

Planning Commission Staff Report

December 10, 2014

Item 6.a.

- SUBJECT:** P14-0440 and P14-1309
- APPLICANT:** City of Pleasanton
- PURPOSE:** Public hearing to consider recommending approval to the City Council of: (1) an Addendum to the Housing Element and Climate Action Plan Supplemental Environmental Impact Report (SEIR); (2) General Plan Amendment to adopt the 2015-2023 General Plan Housing Element; and (3) a zone change for 5758 and 5794 W. Las Positas Boulevard (CM Capital 2 site) to maintain a PUD-MU (Planned Unit Development - Mixed-Use) zoning designation while changing the density from a minimum of 30 residential units per acre to a maximum of 12.5 units per acre.
- EXHIBITS:**
- A. [Final Draft Housing Element - Goals, Policies and Programs.](#)
 - B. [Final Draft Housing Element - Background Report.](#)
 - C. [Final Draft Appendix A \(Review and Assessment of 2007 Housing Element\).](#)
 - D. [Final Draft Appendix B \(Housing Sites Inventory\).](#)
 - E. [Senate Bill \(SB\) 244 Disadvantaged Communities Analysis.](#)
 - F. [Public Comments Received During HCD Review Period.](#)
 - G. [Growth Management Report dated October 15, 2013.](#)
 - H. [Revisions made in response to HCD comments.](#)
 - I. [State Department of Housing and Community Development \(HCD\) letter dated November 20, 2014.](#)
 - J. [Ordinance 2030 – Original CM Capital Zone Change Resolution.](#)
 - K. [Draft Addendum to the City of Pleasanton Housing Element Supplemental EIR.](#)
 - L. [Recommended City Council Zone Change Ordinance and Zoning Unit Map.](#)
 - M. [Notification Map.](#)

BACKGROUND

Over the past twelve months, the City of Pleasanton has been preparing an updated Housing Element of the General Plan. 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. The policies contained in the Housing Element are an expression of the Statewide housing goal of "attaining decent housing and a suitable living environment for every California family," as well as a reflection of the unique concerns of the community. Periodic updates of the Housing Element, including certification by the State Department of Housing and Community Development (HCD), are required to ensure that City policies continue to reflect changing community needs, challenges, and opportunities in compliance with State law.

As part of the current Housing Element update, HCD continues to require each city to demonstrate capacity to meet its revised RHNA affordable housing obligations. Based on State law, the Housing Element is required to identify sites to accommodate the City's assigned housing obligation for the review period. The City is only required to demonstrate that it maintains the capacity to accommodate the assigned housing obligations, and is not required to construct the projects. In order to demonstrate sufficient housing capacity, the updated Housing Element includes an updated site inventory of parcels within the City that could be developed with housing to meet the assigned Regional Housing Need Needs Allocation (RHNA) goals for 2014-2022. Based on the current residential site inventory, the City does not have to rezone any properties to meet the City's housing needs during the current Housing Element Update.

CITY COUNCIL ACTION

On September 2, 2014, staff presented the Draft Housing Element to the City Council requesting authorization to submit the draft to HCD for review. At the conclusion of the hearing, the City Council recommended that the draft Appendix B be amended to include the potential rezoning of the CM Capital 2 site to a maximum density of 12.5 units per acre and to establish a building height limitation of 40 feet for the site. In addition, the City Council recommended amendments to reflect the recommendations of the Economic Vitality Committee and directed staff to clarify language regarding the East Pleasanton Specific Plan (originally Program 46.5, currently Program 47.5). With the proposed changes, City Council authorized staff to submit the draft to HCD.

On September 16, 2014, the City Council voted to accept payment of affordable housing in-lieu fees in exchange for 52 previously approved, rent-restricted units within the multi-family housing development (PUD-87) located at 3150 Bernal Avenue, formerly known as the Auf der Maur site. Staff made changes to the draft Housing Element to reflect the reduction in the City's total affordable housing supply.

Following comments received from interested parties, the Housing Commission, the Planning Commission and the City Council, a final draft Housing Element Update was prepared in

compliance with State law. On September 23, 2014, staff submitted the draft Housing Element to HCD.

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. The complete Housing Element document contains Goals, Policies and Programs, the Background Report, Review and Assessment of the 2007 Housing Element (Appendix A) and the Housing Sites Inventory (Appendix B). The proposed zone change for the CM Capital 2 site to change the density from a minimum of 30 units per acre to a maximum of 12.5 units per acre is being considered concurrently with adoption of the updated Housing Element.

The previous Housing Element contained a comprehensive update that included reviewing all Goals, Policies and Programs which were proposed by the Housing Element Update Taskforce. With the comprehensive update completed in 2012, most of the programs included in the 2007-2014 Housing Element have been carried forward with minor adjustments and refinements where necessary. The updated Background Report describes City goals, policies, and programs for the planning period of 2015-2023, emphasizing capacity for providing adequate housing for persons of all economic segments, as well as policies and programs to address the housing needs of existing and future residents. An analysis was also conducted to identify any current or new disadvantaged communities consistent with Senate Bill (SB) 244; no disadvantaged communities were identified in the City or the sphere of influence (analysis included within Exhibit E. Staff believes that the Background Report and comprehensive housing analysis continue to meet the objectives required for certification by HCD, with only updates to the housing and population data needed. The only recommended change to the Housing Sites Inventory is the rezoning of the CM Capital 2 site to a maximum density of 12.5 units per acre and the establishment of a building height limitation of 40 feet for the site.

HCD REVIEW

On September 23, 2014, staff submitted the draft Housing Element to HCD for the 60 day public review period. During this review period, HCD received two comment letters: one from Citizens for a Caring Community, and one from Christine T. Steiner (included within Exhibit F). The City received preliminary HCD comments on October 16th and November 13th, 2014. Staff worked with HCD to provide additional background information, analysis and suggested amendments to the Goals, Policies and Programs to address HCD comments and concerns. HCD requested the following additional information:

- Responses to the comments from Citizens for a Caring Community and resident Christine Steiner.
- Additional information documenting housing need for extremely low income households and associated cost burdens for housing.
- Clarification of water and sewer capacity during the next planning period.

- Clarification of the timeline and progression of Program 6.3 relating to second unit incentives.
- Description of the Growth Management process and additional analysis related to potential constraints and revisions made to Growth Management controls per Program 30.2.

The most substantial change requested by HCD involved Program 30.2, regarding the City's Growth Management Ordinance. Within Program 30.2, the City committed to revisiting the Growth Management Ordinance, as directed by Council in October 2013 (included within Exhibit G). HCD requested that the program be revised to be more specific and to include examples of potential revisions. Staff's revisions include examples of allocation exemptions that other cities have utilized to ensure that their Growth Management Ordinances do not provide unreasonable constraints on the ability to meet RHNA requirements. The listed examples are not inclusive of all potential options and do not commit the City to a specific approach. Further options and analysis will be presented to the Council at a later date, prior to January 2016.

The revisions resulting from HCD comments to the Background Report and the Goals, Policies and Programs are provided in Exhibit H. Although HCD expressed concern with adequacy of the City's 163 unit surplus in the Very Low- and Low-income categories, HCD did not specifically request an increase in the capacity of the City's draft Housing Sites Inventory (Appendix B) which included the CM Capital 2 site with a tentative maximum density of 12.5 units per acre. On November 20, 2014 the City received the attached letter from HCD indicating approval of the draft Housing Element with submitted revisions included as Exhibit I.

DISCUSSION

RHNA Requirements

When analyzing whether the City has demonstrated adequate capacity to meet its assigned affordable housing obligation, HCD analyzed each of the City's RHNA income categories, with priority given to ensuring adequate inventory for housing for lower-income households. Per HCD guidelines, vacant/underutilized sites with a density of 30 units per acre or greater are considered inventory for the construction of very low- and low-income housing; permitted and approved sites with a density of 30 units per acre or greater are considered inventory for the construction of moderate-income housing; and lower density single-family residential sites are considered inventory for the above moderate-income category.

As recommended by Council, the Draft Housing Element submitted to HCD categorized the CM Capital 2 site within the inventory as comprising Above Moderate units with a maximum density of 12.5 units per acre. The estimated current site capacity reviewed by HCD and provided within the Final Draft is shown in Table 1.

Table 1: Estimated Current Capacity

Income Levels	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
Estimated Capacity					
○ Permitted and Approved Projects	279		1,527	174	1,980
○ Vacant and Underutilized Land	991		-	272	1,263
Total	1,270		1,527	446	3,243
2014-2022 RHNA	1,107		407	553	2,067
RHNA Surplus/Shortfall	+163		+1,120	-107	+1,176

The City of Pleasanton is required to show capacity to build 1,107 units affordable to very low- and low-income households. The site inventory currently shows a capacity of 1,270 units (279 units approved through affordable housing agreements and 991 units on vacant/underutilized sites), 163 units above the required capacity. All remaining vacant or underutilized sites zoned for 30 units per acre or more are shown in Table 2.

Table 2: RHNA Low- and Very Low- Income Capacity (i.e. 30+ units/acre)

	Low- and Very Low-Income
Estimated Capacity	
Permitted and Approved Projects*	279*
Sheraton Site	99
Stoneridge Shopping Center Site	88
Kaiser Site	183
BART Site	249
Hacienda 3 (Roche) Site	372
Total	1,270
2014-2022 RHNA	1,107
RHNA Surplus	+163

* Restricted units through Affordable Housing Agreements

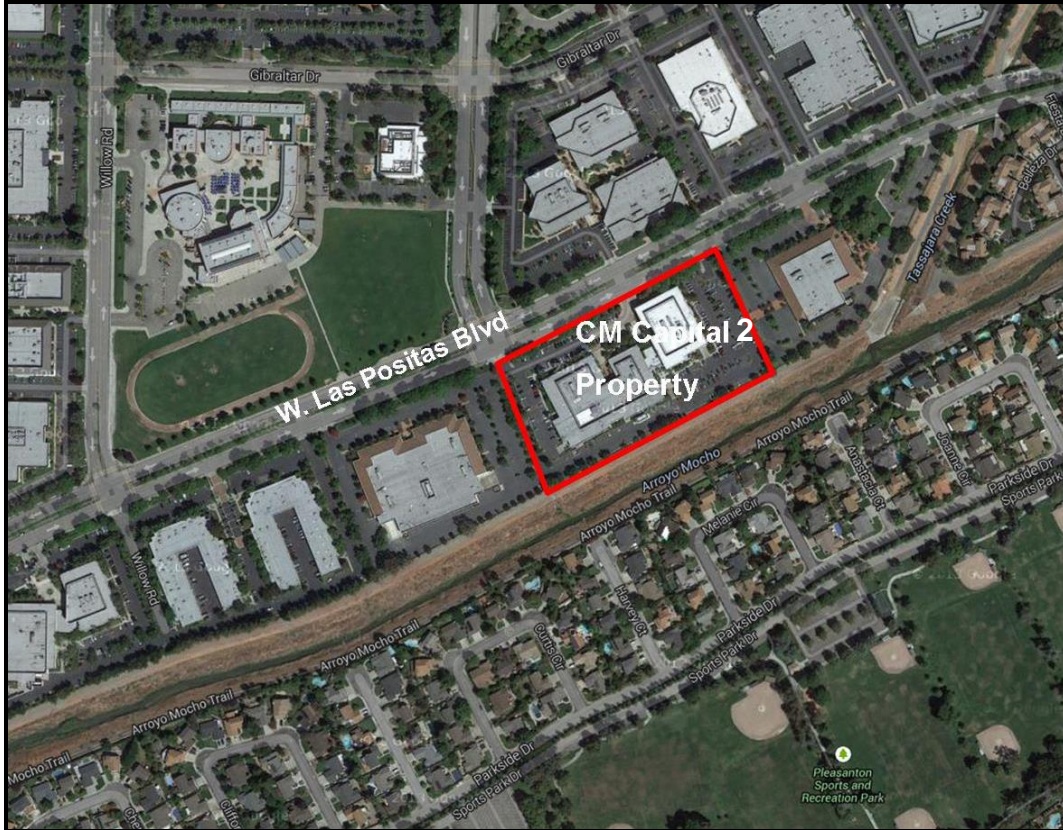
HCD has formally reviewed Staff's analysis of the estimated capacity and has found it to be in compliance with State law.

CM Capital Site

The CM Capital properties consisting of two parcels (5.9 acres and 6.7 acres) were zoned PUD-MU (Planned Unit Development - Mixed-Use) in 2012 as part of the previous Housing Element Update (see Aerial 1). The 5.9 acre property at 5850 W. Las Positas (CM Capital 1) has received approvals for Summer Hill Apartments to construct a new 177-unit apartment development. The remaining 6.7-acre CM Capital 2 site located at 5758 W. Las Positas, currently occupied by a commercial building, maintains the capacity to accommodate 200 residential units. The City Council directed that the draft Site Inventory (Appendix B) be amended to include the potential rezoning of the CM Capital 2 site to a maximum density of 12.5 units per acre and to establish a building height limitation of 40 feet for the site. At the conclusion of HCD's review, no specific comments or concerns were made regarding the proposed Draft Housing Site Inventory; therefore staff has included the reduction in density at the CM Capital 2 site within the proposed Final Housing Element Draft. In order to adopt the Final Housing Element Draft as written, a zone change to restrict the density to a maximum of 12.5 units per acre must be approved. If the zone change is not approved, the Final Draft Housing Element Site Inventory must be revised to the original form.

As noted above, the CM Capital 2 site currently maintains a zoning designation of PUD- MU. Specific densities within the PUD Mixed-Use zone are specified through individual Ordinances recorded on each property. The CM Capital 2 property was approved through Ordinance No. 2030, attached within Exhibit J, which permits multifamily residential development with a minimum density of 30 units per acre. Staff is recommending that the property continue to maintain a zoning designation of Mixed-Use but is requesting approval of a new ordinance which limits the maximum density of the site to 12.5 units per acre and establishes a building height limitation of 40 feet for the site. All other design and development standards will continue to be directed by the City's Housing Site Development Standards and Design Guidelines and the Hacienda Design Guidelines. Any future development on the property would be required to go through the Planned Unit Development process to obtain Planning Commission and City Council approvals.

The majority of adjacent residents across Arroyo Mocho within the Parkside Neighborhood, the property owner, and the Hacienda Business Park have stated their support for down-zoning the property.



Aerial 1 – CM Capital 2 Site

PUBLIC NOTICE

Notice of this item was published in The Valley Times. In addition the City sent notification to owners and tenants within 1,000 feet of the CM Capital 2 Site, as well as all interested parties who have provided contact information during the Housing Element Update process. Staff has provided the location and noticing maps as Exhibit M for the Commission's reference. At the time this report was prepared, staff has not received any comments or concerns.

ENVIRONMENTAL ASSESSMENT

On January 4, 2012, the City Council certified a Supplemental Environmental Impact Report (SEIR) and adopted the CEQA Findings and a Statement of Overriding Considerations for the 2007-2014 Housing Element and Climate Action Plan General Plan Amendment and Rezonings, which included the CM Capital 2 site. This SEIR was a supplement to the EIR prepared for the Pleasanton 2005-2025 General Plan, which was certified in July 2009.

Under CEQA, once an EIR has been prepared for a project, the lead agency (in this case, the City) may consider three potential options for meeting CEQA requirements: 1) prepare a Subsequent or Supplemental EIR; 2) prepare an Addendum; or 3) conclude that the current

application fits within the parameters of the “project” analyzed in the Housing Element Update and Climate Action Plan Amendment and Rezonings SEIR.

In the case of the zone change, P14-1309, for the CM Capital 2 site, staff believes that the current application fits within the project parameters established in the previous SEIR, generating fewer vehicle trips and corresponding air pollutant and greenhouse gas emission reductions, and reduced noise levels; thus no further documentation is required.

For the Housing Element, P14-0440, CEQA states that a lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but no new or substantially greater impacts would result beyond those identified in the previous EIR. Because the Housing Element does not include additional residential zoning beyond that established in the previous Housing Element, it would not result in new impacts. Therefore, an addendum to the SEIR was prepared for the Housing Element portion of this project.

The previously prepared SEIR and Addendum to the SEIR (Exhibit K), taken together, are determined to be adequate to serve as the environmental documentation for this project and satisfy all the requirements of CEQA.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission take the following actions:

1. Find that the previously prepared SEIR, including the adopted CEQA Findings and Statement of Overriding Considerations, and the Addendum to the SEIR are adequate to serve as the environmental documentation for this project and satisfy all the requirements of CEQA in Exhibit K;
2. Recommend approval to the City Council of the Draft Housing Element, as shown in Exhibits A, B, C and D.
3. Recommend approval to the City Council of the zone change shown in Exhibit L

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