



## Planning Commission Staff Report

December 14, 2011  
Item 6.b.

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

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

## **BACKGROUND**

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

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

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

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

## **HOUSING COMMISSION ACTION**

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

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

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

### **PLANNING COMMISSION-CITY COUNCIL JOINT WORKSHOP**

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

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

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

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

## **PROJECT DESCRIPTION**

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

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

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

## **SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Mitigation Monitoring and Reporting Program**

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

### **HCD REVIEW**

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

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

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

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

### **SITES AND PROPOSED LAND USE CHANGES**

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

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

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

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

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

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



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

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

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

### **PUBLIC NOTICE**

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

### **STAFF RECOMMENDATION**

Staff recommends that the Planning Commission take the following actions:

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

Staff Planner: Janice Stern/Planning Manager; [\(925\) 931-5606](tel:925-931-5606); e-mail: [jstern@ci.pleasanton.ca.us](mailto:jstern@ci.pleasanton.ca.us)