



# Housing Commission Agenda Report

November 18, 2021  
Item 4

- SUBJECT:** P21-0751, 2023-2031 (6<sup>th</sup> Cycle) Housing Element Update
- APPLICANT:** City of Pleasanton
- PURPOSE:** Review a list of potential sites under consideration for future rezoning for residential development and inclusion in the environmental analysis as part of the Sites Inventory for the 2023-2031 (6<sup>th</sup> Cycle) Housing Element Update
- EXHIBITS:**
- A. Preliminary Sites Inventory - Data Summaries and Ranking for Sites Under Consideration
  - B. Existing Residential Capacity and Pipeline Projects
  - C. Initial Staff Recommended Site Inventory

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## STAFF RECOMMENDATION

Staff recommends the Housing Commission review a list of potential sites under consideration for future rezoning for residential development as part of the Sites Inventory for the 6<sup>th</sup> Cycle (2023-2031) Housing Element Update and provide initial feedback.

## SUMMARY

Work is proceeding on the 2023-2031 (6<sup>th</sup> Cycle) Housing Element Update, which among other components, will include an updated inventory of sites that can accommodate the City's Regional Housing Need Allocation (RHNA). Based on a preliminary evaluation of the capacity of existing sites that are zoned for residential development, there is a need to identify additional locations for future re-zoning to allow for residential use, including sites suitable for both lower-income and market-rate housing.

As a starting point for creating the Housing Element sites inventory, staff has identified a list of potential housing sites for consideration, provided a summary and analysis of each site, as well as a calculation of the estimated yield of units for each based on the average density within a preliminary range specified for each site.

Staff is requesting the Housing Commission's initial input on the list of sites to be carried forward for analysis in the Housing Element EIR. This initial meeting is intended to accomplish the following objectives:

1. Introduce the analysis of existing residential zoning capacity within the city, and evaluation of the number of units for which additional sites will be needed to address the City's Draft RHNA.

2. Introduce the preliminary sites list from which the sites inventory will be compiled, including the outcomes of the sites' ranking and scoring based on the previously approved sites selection criteria, as well as staff's initial assessment of the sites based on factors such as likelihood/suitability for development, geographic distribution, and "fit" with community input to date on preferred types and locations for housing development.
3. Present the initial framework for the sites inventory, including assumptions and principles staff recommends be used to develop the inventory.
4. Receive initial input from the Housing Commission on the initial list of sites to be carried forward for environmental analysis.

## **BACKGROUND**

The Housing Element is part of the City's General Plan and is a comprehensive statement by the community of its current and future housing needs and proposed actions to facilitate the provision of housing to meet those needs at all income levels. Periodic update of the Housing Element is required by state law; the element reflects the state's housing goal of "attaining decent housing and a suitable living environment for every California family," as well as incorporating the unique concerns of the community. The current Housing Element, which was adopted in 2015, covers the planning period from 2015 to 2022 (5<sup>th</sup> Cycle). The next Housing Element update (the 6<sup>th</sup> Cycle) is due in January 2023, to address the planning period from 2023-2031.

The City formally initiated the Housing Element update process in May 2021, and most recently held meetings to review the draft Preliminary Report (evaluation of housing needs, constraints and existing policies and programs) with the Housing Commission on September 16<sup>th</sup>, the Planning Commission on September 22<sup>nd</sup> and City Council on October 19, 2021.

As has been previously outlined to the Housing Commission, the City has been assigned a draft 6<sup>th</sup> Cycle RHNA of 5,965 housing units at various levels of affordability. As a key component of the updated Housing Element, the City must document, through a detailed, parcel-specific inventory, that there are sufficient sites available today to accommodate the entirety of its RHNA. If the City does not have enough adequate sites currently zoned to accommodate the assigned RHNA, additional sites need to be identified and ultimately rezoned.

The adequacy of the sites inventory will be evaluated by the State Department of Housing and Community Development (HCD). Although HCD will review the entire inventory, it pays particular attention to sites identified to accommodate the City's lower-income RHNA, based on criteria intended to show the various sites' realistic capacity to develop during the eight-year planning period of the Housing Element.

It is important to note that the identifying sites to accommodate the RHNA is a planning exercise; it is not a mandate or quota for the City to construct housing units. While the City must report annually on production of housing relative to its RHNA numbers, there are no direct penalties for failing to meet the allocation; however, recent State law has implemented streamlining and reduced local discretion over approval of housing projects, some of which is specifically targeted at jurisdictions whose housing production has fallen short of the RHNA.

## ANALYSIS OF EXISTING ZONING CAPACITY AND SHORTFALL OF SITES

The following outlines the City’s draft RHNA, the components that make up the current sites inventory, and how the projected shortfall is calculated.

### Draft Regional Housing Needs Allocation

Table 1 summarizes the draft RHNA for the City of Pleasanton, as published by the Association of Bay Area Governments (ABAG) in May 2021.<sup>1</sup> The RHNA is distributed among four income categories, each of which represent relative affordability to households as a proportion of the Countywide Area Median Income (AMI).

**Table 1: Draft RHNA**

Income Category	Percentage of Area Median Income	Draft RHNA
<b>Extremely Low Income (ELI)*</b>	<30%	1,750
<b>Very Low (VLI)*</b>	31-50%	
<b>Low Income (LI)</b>	51-80%	1,008
<b>Moderate Income (MI)</b>	81-120%	894
<b>Above-Moderate Income (AMI)</b>	>120%	2,313
<b>Total</b>		<b>5,965 Units</b>
* The RHNA does not split out Extremely-Low and Very-Low Income Units; however, jurisdictions are required to account for both categories in the Housing Element’s Quantified Needs Assessment, typically assuming and even split between units in each income category.		

### Existing Capacity/Baseline Inventory and Projected Shortfall and Need for Additional Sites

The sites inventory includes the following components, discussed in further detail below.

#### 1. Existing Residential Capacity, Baseline Inventory

- Existing Residential Zoning.** This includes parcels zoned for residential uses with capacity to add new housing units, including sites re-zoned as part of prior Housing Element updates that have not yet been developed, as well as general capacity that exists within the City’s single-family and multi-family residential zoning districts. The latter category includes both vacant parcels and those that are developed less intensively than the zoning allows (e.g., a single-family home on a parcel of sufficient size to allow for subdivision, or for construction of multiple units). Many, but not all of the sites in this part of the inventory are listed in the 5<sup>th</sup> Cycle Housing Element inventory (Exhibit B includes a summary of the high density “carryover” sites from the 5<sup>th</sup> Cycle Housing Element, reflected in the baseline inventory). In addition to carryover sites, as part of the effort to fully consider all available existing zoning capacity, a GIS-based analysis was used to more comprehensively identify parcels that are vacant or underutilized and which can be counted as part of the baseline inventory.
- Pipeline Projects.** The “pipeline” of residential projects already entitled or expected to be entitled in the coming one- to two- year period, including projects under construction but

<sup>1</sup> The ABAG Administrative Committee is scheduled to ratify its initial determinations on appeals of the Draft RHNA on November 12, and the ABAG Board is scheduled to adopt the Final RHNA in mid-December. Preliminary recommendations by the Committee were to uphold only one appeal among all of those submitted.

which would not have building permits finalized by June 30, 2022.<sup>2</sup> Exhibit B includes a summary of pipeline projects included in the baseline inventory.

- *ADU Production.* Other anticipated housing production, including ADUs. HCD has issued a determination to allow local jurisdictions to “count” ADU production as a component of the sites inventory, based on a formula that considers the average annual number of ADU permits issued in the city over the last three years, multiplied over the Housing Element’s eight-year planning period.<sup>3</sup>

Together, existing residentially-zoned properties, pipeline projects, and ADUs constitute a baseline of zoned capacity that can accommodate a portion of the City’s RHNA. The difference between this number, and the RHNA in each category, represents the “gap” that will need to be addressed through rezoning of sites to allow for residential uses as discussed later in this report. Table 2 summarizes the results of staff’s initial evaluation of existing residential development capacity and the difference between that number and the RHNA.

## *2. Projected Shortfall and Need for Sites to be Rezoned for Residential Use*

While minor changes may still be made before finalizing the baseline number of units, the analysis indicates there is a shortfall of currently available sites across all income categories.

As shown in Table 2, the anticipated shortfall includes a minimum of approximately 1,284 lower-income units (Extremely-Low, Very Low and Low); 312 Moderate Income Units, and 1,547 above-moderate income units for which additional sites will need to be identified, with the total gap estimated at 3,143 units.

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<sup>2</sup> The Housing Element 6<sup>th</sup> Cycle planning period technically begins on July 1, 2022, meaning that units for which building permits are finalized (i.e., approved for occupancy) on or after this date, can be included in the 2023-2031 inventory.

<sup>3</sup> ABAG has prepared a preliminary ADU Affordability Report, currently under review by HCD, intended as a basis to allocate ADU production into the various RHNA affordability categories. If HCD accepts the reports analysis, ADU’s would be permitted to be counted at the following income levels: 30% Very Low Income, 30% Low Income, 30% Moderate Income, 10% Above Moderate Income. The inventory assumes this allocation, but it may need to be adjusted based on ABAG’s direction.

**Table 2: Existing Residential Capacity and “Gap”**

	Income Category				Total
	Very Low	Low	Moderate	Above Moderate	
<b>RHNA</b>	<b>1,750</b>	<b>1,008</b>	<b>894</b>	<b>2,313</b>	<b>5,965</b>
<b>Existing Residential Zoning</b>					
<i>Carryover from prior Housing Element</i>	1,146		372	0	1,417
<i>Capacity from existing residential zoning</i>	256		185	387	929
<b>Pipeline Projects Entitled/Approved Projects</b>	23		-	371	394
<b>ADUs</b>	24 <sup>1</sup>	25	25	8	82
<b>Projected Shortfall <sup>2</sup></b>	<b>(1,284)</b>		<b>(312)</b>	<b>(1,547)</b>	<b>(3,143)</b>

<sup>1</sup> The 24 ADU units are split evenly between the “Extremely Low” and “Very Low” income categories.  
<sup>2</sup> Although the analysis of existing capacity generally identifies production in more detail across affordability categories, HCD’s guidance treats planning for “lower-income” housing in a manner that conceptually aggregates Extremely-Low, Very-Low and Low-Income categories, and therefore the table similarly aggregates them.

**FRAMEWORK CONSIDERATIONS FOR DEVELOPING THE SITES INVENTORY**

The following outlines some of the key assumptions and “building blocks” that provide the framework for developing the sites inventory.

Total Number of Sites and Zoning Capacity

As was outlined in the August 24, 2021, Housing Commission Agenda Report, the process to analyze and select sites will be a multi-step process including:

- Identification of an Initial Sites List
- CEQA review of prospective sites and potential environmental impacts
- HCD review of draft sites inventory
- Review and refinement of final sites list for inclusion in the Housing Element.

The sites selection process will entail a progressive narrowing or refinement of the inventory list. Therefore, at this relatively early stage, it is recommended that a broader inventory of sites be identified, with a total capacity beyond the shortfall estimate. Providing a broader range of sites will provide City Council with flexibility to adjust the list as the project moves through

various stages of review and according to various comments and inputs, including community feedback, HCD review and comments, and the environmental analysis.<sup>4</sup>

In addition to flexibility through the Housing Element process, developing a broader list could help address “no net loss” provisions of state law<sup>5</sup>, by allowing the City to structure the Housing Element to either include an increment of extra residential zoning capacity among the sites identified; or to create a list of potential additional sites that are not included in the Housing Element at the time of adoption, but eligible to be considered at a future date for rezoning if needed, that have already been through the necessary CEQA review.

At this early stage, staff recommends identifying sites with zoning capacity sufficient to provide at least 50 percent more units than the identified gap (i.e. approximately 4,715 units), understanding that this will ultimately be narrowed to be closer to the actually needed number with adoption of the Housing Element. The Planning Commission, at its November 10 meeting, also supported incorporating a 50 percent buffer in the initial capacity analysis.

#### Density Assumptions for Initial Inventory

In addition to a larger total number of sites included in the initial inventory, staff recommends taking a relatively conservative approach in the estimation of zoning capacity for the sites, using an “average” density, for the low and medium density sites rather than the maximum or top of a density range, and a minimum 30 dwelling units per acre (du/ac) for the high density sites.

Based on guidance provided by HCD for higher-density housing sites, the inventory needs to reflect a realistic capacity that takes account of aspects like physical constraints, necessary on-site infrastructure and circulation, parking, and development standards like height and setback requirements. Using an average density (for low- and medium- density sites) and a minimum density for high-density sites will help to align the initial inventory with these realistic capacity assumptions going forward, and not be overly aggressive in the assumed capacity for particular sites.

#### High Density Housing and Minimum Default Densities

State law provides for a series of “default densities,” which are zoning minimums that, if applied, can be assumed to yield lower-income housing units. In communities like Pleasanton, the minimum default density for units to be counted as lower-income units in the inventory is 30 du/ac. HCD guidance also suggest that a size range between 0.5 acres and 10 acres are most realistic to assume as developing with higher-density and lower-income units. Per HCD guidance, sites zoned between 20 and 29 du/ac, and of at least 0.25 acres in size, may be assumed to yield moderate-income units.

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<sup>4</sup> A key aspect is timing of the CEQA review process, which needs to be initiated early in the overall Housing Element process, and even before the Draft Housing Element is submitted to HCD for its initial review, so it can be completed by the date of Housing Element hearings for adoption. Therefore, the CEQA analysis will address a broader list of sites than may ultimately be included in the adopted Housing Element.

<sup>5</sup> “No net loss” provisions are a component of the Housing Accountability Act, which, whenever a project is approved with fewer units, or less affordability than cited in the Housing Element, requires findings to be made that adequate zoning capacity remains in the inventory to accommodate the units not built, or for the City to re-zone additional sites to accommodate that number of units.

Although the City may count all units in the inventory if zoned at 30 du/ac or more as affordable or lower-income (or 20-29 du/ac as moderate-income), it is not required to do so, and could assume that higher density projects will yield moderate or above-moderate income units as well. Again, these sites can also be considered as locations to address the above-moderate housing need. Table 3 summarizes the above density and affordability assumptions, for reference.

As discussed later in this report, depending on the sites selected, the entire lower-income RHNA could be addressed, as well as a significant proportion of above-moderate units, on higher density housing sites, and so it will be a policy decision for the City Council (and for the Housing Commission’s recommendation) as to how to best allocate affordability assumptions for sites at various densities.

<b>Table 3: Affordability and Default Densities</b>		
<b>Income Category Assumptions</b>	<b>Default Density per HCD Guidance</b>	<b>Parcel Size</b>
Lower Income*	At least 30 du/ac allowed	0.5 – 10 acres
Moderate	20-29 du/ac allowed	At least 0.25 acres
Above Moderate	No minimum or maximum	No minimum or maximum
* Includes Extremely-Low, Very-Low, and Low-Income Units		

**Density Ranges and Housing Types:**

As discussed further below, the sites inventory will reflect a range of densities for different sites. The following four density ranges have been identified for each of the prospective sites in the inventory:

*Low Density:* Between 2 and 7 du/ac. These projects will generally comprise detached single family units but could also include lower density attached housing types such as duplexes, triplexes, and townhomes. Examples of projects in Pleasanton at this type of density include:

- The single-family portion of Township Square (near the new Bernal Safeway), which was a total of 97 units, at a density of approximately 5 du/ac.
- The Ponderosa/Valley Trails project, which was 36 units across approximately 9 acres, a density of approximately 4 du/ac.



*Low/Medium Density:* Between 8 and 14 du/ac. These projects will generally be attached, multi-family apartments (rental or ownership), lower-rise buildings of two-three stories (product types such as garden apartments), but can also accommodate small lot single family residences. Examples of projects in Pleasanton include:

- Irby Ranch Single Family Homes: 87 new single-family residential units on approximately 10.6 acres of the site, at a density of approximately 8.2 du/ac.
- 535-550 St. John: 11 new attached townhome units on approximately .73 acres of the site, at a density of approximately 11.1 du/ac.
- 553 St. John: 28 new attached townhome units on approximately 2.4 acres of the site, at a density of approximately 11.7 du/ac.
- 4171-4189 Old Stanley/Barias Place: 12 new single-family detached homes on approximately 1.17 acres of the site, at a density of approximately 11.1 du/ac.





*Medium Density:* Between 15 and 25 du/ac. These will also generally be attached unit types (townhomes, condominiums or apartments). Examples of projects in Pleasanton include:

- Andares (5850 West Las Positas), comprising 94 units on 5.9 acres, a density of approximately 15.9 du/ac.
- Civic Square Apartments (4800 Bernal), comprising 262 units on 13 acres, a density of approximately 20 du/ac.
- Park Hacienda Apartments (southwest corner of Hacienda Drive and Owens Drive), comprising 540 units on 26.5 acres, a density of approximately 20.3 du/ac.



*High Density:* 30 du/ac and greater

High density housing projects will generally comprise apartment or condominium units, with structured parking in podium- or wrap-style buildings. Several 30 du/ac projects were built following the adoption of the 5<sup>th</sup> Cycle Housing Element and include:

- The Vintage Apartments (3150 Bernal), 345 units on 11.5 acres, a density of 30 du/ac.
- Galloway (southwest corner of Owens Drive and Willow Drive), 255 units on 8.4 acres, a density of 30 du/ac.
- Anton Hacienda (5725 W Las Positas), 168 units on 5.6 acres, a density of 30 du/ac.



While there are limited examples of developments with density greater than 40 du/ac in Pleasanton, the Commission may look at the Vintage project at Stanley Boulevard and Valley/Bernal Avenues, which has an average density of 30 du/ac across the site, but has a podium building at the southeast corner of the site that yields approximately 40 du/ac.

In a recent presentation to the Planning Commission as part of a discussion of Objective Design Standards for housing projects, the City’s consultant Van Meter Williams Pollack gave examples of successful, high-density projects (60-70 du/ac), from locations including Mountain View and Redwood City. These buildings generally can house their density in five to seven story structures, also with wrap- or podium-style structured parking. Although not every site is suitable or appropriate for density above 30 du/ac, selected locations, generally closer to freeways and major transit, may be suitable. Based on the examples provided, and the overall discussion of pros and cons of these types of densities, including better site design, more efficient use of land, and better economic feasibility, the Planning Commission was supportive of considering higher densities, over 30 du/ac, on selected sites in Pleasanton.

**PRELIMINARY SITES LIST AND INITIAL ANALYSIS**

Sites List Compilation – Initial Steps

The site selection process started by establishing and identifying criteria and a scoring system to initially evaluate all the prospective housing sites. The criteria and scoring were reviewed by the Housing Commission and Planning Commission in August, and the City Council provided final direction on the criteria in September. The final version of the criteria, and more detail on each of the criteria, is included in the Preliminary Sites Inventory - Data Summaries and Ranking for Sites Under Consideration as part of Exhibit A.

In August and September, staff also began to compile a list of prospective sites from various sources, including developer- and property owner- nominated sites, sites that have known interest in housing development, and sites identified by staff that may have redevelopment

capacity based on their characteristics (such as location, size, and existing utilization/ underutilization) and other analysis.

Staff has reached out to all property owners whose sites have been preliminarily identified for the inventory and has had several conversations to help clarify the process and expectations associated with a zoning change. This outreach will continue, including providing written notification of upcoming meetings and hearings to discuss sites selection.

#### Initial Housing Sites List

Efforts to-date have yielded a total of 28 properties or areas to be considered for rezoning to allow residential development. Table 4 lists each site and summarizes additional information including site size, and potential capacity in various affordability categories (see detailed discussion below). As noted, each site has been assigned a preliminary density range and potential capacity has been estimated based on an average density for the range. The list is keyed to a map, included in Exhibit A, organized geographically (i.e. the numbering does not reflect a ranking).

Exhibit A, Preliminary Sites Inventory - Data Summaries and Ranking for Sites Under Consideration, provides an expanded summary and analysis of each site, including the lot or area size, existing uses, current zoning, current general plan designation, and other key attributes, opportunities, constraints or other factors that may weigh into its consideration.

Unlike the 4<sup>th</sup> Cycle Housing Element cycle where only high-density sites were rezoned, staff has identified sites for consideration at high-, medium-, and low- densities. This is in part because of the range and diversity of sites brought forward by individual property owners, not all of which are suitable for high-density housing. It also broadens the options available to the City in identifying an inventory to meet not only the shortfall of sites to accommodate its lower-income RHNA, but also the remaining moderate or above moderate income housing needs, in a more even geographic distribution throughout Pleasanton.

The list also includes two low-density housing sites (#1: Lester and #22: Merritt), which were discussed as part of the City Council work plan priorities and referred to the Housing Element process to determine if they should move forward for consideration for annexation and rezoning. Three other low-density sites, the PUSD-owned properties at Donlon School, on Vineyard Avenue (Neal Property), and a site at St. Augustine's Church are also included, the former two at the request of PUSD.

**Table 4: Summary of Sites and Initial Capacity Assumptions**

Site #	Site Name	Buildable Acres	Density Range (du/ac)	Est. Capacity by Affordability			Total Capacity
				Very Low/Low	Moderate	Above-Mod.	
1	Lester	14.8	2		-	31	31
2	Stoneridge Shopping Center (Mall)	18.00	30-60	540	-	-	540
3	PUSD – Donlon School	5.50	5		-	28	28
4	Owens Drive Sites (Motel 6 and Tommy T's)	2.36	30	71		-	71
5	Laborers Council	1.36	30	41	-	-	41
6	Signature Center	11.00	30	330	--	-	330
7	Hacienda Terrace	2.00	30	60	-	-	60
8	Muslim Community Center	5.00	15-25		-	100	100
9	Metro 580	5.00	30-60	150	-	-	150
10	ValleyCare	3.60	30	108	-	-	108
11	Old Santa Rita Area	21.17	30-60	635	-	20	635
12	Pimlico Area (North side)	2.12	30	64	-	-	64
13	Pimlico Area (South side)	1.99	15-25		-	40	40
14	St. Elizabeth Seton	2.85	15-25		-	57	57
15	Rheem Drive Area	9.77	8-14		-	108	108
16	Tri-Valley Inn	2.47	15-25		-	50	50
17	Mission Plaza	2.22	30	67	-	-	67
18	Valley Plaza	7.83	30	220	-	28	248
19	Black Avenue	2.59	15-25		-	52	52
20	Boulder Court	9.45	30	284	-	-	284
21a	Kiewit (Affordable Housing Site)	5.00	30	150	-	-	150
21b	Kiewit (Market-Rate Housing Sites)	40.00	8-14		-	440	440
22	Merritt	45.59	2		-	91	91
23	Sunol Boulevard Area	23.89	30	717	-	-	717
24	Sonoma Drive Area	6.51	15-25		-	131	131
25	PUSD – District	10.17	15-25		-	204	204
26	St. Augustine	6.31	2-7		-	19	19
27	PUSD – Vineyard	5.00	2		-	10	10
28a	SteelWave (City Parcel)	8	30	240			240
		7.60	8-14				
28b	SteelWave (County Parcel)	107.58	8-14			1,015	1,015
		<b>270.88</b>		<b>3,677</b>	<b>0</b>	<b>2,500</b>	<b>6,177</b>

Staff notes that, just prior to publication of the Planning Commission agenda report, a request was submitted by Steelwave USL, expressing interest in developing approximately 1,331 housing units on properties it owns within the East Pleasanton Specific Plan area. The Planning Commission was provided a separate memorandum outlining and analyzing the proposed site – this content has been incorporated and reflected in this Housing Commission Agenda Report and attached analysis.

#### Estimate of Site Capacity and Units at Various Income Levels

The overall preliminarily-estimated capacity for each site/area is shown below in Table 5, allocated into the various affordability categories.

For the purposes of this analysis, all high-density sites (30+ du/ac) are assumed to generate lower-income housing units, as allowed by State law. On this basis, if all 28 initially identified sites were to be retained and move onto the CEQA consideration, they would be able to conservatively accommodate a total of 6,177 units, including 3,677 very low- and low-income units and 2,500 above moderate-income units<sup>6</sup>.

Considering total units, the capacity generated by all sites exceeds the projected shortfall/gap (3,143 units), by around 3,034 units. However, as previously noted, staff recommends the initial sites inventory build in a buffer of capacity that is at least 50 percent beyond what would be needed strictly to address the existing zoning shortfall, to allow flexibility to refine the list based on future inputs. Adding this buffer would result in the need to identify sites sufficient to accommodate at least 4,715 units (3,413 plus a 1,572-unit buffer) – this provides a surplus considering all sites, of approximately 1,462 units.

Considering the various affordability categories, as shown in the table, the assumption that all higher-density housing would produce lower-income units (only) results in a significant surplus of lower income units, and shortfalls in other categories. Notwithstanding other decisions that may be made about the inventory, the above analysis suggests the following guiding parameters:

- The City can, and should, assume that at least some portion of its moderate- and above-moderate RHNA will be accommodated on high-density sites.
- It will likely be necessary to designate at least some lower-density sites for rezoning, since there is insufficient capacity to accommodate the total shortfall on higher-density sites; alternatively, additional sites could be considered for higher density housing, or densities increased on some additional high-density sites.
- There is some flexibility to adjust the overall sites list at this stage (i.e. eliminate some sites from consideration), and/or adjust capacity assumptions downward, although the margin is not substantial if a buffer of sites capacity is included in the planning estimates.

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<sup>6</sup> As a conservative estimate, staff is assuming the average density of all recommended density ranges at this stage in the evaluation.

<b>Table 5: Sites Inventory – Estimated Total Unit Capacity</b>					
	<b>Extremely Low / Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
<b>RHNA</b>	<b>1,750</b>	<b>1,008</b>	<b>894</b>	<b>2,313</b>	<b>5,965</b>
<b>Existing Zoning Capacity “Gap”</b>	(1,284)		(312)	(1,547)	(3,143)
Gap plus Recommended Buffer (+50% of Estimated Gap)	(1,926)		(468)	(2,321)	(4,715)
<b>Sites Inventory – Estimated Total Capacity</b>					
<b>Units by Affordability Category</b>	3,677		0	2,500	6,177
<b>Surplus / (Shortfall) – Gap Only</b>	2,393		(312)	953	3,034
<b>Surplus/(Shortfall) Gap + 50% Buffer</b>	1,751		(468)	179	1,462

Sites Evaluation

To help guide the site selection, staff has completed the scoring of each site based on the site selection criteria approved by City Council. As was the case with the prior Housing Element sites evaluation, the criteria are scored by answering “Yes” or “No” for each question. One point is awarded for each “Yes” answer, with the projects with the most points ranked highest.

As previously discussed, the sites criteria is intended to provide a screening level evaluation of the sites, based to the extent possible on objectively measurable criteria. Staff was generally able to evaluate consistency with the criteria by using existing mapping and data within the City’s GIS database; in some limited cases (e.g. tree removal), more qualitative evaluation was necessary.

Scores in the ranking ranged from a minimum of 12 points, to a maximum of 26 points (out of a total of 34 points available). Of note, many sites had “tied” scores, and the majority scored over 20 points. Please see Exhibit A, for a comprehensive summary of the sites scoring, with the following key items noted:

- Eight sites scored 26 points (Site #3: PUSD Donlon, Site #7: Hacienda Terrace, Site #15: Rheem Drive Area, Site #16: Tri-Valley Inn, Site #18: Valley Plaza, Site #19: Black Avenue, Site #24: Sonoma Drive, and Site #25: PUSD – District Office.)
- Another seven sites, including the remaining sites in Hacienda (Site #9: Metro580, Site #8: Muslim Community Center), Site #6: Signature Center, Site #10: ValleyCare, Site #23: Sunol Blvd Area, Site #25: Mission Plaza), as well as the two church sites (Site #14: St. Elizabeth Seton, and Site #26: St. Augustine), scored 24 or 25 points.

- Stoneridge Shopping Center (Site #22) scored just below the top tier of sites, with 22 points - its lower relative score was principally because it lacks close access to grocery stores, parks and schools. Stoneridge ranked similarly with some of the sites proposed on existing light-industrial parcels such as Site #20: Boulder Court, and Site #11: Old Santa Rita Area, as well as with Site #21: Kiewit.

The lowest-ranked sites, based on the scoring criteria, were those in the most peripheral areas, including Site #22: Merritt, and Site #1: Lester, which scored 14 and 15 points respectively, as well as the Steelwave sites (Site #28), with 12 points. However, some infill sites also scored relatively poorly, including the two sites on Pimlico (Sites #12 and #13), and Site #4: Owens Area, each of which scored less than 20 points.

### *Summary*

As can be seen from the rankings, there is not a particularly clear geographic pattern to the ranking, and at least some sites in most quadrants of the city scored relatively well – this is helpful in the goal to select sites that reflect a relatively even distribution throughout Pleasanton.

In terms of which sites scored relatively better or worse, sites in more central portions of the City (which tend to be more conveniently located to community amenities and services), generally scored more highly, as did sites in Hacienda, which benefit from transit proximity and some strategically located commercial centers. The lowest-scoring sites were greenfield sites on the edges of the city, although, somewhat surprisingly, some infill locations (like the Pimlico and Owens Drive sites) did relatively poorly.

### *Other Considerations*

In addition to the preliminary ranking and scoring, staff also evaluated the sites relative to a number of other more qualitative considerations relative to site suitability, including the overall likelihood of the site(s) getting developed based on site characteristics and owner interest; overall suitability for housing including compatibility with their surrounding neighborhoods; consistency with some of the community preferences for the types of sites and locations to be considered, as expressed in the community survey; and the geographic location and distribution of sites throughout the city. These considerations have helped to guide some initial recommendations, outlined below.

### Initial Recommendations for Sites List

While the ranking is a helpful starting point and guide to sites which are likely to offer the best transit access, and access to services, or have relatively few environmental impacts, other factors and policy considerations will come into play in the site selection process, and which could re-rank or raise in preference some sites over others based on the scores they received. Examples of sites that staff suggests might be “elevated” in preference due to unique considerations include sites like Stoneridge Mall, whose size, location, and strong developer interest make it a promising location for new high density housing. Stoneridge Mall was also the most commonly-identified location for new housing in the Housing Element community survey.

The 50-acre Kiewit property (in East Pleasanton), is a large, 50-acre site that could offer an opportunity for a master-planned community, and per the applicant would include a sizable increment of affordable housing, along with market-rate units. And, although being a mid-ranked site based on the initial review criteria, the Old Santa Rita Road area is ripe for redevelopment and new investment, comprising many significantly underutilized parcels and low-intensity uses,

and properties that have seen extremely limited investment in recent years, and could be developed more intensively without substantially impacting neighbors.

Both the Merritt project and Lester project have had consideration through the City Council work plan prioritization process, with direction from the City Council to place these as a “B” priority and for consideration in the Housing Element process. In the case of the Lester project, an active application has been in process with the City for more than three years. The Merritt property has been long-considered as a potential site for housing, has a General Plan land use designation for residential development, and would be a logical location for annexation and infill along the east side of Foothill Road. The applicant has committed to including affordable housing units within the project, and as a senior housing project, it would have limited impact on schools and traffic.

Conversely, as outlined below, some sites that performed relatively well in the initial ranking, may be less worthwhile to consider due to their specific location or site characteristics.

After reviewing the initial sites and taking the initial ranking and other considerations in mind, staff is recommending the majority of sites listed be carried forward into the CEQA analysis, with the following four sites are suggested to be removed from the initial list:

- **Site #12: Pimlico Drive (South) – 40 Units:** This site is developed with a popular local grocery, and abuts single-family residential uses immediately to the south, making it less suitable for higher-density development. As such, and with a relatively small yield of units, this site appears less suitable than the properties to the north of Pimlico Drive for residential development.
- **Site #20: Boulder Court – 284 Units:** These sites are relatively large and, due to their location, unlikely to create impacts to neighboring residences if developed with high density housing. However, a high-density housing project would be relatively isolated from any convenient shopping or services, given that the broader area is almost entirely dedicated to light industrial and service commercial uses.
- **Site #26: St. Augustine – 19 Units:** This site is entirely surrounded by low-density, low-rise residential development, and would thus be suitable only for relatively low-density housing. Given that it is a small site, with no expressed owner interest, staff does not recommend its inclusion.
- **Site #28: Steelwave – 1,331 Units:** The majority of this large site lies outside of the Pleasanton City limits and will require a comprehensive study to determine the appropriate mix of land uses, number of housing units (if any), as well as supporting infrastructure and circulation. Complexity to planning this site is compounded by the potential development of a significant new distribution facility on the adjacent 58-acre parcel; and the unknown development status of the 26.6-acre property (also owned by Steelwave) just to the east of the Village at Ironwood. Although the Steelwave properties may ultimately prove to be an appropriate location for housing, staff believes it premature to commit to a particular development scheme through the Housing Element process, and rather let such a proposal be more comprehensively considered through the East Pleasanton Specific Plan process.



Exclusion of these sites would reduce overall capacity by 1,674 units, leaving a remaining total capacity of 4,503 units among the other 24 sites, about 212 units less than the recommended 50 percent buffer.

Although staff recommends the above four sites for exclusion from the list, it is noted that at its November 10 initial meeting to review the draft sites list, the Planning Commission recommended two of the four sites (Boulder Court and Steelwave) remain on the list, and one additional site, #17: Mission Plaza, be removed. Please see summary of Planning Commission comments, below.

## **HOUSING COMMISSION DISCUSSION AND DIRECTION**

The following section provides potential discussion topics and questions the Housing Commission may wish to discuss. The discussion areas will allow the Housing Commission to provide direction to the staff regarding any initial changes to the initial sites. Staff will then present the input received from the Housing Commission to the Planning Commission and the City Council at subsequent meetings.

The topics focus both on the preliminary assumptions developed by staff for each site, as well as the sites themselves.

### A. Density Ranges

As discussed previously, the sites inventory will reflect a range of densities for different sites. Staff identified the following density ranges for each of the prospective sites in the inventory, and allocated them to each site based factors like site size, location, and potential compatibility with surrounding neighborhoods and uses:

- Low Density: Between 2 and 7 du/ac.
- Low/Medium Density: Between 8 and 14 du/ac
- Medium Density: Between 15 and 25 du/ac
- High Density: 30 du/ac and greater

*High-Density Sites:* Staff has identified three sites (Site # 2: Stoneridge Shopping Center; Site # 11: Old Santa Rita Area, and Site # 9: Metro 580), for consideration of density up to 60 du/ac based on their proximity to transit and high employment areas as well their lack of directly adjacent existing residential development. The other 11 high density sites would allow for development up to 30 du/ac.

Given the high number of units in the City's RHNA, the Housing Commission may want to consider recommending additional sites that may be appropriate for zoning for greater than 30 du/ac – this could accommodate more units on fewer site or provide an opportunity to better encourage blended densities that would mix different building densities across Housing Element sites. [Note that, conservatively, the initial inventory assumes all high-density sites, regardless of the maximum end of the range, would generate a capacity equivalent to 30 du/ac.; staff would seek to work with HCD to allow for a higher minimum capacity to be assumed for sites zoned up to 60 du/ac.]

*Low-Medium and Medium Density Sites:* Nine sites have been identified for development between 8-14 du/ac or 15-25 du/ac, densities that would allow for a range of attached and

detached housing types, ranging from small-lot single family detached housing, to townhomes and apartments. On larger sites (e.g. Kiewit) these ranges could allow for a blend of unit types.

*Low Density Sites:* Five sites, Site # 1: Lester; Site #3: PUSD-Donlon; Site #22: Merritt, Site #26: St. Augustine, and Site #27: PUSD-Vineyard, are identified as low-density housing sites, likely comprising traditional detached, single-family units.

*Discussion Question:*

1. *Does the Housing Commission support the proposed density ranges for each of the sites, including some sites being considered for higher densities (up to 60 DUA), or are any adjustments needed?*

B. Site Suitability and Initial Sites Recommendation

To help the Housing Commissioners review each site and determine site suitability, staff has provided background information on each site included in the Preliminary Sites Inventory report included in Exhibit A.

This report provides information on the site characteristics, known owner interest, and key considerations for each site. In addition to the background information provided at this meeting, at the following meeting, staff will be able to present to the Housing Commission additional public comments and feedback on the sites.

As noted, staff has suggested four sites that could be removed from the list, based on an initial evaluation of the sites criteria, and other parameters such as site suitability.

*Discussion Questions:*

2. *Does the Housing Commission support the removal of the four sites as suggested by staff, or should any remain on the list?*
3. *Are there other sites that the Housing Commission feels strongly should be removed from the list, or given lower priority for inclusion? Conversely, does the Housing Commission find there to be certain sites or areas that should be prioritized for inclusion in the initial sites inventory, or that are particularly suitable for housing?*
4. *Are there any other factors, guiding principles or considerations that staff should use to further refine and prioritize the initial sites list?*

Summary

Staff acknowledges that the formulation of the sites inventory is a complex task, with multiple variables and options that will interplay to build the recommended sites list. At this early stage of the sites inventory process, staff would caution against creating an overly narrow list of sites, understanding that additional analysis and review, including review by HCD, may cause some sites to be eliminated from consideration.

Providing a “buffer”, as well as a relatively conservative assessment of likely capacity for each site both help to provide the necessary flexibility to adjust the sites inventory as the Housing Element process moves forward, and before adoption.

Staff will use the direction and feedback from the Housing Commission at tonight's meeting, along with feedback at the forthcoming Planning Commission meeting and community workshops, and use it to develop a refined site inventory, potentially including one or more alternatives based on themes and ideas heard during the various meetings. During the meetings, it is likely that some degree of consensus will evolve around a core group of sites and the appropriate densities for each, which will help to narrow the range of options and alternatives to be presented to the City Council.

### **PLANNING COMMISSION COMMENTS (NOVEMBER 10 MEETING)**

The Planning Commission reviewed and held an initial discussion of the initial draft sites, including several of the same discussion questions being asked of the Housing Commission this evening. The Planning Commission provided the following feedback:

- Utilize a 50 percent buffer in determining the initial inventory, as recommended by staff.
- The density ranges proposed by staff appear appropriate, and a blend of densities should be considered within the overall inventory, although the greatest focus should be on higher density and affordable housing.
- Consider densities greater than 30 du/ac and up to 60 du/ac on the high-density sites as suggested, and consider increasing densities on some selected sites up to 75 du/ac, with a 45 du/ac minimum density on others. Also consider density of at least 40 du/ac on sites that currently have density designation of 30 du/ac in order to encourage podium parking and other site amenities.
- Keep Site #28: SteelWave and #20: Boulder Court, in the initial recommended sites for consideration.
- Remove Site #17: Mission Plaza from the recommended sites for consideration.
- Move Site #18: Valley Plaza to the bottom of the priority list of sites under consideration.

### **NEXT STEPS**

The Planning Commission will hold a second meeting to review and provide additional input on the sites at a second meeting on December 15. The Housing Commission's comments will be reported back to the Planning Commission. A community meeting will be held in early December to provide an opportunity for review and comment in a small group setting on the various sites. Information on the sites and considerations for review will also be made available before and after the meeting to allow for any additional public comments to be submitted.

Comments from the community, and feedback from the Housing Commission will be presented to the Planning Commission at its December 15 meeting in December. At that time, the Planning Commission will be requested to make a recommendation to the City Council on which sites to carry forward for consideration of inclusion in the CEQA analysis.

### **PUBLIC NOTICE**

Notice of this item was published in The Valley Times and courtesy notices were mailed to all property owners of sites under consideration. This item was also identified in the Pleasanton Weekly's "Agenda Highlights" for upcoming public meetings, and an email notification was sent to all interested parties who have signed up on the Housing Element website: [pleasantonhousingelement.com](http://pleasantonhousingelement.com).

## **CONCLUSION**

Staff is recommending that the Commission receive the initial list of sites for consideration for rezoning as presented in Exhibit A and provide initial feedback on the various discussion questions listed above.

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