

**Minutes  
City of Clayton Planning Commission  
Regular Meeting  
Tuesday, February 22, 2022**

**1. CALL TO ORDER**

Chair Denslow called the meeting to order at 7:00 p.m.

**2. PLEDGE OF ALLEGIANCE**

Vice Chair Miller led the Pledge of Allegiance.

**3. ROLL CALL**

Present: Chair Terri Denslow  
Vice Chair Ed Miller  
Commissioner Justin Cesarin  
Commissioner Frank Gavidia  
Commissioner Amy Hines-Shaikh

**4. PRESENTATIONS AND ANNOUNCEMENTS**

There were no presentations or announcements.

**5. ACCEPTANCE OF THE AGENDA**

There were no changes to the Agenda as submitted.

**6. PUBLIC COMMENT**

There were no public comments.

**7. CONSENT CALENDAR**

**A. Minutes of Planning Commission Meeting of December 14, 2021.**

**Commissioner Cesarin moved to approve the minutes as submitted. Commissioner Hines-Shaikh seconded the motion. The motion passed 5-0.**

## 8. STUDY SESSION

### A. Status Report on the General Plan Housing Element Update for the 6<sup>th</sup> Cycle.

This is an informational session at which staff will provide an overview on the process to date with respect to the Update of the General Plan Housing Element for the 6<sup>th</sup> Cycle (2023-2031). In addition to reviewing the background and components of the Housing Element, staff will provide an explanation of next steps in the Housing Element Update, including the process for conducting required review of the Housing Element Update in accordance with the California Environmental Quality Act, and a demonstration of the next public engagement opportunity consisting of a housing planning simulation that will be posted to the City website at the end of February 2022.

Community Development Director Dana Ayers presented an overview of the State statutes pertaining to the Housing Element and California Environmental Quality Act (CEQA).

Commissioner Hines-Shaikh requested clarification on ministerial approvals and for examples of projects that could be considered ministerial. Director Ayers explained that projects that must meet prescribed standards without any discretion were considered ministerial. She gave building permits, small grading permits, and residential lot splits under Senate Bill (SB) 9 as examples of ministerial actions. She further explained that, with regard to the Housing Element and how CEQA applies to it, the entirety of the Housing Element and its selected sites and densities would need to be considered in the environmental analysis. While certain sites might qualify for ministerial approval, it was important not to isolate those sites as outside the scope of the Housing Element project and its Environmental Impact Report (EIR) analysis. However, she noted that future applications for residential development on sites identified in an adopted Housing Element could be considered not subject to CEQA if they qualified for a specific exemption or, if subject to CEQA, could build on the broader environmental analysis provided in the Housing Element EIR.

Commissioner Hines-Shaikh also asked about the State Housing and Community Development Department's (HCD) inclusion of Extremely Low-Income as an income category for housing allocation, and whether the City's allocation for affordable housing had been modified to include an assignment for Extremely Low-Income households. Director Ayers advised that in the current cycle, Extremely Low-Income units were included within the Very Low-Income category allocation. She was unaware of any new category being created with a new housing allocation specific to the Extremely Low-Income category but would further research the question.

Vice-Chair Miller inquired about the relationship between density and income level for the Regional Housing Needs Allocation (RHNA). Director Ayers explained that density could be an indicator for affordability level and, more specifically, that units designated for sites zoned with a density of 20 or more units per acre in Clayton could be counted toward the City's Low-Income allocation.

Chair Denslow inquired about the mechanisms available to ensure that a certain number of units are built as Low-Income units. Director Ayers suggested that a site could have an overlay zoning district with affordability requirements or, if the site was controlled by the City, the City could specify terms of affordability in the disposition of the site to a private developer.

Chair Denslow then requested clarification on when exemptions from CEQA could be applied, and how the Initial Study Checklist in CEQA Guidelines Appendix G relates to CEQA-exempt projects. Director Ayers advised that review of a project for a CEQA exemption may not require completion of the Initial Study Checklist but still required at minimum a cursory review of the project against the resource areas in the Checklist. She explained that exemption classes included a caveat that the project had no other impacts. She gave a hypothetical example of a project that was under 5 acres in size and located on an infill site—a project, which at first review might fit within a CEQA exemption class. In that hypothetical example, however, if that project was going to demolish an identified historic resource, it would have a potentially significant impact on historic resources and would not qualify as exempt from CEQA.

Chair Denslow then asked how the EIR process could commence while the Housing Element and its housing site inventory were still being prepared. She confirmed with staff that the commencement of the EIR should not be an indication to the public that the scope of the Housing Element was set and that no further public comment would be invited. Director Ayers further clarified that “the project” that would be described in the Notice of EIR Preparation and analyzed in the EIR assumed high densities of development across most of the specified sites in the preliminary inventory but that, as the analysis in the EIR was prepared and through the public input process of the Housing Element, alternatives would be developed and their environmental impacts would be compared against the project. At the end of the EIR process, the City Council would decide whether to approve “the project” or one of the alternatives as the updated Housing Element.

Chair Denslow confirmed with staff that the progress on the Housing Element Update was aligned with the schedule in the consultant's proposal approved by the City Council at their May 18, 2021 meeting.

Chair Denslow invited any member of the public in attendance to ask questions of staff. Alice Bristol asked if all of the housing in the project was proposed to occur on one site. Director Ayers advised that the Housing Element would include potential housing units on multiple sites, and Chair Denslow further clarified that the “project area” for the Housing Element was the entire City rather than one discreet location within it.

Director Ayers then shared with the Planning Commission a demonstration of Balancing Act, a public engagement and housing planning simulation tool that staff planned to make available to the public within the week.

Commissioner Gavidia asked why the simulation set a maximum density of 30 units per acre instead of 50 or 100 units per acre. Director Ayers responded that 30 units per acre was closer to the adopted General Plan, which had a maximum density of 20 units per acre, rather than 50 or 100 units, and that in setting the density in the simulation, staff chose a density that staff believed was more in line with community preferences. Commissioner Gavidia confirmed with staff that any density above 20 units per acre would require a General Plan amendment, which was what the Housing Element Update was but that, with that amendment, the Council could set a higher maximum density. He did not think that the problem could be solved with a limitation on density. Director Ayers stated that the 30 unit per acre maximum in the simulation was not intended as a recommendation on a maximum, but the simulation would give decision-makers and staff an idea of where in the City people were comfortable with higher densities versus lower densities of housing. The Planning Commission and City Council could choose to set a maximum density in excess of 30 units per acre when they took action on the Housing Element Update.

Commissioner Hines-Shaikh confirmed with staff that it was not possible to add a site to the simulation that was not already there, but that participants could submit comments inside the simulation making suggestions about other sites that could be included in the inventory.

Commissioner Cesarin asked how the simulation would be weighted in the preparation of the Housing Element Update. He also said he understood Commissioner Gavidia’s comment about maximum density in the simulation, but that it made sense to him why staff chose a maximum density that was based on adopted policy in the General Plan, and he understood the intent of the simulation to indicate preferences for higher or lower densities. He confirmed with staff that the results of the multiple plan submissions would be summarized in a spreadsheet of data about each site.

Vice Chair Miller confirmed with staff that the data from the simulation could be represented graphically in addition to a spreadsheet. He also confirmed with staff that the General Plan land use designations and zoning classifications could establish minimum densities for sites. He thought that minimum density was a good idea and could temper the City's RHNA buffer somewhat if it is known that a certain minimum number of units would be built on a site. Vice Chair Miller also confirmed with staff the State statute with respect to sites that have been in two housing cycles but remain unbuilt, that they must be zoned in such a way that at least 20 percent of the units are affordable to Low-Income households, which could be achieved by zoning the site for a minimum 20 units per acre. He suggested that smaller developments like accessory dwelling units and urban lot splits could help to contribute to the RHNA. He felt it worth repeating a comment made by staff at the January 4, 2022 City Council meeting that, for those types of projects, historical data is valuable in predicting justifiable future trends for that type of development during the next housing cycle. If the City over-predicted development of that type toward meeting its RHNA, the City could risk losing land use authority later because of a lack of progress toward meeting its projected housing targets. He thought there would be future opportunities to think outside of the box on how to approach the RHNA with smaller residential developments.

Commissioner Gavidia asked if people could identify sites other than the ones included in the simulation. Director Ayers responded that the simulation was limited to a prescribed list of sites that were designed into the program, but that discussion of the Housing Element was ongoing, and people could submit letters or emails to staff identifying other potential housing opportunity sites. He asked what tools or incentives the City could offer developers to build housing, suggesting that a variance or tax incentive was not going to be enough to motivate a housing developer. He reiterated that the problem has been going on for a long time.

Chair Denslow asked Commissioner Gavidia to clarify what he meant about "solving the problem," and whether he was referencing an insufficiency in housing or not meeting RHNA numbers. Commissioner Gavidia responded that he was referencing solving the problem for the City of Clayton. Housing Elements must be updated every 8 years but that, in the 20 years he has lived in Clayton, not much housing has been built. He expressed concern that the situation would continue to be a problem for the City and questioned how the City would incentivize a developer to build housing since rezoning land has not been enough.

Chair Denslow confirmed with staff housing projections are updated with each 8-year housing cycle and that, even if units are built, a new allocation for housing will be assigned to the City for the next cycle. She said she was still unclear on the problem to which Commissioner Gavidia was referring.

Commissioner Gavidia suggested rezoning land for a large buffer over the RHNA of 570, up to 1,000 or 2,000 units possibly, so that the problem goes away for a little while and does not come back to haunt the City. He suggested creative solutions, and he anticipated further upzoning of sites would be necessary. He suggested that if people knew the maximum density allowable, then they could then share where they would want the housing, and then the City could try to find a way to get the units built. He would like people to have the opportunity to identify other sites beyond the ones identified in the simulation, and he preferred a very larger buffer to the RHNA so that, at least for the next 15 to 20 years, there would not be a problem.

Chair Denslow confirmed with staff that drastic changes in upzoning of sites could be perceived by HCD staff as unrealistic and put at risk HCD's certification of the Housing Element. Director Ayers referred to State statute specifying that an agency must commit to implementing its Housing Element and that, if land values in Clayton have not supported 100 units per acre in the recent past, HCD could find such a dramatic upzoning to be questionable. Chair Denslow asked how many times a draft Housing Element could be resubmitted for review to HCD before the January 2023 deadline to approve the Housing Element. Director Ayers stated that her memory was not clear on the statute, but that she believed agencies had to complete their processes within 1 to 3 years of the deadline.

Vice Chair Miller questioned whether higher density directly corresponded to an increase in developer profit. Commissioner Gavidia said that it did, and that larger companies could borrow money at cheaper rates than smaller developers. He reiterated that he would like the land use scenarios in the Housing Element to include very high densities and greater building heights. If the City was going to solve the problem, it had to be realistic.

Chair Denslow confirmed with staff that the solution to the housing problem would not be a one-time and indefinite fix, but rather that new housing unit allocations would be assigned to each jurisdiction at the start of every 8-year housing cycle, regardless of how many units of the preceding cycle's allocation were built. She also clarified with staff that the simulation would not produce a single or best housing plan from among the submissions, but that the multiple results of the submissions would give decision-makers an idea of where in the City participants felt more comfortable with higher density developments. Decision-makers would then review the results of the simulation, along with written comments outside of the simulation, to evaluate more refinements of the housing plans to include meeting income level allocations that were not as easily accommodated in the simulation. However, because State law recognized densities of 20 or more units per acre as being affordable to Low-Income households, where responses

indicated a level of comfort with higher densities on a site, the Commission could consider possibly including the units planned on that site toward the City's Low-Income unit allocation.

Commissioner Cesarin said he understood the simulation was not intended to direct the Housing Element but was intended to give staff an idea of what the City was feeling with respect to housing. He said that putting much higher numbers into the simulation than were in the adopted General Plan did not make sense to him, but he recognized staff could make a future recommendation to increase density in an area where staff received community input in support of that. He inquired about whether the City had done an analysis of what barriers, such as utility connection costs, were discouraging property owners from constructing accessory dwelling unit (ADUs).

Commissioner Hines-Shaikh stated that the State was setting aside a large budget allocation, sponsored by Assembly Member Phil Ting, to incentivize ADU construction. She emphasized the importance of letting people know about the availability of these funds. She suggested pursuing community input on whether residents in the community would be interested in building an ADU and whether cost was the barrier for them. Director Ayers added that the City had been awarded grant funds in 2020 to develop a pre-approved ADU program that could result in reduced architectural design and plan check costs for people interested in building an ADU.

## **9. ACTION ITEMS**

None.

## **10. COMMUNICATIONS**

Vice Chair Miller encouraged people to submit written comments on the Housing Element.

Chair Denslow thanked staff for answering the various questions from the Commissioners, and she encouraged interested parties to review the Housing Element webpage on the City website and to reach out to staff with any questions throughout the Housing Element process.

Director Ayers advised that City Hall was re-opened to the public and that staff anticipated in-person Planning Commission meetings to resume in April. She reported that meetings would have a hybrid format where people could attend in person or could continue to participate remotely using the Zoom web conferencing platform. She advised that meeting guidelines for Hoyer Hall would be the same as they were for City Hall, wherein unvaccinated individuals would be required to wear a mask and unvaccinated individuals had the option to wear a mask.

Chair Denslow referenced the last City Council meeting at which the Mayor announced a request for volunteers to hand out flyers pertaining to the Housing Element and Clayton Cares program. Director Ayers advised that the Mayor intended to post details of the volunteer opportunity on his social media site and suggested interested individuals check there.

## 11. ADJOURNMENT

The meeting was adjourned at 9:28 p.m. to the next regular meeting of the Planning Commission on March 8, 2022.

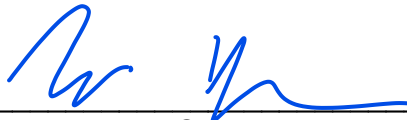
Respectfully submitted:



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Dana Ayers, AICP, Secretary

Approved by the Clayton Planning Commission:



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Terri Denslow, Chair