on information staff had been able to consider that had been received from Southern California.

Commissioner Soby asked about the open space acreage and was advised by Mr. Inderbitzen that it would be provided through a conservation easement and managed by a third party. Commissioner Soby was further informed by Mr. Inderbitzen that no changes are planned for the Alisal Road.

Commissioner Soby indicated he was okay with the current in-lieu fee amount being approximately \$1M but was more pleased with the inclusion of the ADUs in this project.

Commissioner Duggan was informed by Mr. Dolan that people who purchase the lots in this Spotorno project will be required to include an accessory dwelling unit in their building plans. Commissioner Fischer questioned if only 20% of the 22 homes would be required to include an ADU, and Mr. Dolan advised that the project would include in-lieu fees and 22 ADUs.

Chairperson Galvin stated that he liked the creative idea made by staff for including ADUs in this project that will become a part of the permanent RHNA inventory.

Commissioner Soby felt this was a good project and was a good opportunity to provide ADUs that would not have parking issues. He also noted that the Housing Commission had previously discussed the issue of in-lieu fees being too low.

Commissioner Kripalani felt it would behoove the commission to face the issue of the low in-lieu fees head-on since it seems funds are being lost that would eventually help with providing low-cost housing. Mr. Dolan advised that the issue of in-lieu fees has been brought previously to both the commission and City Council, and a study did justify higher in-lieu fees and with it being such a broad item such that it would be discussed within the Housing Element.

Commissioner Duggan felt that density limits were an issue that also needed to be addressed, and Mr. Dolan noted this was something that will be a part of the Housing Element discussions together with neighbor concerns.

Mr. Dolan discussed with Commissioner Soby the matter of in-lieu housing fees paid by developers

who do not want to include low-income units in their developments. Commissioner Soby commended staff on the details they have been able to put together for this Spotorno project, and Chairperson Galvin agreed but felt that moving forward the commission needed to consider items raised during the discussions.

A motion was made by Commissioner Soby, seconded by Commissioner Duggan, recommending City Council approve the Affordable Housing Agreement for the Spotorno Ranch Project, a residential development proposed on Lot 98 of the Happy Valley Specific Plan (PUD-138) as part of the PUD approval process.

ROLL CALL VOTE:

AYES: Commissioners Duggan, Fischer, Kripalani, Soby, and Chairperson Galvin.
NOES: None
ABSENT: Commissioner Kiziloglu
ABSTAIN: None

Chairperson Galvin thanked staff, Mr. Spotorno and Mr. Inderbitzen for their presentations.

MATTERS INITIATED BY MEMBERS OF THE COMMISSION

Mr. Dolan informed commissioners that staff continues to collect data and it will likely be a month or two before they will be able to present the commission with additional information pertaining to the Housing Element. He noted that the commission will be involved in the decision-making areas of fees, percentages, density, unit numbers provided, etc.

Mr. Hernandez advised that at the July 15, 2021, meeting the commission will be partnering with MidPen Housing who will be providing an Affordable Housing 101 overview. Chairperson Galvin questioned whether MidPen would also be providing the information to City Council and the Planning Commission. Mr. Dolan discussed the complexity of items to be reviewed by MidPen Housing and advised that further presentations will be determined after the presentation to this commission.

Chairperson Galvin asked about obtaining files for these meetings and questioned whether information would be available online with more descriptive file names.

Mr. Dolan informed the commission that City Council would be starting in-person meetings in July and after all “kinks” have been resolved commission meetings will likely go to in-person meeting in the fall. Chairperson Galvin questioned if a virtual access to meetings would still be available for those not wishing to attend in-person.

FUTURE AGENDA ITEMS

None.

ADJOURNMENT

The meeting was adjourned at 8:37 p.m. by unanimous consent.