

7000 Bollinger Canyon Rd. San Ramon, CA 94583 June 9, 2022

Honorable Members of the San Ramon City Council and staff:

East Bay for Everyone writes to help ensure the draft Housing Element will meaningfully help those who need housing in San Ramon. Our comments focus on three issues:

- 1. Housing opportunity sites not realistically projecting production capacity or likelihood over 8 years, particularly by overstating owner interest/capacity/readiness;
- 2. Making only token gestures at the legal requirement of affirmatively furthering fair housing, mostly consisting of continuing existing programs and following state law; and
- 3. Only minimally addressing the constraint of off-street parking minimums, currently quite high.

We go into more detail below.

1. Housing opportunity sites not realistically projecting capacity or likelihood

We appreciate that in the draft, San Ramon has tried to accommodate a significant buffer over its RHNA allocation. We also appreciate that a number of parcels are rezoned toward hitting that allocation. However, we do not believe it is realistic that San Ramon will get close to its allocation as its plan stands now. A broader rezoning across wider areas and more encouragement of missing middle / small-lot development in residential areas, accounting for the fact that most development happens outside of opportunity sites, would prevent San Ramon from falling short.

The vast majority of sites in the housing inventory are on non-vacant sites, with the majority of these assuming development at 75% of the maximum new zoned capacity. (Sometimes it is 60% when mixed-use with 40% commercial is predicted; occasionally, the net land area is marked down to assume only component parking is redeveloped.)

This is unrealistically high because this 75% estimate is from an analysis of developed sites that achieved 80% of their maximum zoned capacity; 80% is an unrealistic number because it ignores the chance that a site does not get developed at all, which happened frequently in the 5th Cycle. Given a tiny minority of opportunity sites have actually been developed over the 2015 cycle (more have been approved, but few permitted), this 75% is certainly an overestimate.

The sites are almost all in mixed-use districts, so a number will likely be entirely commercial developments, further reducing production even when there is redevelopment. The city should apply, and HCD should expect, a more realistic calculation of the objective likelihood of residential development of non-vacant parcels, likely 10-20% even in boom times.

The sites in the housing inventory other than pipeline projects are divided into two categories, "carryover" (used in the last two housing elements) and "rezoned" (not so used). Although the city appears to plan to rezone the carryover sites for by-right development as legally required, it rather misses the point to include such sites by default when what distinguishes them is having been on the inventory and undeveloped for fourteen years¹. Many of the sites have barriers to development that have not been overcome, or their evidence of likelihood of development appears to be copied from the 2015 housing element, suggesting it is out of date. The city should conduct more analysis of the overall factors constraining development, and what the city can do to lessen those or other constraints.

Some examples of problems with carryover sites:

- 2400 Old Crow Canyon: the current church owner "previously expressed their willingness
 to redevelop the site so long as their meeting facility could be accommodated"; this same
 language accompanies its listing in the 2015 housing element, putting in question whether
 this willingness has been checked more recently, and even if it has, the need for a new
 meeting facility (presumably in the same neighborhood) is a significant constraint. Typically
 redeveloping churches does not happen unless the owner is actively interested, as
 opposed to merely open to the possibility. (One other church elsewhere is listed.)
- 2092 Omega is noted as having development potential limited by small parcel size which is being addressed by also rezoning adjacent sites (good); but other opportunity sites are just as small and this constraint is not being addressed - for example, 1947 San Ramon Valley, or 4750 Norris Canyon.
- 2233 San Ramon Valley Road: a proposal for a 200 home project was reviewed by the Planning Commission in 2017. Commissioners expressed concerns about setbacks and design elements, and directed the applicant to revise the proposal, but no further action was taken. We noted that staff have provided a more conservative estimate of the site's capacity, at 87 units for the two sites. However staff must show greater evidence for likely redevelopment beyond the City's review of a concept plan for mixed use development at the site.

75% of maximum zoned density being an overestimate is also shown by the history of sites where proposals are in process compared to what was or would have been estimated for them:

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¹ "The development of a sites inventory for the 6th cycle RHNA started with review of opportunity sites from the 4th and 5th cycle that remain available and appropriate for housing development. Sites carried over from these cycles are added to new sites identified for the 6th cycle."

- 130 Market Place is credited for 72 units, but just had a <u>mixed-use proposal</u> submitted for 44.
- The roller rink at 2701 Hooper was in the 2015 housing element at 3.4 acres and maximum density 50 du/a, so under this methodology would have yielded up to 136 units, but was approved in Dec. 2021 for only 63 units.

The iterations of the roller rink proposal also put into question the city's willingness to follow through on its housing element concepts. In 2017 the rink's owner proposed to build 227 units including 46 very-low-income restricted units, but that same year that area's maximum density was reduced from 50 to 35 du/a over the objections of the rink's owner, resulting in the project's demise. In 2020 a further Specific Plan update attempted to remove the area from the Residential Overlay entirely, making any housing development impossible. SB330 for the first time that year banned such anti-housing actions. Possibly if the city had been the final arbiter the parcel would have never seen a single unit of housing, and as is it still ended up a much smaller project than zoned for as an opportunity site. By-right multifamily zoning in broader areas - with reduced constraints, see section 3 on parking below - would be an assurance of more housing production in the future.

In the rezoned category, the inventory does contain text on why the non-vacant site should be considered developable, as required by law. But on close reading, that text often adds up to little evidence. It often notes developer interest in the Specific Plan area -- different from interest by the actual owner. The text then often generically describes nearby or adjacent parcels being developed, and occasionally judges the parcel to be underutilized, which again is different from owner interest. Even when there is owner interest, it appears to be an informal communication, and is likely not available in writing, much less having reached any actions like conceptual drawings.

Three parcel bundles with common ownership in the "rezoned" category account for a majority of the predicted units and their specifics illuminate how owner willingness has been materially exaggerated: parts of Bishop Ranch, a Toyota site, and a PG&E site.

Bishop Ranch (opportunity sites projecting 2,084 units over 5 parcels: 213-130-003 and 213-133-078, -067, -068, and -069) is a large corporate park, other parcels of which are already being redeveloped in the form of the CityWalk development, but that is a project of 4,500 units spread out over 25 years. Since all of Bishop Ranch appears from records to share the same owner, Sunset Development Company, it seems unrealistic they would take their already ambitious and major project and increase it by 40%, all added to the front end of their 25-year timeline. Finally, these parcels not already being in the CityWalk project is evidence they are *less* underutilized than those that were included, or otherwise less suitable. For example, the 213-130-003 parcel currently holds an urgent care center (of which there are only two in the area) and several medical offices, which likely pay high rent. We do not think this bundle of sites should be included in the Housing Element.

Second, the Toyota site (1,066 units on 1 parcel, 213-133-051) is a good example of the city declaring owner interest with very little backing it up, raising questions of how many more sites have owner interest overstated. Although there is a "yes" in the "Property Owner Interest" column, the detailed discussion merely states "Recent discussions with property owner on long term opportunities on the property as part of the stakeholder interviews of the HE update," meaning the city is only confirming it discussed the issue, without being able to confirm any active interest from the owner at all. The draft also records feedback from one Josh Nycz of Toyota that there is "No discussion of expansion; no change of status" relating to their site (page H.A-13), reinforcing this conclusion. We do not think this site should be included in the Housing Element.

Third and finally, on a large site PG&E (429 units on 5 parcels, 213-011-002, -003, and 006, and 213-020-054 and -055) now uses for training, conferences, and lodging, the city suggests PG&E could consolidate operations to redevelop for 400+ units, but records no plans or interest on PG&E's part. Given PG&E's monopoly profits, it will have less incentive than other owners to redevelop underused sites, all else being equal. The city also estimates capacity at 60% of land area while saying that PG&E could keep existing buildings and just build on the remainder of the land - the parking lots - but the existing buildings are well-spread across the area; it would be highly constraining to build around them and leave them in place. We do not think this site should be included in the Housing Element.

2. Affirmatively furthering fair housing in the housing element reads like more status quo

The measures taken in the housing element to fulfill the legal requirement to affirmatively further fair housing consist entirely of either continuing existing programs (inclusionary zoning; fair housing outreach) or implementing programs unambiguously required by state law - specifically, adopting an SB 9 ordinance. AFFH is supposed to counteract existing trends, not continue them. We do not see any evidence that San Ramon is committed to doing more than "business as usual". With the affordability crisis, landlords and realtors can allow prevailing prices to screen out non-affluent people automatically, and get nearly the same results as if they were taking the legal risk of discriminating by race, language, disability, nationality, or other protected factors. (We also note that San Ramon formally opposed SB 9's passage in the Legislature and is now citing it as a key action among its fair housing goals.) We are not confident that the city will implement SB 9 in good faith, or instead craft an ordinance to limit its use as some other cities have.

More direct action to further fair housing compared to the status quo would include **targeting single-family-zoned areas for missing middle housing across the entire 2-10 unit range** (as enabled by SB 10 without needing EIR update), creating opportunities for more people at lower to middle income levels to enjoy the high opportunities and amenities of the area without complicated subsidized projects and with involvement from smaller, local developers. Also, the bulk of new development should not be near polluted, dangerous traffic corridors or industrial

areas, a common pitfall of city planning when an unspoken goal is to "protect" established neighborhoods.

3. Off-street parking minimums

The draft acknowledges that off-street parking is generally regarded as a constraint, and San Ramon's are quite high for multifamily housing: two spaces per two-bedroom unit, one per studio or one-bedroom, plus 0.25 guest spaces per unit of any type. It justifies this level only by saying the requirement is (or will be made) less than the applicable requirement for single-family housing; but the city provides no evidence that the single-family parking requirement is itself reasonable and non-constraining.

In structured parking attached to multifamily housing, off-street parking in California averages a cost of \$36,000 per space, so every space required has a major impact on project feasibility. There is also strong new evidence that the provision of off-street parking makes households more likely to purchase cars when they otherwise would not, increasing congestion and thwarting climate goals. Off-street parking also increases the price of a home, since one pays for the parking bundled with the home. Lowering parking minimums will make housing more affordable.

Many families would jump at the opportunity to live in San Ramon if the only sacrifice were sticking to one car. Certainly San Ramon's transit means it will remain car-dependent for some time; but developers know this necessity and will provide some parking based on demand, while also properly taking the costs into account. Adding housing without extensive off-site parking will help increase demand for popular County Connection bus routes. Finally, it will increase the feasibility of existing owners converting their parking to housing - something the inventory explicitly hopes for, but does not demonstrate the legality of. San Ramon should further opportunities for housing by eliminating off-street minimums, or at a minimum decreasing them to 1 per unit across the board, with no guest parking requirements.

Thank you for your consideration.

Signed, John Minot (co-executive), and The 2500 members of East Bay for Everyone