PLANNING COMMISSION MEETING MINUTES

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

APPROVED

Wednesday, August 13, 2014
(Staff has reviewed the proposed changes against the recorded proceedings and confirms that these Minutes are accurate.)

CALL TO ORDER

The Planning Commission Meeting of August 13, 2014, was called to order at 7:00 p.m. by Chair O'Connor.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by the Commission.

1. ROLL CALL

Staff Members Present:	Brian Dolan, Director of Community Development; Adam Weinstein, Planning Manager; Julie Harryman, Assistant City Attorney; Jennifer Wallis, Associate Planner; and Maria L. Hoey, Recording Secretary
Commissioners Present:	Commissioners Nancy Allen, Greg O'Connor, Gina Piper, and Herb Ritter
Commissioners Absent:	Commissioner Jack Balch

2. APPROVAL OF MINUTES

a. July 23, 2014

The consideration of the July 23, 2014 Meeting Minutes was continued to the August 27, 2014 meeting due to lack of a quorum of Commissioners in attendance at that meeting.

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

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

4. REVISIONS AND OMISSIONS TO THE AGENDA

Adam Weinstein advised that there were no revisions or omissions to the Agenda.

5. CONSENT CALENDAR

There were no Consent Calendar items for consideration.

6. PUBLIC HEARINGS AND OTHER MATTERS

a. P14-0829, Greg Munn, Design Tech Associates/George and Mary Schmitt
Application for Administrative Design Review approval to undertake the following to the existing dwelling located at 554 Hamilton Way: (1) construct an approximately 781-square-foot single-story addition to the rear of the house; (2) construct an 88-square-foot, 13-foot, 6-inch tall covered front porch; (3) construct an approximately 614-square-foot second-story addition with an approximately 177-square-foot second-floor deck; and (4) change the overall roof pitch of the home including raising the height of the ridge line and peaks by 1-foot, 9-inches to 7-feet, 4-inches. Zoning for the property is R-1-6,500 (One-Family Residential) District.

Jennifer Wallis presented the staff report and described the scope, layout, and key elements of the application.

Commissioner Allen inquired if the property had room for a single-story addition, should that be an option.

Ms. Wallis said yes. She stated that the lot size would meet the Code requirements for a single-story addition; however, it would be the purview of the applicant to figure out if the design would accommodate all the needs the property owners are looking for with the addition.

Chair O'Connor inquired what was in the yard and if it has a swimming pool and landscaping.

Ms. Wallis said yes.

Commissioner Ritter inquired if there is any zoning in the City that prohibits second stories from being built.

Ms. Wallis replied that there are no straight-zoned properties within the City that prohibit second-story additions, but properties in Planned Unit Developments are individually designed and do have individual development standards.

Commissioner Ritter inquired if any application for remodel would typically be submitted to staff, and if it meets the Code and no neighbors object, it would be processed on the staff level.

Ms. Wallis replied that was correct.

Commissioner Ritter further inquired if it would come before the Commission if the neighbors object.

Ms. Wallis said yes.

Chair O'Connor stated that he is aware that the City does not typically review Covenants, Conditions, and Restrictions (CC&Rs) and noted a comment in the staff report that the CC&Rs for the subdivision included a prohibition on second stories at one point, but that the CC&Rs had expired. He asked staff if they understood that to be the case.

Ms. Wallis said yes.

Chair O'Connor inquired if staff knew when the CC&Rs expired.

Ms. Wallis replied that staff does not have the actual CC&Rs and does not know when they expired. She added that staff became aware of the existence of the CC&Rs through a research of past Minutes and previous reports; however, staff did not keep a copy of the document.

Chair O'Connor stated that the reason he is asking is because it seemed like he saw some conflicting information about how many homes were actually remodeled with second stories or how many homes with second-stories there are. He pointed out that in one place it said there were two homes, but the map of the area shows six homes. He asked staff for a clarification on how many two-story homes there are in this subdivision.

Ms. Wallis stated that the map shows how many two-story homes currently exist in the subdivision. She explained that it is difficult to tell from building permit records exactly how many of these homes were originally constructed as two-story homes versus how many were constructed as single-story homes and then came back for second-story additions.

Mr. Weinstein stated that until the 1980's, the Zoning Ordinance did not require a design review process for single-family residential additions, which might account for some of the discrepancies between the City's building permit records and what was built in that neighborhood.

Chair O'Connor stated that he was assuming that because the CC&Rs prohibited second-stories when they were initially written, the six homes must have added their second-stories at a later time.

Ms. Wallis replied that could be the case.

Commissioner Allen stated that she was out on the property yesterday and it appears like the existing second-story homes are not on Hamilton Way but at the very back or at the court, around the perimeter of this development. She asked staff if that was correct.

Ms. Wallis confirmed that there are no second-story homes on Hamilton Way and that Commissioner Allen's assumption would be valid based on the map.

As a follow-up to Commissioner Ritter's question on precedents and how second stories were handled in the past, Commissioner Allen noted that the staff report states that there were two occasions in the past 20 years where owners did come forward with proposals to build a second story and those were deferred. She asked staff to clarify what did happen when these proposals had come forward and what the resolution was.

Ms. Wallis replied that in the first case in 1999, the application went all the way to the Planning Commission as well as to the City Council, and the City Council continued the item and directed the applicant and neighbors to try and resolve the issue. She indicated that the applicant never came back, and no single-story or two-story addition was ever constructed on that home.

Ms. Wallis continued that the second proposal in the 2000's was likewise appealed all the way up to the City Council. She explained that one Councilmember was absent, and because the vote was a 2-2 split, the item was continued to a future meeting. She indicated that prior to the second City Council meeting, the applicant withdrew the application so no final decision was ever reached either. She added that at that point, the applicant came back and voluntarily submitted for a single-story addition.

Chair O'Connor inquired if there are any view easements in this area.

Ms. Wallis replied that she is not aware of any.

THE PUBLIC HEARING WAS OPENED.

Greg Munn, Principal of Design Tech Associates, representing the applicants, stated that he was hired by the Schmitts to design an addition and remodel to their home. He indicated that he had heard a little bit about the underlying issues regarding two-story

additions in the area, but he went down to the City Planning Division and checked the regulations and zoning ordinance regarding height limits, square footage, and lot coverage. He stated that they went to great lengths not to put windows on either side and in the front so the house looks like a one-story building; they put a loft up there under the roof.

Mr. Munn stated that there is probably a solution to this without having to redesign the house. He noted that the property at the back, where he thinks the issue is, has really high bushes that, if trimmed down, would provide as much or even more of the ridge view than what it currently has. He asked the Commission to take that into consideration in its decision and to note that they followed the City's rules and regulations in designing the additions.

Chair O'Connor addressed the audience indicating that each speaker would be given five minutes, and those in the audience who agree with the speaker can raise their hands. He requested that the audience be a little more subdued with no cheering or laughing or smirking.

John Toms stated that he became acquainted with the neighborhood when he visited in 1987 and subsequently purchased his home in 1999. He indicated that one of the reasons he bought in the area is because of the neighborhood's absolute uniqueness with primarily moderately-sized one-story ranch-style homes in large lots, providing this feeling of privacy that prevails throughout the neighborhood. He pointed out that the lots are large enough to allow for a compromise as far as adding upward instead of going out, and can accommodate one-story additions without the front of Hamilton Way seeing a double story. He stated that he spent 30 years in construction and energy in LEED recently, and he has always found that problems like this can always be solved through compromise and accommodation, and he thinks this is what needs to be done here.

James Connors stated that he has lived in the area since 2002 and has a business in town. He indicated that he knows most of these people because he walks his dog every day for about an hour through those neighborhoods. He stated that he is not sure if he is just a little underwhelmed or overwhelmed. He noted that the house he bought is in Rose Point, and he is not sure if there is just Rose Point or Carriage Garden or if it is just one big community where the streets just wrap around. He pointed out that the house he bought has a big two-story house right behind it that looks right down his backyard, and Hanover Court, which is in the Rose Point community, has a big two-story house as well. He noted that these are big structures and asked where the arguing was when these houses went up. He pointed out that what the Schmitts are proposing is not intrusive. He added that he honestly does not understand all the hubbub and that people need to get calmer heads.

Dolores Bengtson stated that she lives right next door to the Schmitts' property. She indicated that she appreciates the opportunity to speak to the Commission on this issue and thanked the Planning staff for their patience in answering her questions and

spending time to visit her home and view the proposed remodel. She also thanked George and Jennifer Schmitt for their willingness to put up the story poles.

Ms. Bengtson stated that much of what she has to say is repetitive of her letter to the Commission, she will try to be brief and only cover only the important points. She then handed the Commissioners two sets of photos to review: one set is of three neighborhood homes; and the second set of two is from her backyard, one with story poles and the other with a simulate roof of the remodel.

Ms. Bengtson stated that she has lived in her home since 1986, and one of the primary reasons she purchased her home was the west-facing backyard which provides an open and lovely view of Pleasanton Ridge, exactly framing Augustine Bernal Park. She indicated that over time, she has landscaped her garden to provide privacy to the Schmitts' one-bedroom window facing her yard and to mask the Schmitts' storage shed adjacent to their common fence, but leaving the mid-area open to the ridge view.

Ms. Bengtson stated that she will not dwell on the character of the neighborhood or the effort of the neighbors to maintain their homes as one-story, as the staff report covers that completely and she believes the Commission has received other input regarding that issue. She indicated that the scope of the design review criteria provides a guideline for evaluating projects, and in her opinion, the proposed project fails to meet several of the criteria: it is not in scale with the adjoining buildings; the contemporary architecture design is not compatible or in harmony with the ranch style of the adjoining buildings; and it is not consistent with the neighborhood character. She noted that the three photos she handed the Commission of the neighborhood homes show the architectural style and scale of the existing homes in the neighborhood.

Ms. Bengtson stated that the proposed remodel does not preserve the view she enjoys and, in fact, will result in the nearly complete loss of the view from her backyard, replacing that view with roof mass. She referred to the two photos of her backyard showing the impact of the proposed remodel on her property and noted that the architect's thought that cutting back the shrubs will do the job is not correct. She noted that the remodel will result in a long, narrow strip of land on the east side of the Schmitts' property, at times just seven feet in width, thus limiting their option for landscaping. She further noted that it would then seem that the only way to mask the roof mass would be from her property, requiring complete re-landscaping of her yard, plus years of plant growth to be successful. He indicated that she finds that solution unacceptable.

Ms. Bengtson stated that in an earlier email, Mr. Schmitt noted that his remodel will increase everyone's home value in a positive way. She indicated that she lives in her home, and the enjoyment of her home does not reside in its resale value, but rather in the satisfaction she receives indoors and out. She suggested that in the case of her home, a realtor might question the value of an upscale home next door increasing the value of her home when the roof mass of that upscale home blocks an open view to the ridge. She stated that somehow, she thinks a view of the ridge trumps a next-door

upscale home. She indicated that Mr. Schmitt has recently visited her home to view the story poles, and while they may not agree on the extent of the impact of the proposed remodel on her home, they can agree that it is difficult to find a solution that works. She noted that the Schmitts have been good neighbors and that she hopes they can arrive at a mutually satisfactory solution. She pointed out that staff recommends two options for the Commission's consideration and that she supports either option. She then sincerely thanked the Commissioners for their time and attention.

Daniella Karo stated that she has been a resident of Pleasanton since 1968. She indicated that she and her husband worked at the Lawrence Livermore National Laboratory then, and they decided that Pleasanton would be a good place for them. She noted that they were among the first two or three people who came to Rose Point and that they liked the area specifically compared with the valley for the fact that all of these homes were supposed to be one-story homes on relatively large lots, which guaranteed that they would have privacy in building there. She added that they did have some CC&Rs which may have expired at some point, and she does not understand why they were allowed to expire.

Ms. Karo stated that she personally experienced the same thing that Ms. Bengtson is going through. She indicated that she lives in a cul-de-sac, and in the early 2000's, her next-door neighbors decided to build a second-story addition, which they did not agree with. She stated that she went around the neighborhood asking neighbors how they felt about it, and they gathered a lot of signatures from those who were completely against the second-story addition. She noted that what ultimately happened was that her wonderful next-door neighbor was very sensitive to the way the neighborhood felt about the addition and how their quality of life and the value of their homes were going to be impacted, and decided to withdraw the application for a second story and built a very lovely extension on one-story level surrounding the swimming pool area, which they are very happy about.

Ms. Karo stated that she also suffered the effects of a second-story addition that went up right behind her lot and which went up literally overnight during the summer when most of the neighbors were vacationing. She indicated that they were not given any advanced notice that this was going to happen, and the second story was already up there when she came back from vacation. She noted that this created a great uproar in the neighborhood. She added that the house, as it is built right now, does not fit in the neighborhood, and she is still fighting to keep privacy from the impact of that second story. She urged the Commission to maintain the quality and ambience of Rose Point, which is primarily a single-story neighborhood. She indicated that she knows, with an aging population, that there is a great need for second stories, but that whatever increasing value that goes to the next-door neighbor's addition of a second story will negatively impact the value of the houses neighboring that change.

Charles Meier read from a written statement as follows:

"I am here to address the proposed second story addition to the Schmitt's house at 554 Hamilton Way.

"First, I would like to say thank you to the staff of the Planning Commission for sending out notices to all of the Rose Point residents. This is a request I made to the Planning Commission in 2005 on a proposal for a second story addition to another Rose Point residence.

"The residence in this case is different, but the issue is the same – the addition of a second story.

"For those not familiar with the Rose Point area, like other unique architectural areas of Pleasanton such as Second Street, there is an architectural character which is dominated by modest single story homes. This characteristic differentiates Rose Point from most other areas in Pleasanton and makes it more valuable to existing homeowners and potential buyers.

"In support of their second story request, the Schmitts have pointed to second story homes in nearby Carriage Gardens and behind them on Diamond Court. Those areas are not part of Rose Point. Carriage Gardens and the Diamond Court homes were built much later than Rose Point and purchased by buyers who clearly understood they were moving into an area of second story homes. Such is not the case with Rose Point residents.

"Rose Point residents have come to enjoy a neighborhood of predominantly single story homes, affording a level of privacy ***which is rapidly disappearing in today's housing market.*** *I say predominantly single story because there are a few two story homes along the west side of Arlington Drive where, with one exception, their backyards face Sunol Boulevard. Since the construction of Rose Point, only one single story addition has been approved, and that more than 20 years ago despite a number of applications through the years. That approval, in fact became a sore point with backyard neighbors. Initially built without second story windows facing neighboring backyards, windows were later added with trees to mitigate the view of the neighbors backyards. Later the trees were cut down. Lesson: Design restrictions and mitigation measures cannot be assured long term.*

"The last application for a second story addition, in 2005, was opposed by more than 40 Rose Point residents that understood second story additions deprive them of their existing privacy which was a significant factor in choosing their home. No one with a pool or outdoor area wants a neighbor standing on a stool peering over the fence to see into a place they consider their own private sanctuary. A second story window into someone's backyard is, in essence, someone peering over the fence.

"I have looked at the rendering of the proposed modification of the Schmitt's home. I actually think the architect has done a nice job of mitigating the visual impact of the second story. But in the final analysis, the City of Pleasanton has deemed it a second story addition. With the one exception in the last 20 years, all other requests for second story additions have been denied. I fear approval of this second story addition will mean the next second story addition will be approved and then the one after that. Those of us who bought in Rose Point for the privacy it affords in our own backyards, will see that privacy eroded and the enjoyment of our homes diminished.

"Please again vote no on this request for a second story addition. Thank you."

Mr. Munn stated that he can appreciate what the speakers have said. He indicated that they are not looking down into anybody's lot; they have roof on all three sides and it would be pretty difficult to put windows in that. He added that they were very conscientious of the privacy issues, and in talking circles about what happened before, he is not sure all of that is exactly true. He indicated, nevertheless, that the property is still zoned for two stories, and if they can mitigate the view and the issue with privacy, he does not see why the additions cannot be approved. He thanked the Commissioners for their time.

THE PUBLIC HEARING WAS CLOSED.

Commissioner Allen stated that it is challenging for the Commission to evaluate cases such as this where there are two competing neighboring points of view: the applicant's right to build and the neighbor's right for a view, and a view is part of the design criteria that the Commission is being asked to evaluate. She indicated that she visited the neighborhood for the very first time this week to get a sense of the character of the neighborhood and to see the story poles to get a sense of the massing. She stated that she actually biked in the neighborhood and noticed that all of the two-story homes that do exist in this neighborhood are on the periphery of the neighborhood. She noted that, in fact, the two-story home in this area mentioned by one of the speakers does not impact his view because it is at the very far north end of the property in the opposite end of the hills.

Commissioner Allen stated that the character is mainly single story, most especially on Hamilton Way, which is the core of that neighborhood. She noted that with respect to the addition itself, she was glad she visited because the photos in the staff report did not convey the magnitude of the addition. She stated that she initially thought that seven feet higher was not very much, but when she saw the scale and re-reviewed the diagrams, it became clear that the addition pretty much eliminates the view that the neighbor has of the hills, a significant view impact as stated in the staff report.

Commissioner Allen stated that the other thing she realized by both listening to the speakers tonight and her personal assessment is that this is a unique neighborhood and that a lot of people who moved here may have done so because of the views and the large lot sizes. She noted that there are other neighborhoods where views are not

important such that it is not an issue if someone is building since there is no view to be impacted, but that is not the case here, and it is important that this be taken into consideration.

Commissioner Allen stated that she thinks the Commission needs to continue this as the previous Planning Commission and Council did in the last two cases, in hopes that the neighbors can work something out. She added that she was pleased to hear that there is enough space for an expansion on a single level, and while that may not be ideal for the applicant, it is an alternative that the applicant can consider. She explained that her recommendation is based on two points under Section 18.20.030 of the Pleasanton Municipal Code, Exhibit C of the staff report: (1) Subsection A.4. speaks of preserving views, and this addition does significantly impact the view of a neighbor, which the Commission needs to preserve in whatever solution there is.
(2) Subsection A.3. refers to the relationship of this proposal to the adjoining buildings, and the adjoining buildings along Hamilton Way are all single story, ranch style, as opposed to this home which is much larger in scale with two stories. She added that she does not believe the proposed addition meets the acid test of being consistent with that character. She concluded by saying that there is a precedent here right now with the two most recent cases which support her recommendations well and for which the findings made were very similar to the reasons she has stated.

Commissioner Ritter stated that the Commission's job is to set zoning and not necessarily to keep communities from fighting. He noted that the zoning is set, and if the Commission thinks the zoning is wrong, then it needs to change that zoning, whether it be to allow two stories in neighborhoods or not at all. He also questioned if it is right for a neighbor to grow a tree that blocks someone's view and then tell that neighbor to cut down the tree.

Commissioner Ritter stated that he is struggling with trying to be the judge and jury of a neighborhood because it sounds like it is a great neighborhood. He indicated that he also drove around there, and his gut feel is that the design looks very good in the neighborhood with the two stories, and he wants to honor the current zoning that allows two stories. He added that rather than denying the project, he would push it back to the applicant and the neighbors to see if they can arrive at some compromise. He noted that the Commission will get a number of these requests coming in, and he would rather change the zoning than have the same issue. He noted that the City is trying to encourage more high-density zoning in Pleasanton in order to get work-force housing. He added that the City ought to also be cognizant of people who want to do additions and add-on's because he would prefer that they did not sell their house and move to Livermore where a bigger footprint is affordable.

Commissioner Piper stated that she believes in preserving property rights, and people who own homes should be allowed to do this kind of addition, particularly if it meets the guidelines and is within reason. She indicated that she believes the proposed addition in this case is within reason and certainly sounds like that it is based on the City's documentation with the exception of the view issue. She added that she also thinks that

in a neighborhood of this age of single-story homes, people will slowly start to do additions and move upwards, which she realizes is not necessarily ideal for the rest of the residents but feels it is a natural evolution and cannot necessarily be stopped from happening.

Commissioner Piper stated that based on the design and everything that she is seeing, she thinks the house is very tasteful and would fit in the neighborhood, even with a second story. She noted that the view impact from Ms. Bengtson's property is pretty significant; however, while she did not go into Ms. Bengtson's backyard when she visited the area, she is really struggling with this because it appears that this is not actually a direct view. She stated that one would have to turn left and face west to get to this particular view. She added that she assumes the view is not visible from the house and that one would actually have to be in the yard to see the view; she asked staff if that would be a correct assumption.

Ms. Wallis confirmed that the views that would be impacted are from Ms. Bengtson's backyard.

Commissioner Piper continued that based on the diagrams, it does seem like the views are significantly impacted from Ms. Bengtson's backyard. She indicated, however, that this is the only thing that would really make her deny this addition altogether, and she is not in favor of doing that because she does believe that a second story, particularly with this design, is very reasonable for the neighborhood. She stated that she would like to continue the item and have the homeowners try to work this out.

Chair O'Connor noted that the Commissioners have differences of opinion. He stated that he knows this neighborhood well and knows that it is primarily single story but that it is also zoned for second story homes. He added, however, that part of what the Planning Commission is allowed to look at is how this addition/remodel would fit into the neighborhood and how it would be or not be in harmony with adjoining homes. He added that one other thing the Commission is allowed to look at in the design is whether or not it can be mitigated or if as much of the view as possible can be preserved through architectural design and such. He noted that viewscapes are always difficult, and there are no view easements in this neighborhood.

Chair O'Connor agreed with a lot of what Commissioner Allen stated and added that he does not think the actual architectural style of this home fits the neighborhood. He noted that he has seen a lot of single-story neighborhoods that have gone to second-story additions, but they have kept within the style of the neighborhood. He stated that this addition is very different and when he went out and actually saw the story poles, he found the roof to be a lot higher than he was originally led to believe.

Chair O'Connor stated that he thinks there is a way to compromise and mitigate with the neighbors. He indicated that rather than deny the application outright, he would also like to have this go back and have the applicant work with the neighbors to see if some

compromise could be made that would make the addition more acceptable to the rest of the neighborhood.

Commissioner Allen moved to continue Case P14-0829 to and direct the applicant to make modifications to the proposed plan to mitigate the view impacts on the adjacent neighbor at 568 Hamilton Way.
Commissioner Piper seconded the motion.

Mr. Dolan inquired if the Commission would like to put a timeframe on the modification.

Chair O'Connor replied that he thinks that would be appropriate, noting that there should be a target for the neighbors and for the applicant. He indicated that it would involve working with architects a lot and asked if staff thinks 60, 90, or 120 days would be appropriate.

Mr. Dolan replied that he did not think it would take that long, but that depending on whether both parties are willing to work and how hard they work, the minimum it would be would be 30 days.

Chair O'Connor added that more than just one neighbor is involved and that he would probably feel better if it be within 60 days. He asked Commissioner Allen if she wished to modify her motion to include an end date.

Commissioner Allen modified her motion to add that the modifications be completed within the next 60 days.
Commissioner Piper accepted the modification.

ROLL CALL VOTE:

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

b. <u>P14-0440, 2015-2023 Housing Element Update</u>
A request to review the 2015 - 2023 Draft Housing Element update to the General Plan and consider a recommendation to the City Council to approve submittal to the State of California Department of Housing and Community Development (HCD), including a review and discussion of housing programs and policies and available housing inventories.

Jennifer Wallis presented the staff report and described the scope and key elements of the Draft Housing Element and its accompanying Background Report.

Mr. Dolan then presented the portion of the staff report on the Regional Housing Needs Allocation (RHNA). He stated that what has really attracted the most attention in this Housing Element update has been the numbers, which is not really a big surprise because the numbers translate into zoning and housing sites. He pointed out that while most people understand that there are certain things the City needs to do to meet State law and the City's own housing needs, they tend to have pretty strong opinions about where our housing sites should be located with respect to their own neighborhoods. He then displayed the *Estimated Current RHNA Capacity* table below which summarizes where the City currently is with respect to its housing inventory and describes all the numbers related to the various income categories that the City is required to address within the Housing Element. He clarified that for the purposes of the Housing Element, those income categories really translate primarily in terms of the zoning into density requirements. He explained that the Very-Low-Income and the Low-Income categories with 30+ units per acre are where the City needs to provide sites to meet those numbers, and added that staff has determined that the City can meet the Moderate-Income category with zoning at 23 units per acre, and the zoning on the Above-Moderate-Income does not really matter.

Mr. Dolan continued that staff has calculated on this table what the City already has in its inventory relative to its RHNA requirements. He noted that one of the things that everybody has been well aware of is that because of the large number of rezonings the City had done in the last cycle, combined with RHNA's reduced assignment to the City this cycle, the City ended up with what has been referred to as a surplus. He explained that when the numbers on the bottom line of the table are added up and what is available is taken into account, the total surplus number that has been quoted by several people is 1,292 units, which represents what the City has zoning for, above what RHNA indicates the City has to have. He pointed out, however, that that number really is kind of an imaginary number that does not have a lot of value in a real-world discussion of what the City is confronted with, because the bulk of the surplus comes in the Moderate-Income category, which only exist because the City has projects that has been zoned for in the last Housing Element cycle and for which projects have been proposed but have not yet been built, which then get to be counted in the inventory. He cautioned that there is not all this extra capacity, and as soon as those projects are built, that surplus goes to zero. He noted that, in effect, the only real number that should be talked about in terms of a surplus is the 375 in the column to the left, in the higher-density housing category, the category people are more concerned about in general.

Mr. Dolan stated that the City has to submit an inventory to the State documenting that the City has met its need. He indicated that at the last cycle, the City had to rezone 70 acres to get to the RHNA number, with a little cushion of about 240 units in the event the State did not feel it could support the City's inventory as presented, based on certain questions about sites. He then displayed the *RHNA Low- and Very-Low-Income Capacity* table, which shows the different sites and numbers for the low- and very-low-income categories. He noted that these are the numbers the Planning Commission and the City Council should look at if they want to reduce the surplus to get closer to the

RHNA numbers. He stated that staff's job is to get the Housing Element certified, and he is not comfortable at this time recommending that there be any reduction because it would be too tight. He noted that the numbers are pretty close, and there is a little bit of cushion should the Council ultimately decide to reduce it.

Mr. Dolan stated that the Commission would probably hear the most about the CM Capital site, as was the case in its previous meetings and in some of the public outreach meetings. He noted that there has clearly been a request by the Parkside neighbors, who were there through the approval and the evolution of the Summerhill project and ultimately got some things. He explained that the neighbors want staff and the Commission to take a really serious look at the second half of that property which is right next door and has a similar relationship to that neighborhood. He indicated that when this issue was raised, staff had some dialogue with the owners, and the last official word from the owners is that they are very interested in maintaining their current zoning and were urging the Council ultimately to not change the designation they have. He added that since that time though, staff has been made aware that there has been some dialogue among the owners of the property, which was facilitated by James Paxson of Hacienda Business Park. He noted that the City has not been involved in that dialogue and that the Commission may be hearing more tonight about how that conversation has gone.

Mr. Dolan stated that one of the things that staff has heard in some of the public outreach is that the City is just approving way too much development and has gone overboard, and the City really needs to get the reins on it. He then displayed the *Entitled Housing Units per Year* chart to provide data as a reference point of all the housing units that have been approved every year since 2003. He noted that it was pretty slow back in 2003 with 12 units approved; also 12 units in 2004; 22 units in 2005; then 79 units in 2006; 9 units in 2007; 130 units in 2008; and 19 units in 2009. He further noted that although the Growth Management Ordinance allowed 350 units per year, the City was not getting a lot of development proposals or approved. He continued that this resulted in the City not having any housing inventory or any land zoned for residential that could be developed, and that was what the lawsuit was all about. He pointed out that once the City was basically called for that and was forced to rezone, development started to pick up; there was clearly a demand for it. He noted that in 2010, 673 units were approved, although that was not really a result of the rezoning but was the Continuing Life Communities (CLC) senior project approved at Staples Ranch. He indicated that it was not something that generated a huge amount of opposition because the driving patterns were a lot less, and there was no impact on schools, the two major issues associated with growth that people typically latch onto.

Mr. Dolan stated that 2011 was the heart of the recession, and the number of units was back down to 42. He noted that in 2012, when basically the lawsuit opinion came out and made its way through the settlement talks, the two BRE projects across from BART were approved; that makes up the vast majority of what happened in 2012. He continued that 2013 and 2014 was when the City really started to get these projects and approved 1,148 units in 2013 and an additional 247 units in 2014.

Mr. Dolan stated that what is important to remember in all this is that over this period of time, which covers the last two housing cycles, the Growth Management Ordinance allowed no more than 350 units per year, and the City averaged 244 units per year. He indicated that the City did so little because it had no inventory in the beginning, until the City was forced to create the inventory, and the numbers shot up.

Chair O'Connor noted that in the first table, the Above-Moderate income housing showed a shortage of 191 Units.

Mr. Dolan explained that this is just an accounting matter. He explained that the State allows the City to count the higher density units towards that category so that if there is a surplus in a higher density category, there would be no need to rush and rezone something else to get more low-density units.

Chair O'Connor noted that the opposite does happen when the City is short in the Very-Low category.

Mr. Dolan said definitely yes.

Commissioner Piper inquired how many of the 673 units in 2010 were the senior housing in Stoneridge.

Mr. Dolan said 635 units.

Commissioner Piper then inquired if the units for the years 2012, 2013, and 2014 have just been approved and how many of them have actually been built.

Mr. Dolan replied that the units have just been approved.

Ms. Wallis added that only the 168 Anton Hacienda units have current building permits.

Mr. Dolan noted that also included are a few single-family units such as the Ponderosa's senior project at Ironwood and those on Cameron Avenue.

Commissioner Allen requested Mr. Dolan to explain, for the benefit of the audience, what happened in 2012 and 2013 in terms of exceeding the Growth Management Ordinance's allowed allocation of 350 units, and how that excess in units fits with the Growth Management Ordinance.

Mr. Dolan stated that one of the issues in the lawsuit was that the City had to accommodate RHNA, so the housing cap was thrown out and the Growth Management Ordinance was basically put into question. He explained that as a result, during that planning period, the City had to allow for enough development to meet RHNA; the State was not going to allow the City to not have any zoning for three-fourths of the planning period and then start from zero to 350 per year only. He pointed out that the City had

shut everything down through no inventory in the beginning and consequently had to essentially allow all the way up to the total that had been required in the last housing cycle. He noted that the City never even got there and could not enforce the annual limitation during that planning period. He noted that the Council then stated that while the City had lost its housing cap, the pace of growth was still a concern; because the City no longer has the cap, the Council wanted to be a little bit stricter and adopted a program whereby the annual allocation was going to be the total RHNA assignment for the planning period divided by the number of years. He noted that based on the numbers for this RHNA cycle, the City's annual allocation that it can meter out through the Growth Management Ordinance starting July 1, 2014 is 235 units per year, which is lower than the established 350 units. He indicated that the next RHNA number will then be adjusted based on what the City's RHNA assignment will be, and the State is not necessarily always consistent about the length of the planning period either, depending on things that happen at the State and when certain agencies issue their numbers.

Commissioner Ritter referred to the table that showed the different projects and their numbers on the low- and very-low-income units. He inquired if the likelihood of those units being built is in the 80 percent or 90 percent, and if the City will be hurting itself should one of them is thrown out.

Mr. Dolan replied that how close the City should get to the exact number is an inexact science. He pointed out that the City did have a cushion the last time. He added that if he submits something on the inventory, he has to be able to look HCD in the eye and say that it is a good housing site and might happen. He indicated that he did not want to speculate on what the chances are on each of those projects. He noted that there are certain people who think the ideal housing site is one that is designated for residential development but know that development is unlikely. He added that the City clearly did a pretty good job last time because it got real projects on a lot of the sites.

Commissioner Ritter noted that it is still good then to have a surplus.

Mr. Dolan stated that HCD has told staff that certain people have called and questioned some of the City's sites, so there is no assurance that every single one of the sites is going to pass muster.

Chair O'Connor clarified that the sites do not have to pass muster and be built, as long as the site is viable and is accepted by HCD.

Mr. Dolan replied that what he meant by passing muster was that it be accepted by HCD.

Chair O'Connor stated that he thinks Commissioner Ritter's question referred to what would happen if one of these sites does not get built.

Mr. Dolan replied that it does not matter if the sites get built or not; what matters is that the City make the case that the sites are viable. He added that it is also a lot easier to make the case that a site is viable if it is vacant, and not all of the sites are.

Mr. Dolan then gave a quick summary of some of the issues that staff has heard during the public outreach:

1. The CM Capital site, in terms of the volume, and the desire of the Parkside neighborhood to at least downzone the density or go back to commercial only.

2. The City's Inclusionary Zoning Ordinance, and accurately so, people have pointed out there have been court cases or one in particular that makes it difficult to implement to its fullest. The Housing Element has a Program that says the City will look at this and try and figure it out. Basically, implementation has been hampered somewhat, but the City has been successful in negotiating with the developers as they have come forward to get affordability in all of these projects. While it has not necessarily always been to the exact level, but staff has worked very hard to get it close.

3. The Growth Management Ordinance, which gets back to the issue of so much development was approved at the end of the last planning period. This feels more scary because people do not average it out; they just assume those big numbers are going to keep going into the future, which is not the case. There is nothing that needs to be done that the Council already has not done in terms of moving forward with the new Growth Management Ordinance.

4. Infrastructure, some of the typical issues associated with growth, particularly water. Up until the beginning of the drought, Zone 7 has water master plans and tracks all of the cities it serves and what their General Plans are. It pays attention to where the cities are going and work to try and provide the water supply. As this drought has gotten worse, these master plans of three years ago did not envision a three-year drought and all this rationing that is being done. Right now, the City is right in the middle of what is becoming a crisis, and in reality, there is a protocol in place. At a certain level of concern, the City Council has the ability to put a moratorium on growth, and when it does, that will affect these sites and other sites that have had zoning for many years. It is doubtful that cities would build without the cooperation of all the communities served by Zone 7 since it is all in one water source. One community would not put itself in an economic disadvantage if there was no cooperation among the others. Dialogue between the involved agencies will be starting about whether or not additional steps are necessary beyond what people have done so far. In the meantime, the City will just proceed with the understanding that that issue is looming in the background. It will be dealt with if it gets to the point where it worsens, or when the City Council determines it is at that point.

Mr. Dolan reminded everybody that the Housing Element itself proposes no new rezoning. He stated that staff was able to do an addendum to the existing environmental documentation, which basically just explains why no environmental documentation will be done because the City is not proposing any additional site that has not already been evaluated the last time. He added that the representatives from the Irby property were trying to push their project forward by getting involved in the Housing Element. He indicated that they recognize that was not the right timing for them, so they have withdrawn that site for consideration in this process, and so there is no proposal for rezoning that site. He concluded by saying that staff is concerned that the City maintains a healthy inventory that can be presented to HCD.

Commissioner Ritter stated that he has heard that by nature, a higher-density tract uses less water than single-family or commercial uses. He asked staff to confirm that.

Mr. Dolan replied that he thinks that is definitely true, and that it is also true that new houses use less than older ones, even big new houses sometimes use less than small old ones. He indicated that for the last couple of years, the City has had to implement landscaping requirements on new development that is drought-tolerant. He noted that there are different irrigation practices from the old days, and even toilets in a newer home are much more efficient. He stated that multi-family water use per unit is about 50 percent of what could be expected from a single-family detached unit.

Chair O'Connor inquired if that takes into consideration the landscaping of that multi-family development or if this refers only to the actual units.

Mr. Dolan replied that it refers to the whole thing.

Commissioner Allen stated that she appreciates Mr. Dolan's comments about keeping the surplus in place until the City understands from HCD how it really feels about the City's inventory and whether or not it is solid. Referring to the CM Capital site and timing, she inquired, for example, if the City waited and does not make a decision on the site at this time, and HCD comes back in a few months in support of all the numbers and approves all the sites, if there would be anything that would preclude the City from coming back a little later and taking on the CM Capital site and potentially reducing that cushion.

Mr. Dolan replied that technically, in the law, the City could do that if it had extra sites. He stated that he could not give a good answer because it is all a matter of how HCD would react as an agency. He added that he could not tell either if the City would be in trouble if it removed the extra sites and the cushion is not big enough.

THE PUBLIC HEARING WAS OPENED.

Belinda Zhu stated that she has been a resident of Pleasanton since February 2009. She expressed concern about additional growth in Pleasanton, indicating that she was aware that 1, 807 units have been approved for building which are not subject to the

Growth Management Ordinance, which means that the developers have no restriction from the City on how quickly they can complete their projects. She added that she was also aware that the General Plan has nearly 1,300 additional high-density zoned units. She stated that what is important to her and to many Pleasanton residents sitting and standing right behind her is that the City at least consider limiting any unnecessary and unwanted growth. She urged the Commissioners to help preserve the resource, the environment, and the beauty of their beloved City, and more importantly, preserve the lifestyle they have chosen when they decided to settle down in this City many years ago.

Jackie Byerly stated that she has lived in Pleasanton since 1991. She noted Mr. Dolan's statement that the City Council can put a moratorium on building. She questioned, if schools get so packed that the quality of education goes down and people start moving out of Pleasanton; or if the streets are so jammed during traffic hours that the quality of life goes down so much; or if the police force gets so stretched that the safety of the City goes down, if those would be reasons for the City Council to consider declaring a moratorium. She added that if the City's becoming unsafe and crime-ridden because of the stress put on the police force would be a reason to slow down as well.

Karen Ellgas and James Paxson came forward to speak together.

Karen Ellgas stated that she is a resident of the Parkside development and her reason for coming tonight is to tell the Commission that she was one of four people who met with Embarcadero Properties and James Paxson to discuss the zoning for the CM Capital property. He noted that they came out of that conversation understanding that they have common interests in the rezoning of the property. She indicated that the Pleasanton Valley Voters for Smart Growth would like the following additions and changes to the zoning for the CM Capital property:

1. Remove the mandatory 30 units per acre density;

2. Restrict future residential units to no more than 12.5 per acre;

3. Restrict future residential building height to no more than 35 feet and commercial to no more than the current height of 45 feet; and

4. Determine appropriate future building setback on the Arroyo side at a later date.

Ms. Ellgas stated that they believe the zoning changes would benefit the Pleasanton Valley Voters for Smart Growth, Embarcadero, and the City of Pleasanton as a whole. She indicated that it was a pleasure to have met Embarcadero and to be in discussion with James Paxson. She added that, as opposed to what the Commission has seen before, they look forward to being good working neighbors with them and establishing a relationship that is mutually beneficial.

James Paxson, General Manager of Hacienda Business Park, agreed that that is the reason Ms. Ellgas and he came up together. He expressed his appreciation for the fact that the Parkside neighbors are willing to sit down with Embarcadero and Hacienda Business Park to talk over the issues. He indicated that they were fundamentally in agreement with Ms. Ellgas' four points; there are, however, a couple of areas where they would like to have additional discussion with the neighbors and are welcome to be guided by the Commission, staff, and the City Council:

1. The 30-unit requirement should be rescinded and should be removed as part of the component of the zoning of the site; instead, the City should look at the current development envelope for the site as it is allowed for office uses.

2. The current height for commercial of 45 feet would be appropriate for residential as well.

3. Hacienda currently has a setback from the rear property line of 25 feet to the nearest structure if an office project is built, and that would be an appropriate distance to look at as a setback for a future residential project as well.

With regard to the density, Mr. Paxson stated that he thinks one of the things they would like to explore and what he would offer as a consideration is that if the overall development envelope on the site is controlled, density may be less of an issue because it is very much a function of design. He noted that one of the things they know is that at any time a project is actually brought forward, there will always be things that need to be discussed. He added that they think the discussion about the specific density is appropriate at the time an application comes forward; however, they are absolutely willing to be guided by this additional discussion and meeting with staff to hear what they and the City Council have to say and working out an amenable solution.

Mr. Paxson stated that he thinks they are very close to coming to an agreement, and most importantly, again one of the things he has said on many occasions at Planning Commission hearings, all of the work they do in Hacienda comes from this process of getting input and working with people, and he feels very good about what they have been able to accomplish so far.

Chair O'Connor requested Ms. Ellgas and Mr. Paxson to go through the four points once more.

Ms. Ellgas repeated the four points and noted that this is the desire of the Pleasanton Voters for Smart Growth. She added that there is already a setback for the adjacent site and a height limit for the adjacent neighbors on the same street. She noted that the height limit they are currently proposing is different, and they would like to address that should a residential plan is proposed for that site.

George Bowen stated that he has one recommendation for the Housing Element, but he would like to provide some context first. He noted that Mr. Dolan mentioned that adjacent neighborhoods to the CM Capital site are the most concerned, and he challenged that by saying that he believes the City has received upwards of over 800 communications from people around the City, and he would call it 500 to 600 as there may be overlap between some petitions and letters. He indicated that Parkside is a neighborhood of 225 homes, and this is a community issue.

Mr. Bowen stated that CM Capital is one property in the excess or surplus that is under discussion. He added that this is not just about water, although the news about the continued drought is certainly dire, and even if small high-density housing uses less water per home, according to his math and depending on the denominator, the 2,650 units approved over the last five years is a ten-percent growth in the population or the number of housing units in this City. With regard to the accounting issue mentioned by Mr. Dolan, he stated that his number, which they verified at the last City Council meeting, is that 1,807 units have been approved since 2012. He noted that staff's number was higher, but he suspects some of those were not appropriate to RHNA. He continued that some of the 1,807 units are under construction, and the City's total RHNA number is 2,067; this equates to 87.4 percent of the current RHNA number being approved for building. He added that he and other members of the community, and not only the Parkside neighborhood, are concerned that if 87.4 percent of the RHNA number has already been approved for construction, a vast surplus of zoned property is going to be of great interest to developers who have already pounced on properties zoned just two years ago.

With respect to the Housing Element, he proposed just one change which he submitted by email to staff: the current language for Program 1.1 reads “Discourage the redesignation of areas designated for High Density Residential development. The objective of this program is to ensure that adequate sites are available to accommodate the City’s regional housing need for all income levels.” He stated that he thinks this again refers to the RHNA number, and he discouraged redesignation, proposing the following language change: “Maintain the designation of areas designated for High Density Residential development that are required to accommodate the City’s regional housing needs for all income levels.” He indicated that this small but important difference will allow the City to redesignate the zoning of those areas that are in excess of the RHNA number.

Liang Liao stated that he has lived in Pleasanton since 2010 and agreed with all of the comments made by all who had spoken before him. He agreed especially with Mr. Bowen that this is not just a neighborhood issue because none of the high-density units are close to his home. He emphasized that he lives in Pleasanton and cares about Pleasanton, and that is the reason he is here to speak today. He indicated that he chose Pleasanton as his home for the same reasons that probably most families have chosen to live here: the schools are good, open space, the rate of congestion, and the rate of safety. He noted, however, that in recent years, he has seen all this activity and more traffic on the street, over-crowding at schools, and new construction

across the City. He recalls that he took his children to the playground one day, and it was so crowded that they could not even use the slide. He asked the Commission to slow down and listen to them, the citizens of Pleasanton who are concerned with the rapid changes, the pace of rapid growth and its impact on their quality of life.

James Bitter stated that he is from Marin County, Mill Valley and has done a lot of sailing on San Francisco Bay but now races radio-controlled sailboats on some ponds up in Marin and San Francisco. He indicated that he has a friend who comes up from Pleasanton and was telling him that Pleasanton did a remarkably good job of avoiding the mandates for housing from the State of California. He stated that he told his friend that he did not think that was the case. He noted that he saw the lawsuit of the State of California Urban Habitat and has attended some City Council meetings. He stated that while historically, city General Plans have reflected land use preferences of the residents, recent changes in legislation have created a new dynamic with the State legislating land use in ways that usurp local government control. He indicated that he is astounded that every Planning Commission and almost every City Council in the Bay Area is oblivious to those State laws and California code sections, and how those things were drafted: who drafted them and what special interest drafted them. He pointed out that one in particular is the American Planning Association.

Mr. Bitter stated that he was in Larkspur, and Larkspur did five thumbs down on its RHNA number for their Stationary Area Plan, but one City Councilmember remarked that this document was very expensive, and when something is very expensive, there is another part to that transaction, and someone is on the receiving end of a lot of revenue: every consultant in the State of California is in every City Council telling the Planning Commission and the City Council what they have to do to meet these mandates from the State of California. He indicated that it is very disturbing that three of Pleasanton's City Councilmembers are attached to the Association of Bay Area Governments (ABAG), one as an ABAG member and another as an Alternate, and that makes three "Aye" votes. He addressed the Commission stating that they were appointed by the City Council and ventured to say that they were not appointed because they opposed this regional giant plan that is inflicting punishment on every city in the country. He added that he is waiting for a brave City Councilmember or a brave Planning Commission who took their oath of office to stand up and say that this is wrong and that he or she represents the City. He noted that one in Marin did that, and five members of a City Council did it. He further noted that for the most part, this is a done deal in the State of California, and the only people who can stop this are the five Commissioners. He stated that he would turn in his badge if he knew what he knows now, so he is finding out that the Commission must not know what is going on with the State of California. He added that Darrell Steinberg did not draft SB375; the Commission can find out who did and then they can find out why the City is doing this thing.

Mr. Bitter stated that the public is not here tonight. He noted that 700 people showed up in Larkspur because they got wind of this thing and they stopped it. He further noted that Fairfax, California, a very liberal community, did a referendum and changed its

zoning ordinance to something else because the residents got angry about what was going on. He indicated that the Commission can win this thing, and ten years from now, Livermore and Pleasanton will be used as an example of how its citizens do not want their backyard to look.

Holly Chen that she has lived in Pleasanton since 2011 and expressed her concern about the overgrowth of high-density construction in Pleasanton because of its very big impact on schools, traffic, and water resources as the State is currently experiencing a drought emergency and citizens are trying to cut water usage by 25 percent. She stated that she did not think it is the right time for the City to focus on growth and that Pleasanton cannot afford to absorb such a great population in such a short time. She added that no one knows what the future of the water supply will be, but everyone knows that adding more people to the City will increase its water usage. She urged the Commission to think first about preserving its precious water and plan growth prudently.

Jun Chen stated that he has lived in Pleasanton since 2007 and expressed concern about additional growth in the City. He indicated that his family moved to Pleasanton in large part due to the quality of Pleasanton schools. He noted that researchers have found that student achievement generally increases when class size is reduced to less than 20 students, and there are 30 children in his daughter's class. He pointed out that many of the schools are already overcrowded, which has a negative impact on the education of his children. He added that the impact of high-density housing that has been approved will mean even bigger class sizes, and rather than looking at new opportunities to build, the City's leaders should focus on maintaining the quality of its schools by keeping class sizes down. He noted that since the School District cannot currently afford to pay for any more new schools, this can only be accomplished by reducing or slowing down the population growth in the City.

Jan Zhon stated that she has lived in Pleasanton since 2011 and expressed her concern about further development for high-density housing because not only will this cause some adverse impacts to schools and living environment, but will also cause serious traffic problems. She referred to the East Pleasanton development and noted that not only are there environmental and industrial zoning issues, but the development near the Stanley Boulevard and Valley Avenue will also cause very bad traffic. She further noted that Bernal Avenue is a one-lane road, and there is a lot of traffic driving toward the Vintage Hills area. She added that if high-density housing is developed in that area, the one-lane road with a steep grade will be even more congested than it already is, and if one car broke down, a second car cannot pass through. She indicated that she works for many jurisdictions with building, planning, and fire departments, and fire truck access would be a problem for this high-density development issue. She stated that a lot of people commute to work, and the traffic pattern in the morning from First Street to I-680 it takes about six to seven minutes, and the trip through the Downtown is along a high-traffic road as well. She indicated that the City cannot accommodate this kind of huge development and urged the Commission to take a good look at this situation and stop this growing pattern in the City.

Matt Morrison stated that he tried to educate himself since 1998 on water issues as a citizen concerned about the environment. He indicated that he was invited to a drop panel at U.C. Berkeley last March, and there was a presenter there, Dr. Lynn Ingram, a Paleo-Climatologist, who wrote a book that came out this year from U.C. Berkeley Press. He noted that Dr. Ingram looked back over the water issue in California and stated that over the last 2,000 years, droughts lasting decades or even centuries are common, and in the 20th century when all water rights were established in California, it was a wetter than normal century. He added that water users and water agencies are coming to grips with the fact that apart from climate change or any other reason that could be affecting our water supply, California may not have its allocated amount of water based on how all the rights have been given out during the 20th century.

Mr. Morrison stated that he is bringing this up because using the 2010 Urban Water Management Plan is totally inadequate to address the infrastructure needs for water as the Plan is not accurate and presumes that the area has the ability to get the banked water stored down in Kern County; but this is a serious drought and this area cannot get that water, so they are now looking at extreme measures like pumping it back up.

Mr. Morrison stated that that is what he wants to address in the staff report which says that what the City needs to do is more effectively manage its water, and "effectively manage" means current users of water will end up paying more for less. He cited, as an example, reverse osmosis water, which is being branded as being a replacement to increase potable water supply; but reverse osmosis can cost up to ten times the amount of the today's cost of water. He continued that to address the fact of lower per capita use of increased development, President John Greci of Zone 7, at the water committee meeting yesterday, brought up the fact of how Zone 7 can put the retailers on notice about growth, because Zone 7 is concerned about how it will continue to supply water if the drought extends for another year or two and end up in an emergency situation. He indicated that emergency planning is not planning at all, and the way to plan is to understand ahead of time what the impacts are going to be. He stated that President Greci directed staff to have a conversation because if residents are already reducing their water use by 25 percent, additional development, even if that development is using less per capita, would still be tapping into the water that existing users who have already reduced their water use are getting to.

Mr. Morrison stated that what is coming out with the water agencies he talks to now is regional sustainability and how to manage the water that the City has locally. He indicated that the City cannot rely on the State water project; it has to rely on what it has banked beneath the City. He added that what the City needs to look at is the sustainable amount the City can maintain in its groundwater table and how it can best manage that with growth. He urged the Commission not to approve the Housing Element until Zone 7 puts out its 2015 Urban Water Management Plan, or at least towards the end of this year when it starts planning how it is going to charge rates and how that will affect growth.

THE PUBLIC HEARING WAS CLOSED.

Commissioner Ritter referred to Mr. Morrison's statement that the staff report says the 2010 Urban Water Management Plan – Zone 7 has sufficient water to accommodate planned growth through 2030. He inquired if that is 80 percent reliable.

Mr. Dolan replied that he had addressed that earlier that clearly this was written before the drought and that there is a dialogue going on right now to see what needs to be done. He stated that it would be great if the City could just wait until that dialogue occurred and then decide what to do, but the City cannot wait because the way the Housing Element law and RHNA are set up, the City has to have its inventory ready to submit in the next couple of months, and if the City does not have its inventory ready, the City will get into the same trouble it did the last time. He noted that there are implications: this community resisted State housing law and adopted the housing cap; it tested how that works and experienced it firsthand. He pointed out that the City lost and it cost a lot of money, and now the City is proceeding with caution and efficiently saving the taxpayers of Pleasanton money on litigation that was unsuccessful. He indicated that the City has to keep on this schedule to meet the requirements and ultimately, the resolution of the water issue in California is going to take a bigger conversation than Pleasanton's Housing Element.

Commissioner Ritter stated that the best pair of speakers he saw tonight was Karen Ellgas and James Paxson. He pointed out that that was an example of two opposing groups that the Commission has had up here before, and they talked through things and came up with mutual plans for that CM Capital site. He asked staff if keeping that site in the Housing Element and going through, knowing that the parties are working through those issues, would still be step one.

Mr. Dolan replied that that is interesting because there has been a lot of dialogue about it. He noted that the neighbors want to lower the density and do not what to get another Summerhill project. He continued that there was some resistance from that from the property owners and from Hacienda, and now they seem to be coming together. He indicated that that is great because there are more people happy, and there the success of getting this adopted and moving forward is more likely to occur.

Mr. Dolan noted that staff's reason is broader than that and is concerned about the buffer. He indicated that that site accounts for 200 units, and if it is taken out of the 30-units-per-acre density, then the buffer is down to 175 units. He pointed out that it is tight but not insurmountable. He noted, however, that staff is not making that recommendation and will defend the sites because staff believes that they are viable and it may be fine. He further noted that he thinks it is great that they came forward together and worked something out like that, and it would be a shame to waste that effort. He stated that he thinks staff can work with it either way and that the Commission can make its recommendation on that.

Chair O'Connor referred to Mr. Dolan's statement that the City has a deadline to submit the Housing Element, and it does not want to be in trouble. He asked staff if, after the City submits its Housing Element to HCD and the City finds out that the water issue does become much more severe, the City will still have the opportunity to slow things down or stop things completely if it felt that was the appropriate action.

Mr. Dolan says yes. He explained that if the City goes so far as to have a moratorium, then things will stop because the City will stop issuing permits. He indicated that he would have to explore this with the City Attorney's Office because the City may stop planning approvals as well, although it would probably be just issuing permits because it is considered to be a short-term emergency matter which can be extended. He reiterated that that is a bigger conversation and involves more than just the City of Pleasanton.

Chair O'Connor inquired, for example, if the City knows what its water allocation from Zone 7 is and if the City is not getting any more water or less water at some point in the future, and should a developer come in and want to build another 300 or 500 units, how that development would affect what little water is left, and if the City could in effect stop approving projects.

Mr. Dolan replied that as long as that situation continued, that could be pursued and there is a process for doing it.

Commissioner Allen asked staff for help with respect to the two ways of approaching the CM Capital property. She indicated that she likes the idea of one option to remove and downgrade the density before submittal to HCD, which will leave the City's surplus at 175 units; or the other option of knowing that the City wants to downgrade but will not make that change until it gets the preliminary input from HCD, and assuming the City is looking good, then go ahead and downgrade it later.

Chair O'Connor echoed Commissioner Allen's comments. He stated that he is thinking that if the City knows it will be bringing the site down to a lower density, and this is what Hacienda Business Park, the owners, and the nearby residential owners are agreeing to, the City should not be telling HCD that it is zoning at 30 units an acre even though it is currently zoned as such. He added that he did not think the City should be portraying that if the City knows that it will be brought down, but should just bring it down now.

Mr. Dolan replied that that is really the only way to move forward because the City has not advertised this as though it were going to be officially rezoned. He stated that the way he would envision this would be if the City Council went along with that line of thinking that it should downzone the site to meet the parameters or something close to what the two groups agreed on, it would instruct staff to remove the site from the inventory as submitted to HCD, and HCD would not even consider it and direct us to start the process for rezoning. He noted that it would then be pretty straight forward, presumably everybody would be in support of it, and it will have to happen after the fact; but it will be the City Council's direction to do it so it will happen very quickly.

Chair O'Connor stated that he does not know where those units would fall under, but they are in there somewhere within the range of 80 to 85 at that density.

Mr. Dolan replied that the only units that the City would be able to count in anything but above-market would be whatever the City has in an inclusionary housing agreement, because 12 units per acre would probably be looking at a townhouse, possibly a detached townhouse, there would have to be some dialogue on the height because there will be a lot of pressure to make those three-story units: the lot will probably be less than 3,000 square feet, almost the entire first floor will be garage, and then it would be difficult to put everything else in.

Chair O'Connor noted that the building can go up to 35 feet in height.

Mr. Dolan agreed, but there would be a concern about getting a funky roof design trying to fit underneath the housing. He added that it is something staff can work through but that he is not sure staff is prepared to discuss that tonight.

Chair O'Connor inquired where those units would then be listed under.

Mr. Dolan replied that the units would be priced at above-market rates except for whatever staff is able to negotiate in an affordable housing agreement.

Chair O'Connor noted that the City does have some shortage in Above-Market units, even though the City is not fighting to get to that number.

Mr. Dolan confirmed that was correct. He added that the City is using the left-over units under the other category.

Commissioner Ritter asked Chair O'Connor if he is suggesting that this be left in the Housing Element with the knowledge that there might be an option to take it out later.

Chair O'Connor said no.

Mr. Dolan stated that staff's recommendation is to be conservative. He indicated that Commissioner Allen is asking him to make a risk assessment, and he stated that he does not really feel comfortable with doing that. He reiterated that staff has a recommendation, and if there is a risk to be taken, he does not really know the answer.

Commissioner Allen presented a worst-case scenario where HCD does not approve the inventory and the City is 500 units short. She inquired about what the City does next, whether the City needs to regroup and look for new inventory again where everything would be on the table to look at fresh and come up with a new report.

Mr. Dolan replied that then it gets complicated because if the City does not have the inventory that is zoned properly at the cut-off date, then the City gets into this by-right situation, which the City is desperately trying to avoid. He explained that if the City does not have its inventory in order at the time it is due for submittal, which is by January 31, 2015, then all the projects on those sites that were promised to be rezoned later will fall into this by-right situation, and the City loses a lot of its discretion to get the type of projects that it want. He noted that in the last RHNA cycle, that was something the City worked very hard at trying to control with the development standards and the design guidelines.

Chair O'Connor inquired, for example, if the Plan as written today is submitted to HCD, and HCD indicates that one or more of the sites are not viable, which would result in the City not meeting its numbers, if HCD would give the City time to come back and revise its report or does that get the projects automatically into the by-right situation.

Ms. Wallis replied that the City does not get extra time; the City has to certify the document by January 31, 2015, and HCD then has 90 days from that date to certify it. She indicated that this is the reason why staff had tried throughout this process to build in a little bit of cushion.

Chair O'Connor asked if, for example, should this one property in particular be removed, and HCD finds that the City was viable on everything but was short by less than 200 units, the City could come back and include this already rezoned site into the document.

Mr. Dolan said yes; Council's direction to do the rezoning can be reversed. He stated that that is probably what the City would do because a decision was made to take it out, but it ends up not working and it needs to be put back in the inventory. He added that HCD would then change its decision when the City actually brings the rezoning forward.

Ms. Wallis explained that after Council authorizes submittal to HCD, HCD has 60-day review period, after which the City will be provided with comments based on that review. She indicated that the City will then need to come back and analyze those comments and make whatever fundamental changes are required to meet those comments. She added that it will then come back to the City in December or January for certification of those changes, then returned to HCD for final certification.

Commissioner Allen commented that the City then has some flexibility.

Commissioner Piper stated that all the questions raised were great and that she does not have any further comments.

Commissioner Allen thanked all the folks from a lot of different neighborhoods who took the time to come out tonight and share their input because that is what the public process is all about. She noted that there are a lot of faces she has never seen before,

and it is a pleasure to see more and more of Pleasanton's citizens participating in government.

Commissioner Allen stated she believes that the City needs to go forward with this process versus saying the City is not going to approve anything. She indicated that the last thing she wants is to not follow any process and be a City where building is all done by right. She noted that when a project is approved today, the City has a lot of flexibility to have a developer come before the Planning Commission and the Council to make the best project, given the circumstances. She pointed out that by-right means that that process would not happen and developers could potentially do what they wanted. She added that it may also mean that the City would not have any rights for negotiation, and that would be a very irresponsible thing to do.

Commissioner Allen stated that she thinks there are battles to be fought later, and if there are new things to learn from other cities or other places where we can continue to challenge what is in place today with RHNA and our requirements, the City should continue to look at them. She noted, however, that in the meantime, she did not want to be a city that is by-right. She added that the City wants to maintain as much control as it has, and that is really the goal.

Chair O'Connor agreed that the City wants to retain its control.

Commissioner Allen moved to that the City Council authorize the submittal of the 2015-2023 Draft Housing Element to the State of California Department of Housing and Community Development, with the modification that the density for the CM Capital property be downzoned from 30 units per acre to 12.5 units per acre as proposed by Karen Ellgas and James Paxson, and to make the corresponding changes to the inventory accordingly.

Commissioner Piper inquired if the modification is an intention or part of the motion.

Commissioner Allen stated that it is part of the motion because it is a change to the inventory numbers that are part of the Housing Element.

Commissioner Ritter noted that it would lower the 375-unit surplus and inquired if it will be higher than 175 units.

Mr. Dolan replied that it will be 175 units because the City would not be dealing with a project at this point.

Commissioner Ritter stated that he is a bit uncomfortable with getting rid of all the surplus, although he knows that it can be added on later.

Chair O'Connor stated that it is a surplus on the high-density units and not the total surplus.

Commissioner Ritter stated he is concerned that if the City does not put it in to get approval and it came back, he wanted to make sure that the City could go back later and make those modifications.

Chair O'Connor stated that Mr. Dolan had indicated that the City would have the time to do that.

Mr. Dolan stated that he thinks what was being discussed earlier was that the City will get some indication within the 60-day HCD review if there is an issue, and at that point, the Council would then redirect staff to put it back in.

Commissioner Allen stated that Brian's comment is good and the only reason she felt comfortable doing this. She noted that the City would have a back-up plan if it becomes needed.

Commissioner Ritter agreed.

Commissioner Piper seconded the motion.

ROLL CALL VOTE:

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

7. MATTERS INITIATED BY COMMISSION MEMBERS

No discussion was held or action taken.

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

a. Future Planning Calendar

No discussion was held or action taken.

b. Actions of the City Council

No discussion was held or action taken.

c. Actions of the Zoning Administrator

No discussion was held or action taken.

d. Matters for Commission's Information

East Pleasanton Specific Plan Task Force

Commissioner Ritter stated that he would like to give the Commission a quick update on the East Pleasanton Specific Plan Task Force meeting. He indicated that it was a great meeting; staff came back with its report, and Mike Tassano, City Traffic Engineer, did an amazing traffic analysis showing the Task Force what would happen with El Charro Road going through, without the El Charro Road extension, and with multi-family, high-density, and low-density housing. He noted that it helped everybody understand better what is going to happen in the area.

Commissioner Ritter continued that staff also identified a scenario with only a park and no housing. He added that the draft Plan is being put together to include several options: a no-project, a park, 1,300 single-family units, 1,000 single-family units, 800 single-family units, 1,430 multi-family units, and one which was the old base plan of 1,759 multi-family units. He indicated that there was a discussion that all the options be analyzed so when the Task Force goes out to the community, it can say that the Task Force looked at the different options from nothing to everything.

Mr. Dolan added that there were also the 2, 500-unit options, and those are 500 single-family detached units but with reduced infrastructure, one with no El Charro Road connection and one with partial El Charro Road connection that would go to the freeway but not to Stanley Boulevard.

Commissioner Ritter stated that it was interesting to see the traffic patterns with El Charro Road through and without El Charro Road, which showed a lot of different things. He added that he thinks they will all be clarified nicely and so the Task Force will have some good things to look at.

Chair O'Connor inquired if some of those will be published, or if there is a short document that the Commissioners could see without having to attend every meeting, particularly about traffic.

Mr. Dolan commented that staff should have recorded Mr. Tassano's presentation, but he did not know it was going to be so good.

Commissioner Ritter stated that he would like to have Mr. Tassano come to a Commission meeting just for an informational session, but he does not know if that is within the scope of work of the group.

Mr. Dolan replied that Mr. Tassano has received so many compliments on his talk, and staff will think about how that information can be provided to the Commission in the best format.

Commissioner Allen commented that that would be great information.

Commissioner Ritter noted that it has been over two years that the Task Force has been working, and it is coming along and finally getting some things moving.

9. ADJOURNMENT

Chair O'Connor adjourned the Planning Commission 9:23 p.m.

Respectfully,

ADAM WEINSTEIN
Secretary