



PLANNING DIVISION

STAFF REPORT

TO: PLANNING & TRANSPORTATION COMMISSION

FROM: Amy French
Manager of Current Planning

DEPARTMENT: Planning and
Community Environment

AGENDA DATE: June 8, 2005

SUBJECT: **Zoning Ordinance Amendment (05PLN-00162):** General Manufacturing (GM)(B) Zoning Ordinance Amendment: Request by Carol Jansen on behalf of Court House Plaza Company to modify Palo Alto Municipal Code, Section 18.57.060 Site Development Regulations to clarify that (1) the 0.5 to 1 Floor Area Ratio is for commercial use only, and (2) mixed use projects are allowed to have a floor area ratio of 1.0 to 1, provided the nonresidential floor area does not exceed 0.5 to 1, and (3) to implement the density bonus increases set forth in Comprehensive Plan Policy H-38, and associated proportionate increases in Floor Area by adding the following text:
“For residential or mixed residential and non-residential uses that include a density bonus of one additional below market rate housing unit for each additional three-market rate units, an increase in residential density of up to 50% shall be permitted. Such uses shall be allowed additional Floor Area Ratio proportionate to the density bonus increase, but not to exceed a total Floor Area Ratio of 1.5 to 1, and the commercial portion of the project shall not exceed .5 to 1 Floor Area Ratio.”
Environmental Assessment: Addressed in the Addendum to the Comprehensive Plan EIR adopted by the City Council on December 2, 2002.

RECOMMENDATION:

Staff recommends the Planning and Transportation Commission recommend the Council approve the attached draft Ordinance (Attachment A) IF, on July 11, 2005, the Council does NOT accept the Commission’s recommendation to delete the (B) Combining District and retain the existing mixed use text in the GM District. If the Council does accept the Commission’s recommendation, a revised ordinance would be prepared to delete items (1) and (2) but retain item (3) as described in the subject title above and further clarified below in this report.

SUMMARY OF LAND USE ACTION:

This request is coming to the Planning and Transportation Commission (Commission) prior to the City Council's July 11, 2005 review of the Commission's May 18, 2005 recommendation for changes to the GM district (which included deletion of the (B) combining district). This item will be scheduled for review by the Council after July 11, 2005, since the ordinance may need to be modified based upon the Council's decision (see summary below).

On May 18th, the Commission voted 4-1-2-0 to recommend Council approval of staff recommendations for modifications to the Office, Research and Manufacturing districts, including removal of the (B) combining district and retaining the mixed-use portion of the GM District regulations. Staff notes, however, that the Commission did not specifically address the compatibility of research and development use with residential use, though the Commission did indicate that housing would not be appropriate with uses that use hazardous materials. Minutes of the Commission meeting of May 18, 2005 are enclosed in this meeting packet subject to the Commission's approval (Attachment E). The City Council previously reviewed the removal of the (B) combining district in a preliminary hearing, and expressed support of the recommendation.

Effect of Change from GM(B) to GM Zoning District

If the Commission's recommendations regarding the GM district are adopted, including the deletion of the (B) combining district, the following key changes would apply to this site:

1. Research and development would become a permitted use, whereas it is currently prohibited in the (B) combining district.
2. Administrative office use (e.g., headquarters offices) would become a conditional use, whereas it is now prohibited in the (B) combining district (note: administrative office is currently a permitted use in GM and all other office uses are and would continue to be prohibited in the GM and GM(B) districts).
3. General business services would be a permitted use, whereas it is currently a conditional use in the (B) combining district.
4. Single-family and two-family uses would be prohibited.
5. Mixed use (residential and nonresidential) would be allowed at a 1:1 FAR, whereas it is currently permitted in the (B) combining district with a .5:1 FAR.

SUMMARY OF KEY ISSUES:

General Applicability

There are two areas within the City that are zoned GM(B):

1. Eleven parcels in the area bounded by Page Mill Road to the west, Public Facilities (railroad right of way) to the north and east, and Park Boulevard to the south; and
2. Four parcels in the area bounded by East Bayshore Road to the west, East Palo Alto and Public Facilities (Palo Alto's main post office) to the north and east, and Laura Lane and O'Brine Lane to the south.
3. A location map is attached to this report (Attachment B) to reflect the affected areas.

Applicability to Court House Plaza Project

Approval of the ordinance (Attachment A) would satisfy the applicant's initial request (Attachment C). The applicant recently submitted a preliminary Architectural Review Board (ARB) application for a modified mixed-use project at 195 Page Mill to be processed without a Planned Community designation, pending adoption of the requested text amendment. The project application that was submitted on May 18, 2005 is described as follows:

195 Page Mill Road and 2825, 2865, 2873, 2891, and 2901 Park Boulevard [05PLN-00175]: Request by Court House Plaza Company for preliminary ARB review of an application to allow the construction of a three story building to include 50,468 square feet for Research and Development (R&D) space on the ground floor and 107,034 square feet for two level residential apartments totaling 84 units, plus a subterranean parking garage and related site improvements. Zone District: GM(B).

Staff has spoken with the applicant about the scheduled July 11th hearing by Council of the deletion of the (B) District, which would then allow for the proposed Research and Development use. The applicant is in favor of the deletion as an alternative to this proposal to modify the text of the GM(B) District, which is reflected in an email attached to this report (Attachment D). The applicant requests that, if the Council does not adopt the general deletion of the (B) Combining District, the Council delete the (B) Combining District from the 195 Page Mill Road site in particular, along with adopting the third proposal of this request to allow for increased floor area associated with the density bonus in association with the GM District. The applicant requests the Commission consider this alternative on June 8; however, the public notice did not refer to a text change to Chapter 18.55 in particular, and did not refer to deletion of the (B) District from the parcel at 195 Page Mill. A new public notice describing this alternative would be required prior to a Commission recommendation to Council on the alternative proposal. The alternative proposal will be placed on the June 29, 2005 Commission agenda.

If the Council votes to approve the staff and Commission recommendation for deletion of the (B) District on July 11, 2005, it would become effective within 30 days of the second reading, so that a formal ARB application including R&D use could be brought to a public hearing sometime after the end of August.

Housing Element Policy H-38

The Palo Alto Comprehensive Plan Housing Element contains the following policy pertaining to density bonus:

Policy H-38: "Adopt a revised density bonus program ordinance that allows the construction of up to three additional market rate units for each BMR unit above that normally required, up to a maximum zoning increase of 50 percent in density. Allow an equivalent increase in square footage (Floor Area Ratio) for projects under this program. The revised density bonus program will meet State standards for the provision of housing units for very-low and lower-income renters, seniors and moderate-income condominium buyers in compliance with Government Code Section 65915."

The applicant requests the following text (as noted in the subject of this report) be added to the GM(B) District text to implement Policy H-38:

“For residential or mixed residential and non-residential uses that include a density bonus of one additional below market rate housing unit for each additional three-market rate units, an increase in residential density of up to 50% shall be permitted. Such uses shall be allowed additional Floor Area Ratio proportionate to the density bonus increase, but not to exceed a total Floor Area Ratio of 1.5 to 1, and the commercial portion of the project shall not exceed .5 to 1 Floor Area Ratio.”

Contingency Plan

If the Council does adopt the Commission’s recommendation on July 11, 2005:

- The draft ordinance (Attachment A) related to this request would be modified to remove requested items (1) and (2), and
- The draft ordinance (Attachment A) would be modified to refer to the GM Zone District rather than GM(B) Zone District, related to requested item (3).

If the Council does NOT adopt the Commission’s recommendation on July 11, 2005, the draft ordinance would be forwarded to the Council at a subsequent meeting, probably after their summer recess to allow for public notice requirements.

ENVIRONMENTAL REVIEW:

As noted, the Addendum to the Comprehensive Plan EIR adopted by the City Council on December 2, 2002 addresses the potential impacts of the proposed project.

ATTACHMENTS:

- A. Draft Ordinance
- B. Location Map
- C. Applicant’s request
- D. Applicant email regarding alternate proposal
- E. Commission minutes of May 18, 2005 - in this packet under separate cover for review and approval (for Commission members only)

Prepared by: Amy French, Manager of Current Planning

Reviewed by: Lisa Grote, Chief Planning Official

Department/Division Head Approval:



Lisa Grote, Chief Planning Official

NOT YET APPROVED

Attachment A

ORDINANCE NO. _____

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING TITLE 18 [ZONING], CHAPTER 18.57 [GENERAL MANUFACTURING COMBINING DISTRICT (B) REGULATIONS], SECTION 18.57.060 [SITE DEVELOPMENT REGULATIONS] TO CLARIFY REGULATIONS RELATING TO FLOOR AREA RATIOS AND DENSITY BONUS FOR BELOW MARKET RATE HOUSING

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

(a) Palo Alto Comprehensive Plan Housing Element Police H-38 provides that the City shall "[a]dopt a revised density program ordinance that allows the construction of up to three additional market rate units for each BMR unit above that normally required, up to a maximum zoning increase of 50 percent in density. Allow an equivalent increase in square footage (Floor Area Ratio) for projects under this program."

(b) The applicability of floor area ratio requirements to residential and mixed-use projects in the GM(B) District is unclear in the current ordinance.

(c) This Ordinance clarifies that the 0.5 to 1 Floor Area Ratio in the GM(B) District is for commercial use only, mixed use projects are allowed to have a floor area ration of 1.0 to 1 provided the nonresidential floor area does not exceed 0.5 to 1, and implements Comprehensive Plan Policy H-38 in the GM(B) District.

SECTION 2. Section 18.57.060 [Site Development Regulations] of Chapter 57 [GENERAL MANUFACTURING COMBINING DISTRICT (B) REGULATIONS] of Title 18 [Zoning] of the Palo Alto Municipal Code is hereby amended to read as follows:

18.57.60 Site development regulations.

The site development regulations of Chapter 18.55 (GM District) shall apply except for the following:

NOT YET APPROVED

(a) Floor Area Ratio. Except as otherwise allowed in this section, the maximum floor area ratio shall be .5 to 1, except that minor additions may be permitted for the purpose of on-site employee amenities, resource conservation and code compliance, in accordance with the site development exemptions of Chapter 18.55.

(b) Front Yard. For any property designated GM(B) and fronting on East Bayshore Road, a minimum setback of 6.1 meters (twenty feet) along that frontage is established.

(c) Residential and Mixed Residential and Nonresidential Uses. The maximum floor area ratio of .5 to 1 does not apply to residential and mixed residential and nonresidential use. For mixed-use projects the maximum floor area ratio shall be 1.0 to 1 provided that the nonresidential floor area does not exceed 0.5 to 1.

(d) For residential or mixed residential and non-residential uses that include a density bonus of one additional below market rate housing unit for each additional three-market rate units, an increase in residential density of up to 50% shall be permitted. Such uses shall be allowed additional Floor Area Ratio proportionate to the density bonus increase, but not to exceed a total Floor Area Ratio of 1.5 to 1, and the commercial portion of the project shall not exceed .5 to 1 Floor Area Ratio.

SECTION 3. This ordinance shall be effective 30 days after the date of its adoption. Notwithstanding any other provision of this ordinance or the Palo Alto Municipal Code, all applications submitted prior to the effective date of this ordinance shall be subject to the PAMC Title 18 Zoning Regulations in effect on the date the application is received by the City.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

NOT PARTICIPATING:

NOT YET APPROVED

ATTEST:

City Clerk

APPROVED AS TO FORM:

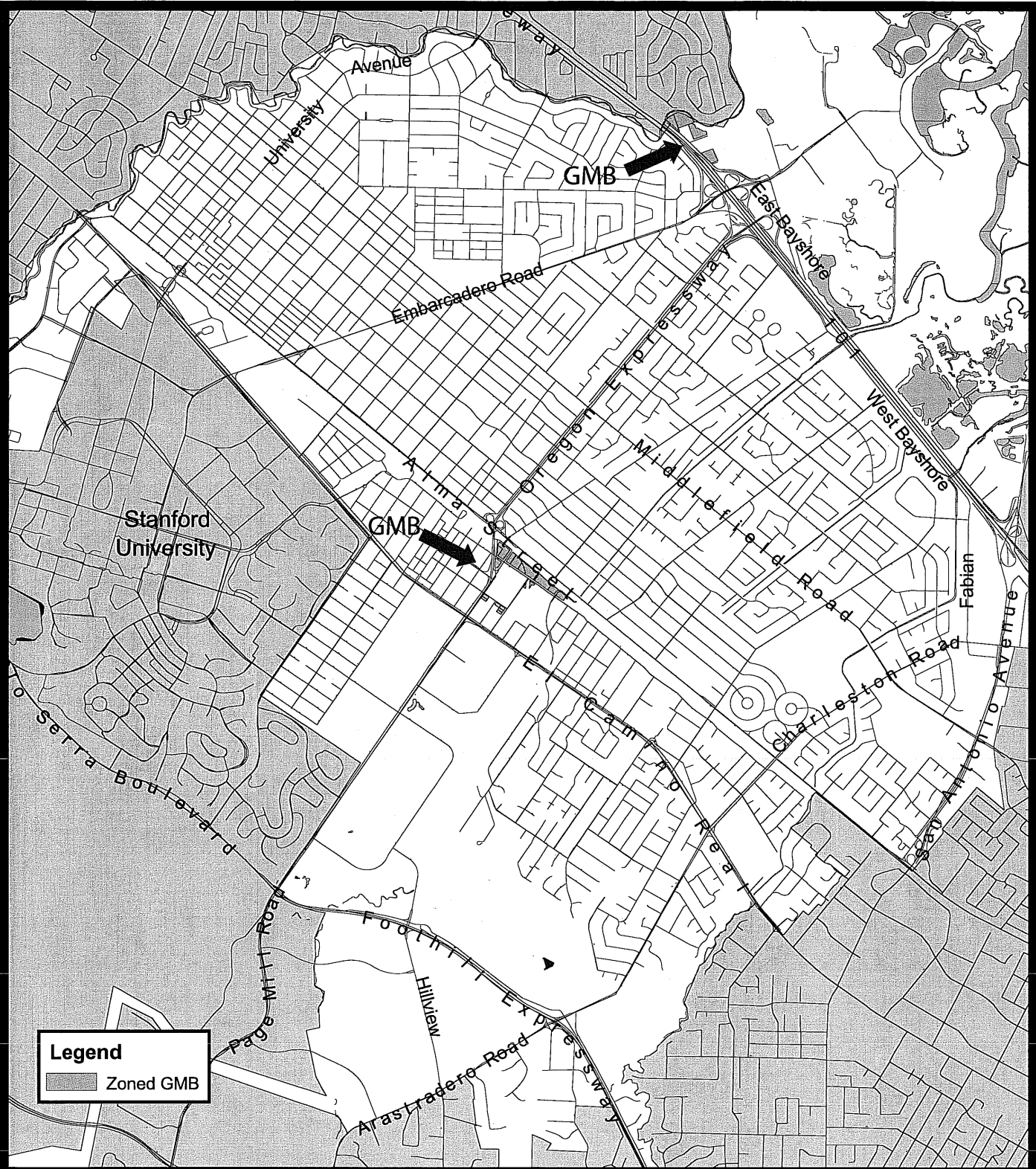
Senior Asst. City Attorney

Mayor

APPROVED:


City Manager

Director of Planning &
Community Environment

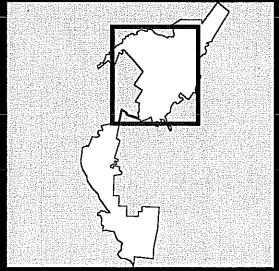


Legend

 Zoned GMB





The City of
Palo Alto



GMB Zoning Districts

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

jansenconsulting

Project Team Management • Development Services • Governmental Affairs

Attachment C

April 24, 2005

Lisa Grote, Chief Planning Official
Department of Planning and Community Environment
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Re: Park Plaza
2865 Park Blvd. (Also 195 Page Mill Road)

Dear Lisa,

We are pleased to submit an application for a zoning text amendment of the GM (B) zone that clarifies two important provisions of planning staff's interpretation of the existing zoning regulations:

- That the Floor Area Ratio for standard mixed use projects under the GM (B) zone is 1:1 FAR, consistent with the FAR permissible for mixed use projects in the underlying GM (General Manufacturing) zone in the City.
- That the Comprehensive Plan policy for density bonus increases within transit oriented areas, Policy H-38 of the Plan, be incorporated in the GM (B) zoning to permit up to a 50 % increase in FAR for mixed use/residential projects if the maximum density bonus increase for additional below market rate units within a project is accomplished. Such FAR increases shall not exceed 1.5 FAR total, and shall be proportionate to the 50 % density bonus and maximum BMR units provided on-site. The current regulations on all zones within the City are silent on this provision of the Comprehensive Plan.

Based on staff interpretation of the existing regulations and your recommendation to codify these changes, we specifically request the following Zoning Ordinance Amendment (note that proposed changes are shown in ***bold italics***):

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CHAPTER 18.57 GENERAL MANUFACTURING COMBINING
DISTRICT (B) REGULATIONS

Amend 18.57.060 of the regulations as follows:

18.57.060 Site development regulations

The site development regulations of Chapter 18.55 (GM (B) District) shall apply except for the following:

- (a) Floor Area Ratio. The maximum floor area ratio **for commercial use only** shall be .5 to 1, except that minor additions may be permitted for the purpose of on-site employee amenities, resource conservation and code compliance, in accordance with the site development exemptions of Chapter 18.55.
- (b) **The maximum floor area ratio for residential uses or mixed use residential and nonresidential uses shall be 1.0 to 1, provided that the floor area ratio of the nonresidential uses shall not exceed .5 to 1.**
- (c) **For residential or mixed residential and nonresidential uses that include a density bonus of one additional below market rate housing unit for each additional three market rate units, an increase in residential density of up to 50% shall be permitted. Such uses shall be allowed additional Floor Area Ratio proportionate to the density bonus increase, but not to exceed a total Floor Area Ratio of 1.5 to 1, and the commercial portion of the project shall not exceed .5 to 1 Floor Area Ratio.**

(b)(d) Front Yard. For any property designated GM (B) and fronting on East Bayshore Road, a minimum setback of 6.1 meters (twenty feet) along that frontage is established...

The purpose of these amendments is two-fold: 1) to codify current staff interpretation of the ordinance regarding mixed-use projects in the GM (B) zone; and 2) to incorporate the transit-oriented housing provisions of the City's Comprehensive Plan adopted in 1996 that allows for density bonuses of up to 50% for additional below-market rate housing within transit oriented areas.

While these changes will affect all GM (B) zones within the City, areas zoned GM (B) are quite limited, and are largely concentrated within the California Avenue/Ventura neighborhood and the San Antonio Road areas of the City. The transit oriented density bonus increase provision further restricts the applicability of these changes throughout the City, since most properties are not located within transit-oriented areas.

Based on our many discussions with you and other members of the planning staff, we feel these amendments will allow the Park Plaza project to proceed under the text amended zoning regulations, thereby eliminating the necessity for a Planned Community zoning application. The project as currently envisioned will conform to staff interpretation of the GM (B) zoning regulations and will only require Architectural Review Board approval.

We look forward to working with you on this important, and timely text change.

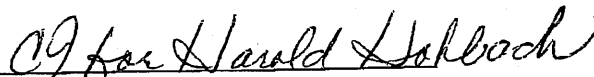
Sincerely,



Carol Jansen
Jansen Consulting

Approved by:

Court House Plaza Company
Hohbach Enterprises, Inc.
General Partner

By 
Harold C. Hohbach, President

French, Amy

From: Carol Jansen [cjansen@worldnet.att.net]
Sent: Thursday, June 02, 2005 11:40 AM
To: French, Amy
Subject: Zoning text amendment to the GM (B) zone

Follow Up Flag: Follow up
Due By: Thursday, June 02, 2005 5:00 PM
Flag Status: Flagged

In light of the recent action of the Planning and Transportation Commission to recommend that the (B) overlay of the GM (B) zone be eliminated, we have the following comments:

- We support the PTC in their action to recommend deleting the B overlay;
- Should the City Council concur, we also support amending the GM district to include the language in our zoning text amendment request to accommodate increased density with additional Below Market Rate housing units within mixed use projects.

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