



PLANNING DIVISION

STAFF REPORT

TO: PLANNING & TRANSPORTATION COMMISSION

FROM: Susan Mickelsen, **DEPARTMENT:** Planning and
Planner Community Environment

DATE: February 8, 2006

SUBJECT: **2460 High Street [05PLN-00363]:** Request for Planning and Transportation Commission review and recommendation with City Council adoption of City-initiated rezoning of a portion of the "High Street City Surplus Property" from PF (Public Facilities) to RMD (Two Unit Multifamily Residential). Zone District: PF. Environmental Assessment: Exempt from the California Environmental Quality Act Section 15301.

RECOMMENDATION

Staff recommends that the Planning and Transportation Commission (Commission) review and recommend to the City Council approval for a zoning classification change of a portion of parcel number 132-17-081; 2460 High Street (designated city surplus property) from the Public Facilities (PF) zoning district to the Two-Unit Multiple-Family Residence District (RMD) zone pursuant to the Palo Alto Municipal Code Section 18.98.040. Palo Alto Comprehensive Plan designation of the subject site is Multifamily Residential; therefore the proposed zone change is consistent with the land use designation and a Comprehensive Plan amendment is not required. For your reference, Location/Zoning and Designated Land Use Maps are attached to this staff report (Attachments A and B, respectively).

PROJECT DESCRIPTION

The proposed project is a City Council initiated, following Finance Committee recommendation, rezoning of a portion of parcel 132-17-081; 2460 High Street, of approximately 5400 square feet, from public facilities to two-unit multiple-family residential to provide for housing on this surplus City property. Based on the site size and under the proposed RMD zoning district, up to two units (under the same ownership) could be constructed on this site. There is no development proposal at this time for the subject parcel.

Background

On September 19, 2005, the City Council approved the staff and Finance Committee recommendation to declare the subject parcel portion surplus property and directed staff to process the application to change the zoning district from PF to RMD (CMR 366:05 included in

Attachment C). For the City Council action, City Real Estate staff had evaluated the possible uses of the site, including alternatives which might increase opportunities for housing. Staff explored, without success, the potential purchase of adjacent parcels (owned by the County). The small size parcel would only accommodate one to two units, therefore staff recommended and City Council approved declaring the property surplus, changing the zoning, and selling the property. Funds from the sale of this property will be used to offset the costs of an affordable housing project on a larger site, such as the potential redevelopment of the Alma Substation property.

Project Site

The 5,413 square foot portion of Parcel 132-17-081 is located on High Street adjacent to the Alma Street-to-Oregon Expressway on-ramp and 2476/2496 High Street. The parcel is owned by the City of Palo Alto and is remnant land left from the development of the Oregon/Alma Street interchange. The parcel is currently vacant, with landscaping and is irregular in shape. The remaining portion of the parcel, not designated as city surplus property, would remain zoned PF. This remaining portion contains some City Utilities facilities and might be needed in the future for widening of the adjacent on-ramp to Oregon Expressway.

The site is bounded by the uses and land use designations summarized in the table below (see Attachments A and B for the zoning and land use map).

EXISTING USES AND DESIGNATIONS SURROUNDING THE PROPOSED SITE			
Location	Existing Uses	Comprehensive Plan	Zoning
North	Remaining vacant portion of parcel, High Street, RM-30 properties	Multiple-family Residential	Public Facilities (PF) Medium Density Multiple-family (RM-30)
South	RM-15 properties, Colorado Avenue	Multiple-family Residential	Low Density Multiple-family (RM-15)
East	High Street, RM-30 properties	Multiple-family Residential	Medium Density Multiple-family (RM-30)
West	On-ramp to Oregon Expressway, County vacant ROW, City Utility Station, Alma Street	Multiple-family Residential	Public Facilities (PF)
Subject Site	Vacant site	Multiple-family Residential	Public Facilities (PF)

As presented to City Council in September 2005, due to the parcel's 5,413 square feet size, rezoning the parcel to RM-15 (Low Density Multiple Family Residential) or RM-30 (Medium Density Multiple Family Residential) would only allow development of one residential unit. Since the site is surrounded by primarily two-story multiple family developments staff felt a two-unit multiple family development would be appropriate and consistent with the underlying Comprehensive Plan land use designation. Under the Two Unit Multiple Family Residential (RMD) zoning district, either one or two units would be permitted, provided that if two units are developed, both are under the same ownership. Such a development would be compatible with

the existing multifamily and public facilities development in the vicinity. There is no development proposal at this time for the subject parcel. The rezoning does not entitle a development to occur, and any proposal would be subject to all applicable development standards and review processes.

Two Unit Multiple-Family Residence (RMD) Zoning District Regulations

The zoning ordinance two unit multiple family residential district (RMD) allows up to two residential units to be developed under the same ownership in areas designated for multiple family use in the Palo Alto Comprehensive Plan. Maximum densities in the RMD district are 17 dwelling units per acre. The RMD district has the following development standards:

- The minimum lot size is 5,000 square feet
- The minimum lot size to permit two units is 5,000 square feet.
- The maximum building height is 35 feet.
- The required setbacks are 20' front, 6' sides, and 20' rear.
- Daylight plane requirements (18.10.040) are applicable for the side and rear.
- Maximum site coverage is 40%.
- Maximum floor area ratio (FAR) of 0.5 to 1. (Approximate 2,700 sf for the subject site).
- The minimum usable open space requirement is 450 square feet per unit.
- The minimum off-street parking requirement is (for a two unit development) 3 spaces, two of which must be covered.

Procedural Background

The process for a city-initiated zone change is outlined in the Palo Alto Municipal Code under Section 18.98. The steps are summarized as follows:

- City Council or PTC direction toward staff to process rezoning application (City Council direction occurred on September 19, 2005);
- The item is scheduled for a regular or special meeting of the PTC; and
- If recommended for approval by the PTC, an ordinance would be drafted for the City Council's final action that contains findings in support of the requested zone change.

POLICY IMPLICATIONS

The proposed change in land use must be consistent with the plans and policies of the City of Palo Alto. The subject parcel is designated in the Palo Alto Comprehensive Plan as Multifamily residential. Therefore the proposed zone change is consistent with this designation and a change in this designation is not required.

The Comprehensive Plan defines the Multiple Family Residential designation as follows:

“Multiple Family Residential: The permitted number of housing units will vary by area, depending on existing land use, proximity to major streets and public transit, distance to shopping, and environmental problems. Net densities will range from 8 to 40 units and 8 to 90 persons per acre. Density should be on the lower end of the scale next to single family residential areas. Densities higher than what is permitted by zoning may be allowed where measurable community benefits will be derived, services and facilities are available, and the net effect will be compatible with the overall Comprehensive Plan.”

Consistency with Comprehensive Plan Policies

Staff believes that the proposed zone change complies with the Comprehensive Plan policies and programs, particularly the updated Housing Element's policies and programs for increased housing density for sites.

Comprehensive Plan Policies

- Policy H-2: Identify and implement a variety of strategies to increase housing density and diversity in appropriate locations. Emphasize and encourage the development of affordable and attainable housing ;
- Program H-3: Encourage the conversion of non-residential lands to residential use to both increase the supply of housing, particularly affordable housing, and decrease the potential for the creation of new jobs that exacerbate the need for new housing. Land use and development applications that propose the conversion of non-residential land to residential or mixed use development will be given preferential or priority processing to encourage such conversion;
- Policy H-3: Continue to support the re-designation of suitable vacant or under-utilized lands for housing or mixed uses containing housing;
- Program H-46: Support and expand the City's Housing Development Fund or successor program; and
- Policy L-48: Promote high quality, creative design and site planning that is compatible with surrounding development and public spaces.

RESOURCE IMPACT

The proposed zone change on the "High Street City Surplus Property" does not have an economic impact to the City's General Fund. If the zoning change is approved by Council, City staff will then return to Council with the Request for Bid Proposals, with a likely staff recommendation of a minimum bid for the High Street parcel based on an appraisal of its market value as a multiple family residential lot. The net sale proceeds from the sale would be deposited in the Residential Housing Fund to be used to offset the costs of affordable housing projects, such as the potential Alma Street Substation property redevelopment.

ENVIRONMENTAL REVIEW

The proposed zone change is exempt from the California Environmental Quality Act (CEQA) under Section 15301 of the CEQA Guidelines. The proposed zone change does not change the vacant use of the land and is consistent with the underlying Comprehensive Plan land use designation of multifamily residential. The zoning change of the parcel does not entitle future development on the parcel and such potential development is subject to additional environmental and development review.

ATTACHMENTS

- Attachment A: Site Location Map with surrounding zoning shown
- Attachment B: Comprehensive Plan Land Use Map
- Attachment C: City Manager's Report 366:05, September 19, 2005

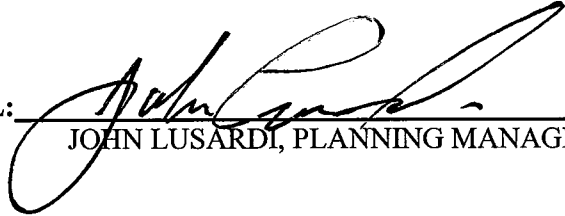
COURTESY COPIES

Bill Fellman, City Real Estate Department
Don Larkin, City Attorney

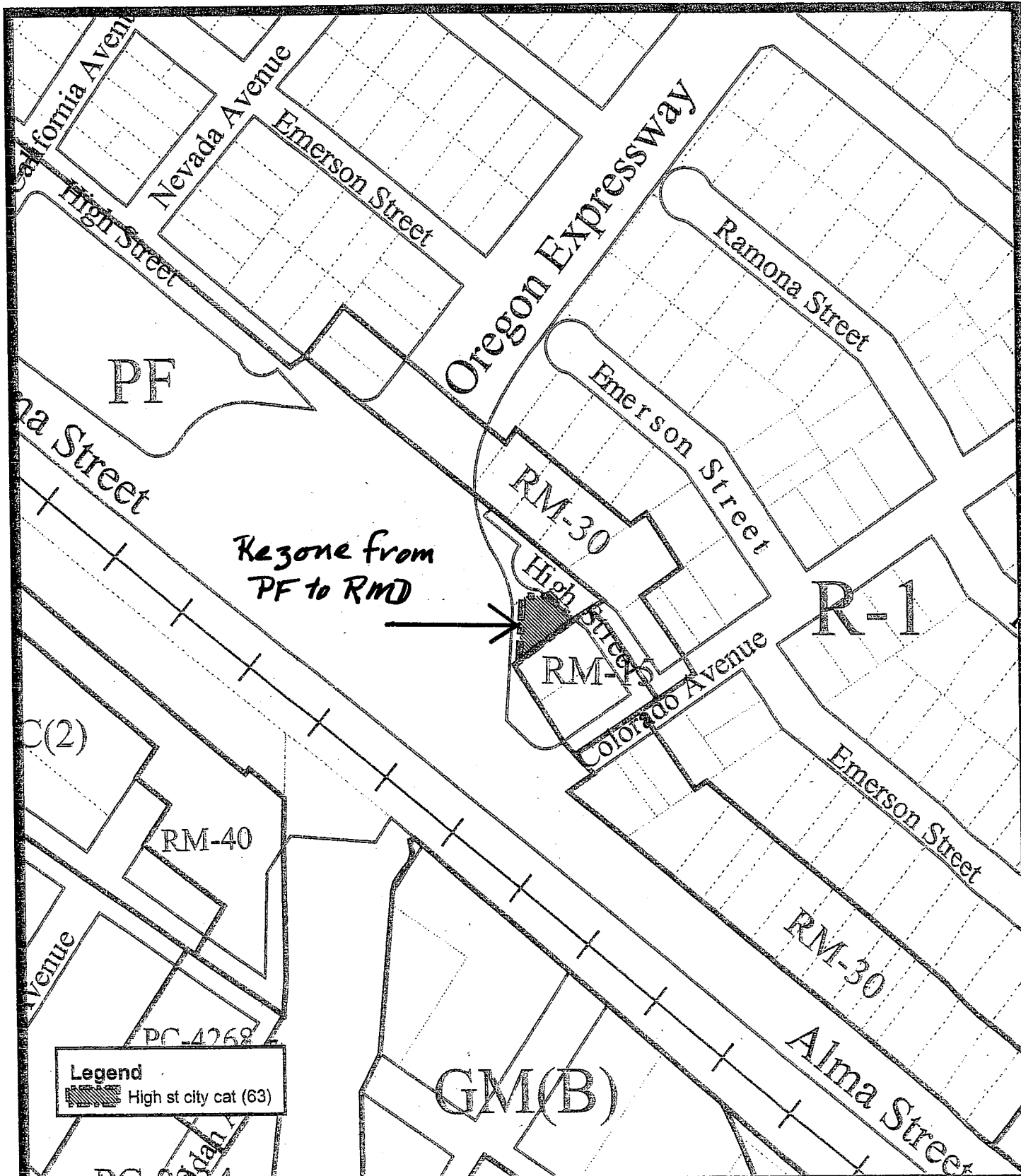
Prepared By: Susan Mickelsen, Planner


Manager Review: John Lusardi, Planning Manager

DEPARTMENT/DIVISION HEAD APPROVAL:

A handwritten signature in black ink, appearing to read "John Lusardi", is written over a horizontal line. The signature is fluid and cursive.

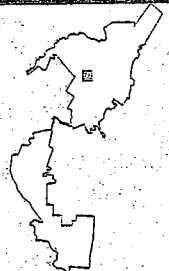
JOHN LUSARDI, PLANNING MANAGER



Legend
 High st city cat (63)



The City of Palo Alto






High Street
 City Surplus Property
 ATTACHMENT A

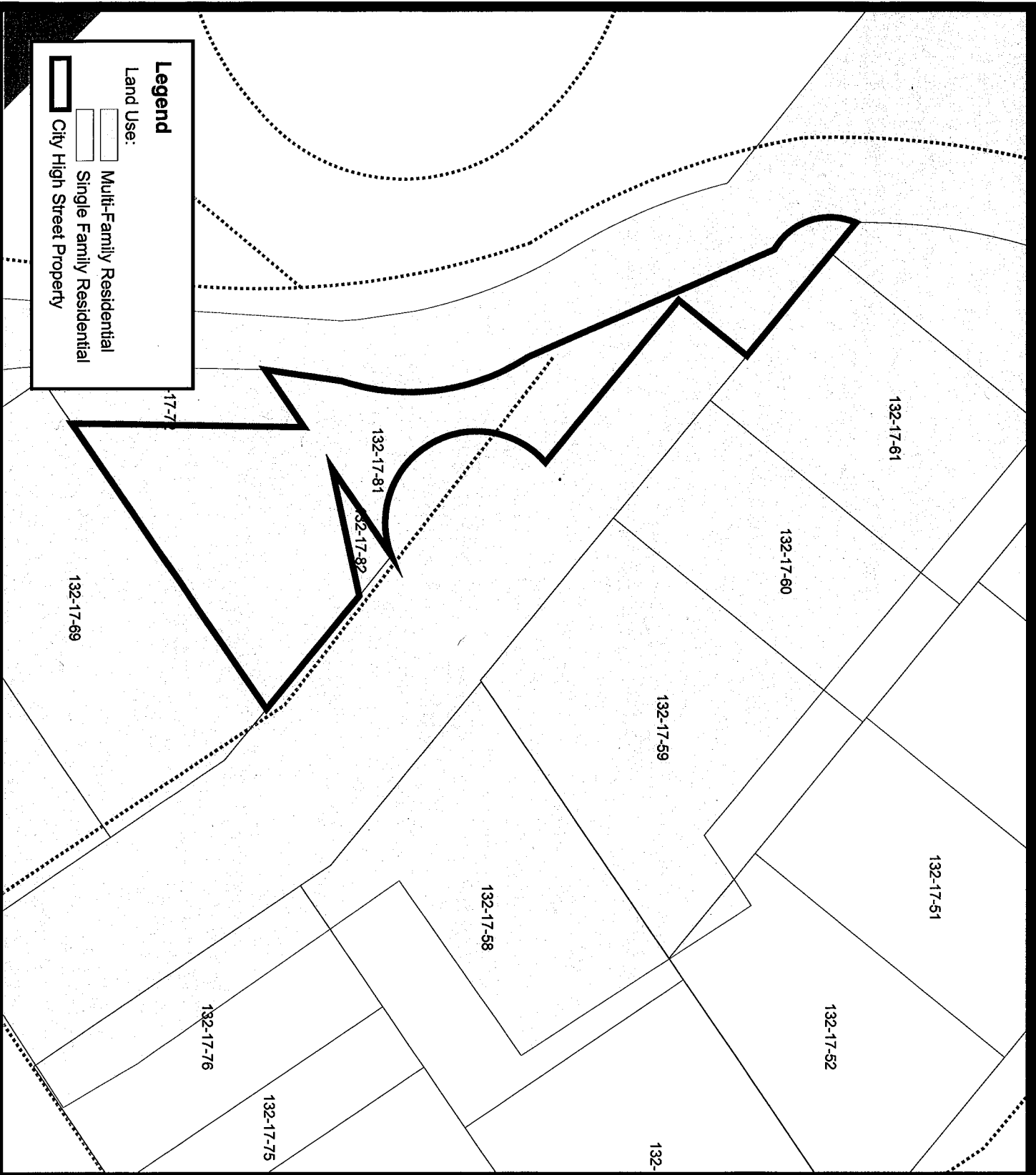
This map is a product of the City of Palo Alto GIS



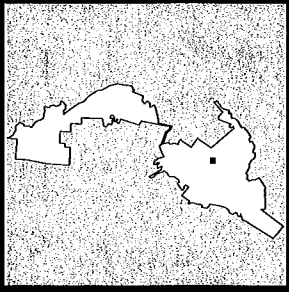
Legend

Land Use:

-  Multi-Family Residential
-  Single Family Residential
-  City High Street Property



The City of
Palo Alto



Attachment B
2460 High Street
Parcel # 132-17-081

This map is a product of the
City of Palo Alto GIS



ATTACHMENT C

TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: ADMINISTRATIVE SERVICES

DATE: SEPTEMBER 19, 2005 CMR: 366:05

SUBJECT: FINANCE COMMITTEE RECOMMENDATION TO DECLARE AS SURPLUS PROPERTY A PARCEL ON HIGH STREET NEAR OREGON EXPRESSWAY FROM FINANCE COMMITTEE MEETINGS OF FEBRUARY 15, 2005 AND JULY 19, 2005

RECOMMENDATION

The Finance Committee recommends that the Council:

- 1) Declare a portion of a City-owned parcel located on High Street near Oregon Expressway to be surplus property;
- 2) Direct staff to process an application to change the zoning from Public Facility (PF) to Two Unit Multiple Family District (RMD); and
- 3) Return to Council for approval of the Request for Proposal (RFP) to dispose of the property using an open bid procedure in accordance with the City policy for sale of surplus property. Funds from the sale of the High Street property will be used to fund the proposed redevelopment of the Alma Substation property for affordable housing.

COMMITTEE REVIEW AND RECOMMENDATIONS

On February 15, 2005, the Finance Committee considered the staff recommendation that Council declare as surplus property a parcel on High Street near Oregon Expressway (CMR:149:05). Committee discussion focused on alternatives which might increase opportunities for housing, such as the purchase of adjacent properties for the purpose of combining them with the City-owned parcel. The Committee voted unanimously to direct staff to have discussions with the Santa Clara County Housing Authority and/or other local housing groups to explore the merit of pursuing this type of alternative to the recommended proposal, and to return to the Finance Committee with the results of the discussions. Staff reported back to the Committee that discussions with the Palo Alto Housing Corporation and the Housing Authority of Santa Clara County had determined the alternatives were not feasible for this site (CMR:317:02). On July 19, 2005, the Finance Committee voted unanimously to recommend that the City Council approve the staff recommendation.

PREPARED BY: _____
WILLIAM W. FELLMAN
Manager, Real Property

DEPARTMENT HEAD APPROVAL: _____
CARL YEATS
Director, Administrative Services

CITY MANAGER APPROVAL: _____
EMILY HARRISON
Assistant City Manager

ATTACHMENTS

Attachment A: CMR:149:05
Attachment B: CMR:317:05