



PLANNING COMMISSION MEETING MINUTES

City Council Chamber
200 Old Bernal Avenue, Pleasanton, CA 94566

DRAFT

Wednesday, June 25, 2014

CALL TO ORDER

The Planning Commission Meeting of June 25, 2014, was called to order at 7:00 p.m. by Chair O'Connor.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair O'Connor.

1. ROLL CALL

Staff Members Present: Brian Dolan, Director of Community Development; Adam Weinstein, Planning Manager; Julie Harryman, Assistant City Attorney; Jennifer Wallis, Associate Planner, and Maria L. Hoey, Recording Secretary

Commissioners Present: Commissioners Nancy Allen, Jack Balch, Greg O'Connor, Gina Piper, and Herb Ritter

Commissioners Absent: None

2. APPROVAL OF MINUTES

a. June 11, 2014

Commissioner Allen moved to approve the Minutes of the June 11, 2014 Meeting, as submitted.

Commissioner Piper seconded the motion.

ROLL CALL VOTE:

AYES: Commissioners Allen, Balch, O'Connor, Piper, and Ritter
NOES: None
ABSTAIN: Commissioner Balch on Item 6.a.
RECUSED: None
ABSENT: None

The Minutes of the June 11, 2014 Meeting were approved as submitted.

3. MEETING OPEN FOR ANY MEMBER OF THE AUDIENCE TO ADDRESS THE PLANNING COMMISSION ON ANY ITEM WHICH IS NOT ALREADY ON THE AGENDA

There were no members of the audience wishing to address the Commission.

4. REVISIONS AND OMISSIONS TO THE AGENDA

Brian Dolan advised that there were no revisions or omissions to the Agenda.

5. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from the Planning Commission or a member of the public by submitting a speaker card for that item.

a. P14-0566, Kitty Li/Massage Journey

Application for a Conditional Use Permit to allow up to ten massage technicians at any one time at an existing massage establishment (Massage Journey) located at 1530 Stoneridge Mall Road, Suite F133. Zoning for the property is C-R(m) (Regional Commercial – Enclosed Mall) District.

b. P14-0696, John Pinelli/The Dealership

Application for a Conditional Use Permit to operate an online retail car dealership with limited on-site display as part of an existing retail car accessory business located at 3657 Old Santa Rita Road, Suite C. Zoning for the property is C-S (Service Commercial) District.

Commissioner Balch moved to make the required Conditional Use findings for Cases P14-0566 and P14-0696 as listed in the staff reports, and to approve Cases P14-0566 and P14-0696, subject to the Conditions of Approval listed in Exhibit A of the respective staff reports.

Commissioner Piper seconded the motion.

ROLL CALL VOTE:

AYES: Commissioners Allen, Balch, O'Connor, Piper, and Ritter
NOES: None
ABSTAIN: None
RECUSED: None
ABSENT: None

Resolution No. PC-2014-29 approving Case P14-0566 and Resolution No. PC-2014-30 approving Case P14-0696 were entered and adopted as motioned.

6. PUBLIC HEARINGS AND OTHER MATTERS

- a. P14-0440, 2015-2023 Housing Element Update
Review of the 2015 - 2023 Preliminary Draft Housing Element update to the General Plan regarding the Housing Element Goals, Policies, and Programs, the Housing Element Background Report, and the Housing Sites Inventory.

Before the staff presentation, Julie Harryman indicated that the discussion tonight is on the Housing Element and getting feedback from the Commission, including its input on two different properties: one is the Irby-Kaplan-Zia property, and the other is what is being referred to as the CM Capital Property. She stated that one of the Commissioners has a conflict on one of the properties and proposed to bifurcate the issue.

Ms. Harryman explained that staff will first present the report and slides on the Housing Element generally, open it for public hearing, get Commissioner feedback, and then close the public hearing. She continued that the Commissioner with the conflict can then leave the room, and staff will continue with the report and slides on the Irby-Kaplan-Zia and the CM Capital properties, again open the public hearing for discussion, and then get Commissioner feedback.

Ms. Harryman then addressed the audience members, stating that if they are present tonight to talk about either the Irby-Kaplan-Zia or the CM Capital property on West Las Positas, then they will want to wait until the second part of staff's presentation. She added that if, however, they have comments on the Housing Element generally, then they should do it under the first portion of staff's presentation.

Part I – Housing Element in General

Jennifer Wallis presented the staff report on the first part of the Housing Element, giving a general overview of the Housing Element and explaining the different sections of the report. She indicated that at this point, staff is seeking input from the Commission and the public in terms of any refinements and clarifications on the technical documents: the actual Housing Element, its Goals, Policies, and Programs, the Background Report,

and Appendices A and B. She indicated that all information received tonight, together with the input from the Housing Commission last week, will be considered by staff and the housing consultants for the final draft, which will be presented at a Community Workshop on July 16th, after which it will be brought back to the Planning Commission in late August and to the City Council in September for authorization to submit to the California Department of Housing and Community Development (HCD). She added that the HCD would have 60 days to review the Housing Element, and its comments will be incorporated in the final Housing Element document, which will then come before the Planning Commission and City Council in December for authorization to submit for HCD certification in January.

Commissioner Balch stated that a technical change should be made on page 15 of the Background Report, where the verbiage of the text does not align with the numbers on Table 3, Population Change in Alameda County, 2000-2010. He noted that the text incorrectly references the growth percentages of Emeryville and Fremont listed on the Table. He pointed out that it looks like the cities, Dublin and Emeryville, were initially correct before they were red-lined.

Commissioner Balch stated that he also noticed that “East Pleasanton Specific Plan” is heavily mentioned within the Housing Element document. He added that the East Pleasanton Specific Plan Task Force is also pointing in a variety of directions. He indicated that this is his first time to work on the Housing Element document and wanted to understand if the East Pleasanton Specific Plan process would in any way constrain the content of the Housing Element.

Ms. Wallis explained that the Housing Element has a Goal and Policy that encourages a wide variety of housing within the East Pleasanton Specific Plan area, but nothing in the Housing Element document is contingent upon the approval of the East Pleasanton Specific Plan. She indicated that the Housing Element stands on its own and that the East Pleasanton Specific Plan Task Force will hopefully look at the Housing Element Goals and Policies when it considers how the Specific Plan project is designed.

Commissioner Balch indicated that he also noticed throughout the Housing Element that language regarding the developmentally disabled or challenged in some regard is being added in, at least in the red-line version, and he was wondering if that was going to be more consistently applied. He added that he also read Ms. Becky Dennis’ comments in the packet and wanted to know how staff was working through those.

Ms. Wallis explained that previous to 2012, a lot of the verbiage in the Housing Element simply indicated those “with disabilities,” and following the City’s incorporation in 2012 of this new State law into the Housing Element, the then Housing and Planning Commissions wanted to strengthen some of the language in certain areas, and those areas were changed to include those with developmental disabilities. She noted that this is the reason it does not appear consistent throughout the document, although the term “with disabilities” in other areas remains a catch-all that captures all the disabilities.

Ms. Wallis continued that staff went through all the comments, such as “Add Policy and Program to Goal 5 and add Programs to Policy 10,” and while staff’s responses are not itemized, staff is looking to change and add Goals and Policies and move them around. She noted that a lot of the Housing Element programs can meet the needs of more than one goal and policy, so that although there were policies and goals that did not look like they had implementing programs, they were actually addressed in other areas. She added that when the final document comes back to the Commission, it will come with a little cheat-sheet which will show which of the implementing programs can be identified with which goals and policies because they do meet program goals for different areas. Commissioner Allen requested staff to recap the Housing Element changes to the Inclusionary Zoning Ordinance (IZO) when the IZO will be looked into again in the future and what its implications would be.

Ms. Wallis stated that this question came up last week at the Housing Commission meeting. She indicated that the timeframe for Program 16.2 will be changed. She explained that currently, it just indicates that the timeframe is an annual review as needed. She added that this was discussed, and it was determined that within a year of the implementation of the Housing Element, the IZO will be reviewed and revised within the timeframe of Program 16.2.

With respect to the Regional Housing Needs Assessment (RHNA), Commissioner Allen inquired if staff thinks there is any intent that the State of California will identify any kind of quota for units for developmentally disabled individuals in terms of targets that will have to be met or if that will be just a subset of RHNA.

Ms. Wallis replied that it is a subset of RHNA. She stated that currently, there is nothing in the law that would require any obligation to meet any disabled unit numbers or to construct the units. She added that this is all based off of economics and viability, and the City is just required to show that it has the capacity and has made a good faith effort to meet these goals and policies.

Commissioner Ritter noted that former Councilmember Becky Dennis summarized a lot of good details in the letter she submitted, and while he does not want to go through each of them, he would want staff to look at those and make sure the wording is right as the edits are done. He stated that he did not want to go into specifics, but Ms. Dennis spent a lot of time on this and brought up some points where there are overlaps. He added that he thinks it is worth looking at it because she does bring up some good points in there.

Commissioner Ritter then noted that Policy 7 on page 4-8 of the Housing Element says “Encourage at least 50 percent of multiple-family housing units to be rental apartments.” He stated that he knows that nationally, 35 percent of people rent; he inquired if the term “apartments” refers to just apartments or includes rental houses and condominiums as well.

Ms. Wallis replied that it refers to any type of rental unit.

Commissioner Ritter stated that it might be more appropriate then to modify the wording and say “rental entity” or “rental housing.” He then referred to the numbers on Table 12, Households by Tenure on page 26 of the Background Report that shows “Renters Occupied” as 27 percent in 2000 and 29 percent in 2010. He noted that the City is nowhere near that 50 percent in Policy 7 it is trying to get to, which makes him wonder if basically that is why the City is having a little bit of a housing shortage issue. He questioned if “50 percent” was a realistic number.

Ms. Wallis replied that the City is moving in that direction. She pointed out that nine properties were rezoned within the last two years, and five of them have entitlements. She added that outside of the 92 units at the Pleasanton Gateway project, all the units in those five properties are rental units. She noted that there is a growing rental need right now, and development projects in the City for rental units is actually occurring a lot faster than for single-family homes.

Commissioner Ritter stated that based on the numbers, it looks like the need is for condominium rentals or apartment rentals and not necessarily larger, moderate, or workforce housing, and he wanted to ensure that this is being addressed in the Housing Element as far as one of its goals.

Referring to Policy 10 and Policy 11, Commissioner Ritter stated that Ms. Dennis mentioned “Projects come forward one at a time, therefore the Council and Commissions can never compare affordability levels between proposals for a particular site.” He indicated that he thinks Ms. Dennis has some good points with respect to how this is worded to ensure that the City is comprehensively planning for the provision of affordable units rather than responding to housing demand on a project-by-project basis.

Chair O’Connor stated that the only question he has for staff at this time is that Appendix A, the Housing Site Inventory, has some sites or at least one where Workday is going. He noted that it was originally targeted as having so many units and, now it is off the table. He inquired if that is because it was not part of the past housing inventory or was not part of the last Housing Element.

Ms. Wallis replied that Appendix B lists all the sites that are currently available and have potential. She noted that as Workday was rezoned to “Office,” it is no longer zoned “Residential” and therefore, is no longer on the list.

Chair O’Connor indicated that he was looking in the red-lined version, and it was not crossed off. He inquired if that is because it was never there before.

Ms. Wallis stated that there has been a policy change since the last Housing Element update. She explained that in the previous Housing Element, only vacant and under-utilized sites were looked at; it did not look at entitled sites. She continued that HCD has determined that a site that is currently entitled but is not occupied or

constructed could be utilized in the satellite inventory. She noted that in 2012, the Workday property was already entitled so it was not included in the previous Housing Element; by today's standards, however, it would have been included.

Commissioner Allen stated that there were some statistics about how few residents work in Pleasanton, something like 11 percent or 13 percent. She inquired how, as more jobs and more housing are added, a better match between jobs and housing can be created so that the percentage of workers who choose to live in Pleasanton can be bumped up to a higher percentage. She also inquired if the City has any data on why it is just 11 percent and how that compares with other cities. She further inquired if staff knows what kinds of jobs the City needs, or what kind of housing is needed, for example, whether it is providing more low-income housing or higher-income housing that would be a better match to jobs.

Mr. Dolan replied that it is very difficult to address that issue because people are making individual career choices: where they live with respect to their job is one of the factors, but there are many, many other factors, such as salary and school choices and other things like that, depending on what their careers are. He indicated that the City does have some statistics, and it is 15 percent of Pleasanton residents work in Pleasanton, and that is a pretty good number because out of all the cities that are in the survey, Pleasanton actually has the highest percentage.

Mr. Dolan stated that this leads to a greater discussion of jobs/housing balance, and this is really a theoretical concept because even if the City had the exact number of homes it needs and the right jobs per houses, there is no guarantee that everyone is going to live in Pleasanton and work here. He added that he does not know if anybody has ever worked out the right model to explore it as, at the end, it just becomes kind of useless because of all those individual choices that people make. He indicated that the City could implement twice as many policies and throw twice as much money at its housing problem, and it still would not have anywhere near enough affordable housing. He noted that what the Housing Element does is concentrate on housing at the level affordable to more people with lower incomes.

Chair O'Connor stated that part of the argument in the lawsuit on the City's housing cap was where the State took the position that the City needed to add more housing because of the jobs/housing imbalance. Referring to Mr. Dolan's comment that this is not just Pleasanton, he noted that in every City, it seems like people are moving out to work in any city; they do not put out resumes only in their own cities; they go everywhere.

Mr. Dolan clarified that the jobs/housing imbalance theme of the litigation was not purely a housing issue; it was actually related to environmental concerns in that the City was adding jobs and not houses anticipated in its General Plan, which was leading to greater vehicle miles traveled and more greenhouse gases that had not been adequately analyzed in the EIR.

Chair O'Connor replied that he does not want to relive that lawsuit, but by that argument, the City had so many jobs and so few houses. He stated that everyone who lived here should have worked here; but that does not happen either, even if there were more jobs than housing.

Commissioner Balch referred to Program 8.1 which basically says that the City will regulate condominium, townhome, and mobile home conversions to mitigate tenant displacement. He inquired if, once a certain number of condominiums have converted and the total number is already at 50 percent, there can be no further conversion until someone else falls off the mix. He noted that it seems more like a black-or-white versus a where-it-makes-sense approach. He further asked, for example, if one place is first but it does not make sense to allow the conversion, if the City would then grant it just because it's 70 percent and still above the mark.

Ms. Wallis replied that this program is focused on rental units converting to ownership units.

Commissioner Balch clarified that it is being converted in order to sell it.

Ms. Wallis replied that the City is encouraging apartment living right now because apartments are typically more affordable. She stated that this is the way the program has been written, and currently the mark is at 27 percent. She indicated that if it theoretically did get all the way up to the 50-percent mark, the City would probably re-evaluate the program. She added that she does not foresee the City getting to the 50-percent mark within the next eight years; it might be something the City would look at within the next Housing Element Update if it starts to get close to it.

Commissioner Balch then pointed out that the document says that affordable housing is to be located near transit centers, BART, etc., but leaves out "next to parks". He indicated that the park was an extremely important element in the MidPen Housing application on Kottinger Place. He noted that a transit center may not be so convenient, but a park is, and it could be for family housing of four or more.

THE PUBLIC HEARING WAS OPENED.

George Bowen welcomed those who are new on the Commission and thanked them for their public service. He then stated that the comment was made that the City needs more rental housing in Pleasanton. He indicated that he has not read much of the Housing Element, and there are a lot of data in there that come from regional sources that he does not know how factual they are, but he knows that his perception and that of probably most of the people in this room is that the City does need housing beyond what is compliant with the latest RHNA allocation. He stated that he sees a train-wreck coming in fact if the Housing Element is approved in excess of a couple of thousand units, and the residents of Pleasanton begin to see these things going up around them. He pointed out that folks are busy and not paying attention to notices sent to them and what the agendas are, and he believes there could be a very violent reaction on the part

of the residents to all this growth going on around them. He added that he thinks they just disagree with the assessment that there is a need, particularly those residents who have had the opportunity to look north to Dublin and to see the abundance of housing just over the freeway.

Mr. Bowen stated that in 2012, 3,277 units were approved as part of the RHNA projection at that time. He continued that that was reduced in 2014, but 2,168 units of apartment developments were in various stages of the building process or permitting process by then. He added that they were told in 2012, and there was a comment by one of the Councilmembers as well as the City Manager, that they did not anticipate growth actually happening at this pace. He noted that two-thirds of the properties that were approved two years ago now have building plans, and if 2,000 more are added, developers are going to continue to react and pursue those properties, and the City will have a surplus not only of zoned properties but of housing, of which Pleasanton residents are not going to be in favor. He stated that he has gone door to door on these issues, and all the residents he has talked to are hot about this, whether they agree or oppose his perspective. He asked the Commission to not only consider RHNA needs but also the will of the people of Pleasanton who live here, pay taxes here, and vote here.

Laura Berkeley agreed with Mr. Bowen's comments. She questioned why the City is overbuilding, putting more housing in Pleasanton than is legally required. She indicated that the City has no water, and the School District has come out in opposition of this as it does not have the capability to build schools. She stated that affordability is really important, and her biggest concern is that the City will continue to take money from developers and the concept of affordable housing will not even exist anyway. She expressed further concern that the City Council is listening to businesses and not to the community itself.

Ms. Berkeley agreed with Mr. Bowen that people in this community are very busy. She stated that they all work full time, and they have children in sports. She indicated that the community does not agree with the doubling of Pleasanton. She added that a number of them were out passing out flyers in their community recently, and people were appalled to find out what was going on. She pointed out that traffic there is horrible, and housing is being constructed in properties in the middle of the City where everyone has to get on the road, while the City takes away the property next to BART that could have put people near public transit and listened to Workday's request.

THE PUBLIC HEARING WAS CLOSED.

Commissioner Balch stated that he overheard at a different meeting that with respect to RHNA numbers, the City has the ability to borrow from different years. He asked if that was correct.

Ms. Wallis replied that the City has a Growth Management Program, and it has 2,067 units divided by the eight years of the Housing Element cycle. She stated that the

Growth Management goal is to establish the number of units the City wants to build each year. She added that there are allowances to roll over units that are not used or to borrow from other years.

Mr. Dolan added that this is a completely local ordinance and that the State has nothing to do with it.

Commissioner Balch commented that this is how the City manages its growth.

Ms. Wallis said yes, that it is the Growth Management Program adopted by the City.

Commissioner Balch noted that one of the speakers did comment about the number of units currently entitled and asked staff to indicate what those count towards in the total numbers.

Ms. Wallis displayed a slide showing the total sites in the City's RHNA numbers, broken down by permitted and approved sites. She indicated that the City currently has a total of 1,980 units that are permitted and approved and 1,379 units that are vacant or under-utilized, for a total capacity of 3,359 units. She stated that on pages 72 and 73 of the Housing Element document is an actual physical map of where these units are located within the City. She noted that both the permitted and approved projects and the vacant and under-utilized projects are dispersed pretty equally throughout the entire City.

Chair O'Connor inquired if the vacant and under-utilized numbers include anything from the East Pleasanton side.

Ms. Wallis said no and added that the City just has a Goal and Policy to continue to explore a variety of housing types within the East Pleasanton Specific Plan area.

Mr. Dolan addressed Commissioner Balch saying that he can name the projects if that is what he is looking for.

Commissioner Balch said no. He stated that coming in a little bit new, he is trying to understand where the count gets started. He noted that time does not stop, and projects are moving through the pipe, so it appears these have been accounted for in here. He added that it was mentioned at the East Pleasanton Task Force meeting that the City has met its RHNA numbers or looks like it will, and this is where it shows that it has or would. He indicated, however, that he is also hearing that this is just policy and not shovel-ready projects and not being built yet.

Ms. Wallis stated that only the St. Anton project has building permits and is under construction at this time, and the BRE project is in the plan-check stage. She added that some of the projects have Development Agreements that extend their entitlement out to ten years from now.

Mr. Dolan added that Northgate has submitted, but no one else has.

Chair O'Connor asked staff, in response to one of the comments about over-building, if the current RHNA number through 2022 is 2,067 units.

Ms. Wallis replied that was correct.

Chair O'Connor noted that 1,980 of those units have been permitted and approved; that leaves only 87 units.

Ms. Wallis explained that it is not just the total number of units and total capacity that should be considered, but also how these units are divided in each of the individual income levels: only 291 of those units are in the extremely-low-, very-low-, and low-income category, and the City is required to have a capacity of 1,107 units. She continued that looking at the permitted units is short some 800 units in that area alone.

Chair O'Connor asked whose problem is it that the low- or very-low-income unit categories have not been enforced to come up beyond the 291 units.

Mr. Dolan replied that there is a difference between what the City is supposed to try and achieve and what the City absolutely must zone for, and the City has enough in the zoning.

Chair O'Connor stated that the City has enough in the zoning, but when it is actually brought up for permitting, it is not materializing; the City is not getting the mix that it has been allocated.

Mr. Dolan said that was correct. He stated that some of that has to do with what the courts have done with the IZO, basically making inclusionary zoning for rental property unenforceable so that the City is subject to a negotiation process with the applicant and is subject to what the market will bear in some instances. He indicated that these projects that the City has been approving are not economic homeruns for the developer, and his gut tells him that some of them will not go forward. He noted that construction costs are going up, and if they are not going to make enough money on these projects, they will just choose not to do it. He added that he believes that will happen to some of the projects.

Chair O'Connor asked if this will then snowball for a city like Pleasanton, where if it continues to approve projects but no one is coming forth with the low- or very-low-income projects, the City will always be short in that one capacity, and the City will have to continually rezone more land so that it shows the possibility, but the possibility never materializes.

Mr. Dolan said no. He indicated that the City just has to keep having the right amount of zoning to meet its RHNA requirements.

Chair O'Connor commented that Pleasanton is theoretically over-built with more units than are actually needed for RHNA, but it has not met its very-low-income number because no one ever builds the very-low-income units and the City cannot force it to happen.

Mr. Dolan explained that the very-low-income number will be recalculated again next time. He stated that the low- and very-low income in those categories are not associated with the zoning requirements and do not affect the zoning; all that needs to be done is to zone the properties for 30 units per acre, and this great big huge assumption is made that the obligation has been met. He added that based on what happens in the marketplace after that, the State will then want to talk about the City's programs to help meet those targets.

Chair O'Connor asked if this scenario would force the City to rezone even more to meet its RHNA numbers because after all of those units are built and none of them materialize as low- or very-low income, the City would fall short in that one category. He added that even though the City has enough units, it does not have enough low- or very-low-income units, and the City is then forced to rezone yet additional properties, assuming that it will meet low- and very-low-, and again it does not materialize.

Ms. Wallis stated that the City will not have to rezone anything within the next eight years, and after eight years, the City will receive a w RHNA number. She continued that the City will then re-evaluate everything, and if some of these properties were currently entitled and decided to be infeasible, they will go back to the vacant and under-utilized sites, and those that have been constructed will fall off the inventory. She added that at that point, HCD will not revisit the numbers and will not penalize the City for having not met its actual constructed units; it will just look at if the City had the capacity at the beginning and not what it actually constructed at the end.

Commissioner Balch stated that he understands the snowball example and staff's perspective that this is not such an issue to deal with; however, the City's goal is to provide affordable housing. He inquired how the City is to achieve this goal and if this policy is doing that.

Ms. Wallis replied that the City's underlying goal right now in its IZO is to get 15 percent affordable units in every project, as restricted by legislation and by court cases. She indicated that people want to build in Pleasanton, and the City has been negotiating with the developers to meet that 15 percent, which is above and beyond what a lot of other cities within the region are meeting.

Mr. Dolan added that Pleasanton has actually been fairly successful. He stated that the City sometimes does not get the deep affordability that it wants, or when it does get it, it is at a lower percentage because the City is subject to the negotiation. He indicated that one of the programs in the plan now is to revisit the IZO and try and create a framework that is legally defensible so that the City is out of the negotiation range. He continued that if the City is able to do that, then it can specify what levels of affordability

it wants. He stated that just because it is in an ordinance does not mean it is ever going to happen, because if it is not viable, the developer will not do the project.

Mr. Dolan stated that one other part of the dialogue about updating the IZO is exploring better options for the use of the fee. He stated that there is the whole other theory to build up the City's war chest and then subsidize an individual project. He noted that this is a theme that the Commission has heard from Ms. Dennis and some of her colleagues that the City has an option to actually subsidize a non-profit where every single unit in the place is affordable, and which would provide more units and can efficiently provide the service that people need. He indicated that the Council in the past has chosen not to do that very often and has been hesitant to do that because it feels that the various incomes should be distributed throughout the community so it is more blended and not so obvious who lives where. He stated that there are some efficiencies in the other model and that the Council will be confronted with that policy discussion as the City moves forward with that implementing program to the Housing Element.

Commissioner Balch commented that the City can then shut off the spigot for eight years at this point, except for the 87 units, but that obviously will not happen because the City will not grind to a halt. He inquired how much of this vacant and under-utilized would realistically come to fruition.

Mr. Dolan replied that he has to stand in front of HCD and say that it is all possible.

Ms. Wallis stated that staff did analyze each of the vacant and under-utilized properties and looked at their realistic capacity. She pointed out that there are sites with higher densities whose capacities were lowered because of topography, landslide, or hillside issues.

Chair O'Connor inquired what the split is between the vacant and under-utilized units.

Ms. Wallis replied that she did not know, but that the inventory provided does have vacancy status and indicates whether the site is vacant or has a structure on it.

Chair O'Connor stated that he would expect the underutilized would be much slower to come to fruition because it usually is some kind of a remodel or a tear down and a rebuild, and that usually goes slower than a vacant piece of property.

Mr. Dolan replied that that is not necessarily the case. He noted that the City has vacant sites that are still sitting there.

Ms. Wallis stated that typically, properties remain vacant because they have substantial environmental issues to be overcome due to the City's topography. She noted that if a vacant site were easily developable, it would already have been developed. She added that in this sense, the underutilized sites would move more quickly than the vacant sites.

Mr. Dolan added that some of them also score better for various funding opportunities, proximity to various services, and allow for different financing instruments to be used.

Chair O'Connor stated that he knows there is a tear down involved, but it is usually cheaper to build an under-utilized site because it already has services right there, as well as streets and infrastructure, as opposed to some of the vacant sites.

Mr. Dolan agreed that it could be but that it depends on the circumstances of each property.

Chair O'Connor asked staff if the Commission should make any sort of decision before concluding Part I and moving on to Part II.

Mr. Dolan replied that this is not a decision-making hearing, and there is no motion necessary or action to take, just feedback. He indicated that there is no Task Force this time; staff is using the Planning Commission as its sounding board, and it provides an opportunity to talk about this in public. He added that staff has heard the comments and stated that the document will come back to the Commission later, and based on whatever was discussed tonight, staff will either have made a change or explain why no change was made.

Part II – Specific Sites

Commissioner Balch recused himself due to a conflict of interest.

Ms. Wallis presented the staff report and described the scope and key elements of the two properties: the Irby-Kaplan-Zia site and the former CM Capital site.

Mr. Dolan stated that he wanted to add a few things about why the list was narrowed down. He stated that when staff checked-in with the Commission at a previous Work Session, staff had provided a longer list, and that was because staff opened up the process to various people, or people heard that new properties were going to be considered as part of the Housing Element and then those who really wanted to develop something over the next years better get on the list or it is never going to happen. He indicated that this brought a bunch of people rushing forward, and staff was taken aback a bit and did not expect to get that level of participation. He added that a couple of public meetings were held, and staff realized that if that big long list was really going to be included for consideration, there would not be enough time before the deadline for the Housing Element as CEQA would have to be done on all of them and that could not be done. He indicated that staff really did not have a choice because this is just an update after the major comprehensive rewrite and would be fairly routine, just tightening up and updating of some data.

Mr. Dolan stated that there were two lingering site issues that came out of those public meetings: one was the continued interest in the people who own the Irby-Kaplan-Zia property because they just missed the list the last time; and second, the Parkside

neighbors have been attending the meetings and feel very strongly after having to watch the Summerhill project be approved next to them. He noted that when the Planning Commission had its Work Session, it did not go so far as to make a recommendation, but there were a number of Commissioners who commented that they would like to give these two sites additional consideration. He added that staff received the same kind of comments when they checked in with the City Council, and that is the reason there are these two remaining sites. He noted that the CEQA review n done on the Irby-Kaplan-Zia site, and it would not take a new CEQA to do something different on the other site because it would essentially be a down-zoning if that is what the Council ultimately decides. He indicated that this is something that can be considered within the timeframe allowed.

Mr. Dolan informed the Commissioners that just like the first half of the meeting, there are no decisions necessary tonight; this is an opportunity for them to hear again from the public and to give staff their thoughts as they have evolved and let the new Commissioners who were not here at the last Work Session to tell staff any thoughts they may have.

Commissioner Ritter asked staff for a status update on the CM Capital Phase I, whether that is in process or was approved.

Mr. Dolan replied that the project was approved but the developer has not yet submitted for a building permit.

Chair O'Connor inquired what the approval was for and for how many units per acre it was zoned.

Ms. Wallis replied that it was approved for 177 apartment units at 30 units per acre.

Commissioner Ritter commented that the City is now just waiting on them to do whatever they need to do to pencil it out or build it. He inquired if there are any plans on the Irby-Kaplan-Zia property that have come forward with proposals.

Mr. Dolan replied that staff has been talking with potential developers of that site all the way back through the last Housing Element, and they were very eagerly awaiting this round to refresh the dialogue. He indicated that staff has talked to them about specific projects, but there has been no formal submittal as they need some "go ahead." He added that if the site does not get included in the Housing Element, there is really no reason why they could not pursue it independent of the Housing Element; but they would have to come forward and ask for a zoning change. He indicated that from their perspective, they would proceed as soon as they can get the zoning as a part of the Housing Element process, and if they do not make it then, staff will probably have a dialogue with them about whether or not they can do it after the Housing Element is done.

Commissioner Ritter inquired, from a developer's standpoint, when they pencil out these properties in Pleasanton, if it pencils out where they can afford to build residential or commercial or if it just depends on the location.

Mr. Dolan replied that it depends on the particular point in time because something that really has been brought to his attention lately is just as the economy has boomed, construction costs have already started to take off and things that look like they would work two years ago are probably not going to work now.

Chair O'Connor noted that CM Capital had its first round, and asked what the request is for this round and if there is a request for a change in zoning.

Mr. Dolan replied that the developers have expressed that they would like to keep the zoning that was given to them, and they have submitted letters to that effect.

Chair O'Connor inquired if it is mixed use, at 30 units to the acre.

Mr. Dolan replied that it is not CM Capital; the property that has been sold to a different group that now owns the property.

Commissioner Allen inquired, if the CM Capital property is down-zoned, if there is anything that would preclude it from being up-zoned if it were ever needed in the future such as in 2023 for the next RHNA cycle.

Mr. Dolan said no, there would be nothing that would prevent the City from doing that.

Chair O'Connor added that especially if it were a new RHNA cycle.

Mr. Dolan said that would be a logical time to reconsider it.

Commissioner Allen stated that she would like to ask a question brought up by former Commissioner Jennifer Pearce at the last meeting regarding whether the City has ever down-zoned a property before, contrary to an owner's request.

Mr. Dolan replied that in the six years he has been with the City, that has not been done. He stated that he has heard people say that the City has not done it for quite some time before that but that he has no idea and really no way to check it.

Chair O'Connor inquired when the zoning was changed to 30 units to an acre.

Mr. Dolan replied that it was done as part of the Housing Element update when all of the sites were rezoned in 2012.

Chair O'Connor commented that the property has only been up-zoned for two years so if the City wanted to change it, this would be the time to do it and not 10 years from now.

THE PUBLIC HEARING WAS OPENED.

Mary Heidenberger stated that now that she has heard all the issues involved, it seems more complex to her. She indicated that the thing she wanted to mention and bring out is the impact it will have on schools and roads, this quantity of people that have not been planned for. She noted that the schools will be impacted hugely and added that she has lived in places before where the developer actually helped with the schools, and it would be great if they could help with that here. She stated that she anticipates that if she were one of the developers, she would be reluctant to approach this project if she did not see any benefit because of the housing that is required. She reiterated that it is going to be too impactful on the people who live in Pleasanton and that it should be approached in a slow manner so that everyone can adjust to what is going to happen to them.

Chair O'Connor asked staff how many homes have to be built per year during this eight-year cycle.

Mr. Dolan said 235 homes per year. He noted that all of the units that were approved as a part of the rezonings after the lawsuit got a pass and already have their own Growth Management approval; and anything that is proposed from now on is going to be subject to Growth Management.

Chair O'Connor inquired what the total number of already rezoned and approved units is.

Mr. Wallis said 1,900 units.

Commissioner Allen inquired if those units that have already been approved would be counted against the City's RHNA allocation and the City's Growth Management as they get built; for example, if they would take up next year's capacity if they were built next year.

Mr. Dolan said no. He explained that all the projects that were rezoned and approved after the lawsuit to come into compliance with State law on the City's Housing Element had a pass. He indicated that they have Development Agreements that basically memorialize that pass where generally the term is ten years. He added that the Growth Management allocation is just starting during this planning period.

Chair O'Connor stated that they could build as fast as they wanted because the City was considered to be behind as far as the lawsuit is concerned

Mr. Dolan said that is correct. He explained that they are making up for all the years the City did not do any of it.

Commissioner Piper commented that theoretically, they could build 1,900 units plus another 280 units in one year, although it is extremely unlikely that could happen.

Mr. Dolan said yes, in an imaginary kind of way.

THE PUBLIC HEARING WAS OPENED.

George Bowen pointed out that he had referenced 2,168 units which he got from the City's website under rental housing, which said: "...the City Council rezoned approximately 70 acres of land throughout Pleasanton for future high-density residential land use. As a result there are several new apartment developments that are at various stages in the review process in 2014." He noted that his number differs a bit with the 1,900 units that was referenced tonight.

Chair O'Connor commented that it could be the 1,900 units plus the 280 units.

Mr. Bowen stated that he was here to talk about the CM Capital site. He stated that, first, with interest and intent to build, the comment was made that in 2012 or prior to 2012, there were so many property owners that came forward wanting to have their properties rezoned. He rhetorically asked why, and presume that a property that is rezoned for mixed-use including commercial, industrial, and residential has a higher value; and again, looking at the number of sites that are in some various stage of the building planning process, he indicated that it is his view and that of many people in the community that it is pretty evident that there is an intent to build.

Mr. Bowen stated that the CM Capital site is unique; it is adjacent to the Arroyo south of West Las Positas Boulevard and is the only site that is directly adjacent to the Arroyo. He indicated that prior to the rezoning to meet the RHNA allocation, Hacienda Business Park had a height restriction along the Arroyo of 45 feet, which is as high as any of the commercial buildings that could be built along there. He stated that there is currently an approved project and soon to be approved building permit for what is a graded ultimately four-story project behind their homes. He added that it was his understanding that right after the rezoning, the owner of that property initially split it in half and both halves were quickly bought up and were quickly here trying to get building approval for it, which they did. He stated that the Parkside neighbors bought their homes with their back neighbors at a 45-foot height restriction, and now this particular property is double that; and if it will be two stories, they will see another four-story development on that property. He stated that he does not think that is fair.

Mr. Bowen stated that at the August 12, 2012 meeting, Councilmember McGovern repeatedly asked about the height restrictions on the properties being considered. He indicated that according to the Minutes of that meeting, Mr. Dolan recommended then that the Council rely on the guidelines that discuss compatibility with the neighborhood and said that staff typically considers compatibility to be within one story of the surrounding development. He added that Nelson Fialho, City Manager, recommended that a statement be added to page 9 of the draft that the height shall be compatible with

the adjacent neighborhood. Mr. Bowen noted that the Parkside neighborhood is a combination of one- and two-story homes, and he did not think the Summerhill project is compatible with those guidelines. He indicated that he also went through the Housing Element and did a word search on "adjacent neighborhood" and did not find any. He stated that he is illustrating the level of concern that his neighborhood has that this particular property does not fit in this place and is not in keeping with the history of the zoning and the building guidelines of the Business Park.

Jane Bowen stated that her family moved to the neighborhood in 1985 and are original owners of the property, which backs up to the Arroyo. She pointed out again that the Pleasanton voters have historically, clearly, and strongly favored a plan of slow growth and that the City even fought to protect that plan in the lawsuit against Urban Habitat though that was resolved through a settlement. She noted that in slowing growth, the City has done the Growth Management Program which she thinks is a good idea; however, more parcels have already been rezoned beyond what the RHNA requirements are. She added that these properties are sitting out there, and the City does not have any control over them; it is up to the property owner to do what they want with them, given they have the rezoning. She stated that what this means is that more property can be built in excess of the RHNA requirement over this next cycle.

Ms. Bowen stated that the Parkside neighborhood is particularly concerned with the CM Capital property at 5758 West Las Positas Boulevard, and it is their desire to reverse the zoning on that property to "Commercial" only. She indicated that it is right next door to the Summerhill project which seems to be going forward, even though she is wondering if there is an issue with the height issue. She added that she does not believe the neighbors were notified that that height restriction was going to be changed and not going to be followed for these rezoned properties. She stated that those two properties together make up over 12 acres, which is almost double any other high-density project in the Business Park, and would be right next door to each other with a combined 378 housing units. She indicated that this is unprecedented anywhere else in the City, right across the street from Hart Middle School. She continued that there currently are 699 high-density housing units existing or in the process of being built within .7 miles on West Las Positas Boulevard: the Summerhill project, the Nearon site across the street and slightly down, the existing Springhouse Apartments, and the Verona condominiums with another 151 units, for a total of 850 units. She added that the CM Capital property building would bring it up to over 1,000 units in just over half a mile. She indicated that this creates a high-density corridor in the City, all on one street across from a middle school. She pointed out that this detracts from the character of Pleasanton, overburdens its schools, burdens traffic, and strains the limited water resources.

Ms. Bowen stated that when high-density housing was discussed earlier, the idea was to spread it around the City, and that is not what they are seeing; it is concentrated in the Business Park. She indicated that she understands there are reasons for that with BART being located there, but there were already four projects going forward in the Business Park, with at least one more approved and how many others that have

actually been rezoned and have not yet come forward. She stated that what they are asking is that this particular property be rezoned as it backs up to the Arroyo and their residential neighborhood, and the location is out of character with the development pattern of the surrounding area, which is an objective of the Housing Element. She added that rezoning this property will help maintain some semblance of their community's character and will mitigate this high-density corridor that is exploding in this small area of the City. She asked the Commission not to let that happen.

James Paxson, General Manager of Hacienda Business Park, stated that he has a couple of things he wanted to go over with regard to the inventory, and urged the Commission to retain the sites within the inventory that is there right now.

Mr. Paxson stated that this first point is really important to remember. He stated that all of these sites have undergone a very deliberative, very Pleasanton planning process extending in some cases for well over ten years and including the sites on West Las Positas. He indicated that when he chaired the Housing Element Update in 2003, the sites on West Las Positas were part of the inventory and part of the consideration at that time. He stated that they looked at these sites for a long time, that these sites have undergone a rigorous planning process which he would put head and shoulders above what just about what other communities do in terms of looking at plans and getting a program developed. He stated that he thinks that is good and that the results of that have been spectacular. He added that the projects that have been developed in Hacienda are first-rate. He noted that one of the things everyone is very well aware of is that the community demands excellence, and these developers have produced excellence, and every project that has been built and all the ones under construction and under consideration have gone through that same demand and have come forward and will come forward with the same types of rigor in terms of review and the types of amenities people have come to expect and the type of contribution Pleasanton will be proud of.

Mr. Paxson stated that what is developing over in the North Pleasanton area is a uniquely Pleasanton design; not Dublin, not Walnut Creek, and not like the urbanization happening in the larger Bay area. He indicated that this is something Pleasanton has chosen and has produced, something that is actually very exciting because it is a product that is not anywhere else in the community, and it is badly needed. He pointed out that one of the reasons he thinks there is particular cause to preserve the planning work that has been done in this area is the important General Plan objective of sustainability. He pointed out that the sites over here ranked the highest in the Housing Element update that was done the last time, and part of the reason they ranked so high was because they were able to contribute to the City's sustainability objectives and produced a type of housing that meets workforce housing objectives and creates opportunities for different types of unique partnerships to get affordability that are available in these sites in a way cannot be produced anywhere else in the community.

Mr. Paxson stated that the other thing he wanted to point out too is that in terms of the impact on City services, the types of infill projects and the way they have integrated

jobs, housing, and transit within the Business Park means that these projects are less impactful here than anywhere else in Pleasanton as well. He indicated that he wanted to finish by saying again that he really believes that the concerns of the neighbors in the Parkside area are valid and that it is the contribution of those types of concerns that they have had with every project they brought forward that have actually made those better projects. He added that in his recent conversations with the owner of this particular piece of property, there is an openness to discuss both the density on the site and the height limitations; so the position of the current property owner should not be construed at 30 units to the acre with the existing site guidelines as they are today. He indicated that there was an absolute willingness and that they would love the opportunity to meet with the Parkside neighbors to discuss those and find out what things in advance of an application we can be talking about that would help address some of the concerns they have raised at this and other meetings. He stated that one of the most important things the Commission has to consider for the Housing Element is that sites have to be viable, and they have produced and brought forward viable, good projects, projects that Pleasanton can and should be and will be proud of.

THE PUBLIC HEARING WAS CLOSED.

Commissioner Allen inquired if this part of the CM Capital project would count toward meeting the Growth Management Program or if it got a pass.

Mr. Dolan replied that it does not get a pass because it did not come forward before the next planning period started. He noted that there is still not an application or even an idea of an application.

Commissioner Allen inquired for clarification if the other sites where the Commission has done a Work Session but that do not yet have a building permit are getting a pass just because they have started.

Mr. Dolan replied that if they were part of the Housing Element inventory that we rezoned last time and have an approved project by the City Council, they get a pass. He added that as part of their approval, they also got their Growth Management allocation at that time.

Chair O'Connor noted that it is then not just the rezoning of the property but it had to be an approved project.

Mr. Dolan said yes. He indicated that if it has not been approved by now, it does not matter that they were rezoned; only the five projects that went through got a pass.

Commissioner Ritter inquired how long the Irby-Kaplan-Zia site has been zoned the way it is now.

Ms. Wallis replied that it has always been zoned that way.

Mr. Dolan added that the zoning has not been changed.

Commissioner Ritter asked Mr. Dolan if he is aware if the owners are asking to change it to something different so they can build on it.

Mr. Dolan said no. He stated that they want it to be rezoned to residential so they can do a project. He added that they are not necessarily interested in doing a 30-units-per-acre project but a medium-density project.

Commissioner Ritter commented that they want a medium-density project.

Ms. Wallis confirmed that was correct. She indicated that it has been an agricultural site for so long and that there is a historic home and buildings on this site. She added that the applicants are amenable to keeping any historic significant homes on the site.

Commissioner Ritter inquired if the second phase of the CM Capital site is zoned for mixed-use, which means they could build condominiums or apartments or a combination of both or a combination of commercial and condominiums if they wanted to.

Mr. Dolan said yes, at a minimum of 30 units to the acre, although nobody is proposing attached ownership in town for stacked condominiums in this market.

Commissioner Ritter commented that it is probably because it does not pencil out.

Mr. Dolan added that there could be the perception that no one wants to buy that product, which is the same thing as it does not pencil out.

Commissioner Ritter noted that entry into Pleasanton workforce housing is condominiums.

Mr. Dolan noted that in the six years that he has been here, he has never even talked to anyone about that product.

Commissioner Ritter inquired if that is because there is no need for it.

Mr. Dolan replied that he thinks the developers do not think this marketplace wants it.

Commissioner Piper noted that the zoning for the CM Capital property was changed in 2012 and inquired what its zoning was prior to that.

Ms. Wallis replied that it was an industrial/commercial type.

Mr. Dolan replied that the original zoning is still there; all that was added was the mixed-use category to provide the ability to do residential.

Commissioner Piper inquired if the recent change in ownership is a result of the zoning change in the sense that it made it more desirable for that owner at the time to sell the property now because it is mixed-use.

Mr. Dolan replied that it has changed hands since it was rezoned so it was purchased with the new zoning.

Commissioner Piper asked Mr. Dolan if he said it was for a minimum of 30 units per acre.

Mr. Dolan said yes. He explained that the property has to be zoned for a minimum of 30 units per acres for HCD to presume that you are providing an opportunity to build housing that is affordable.

Ms. Wallis stated that it has been shown that anything less than 20 units typically cannot pencil out to include affordable units. She added that HCD has set that standard at 30 units for a project to pencil out to include affordable units.

Commissioner Piper commented that it almost seems like they would have to build up and not out.

Mr. Dolan stated that there is always the opportunity to have lower density to meet a different category. He indicated, however, that when the City was doing all the rezonings back in 2010 through 2012, staff went to a lower density in order to meet the RHNA requirement, as the City's big need and big deficit then was in the 30-units-per-acre category. He noted that staff calculated the next category down last time at 23 units per acre. He added that there may be some flexibility, for example, documenting the projects at 20 units per acre to produce units that are affordable to people in the moderate income category. He indicated that one can also just say that neither of those categories are being considered for this site; it's all the above-moderate, which means market-rate. He point out that it is just units, and it can be done at whatever density desired. He stated that at a certain point, it gets ridiculous to make that land that close to all those services and BART super-low density; it would be a waste of land with all those attributes.

Commissioner Piper asked Mr. Dolan to address it from a number of stories aspect.

Mr. Dolan replied that with respect to determining what the residential zoning could be, the 30-unit-per-acre product cannot be done without a good chunk of three stories, and a few four-story components are needed as well.

Chair O'Connor asked Mr. Dolan if he remembers what the height of the first phase of CM Capital was. He recalled that it had a four-story component and asked how many feet tall the high point was.

Mr. Dolan replied that he did not know off the top of his head but that it might have been a few feet taller than 45 feet. He noted that the guidelines that were adopted for all of these sites had a numerical height limit that was pretty high, something like 60 feet. He added that there are these other guidelines that were referenced earlier this evening regarding compatibility with the adjoining neighborhood. He explained that typically, when those compatibility guidelines are implemented, if it says that it cannot be more than one story above the adjoining neighborhood, usually it is referring to something that is across the street and not necessarily 250 feet across an Arroyo. He added that the other thing is usually that would lead to doing something like a stepping, which does not necessarily have to be all the way across the site, but with the edge, and that is, in fact, what happened on that project. He pointed out that if the Commission recalls, the height on the rear end towards the Arroyo was reduced, and more height was pushed forward to the front.

Chair O'Connor commented that the building height typically follows about ten feet per story plus the roofline or whatever the roof pitch is, so that a four-story would be somewhere between about 40 to 50 feet.

Mr. Dolan said yes. He added that it is starting to get a little more than that because people like the higher ceilings and just the equipment in-between takes up a lot of space. He noted that that is a rule that was valid for a long time, but it is starting to creep up a little more than that.

Commissioner Piper inquired if the Summerhill project was also zoned mixed-use with a minimum on 30 units an acre.

Mr. Dolan said yes.

Commissioner Piper inquired if that is a four-story property.

Mr. Dolan replied that part of it is.

Commissioner Allen inquired how this property was ranked during the Housing Element Update relative to some of the other properties.

Ms. Wallis replied that the ranking is included in the staff report as Exhibit E. She noted that the highest ranking scored a 27, and the Irby-Kaplan-Zia and CM Capital properties both scored a 24.

Mr. Dolan commented that was high for the 4th highest score.

Mr. Dolan then re-stated for the Commission that staff does not need any decision tonight. He indicated that staff heard that it wanted to keep both of these actions on the table: one is an addition and one is a subtraction. He added that if there are not any more additional thoughts, the adequate instruction for staff to move forward is "Yes, we want to keep those in the dialogue" and staff will do that. He noted that staff will

ultimately ask the Commission to make a recommendation to the City Council. He added that if the Commissioners do not have any particular advice or input at this point but there is more information they might want, sharing that with staff at this point would also be helpful.

Commissioner Ritter commented that water is always an issue and that he knows there is the hundred-year drought right now. He indicated that he knows the City cannot plan for the hundred-year drought but just for the record, he asked, as all these houses are being added, how that issue or concept can be incorporated or what the State is telling the City to do in that regard.

Mr. Dolan replied that this is obviously a very difficult issue, and the City is at a very difficult point in the timeline. He stated that the City cannot really put the burden of the long-term water outlook on these little tiny decisions; the water issue really needs to be tackled in its entire breadth. He noted that it is a regional dialogue at least with Zone 7, but it's also a State-wide dialogue. He pointed out that turning down or choosing not to do one little project in the City of Pleasanton is not going to solve the water problem. He indicated that it needs to be done in a way that is economically fair to everyone affected by it and at a much broader table. He stated that the City definitely needs to participate in that discussion, but he is not sure there is a lot that could be done with decisions at this level.

Commissioner Ritter inquired if as the City starts adding more houses, the developer provides funding to fund the schools based on the number of bedrooms added.

Mr. Dolan replied that the developer pays a school impact fee to the School District. He indicated that in fact, Pleasanton has something beyond the statutory authorized impact fee, and the School District has asked for and, in all cases, received a voluntary gift fee that goes beyond it. He noted that when new developers come to town they are very surprised to hear it. He added that he shared this practice with some of his fellow directors throughout Alameda County, and they are actually amazed. He reiterated that the developer contributes, and while it probably does not cover everything, it is more than any other community is getting.

Chair O'Connor commented that there is no guarantee, though, that would continue. He noted that it has been such historically, but the City cannot force it if someone chose not to voluntarily increase those figures.

Mr. Dolan agreed that the City could not.

Chair O'Connor inquired if there are still voluntary increases in the affordability area, if the developers are still volunteering to pay above and beyond the statutory amounts in the 30-units-to-the-acre sites where they are wondering if it pencils out.

Mr. Dolan replied that they volunteer after a long discussion.

Commissioner Piper inquired how reasonable it would be to put a Task Force or a group together, similar to how Mr. Paxson suggested, with the homeowners of Parkside and Mr. Paxson present to negotiate or talk about coming to some sort of compromise.

Mr. Dolan replied that he did not think Task Force is the right term but that staff could definitely facilitate that dialogue, although it sounds like the new owner has made the offer so it might even happen independent of staff. He indicated that he is not sure that the new owners have ever really met the neighborhood, but staff would be willing to attend. He noted that staff had an on-going dialogue with the neighbors throughout the Summerhill project, and that dialogue, in fact, resulted in some changes to that project that, while the neighbors would have preferred it was not approved at all, they were pleased that there were some changes made.

Commissioner Allen stated that she liked the idea a lot. She indicated that she believes in general that having high-density housing in the Business Park fundamentally makes sense because it is close to transit and is a good use there, as well as minimizes impacts in other areas of the City. She noted that she hears the concerns of the residents and would potentially be open to some kind of downsizing strategy or reduction in height. She added that she knows some of the residents even proposed that at the last meeting they had. She stated that she thinks Commissioner Piper's idea of meeting with the neighbors to get feedback on what the project would look like is a win/win proposition. She indicated that, with that said, she would be very nervous about even that downsizing and certainly removing it from the list without first getting feedback from HCD and being assured that HCD directionally agrees with all the assumptions regarding the City having more than enough units or anything else that could pose a risk.

Chair O'Connor stated that he is taking a little different look at this. He indicated that he knows things have changed since the last round of RHNA numbers and what the City thought it had to build then. He noted that the City is already close to 1,300 units over what RHNA is requiring through 2022, and with East Pleasanton not being touched at all, he is more than comfortable with what the City already has and does not want to add any more units. With respect to the two sites, he indicated that he would like to leave the Irby-Kaplan-Zia site zoned as is, and he would not be opposed to lowering the density on the CM Capital site. He added that, in fact, he would like to see the density lowered substantially and does not have a problem with moving it back to the commercial zoning it once was. He indicated that if the owners really wanted some kind of residential zoning, he would like to see something of far less impact than what was done next door with the Summerhill project. He added that he would like to see it two stories; however, he does not know if that pencils out for what the owners are looking for and if that helps at all with the City's low-density requirements.

Commissioner Ritter stated that he is going a little the other way and thinks that the City needs to keep this affordable housing element in Pleasanton get workforce housing in here. He indicated that he moved to the Springhouse Apartments 25 years ago because it was in Pleasanton. He noted that he is one of the 15 percent that still work in

Pleasanton, and it was nice to have an affordable apartment that he could move into and groom his career, and end up marrying a wife that grew up in Pleasanton as well. He indicated that he thinks this has to be looked at in the long-term because 30 years from now, the City is going to grow 30 percent to 90,000 residents, and if Pleasanton does not have the affordable mix, it is all going to be the rich person's town without any workforce housing. With respect to the Irby-Kaplan-Zia site, he noted that it has been sitting the way it is as a kind of farmland, and if the owners want to change it to a medium-density residential zoning, it might be kind of a nice area close to the Downtown. As regards the CM Capital site, he stated that he is more in favor of leaving the current zoning the way it is or push to make them condominiums, although it was mentioned that that will never pencil out. He added that he likes the fact that it is right near a school and is close and convenient. He noted that living at Springhouse Apartments was great because he like the concept of not having to get on the freeway to go to work or restaurants.

Commissioner Piper stated that she already shared her thoughts.

Chair O'Connor stated that one of the things that he did not say and should have said was that the overarching thing here is that most of the people who live in Pleasanton were very disappointed that the City lost the lawsuit on the housing cap. He noted that the City is already pretty close to the number of where it would have been had it not lost the housing cap. He added that although the City had to build additional units because of the lawsuit, the fact is that people wanted to keep the housing cap, and with those two things combined, what the people of Pleasanton really want to do is keep the number as low as possible with meeting the State requirements and not building above and beyond what we already have. He indicated that this is why he is saying that he does not want to zone anything extra and does not have a problem with taking something back because he thinks the City is already over where the people of Pleasanton would like it to be.

Commissioner Allen stated that she realized she did not comment on the Irby-Kaplan-Zia property. She indicated that her overarching idea is very similar to that mentioned by Chair O'Connor. She noted that this is a community where slow and thoughtful growth is important to its residents, and with that strategy in mind, she has no desire to rezone and add more housing to the Irby-Kaplan-Zia site. She added that it does not make sense to her to change the zoning and add more residential when the City is already far over what it needs to be for RHNA. She indicated that she does believe that the City needs to support the State requirements via its RHNA requirements, but she has no desire to add more. She noted that her only caveat to that comment is that if there is a very compelling business case that she can see that shows that the Irby-Kaplan-Zia site really has major financial or infrastructure benefits that are critical to the City that it would not get otherwise, such as something really compelling with water and sewer that can be presented in a quantifiable way as a business case. She reiterated that she could not see adding any more residential units when the City does need them and when that is not the desire she has heard from the residents and folks that came out tonight.

Mr. Dolan noted that staff heard something different the last time and so did not bring forward all the detailed information about the Irby-Kaplan-Zia site that make it attractive. He indicated that staff will provide these details the next time.

Chair O'Connor inquired if the timing is critical or if staff has time to bring something back to the Commission.

Mr. Dolan replied that staff has a very narrow focus of issues and will bring it back when the Commission will be asked to make a recommendation to the City Council on those issues. He indicated that everything is really in good shape; staff has a few little odds and ends to explore in terms of the policy document and then the two site decisions. He noted that this is a breeze compared to the intensive Task Force and the 70 acres that were rezoned the last time.

Commissioner Allen stated that she just does not see the Irby-Kaplan-Zia site as necessarily fitting into this Housing Element. She noted that it is not critical for what the City needs to do for the State, and it feels like a one-off project that ought to be dealt with to the degree that the developer wants to come forward with a plan and looked at just like some of the other properties that dropped off the list. She added that it does not support low-cost affordable housing either, which is what the Housing Element is mainly about. She proposed that it be left off to the side so that the Housing Element can be done and done well. She stated that, on the other hand, she sees the CM Capital property fitting because it is related to low-cost housing and was on the earlier list.

Chair O'Connor stated that he already expressed his comments and thinks that the numbers have changed since a lot of these sites were originally zoned.

Mr. Dolan stated that he understands the comments and is not sure he necessarily disagrees with it. He indicated that to take action on the Irby-Kaplan-Zia at the same time as the Housing Element is more of an efficiency thing for that project and not necessarily something that must be done as a part of this process. He added that staff will bring the issue back the next time as well because the Council expressed an issue with it too, and ultimately, staff will be asking the Commission to finalize its recommendation on that particular site.

Commissioner Allen commented that that sounds fair; it just really feels awkward fundamentally and off the top right now.

Mr. Dolan indicated that whatever the Commission votes, staff will explain both sides of the issue to the City Council so it understands the complete range of opinion.

Chair O'Connor asked staff if they have the Commission's input.

Mr. Dolan said staff got what it needs.

No action was taken.

7. MATTERS INITIATED BY COMMISSION MEMBERS

No discussion was held or action taken.

8. MATTERS FOR COMMISSION'S REVIEW/ACTION/INFORMATION

a. Future Planning Calendar

No discussion was held or action taken.

b. Actions of the City Council

No discussion was held or action taken.

c. Actions of the Zoning Administrator

No discussion was held or action taken.

d. Matters for Commission's Information

No discussion was held or action taken.

9. ADJOURNMENT

Chair O'Connor adjourned the Planning Commission 9:00 p.m.

Respectfully,

ADAM WEINSTEIN
Secretary