



**Planning Commission
Staff Report**

December 14, 2011

Item 6.b.

- SUBJECT:** PGPA-17 and P11-0904 through P11-0937
- APPLICANT:** City of Pleasanton
- PURPOSE:** Public hearing to recommend approval to the City Council of: (1) the Supplemental Environmental Impact Report documents for the General Plan Housing Element and Climate Action Plan; (2) the Draft Housing Element of the General Plan; (3) General Plan Amendments, Specific Plan Amendments and/or rezonings of up to 17 sites to allow multifamily or single family residential development or mixed use (including multifamily residential development), as shown in Exhibits J and K.
- EXHIBITS:**
- A. Supplemental Environmental Impact Report Documents (previously distributed)
 - B. Draft Housing Element as submitted to the California Department of Housing and Community Development, consisting of:
 - Draft Housing Element (Goals, Policies and Programs)
 - Background
 - Appendices, A through G
 - C. Letter dated October 14, 2011, from HCD
 - D. Letter dated September 16, 2011 from Pat Belding and Becky Dennis, Citizens for a Caring Community
 - E. Letter dated September 27, 2011, from Richard Marcantonio, Public Advocates, Inc.
 - F. Housing Commission Agenda Report of November 17, 2011, and draft minutes
 - G. Draft Housing Element Goals, Policies and Programs with revisions (December 2011)
 - H. Table showing HCD comments and key to staff responses.
 - I. Inserts to Respond to HCD comments
 - J. Table describing proposed land use changes for sites.
 - K. Exhibits K.1. through K.15, showing proposed land use changes.

- L. Table: All Potential Housing Sites, Acreages and Densities
- M. Map of All Potential Housing Sites
- N. Map of Recommended Potential Housing Sites
- O. Map of Potential Housing Sites and areas of existing or planned High Density Residential
- P. Additional correspondence

BACKGROUND

In October 2010, the City Council confirmed an 11-member Housing Element Task Force with the mission to oversee the update of the City's Housing Element. After nine Task Force meetings, four community workshops, input from housing experts, and extensive community input at Task Force and community meetings, and via e-mail, the Housing Element Task Force recommended a draft list of potential sites for rezoning and goals, policies and programs for the 2007 to 2014 Housing Element. Following review and discussion at its meeting on June 22, 2011, the Planning Commission recommended the document to the City Council as a Draft Housing Element to be submitted to the California Department of Housing and Community Development (HCD) for its 60-day review. The Draft Housing Element as submitted to HCD is provided in Exhibit B. HCD provided the City with comments on the Draft Housing Element in a letter dated October 14, 2011 (Exhibit C). In preparing the response, HCD considered letters from Citizens for a Caring Community (Exhibit D) and Public Advocates (Exhibit E).

Concurrent with the preparation of the Draft Housing Element, Environmental Science Associates (ESA) and staff prepared a Draft Supplemental Environmental Impact Report covering the Draft Housing Element and the rezoning and other land use changes for 17 potential multifamily housing sites, and the City's Draft Climate Action Plan. The public review period for the DSEIR closed on November 14, 2011. The Planning Commission held a public hearing on the DSEIR on October 26, 2011.

Following the public review period, a Final Supplemental Environmental Impact Report (FSEIR) has been prepared, which includes responses to comments on the DSEIR raised during the public review period, and includes revisions intended to correct, clarify, and amplify the DSEIR. If certified, the Supplemental Environmental Impact Report (SEIR) would be a supplement to the EIR prepared for the Pleasanton 2005-2025 General Plan which was certified in July 2009.

The SEIR documents, the Draft Housing Element of the General Plan with inserts to address comments from HCD, and the General Plan Amendments, Specific Plan Amendments and/or rezonings of 17 sites to allow multifamily or single family residential development or mixed use (including multifamily residential development) are before the Commission for review and recommendation to the City Council.

HOUSING COMMISSION ACTION

The Housing Commission reviewed the Draft Housing Element on November 17, 2011. At that time, staff discussed with the Commission HCD's comments on the City's inclusionary zoning ordinance, units at-risk of converting to market rate units, meeting the needs of extremely low income households, and proposed amended language for the following programs: 6.2

Affordable rental second units; 9.1 Review and revise the Growth Management Program, 9.4 Providing incentives for lower income housing development, 17.4 Use of Lower Income Housing Fund, 25.1 Encourage housing for lower income households on HDR sites; 25.2 Support of non-profit housing providers; and 38.3 RFP for housing for lower income households. (See the Housing Commission Agenda Report and Draft Minutes in Exhibit F.)

The discussion with the Housing Commission included questions about counting the non-rent-restricted units on the two BRE sites and the need to zone additional acreage at 30 units per acre (which is reflected in the staff recommendation in this report), a question about the completion of the Growth Management Program review, a request to make the language in Policy 22 stronger (which is reflected in Exhibit G), the consensus of the Housing Commission that all HCD comments should be addressed and that stronger language be used regarding how the City intends to implement the programs, and a request that specific percentages be included as targets for the provision of Extremely Low Income Households (a specific quantified objective has been included for this category on p. 4-5 of Exhibit G).

PLANNING COMMISSION-CITY COUNCIL JOINT WORKSHOP

A Joint Workshop of the City Council and Planning Commission was held on December 6, 2011, to discuss the Housing Element Update and specifically the selection of sites to move forward for rezoning, Specific Plan Amendments and General Plan Amendments. Although Planning Commissioners and City Council members were generally comfortable with the recommended list of sites presented, there was discussion of the list and comments on specific sites as follows:

- Several Planning Commissions supported a list that included more acreage than the minimum required to meet the City's share of the regional housing need. One Commissioner suggested more sites in south Pleasanton would be a more equal distribution. At the suggestion of a City Council member, staff is including a map of high density housing areas (Exhibit O) that was previously available to Housing Element Task Force members.
- A suggestion that additional density be accommodated on TOD sites such as the Stoneridge Shopping Center, which is currently proposed to accommodate 400 units at a minimum of 40 units per acre, and Carr-America currently at 30 units per acre. Subsequent discussion with the representative of these sites indicates that the Simon Group (Stoneridge Mall) is not willing to endorse a higher minimum density; however, Carr-America will commit to a minimum density of 35 units per acre, increasing the housing on that site from 252 to 294 housing units. This increase on the CarrAmerica site is reflected in Table 1 in this staff report.
- A concern that 345 units was too many for the Auf der Maur site, and that the high density residential portion of that site should be reduced to 10 acres from 11.5.
- Recognition that Site 18 (Downtown Site) was a good housing site close to downtown and the ACE train but development at 30 units per acre may not be compatible with the scale of existing residential development in this area. There was also support for reserving this site for future consideration of library expansion or other civic use.

Several members of the public and site representatives also spoke during the public hearing. Correspondence received just prior to the Workshop included letters or e-mails from Citizens

for a Caring Community, EBHO, Kiewit, a neighbor of the CM Capital site, the owner of the CM Capital Site, and several Pleasanton residents. This correspondence is included in Exhibit P.

PROJECT DESCRIPTION

The Housing Element is a policy document that consists of goals, policies and programs to guide the City and private and non-profit developers in providing housing for existing and future residents, and to address the housing needs of all economic segments of the community. Concurrent with the City's consideration of the updated Housing Element are proposed General Plan amendments, Specific Plan amendments and rezonings for up to 17 sites in Pleasanton to allow high density multifamily development.

The Draft Housing Element retains many of the programs included in the 2003 Housing Element with adjustments and refinements where necessary. The Goals, Policies and Programs also address legislative mandates enacted since the 2003 Housing Element (related to the provision of emergency shelters, transitional and supportive housing, and housing for extremely low income persons), as well as provisions included in the Settlement Agreement in the matter of *Urban Habitat v. City of Pleasanton* as they relate to addressing special needs housing, housing for large families, facilitating development of housing by a non-profit developer and presenting an annual report regarding housing to the City Council. To address HCD's comments (Exhibit C), staff has drafted a series of responses for the Planning Commission's consideration, including additional information, analysis and some proposed changes to the Goals, Policies and Programs. These are discussed under **Response to HCD**, below, and are shown in Exhibit H, Exhibit I, and Exhibit G.

[Also part of the project description for the SEIR was the City's Draft Climate Action Plan (CAP) which outlines goals, strategies and actions to reduce municipal and community-wide greenhouse gas (GHG) emissions. The Planning Commission will be asked to take a formal action on this document at its January 11, 2012 meeting, and additional details regarding this project will be provided to the Commission at this time.]

SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

A Supplemental EIR (SEIR) augments an EIR prepared for an existing project to address any project changes or changed circumstances since the time the prior document was certified. In the case of changes to a previously approved project, as is the case here where the new Housing Element amends the Pleasanton General Plan, the purpose of an SEIR is to provide the additional analysis necessary to make the previous EIR adequately apply to the project as modified. Accordingly, the SEIR need contain only the analysis necessary to respond to the proposed change in the project that triggered the need for additional environmental review.

SEIR Description: An SEIR is an informational document, the purpose of which is to make the public and decision-makers aware of the environmental consequences of a project. It is also intended for use by responsible agencies in considering any actions they must take or permits they must issue as a result of implementation of the Housing Element and Climate Action Plan. Together the DSEIR and the FSEIR compose the entire SEIR document for the project. Staff is recommending adoption of these documents.

The SEIR identifies potential environmental impacts and mitigation measures. Analysis of the impacts of the proposed project indicated potential significant impacts on Aesthetics, Air Quality, Biological Resources, Cultural Resources, Hazards and Hazardous Materials, Noise, Public Services and Utilities (Water), and Transportation. The impacts requiring mitigation were all ascribed to impacts of the Housing Element, and specifically to residential development that would be allowed with the potential rezoning of sites. Most of these impacts would be reduced to a less than significant impact with the application of the mitigation measures described in the SEIR. The mitigation measures are generally typical of measures applied to development in Pleasanton, such as: dust control during construction; pre-construction surveys to avoid impacts on birds, bats or burrowing owls; protection of creeks and riparian vegetation; archaeological monitoring for archaeologically sensitive sites; Phase 1 environmental assessments required to assess any hazardous materials on sites; a limitation on the hours of construction; vibration and acoustical studies to determine appropriate construction techniques and sound mitigation for new buildings; and payment of impact fees.

The following paragraphs describe the two significant and unavoidable impacts which are identified in the Supplemental Environmental Impact Report:

Impact 4.D-1: Development facilitated by the General Plan Amendment and rezoning has the potential to adversely change the significance of historic resources.

Construction activities such as grading and excavation associated with development on the potential sites for rezoning identified in the proposed Housing Element could potentially affect known historic or cultural resources. Specifically, Site 6 (Irby-Kaplan-Zia) and Site 21 (4202 Stanley) include several early 20th century buildings that may be historic. These resources could be directly adversely impacted by development if they are demolished to make way for new housing. Mitigation measures 4.D-1a and 4.D-1b include the requirement for a historic evaluation at Sites 6 and 21. These evaluations may determine that these buildings are not eligible for consideration as historic resources. However, if one or more of these buildings is determined to have historic significance, demolition would remain significant and unavoidable even with implementation of mitigation requiring documentation of the resource. Although the mitigation would eliminate one adverse impact of demolition (the loss of historical information), it does not prevent the physical loss of a historically significant resource.

A proposed project would be required to undergo design review during the project application phase. For sites 6 and 21 The City Council would determine whether or not the physical historic resource would be preserved as part of the decision made on a site-specific development proposal. Design features and conditions of approval could also be established at the time of project review. Depending on the finding of the historic evaluation, additional conditions of approval could include provisions requiring:

- An Architectural Resource Interpretive Display and/or Interpretive Material
- Preservation and Relocation
- Preservation and Reuse
- Architectural Resource Salvage Opportunities

These are more fully described in the FSEIR on pages 5-2 and 5-3.

Impact 4.N-7: Development facilitated by the General Plan Amendment and rezoning could potentially add traffic to the regional roadway network to the point at which it would operate unacceptably under Cumulative Plus Project conditions.

In year 2035, numerous roadway facilities are projected to operate at deficient LOS F conditions. Traffic generated by development facilitated under the proposed Housing Element on the potential sites for rezoning would not worsen any segment projected to operate acceptably to unacceptable conditions; however, it would increase the volume to capacity ratio (V/C) by more than 0.03 on two roadway segments projected to operate at LOS F:

- Sunol Boulevard (First Street) between Vineyard Avenue and Stanley Boulevard
- Hopyard Road between Owens Drive and I-580

Traffic generated by development facilitated under the Housing Element on the potential sites for rezoning would worsen LOS F conditions on Sunol Boulevard (First Street) between Vineyard Avenue and Stanley Boulevard during morning peak hours by increasing the volume to capacity ratio by more than 0.03. Additionally, the proposed Housing Element would worsen LOS F conditions on Hopyard Road between Owens Drive and I-580 during the morning peak hour by increasing the volume to capacity ratio by more than 0.03. Based on the significance criteria, this is considered a significant impact. Widening this segment of Sunol Boulevard (First Street) is not considered feasible or desirable due to the surrounding built environment. Likewise, widening the segment of Hopyard Road is not considered feasible due to the surrounding built environment. Improvements to nearly parallel corridors could create more attractive alternative routes and provide additional capacity. Implementation of Mitigation Measure 4.N-7 would reduce the project contribution to cumulative impacts.

Mitigation Measure 4.N-7: Prior to issuance of building permits, the City shall require developers on the potential sites for rezoning to contribute fair-share funds through the payment of the City of Pleasanton and Tri-Valley Regional traffic impact fees to help fund future improvement to local and regional roadways.

However, as the City of Pleasanton is not the Lead Agency (the Tri-Valley Transportation Council is the implementing agency for the Tri-Valley Region traffic impact fee) and because the City cannot be assured that collected funds would specifically improve Sunol Boulevard or parallel corridors, the impact to this segment would remain significant and unavoidable after mitigation.

The FSEIR includes text changes to the DSEIR. Changes include minor text corrections; clarifications regarding site assumptions; revisions to Mitigation 4.B-4 to better reflect the Bay Area Air Quality Management District's requirements related to toxic air contaminants; revisions to Mitigation 4.J-7 clarifying that single-event aircraft noise mitigation is not needed on sites on/near Hacienda Business Park; additional land use traffic summary details for Site 8

(Auf de Maur/Rickenbach), clarifying that development of Site 8 with 345 multifamily homes and 40,000 square feet of retail is not expected to result in worse intersection service levels than anticipated in the DSEIR; and revisions to the land use and corresponding demand assumptions, but not to the mitigation measure recommended, in the Water Supply Assessment.

Mitigation Monitoring and Reporting Program

When approving projects with SEIRs that identify significant impacts, CEQA requires a public agency to adopt a mitigation monitoring and reporting program (MMRP) to mitigate or avoid the identified significant effects. Only mitigations recommended to be adopted to address significant impacts are included in this program. The MMRP is included in Chapter 6 of the FSEIR for the Planning Commission's review.

HCD REVIEW

HCD's letter and appendix of October 14, 2011 (Exhibit C), is an exhaustive analysis from the State's perspective of the adequacy of the City's Draft Housing Element. It is organized around the major requirements of Housing Element law, as follows:

- Housing Needs, Resources and Constraints;
- Quantified Objectives;
- Housing Programs; and
- Consistency with the General Plan

HCD's comments range from requests for additional information documenting housing need for extremely low income households and ability to pay for housing, to requests for additional analysis related to the constraints to housing imposed by land use controls, and the feasibility and capacity for residential development on some of the sites selected for rezoning. A table showing HCD's comments and staff's responses is included as Exhibit H, and Exhibit I includes several inserts into the Background document and amendments to the Goal, Policies and Programs (see Exhibit G for these revisions).

Staff notes that the Draft Housing Element will be edited to reflect the fact that the rezonings will be completed at the time of Housing Element adoption. The sites will therefore be discussed in the document as part of the City's housing inventory rather than being referred to as sites to be rezoned.

SITES AND PROPOSED LAND USE CHANGES

A large part of the discussion during the Housing Element update has been related to the appropriate location, size and density of sites needed to accommodate the City's remaining share of the regional housing need. Information on the 17 sites which were included in the Draft Housing Element can be found in Exhibit L (Table) and Exhibit M (Map). More recently, staff has recalculated the remaining need, based on counting only the income-restricted units on the two BRE projects in Hacienda Business Park currently under review by the City. This recalculation showed that the City's need for housing sites for moderate income households has been met, and the remaining need is for 70 acres of land to be designated with a minimum residential density of 30 units per acre. Table 1 below shows staff's recommendation for

meeting this remaining need. Exhibit N shows a map of the recommended potential housing sites.

Table 1: Potential Housing Sites, Acreages, and Densities for Rezoning

Site	Score	Mixed Use?	Total site acreage	Potential acreage for multi-family development	CEQA Clearance	Owner preference if known	No. of units @30 units/ac	No. of units @40 units/ac
1. BART	26	MU	14.9	8.3	300	249	249	
2. Sheraton	25	MU	3.3	3.3	132	n/a	99	
3. Stoneridge Shopping Center	25	MU	74.6	10.0	400	400		400
4. Kaiser	26	MU	6.1	6.1	244	n/a	183	
7. Pleasanton Gateway ¹	24	HDR	39.6	7.0	400	210	210	
8. Auf der Maur/Rickenbach Site ²	23	HDR	16.0	11.5	345	345	345	
9. Nearon Site	24	HDR	5.6	5.6	168	129	168	
10. CarrAmerica	27	MU/HDR	60.0	8.4	420	294	294 ³	
13. CM Capital Properties	24	HDR	12.6	12.6	378	n/a	378	
TOTAL				72.8			1884	400

- Notes:
1. Proposed land use changes on the Gateway site would also allow Medium Density Residential (single family) development on the balance of the site.
 2. Proposed land use changes on the Auf der Maur Site would also allow commercial development on a portion of the site.
 3. The CarrAmerica site is calculated at a minimum density of 35 units per acre.

As noted in the December 6, 2011, Joint Workshop agenda report, this list represents a geographic distribution of properties throughout the City that eliminates any concentration of new multifamily residential development in any one neighborhood or area of Pleasanton. The sites in Table 2 are located around the West Dublin/Pleasanton BART Station and Stoneridge Shopping Center area, the Hacienda Park area, and in south and east Pleasanton, with no one area having a disproportionate amount of potential new multifamily sites.

The sites in Table 2 are also sites with existing utility infrastructure and street access, or availability of infrastructure on contiguous properties. Most of these are in-fill sites and therefore can be efficiently developed without the design and construction of major new public facilities or private improvements.

Deferring any land use changes on the East Pleasanton sites (Site 11: Kiewit, and Site 14: Legacy) also means that the Specific Plan process can proceed without presupposing the land use on some of the area.

The recommended sites are also located near transit (BART or frequent-headway bus lines), have convenient freeway access or are within job centers. Residential development of these sites would be consistent with and help implement General Plan goals, policies and programs related to mixed use and transit-oriented development. This type of development furthers the goal of creating a more sustainable and energy efficient city.

The list in Table 1 also preserves Site 18 for a future civic use. This is consistent with the existing General Plan designation of this site as Public and Institutional and with land use concepts discussed previously such as a library or civic center expansion.

PUBLIC NOTICE

Notice of this item was published in The Valley Times. Notice cards were sent to owners of properties within 1,000 feet of each of the potential housing sites. In addition, the City sent notification to about 450 interested parties who have provided e-mail addresses during the Housing Element update process.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission take the following actions:

1. Receive comments from the public regarding the completeness and adequacy of the SEIR documents, the Draft Housing Element and proposed land use changes;
2. Recommend approval to the City Council of the Supplemental Environmental Impact Report documents in Exhibit A;
3. Recommend approval to the City Council of the Draft Housing Element, as shown in Exhibit B, and as amended by Exhibits G, H and I.
4. Recommend approval to the City Council of the land use changes (General Plan amendments, Specific Plan amendments and rezoning, as appropriate) shown in Exhibit J and Exhibit K.1 through K.15.

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PGPA-17 and P11-0904 through P11-0937, City of Pleasanton

Recommend approval to the City Council of: (1) the Supplemental Environmental Impact Report documents for the General Plan Housing Element and Climate Action Plan; (2) the Draft Housing Element of the General Plan; and (3) General Plan amendments (GPA), Specific Plan amendments (SPA) and/or rezonings of 17 sites to allow multi-family or single-family residential development or mixed-use (including multi-family residential) development.

Janice Stern presented the staff report, stating that the “project” for the Draft Supplemental Environmental Impact Report (SEIR) consists of the Draft Housing Element, the potential rezoning and redesignation of up to 17 sites to accommodate additional multi-family residential development, and the Draft Climate Action Plan. She explained that the Draft SEIR augments the EIR prepared for the 2005-2025 General Plan, and the residential development generally replaces commercial development, resulting in fewer impacts.

Ms. Stern briefly described the different environmental topics – aesthetics, air quality, biological and cultural resources, greenhouse gas emissions, geology and soils, hazards and hazardous materials, hydrology, land use and planning, noise, population and housing, public services and utilities, recreation, and transportation and traffic – and the selected mitigation measures, which include maintaining the view corridor of the ridge; dust control measures during construction; preparation of Health Risk Assessments and indoor air quality improvements, if necessary; pre-construction surveys on birds, bats, and burrowing owls; protection of creeks and riparian vegetation; archaeological monitoring; Phase 1 environmental assessment; limitation on hours of construction; noise mitigation measures; and payment of impact fees.

Ms. Stern noted that development facilitated by the General Plan Amendments and the rezonings has the potential to result in two significant and unavoidable impacts:

- It may adversely change the significance of historic resources on Sites 6 and 21; and
- It may adversely impact the regional roadway network: First Street between Vineyard Avenue and Stanley Boulevard, and Hopyard Road between Owens Drive and I-580.

Ms. Stern indicated that comments on the Draft SEIR include those received at the public hearing on October 26, 2011, and written comments received from ten agencies, Pleasanton residents, and site property owners. She added that staff-initiated clarifications were also made. She then noted the changes made to the Draft SEIR, as follows:

- The Water Supply Analysis was updated to include maximum development scenarios;
- The project description and covered land use changes were clarified;
- Mitigation for sites with potential air quality impacts was clarified;
- Sites potentially exposed to airport noise were corrected;

- Corrections to statistic and minor word changes in School Impacts section were made; and
- Potential visual impacts on Site 7 were clarified.

Ms. Stern then stated that the Planning Commission would take two actions on the Draft SEIR: (1) Take comments from the public regarding the completeness and adequacy of the Draft SEIR documents; and (2) Recommend approval to the City Council.

Commissioner Blank inquired where in the Draft SEIR the correction to the airport noise could be found.

Ms. Stern replied that a couple of sites in the Hacienda Business Park were included in the requirements, and this is found on page 2-8 of the Response to Comments, Mitigation Measure 4.J-7 for residential development, where only Sites 11 and 14 remain; the others have been crossed out.

Ms. Stern then briefly described the progress of the Housing Element, indicating that the Draft Housing Element was submitted to the State Department of Housing and Community Development (HCD) by the deadline of August 16, 2011, and comments from HCD were received on October 14, 2011. She noted that the Settlement Agreement requires the City to adopt the new Housing Element by January 12, 2012. She referred the Commission to Exhibit G of the staff report, the Draft Housing Element Goals, Policies, and Programs with revisions made in December 2011; Exhibit H, the table showing HCD comments and key to staff responses; and Exhibit I, the inserts made to respond to HCD comments.

Ms. Stern continued that the Housing Commission reviewed the Housing Element and concurred with staff's recommendations regarding amendments to the programs and recommended stronger language for Policy 22 related to encouraging the development of affordable units. She added that there was consensus among the Housing Commissioners that more definitive language be used in programs, together with specific timelines and quantified objectives; and that staff should respond to all HCD comments. The Commission further recommended that staff move forward with the process.

Ms. Stern summarized the responses to HCD comments as follows:

1. Additional information on:
 - Extremely-low-income households and what they pay for housing;
 - Housing needs of developmentally disabled households;
 - Suitability of non-vacant sites for future housing;
 - Suitability of the C-S (Service Commercial) District as a homeless shelter location; and
 - Inclusionary housing as a constraint to housing affordability

2. New/Amended Housing Policies/Programs:

- Added “extremely-low-income” to programs;
- Additional quantified objectives and specific timelines;
- Commitment to adopt a density bonus ordinance;
- Commitment to adopt standards for multi-family housing;
- Policy 37: clarified that 100 percent affordable projects are acceptable;
- Added Program 41.9 regarding employee housing;
- Program 41.10: commitment to adopt a reasonable accommodation ordinance;
- Program 45.3: specified a minimum of \$1 Million from the Lower-Income Housing Fund would be made available to close the funding gap; and
- Program 46.1: specified that the C-S (Service Commercial) District proposed to allow emergency shelters.

Commissioner Olson stated that when he reviewed HCD's letter, Exhibit C of the staff report, his reaction was that it was a daunting list of requests and requirements. He inquired what staff estimates is the percentage of what the City has done, if it has completed all the requirements or how much has the City accomplished.

Ms. Stern replied that staff has attempted to respond to all HCD and non-HCD requirements and requests.

Mr. Dolan added that where some requirements would take a long time to accomplish, staff has committed to a timeline as it would not be possible to complete them by the deadline.

Commissioner Olson inquired if this would be acceptable to HCD.

Mr. Dolan replied that HCD is aware that every Housing Element has issues like this, which are resolved by committing to accomplish them by a certain time.

Mr. Dolan then presented the potential housing sites, including their acreages and densities for rezoning, as submitted to HCD, and a map of all the sites within the City. He also presented the staff-recommended list of sites which represents a geographic distribution throughout the City and eliminates concentration of units in any one area; are mostly infill sites with existing utility infrastructure and street access and are near transit (BART or frequent bus), convenient freeway access, or within a job center; which preserves the Downtown site for the library or other civic use; and does not presuppose the East Pleasanton Specific Plan.

Mr. Dolan indicated that in response to some of the direction received, staff followed up on specific sites and revised the list accordingly:

1. Add more units to Stoneridge Shopping Center site. Staff spoke with the Simon Property Group, which indicated that it does not have any more area at the site, and asked about the possibility of increasing the number of units to 40 per acre.

Simon Property Group replied that this is a complicated product; it has not done any site planning and is not comfortable making a commitment without a design.

2. Reduce some of the development at the Auf der Maur/Rickenbach site. Staff looked at the site and ultimately recommended 30 units per acre. The site includes a small commercial development to serve the proposed number of units and the surrounding areas. It is next to a synagogue, and it could be rezoned as low density residential with less single-family detached units instead of leaving it as commercial. Eliminating the site from consideration or postponing the ultimate decision of the site will essentially bring in new players. If the entire site is not rezoned, there will be an awkward remaining piece which would remain commercial. It would be best to retain the proposed rezoning with no change.
3. Increase the density at CarrAmerica. CarrAmerica is concerned that without a full design, it might not be able to provide 40 units per acre. It is willing to move up to 35 units per acre and will explore what it might be able to propose.

Mr. Dolan indicated that the additional units at the CarrAmerica site, the City has a bigger cushion at 238 units and noted that staff is comfortable with that cushion. He stated that although this allows for the possibility of eliminating another site, staff does not recommend it. He added that all the recommended sites are good sites; however, if the Commission entertains that possibility, staff will focus on the Sheraton, Kaiser, Nearon, and one of the CM Capital sites.

Commissioner Blank requested clarification that staff is not recommending eliminating one site but is suggesting that it could be done if the Commission so desires.

Mr. Dolan replied that the possibility was pointed out to him.

Commissioner Blank stated that he wanted a confirmation of staff's position in the matter.

Mr. Dolan replied that staff is comfortable with having a cushion of 238 units.

Mr. Dolan continued his presentation by displaying a map illustrating the locations of multi-family housing in the four quadrants of the City, as earlier requested of staff.

Mr. Dolan concluded his presentation by indicating that there will be two more meetings on the SEIR and Housing Element:

- January 4, 2012: City Council certification of the Final SEIR, introduction of ordinances to rezone the sites, and approval of the General Plan Amendments and Specific Plan Amendments for the sites; and
- January 10, 2012: City Council second reading of the ordinances rezoning the sites and adoption of the Housing Element, which would make the City compliant with the terms of the Settlement Agreement.

Mr. Dolan indicated that the last step is to meet the deadline for the Climate Action Plan in February 2012. He noted, however, that this is not necessarily the end of all Housing Element discussion, as HCD will react to the Housing Element. He added that if HCD does not certify the document, it will give the City its reasons; the City will then have to decide if it wants to do what is being asked by HCD.

THE PUBLIC HEARING WAS OPENED.

Chair Narum and Commissioners Pearce, Pentin, and Olson disclosed that they talked to the applicants for Site 7, Pleasanton Gateway; Site 8, Auf der Maur/Rickenbach; Site 9, Nearon; and Site 10, CarrAmerica.

Pat Costanzo, representing Site 11, Kiewit Properties, stated that he spoke at the Joint City Council-Planning Commission Work Session regarding why the Kiewit property should be included in the recommended housing sites. He urged the Commission to include the property in the list of properties to be rezoned because it had been one of the highest scoring sites throughout the evaluation process that occurred with over 20 public hearings. He presented a map showing the existing and property high density housing sites in the City and noted that the East Pleasanton area really has a very low percentage of the total units at 12.5 percent. He urged the Commission to consider distributing the multi-family housing more evenly throughout the City.

Mr. Costanzo stated that the City recommended to HCD that the East Pleasanton Specific Plan, including a funding and timing plan for the extension of El Charro Road, be completed and adopted by the second quarter of 2013. He requested that, should Site 11 not be included on the list for rezoning at this time, the Commission support this recommendation so that the allocation can be included in the next Housing Element Update residential rezoning in 2014. He indicated that Kiewit is willing and ready to get the work done in a timely manner.

Finally, Mr. Constanzo requested that Site 11 be identified as a "back-up" site to receive a rezone in the event that HCD disallow any of the current recommended sites or significantly reduces the density on any of these sites such that another site requires rezoning.

Nancy Allen stated that she would appreciate an explanation from Mr. Dolan regarding why staff is not recommending that the number of multi-family housing units be reduced now. She also inquired if having those extra 238 units at this time will benefit the City in fulfilling its housing requirements in 2014.

Ms. Allen expressed concern about the extra density being added to the Auf der Maur/Rickenbach property. She stated that she recognizes the challenge on this site given the consistent feedback from the community. She added that it is critical that there be balance, adding more commercial development or a shopping center and reducing the residential acreage from 11.3 acres to 8-9 acres or lowering the residential density.

Steve Dunn, representing Site 14, Legacy Partners, stated that he appreciated the opportunity to be involved in the process and commended staff and the Task Force for its work on the Housing Element Update process. He indicated that the Legacy Partners and Kiewit properties have been fully vetted. He concurred with Mr. Costanzo that multi-family housing has not been properly appropriated in the East Pleasanton area. He noted that the Legacy Partners site is fully developable and ready to go, with utilities and access out to I-580 through El Charro Road. He added that Legacy is looking at developing this site as a real community with the support of the Task Force, staff, and the City Council.

Mr. Dunn stated that he understands that the City wants to see the East Pleasanton Specific Plan completed first and recommended that, while waiting for the process to move, the City keep the timetable for the starting the Specific Plan by the first quarter of 2012 and completing it by the second quarter of 2013.

THE PUBLIC HEARING WAS CLOSED.

Commissioner Pearce inquired if staff would find it useful to have a schedule for the completion of the East Pleasanton Specific Plan.

Mr. Dolan replied that completing the East Pleasanton Specific Plan is very important, as outlined by Mr. Costanzo. He indicated that the City really needs to get moving on it to get ready for 2014, so then it can be done much more easily and on time.

Commissioner Pentin agreed with Commissioner Pearce and supported making it part of the Commission's recommendation to the City Council to include standing by the time frames for the East Pleasanton Specific Plan. He inquired if this is something the Commission should discuss at this point or at the Future Calendar section.

Mr. Dolan replied that staff would like to hear from the Commission if it agrees with this recommendation.

Commissioner Blank stated that it could be made part of the motion as a condition or approval.

Chair Narum stated that as a member of the Task Force, she noted that as the Task Force evolved, it was on the record that the Task Force expressed concern about submitting to HCD over 100 acres for rezoning and agreed to include on the final list to rezone only what the City needs to meet its housing requirements. She indicated that she would like to scale back the 238 extra units, almost eight acres, as this is something the Task Force committed to the community. She added that she is not sure how to do this and is open to discussion.

Commissioner Blank expressed concern about not having a buffer and getting too close to the required number. He indicated that he does not mind reducing it a bit but his sense is that staff is satisfied and comfortable with the numbers.

Commissioner Narum clarified that she is not proposing that the number be reduced to exactly the required 2,080 units.

Mr. Dolan reiterated that staff is comfortable with this margin; however, the Planning Commission or the City Council may wish to reduce that number, and staff does not know how close it should be.

Commissioner Blank stated that he has no basis for judging, whether it should be over 200 or by seven percent or ten percent.

Chair Narum agreed with the comments but stated that she felt rezoning in excess of ten percent of what is needed is a lot. She indicated that she is reacting as a member of the Task Force and the Planning Commission that the City rezone only what is needed.

Commissioner Blank stated that at the Joint Workshop, the discussion was to do more, but not an excessive amount more.

Commissioner O'Connor commented that this could be done by eliminating a site or adjusting the densities.

Chair Narum suggested eliminating the Sheraton site, although it is by the BART station, or the half of the CM Capital site that is currently occupied, or the Kaiser site.

Commissioner O'Connor suggested that only one site be eliminated as adding more would come too close to the required number and would not provide any flexibility.

Chair Narum suggested that another option would be to reduce the housing on the Auf der Maur/Rickenbach property by one-half to one acre and increase the retail acreage by that amount.

Commissioner Blank moved to recommend approval to the City Council of the Supplemental Environmental Impact Report documents as shown in Exhibit A of the staff report; the Draft Housing Element as shown in Exhibit B and as amended by Exhibits G, H, and I of the staff report; and the land use changes (General Plan Amendments, Specific Plan Amendments, and Rezoning, as appropriate) as shown in Exhibit J and Exhibits K.1. through K-4, K-6 through K-9, and K-11 of the staff report; and to recommend strongly that the preparation of the East Pleasanton Specific Plan, starting in the first quarter of 2012, be completed by the second quarter of 2013.

Commissioner Pentin seconded the motion.

Commissioner Pearce stated that she was also a member of the Task Force and appreciated Chair Narum's comments. She noted, however, that she was having a difficult time, which would not be the case if staff recommended that the number be reduced. She indicated that she is inclined to support the motion.

Commissioner Pentin stated that at the Joint Workshop, the total number of sites to be rezoned was reduced to 72 acres. He indicated that he thinks the City has what it needed and was comfortable with an additional 238 units, which is approximately 10 percent of the total number. He added that if there were two or more other good sites, he would be in favor of adding them back as the vacant lots would fit better and be more attractive if built on sooner.

Commissioner Olson agreed. He stated that his is not a minimalist view, and he believes 2014 will come quickly enough for additional sites. He indicated that he came into the Joint Workshop in favor of rezoning Site 11, the Kiewit property. He noted that he is still in favor of doing so and thinks the City will probably end up using the site. He stated that he will support motion and is not in favor of tweaking the numbers at this point.

Commissioner O'Connor stated that like Chair Narum, he was comfortable with reducing the number of units on the Auf der Maur/Rickenbach property if needed and is in favor of more retail on the property. He added, however, that he would like to leave all the sites in as recommended by staff.

Mr. Dolan clarified that while the exhibits cover all the sites, the motion refers only to the sites on the list.

Ms. Stern advised that the motion should include the changes to the SEIR listed in the staff memo.

Chair Narum inquired whether, if all the sites recommended are rezoned, the units that are over the number needed would count for 2014.

Mr. Dolan replied that the units will be counted if they have not been built by then.

Chair Narum indicated that she will not support the motion because she believed the Commission should recommend the minimum amount of acreage needed to meet the City's housing need.

ROLL CALL VOTE:

AYES: Commissioners Blank, Olson, Pearce, and Pentin
NOES: Chair Narum
ABSTAIN: None
RECUSED: None
ABSENT: None

Resolutions Nos. PC-2011-47 recommending approval to the City Council of the Supplemental EIR documents; PC-2011-48 recommending approval of the Draft Housing Element; PC-2011-49 recommending approval of the General Plan Amendments; PC-2011-50 recommending approval of the Specific Plan Amendment, and PC-2011-51 recommending approval of the land use changes (General Plan Amendments, Specific Plan Amendments, and Rezoning, as appropriate) were entered and adopted as motioned.

Chair Narum clarified that she supports the Commission recommendation that the preparation of the East Pleasanton Specific Plan, starting in the first quarter of 2012, be completed by the second quarter of 2013.