



## **CITY COUNCIL AGENDA REPORT**

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September 3, 2013  
Department of Community Development  
Planning Division

**TITLE: CONSIDER (1) INTRODUCTION OF AN ORDINANCE APPROVING A PLANNED UNIT DEVELOPMENT (PUD) DEVELOPMENT PLAN TO CONSTRUCT 210 APARTMENT UNITS, 97 SINGLE-FAMILY DETACHED UNITS, AND RELATED SITE ON- AND OFF-SITE IMPROVEMENTS ON AN APPROXIMATELY 26.72-ACRE SITE LOCATED AT 1600 VALLEY AVENUE (SOUTH SIDE OF THE PLEASANTON GATEWAY SHOPPING CENTER); (2) INTRODUCTION OF AN ORDINANCE APPROVING A DEVELOPMENT AGREEMENT; (3) AN AFFORDABLE HOUSING AGREEMENT; AND (4) A GROWTH MANAGEMENT AGREEMENT**

### **SUMMARY**

The applications are for a residential development containing 210 apartment units and 97 single-family detached units located at 1600 Valley Avenue, on the south side of the Pleasanton Gateway (Safeway) shopping center. Related land use applications include a development agreement to vest the project's entitlement for ten years, an affordable housing agreement, and a growth management agreement.

### **HOUSING COMMISSION RECOMMENDATION**

On July 23, 2013, the Housing Commission recommended approval of an Affordable Housing Agreement as described in Attachment 2.

### **PLANNING COMMISSION RECOMMENDATION**

On August 14, 2013, the Planning Commission recommended approval of the PUD development plan application subject to the conditions shown in Exhibit A (Attachment 1) and recommended approval of the development agreement (Attachment 3).

### **RECOMMENDATION**

1. Find that the conditions described in CEQA Guidelines Section 15162 have not occurred as described in the Addendum to the SEIR and find that the previously prepared SEIR, including the adopted CEQA Findings and Statement of Overriding Considerations, and the Addendum to the SEIR are adequate to serve as the environmental documentation for the proposed PUD Development Plan and Development Agreement and satisfies all the requirements of CEQA;
2. Find that the proposed PUD development plan and development agreement are consistent with the General Plan;

3. Make the PUD Development Plan Findings 1 through 7 as stated in the August 14, 2013 Planning Commission (pp. 41-45 in Attachment 8);
4. Find that the exceptions to the Housing Site Development Standards and Design Guidelines as stated in the August 14, 2013, Planning Commission staff report (p. 13 in Attachment 8) are acceptable;
5. Introduce the draft ordinance approving Case PUD-96, PUD development plan, subject to the Conditions of Approval, Exhibit A (Attachment 1); and
6. Adopt a resolution approving the Affordable Housing Agreement for the project (Attachment 2);
7. Adopt a resolution approving the Growth Management Agreement for the project (Attachment 4).
8. Introduce the draft ordinance approving the Development Agreement for the project (Attachment 3);

#### **FINANCIAL STATEMENT**

The proposed project would be expected to generate revenues to cover its costs of service. Increases in property taxes would be used to provide services, such as police, fire, etc., for the increased demand generated by the apartments and single-family homes. The applicant would have to pay development impact fees (e.g., in-lieu park dedication fee, public facilities fee, traffic fees, water/sewer connection fees, etc.) that are used to pay for the cost of new City facilities and infrastructure necessitated by development.

#### **HOUSING COMMISSION ACTION**

At its July 23, 2013, meeting, the Housing Commission reviewed an Affordable Housing Agreement (AHA) for the project, which includes 32 affordable rental units and the payment of in-lieu housing fees for the single-family units. Attachment 7 is the minutes of the Housing Commission meeting.

#### **PLANNING COMMISSION ACTION**

On August 14, 2013, the Planning Commission held its public hearing to review the proposed project. Attachment 6 is the minutes of the of the Planning Commission meeting.

Patrick Kiernan, representing the Pleasanton Unified School District, spoke in support of the proposed project. Sean Sowell spoke in opposition to the draft Affordable Housing Agreement (AHA) stating that it did not comply with the City's Inclusionary Zoning Ordinance and that the minimum number of affordable apartments should be based on 15% of the entire development and not just the apartments. Mr. Sowell requested the Planning Commission direct staff to re-negotiate the AFA to increase the number of affordable apartments and to increase the amount of the In-Lieu Housing Fee (ILHF) for each single-family unit of the proposed development. Staff replied to the Planning

Commission discussing the background of the City's IZO including recent case law, and the background of the proposed AFA for PUD-96 citing the Housing Commission's unanimous recommendation

After hearing all public testimony, the Planning Commission then closed the public hearing. Commissioner Herb Ritter questioned staff on the impact of project traffic using the shopping center's entrance from Bernal Avenue. Staff replied that the traffic Levels-of-Service (LOS) with the project at this intersection and entrance/exit to/from the shopping center would be LOS D or less, and that the present traffic queues from the shopping center to Bernal Avenue typically clear at each signal cycle. Staff stated that it would be unlikely that 100% of the project's traffic would use this entrance. When the shopping center is busy, the residents of the proposed development would more-than-likely use one of the project's entrances from Valley Avenue.

With no further questions or comments, the Planning Commission voted 4-0 (Chair Jennifer Pierce, absent) to recommend approval of PUD-96, PUD Development Plan, and P13-1928, Development Agreement, subject to the staff recommendation. (Staff notes that draft ordinance includes minor clerical changes to Exhibit A).

## **BACKGROUND**

Pleasanton Gateway, L.L.C., has submitted its application for PUD-96, a Planned Unit Development, of the approximately 27.62-acre subject site. The entire proposed project before the City Council for its review also includes P12-1928, Development Agreement, P13-1929, Growth Management Agreement, and the Affordable Housing Agreement.

The subject property is one of the nine sites that the City Council rezoned in January 2012 for residential development in order to meet the City's share of the regional housing need. A brief description of the previous development approvals that have occurred on this property follow:

- **Bernal Property Specific Plan and PUD Development Plan (PUD-02)**  
On August, 2000, the City Council approved the Bernal Property Specific Plan, PUD Development Plan (PUD-02), Final Environmental Impact Report, and Pre-Annexation Development Agreement for a multi-use development of the 516-acre Bernal Property Specific Plan area. South Bay Development was the owner/developer of the 39.6-acre Pleasanton Gateway site, approved for eight, four-story tall office buildings with 745,000 square feet of floor area.
- **Pleasanton Gateway Commercial/Office Development (PUD-02-07M)**  
On October 19, 2010, the City Council introduced Ordinance 2014 for PUD-02-07M that modified the PUD Development Plan for the South Bay Development site from the approved eight-building office development to the Pleasanton Gateway combined office/ commercial development. The Pleasanton Gateway Development was divided into two phases: Phase I, the shopping center on 12.88 acres, and Phase II, the office development on 26.72 acres approved for seven, three- and four-story tall office buildings with 588,782 square feet of floor area.

- **P11-0915 and PUD-02-10M**

On January 4, 2012, the City Council introduced Ordinance 2031 for P11-0915 that rezoned 7 acres of the subject property for high-density residential land uses (minimum density of 30 dwelling units per acre) with a maximum density of 245 dwelling units and rezoned the remaining 19.72 acres for medium density residential land uses (2 to 8 dwelling units per acre). On September 4, 2012, the City Council introduced Ordinance 2048 for PUD-02-10M that modified the PUD Development Plan for the subject property to incorporate the Housing Site Development Standards and Design Guidelines to guide the high density development on the 7-acre portion of the project site.

The attached Planning Commission staff report (Attachment 8) includes detailed **“BACKGROUND”** section (pp. 2-4) of the project site’s development history.

### **SUBJECT PROPERTY AND SURROUNDING AREA**

The attached Planning Commission staff report (Attachment 8) includes a detailed discussion of the **“SUBJECT PROPERTY AND SURROUNDING AREA”** (pp. 4-7). A summary of this section follows.

### **Project Location**

Figure 1, below, is an aerial photograph of the proposed project with the surrounding streets and intersections, driveway entrances, and land uses including the Pleasanton Gateway shopping center under construction when the photograph was taken.



**Figure 1: 2010 Aerial Photograph of the Commons at Gateway Property with Surrounding Land Uses**

The subject property is a relatively flat, vacant 26.72-acre site visible to the I-680 freeway, Valley Avenue, and to the adjacent Bernal Community Park property along its south side. Valley Avenue was extended from Bernal Avenue across the entire project site with curb, Livermore-Amador Valley Transportation Authority (LAVTA) bus pull-out and enclosure, and one driveway opening located opposite Whispering Oaks Way for the previously approved office development. Existing vegetation includes grasses that are cut annually to reduce potential fire hazard.

**Public Street Access**

The project site is accessed from Valley Avenue by two driveway entrances, one entrance proposed to be located at the approximate mid-point of the site and the other entrance to the driveway aisle shared with the Pleasanton Gateway shopping center. Access to Bernal Avenue is provided by the main north/south access driveway aisle through the Pleasanton Gateway shopping center to the Bernal Avenue/Koll Center Drive intersection. The subject property retains ingress/egress easements, plus shared maintenance responsibilities, over the shared driveways and entrances to/from Bernal Avenue, opposite Koll Center Drive, and Valley Avenue. These rights and responsibilities would be transferred to the proposed development upon recordation of the first Final Subdivision Map. The Bernal Avenue/Koll Center Drive intersection allows complete ingress/egress to/from Bernal Avenue and then the northbound/southbound directions of the I-680 freeway. All Valley Avenue driveway entrances are located opposite a traffic circle, which were designed to slow traffic speeds on Valley Avenue.

**Surrounding Land Uses**

Table 1, below, describes the surrounding land uses.

**Table 1: Surrounding Uses**

<b>Direction</b>	<b>Land Use</b>
North	Pleasanton Gateway shopping center with commercial uses including a Safeway grocery store and service station, restaurants, retail, and personal services.
East	Vacant land, Kensington apartments, Wild Rose Park, and the Walnut Hills single-family homes.
South	Bernal Community Park, future public trails, and the City's storm water retention/treatment ponds for the Bernal property developments.
West	I-680 freeway and the Bernal Avenue/I-680 off-ramp.

**PROJECT DESCRIPTION**

**PUD Development Plan (PUD-96)**

The applicant, Pleasanton Gateway, L.L.C. (Scott Trobbe), proposes to construct 210 apartment units, 97 single-family detached units, a central recreation area, and pedestrian trails and walkways on the approximately 26.72-acre site. The overall proposed project density would be approximately 11.5 dwelling units per acre.

The proposed would project a leasing office building for the apartments, recreation area including a recreation building containing a business center, conference facilities, gymnasium, and media center, a private 1.3-acre neighborhood park for the entire

development, and outdoor amenities such as swimming pool/spa, barbeque and fire pit areas, tot lot, cabanas, outdoor seating, and a bocce ball court.

### Site Plan

The proposed site plan in conjunction with the proposed building designs and landscape designs compliments the appearance and development pattern of the existing commercial and residential developments on both sides of Valley Avenue. While not a stated goal of the Standards for this site, the proposed project also implements the land use/design goal of the Bernal Property Specific Plan whereby the appearance and designs of individual developments should work together visually and physically as an integrated whole.

Figure 2, below, is a copy of the site plan Sheet A0-5 (Attachment 5) for the proposed development.



**Figure 2: Proposed Site Plan**

Circulation is arranged in the following hierarchy:

1. Street A and Street D provide the main driveway connections to Valley Avenue and to Bernal Avenue. D Street will be located opposite the traffic circle on Valley Avenue. B Street is generally aligned with the shopping center's main north/south driveway from Bernal Avenue.

2. Street A is designed as an internal ring road accessing the driveway courts and garages of the development. Street A adjoins the south project boundary to maintain an open view of the Bernal Community Park property on the development's south side.
3. Street C and a portion of Street A surround and define the recreation area and maintain views of the recreation area from the development.

With a few exceptions, all streets are designed with parallel parking on both sides of the street, a planting area, and a private sidewalk. Street D as the main entrance from Valley Avenue is not designed to provide on-street parking. Street A on the south side of the project site only provides parking on its north side. The courts do not include on-street parking.

Valley Avenue will be completed across the project frontage to include a 5-foot wide sidewalk separated from the existing curb with a 5-foot wide landscape area. Landscaping will include sycamore trees matching the species presently planted on Valley Avenue including the median islands. The project is conditioned to replace the existing northbound left-turn pocket from Valley Avenue to the existing driveway entrance, originally planned to be provided by the previous office developments, with landscaping matching the designs in place on Valley Avenue.

The proposed site plan and circulation plan is designed with an integral pedestrian sidewalk system and bicycle routes between the development and the shopping center to the north, between the individual buildings within each area, as well as between the site and the surrounding uses and developments.

#### Building Types and Designs

The proposed project would include three building types described as follows:

1. Garden Style Apartments with Tuck-Under Garage Parking:  
The applicant proposes 210 stacked flat apartments in nine, 18-unit and 24-unit, three-story tall buildings with tuck-under garage parking, and with a maximum building height of approximately 43 feet, 6 inches. The apartment buildings would include a combination of one-bedroom/one-bathroom units, two-bedroom/two bathroom units, and three bedroom/two bathroom units. Each unit will have a one-car garage, will open onto the buildings' interior courtyards, and will be accessible by stairs or by elevator to the ground floor. Private open space is provided by open balconies ranging in area from 68 square feet to 173 square feet.

Figure 3, below, is a copy of Sheet A1-0 (Attachment 5) of the three-story apartment buildings.



**Figure 3: Perspective of Apartment Buildings**

2. Detached Three-Story Single-Family Detached Homes:

The applicant proposes 62, three-story tall single-family homes with a maximum height of approximately 45 feet. The proposed units would include two floor plans: three to four bedrooms/three and a half bathrooms, an attached two-car garage, and private open space provided by a second-floor patio; and, three bedrooms/two and a half bathrooms, an attached two-car garage, and private open space provided by a second floor patio. The proposed units will be designed and constructed to accommodate an elevator accessing all three floors of the residence.

Figure 4, below, is a copy of Sheet A2-0 (Attachment 5) of the three-story single-family homes.



**Figure 4: Perspective of the Three-Story Single-Family Houses**

3. Two-Story Single Family Detached Homes:

The applicant proposes 35, two-story tall single-family homes with a maximum building height of approximately 38 feet, 7 inches. The proposed units would include two floor plans: four bedrooms/three and a half bathrooms, an attached two-car garage/two-car driveway apron, and private open space provided by a ground floor patio and a second-floor balcony; and, four bedrooms/three and a half bathrooms, an attached two car garage/two-car driveway apron, and private open space provided by a ground floor patio and a second floor covered balcony.

Figure 5, below, is copy of Sheet A3-0 (Attachment 5) of the two-story single-family houses.



**Figure 5: Perspective of the Two-Story Single-Family Houses**

The applicant followed a traditional New England design style for the proposed development. Each of the three building types include building forms, materials and colors, and detailing to create a separate identity for each building type while tying the designs of the individual building types with each other and with the residential developments on the east side of Valley Avenue.

## **DISCUSSION**

The attached Planning Commission staff report (Attachment 8) includes a detailed analysis of the proposed project in the **"ANALYSIS"** section (pp. 11-41) in the staff report. A summary of this section follows.

### **Site Design**

The proposed site plan implements the goal of the standards to "feather" building heights and densities from the I-680 freeway to the single-family homes on the east side of Valley Avenue and implements the standards addressing the general layout of the buildings' orientations to public streets and to each other; minimizing the appearance of garages; and the proposed perimeter and interior building setbacks and designs. The site plan incorporates a view corridor through the site at the main entrance to maintain views of the ridgelines from Valley Avenue. Views of Pleasanton Ridge are also provided from Valley Avenue looking southwest and northwest across the project site.

The proposed project would provide 9.7 acres of open space, which exceeds the minimum requirement of the Standards for 2.1-acres of open space for this project. The open space areas comply with the applicable Standards as to location and function. Internal pedestrian trails and connections are provided to link the internal areas of the

proposed development with the public sidewalks on Valley Avenue and, ultimately, to the Bernal Property.

### **Building Design**

Design elements used throughout the proposed development include walk-up porches, liberal use of masonry wall surfaces, detailed entrances, bay windows and wall pop-outs, and varied building forms and roof lines for visual interest. Materials and colors generally follow a New England design theme – deep red brick, medium brown and very dark gray asphalt shingles, terra cotta colored standing seam metal roof material, building colors including white, light- to medium-blue grays, tans and browns, and deep reds. Building designs provide significant articulation and variation of building heights, volumes, and massing, and are designed with architectural design massing and detailing on all four building sides, and with design details and elements that establish a "pedestrian scale" to the first floor areas of the structure.

Staff has conditioned the proposed apartments to provide Universal Design features. For the proposed row house units and single-family homes, staff has conditioned the applicant to use their best effort in incorporating Universal Design principles into their construction. Staff notes that the applicant has already addressed Universal Design with the three-story row house units by designing and constructing the unit to accommodate an elevator with the units' purchase or in the future.

### **Housing Site Development Standards and Design Guidelines**

The Housing Site Development Standards and Design Guidelines, hereinafter referred to as Standards, designated the 7-acre higher density portion of the subject property as Site #5, with Standards addressing density, architectural style, street connections to the shopping center and to Valley Avenue, and view corridors. The 19.72-acre portion of the site designated for Medium Density Residential (MDR) land uses is not covered by the Standards. Staff, however, evaluated the MDR portion as it relates to the Standards for such items as "feathering" density towards the single-family homes on Valley Avenue, interior paséos, parking, perimeter setbacks, and view corridors, and reviewed the MDR portion for compatibility with surrounding land uses.

The applicant requests the following exceptions from the Standards:

1. Standard A4.5. Where head-in parking occurs, a landscaped finger with street tree is required an average of every ten spaces.

The applicant is requesting a landscape finger every 12 to 14 spaces. Staff supports this exception given the large area of the proposed landscape fingers, varying from approximately 500 square feet to approximately 1,100 square feet.

2. Standard A5.b. Garage doors should be recessed at least two feet from building façade.

Staff supports this exception given that the garage doors for the apartments' garages face each on both sides of an internal court and the upper two floors of

the apartment buildings overhang the line of garage entrances thereby decreasing their visibility.

3. Standard A8.b. Publicly accessible parks, plazas, and/or open spaces are encouraged for all sites greater than five acres, especially those sites not in close proximity to public parks.

Staff supports this exception given the development's close proximity within walking distance of Wild Rose Park on the east side of Valley Avenue and the nearby Bernal Community Park.

The Planning Commission supported these exceptions with its recommendation on the project.

### **Traffic and Parking**

The proposed project is expected to generate an average of 2,180 net new trips per day, of which 177 trips would occur during the morning peak hour and 211 trips would occur during the evening peak hour. The Bernal Avenue/Valley Avenue intersection and the Bernal Avenue/I-680 entrance/exit ramp intersections are expected to operate acceptably under the Existing + Project scenario at LOS B and C, and under the Cumulative + Project scenario to operate acceptably at LOS B through D. The proposed project is estimated to add only one vehicle to the queues per signal cycle.

The Pleasanton Municipal Code will require 351 parking spaces for the apartments and 194 parking spaces for the single-family homes, totaling 545 parking spaces for the entire project including assigned garage and open guest parking. The applicant, however, proposes 380 parking spaces for the apartments and 405 parking spaces for the single-family homes, which include the parallel parking spaces on public streets, the perpendicular parking spaces, and the driveway aprons for a total of 785 parking spaces for the entire project.

The applicant proposes parking for 367 bicycles provided as 60 outdoor bicycle spaces contained in 12 outdoor bicycle racks distributed throughout the site and 307 indoor bicycle spaces provided as one bicycle space within the garage of each apartment unit and within each garage of a single-family home. The provision of bicycle parking exceeds the minimum requirement of the Standards.

### **Noise**

The primary noise sources result from traffic on I-680 and on Valley Avenue, resulting in an ambient noise level varying by location from 63 dB  $L_{dn}$  (Valley Avenue) to 75 dB  $L_{dn}$  (I-680). This noise level is considered to be "Conditionally Acceptable" for "Single-Family Residential" land uses – 60 dBA  $L_{dn}$  to 75 dBA  $L_{dn}$  – and for "Multi-Family Residential" land uses – 65 dBA  $L_{dn}$  to 75 dBA  $L_{dn}$  – and by the 2005 – 2025 Pleasanton General Plan.

### Interior Noise

All proposed buildings are required to be designed and constructed with a Sound Transmission Classification (STC) varying from 32 to 39 on their location on the project site for the walls, windows, and doors to ensure that interior noise levels would not exceed the 45 dB  $L_{dn}$  noise standard. The applicant concurs with this finding and with the corresponding condition of approval.

### Exterior Noise

The Pleasanton General Plan noise standard for outdoor areas in residential projects is 60 dBA  $L_{dn}$  for single-family development and 65 dBA  $L_{dn}$  for multi-family development. However, as stated in the Pleasanton General Plan:

"...all residential areas cannot necessarily reach this goal due to economic or aesthetic considerations."

Staff notes that aesthetic consideration for the proposed project was to maintain its openness to Valley Avenue and to the Bernal Community Park by not installing a perimeter sound wall, and to maximize its aesthetic appearance from I-680. The proposed project would construct a 16-foot-tall combined earth berm (8-foot height) and a masonry noise wall (8-foot height) on Lot B in the southern portion of the site, and would construct an 8-foot-tall solid wood or masonry noise barrier between the buildings on Lots 50, 51, and 82 through 86 of the detached homes to mitigate the I-680 traffic noise from the west and south sides of the project site. Staff supports these measures in order for the project to achieve the outdoor noise standard.

As a result, the combined noise mitigation of the apartment buildings plus the barrier and the private yard fences would reduce the estimated traffic noise from I-680 to approximately 65 dB  $L_{dn}$  or less. Staff believes that these limited areas of noise above the standard are preferable to excessive noise walls and, therefore, considers the proposed noise levels to be mitigated in compliance with the Pleasanton General Plan.

Figure 6, below, is a cropped view of Sheet A0-7 (Attachment 5) of the proposed berm/wall and screening from the I-680 freeway.



**Figure 6: Proposed Berm/Wall and Landscaping Screening from I-680.**

#### **Development Agreement (P13-1928)**

In summary, the proposed development agreement would grant the following entitlements and restrictions to the property owner and their successors:

- Vests the project for a 10-year time period.
- Deferred payment of the project's impact fees such as low-income housing fee, in lieu park dedication fee, City traffic impact fee, and the Tri-Valley Transportation Committee fee to the occupancy permit for each apartment building and each row house and single-family home.
- Required payment of the City development fees, such as the Zone 7 and City of Pleasanton water and sewer connection fees, with the issuance of the building permit.
- Allows for periodic cost of living or similar indexed increases, decreases, or adjustments to these development fees as are applicable and in effect at the time such fees would be payable to City.

The Development Agreement also references the PUD development and conditions of approval, includes the terms of the draft Affordable Housing Agreement recommended for approval by the Housing Commission, and includes the terms of the Growth Management Agreement.

### **Affordable Housing Agreement**

Based of the City Council's direction from its joint workshop with the Housing Commission, staff's negotiation with the applicant included various ways of meeting the intent of the Inclusionary Zoning Ordinance (IZO) with the goal of maximizing the number of onsite affordable units. As an outcome of the negotiations, staff and the applicant have agreed to the terms of an Affordable Housing Agreement (AHA), which include rent restrictions on 32 apartment units and the payment of fees on all 97 ownership units.

In determining the most appropriate way for this development to meet its overall affordability requirement, staff focused on maximizing the project's ability to provide low and very low income apartment units. This was also the applicant's focus. As a result, while the City currently maintains a number of affordable ownership units, both parties looked primarily to affordable rental units as these provide the best – in reality, the only – option for achieving units for very low and low income households. Further, over the past few years, staff has not focused on increasing the City's inventory of affordable ownership housing due administrative issues, limited benefit when compared to rental units, and the fact that doing so would most likely result in fewer affordable rental units.

As with other larger developments, staff has indicated a willingness to provide financial support to a development if this results in a meaningful increase in project affordability. As a result, staff and the applicant agreed that allowing a reduction in the Lower Income Housing Fee (LIHF) for the ownership homes in exchange for an increase in the level of affordability for the rental units would be beneficial to both parties. Hence, the AHA provides that the LIHF for the 97 ownership units will be \$5,356 per unit for a total of \$519,532. (The current LIHF fee for single family homes in excess of 1,500 square feet is \$10,713 per unit.)

The level of affordability for the rental units is as follows:

**Table 2: Number and Type of Affordable Units**

<b>Unit Type (Bedrooms)</b>	<b>Very Low Income 50% AMI</b>	<b>Low Income (60% AMI)</b>	<b>Total</b>	<b>%</b>
<b>One Bedroom Apartments</b>	9	9	18	56%
<b>Two Bedroom Apartments</b>	6	7	13	41%
<b>Three Bedroom Apartments</b>	1	0	1	3%
<b>Total Units</b>	16	16	32	100%

Regarding compliance with the Inclusionary Zoning Ordinance's (IZO), staff has determined that the combination of 32 units, rent-restricted at low and very low income levels, and the payment of the LIHF results in the development meeting the IZO. In addition, the AHA includes the City's standard terms including perpetuity, City preference criteria, acceptance of Section 8 vouchers, three fully accessible units consistent with the City Councils recently adopted language detailing the types of features and rental requirements, and the quality of materials used in the affordable units.

In addition to the IZO, the City's Housing Site Standards and Design Guidelines (Design Guidelines) stipulate that 10% of the affordable units will be 3-bedroom units and 35% will be 2-bedroom units. As proposed, the development exceeds the 2-bedroom requirement but falls short of the 3-bedroom requirement by approximately two units. In assessing this situation, staff considered the fact that the proposed project includes a large number of affordable one-bedroom units rather than studio units, which have been included in other developments; that the one affordable 3-bedroom unit is at 50% AMI; and that overall, the 16 very low income units proposed for this development exceed the number of units provided in the California Center and Auf der Maur developments as an overriding consideration. Finally, the number of two- and three-bedroom units equals the 45% requirement of the Design Guidelines. As a result, staff determined that the project meets the intent of the Design Guidelines.

Overall, staff's opinion is that the draft AHA is consistent with the IZO, that it meets the intent of the Design Guidelines, and that it provides the type of flexibility the City Council requested as part of the joint workshop with the Housing Commission. As indicated previously, the AHA was approved unanimously by the Housing Commission. Note that the basic terms of affordability and reference to the AHA are part of the proposed development agreement.

### **Growth Management Agreement**

The applicant requests a growth management allocation for all 307 units in 2014. As the applicant's units would be used to meet the RHNA for the current cycle, the applicant's growth management request is consistent with the Growth Management Ordinance. The growth management allocations for the project are included in the proposed development agreement and would be extended into the future for the term of the development agreement.

### **Miscellaneous Discussion Items**

Refer to Attachment 8, Planning Commission staff report, for a complete discussion of the following sub-sections of the staff report: "***Climate Action Plan***" (p. 38), "***Pleasanton General Plan***" (pp. 11-12), "***Grading and Urban Storm Water Runoff***" (pp. 39-40), "***Green Building***" (pp. 38-39), and "***Landscaping***" (pp. 21-23).

### **PUD DEVELOPMENT PLAN FINDINGS**

The Pleasanton Municipal Code sets forth the purposes of the Planned Unit Development (PUD) District and the considerations to be addressed in reviewing a PUD development plan proposal. The City Council must make the findings stated in that attached Planning Commission staff report before taking action.

### **PUBLIC NOTICE**

Public notices were sent to the property owners, business owners, and business tenants within a 1,000-foot radius for the property and to residents in portions of the Laguna Oaks development and the Bernal Specific Plan area. Exhibit K is the noticing area for the proposal. Staff has not received any additional written public comment since the Planning Commission public hearing.

The applicant has met with representatives of the Pleasanton Chamber of Commerce and the Pleasanton Downtown Association, the owner/operator of the Bernal Corners Service Station, and the various neighborhood groups throughout the project review and has relayed to staff the public's support of the proposal. Staff has received several phone calls supporting the proposed project, inquiring of availability, construction date, projected rents and selling prices, and commenting favorably on the proposed building designs.

## **ENVIRONMENTAL ASSESSMENT**

On January 4, 2012, the City Council certified a Supplemental Environmental Impact Report (SEIR) and adopted the California Environmental Quality Act (CEQA) Findings and a Statement of Overriding Considerations for the Housing Element update and Climate Action Plan General Plan Amendment and Rezoning. This SEIR was a supplement to the EIR prepared for the Pleasanton 2005-2025 General Plan which was certified in July 2009. The subject property was one of 21 potential housing sites analyzed in the SEIR for up to 400 multi-family and single-family housing units for this site.

Under CEQA, once an EIR has been prepared for a project, the lead agency (in this case, the City) is not required to prepare a subsequent or supplemental EIR unless certain conditions are met as specified in CEQA. Staff believed that the conditions described in CEQA have not occurred and that a subsequent or supplemental EIR was not required for this project. CEQA further states that a lead agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions calling for the preparation of a subsequent EIR have occurred. Therefore, an addendum to the SEIR was prepared for this project.

Exhibit E (Attachment 8) is the, "Addendum to the City of Pleasanton Housing Element and Climate Action Plan General Plan Amendment and Rezoning Supplemental Environmental Impact Report for the Commons at Gateway (PUD-96)," prepared by FirstCarbon Solutions. The addendum to the SEIR determined that the proposed project will not trigger any new or more severe significant environmental impacts as compared to those analyzed in the context of the SEIR and confirmed that none of the conditions described in Section 15162 have occurred.

The Addendum stated that the proposed project design features required by Mitigation Measure 4.B-4, such as the proposed vegetation barrier along the west side of the I-680 freeway, installation of Medium Efficiency Reporting Value (MERV)-13 filters on the intake and return filters of all units' HVAC systems, etc. With these measures, the Addendum estimated for the residents of the proposed development a lifetime cancer risk of 17 in 1,000,000, less than the 100 in 1,000,000 threshold; a chronic hazard index of 0.1, less than the 10 threshold; and a PM<sub>2.5</sub> concentration of 0.24, less than the 0.8 threshold. Therefore, the previously prepared SEIR and Addendum to the SEIR, taken together, are adequate to serve as the environmental documentation for this project and satisfy all the requirements of CEQA.

The SEIR for the Housing Element update included a Statement of Overriding Considerations for two significant and unavoidable impacts: development facilitated by the General Plan Amendment and rezonings could potentially add traffic to the regional roadway network to the point at which they would operate unacceptably under Cumulative Plus Project conditions; and development facilitated by the General Plan Amendment and rezonings has the potential to adversely change the significance of historic resources. Staff notes that the subject site is vacant and did not contain any older structures that may be historic; for this reason, the proposed project's impacts to historical structures were not discussed in Attachment 8, the Planning Commission staff report.

Regarding traffic, staff notes that the traffic impacts of the nine sites ultimately selected would be considerably less than the traffic impacts analyzed in the SEIR. Furthermore, the SEIR analyzed development of this site to include up to 400 units. The proposed project entails 307 units, 93 units less than the density that was analyzed in the SEIR, thereby reducing traffic impacts.

### **CONCLUSION**

The Staff analysis concludes that the proposed site plan and positioning of the buildings are appropriate for the subject property. The applicant has included a large amount of usable open space, landscaped areas, and amenities within the project. The project would provide affordable rental housing and pay in-lieu fees that would assist the City in meeting its low-income and very-low-income housing goals.

Staff finds the proposed building design to be attractive with the architectural style, colors, and materials complementing surrounding developments. The proposed project conforms to the Land Use Element, the Housing Element, and implements the applicable goals and policies of the Pleasanton General Plan; conforms to the applicable Standards for the HDR portion; and relates well with surrounding uses including the shopping center.

Therefore, staff recommends that the Council approve the proposed project.

Submitted by:

Fiscal Review:

Approved by:

Brian Dolan  
Director of  
Community Development

Emily Wagner  
Director of Finance

Nelson Fialho  
City Manager

Attachments:

1. Draft City Council Ordinance, dated September 3, 2013, approving PUD-96 with Exhibit A, Recommended Conditions of Approval.

2. Draft City Council Resolution, dated September 3, 2013, approving the Affordable Housing Agreement for PUD-96.
3. Draft City Council Ordinance, dated September 3, 2013, approving the Development Agreement for PUD-96.
4. Draft City Council Resolution, dated September 3, 2013, approving the Growth Management Agreement for PUD-96.
5. PUD Development Plan (Exhibit B) dated, "Received July 30, 2013."
6. Draft excerpts of the August 14, Planning Commission meeting minutes.
7. Excerpt of the July 23, 2013 Housing Commission meeting minutes.
8. Planning Commission Staff Report, dated August 14, 2013, with the following Exhibits:
  - D. Excerpts of the minutes of the Planning Commission workshop held on May 22, 2013.
  - E. Addendum to the City of Pleasanton Housing Element and Climate Action Plan General Plan Amendment and Rezoning Supplemental Environmental Impact Report for the Commons at Gateway (PUD-96), City of Pleasanton, Alameda County, California, prepared by FirstCarbon Solutions, dated August 1, 2013.
  - F. Transportation Assessment for the Commons at Gateway, dated July 3, 2013, prepared by Fehr & Peers.
  - G. Environmental Noise Assessment, Commons at Gateway, dated June 11, 2013, prepared by Charles M. Salter and Associates.
  - H. Climate Action Plan Checklist for the Commons at Gateway.
  - I. Separate GreenPoint Rated Scoresheets for the Apartments, Row House Homes, and Single-Family Homes.
  - J. Housing Commission Agenda Report, dated July 23, 2013.
  - K. Location and Notification Map.