

# PLANNING CONTEXT

**D**anville is centrally located in the San Ramon Valley, an area long considered one of the most desirable areas in Contra Costa County due to its scenic beauty, pleasant semi-rural ambiance, predominance of large lot single family housing, and proximity to major employment centers in the Bay Area.

During the 1980s and 1990s, the San Ramon Valley became the focus of major development activity. Once a predominantly residential and rural area, the Valley experienced major residential, commercial, and office growth which altered its rural character. Within this context, Danville seeks to preserve the amenities that make it such a desirable place to live.

The key trends and planning issues in the San Ramon Valley that affect Danville are discussed below.

## A. HISTORY OF DANVILLE

Danville began as a small rural village formed during the 1850s to serve the commercial and cultural needs of the surrounding agricultural areas. Production of cattle and grain, followed by fruit and nut growing, were dominant agricultural activities.

With the construction of the Bay Bridge in 1936 and the Caldecott Tunnel in 1937, central Contra Costa County became accessible to the large and growing employment centers in San Francisco and

other parts of the Bay Area. A significant amount of residential development began to occur in the San Ramon Valley during the late 1940s. The first large residential subdivisions in Danville occurred during this period.

During the 1950s and 1960s, Danville evolved into a pleasant, desirable residential community. The Downtown area, focused along Hartz Avenue and San Ramon Valley Boulevard, became the major commercial center of the San Ramon Valley. The completion of the I-680 freeway in 1968 greatly improved access to the area and led to increased amounts of residential development activity throughout the Valley.

During the 1970s, major changes began to occur. Large new developments were planned, including Blackhawk and the Bishop Ranch Business Park. The intensity of development and its associated pressures on existing residential and commercial areas led to increased concern among Danville residents about unforeseen and unwanted change. These concerns led to a successful effort to incorporate Danville in 1982.

Similar concerns led to successful incorporation efforts by Dublin in 1982 and San Ramon in 1983. The growth pressures in the San Ramon Valley have been paralleled by similar concerns in the Livermore and Amador Valleys, including the communities of Livermore and Pleasanton. Taken in aggregate, these three valleys are known as the Tri-Valley region.

Danville continued to grow during the 1980s and 1990s, particularly on the east side of the I-680 freeway. A significant portion of this development was based on approvals granted by Contra Costa County, prior to Danville's incorporation (e.g., the development associated with the County-approved Sycamore Valley Specific Plan).

Another significant portion of this development involved lands annexed by the Town of Danville following incorporation (i.e., development associated with the County-approved Dougherty Road Area General Plan Amendment leading to the Tassajara Ranch planned unit development and development associated with the Town-approved Lawrence/Leema Road Specific Plan).

Infill development and new commercial projects have continued to be built in Downtown Danville and in a limited number of other locations. Significant public improvements in the form of new parks and civic facilities have been added since incorporation to serve the growing population. The San Ramon Valley has matured into a major regional employment and business center. Growth is projected to continue during the coming years in the Dougherty Valley and Alamo Creek areas abutting the southern and eastern edges of Danville as well as in other parts of the Tri-Valley region.

## B. ECONOMIC BASE

The economic base of the San Ramon Valley was dominated by agriculture prior to the residential growth that began in the late 1940s. The local economy shifted to retail and services after World War II as many new residents were employed in San Francisco and other parts of the Bay Area. By 1995, more than three-quarters of Danville's employed residents commuted to jobs in other communities.

During the 1980s, a shift in employment patterns began to occur in the San Ramon Valley and in the Tri-Valley region at-large. Major office, commercial, and industrial firms, employing thousands of workers, began locating in new suburban commercial areas and business parks. A combination of regional growth in high

technology industries and the relocation of major firms from San Francisco and the Inner East Bay significantly contributed to this growth. This trend continued into the 1990s.

Major centers of office development within Central and Southern Contra Costa County and Southeastern Alameda County include the downtown areas of Concord and Walnut Creek, Shadelands Business Park (Walnut Creek), Bishop Ranch Business Park (San Ramon), Hacienda Business Park (Pleasanton), Eastern Dublin, and Triad Business Park (Livermore). Employment growth in these areas has stimulated additional economic development in the San Ramon Valley, including basic employment and increased service and trade employment. Job growth in the Tri-Valley region measurably contributed to overall growth in the metropolitan Bay Area and influenced the rapid housing construction that took place in rural communities as far away as the Central Valley.

In 1990, 45,150 jobs existed in the San Ramon Valley, 8,800 of which were in Danville or its surrounding sphere of influence (SOI) area.<sup>1</sup> In 2000, 60,270 jobs existed in the Valley, 14,740 of which were in Danville or its SOI area. Due to the economic downturn that started in 2007, there was virtually no net job growth in the Valley between 2000 and 2010. By 2010, there were 60,300 jobs in the Valley, 15,020 of which were in the Danville Planning Area.

In 2000, slightly more than one third of Danville's employment base consisted of jobs in the "Finance and Professional" category, with roughly another one third in the "Health, Education and Recreational Services" category. The mix of jobs in Danville in 2000 generally aligned with the mix in the Valley at-large, although a higher percentage of Danville's jobs fell in the "Health, Education and Recreational Service" category.

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<sup>1</sup> The San Ramon Valley is defined as the cities of San Ramon and Danville and the unincorporated communities of Alamo and Blackhawk. Data in this section is from Projections 2009 and may not perfectly align with more recent draft ABAG projections.



Extrapolating forward through to the 2030 planning horizon, job growth in the San Ramon Valley is projected to increase by 24 percent to about 75,000 total jobs. ABAG’s regional projections indicate 74,800 jobs in the Valley in 2030. Most of the area’s job growth during 2010-2030 is expected to be in San Ramon. Forecasts prepared as part of this General Plan Update indicate employment in the Danville Planning Area will increase by 10 percent over the next 20 years, to about 16,700 jobs.

By 2030, Danville’s share of total Valley jobs is projected to slip slightly (22 percent of jobs down from 25 percent of jobs), with the percentage of “Finance and Professional” jobs holding steady and the percentage of “Health, Education and Recreational Services” jobs increasing to almost 37 percent of Danville’s jobs.

The number of employed residents and the total number of jobs in Danville are anticipated to grow at about the same rate between 2010 and 2030. A

substantial and growing number of Danville residents are involved with home based businesses, a trend which has become more viable with the advent of the internet and other advances in telecommunication.

### C. LAND USE

The growing economy of the Bay Area, including Central Contra Costa County and the Tri-Valley, has led to a high demand for developable land. This has caused a major change in the landscape of the San Ramon Valley over the past 40 years. The pastoral agricultural setting has been largely replaced by suburban and urban residential development, shopping centers, and business parks.

Much of the valley floor and lower slope of the San Ramon Valley was formerly in orchards, row crops, and pasture. From the early 1950s through the early 1970s, most of this land was converted

to residential use and supporting commercial and public uses. During the 1980s and 1990s, development began to extend to the surrounding grazing land in the hilly areas, particularly on the east side of the Valley. The Blackhawk development, in unincorporated Contra Costa County, is an example of this trend.

During the ten year period running from 1988 through 1997, Danville experienced its greatest period of growth. During this period the Town's population grew by an average of over 1,000 residents per year. The corresponding increase in housing units averaged over 400 units per year. Most of this development occurred in the Sycamore Valley and along Camino Tassajara on the east side of Danville.

By the late 1990s, new development areas were being established on former ranchland in the Dougherty Valley and in previously rural areas near Dublin and Livermore. At the same time, growing concerns over urban sprawl and its consequences resulted in a new emphasis on infill development throughout the Tri-Valley region.

For the ten year period running from 2000 through 2010, Danville experienced a much slower pace of growth, largely reflective of the fact that the major subdivisions approved in the 1980's and 1990's had been completed. During this period, as reported by the State Department of Finance, the increase in housing units averaged slightly less than 60 units per year.

Commercial development in the San Ramon Valley was historically centered in the downtown areas of Danville and Alamo, and along portions of San Ramon Valley Boulevard. The County-adopted 1977 San Ramon Valley Area General Plan designated large areas in the San Ramon Valley for commercial use, particularly in the vicinity of the I-680/Crow Canyon Road Interchange. Subsequent commercial development, principally the 585-acre Bishop Ranch Business Park, added over five million square feet of office and commercial development to the Valley between 1975 and 1985 alone. Most of this development occurred in what later became the City of San Ramon. Danville's Downtown area has remained the town's commercial hub and has grown extensively since

incorporation. A second major commercial area serving the east side of Danville developed in the 1990's at Crow Canyon Road and Camino Tassajara. A third commercial area was developed just north of the San Ramon border along Camino Ramon and Fostoria Way following the Town's approval of the Fostoria Way General Plan Amendment Study.

As a result both of the relative diminishment of the amount of land available for development and the pressures exerted on the Town through State housing law, an increasing share of new development has been, and will likely continue to be, in the form of infill or reuse of property that has not been developed to its full potential, typically occurring in the form of multifamily housing. There is still capacity for this type of growth in Danville, particularly in and around the Downtown area.

## D. HOUSING AND POPULATION

Housing in the San Ramon Valley historically consisted mainly of single family homes located in subdivisions or rural residential areas. The amenities of the area, including attractive building sites, scenic qualities, available public services and utilities, and access to employment centers supported such development.

Regional demand for housing, combined with the amenities of the San Ramon Valley, led to significantly higher housing costs in the 1990s and early 2000s. Until the economic downturn that started in 2007, housing costs in the Valley were among the highest of any area in Contra Costa County and had been well above regional averages for 30 years or more. By the final quarter of 2007, the California Association of Realtors was reporting that the median sales price of Danville homes had exceeded one million dollars. While it remains unclear when, and to what extent, housing values will recover from the 2008-2011 downturn, it is clear that desirability of living in the Valley stimulated the large amount of development activity that occurred over the past 40 years.

Because of high land values and changing buyer preferences, recent trends have seen development of many residential projects at higher densities than those developed during the 1950's through the 1980's. This has not only meant an increase in the number of townhomes and multifamily units, but also a decrease in the average lot size for single family housing. Another outcome of higher land costs and market trends has been the emergence of new housing types such as "patio" (or "zero lot line") homes, cluster homes and "duets." Even with the recent trends considered, Danville's housing mix continues to be dominated by single family detached units.

In 1990, Danville's 11,459 housing units had the following mix:

- 8,886 single family detached residential units (77.5 percent).
- 2,081 single family attached residential units (18.2 percent).
- 150 multifamily - 2 to 4 units (1.3 percent).
- 342 multifamily - 5 or more units (3.0 percent).

By 2010, Danville had added 4,393 units to take its total housing count to 15,852 units (+38 percent), with the housing mix shifting as follows:

- 12,094 single family detached residential units (76.3 percent).
- 2,597 single family attached residential units (16.4 percent).
- 294 multifamily 2 to 4 units (1.8 percent).
- 867 multifamily 5 or more units (5.5 percent).

In 1990, the Census reported the Town's population at 34,285. By 2010, the population was 42,039, an increase of 23 percent. Approximately 5,000 additional persons resided in unincorporated subdivisions on the east side of town but within the Danville Planning Area.

The Association of Bay Area Governments (ABAG) is responsible for making long-term forecasts of population, housing, and employment for the nine county Bay Area. These forecasts are updated every two years based on demographic and economic trends, development proposals, and updated data. In the most recent update (i.e., *Projections 2009*), ABAG has tried to present

forecasts that reflect a more realistic assessment of growth potential in the region, while also recognizing local policies that promote more compact infill and transit oriented development.

ABAG's 2009 population projections indicated that Danville's population would be approximately 51,000 in the year 2030, including residents of the unincorporated Planning Area. However, changes made through the General Plan Update will increase Danville's housing capacity and increase the projected 2030 Planning Area population to approximately 53,600. This is a 14 percent increase from 2010, suggesting that Danville's growth rate in the next 20 years will be half what it was during the previous 20 years.

## E. TRANSPORTATION

The transportation system in Danville is dominated by the I-680 freeway corridor, which bisects the Town in a north to south direction. Traffic volumes in this corridor have increased rapidly as Contra Costa County and the Tri-Valley have developed. As the economic base and land use intensity have changed in the County and the sub-region from predominantly residential to a mixture of residential/office/commercial, the transportation characteristics have also changed and intensified. Residential growth further away from the center of the sub-region and economic growth in the Silicon Valley have led to longer commutes, extended peak hour travel periods, and increased freeway congestion in suburban and rural areas.

According to the Contra Costa Transportation Authority, the number of vehicular trips on Interstate 680 in the San Ramon Valley corridor is projected to grow by about 40 percent between 2010 and 2030. The only improvements planned to accommodate traffic growth on Interstate 680 in the San Ramon Valley corridor is the completion of the auxiliary lane project, supplementing the first phase of the project completed in 2008. The project established auxiliary lanes (lanes that facilitate exiting and entering traffic) south of Diablo Road and between Crow Canyon Road and Bollinger Canyon Road in San Ramon.

## The 2007-2014 Regional Housing Needs Allocation and its Impact on the General Plan

The State legislature has established a process to ensure that all California communities do their “fair share” to accommodate local housing needs, particularly for low and moderate income households. This process is known as the Regional Housing Needs Allocation (RHNA). In 2007, the State identified a need for 214,500 housing units in the Bay Area during the period from 2007 to 2014. ABAG developed a formula to assign these units to cities and towns around the Bay Area, taking into consideration such factors as household growth, job growth, land supply, infrastructure and environmental constraints, real estate market conditions, and the availability of public transit.

For the 2007-2014 period, the Town of Danville was assigned a total of 583 units, or about one-half of one percent of the regional total. These units need to be affordable to 196 very low income households, 130 low income households, 146 moderate income households, and 111 above moderate income households. This assignment represents only one-third of the time period covered by the 2030 Danville General Plan. Future housing assignments, with additional units, will eventually be made by ABAG for 2014-2022 and for 2023-2030.

State law does not require communities to physically develop these units. However, it does require that communities identify sufficient land for their construction, and that programs be implemented to facilitate their development. This is the fundamental purpose of the Housing Element.

Table 29 and Figure A of the Danville Housing Element document the Town’s ability to meet ABAG’s housing assignment for 2007-2014. While the table points to a development potential of over 750 units, most of this potential is on single family sites, which are less likely to be affordable. The State has required that a site must be zoned at densities of at least 20 units per acre to be considered potentially affordable for low income housing in Danville, and at densities of at least 25 units per acre to be considered potentially affordable for very low income housing. The current zoning of the Town’s housing sites points to an adequate sites “gap” for the lower income portions of Danville’s RHNA.

In response to the adequate sites “gap”, Danville has to plan for more multifamily housing. The adopted Danville 2007-2014 Housing Element committed the Town to change the land use and zoning designations of an appropriate number and mix of sites to meet the RHNA numbers. Per the analysis in the Housing Element, a minimum of 7.9 acres was required to receive new land use and zoning designations to address the identified “gap” for very low income households (e.g., 25 units per acre), and a minimum of 1.7 acres was required to receive new land use and zoning designations to address the identified “gap” for low income households (e.g., 20 units per acre.).

The sites considered through the General Plan Update for the specified multifamily uses were infill sites, including underutilized sites with some amount of current development. The Town has made an effort to designate a sufficient number of sites for higher density housing to avoid the need for additional General Plan changes in 2013, when the RHNA numbers for 2014-2022 will be adopted by ABAG.

Even with major transportation improvements and improved transit, it is likely that traffic congestion on the I-680 freeway will become a constraint to continued development in the area. Regional traffic on I-680 causes congestion on surface streets in Danville on an increasingly frequent basis as problems and/or congestion on I-680 results in traffic diverting from the freeway. Moreover, development beyond the eastern Town limits will rely on Danville roadways to get to and from the freeway, further increasing local traffic. The resulting traffic volumes and congestion have the potential to increase noise and air pollution, threatening the quality of life in Danville.

## **F. PUBLIC FACILITIES AND SERVICES**

Until 1982, the San Ramon Valley was an unincorporated area served by Contra Costa County and a variety of special districts. The incorporation of Danville in 1982 and the incorporation of San Ramon in 1983 led to a transfer of municipal services to the new cities; however, major utilities are still provided by special districts.

Extension of public facilities and services has played an important role in the development of the San Ramon Valley. Aggressive service extension policies in unincorporated areas by various special districts, along with Contra Costa County land use policies permitting urban development in unincorporated areas, led to the rapid growth that has occurred over the past 40 years. Good schools have continued to attract young families to the area.

Additional information on public facilities and services is found in Chapter 5 of the General Plan.

## **G. ENVIRONMENTAL QUALITY**

The environmental quality of the San Ramon Valley has been a key factor in its growth and economic development. However, at some point, excessive and uncontrolled development can cause an irreversible downturn in the very qualities that

led to the Valley's attractiveness. The major environmental issues in the Valley are profiled below.

### **AIR QUALITY**

The San Ramon Valley is an area with generally lighter winds and a higher frequency of calm conditions than much of the rest of the Bay Area. Prevailing winds from the south and west may carry pollutants from elsewhere in the Bay Area into the Valley. Automobile and truck traffic are the major sources of local air pollution, but other sources such as wood stoves and fireplaces are also contributors.

Given the terrain and climate, the potential for air pollution in the San Ramon Valley is relatively high. On winter evenings, light winds and surface based inversions can cause pollutant levels to increase. In the summer, ozone and ozone precursors are often transported into the area from both the Central Bay Area and the Central Valley. Additional information on air quality is contained in the Resources and Hazards Chapter of the General Plan.

### **NOISE**

Because of the dominance of residential development in the San Ramon Valley, noise problems in Danville are primarily associated with automobile traffic. Increases in traffic along the I-680 freeway and major thoroughfares have caused steadily increasing levels of noise. These increases have become particularly bothersome to residential neighborhoods that border heavily traveled roads.

Due to cumulative increases in noise which have occurred in Danville and growing community concern, the Town has adopted a Noise Ordinance. The Ordinance's primary objective is protection of residential neighborhoods from unacceptable noise levels. The Town has also adopted land use compatibility standards related to noise, as required by state law. These standards indicate the acceptable outdoor noise levels for different land uses, and may be found in the Resources and Hazards Chapter of the General Plan.

## OPEN SPACE AND SCENIC RESOURCES

A major amenity of the San Ramon Valley is its open space resources, including scenic hillsides, agricultural areas, and natural habitat areas. Some open space is protected in state and regional parks; however, many hillsides and agricultural areas have been subject to continued development. Preservation of open space and scenic resources is important to maintain the quality of life for residents of the Valley.

In 1984, Danville began working with the East Bay Regional Park District toward the development of a regional open space system in the Sycamore Valley. As residential development occurred in the Sycamore Valley, development rights were dedicated to the public for the undeveloped slopes located above the various residential projects. While much of those lands were retained in private/HOA ownership, selected properties were transferred to the East Bay Regional Park District (EBRPD) starting in the late 1980's. The 328 acre southern portion of EBRPD's Sycamore Valley Regional Open Space Preserve known as the Sherburne Hills unit, located south of Camino Tassajara, was acquired by the Park District in 1989. In 1998 the District

acquired 255 acres north of Camino Tassajara from the Town of Danville, and an additional 106 acres from Wood Ranch developers, bringing the total acreage of Preserve to approximately 696 acres. With the above cited actions, the amount of land in Danville that is permanent open space (i.e., under public ownership as open space or deed restriction privately held land) exceeds one fourth of the total land area of the Town. At the time of adoption of the 2030 Plan, a total of 3,070 acres of the 11,600 acres within the Town limits was designated as General Open Space.

Continued preservation of open space resources will be necessary to preserve the scenic ridgeline areas which serve as a backdrop to development in the San Ramon Valley and contribute to the character and charm of the area. In response to this issue, the Town adopted a Scenic Hillside and Major Ridgeline Development Ordinance in 1985 (twice amended since that adoption). The Town also supports the conservation of agricultural land in the Tassajara Valley. The Tassajara Valley is important both as a natural resource and a visual resource for Danville and other communities in the region. Additional discussion of open space preservation in this area is provided in Chapter 3 (Special Concern Areas).