

TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER

**DEPARTMENT: PLANNING AND
COMMUNITY ENVIRONMENT**

DATE: May 3, 2004

CMR: 243:04

**SUBJECT: 2701 EL CAMINO REAL [03-PC-02, 03-EIA-15, 03-ARB-05]:
REQUEST BY SUNRISE DEVELOPMENT INC. TO REZONE A
ONE ACRE PARCEL FROM C-N AND RM-40 TO PLANNED
COMMUNITY TO PROVIDE AN 81-UNIT SENIOR ASSISTED
LIVING FACILITY.**

RECOMMENDATION

Staff and the Planning and Transportation Commission recommend that the City Council approve the Planned Community for 2701 El Camino Real and the environmental document by approving the draft Planned Community Ordinance and exhibits (Attachment A). The draft Ordinance describes the permitted uses and site development regulations, and includes both Findings for Approval and a certification of the Mitigated Negative Declaration in accordance with the California Environmental Quality Act (CEQA).

DISCUSSION

The request is to rezone the parcel from the CN and RM-40 zoning districts to a Planned Community (PC), because neither the Comprehensive Plan nor the zoning ordinance addresses assisted living or special needs housing as a use.

The proposed project consists of the construction of a senior assisted living facility having a floor area ratio (FAR) of (1.5:1) and consisting of two, three, and four story elements that range from 24' to 45' tall. The facility would contain 81 assisted living units housing a total of 97 residents. The building would be ±86,400 square feet including the underground parking garage containing 44 parking spaces.

There are multiple public benefits presented with the project, as outlined in the draft PC Ordinance (Attachment A), but the most important benefit is the provision of the assisted living service package at below market rates (BMR) for the 12 persons receiving BMR rents. This is the first time in Palo Alto that the service component will be provided at

below market rates. Other benefits include two mini parks, occasional use of meeting space for local seniors, the provision of \$20,000 for tree and median improvements associated with the Trees for El Camino project, and public art.

BOARD/COMMISSION REVIEW AND RECOMMENDATIONS

The project has been through several revisions and was heard at seven public hearings.

Planning and Transportation Commission

On April 14, 2004, the Planning and Transportation Commission (Commission) recommended approval of the Planned Community zone change, certification of the Mitigated Negative Declaration, and addition of a condition of approval regarding on street parking (incorporated into the proposed PC ordinance).

The Commission acknowledged the need for senior housing in Palo Alto and the benefit of placing it in this location, noting that Page Mill and El Camino Real is already a busy intersection and the proposed use is a low traffic generator that would not exacerbate the existing traffic conditions. The current CN and RM-40 zoning of the property would allow uses such as a restaurant and/or condominiums that could generate up to three times the volume of traffic as compared to the proposed project. The Commission also recognized that the existing zoning ordinance does not provide development parameters for this type of use and that the use of the PC is appropriate for this project. The Commission believes that the public benefits including assisted living services at below market rates for 12 residents, meeting space for Avenidas Senior Center, two mini parks, the contribution to the Trees For El Camino project, and the public art are appropriate for the project.

The Commissioners asked questions regarding access to the Valley Transportation Authority (VTA) parking lot for future development. Sunrise approached the VTA regarding its future plans for the property and the possibility of a joint project such that if the VTA was planning a project that they could be coordinated together. The VTA was not interested in a joint project because it had no plans for development of the property. It would be willing to sell or lease the property if someone was interested, provided that the developer maintained the same number of parking spaces that currently exist. Sunrise does not desire to purchase or lease the VTA site. The VTA lot currently has access on both El Camino Real and Page Mill Road and is used as a commuter parking lot. The development of the Sunrise project will not limit the future development potential of this property.

Questions were raised about the fact that the provisions of the BMR agreement do not apply to the residents of the third floor receiving specialized care for dementia. The level of care and services provided for these residents of the home are substantially greater than the typical assisted living resident. The care provided on this level is similar to that

of a medical care facility and is not subject to the City's BMR requirement. The facility is predominantly devoted to assisted living residents and applying the BMR to one or two residents on the dementia floor would add significant complexity to an already complicated BMR program and would apply to a component of the program that would ordinarily be exempt from the BMR requirement.

The Commission agreed with the findings of the Mitigated Negative Declaration (MND) which states that the volume of traffic generated by the project would not result in a significant environmental impact. The Commission requested that the anticipated trip distribution routes in the Transportation Impact Analysis (TIA) be reexamined prior to City Council review. The transportation consultant, Fehr and Peers reexamined all of the trip distribution assumptions and concluded that the project will not exceed the City's threshold of significance nor result in new impacts not currently addressed in the MND. (Attachment D).

In addition to re-examining the trip distribution routes Fehr and Peers also noted that its original estimates regarding the anticipated volume of traffic generated by the project were greater than the findings reported by the Institute of Transportation Engineers (ITE) in its updated trip generation tables. It is professional practice to use the ITE trip generation tables to assess the anticipated volume of traffic that may be generated by a particular use. This information is based on national studies of similar facilities. At the time the TIA was originally performed, the ITE trip generation table did not include data for assisted living facilities. Therefore, Fehr and Peers evaluated other Sunrise facilities in the area to calculate traffic volume for the project. ITE has recently included assisted living facilities and the new ITE data indicates that the project would generate about 20% fewer trips than originally assumed in the original TIA. This reduction in the anticipated volume of traffic means that regardless of the assumed trip distribution routes, the volume of traffic that would potentially be generated by the project would be less likely to result in an environmental impact. This information is included here because it is new information that was not part of the TIA and is important for City Council and members of the public to see that this project will not result in detrimental traffic impacts.

To address the concerns related to the existing daytime parking issues on Sheridan Avenue, the Commission recommended a condition of approval requiring Sunrise to evaluate the parking situation on Sheridan Avenue six months after the Sunrise facility opens. A two-hour parking limitation was suggested as a potential solution to make parking spaces available during business hours. Sunrise will be required to monitor the on-street parking situation on Sheridan Avenue and report back to the City with recommendations regarding potential solutions, one possibility being a two-hour parking limitation.

At the Commission hearing, two members of the public spoke in favor of the project, citing that the use is appropriate for the area and that the project has been adequately

revised to address earlier neighbor concerns. Two other speakers expressed their opinion that the project would result in a significant environmental impact related to traffic and a loss of neighborhood commercial retail uses.

Architectural Review Board

The ARB reviewed preliminary plans at a public hearing on December 18, 2003. The formal proposal was then reviewed by the ARB on February 5 and March 4, 2004, when the ARB recommended approval of the revised project to City Council with a 2-1-0-2 vote. Two members were absent from the March 4, 2004 meeting and one member was opposed primarily due to the number and type of exterior materials proposed for the building. To meet the conditions of the ARB recommendation, specific architectural details were presented to and approved by the ARB on consent calendar on April 1, 2004.

RESOURCE IMPACT

The processing of the PC development application is on a cost/recovery basis and staff time is charged to the applicant. The proposed project, with 60 assisted living units (below 900 square feet in size) and 15,016 square feet of commercial square footage on the dementia floor would result in approximately \$280,438 in Development Impact Fees. The breakdown of the fees is as follows: Parks, \$217,048; Community Centers, \$45,870; Libraries, \$17,520. Property taxes for the property are currently \$25,000. With the completion of the Sunrise project it is estimated that property taxes would increase to \$200,000.

ATTACHMENTS

- Attachment A: Planned Community Ordinance with Exhibits (A) Zone Map; (B) Draft Conditions of Approval (C) Development Schedule;
- Attachment B: Environmental Assessment/Mitigated Negative Declaration;
- Attachment C: BMR agreement;
- Attachment D: Transportation consultant memo dated April 19, 2004;
- Attachment E: Previous Planning and Transportation Commission Staff Report
- Attachment F: Public Comments dated March 4, 2004 and March 16, 2004
- Attachment G: ARB meeting minutes (12/18/03, 2/5/04, 3/4/04, 4/1/04) (Council members only)
- Attachment H: Commission meeting minutes (9/10/03, 11/12/03, 4/14/04) (Council members only)
- Attachment I: Project Plans and applicant materials (Council members only)

Note: Previous staff reports and hearing minutes for this project are available in the public file or on the city's web site.

PREPARED BY: _____
RUSS REICH
Associate Planner

DEPARTMENT HEAD REVIEW: _____
STEVE EMSLIE
Director of Planning and Community Environment

CITY MANAGER APPROVAL: _____
EMILY HARRISON
Assistant City Manager

COURTESY COPIES

Daniel F. Zemanek
Jerry Mcdevitt
Joe A Villareal
Bill Hahn
Jim Baer
Angelica Volterra
James Yee
Robert Cutler
Troy Underwood
Herb Borock
William Hadaya
Viviana Tul
Joy Ogawa
Clarice Arne
Dale Reed
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