



STAFF REPORT TO THE PLANNING COMMISSION

DATE: Regular Meeting of June 5, 2017

TO: The Chairperson and Members of the Planning Commission

SUBMITTED BY: Holly Smyth, Planning Director
Robert Reber, Adjunct Planner

SUBJECT: Discussion of Conceptual Planned Development Plan for the Hillcrest Project by applicant Santa Clara Valley Housing Group

RECOMMENDED ACTION:

- a. Introduce representative(s) for WRT, City's proposed consultant assisting with review of the project;
- b. Introduction of applicant: Santa Clara Valley Housing Group;
- c. Presentation of Conceptual Planned Development Plan for Hillcrest;
- d. Discussion of Planning Commission's initial thoughts on General Plan consistency, zoning purposes, housing objectives, design features, overall layout, circulation, community impacts, potential future uses, and other issues and general questions related to the project;
- e. Public comment.

DISCUSSION:

Santa Clara Valley Housing Group (SCVHG) has submitted to the City an application for a conceptual plan for the approximately 44-acre Hill Town site. SCVHG seeks to develop the site with 137 single-family homes on approximately eight acres of the site. Additionally, SCVHG would create a commercial pad on approximately six acres, with the remainder of the site as predominantly open space and wetlands.

Proposed Project: The conceptual project plan consists of 137 two- and three-story single-family detached homes, 53 of which would be front-loaded on lots typically around 3,150 sq. ft., and 84 of which would be alley (rear) loaded on lots typically about 1,472 sq. ft. All homes would have attached, enclosed two-car garages. The homes would cover 8.21 acres of the northern portion of the site (18% of the site) and be accessed via a new two-lane, 28-ft.-wide entrance drive off of San Pablo Avenue aligned with Linus Pauling Drive on the west side of San Pablo Avenue. A separate 20-ft.-wide emergency vehicle access (EVA) lane, just south of the main entrance drive, is proposed to connect San Pablo Avenue to the south end of the residential neighborhood. A small neighborhood park is proposed on slightly less than a quarter acre at the center of the neighborhood, and approximately nine acres on the periphery would be set aside and preserved as open space. Approximately 20 acres

of the southern portion of the site are designated for potential but undefined future development, potentially 6 acres for commercial development and 14 acres for open space.

Project Site: The project site consists of an approximately 44-acre parcel (Assessor's Parcel Number 404-040-064) on the west-facing slopes of a ridge that forms the eastern boundary of Refugio Valley. The site is bounded by the Victoria by the Bay residential development on the north, by John Muir Parkway and a vacant lot (currently proposed for a Safeway market retail center) on the south, by Interstate 80 on the east, and by San Pablo Avenue and the North Shore Business Park on the west. The site lies approximately 0.5 mile from San Pablo Bay and overlooks both the Bay and Refugio Valley, with elevations varying from approximately 30 to 240 feet above mean sea level. The topography of the site is characterized by a relatively level, low-lying area in the southern portion of the site and another relatively level, elevated area in the northern portion of the site, separated by a steep north-to-south trending slope. The northern portion of the site previously consisted of a Pacific Gas & Electric (PG&E) oil storage, heating, and pumping station, the infrastructure for which was removed and remediated in 2008–2013. A storm-water treatment facility consisting of two detention basins and associated equipment on an approximately 50-foot-by-160-foot asphalt pad was developed in the lower portion of the site to pretreat runoff from the tank farm.

Most of the Hill Town site is currently undeveloped, including the majority of the central and northeastern portions of the site and the area around the detention ponds in the southern portion. The undeveloped portions of the site are primarily covered with non-native grassland that is studded with eucalyptus groves and oak trees. In addition to this upland vegetation, the swale along the site's southern boundary supports a small patch of wetland vegetation.

The site presently contains a cellular telephone tower and other utility installations. The cell tower is located in the northeast portion of the site and occupies an approximately 30-foot by 50-foot pad, which also includes a small accessory structure and ground-level equipment. A 30-foot utility right-of-way (ROW) bisects the site from north to south and consists of adjacent easements: one 20-foot EBMUD easement and a 10-foot easement controlled by Phillips 66 (formerly Union Oil of California, a.k.a. Unocal). EBMUD maintains a 24- to 36-inch water transition pipeline through its easement, and Phillips 66 maintains a petroleum pipeline through its easement. PG&E also maintains easements on site: an approximately 65-foot-by-390-foot area in the northwest corner of the site that contains two sets of electrical power line towers; an access easement that follows the site's northern boundary; and a 10-foot pipeline easement that extends from the existing San Pablo Avenue entrance at the northwest corner of the site southward for a distance of about 220 feet.

Restricted access to the existing utility improvements on site is provided via a limited network of paved and unpaved roads and drives. A paved access road extends from the western edge of the former tank farm site, crosses at the base of the earthen berm, and travels in a loop around the southwestern quadrant of the site, encircling the western detention basins. A turn-off from the northern side of this looped road provides access to the storm-water treatment facility. Where the looped road branches off from the main access road, a second branch forks toward the northeast and leads to the cell tower facility.

Applicable Land Use Regulations: In 2009, the City approved General Plan and Zoning Ordinance amendments that changed the project site's designation from "Industrial" to "PC-R Planned Commercial-Residential Mixed-Use District," the specific purposes of which are to:

1. Provide the opportunity to accommodate both residential and commercial uses in a well-planned, mixed-use development.

2. Provide the opportunity for an integrated mixture of residential and commercial employment-generating uses within the same structure or site.
3. Allow lower-cost live-work opportunities for start-up commercial enterprises and other smaller-scale point-of-sale enterprises that are compatible with the residential and commercial uses within the building or site.
4. Provide the opportunity for upper-floor residential over ground-floor commercial uses.
5. Encourage mixed-use development that could minimize vehicle use.

Site Background: In 2001, the City of Hercules adopted *The Central Hercules Plan* (CHP), a long-range planning document intended to guide the development of a town center for Hercules and establish an overall vision for four interconnected districts in the central portion of Hercules: the Waterfront District, the Central Quarter, the Civic Center/Hospitality Corridor, and Hill Town. The underlying purpose of the CHP was to enhance the City's quality of life, increase mobility, and to create a true town center. According to the CHP's "vision statement" for future development, the "The Hill Town (Hill Town) offers an alternative for upscale residents and should be marketed based on its urbanity, convenience, and views. The demographic segment, to whom this alternative will appeal, with its high discretionary income, is exactly the kind of population that will help generate business in the commercial components of the Town Center as well." However, as described in Chapter VII of the [*Regulating Code for the Central Hercules Plan*](#), the Hilltown property is a "permissive" site, meaning the property owner has discretion as to whether development on the site would adhere to the uses, intensity of development, design standards, and other development regulations allowed under the Hill Town planning area of the *Regulating Code for the Central Hercules Plan* or to the standard provisions of the Zoning Ordinance.

On April 16, 2007, the Hercules Planning Commission held a public hearing at which it conditionally approved an application by Santa Clara Valley Housing Group, Inc. (SCVHG, same as the current applicant) for an Initial Planned Development Plan (IPDP 07-01) to develop the site with 640 residential dwelling units, a neighborhood retail facility, and a series of public and private open space amenities, all with a Tuscan villa hillside theme. The conditions of approval stipulated that the applicant (a) return with an analysis of how the project would connect with the surrounding community and (b) revise the site design to include additional entries to the site.

Following up the Planning Commission's review of the Initial PDP, the City and its then Redevelopment Agency in 2008 entered into a Development & Owner Participation Agreement with SCVHG to develop the project site in accordance with the Initial PDP. To facilitate the agreement and enable the project, and for consistency with the goals and concepts of *The Central Hercules Plan*, the City in 2009 amended the General Plan land use and zoning designations for the Hill Town site from Industrial (I) to Planned Commercial Residential Mixed-Use District (PC-R). The PC-R district allows for up to 40 dwelling units per acre (du/ac) as well as non-residential development with a Floor Area Ratio (FAR) of 4.0. The district has minimal front and rear setbacks (10 feet each) and no required side setbacks. Residential buildings may be up to 40 feet in height, while mixed-use (commercial and residential) buildings can rise to 50 feet and buildings with frontages along San Pablo Avenue may be up to 65 feet. Most other aspects of site planning and building form are left to be determined through the mandatory Planned Development and Design Review processes.

Concurrent with changing the land use and zoning designation for the site, the City certified an [Environmental Impact Report](#) (EIR) that presumed development of the Hill Town site consistent with the full scope of development described in IPDP 07-01 and the Developer & Owner Participation Agreement, including 640 residential units and 4,000 sq. ft. of retail.

The site previously consisted of a Pacific Gas & Electric (PG&E) oil pumping station, comprising eight above-ground storage tanks, water holding/evaporation ponds, and one retention basin. The above-ground storage tanks were removed from the site in late 2010 and early 2011. Subsequently, a total of 20,200 tons of petroleum-impacted soil on the site was treated through bio-remediation. Another 1,000 tons of concrete, steel, and wood debris were excavated and removed from the property, as were about 7,600 gallons of oily water and 1,372 tons of oily soil. Following extensive site sampling and testing, the San Francisco Bay Regional Water Quality Control Board (RWQCB) issued a letter of staff concurrence (dated April 30, 2015) stating that no further remediation work related to residual petroleum fuel/fuel constituents is necessary for the property and that the site is suitable for unrestricted residential development.

Future Review and Approvals: On February 23, 2017, SCVHG submitted an application for a new “Conceptual PDP” reflecting the current proposal of 137 single-family residential dwellings unit for the property. As currently presented, the project would need the following discretionary approvals from the City Council (presuming the applicant opts to follow standing provisions of the Zoning Ordinance rather than the Central Hercules Regulating Code):

- ***Initial and/or Final Planned Development Plan (PDP)***
 - As required by Section 48.200 of the City’s zoning code.
- ***Design Review Permit***
 - The project must follow the Design Review process and findings outlined in Chapter 42 of the Zoning Ordinance. Design review would include the full review of building elevations, site plan, and landscape plans, in conformity with City plans and requirements.
- ***Vesting Tentative Tract Map***
 - A subdivision of 137 individual residential lots and remainder commercial pad and open space and cell tower parcels.

Because the Conceptual PDP involves no formal or binding actions, the Conceptual PDP does not require review under the California Environmental Quality Act (CEQA). Nonetheless, the discretionary entitlement approvals listed above needed to construct the project would be subject to CEQA review and clearance. Staff anticipates the require CEQA review will involve either an addendum to the Hercules Updated 2009 Redevelopment Plan Environmental Impact Report (that included SCVHG’s previously approved Initial Planned Development Plan for 640 multi-family dwelling units and 4,000 sq. ft. of retail on the site) or a Mitigated Negative Declaration.

Staff will be recommending at the City Council’s next meeting on June 13 that Council approve a contract with WRT, LLC (with LSA Associates as environmental subcontractors) to assist City staff in conducting the necessary environmental studies and drafting the planning documents required for the project.

Issues for Planning Commission Consideration

The Conceptual Planned Development Plan (PDP) is an optional and non-binding review intended to provide the landowner and applicant an opportunity to receive preliminary comments from City officials and members of the public before proceeding with more detailed and complex project plans. As such, there is no formal action that the Planning Commission needs to take regarding the conceptual PDP. At this stage, the applicant and staff are seeking input and feedback from the

Commission and the community on questions and issues in a “workshop” format whereby the preliminary project proposal can be evaluated for how it achieves the City’s objectives for the site, and where it may be improved so that the applicant’s and the City’s goals can best align. Commission discussion and consideration of the issues listed below would greatly benefit the project. These issues are relatively high-level and in many cases are not at the level of detail and scrutiny that will be expected at later stages of the review and approval process. However, Planning Commission should provide direction to the applicant, indicating ways in which the project is successful and where it should be changed to better reflect the City’s goals and standards.

Topography: Development plans for the proposed project show how the current topography would be reshaped to create an upper and a lower development pad, using material cut from the upper, northern portion of the site to fill a lower, southern portion of the site. Slopes—both natural and engineered—would be left largely undeveloped. This approach is quite different from the previous proposal, which involved substantial slope engineering and placed buildings to follow the slope and engage with views and visibility, recalling the form of Italian hill towns.

- Does the current proposal show enough about how the project would relate to existing topography? If not, what additional information should be provided?
- If sufficiently represented, does the proposed development appropriately relate to the natural topography?
- How do the upper and lower development areas relate to each other through land use and access?

Vegetation and Landscaping: Much of the project site is covered with non-native grassland, but it also features a scattering of eucalyptus and oak trees as well as a patch of wetland vegetation. The plans provided include a preliminary tree inventory and replacement plan that shows 240 existing trees on the site, with approximately 90 to be removed and replaced by a to-be-determined number and type of trees. The illustrative site plan shows informal scatterings of Coast Live Oak trees, but these do not appear to correspond to the actual locations of existing trees. “Before” and “after” photo-simulation renderings show an engineered slope along San Pablo Avenue and suggest that existing vegetation would be removed.

- Does the current proposal show enough about the location of existing vegetation?
- How should development on this site treat existing vegetation?
- What considerations should guide landscape design on the site?

Land Use: The Central Hercules Plan, the General Plan, and the Zoning Ordinance all envision mixed-use development at the Hill Town site. Both the previously proposed project and the currently proposed project have been all or predominantly residential, suggesting that the market views the site as best suited for residential development.

- Does the project fulfill the land use zoning objectives (see above)?
- Is it possible and desirable to achieve an integrated mixture of uses in the project?
- If so, what are some ways mixed-use development might work on this site? In what timeline might feasibility improve?
- What additional land uses would be most desirable, while also having likelihood to succeed?
- Does the housing type (137 detached two- and three-story single-family units) help fulfill the goals and objectives of the City’s Housing Element?

Phasing and Site Relationships: The proposed development would place 137 single-family residential units and the associated public facilities on approximately 16 acres of the 45-acre site. Approximately nine acres to the west would be preserved as open space; this area also includes an existing cellular tower. Approximately 20 acres in the southern half of the property are identified as a “future development parcel”; the use and extent of future development is not defined. Existing access roads and easements on the open space and future development parcels are shown, but their relationship to the proposed development and their implications for future development are not indicated.

- To what extent should this development proposal specify elements of future development or of the long-term treatment of the site as a whole?
- Could this proposal be adjusted to better facilitate opportunities that meet City objectives if and when development is proposed on the southern portion of the site?
- How would future development relate to the existing access roads and access to the cell phone tower?

Access and Relationship to the Surrounding Community: The proposed project is internally focused, with limited access points or connections to surrounding streets and properties. The site has many constraints that make connections difficult, including but not limited to topography, easement restrictions, orientation and design of neighboring development, and the immediate adjacency of Interstate 80 to the east and Highway 4 to the south. Nonetheless, the overall vision for Central Hercules, including Hill Town, was designed to create an interconnected set of districts.

- Does the proposed project provide adequate information about how circulation would be provided for all modes of travel?
- Are there ways the proposed circulation network could be adjusted to better connect with central Hercules?
- What improvements are feasible for San Pablo Avenue, including for pedestrian and bike circulation, e.g., provisions for pedestrian crossing of San Pablo Avenue at Highway 4 and at Linus Pauling Drive?

Parks and Open Space: The proposed project features one 0.2-acre park, as well as approximately nine acres of preserved open space east of the development as well as along the site’s northern boundary. No trails are indicated.

- What requirements guide the provision of park land and open space preservation? As a quantitative measure, General Plan standards include providing 1.75 acres of neighborhood parks for every 1,000 residents; assuming 137 homes and 2.96 residents/household (based on 2010 Census data), a minimum of 0.71 acres of park would be required.
- Do the park site and open space provide sufficient benefit to residents? If not, how might the park and open space be improved for greater recreational value?

Views and Visibility: Being a hill along both I-80 and SR 4 and adjacent to the center of Hercules, the project site has high visibility. Higher portions of the site offer views over the Refugio Valley to the Bay, as well as to the hills to the east. Given its prominent position, Hill Town has been envisioned in prior City planning as an important “gateway” for Hercules, with the potential to enhance the City’s overall visibility and improve the City’s image. At the same time, visibility from major roadways to the southern portion of the site is limited by trees and topography, which may have contributed to the lack of commercial development in recent proposals. Future development on Hill Town has the potential to significantly contribute to Hercules’s image, both positively and negatively.

- Does the proposal give an adequate understanding of how development would affect views to the site from relevant public viewing areas?
- Are there opportunities for future development on the site to more positively shape views and provide a gateway for Hercules?
- Are there ways in which the visibility of the southern portion of the site could be enhanced to better support commercial development?
- Are there ways in which views from the site could be better showcased for public enjoyment?
- Does the site layout afford residents optimal views from both private and public spaces?

Architecture and Design: The applicant proposes to build the homes using a mix of architectural styles described as Cape Cod, Craftsman, and Contemporary American West, as interpreted and applied to a contemporary residential neighborhood. The designs bear similarities to other recently developed neighborhoods on the west side of Hercules, including Muir Pointe along John Muir Parkway, though upgraded finishes and treatments (e.g., siding, shutters, trim, and enhanced veneers) are proposed for just the front facades, similar to houses in the adjacent Victoria by the Bay neighborhoods.

- Should the housing type be all single-family detached?
- Should architectural styles be varied or consistent?
- Are the proposed architectural styles suitable for the site? If not, would the previously envisioned Italian “hill town”/Mediterranean-inspired style be preferable, or some other architectural style?
- Should housing facades have upgraded architectural materials and treatment, or should architectural details, finishes, and material quality be uniform on all sides?

ATTACHMENTS:

1. Illustrative Site Plan, Detail Site Plan, Sections/Elevations, and Illustrative Images
2. Preliminary Development Plans
3. Architectural Plans & Elevations
4. Photo-Simulations