

**PUD-87, Sares Regis/E&S Ring – Auf der Maur/Rickenbach Property**

**Work Session to review and receive comments on a Planned Unit Development application to construct 345 apartment units, an approximately 38,781-square-foot retail center consisting of four buildings, new surface parking, and related site improvements at the property located at 3150 Bernal Avenue (southeast corner of Bernal Avenue and Stanley Boulevard). Zoning for the property is PUD-HDR (Planned Unit Development – High Density Residential) and PUD-C (Planned Unit Development – Commercial) Districts.**

Shweta Bonn presented that staff report and described the scope, layout, and key elements of the proposal.

**THE PUBLIC HEARING WAS OPENED.**

John Pringle, E&S Ring, thanked the Commission and staff for all the effort and time put into this process for this site, which included starting at the Task Force level all the way through this evening. He stated that he has the full architectural team present: Ken Rodrigues, Project Architect, from Ken Rodrigues & Partners, Inc.; Rob Steinberg, Project Architect, from Steinberg Architects; Ken Busch, Development Manager, from Sares Regis Group, and Paul La Terre, also from the Sares Regis Group, as well as Frank Auf der Maur and Konrad Rickenbach, who have owned this site for over 30 years.

Mr. Pringle stated that their firm was founded in 1959; they own apartments here in Pleasanton and are extremely excited to be a part of this project. He presented a quick overview of the project, stating that Messr. Auf der Maur and Rickenbach were the original developers of the Bernal Business Park, the project site that was a former quarry location on Bernal Avenue and Stanley Boulevard, adjacent to a PG&E substation next to the BMX Park and Shadow Cliffs Regional Park. He displayed an aerial of the site and pointed out Tawny Park, located about 1,300 feet from the site, the adjacent Arroyo, and a trail that leads to the east on the south side of the Beth Emek Synagogue, which shares Nevada Court with the project site.

Mr. Pringle stated that the plan for the site is a luxury apartment building with the heaviest amenity load of any apartment community in Pleasanton. He indicated that they started their outreach process as part of the rezoning process and sent out over 3,400 invitations to property owners from a list provided by the City, and to various groups in the neighborhood. He added that they did another outreach in the last month and invited the people on the same list to come to a public meeting where the concepts for the development were unveiled.

Mr. Pringle stated that this project is going to be a LEED-rated community with terrific floor plans and larger square footages units with island kitchens, high ceilings, townhouse configuration; flats, junior one-bedrooms, full one-bedrooms within, two-bedroom/two-bath units, and three-bedroom apartments. He noted that the complex is loaded with amenities from outdoor cabanas, outdoor kitchen, inside display

kitchen, multiple private areas, game room, significant tot lot, and every amenity that could be considered put into a project of a larger scale.

Mr. Pringle stated that they have modified the site plan from when the Commission last saw it during the rezoning process, adding significantly more green space. He noted that the original concept was a three-story building in the three clusters with elements of two-story; and they have essentially come up with a thought process and an attempt to comply with the new Design Guidelines by taking the Bernal Avenue elevations down to two-story wrapping across from the Synagogue and where they have been able to relocate some of these apartments to a half fourth floor in the back of the property on the podium piece. He noted that they have also angled out the Cluster 2 podium and to enlarge the green space with numerous water features within this podium, essentially creating almost three acres of green. He added that they created a resident green space here where none was before, and the same in Cluster 1.

Commissioner Narum asked Mr. Pringle if they still plan to own all the retail, as they plan to own the apartments.

Mr. Pringle said yes. He stated that they would parcelize it and that their goal is to build this mixed-use project all at one time and own all of it.

Ken Rodrigues discussed the entrance component which is the retail portion. He stated that this project builds off of many of the successful things they, together with staff, did at Pleasanton Gateway: a lot of outdoor amenity spaces, a lot of open high-ceiling type units, a variety of architecture; and as noted in the staff report, two plans: one with a major drug store and a second with a little larger grocery. He noted that one of the reasons for the lot-line is that the larger majors typically need to be attached parcels, and what they have done is create a circulation space that starts from the public roadway, comes into the site, through the site, and back out, with some very nice pedestrian-friendly access. He further noted that they got a key component at this particular element in terms of architecture statement because there is a grade change on that site, and this is a really positive way to deal with that and enhance the site.

Mr. Rodrigues stated that the other thing they have created are these outdoor dining spaces, with parking located in the front, tenant entries located along the promenade, and then a strong connection to the retail component. He indicated that the gateway feature could be a very nice for the corner, up-lit at night and consistent with the architecture, which is quite varied with significant high two-story spaces and volume throughout the entire space, an arcade canopy, and entrances to the retail. He then displayed a slide of a street-view from Stanley Boulevard showing the larger major in a variety of different materials and textures, the shops beyond with an entry tower, and a brick and plaster building that would be located directly at the entrance at the corner. He stated that the materials are rich and varied, a combination of brick and stone veneer, plaster, standing metal roof, and metal awnings, with interesting lighting and up-lighting both in the courtyards and the buildings.

Finally, Mr. Rodrigues displayed a slide showing the entire connection to the residential community, entering from a vehicular standpoint, peeling off and pulling into the retail or back onto this highly textured urban plaza that doubles as a vehicular drop-off and a pedestrian plaza on both sides, with outdoor dining patios that would work directly off the restaurant tenants, and a large trellis feature with large landscaping, trees, and a water feature. He noted that this plaza might be similar to what they did at the Bernal Plaza, the Pleasanton Gateway project right on the corner, which is up-lit at night. He added that when the tenant spaces are leased, it will be a very attractive outdoor dining space for the climate in this area which is fantastic and conducive to this type of retail.

Rob Steinberg stated that one of their goals regarding the residential area is to develop not one project but a village; a collection of buildings, with each of the villages having its own personality, its own character. He indicated that they have made quite a number of changes working with the neighbors and with staff, such as a redesigning a lot of the internal streets so they meet the Guidelines, such that they are like public streets with parallel parking on both sides, plant strips, nice sidewalks, and very conducive to pedestrians. He noted that each of the clusters have quite generous open space and quite a bit of common open space for different types of activity that are shared between each of the villages that begins to link them together. He added that adjacent to the plaza and interface between the retail and the housing, they have added a large open space with both hardscape and softscape, places where people could go and throw a football or play soccer, benches and places to watch. This is an example in the upper left of one of the open spaces. He indicated that each of the villages has places for an outdoor fireplace, barbeque, fountains, seating, and a tot lot, and the open space is used for pedestrian linkage throughout the site connecting each of the villages.

Mr. Steinberg stated that one of the other major changes they have made is the building heights and the variety: one-, two-, and three-story buildings; very low around the perimeter; all two stories stepping to ones on some of the corners; stepping up to three stories with a combination of twos; an element of four stories way in the back, which will give a very nice sense and reinforce this idea of a village: different heights, different personalities; different kinds of open spaces for each of the villages.

Acting Chair Blank inquired if on Bernal Avenue, the buildings start off with two stories.

Mr. Steinberg replied that they are really pushing those heights up and down: from Bernal Avenue, the whole thing starts with two stories, then goes up to three stories, and then drops down to one story; and from Stanley Boulevard, it starts with two stories, steps up to three stories, and steps down to two stories. He added that both streets terminate on the centerpiece, the recreation and leasing building in the middle.

Acting Chair Blank noted that it might be interesting to see what it would look like if all the corners had one stories, the next ones step up as a two-story, and then up to the three stories, so a gradual transition might add some articulation. He added that it is difficult to tell without the visuals.

Mr. Steinberg replied that there is a difference between Stanley Boulevard and Bernal Avenue. He explained that on Stanley Boulevard, they have a corner one-story, three higher in the middle, and then two, such that instead of the building being symmetrical, it feels a little bit more organic. He continued that on the other side, they are really wrapping the majority with two-story, then drop down to one-story toward the cul-de-sac, where it terminates. He added that it is then counter-pointed by something that is three stories to get some variety. He noted that at the entrance, they are doing just as Acting Chair Blank stated: instead of going from one-story to two-story, it goes from two-story up to three, and then down to one, having that same kind of variety. He indicated that having one-story on Bernal Avenue would feel a little weak and might not hold the street as well as having a two-story.

Commissioner Pearce inquired why they chose to do four stories even though there is a little blip of four-story. She stated that she thought they would have taken that little bit of four-story and put it on the back to kind of extend that line of four-stories along the whole back side.

Mr. Steinberg replied that they did that for several reasons. He stated that this is their major activity pool space, and he likes holding that outdoor room with two equal sides, and he did think the four-story would be a little invasive and did not need to come over there. He indicated that he finds it more interesting to hold the four back, see the three, let the four peak-out and then, instead of just ending it so sharp, bring it around. He noted that this is a nice pedestrian entry so they are really framing, which the Guidelines say. He added that a bigger building should have a serious expression of entry, and having a four-story and then an opening and then a three story would feel lopsided.

Mr. Steinberg then touched a little bit on the character they are trying to achieve with the buildings and the massing. He stated that their goal is really to reflect the character seen in the other buildings here in Pleasanton: using the Craftsman, using wood, using detail; porches, enhancing the pedestrian experience with individual markers and a sense of individual entry to the units; brick in the richer material where people are close to it, and then expressing how the buildings meet the sky; having some ups and downs instead of just keeping it even so it is visually interesting. He indicated that one pod is of a different style than the other pods, which was done very deliberately for the same reason that there are some two-stories, some three's, some one's, and some four's, so that it feels like a village; and there is a hierarchy in the sense of character to each of the villages.

Mr. Steinberg stated that the Guidelines call for garage doors to be recessed two feet back from the plane of the building, and pointed out where they have garage doors flushed with the edge of the building. He indicated that there are a number of different strategies for de-emphasizing garage doors: one of them is to bring a low roof or a trellis to bring the scale down or bring your eye to a horizontal; and another is to change materials and accent and have different elements as part of the composition. He stated that it is his preference to take that sort of strategy to play down the garage doors rather

than to push and take two feet out of the living space. He noted that the impact to the quality of life for the residents will be better going in this direction. He added that they will use the same kinds of high-quality materials on the residential to tie the commercial so it feels like a village knitted together: brick, metal, and wood, materials that have shadow and texture to them that are going to wear well over a long period of time.

Commissioner O'Connor asked Mr. Steinberg to highlight the plan on the various roofs of the different villages.

Mr. Steinberg replied that all of the villages will have a heavy fiberglass shingle roof with texture that will have color differentiation between them. He added that the common building that ties in on that plaza and knits together the retail will have a standing seam metal roof similar to the commercial so that all the buildings and the clusters will have a common thread – whether it is the brick or roofing materials, or some of the wood or siding, but at the same time, have a differentiation between them.

Mr. Steinberg concluded by stating that he believes they we have a really outstanding and fabulous land plan. He indicated that they have worked with staff to craft the open spaces and the gardens to have a very unusual environment, and they have knitted these buildings together to have a really extraordinary residential mixed-use, sustainable community to add to the City.

Commissioner Pearce disclosed that she is a member of Beth Emek Synagogue and that she and Mr. Bob Russman met and engaged in discussions about this project.

Bob Russman, representing Beth Emek Synagogue Beth located across the street from the complex, stated that he met with the E&S Ring staff a number of times and had some very cordial conversations. He indicated that the Synagogue has two concerns:

1. Eight years ago, the City required Beth Emek to install a gate at the back which leads to the path going over to Shadow Cliff, and the same is being required of this project. The Synagogue found out that people then realized that they could park in the Synagogue's parking lot, go through a gate and get to Shadow Cliffs without paying the \$7 fee to get into Shadow Cliffs. So they put a lock on the gate, which was ripped open; then they put on three locks which were also ripped open shortly, and the ultimate was when somebody pulled down the entire fence with the gate so they could drive over to the back of the BMX Park. That all went away when the City built the new bridge over the Arroyo and there is a free gate to get in. Now everybody parks in the Synagogue's front parking lot at 7:00 a.m. or 8:00 a.m. and walks over the bridge. So it would not be necessary to require the applicant to put a gate back there as people who wish to go to Shadow Cliffs without paying the \$7 will use the guest parking and go through the new opening on the bridge.
2. There are two issues regarding Nevada Court: The first concerns the exit of the complex, and vehicles coming out perpendicular to the street would have their headlights shine right into the Synagogue's sanctuary, where services are held every Friday night between 8:00 p.m. and 9:30 p.m. If the exit is changed to face

the other way so the lights would shine where there is some good screening from trees, the headlights would probably not be a problem. The second concerns getting to the complex's entryway, which is close to the drop-off spot for teens and pre-teens going to school. This could be a problem if a vehicle comes around the corner to get into the entryway while children are being let-off and walking to the door to the school. This would be on Wednesday afternoons during rush hour and on Sundays, as well as a preschool which serves about 35 to 40 children. The recommendation is to have this as an egress only with no access from the other side to prevent any accident with children on this side of the street.

Mr. Pringle commented that to respond to Mr. Russman's concerns, the protocol would be to have staff do an operational traffic analysis to determine if what Mr. Russman anticipates is really impacted by the project.

### **THE PUBLIC HEARING WAS CLOSED.**

Commissioner O'Connor disclosed that he met with Mr. Pringle prior to the meeting and they were looking at some plans. He commented that he thought there were changes planned for the building architecture in Cluster 2, the Mission Cluster, and he did not see any in the plans submitted.

Mr. Pringle replied that they had received input on rooflines and arches and they are still exploring that before they come back before the Commission. He indicated that their intention is to keep the same envelope materials but change the arch configuration and alter the rooflines to create more variation and a little bit more connection between that and the Craftsman style.

The Commission then proceeded to discuss the Work Session Topics.

#### ***A. Would the Planning Commission support the requested exceptions if the project were to move forward as proposed?***

Commissioner O'Connor stated that he needed a better understanding of why they are not meeting the exceptions. He inquired how far off is what is being provided from what is required.

Ms. Bonn replied that the exceptions are stated starting on page 10 of the staff report. She noted that what is listed is what is required in the Design Guidelines, and the project in parts does not meet the exact dimensions required.

Commissioner O'Connor stated that he had not gone through this exception in detail, but in looking at it now, he does not see that they are off by that much.

Commissioner Olson inquired what the deviation is in numbers and how far off they are from what is required.

Ms. Bonn referred back to page 10 of the staff report, noting that, for example, Drive A, section drawing #7 has an 8-foot walk and a 12-foot landscape buffer for a total of 20 feet, which actually exceeds the total of 17 feet required by the Design Guidelines but does not follow the exact dimensions as required in the Guidelines. She continued that Drive B, section drawing #6 has a 12-foot wide section consisting of a 4.5-foot wide bio-retention zone, a 5-foot walk, and a 2-foot wide bio-detention zone, which again does not meet the exact dimensions required by the Design Guidelines but certainly meets the intent of having landscaping on either side of the sidewalk where it is adjacent to the project.

Commissioner Pearce noted that as she understands it, staff is supportive of this exception.

Ms. Bonn said yes.

Commissioner Olson stated that he does not have an issue with it.

Commissioner O'Connor stated that he does not either.

Commissioner Pearce stated she is fine with it. She commented that she thought the reason for the recessed garage doors was for appearance and requested verification.

Commissioner Narum replied that it was to break up the mass.

Commissioner Pearce stated that given what the applicant has said, she is comfortable with the garage door situation because they would be articulated in ways other than recession.

Commissioner Olson agreed with Commissioner Pearce.

Commissioner Narum stated that she served with Commissioner Pearce on developing these things and she feels they have met the intent in just a little different way. She added that it is something they did not think about, and the applicant are not just saying they want it all flush but are proposing alternatives with different materials and different looks, which she finds to be actually positive. She indicated that she can support this exception.

Commissioner O'Connor agreed. He stated that the two-foot recession is one way to break up the mass and that he would rather they have more than one way. He indicated that if the applicant will look at different ways of breaking up that massing, he thinks that would be better than having all garage doors at a two-foot recession.

Acting Chair Blank agreed.

Mr. Dolan indicated that other people have asked for this exception but have proposed different solutions that were not all the same, and staff ultimately does not have an issue with some variation from this guideline. He stated that what staff has seen before are requests for less than two feet or some combination of meeting the guideline and not meeting the guideline using these other techniques. He noted that to have 100-percent flush garage doors is not ideal, and having that with something else would be a lesser solution than a mix of approaches.

Commissioner Narum noted that the applicant proposed or showed some options, one with a little overhang, and another using a trim or different materials or lattice work. She asked Mr. Dolan if he felt that satisfied or met the intent of the Guidelines.

Mr. Dolan replied that there is a certain look that comes with the setback in terms of the shadow line, and what it does to what can be a pretty monotonous row of garage doors that is a little bit different. He added that he did not think 100 percent lattice work would be quite as effective either. He noted that the proposed exception does achieve the same objective at some level, but there are probably some key locations that would be better-off held to some setback of the door.

Commissioner O'Connor inquired if somewhat less than two feet might be one.

Mr. Dolan replied that there is nothing magical about two feet, but that is what was decided in the Guidelines. He added that staff would be happy to work with the applicant on what locations work.

Commissioner O'Connor commented that one of two things probably happens when the garage is recessed: either the square footage of the unit is reduced or the wall is pulled out to create the shadow line which might encroach into the driveway. He noted that trying to fit 30 units to the acre has been some work and that is why they have moved and done one row of four-story. He then inquired if problems may result from trying to and get another foot or two brought out.

Mr. Dolan replied that one of the best things about this project is that it is somewhat organic and there is not a lot of repetition of dimension and that is what makes it and will serve it very well. He indicated that he cannot make that universal statement and that staff will find some places where they are not going to hurt anything and still have a setback garage.

Acting Chair Blank stated that he finds the exceptions are warranted. He noted that it would be nice if there could be some recess, but the applicant could also come up with three different ways of mitigating the recession, maybe with the overhang, with some window trim, and with lattice work. He indicated that he senses there is some flexibility among the Commissioners as they all said yes to the first exception. He added that he is sure the applicant would be willing to work with staff and come up with some alternatives.

Commissioner O'Connor stated that he is fine with some recessions as long as they do not go down the path that they all have to be that way. He added that he is fine if there are some units where that can be done to create some differentiation but without having to do an entire building or one-third of the project that way; if it becomes one of the three ways to change the look of the garage doors and without major modification to the floor plans, or taking away from green space.

***B. Are the on-site circulation, parking lot, and positioning of the buildings acceptable?***

Commissioner Pearce stated that she is comfortable with the on-site circulation. She complimented the applicant on doing a good job of having internal streets and paseos as the Commission has requested. She added that she is also comfortable with the parking layout, and the positioning of the buildings looks fine. She noted that she liked how the buildings are grouped and is comfortable with that.

Commissioner Olson agreed.

Commissioner Narum also agreed. She indicated that she actually really likes the way they have been laid out.

Commissioner O'Connor agreed as well. He indicated his excitement with getting more green space and that they are above the minimum parking per unit. He complimented the applicant for doing a great job.

Acting Chair Blank stated that this is an exceptionally well-designed layout.

***C. Are the proposed on-site recreation facilities and amenities acceptable?***

Commissioner Narum stated that she heard music to her ears about places to throw a football. She indicated that she is pretty consistent about wanting these to have large enough green space for children to throw a football as well as the tot lot. She added that she is thrilled that the applicants have done a great job in distributing that through the development.

Commissioner O'Connor agreed. He indicated that having three acres of green space is fantastic.

Commissioners Pearce and Olson agreed.

Acting Chair Blank stated that one cannot argue with that.

***D. Is the treatment of the corner of Bernal Avenue and Stanley Boulevard (four stone pilasters and a low-profile stone sign wall arranged in a curve, with two ornamental trees behind the pilasters and sign wall) adequate?***

Commissioner Olson commented that it is hard to find anything wrong with this project, but he considers this as the weak point of the project. He indicated that it leaves him flat and thinks it needs a little more thought or creativity.

Acting Chair Blank inquired if it can look like the other ones the Commission has approved, which looked really cool.

Commissioner Pearce agreed. She noted that this is a gateway and would love to see a more detailed-oriented approach to the sign.

Commissioner Narum agreed. She stated that she actually has the renderings from the Pleasanton Gateway project, and that turned out so wonderful in reality. She indicated that this proposal makes her a little nervous; that in the depiction, it looks like two of the trees are floating and she has trouble getting beyond that although she know what the intent was. She suggested that they beef it up a little more or make it a little more dramatic.

Commissioner O'Connor stated that he does not have a problem with it but is open to some changes. He noted that thought this would be a great corner to do some enhancement on signage for the place but does not know where that would fit in. He indicated, however, that he is indifferent and could take it the way it is; that he does not think it is a major problem but enhancement can always make things look nicer.

Acting Chair Blank stated that he does not think it is a major problem but agreed with Commissioner Olson that it left him a little flat. He indicated that when he thinks about the other gateway and the rotundas that were done there, he thinks that it could also be done here, although he realizes this is not a round thing where people are going to go out and congregate necessarily. He added that there is a certain *je ne sais quoi* that is missing here, and if the applicants and staff can figure out what that is, that would be something to put in there.

***E. Are the residential building designs, colors, materials and heights acceptable?***

Commissioner Narum disclosed that she met with Mr. Pringle and Kathy Thibodeaux, project consultant. She then stated that she really likes Pleasanton Gateway. She indicated that she really likes two of the three villages and the renderings, but she is still not bawled over with the building with the arches. She noted that in her neighborhood, there were houses built with the arches across the front that are now all being taken out and modernized with columns and interesting treatments. She added that the other thing that bothered her, and Mr. Pringle alluded to it, is that the building was kind of all one-dimensional, one big long building with one roofline with these arches in front of it,

with no variation of roof line and no real articulation such as a bay window or parts of it moving in and out. She stated that the two other buildings are gorgeous and that she would like to see some work done on that other one.

Commissioner Olson stated that he does not have any issues all the way across. He indicated that the idea of putting four stories in the back is terrific and does not really have an issue with the arches. He added that it lends to variety and this project has a lot of variety.

Commissioner Pearce stated that she feels like some of the detail has been lost or stripped away and that there was going to be more detail and articulation in these buildings. She added that she could not tell what it is and maybe she needs better visuals, but she finds that it looks very flat. She noted that, again, she might be fine with this in other parts of town, but as a gateway on a very prominent corner, she would like to see as much articulation and detailing as possible, especially on the buildings on Bernal Avenue and Stanley Boulevard. She added that that goes for the commercial, as well.

Commissioner O'Connor stated that his concern is not that they were using arches but that it was this repetition of lots of arches. He indicated that he wants to see some differentiation between these villages so they were on the right path, but he is not certain if all of the arches worked as well, although he can live with them too.

Acting Chair Blank stated he does not have a problem with the arches, but the roofline kind of looks like a retirement home with arches put on the front. He noted that overall, the building designs are fine; however, this is a gateway, and if there is a poster child of what he lovingly calls "the Pleasanton look," this has got to be it. He indicated that there ought to be much more articulation in some of these. He added that he is not suggesting to have one-story on Bernal Avenue, but he would really like to see the corners of all these buildings to be one-story, the next one over be a two-story, and then go to the three-story so it is a step up with some articulation along the way. He stated that it would lend a more open-space and airy feeling between the corners of the building.

Commissioner O'Connor asked Acting Chair Blank if he is suggesting more symmetry.

Acting Chair Blank said no, not all of them. He suggested that they could have maybe one-story, then two units that are two-story, and then go to the three-story. He noted that it may just be the articulation issue. He invited the applicant to comment.

Mr. Steinberg stated that he is encouraged by the Commission's comments in general and that they should probably focus on the design itself. He indicated that the drawings could use some enhancement. He noted that there is more work to be done on those and that they will work on that for when they come back before the Commission.

Mr. Steinburg stated that based on the comments, he would like to talk about the mission revival building, the arches and the roofline; and the stepping. With respect to the mission revival building and with both buildings, he stated that their thought was to take the elements they see in the buildings in Pleasanton; not copy them literally but take those components and see if they could make them a little more contemporary while using all of the pieces. He noted that they may have been more successful with the Craftsman style than with the mission, although there is the suggestion with the Craftsman to break it up and have variety and articulation and smaller pieces and good detail. On the other building, he stated that it might be interesting to not try to do the same thing but just do it in stucco. He noted that there is some merit and it was intentional, and if it was a bad idea, they can let go of it to have repetition and to not have everything so different. He indicated that it would add some of the richness to this. So that is one comment.

Mr. Steinburg stated that their design team had a discussion about the arches, how it started and was repetitive, and they found them very powerful in the way that it counterpointed the Craftsman and the break-up. He continued that they then started to water it down a little and they had some arches and some squares. He indicated that he was not sure that helped or if they would be better off making it all the Craftsman or making it more different. He noted that there is some more exploring to do, but he wanted to plant the seed with the Commission that maybe the repetition, particularly if they got the right thing they were repeating with the right kind of detail, it might actually be a positive.

Acting Chair Blank stated that he understands the applicant's rationale for what was done but that he gets the sense from the Commission that there is a need for more articulation. He added that his sense is that they are not quite with the applicant yet.

Acting Chair Blank stated that he does not think they will come back for another Work Session before the public hearing and suggested that they make an investment in high-quality motion visuals because it really helps the Commission, the City Council, and the public to truly understand what they are dealing with, and projects that have made that investment up front have found great success.

Mr. Steinberg replied that they would be happy to do that. He then addressed the matter of stepping, noting that he believes they are really pretty close in most of their thoughts on how they are approaching this. He asked for a little flexibility and a little trust on the stepping, stating that there are many ways to do the stepping. He noted that the most predictable and expected is to incrementally step up in the most logical order, but sometimes with art, having some variation on it can add some richness.

Commissioner O'Connor stated that he likes it the way it is.

Commissioner Olson agreed.

Acting Chair Blank clarified that he was not asking for more symmetry. He indicated that it was fine the way it is and that it is an articulation issue.

Mr. Steinberg stated that they will continue to work on this and will come back with very good graphics.

Mr. Dolan stated that he would like to plant the seed in terms of the architecture. He stated that the most powerful graphics that are submitted and the ones that make the most impact on him when he looks at them are the elevations that are submitted, and he asked the Commission to remember that they will never see those elevations in real life: you cannot see it, you think it stretches the amount, it flattens them out, it does not give you a good idea of what articulation is provided in the current design. He added that if you take that architecture and go back to the site plan, and you recall how the building was pulled out to sit at an angle, it gives it a whole different look as well. He indicated that this is something to remember when reviewing these things, and it lends credence to Acting Chair Blank's comments about perspective visuals and things that can give you a better idea of what you will really be able to see because elevations are a technical tool for showing a design, but they are not a very good tool for showing what it is going to look like.

***F. . Are the commercial building designs, colors and materials, and heights acceptable?***

Commissioner O'Connor said yes.

Commissioner Narum stated that she absolutely loved the way the Pleasanton Gateway came out when the Commission worked through that. She indicated that this is a little bit flat and that it possibly is the level of detail.

Commissioner Pearce agreed with Commissioner Narum.

Commissioner Olson stated that he is fine with it.

Acting Chair Blank stated that he is generally fine with it. He indicated that when he first saw it, he had the same impression as that of Commissioner Narum, but he told himself this is a workshop and they do not have the details.

***G. Does the Planning Commission have any comments on the uses proposed in Exhibit A?***

Commissioner Olson stated that he reviewed the list twice in addition to the items at the end that are also requested. He indicated that it is a good list and that he does not have any problems with it.

Commissioner Pearce stated that she reviewed the list and it is fine. She expressed some concern about health clubs and requested more information about them. She

noted that she does not know what the parking requirements are for health clubs but feels like it is a more intense use for a permitted use as opposed to a conditionally permitted use.

Commissioner Narum agreed that is a fair question. She noted that the Commission had considered a couple of health clubs in the community where there were parking issues and they were conditionally approved. She indicated that she would rather see this one as conditionally permitted on the parking compared to whatever else ends up being retail in that complex.

Commissioner O'Connor stated that from a business perspective, these are tough times. He indicated that the Municipal Code has a section with some prohibited uses and some conditional uses such as a used clothing store. He noted that he was fine with just meeting the City code and thinks this needs to be left open so people have options when things are tough, and the last thing they want are vacancies in the centers. He stated that it is not good for the City, and it is not good for the center. He added that he does not think a whole lot should be prohibited and that he is fine with the list.

Acting Chair Blank stated that the only comment he has on the list is on item 34, which he thought was a little general. He noted that on-site manufacturer is very vague and could be anything from a guy sitting in a workshop putting together some hand-crafted stuff, which he would be fine with, to some big noisy banging machine such as a cannery. He suggested that staff provide more clarification so it is not too vague.

Commissioner Narum inquired if the Commission is fine with items 44, 45, 46 and 47 being permitted instead of being conditionally permitted, with the exception of the health club.

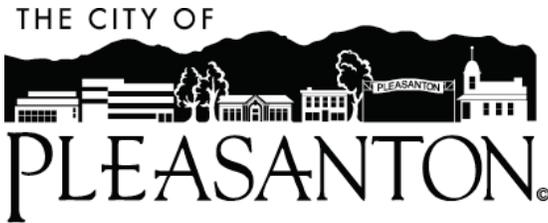
Acting Chair Blank said yes. He then asked staff if they have what they needed.

Commissioner Narum indicated that she has one more question about the project that was not on the list. She inquired if bicycle connections, lanes, and traffic matters have been considered in here so that people using bicycles are appropriately signed and laned.

Commissioner O'Connor inquired if there are facilities for this.

Commissioner Narum stated that she was thinking more about traffic circulation.

Mike Tassano said yes. He stated that in the areas of A, B, C and D, the lane widths are relatively narrow, and as on several City residential streets, these do not commonly have striped bike lanes on them. He noted that traffic along these streets does not usually go two ways at the exact same time, so cyclists usually just use the roadway there. He added that there will be bike lanes on Stanley Boulevard and on Bernal Avenue and Tawny Drive once they leave the development.



# **EXHIBIT D** Housing Commission Agenda Report

May 16, 2013  
Item 07

**SUBJECT:** Approval of an Affordable Housing Agreement with Ring Financial, Inc., for a 345-Unit Apartment Development at 3150 Bernal Avenue (PUD-87)

**STAFF RECOMMENDATION:** Review the attached Affordable Housing Agreement (AHA) and recommend its approval by the City Council

- ATTACHMENTS:**
1. Recommended Affordable Housing Agreement
  2. HUD 2013 Income and Typical Rent Levels

## **BACKGROUND**

Ring Financial, Inc. has submitted for a Planned Unit Development (PUD) application for the development of a 16-acre site at the southeast corner of Bernal Avenue and Stanley Boulevard. Because the proposed development exceeds 15 units it is subject to the City Inclusionary Zoning Ordinance (IZO) requiring an affordable housing agreement. This particular site is 1 of the 9 sites rezoned in January 2012 for high-density multifamily development in order to meet the City's share of the regional housing need.

**Site Location Map**



The proposed project will include 345-residential units on approximately 11.5-acres and approximately 38,781-square-feet of commercial space on approximately 4.5-acres of the total 16-acre project site. The project characteristics are outlined below.



The 345 residential apartments would be dispersed between three clusters. Cluster 1 will be located near the northeastern portion of the property and will consist of 94 apartment units (Buildings B1, B2, C1, C2, D1, D2, E1, and E2), Cluster 2 will be located near the southeastern portion of the property and will consist of 166 apartment units in a podium style building (Building A), and Cluster 3 (Buildings B3, B4, C3, C4, D3, D4, E3, E4) will be located near the southwestern corner of the property and will consist of 85 units. The density of the residential portion of the project is 30 units per acre (345 units on 11.5 acres).

Residential units include 21 junior one-bedroom units (approximately 650-gross square feet), 135 one-bedroom units (755-gross-square-feet), 20 one-bedroom with den units (880-gross-square-feet), 53 two-bedroom units (1,075-gross-square-feet), 44 two-bedroom-split master units (between 1,115-1,132-gross-square-feet), 15 two-bedroom plus den (1,230-gross-square feet), 8 two-bedroom carriage units (1,205-gross-square-feet), 26 two-bedroom “townhome” units (1308-1390-gross-square-feet), 19 three-bedroom units (1,250-1,510-gross-square-feet), and 4 three-bedroom with den units (approximately 1,440-gross-square feet).

The commercial portion of the project consists of a total of four buildings with a final configuration as part of the review and marketing process. The tenancy could include a pharmacy, grocery or other anchor use.

A separated sidewalk is proposed along Stanley Boulevard and the southern half of the property's frontage on Bernal Avenue. A monolithic sidewalk is proposed along the northern half of the property's frontage on Bernal Avenue. Two bus stops are proposed, one each along Bernal Avenue and Stanley Boulevard. Community amenities are located near Clusters 1 and 2, near the center of the site. An approximately 2,200-gross-square-foot leasing office and business center will be located in the center of the three clusters, off of Drive B. An approximately 2,008-gross-square-foot community room will also be located in the same area. Floor plans of these common areas are on Sheet A-19.

**DISCUSSION**

As part of the May 1 joint Housing Commission and City Council workshop, the Council endorsed staff pursuing a flexible model for attempting to achieve affordable rent restricted units in new residential rental developments. As such, it encouraged all to attempt and strive to meet the IZO in a flexible, negotiated way recognizing the fact that the City has multiple interests it is trying to address, including parking, school impact needs, and affordable housing, all of which fuel the outcome of negotiations. Based on this direction, staff has focused its efforts on pursuing creative options for meeting long term affordable housing needs.

As a point of reference, since the Urban Habitat Settlement Agreement and approval of updated General Plan Housing Element, the City Council has approved three apartment rental developments with the following affordable components:

**Summary of Recently Approved Apartment Developments**

<b>Development</b>	<b>Total Units</b>	<b>Affordable Units</b>	<b>Percent Affordable</b>	<b>Description</b>
BRE Hacienda	506	76	15%	All units at 50% AMI
California Center	305	46	15%	8 @50% AMI; 15@80% AMI; 23@100 AMI
St. Anton	168	35	20%	All units at 50% AMI; potential for additional 100% AMI units pending final IUC credits disposition

In view of the City Council's direction at the joint workshop, staff's negotiation with Ring Financial included a range of concepts intended to offer various ways of meeting the intent of the IZO. As an outcome of the negotiations, a recommended draft Affordable Housing Agreement (AHA) has been prepared. A listing the AHA's most notable terms are as follows:

- Provide 52 units (15% of the total units) as rent restricted affordable units as follows:

**AHA Affordable Unit MIX**

Unit Type	Unit Mix for Affordable Units				
Unit Type	50% AMI	80% AMI	100% AMI	Total	%
Studio	6	2	8	<b>16</b>	31%
1-Bedroom	3	4	5	<b>12</b>	23%
2-Bedroom	1	6	7	<b>14</b>	27%
3-Bedroom	0	5	5	<b>10</b>	19%
<b>Total</b>	<b>10</b>	<b>17</b>	<b>25</b>	<b>52</b>	100%

- Unit household sizes for determining rents will be consistent with standards used typically in the City’s AHA’s. (Section 1(B) of the AHA)
- The agreement will be recorded with the land and remain affordable for perpetuity.
- Requires the development to accept Section 8 housing vouchers from eligible qualified applicants.
- Affordable units will be marketed by the developer and rented based on the City’s adopted preference system.
- One of the affordable 1-bedroom units, one affordable 2-bedroom units and one affordable 3-bedroom units shall be fully accessible for the physically disabled. Unit design shall include amenities such as grab bars, modified case work and bathroom facilities and other amenities deem significant for disabled access. *(Note the language related to this requirement (Section 3 of AHA) has been modified to address concerns raised by the City Council during the St. Anton project review. Basically, the new language further defines the types of modifications anticipated and provides that a disabled unit must be marketed for a period of twenty-one days before it may be made available to non-disabled tenants. Further, should a disabled unit be rented to a non-disabled tenant and subsequently a qualified disabled applicant becomes available, the developer shall attempt to facilitate a relocation of the non-disabled tenant to a market unit.)*
- In lieu of providing the 52 rent restricted units, the developer would pay an in-lieu fee of \$4,500,000. The option of paying this fee or providing the units resides with the City and must be determined within 45 days of the developer notifying the City that it intends to apply for a building permit.

Regarding compliance with the Inclusionary Zoning Ordinance’s (IZO), the unit mix meets the requirement that 15% of the units be rent restricted. It does not however, fully meet the IZO’s requirement that all for the affordable units be affordable to very low (50% AMI) and low income

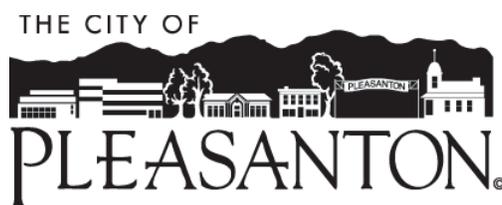
(80%) of the Area Median Income. Nevertheless, it is consistent with the AHA approved previously by the City Council for the California Center development and staff assumes that this level of affordability will be consistent with Council expectations for this project. All other items, including perpetuity, the disbursement of affordable units throughout the development, etc. are consistent with the IZO.

Regarding compliance with the City's Housing Site Standards and Design Guidelines which stipulate that 10% of the affordable units will be 3-bedroom units and 35% will be 2-bedroom units, staff views it as a positive that there is a higher than required number of 3-bedroom units and in fact encouraged more 3-bedroom units over 2-bedroom units during the negotiation process. In general, this approach is based on staff's observation that there is a higher demand for 3-bedroom units. Overall the number of three and two bedroom units is equivalent to the combined 45% required in the Housing Site Standards and Design Guidelines.

Regarding the option for the developer to pay an in lieu payment of \$4,500,000 rather than providing affordable units, staff supports this alternative primarily because it could provide the City with all or a significant portion of the funding needed to develop, or assist in developing, an additional affordable project with deeper levels of affordability provided in this project. Further, it could be used to develop programs or other options for creating housing for lower income households. In addition, the Commission may recall that the City has committed \$8 million of its Lower Income Housing Fund to the Kottinger Place development project and this in lieu payment would represent a significant contribution toward replacing those funds for future uses. The in lieu fee equals \$13,043/unit which is significantly more than the existing lower income housing fee of \$2,655/unit. The amount was arrived at based on negotiations between the parties and reflects that the new lower income housing nexus study may potentially result in a higher fee amount. However, the payment amount is not tied to any adjustments, or lack thereof, that comes out of the nexus study. Staff anticipates that the City Council will make a decision regarding its selection of fee versus units in accordance with the AHA's timeline.

As outlined in the IZO, the Housing Commission's role is to recommend the City Council accept, reject or amend the terms of the attached AHA. The Commission may also make recommendations to the Planning Commission concerning conformance with the IZO. However, the Planning Commission does not have an identified role in determining project affordability, and therefore, any such recommendation would be related project planning issues as they relate to affordable units. Based on review of the overall project site plan, staff has not identified any concern regarding building or site design that impact affordability. Should the Commission reject the recommend AHA, staff recommends that it provide detailed feedback to the City Council for consideration as part of its development review. A request for specific amendments may also be discussed and forwarded to the City Council.

Overall, staff's opinion it that the draft AHA provides the type of flexibility the City Council requested as part of the joint workshop with the Housing Commission and is consistent with the type of development being proposed by Ring Financial and therefore, it recommends approval of the agreement.



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Housing Division (tel. 925-931-5007; fax 925-931-5485)

## **2013**

### **Applicable Income and Rent Limits for Below-Market Rent (BMR) Apartments**

(revised annually by City)

Persons in Household	MAXIMUM ANNUAL INCOME:				
	120% (Moderate)	100% (Median)	80% (Low)	60% (Low)	50% (Very Low)
<b>1</b>	\$74,950	\$62,450	\$49,950	\$37,450	\$31,200
<b>2</b>	\$85,650	\$71,350	\$57,100	\$42,800	\$35,700
<b>3</b>	\$96,350	\$80,300	\$64,200	\$48,150	\$40,150
<b>4</b>	\$107,050	\$89,200	\$71,350	\$53,500	\$44,600
<b>5</b>	\$115,600	\$96,350	\$77,050	\$57,800	\$48,150
<b>6</b>	\$124,150	\$103,450	\$82,800	\$62,100	\$51,750
<b>7</b>	\$132,750	\$110,600	\$88,500	\$66,350	\$55,300
<b>8</b>	\$141,300	\$117,750	\$94,200	\$70,650	\$58,850

Size/Type of Unit	MAXIMUM MONTHLY RENT:				
	120% (Moderate)	100% (Median)	80% (Low)	60% (Low)	50% (Very Low)
<b>Studio</b>	\$1,874	\$1,561	\$1,249	\$936	\$780
<b>1 BR</b>	\$2,141	\$1,784	\$1,428	\$1,070	\$893
<b>2 BR</b>	\$2,409	\$2,008	\$1,605	\$1,204	\$1,004
<b>3 BR</b>	\$2,890	\$2,409	\$1,926	\$1,445	\$1,204

#### NOTES:

Derived from the Oakland Primary Metropolitan Statistical Area (PMSA) most recent median income level for family of four (\*). The Oakland PMSA includes Alameda and Contra Costa counties. Maximum annual income and monthly rent levels are shown for five different income categories: 1) 120% of median, 2) 100% of median, 3) 80% of median, 4) 60% of median, and 5) 50% of median. The maximum annual income level is determined by the number of persons in the household. The applicable maximum rent level is determined by the size and type of the rental unit and assumes 30% of the monthly household income for housing.

(\*) Department of Housing and Urban Development (HUD); \$89,200; 12/11/2012