



Housing Commission Minutes

[SUBJECT TO APPROVAL]

May 13, 2021 – 7:00 p.m.

This meeting was conducted in accordance with Governor Newsom's Executive Orders N-20-20 and N-35-20 and COVID-19 pandemic protocols

1. CALL TO ORDER

Chair Galvin called a teleconference meeting of the Housing Commission to order at 7:00 p.m.

Pledge of Allegiance

The Pledge of Allegiance to the flag was recited.

2. ROLL CALL

Commissioners Present: Commissioners Kate Duggan, Karline Fischer, Zarina Kiziloglu, Tony Soby, and Chairperson Jay Galvin

Commissioners Absent: None.

Staff Present: Steve Hernandez, Housing Manager; Brian Dolan, Assistant City Manager; Ellen Clark, Community Development Director; Jennifer Hagen, Associate Planner; and Stefanie Ananthan, Office Manager. (Transcribing by Edith Caponigro, Recording Secretary)

MEETING OPEN TO THE PUBLIC

3. Public Comment from the audience regarding items not listed on the agenda

Becky Dennis (speaking on behalf of Jocelyn Combs) – commented on suggestions for the program related components identified by staff in the Housing Element and within the purview of the Housing Commission. First, she stated that on boosting access to those most in need there is fifty percent of Pleasanton's workforce that commutes from other cities and counties, without mentioning the working homeless who sleep in their vehicles in local parking lots.

Ms. Dennis noted that over fifty percent of all Pleasanton jobs are at the very low-income level so production of very low and low-income housing should be a top priority. She added that since the 2018 Nexus Study at build-out Pleasanton's retail and commercial development will generate a workforce housing need in the range of 4,534 very-low and 10,024 low-income housing units. The current RHNA cycle is a small portion of the build-out needed with over 2,000 units of above-moderate income housing in the cycle and with Pleasanton's over-production of those units in the past.

Ms. Dennis advised commissioners that to meet the RHNA assignment Pleasanton needs to increase all affordable housing fees and not as is currently done exempt commercial projects for mitigating their true impact. She noted that on an affordable housing need the Nexus Study identifies actual housing mitigation cost for fees charged, for example actual retail cost is \$211 per square foot and Pleasanton

charges \$4.75 a square foot and office space if \$83 per square foot and Pleasanton charges \$7.93 a square foot.

Ms. Dennis felt Pleasanton could only succeed in meeting low and very low-income workforce housing numbers on available land by having 100% nonprofit development. With this consideration the city should consider eliminating inclusionary zoning requirements for market rate development, which she felt would still not allow for providing enough units. Additionally, Ms. Dennis suggested the City of Pleasanton consider exploring a partnership arrangement for possibly allowing commercial office development and converting post-pandemic surplus space to nonprofit workforce housing. Providing incentives, such as streetscape enhancements, parking improvements, etc. may also make low-income housing more acceptable to neighborhoods.

Chairperson Galvin thanked Ms. Dennis for her comments and asked if she would provide a copy of her notes to Mr. Hernandez so he could share them with members of the commission. Ms. Dennis indicated she would be happy to forward them to staff.

MATTERS BEFORE THE COMMISSION

4. Introduction of the 2023-2031 (6th RHNA Cycle) Housing Element Update and 6th Cycle Regional Housing Needs Allocation process including review of the Draft Public Participation Plan

Mr. Hernandez introduced Jennifer Hagen, Associate Planner to review the 2023-2031 Housing Element Update. Ms. Clark asked that she first be allowed to provide an introduction before turning the meeting over to Ms. Hagen.

Ms. Clark advised that this meeting is the kickoff for the important Housing Element update process which is the beginning of the 18-month plan process and staff's set of programs and actions oriented towards meeting the City of Pleasanton's fair share of affordable and other housing needs for the 8-years period that will begin in 2023 and includes a key process piece of identifying sites that can accommodate the regional housing allocation provided to Pleasanton.

Ms. Clark informed commissioners that staff members who will be working on the Housing Element Update include her, Jennifer Hagen, Associate Planner and Project Manager; Senior Planner Swbeta Bonn; and Brian Dolan, Assistant City Manager. Also helping with the effort will be Senior Associate Jen Murillo and Director David Bergman from the Lisa Wise Consulting Company.

Ms. Clark advised that the plan is to provide commissioners a brief overview of the agenda for this meeting, information on some significant changes in State law that have occurred and will shape the Housing Element process, background on the current and ongoing process, regional housing needs allocation that validates housing units to the city, description of the overall process, and focus on elements that require input from the Housing Commission. These elements include Draft Public Participation Plan which is the roadmap for public outreach and engagement in the Housing Element. The final piece at this meeting will be receiving feedback from commissioners on a series of initial key planning considerations to be sure staff is encompassing the full range of issues and concerns in the overall planning process. At this time Ms. Clark turned the meeting over to Lisa Wise Consulting representatives.

Ms. Wise advised that her company has put together an excellent team to work with city staff that includes Director Dave Bergman and Senior Planner Jen Murillo. She then provided a short history on her company and their two core services in planning and economic analysis which she believes will bring a lot of value to the Pleasanton Housing Element Update and reviewed with commissioners a PowerPoint presentation. Ms. Wise felt that the company's focus on planning and zoning as critical elements of the Housing Element Update and understanding market constraints and trends would be

valuable.

Ms. Murillo commented on the State Housing Element Law and the Housing Element Components. She noted that AB1397 strengthens local governments' obligations to identify a supply of adequate sites available to meet their share of regional housing needs at all income levels, and SB166 requires jurisdictions to maintain adequate sites to always accommodate its remaining regional housing needs allocations throughout the Housing Element planning period.

Ms. Murillo noted that the sites inventory is a key component and that the inventory lists the available parcels and sites that are suitable to meet the city's housing need by affordability level. She noted that the Housing Element includes an assessment of resources available to support development, preservation and rehabilitation of housing, as well as an assessment of constraints to housing development.

Commissioners were advised that the implementation plan documents the goals, policies, and programs responsive to fulfill the housing needs that are identified. Ms. Murillo then commented on recent legislation that has been passed since the City of Pleasanton's Housing Element was last updated which includes more scrutiny of the sites, the inclusion of larger sites (10+ acres) or sites less than ½-acre. She noted that SB166 requires the city maintain adequate sites throughout the Housing Element period.

Ms. Murillo then discussed regional housing needs determined by the State and noted that in the Bay Area a total of 440,000 units were identified. That number was then distributed throughout the Bay Area jurisdictions by the Association of Bay Area Governments with methodology being revised to reflect 2050 as the final draft time for the Bay Area. Ms. Murillo noted that after distribution of the draft allocations jurisdictions are allowed to appeal during the summer and fall after which the appeal period will end and final RHNA numbers will be issued by the end of the year.

Ms. Murillo reviewed with the commission tables showing the city's RHNA progress over the past two Housing Element cycles that showed the city has produced well over the above moderate target of units, but has fallen short in all below market, or affordable categories, something that is not unique to Pleasanton but seen across the State.

Incomes for a family of four within extremely low, very low, low, and moderate was commented on by Ms. Murillo who noted this has been reviewed and approved by City Council and there is a diligent effort on the city's part to involve all economic segments of the community in the Housing Element development. She advised that throughout the process there will be many public meetings to check-in at important milestones including by the end of this current year targeting site selections and by June of 2022 having a Draft Housing Element available for the public to review.

Ms. Hagen then took over the meeting and advised that she would be presenting two areas that she would like commissioners to provide input, the first is on a Draft Public Participation Plan that outlines key opportunities for the public to participate. She asked commissioners to add to, or make deletions, in whatever manner they liked and advised that part of the public outreach process City Council considered the overall scope of work for the Housing Element and directed both the Planning and Housing Commissions to assist with the update process by holding frequent consultations with City Council.

Commissioners were informed by Ms. Hagen that the Housing Commission is expected to have the most significant role in policy and program related components of the Housing Element that includes strategies to boost the production of affordable housing. More in-depth information on each of the policy areas will be provided to the commission as things move forward.

In addition to commission and council meetings, Ms. Hagen advised that the city plans to hold focused

stakeholder meetings with small groups of individuals who represent specific housing-related interests, i.e., nonprofits and community service providers. Also, a new Housing Element update website has been launched which will serve as the primary place community members will be able to access information, project documents, and receive additional details about the Housing Element update. Interactive involvement through online surveys and other tools will also be available on social media and through other more traditional methods of news publicity, farmers market, etc.

Ms. Hagen informed the commission that the next area of focus would be on the inventory sites portion process and being able to identify and potentially rezone sites to accommodate fair the share of housing. She noted that the city will not be required to build units but will need to show the sites are feasible and have appropriate zoning for housing on them at the required RHNA densities. Additionally, Ms. Hagen advised that preliminary analysis indicates about 250-acres will need to be identified for various housing densities and affordability levels, and this is something that staff is beginning to look at.

Commissioners were advised that densities and affordability levels can be achieved but may be a challenge for neighborhood compatibility and impacts on neighborhoods. Site selection criteria will be a key area for which staff will be returning to the Housing Commission during the summer for important insight that should include proximity to transportation, schools, services, and infrastructure capacities.

Ms. Hagen noted that the Housing Element process will need to consider creative strategies that will include affordable housing production as well as looking at regulatory and zoning challenges that could yield higher below market rates as a percentage of the overall housing production.

After the end of the initial kickoff meetings, Lisa Wise Consulting will begin work on organizing and scheduling community and stakeholder meetings in early summer and staff and consultants will use gained information from the meetings to put together future goals and policy discussions. Insight from local service providers and housing developers regarding challenges and hurdles for providing Pleasanton its fair share of housing will be worked on, and discussions on site selection criteria and inventory will begin and should end by year-end.

Ms. Hagen encouraged commissioners to sign-up to follow the progress of the Housing Element update on the city's website and advised that members of the consulting team are available to answer questions.

Commissioner Duggan asked about the community input meetings and whether it was anticipated they would all be conducted virtually. Ms. Hagen noted that it appeared the State was transitioning into allow more in-person activities, but initial meetings would be done virtually.

Chairperson Galvin asked that commissioners raise a hand if they wished to ask a question so things could run smoothly. He asked if the website were up and running and if commissioners would be able to post questions on the website, or if that would only be used for posting information. Ms. Hagen advised there was no log-in for the website and it had no social medial aspects to it so adding comments would not be available. She also suggested that when email blasts are sent out that commissions could reply in a blind cc format and that people could contact her via her email and telephone number. Mr. Dolan noted that members of the community would not be able post on the website but could contact staff members.

Chairperson Galvin commented on ways the city can work with developers and wondered if there was anything that could be provided to developers to encourage them to work on affordable housing projects.

Commissioner Fischer also asked about making housing opportunities available and developers not being responsible for making them happen and how the city will ensure that they happen and years later that the sites made available have been used for that purpose. Ms. Clark advised that a

fundamental challenge of the Housing Element is the city's ability to build projects to the end and the markets reliance on building housing which is why the Housing Element includes both inventory of sites and zoning capacity to accommodate housing. She advised that the city would help to facilitate and reduce barriers and other things and has accountability in reporting back to the State to show it is making progress and doing what it can within the scope of the Housing Element.

Mr. Dolan added that two cycles ago the city was required to rezone nine sites and was able to complete five projects with a sixth approved but never built which shows some success for Pleasanton. However, what had always been the problem for Pleasanton and other areas is that units are not necessarily affordable to the lower income levels with a local requirement in the Inclusionary Zoning Ordinance that requires 15% of the total units to be affordable and may require asking for a higher percentage. Engaging nonprofit developers could be another way of doing things but they would ultimately have the same costs involved as would private developers and would require incredible amounts of subsidy starting with free land.

Commissioner Soby asked about the availability of sites required to meet the numbers indicated and Ms. Clark advised that the city may be able to bring forward sites from the current remaining entitlements and do know of some other site opportunities that exist, but analysis indicates that possibly a few hundred acres may be needed, but nothing is firm until further work has been done. She commented on calculations needed to determine the number of units able to be built on an acre of land which will vary depending on the site and location.

Commissioner Soby questioned if Pleasanton and other Tri-Valley cities were working together to lobby for smaller numbers. Ms. Clark advised that the process is still ongoing and recently the State signed off and gave a green light to a Bay Area draft methodology with an anticipated unit number for Pleasanton being 5,965. She advised that the city will likely file an appeal with several concerns and questions. Historically, however, few appeals have been accepted.

Commissioner Soby discussed with Ms. Clark the likelihood of unit numbers increasing. She advised there is a risk if more than one city lobbies successfully for a significant reduction in their RHNA, and their numbers are then reallocated to other areas.

Commissioner Soby asked about the possibility of joint meetings with other commissions and committees. Ms. Clark indicated that those decisions have not yet been determined and will be decided on as the process moves forward especially as strategic points come about in the process.

Commissioner Duggan asked for confirmation that the team would be working with the school district as an important stakeholder, and if so, would they come back to the Housing Commission so they could be informed of comments. Ms. Clark advised that staff would be working with the school district especially since so much residential capacity has the potential to impact school district decisions. She noted that even prior to the Housing Element the City of Pleasanton has a lot of interaction with school district staff and through a Liaison Committee that meets regularly.

Mr. Dolan noted that the Liaison Committee made up of City Council and School Board members meets once a month to share information and dialog and through that the city has known which areas are impacted and adding more housing would be problematic for the schools. He noted that because of such problem a new District Team is being formed by the city and school district, and tracking of the Housing Element will be conducted.

Commissioner Kiziloglu congratulated new commissioners and thanked staff and the consultants for the presentation. With reference to Ms. Dennis' comments and given that historically Pleasanton has not zoned for low-income housing she stated that she wanted to be sure the city now zones for low and affordable housing. Ms. Clark clarified that the city did zone for lower income housing in zoning of multiple sites with affordable housing of various kinds, but as pointed out by Mr. Dolan it is difficult to

get the units built on the ground, which is why in this cycle both the Planning and Housing Commissions will be involved to help do better. She stated it is going to be difficult, it is going to require partnerships, it is going to require policy changes, and it is going to be looking at things such as affordable housing fees to help support a more aggressive way for housing production. Mr. Dolan agreed, but thought one thing different is City Council whose members have been vocally supportive of partnering with nonprofits. He noted that partnering with nonprofits could result in two of three projects with about 250 units each which will provide a lot of affordable units, the difficulty is the subsidy required. Mr. Dolan discussed problems and stigma associated with a prior inclusionary model where affordability units were spread throughout the community.

Commissioner Kiziloglu questioned if the city was anywhere close to removing single family zoning or building smaller homes so people can own homes and not always be renting. She hoped people were not looking for more and more apartments but would be able to have permanency in a smaller home they can afford to purchase and live in. Mr. Dolan advised that the State new laws taking care of that with accessory dwelling units allowed in single family districts. He did not see that Pleasanton would be eliminating single family home zoning.

Commissioner Kiziloglu commented on City Council being more in favor of multiple unit complexes and hoped the city would not have in-lieu fees and would work with the Housing Element numbers. She also questioned how the city was going to address the higher number of high-income homes being built and asked about the low-income housing number that were never fulfilled.

Chairperson Galvin indicated these were questions on his list but thought the purpose of this meeting was to be sure these things were brought about during the summer sessions. Mr. Dolan agreed and advised that this meeting was planned to be an introduction to the process, and there are things that need to be tweaked, and staff will be creating the policy basis for the Housing Element.

Commissioner Kiziloglu felt her comments needed to be addressed for making the policy and was concerned about not looking at the whole picture and what needs to be addressed and things needed to be looked at holistically and how to fix the problem, otherwise it is not going to go away. She discussed a \$26 billion amount the State is making available for affordable housing.

Commissioner Fischer questioned whether other average median-income California cities have been successful in implementing housing element requirements. Ms. Wise indicated there are some good examples, but as everyone knows, the RHNA numbers this cycle is extremely high statewide and bringing in affordable housing is difficult and complicated because of NIMBYism, housing prices, prevailing wages, etc. Information will be brought forward for discussion and recommendations will be tailored appropriately for Pleasanton.

Chairperson Galvin asked about the possibility of trading carbon offsets with other Tri-Valley cities. Ms. Clark indicated that she thought there was a bill in the legislature currently going through the process on these sorts of trades and allow making a deal with an adjacent community but was unsure if it would come to fruition. Mr. Dolan commented on something similar that was explored years ago.

Chairperson Galvin discussed with Mr. Dolan the possibility of taking into consideration land that is expected to become available. Mr. Dolan commented on the possibility of parking lot space at the mall and an office building on West Las Positas. Ms. Clark advised that part of the analysis will be seeking out all possible opportunities including property owners who might be interested in considering different uses for their sites.

Chairperson Galvin was informed by Ms. Clark that the PDF from tonight's meeting would be posted on the website. She questioned whether commissioners had any comments on the public participation plan process. Chairperson Galvin asked that commissioners be informed of these meetings and workshops if they are to be in addition to regular commission meetings so they can plan on attending.

Commissioner Kiziloglu commented on how and what the city was going to do differently this time than the prior Housing Element cycle. She felt it should be to bring a better outcome of affordable housing and thought she had not really heard what and how things would be different this time. Chairperson Galvin and Ms. Clark commented on price and Mr. Dolan felt the State had been aggressive in making the review process simpler, so theoretically the development opportunities will be more attractive, review will be shorter, and some things can be overseen with developers. He felt that the State regulatory framework had made things easier and the willingness to consider nonprofit partners for high percentage projects will be different.

Mr. Dolan indicated the city plans to do the best they can and conceivably better than they have done previously, which is better than what other communities have done. He stated that he would like to research how many communities met their goal previously.

Commissioner Duggan commented on Ms. Clarks public comment question and questioned whether there was a need for a Task Force to be formed as was done for many other projects. She asked about the feasibility of putting together a group of community members to be involved in the process. Mr. Dolan advised that the Planning Division will be taking the lead on this, and people will be able to contact staff as things come in. He noted that the last two Housing Elements had Task Force members and Council felt they had not been effective and have assigned what would have been the role of a Task Force to the Planning Commission and expanded it to include the Housing Commission. Mr. Dolan also noted that in his experience participation at Task Force meetings has not been popular.

Ms. Clark advised that a couple of ways to broaden the outreach will be achieved through stakeholder and service provider meetings and as had been stated by Mr. Dolan people tend to become more interested when informed about things that affect their own neighborhoods.

Mr. Dolan noted that to meet the affordable housing need in the community part of the public outreach will be to educate the community especially if they see apartment buildings being built all over town and they do not understand why City Council would allow such development.

Commissioner Duggan indicated she was surprised at how quickly her phone was ringing after people had heard what was said at the Planning Commission meeting.

Commissioner Kiziloglu indicated she was saddened that City Council members had run for office on 'no housing' and ask the Housing Commission to promote housing and then do not support it themselves and felt the concerns were as much their issue as they were those of the Housing Commission. Chairperson Galvin felt it was the job of the Housing Commission to advise Council on such issues. Mr. Dolan noted that Council knows this must be done and are on board and voted 5-0 for the consultant's contract.

Chairperson Galvin thanked staff and the consultants and indicated the Housing Commission was looking forward to working with everyone on this Housing Element.

MATTERS INITIATED BY MEMBERS OF THE COMMISSION

None.

FUTURE AGENDA ITEMS

None.

ADJOURNMENT

The meeting was adjourned at 8:20 p.m. by unanimous consent,