SOUTH OF FOREST AREA COORDINATED AREA PLAN

PHASE 2

City of Palo Alto
City Council Approved
Final Version
December 2003

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Chapter I: Introduction

A. Purpose of the Coordinated Area Plan

The South of Forest Area, Phase 2 (SOFA 2) Coordinated Area Plan (CAP) is intended to create enhanced opportunities for building a sense of community through public involvement in planning processes that provide residents, businesses and property owners with early and meaningful opportunities to help shape the physical components of their neighborhoods and community. At the commencement of the first phase of the CAP process, the City Council appointed a fourteen member Working Group to represent the broader interests of the community and to develop a vision for SOFA. The Working Group's major focus was the development of plans for the use of the approximately 10 acres made available by the relocation of the Palo Alto Medical Foundation (PAMF) facilities from the SOFA area to El Camino Real. In June of 1999, the Working Group published a draft Coordinated Area Plan that divided the SOFA area into two areas, Phase 1 and Phase 2. Plans for the Phase 1 area, where most of PAMF's holdings were located, were to be finished first, permitting the owners of those parcels to commence development without waiting for completion of plans for the Phase 2 area. In March of 2000 the City Council adopted the SOFA CAP, Phase I and a Development Agreement to define future land uses in the approximately 9-block portion of the SOFA area in which most of PAMF's holdings were located. As part of the Development Agreement, the City acquired title to the historic Roth Building, land for a new public park, a site for a child care facility, and a site for a below market rate housing project. The City granted approval for 160 new dwelling units and 30,000 square feet of retail and office space. The Working Group continued to participate in the second phase of the planning effort, known as SOFA 2.

Phase 2 of the SOFA CAP is a long-term Plan that addresses a specific nine block area (approximately 19 acres) bounded by Forest Avenue on the north, Addison Avenue on the south, Alma Street on the west and Ramona Street on the east, excluding the four parcels along Ramona Street north of Channing Avenue, which were included in Phase 1 of the SOFA CAP, and including the three parcels between High Street and Alma Street located within the 100 feet north of Forest Avenue, and the first three parcels along Alma Street south of Channing Avenue (See Map A). It serves both as the Comprehensive Plan and use designation and zoning for the area. Although some of the goals and policies are the same for Phase 2 as Phase 1, the Phase 2 CAP is an independent document that does not rely on Phase 1 for its direction or implementation. It is a document that is intended to preserve the primary features of the existing character of a unique area within the City of Palo Alto.

A major impetus for Phase 2 of the CAP was the emergence of substantial new development in the commercial portions of the nine-block area. These new developments generally included commercial office and residential uses in denser developments than the existing automobile-oriented service uses, which previously dominated the area. High land values, high tech related employment growth, and the limited opportunity for growth in commercial districts throughout the downtown has fueled this development trend. These conditions are likely to result in continued development pressures in the area, which could damage the neighborhood-serving character of many of the retail and service uses throughout the area. In addition, the proximity of the area to the CalTrain station and downtown makes SOFA 2 a good location for housing opportunities. Therefore, Phase 2 of the CAP specifies the appropriate land use pattern and

intensity of development in the nine-block area and addresses such concerns as: compatibility of development with existing uses; parking; traffic; recreation/open space; preservation of neighborhood-serving uses; increased housing opportunities; architectural/design issues; development standards; the relationship between the SOFA 2 and the downtown; and new land use designations.

B. Relationship Between the SOFA 2 CAP and Other City Plans and Ordinances

This CAP implements the City of Palo Alto Comprehensive Plan and provides more detailed programs and policies for the specifically defined SOFA 2. These policies and programs are consistent with those found in the Comprehensive Plan, but address the unique characteristics of SOFA 2.

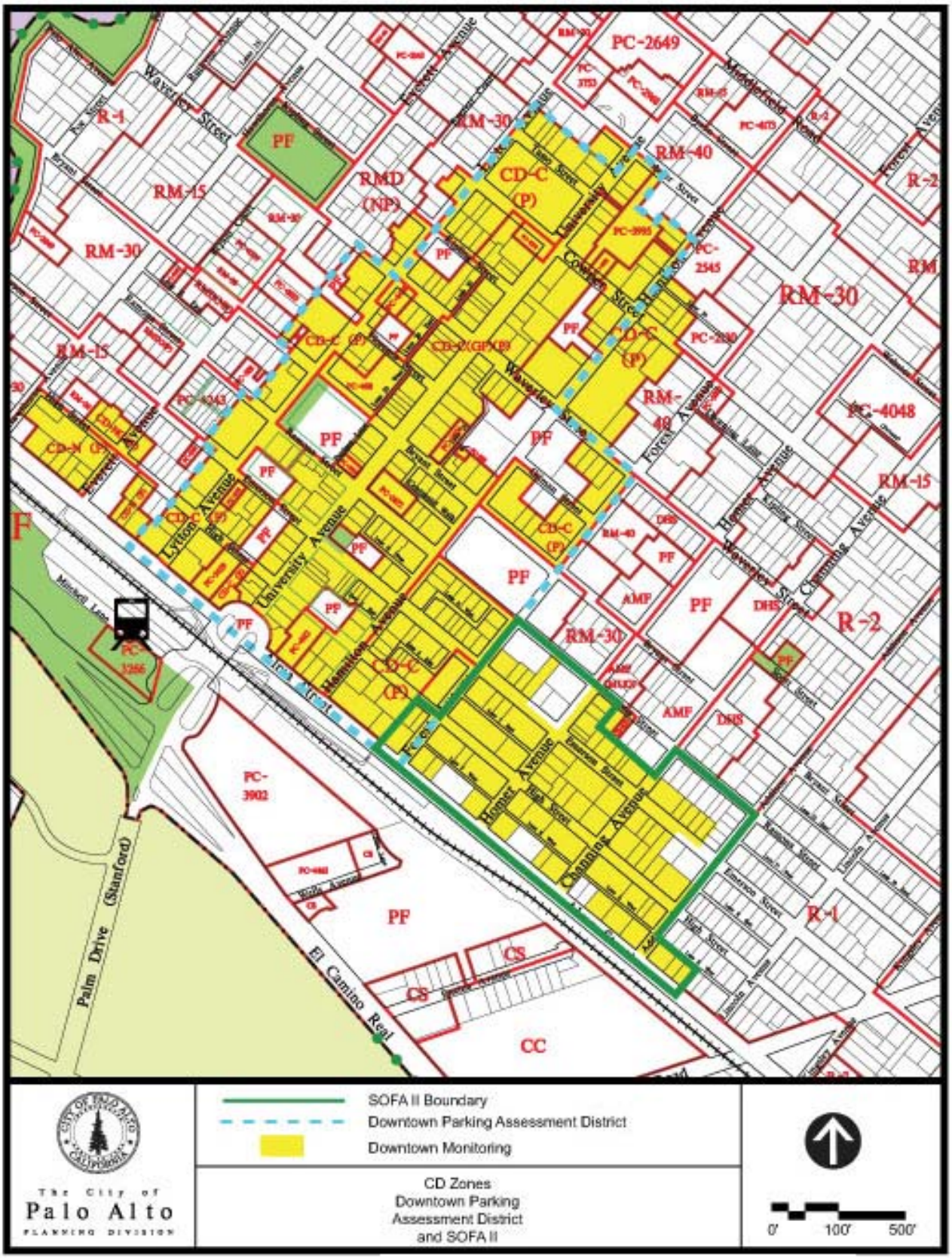
The CAP provides the zoning for the area, supplementing Title 18 Zoning of the Palo Alto Municipal Code (PAMC). In the case of a conflict between the CAP and the PAMC, the CAP prevails. References to the PAMC are to the PAMC as amended from time to time, unless otherwise noted. Appendices G and H contain relevant sections of Title 18, and shall be updated without further Council action as the PAMC is updated.

C. Relationship of SOFA to the Downtown Commercial District

Policy L-8 of the Comprehensive Plan and Map L-6 limit the non-residential development in the Downtown Commercial Growth Monitoring Area, which for this purpose includes parts of SOFA 2, to 350,000 additional square feet above the square footage existing in May 1986. This limit will be reevaluated when development approvals reach 235,000 square feet of floor area. As of January 2002, a total of 116,000 square feet (33% of the additional square footage allowed) had been added to the Downtown area since 1986, leaving 234,000 square feet remaining. The area in the Downtown Growth Monitoring Area is shown in Map 1.

While most of SOFA 2 is included in the Downtown commercial square footage limit, only a few parcels northwest of Forest Avenue are included in the Downtown Parking Assessment District, also shown on Map 1. Property in the Downtown Parking District may pay fees to the district in lieu of providing required parking on site. Past land uses in SOFA 2 have not participated in the assessment district due to low development intensity and the physical and operational requirements of many service uses in the area. SOFA 2 is outside the area subject to ground floor (GF) use restrictions found along the primary streets downtown, as shown on Map 1, since most of the uses in SOFA 2 have traditionally supported the uses downtown and SOFA 2 is not expected to compete with the downtown for type or intensity of land use. However, in the fall of 2001, SOFA 2 was included in a citywide ordinance that restricted conversion of ground floor retail, service, and residential uses to office uses.

SOFA 2 includes four existing Planned Community Zones, which include 123 units of housing and approximately 6,225 square feet of office and retail development. These PC districts are not rezoned by the CAP; the provisions of the PCs are included in the CAP. However, redevelopment of any of those sites is subject to the CAP.



Map 1: SOFA 2 boundary, Downtown Monitoring Area, and Parking Assessment District boundary

D. Organization of the CAP

The Coordinated Area Plan contains six chapters and a number of appendices, which are described in more detail below.

Chapter I, Introduction: contains the purpose of a CAP, a brief description of the relationship between the two phases of the SOFA CAP and how the CAP relates to other City plans and ordinances, and outlines the organization of the document itself.

Chapter II, Vision: provides the land use and development concepts for SOFA 2.

Chapter III, Policies: provides policies in the area of Land Use, Housing, Transportation, Community Facilities, Design Opportunities, and Street Trees and Landscaping. All development proposals within SOFA 2 must be consistent with these policies and the associated development standards.

Chapter IV, Compatibility Requirements and Design Guidelines: provides guidance regarding architectural and urban design encouraged in SOFA 2 for public and private land. The provisions of this chapter are among the standards used by the City during any discretionary design review of development in SOFA 2.

Chapter V, Development Standards: provides specific site development requirements. These are mandatory zoning standards; deviation from them require a variance, a design enhancement exception during review by the Architectural Review Board, or a Planned Community zone change as described in Chapter VI.

Chapter VI, Implementation: defines the review process for development proposals and the process for considering exceptions to the development standards along with information about amending the CAP.

Appendices: Appendices A, B, C-1, and D are regulatory. Appendix B (Historic Resources and Seismic Hazards Lists) may be amended by the Director of Planning and Community Environment pursuant to the procedures in Section 6.040. Appendices E, F, and I are also part of the Coordinated Area Plan but are informational. Appendices C-2, G and H, which reproduce relevant portions of the Palo Alto Municipal Code, are included for information purposes only and will be updated as the Municipal Code is amended.

Appendix A: **SOFA 2 District Map**

Appendix B: **SOFA 2 Historic Resources and Seismic Hazards**

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Appendix I: **SOFA 2 Prototypes**

Chapter II - Vision

The vision identified by the Working Group for SOFA 2 is eclectic and diverse. It has six major components including:

- preserving and enhancing the existing pedestrian scale of the area and the walkable character of the quiet residential neighborhood immediately adjacent to SOFA 2;
- enhancing the neighborhood-serving character of the retail and service uses in the area;
- supporting physical change provided that new buildings and additions are compatible with (see Chapter IV for definition of compatible) and complement the character of existing buildings;
- increasing housing opportunities, especially because of the proximity to the CalTrain station and downtown;
- preserving the existing quiet, calm streets, which are conducive to walking, and biking and calming the existing one-way streets; and
- supporting a mixture of uses including increased housing opportunities along with retail and small offices.

The existing retail and commercial uses along Homer and Emerson Streets are highly valued and there is great support for preserving and enhancing these uses. There is an equally strong desire to decrease the general dependency on the automobile and take advantage of the area's proximity to the downtown train station.

The livability and the walkability of the neighborhood will be preserved and enhanced through the maintenance of pedestrian-scale urban design improvements, the calming of traffic on area streets, and the creation of new housing for a variety of household types. Preserving and enhancing the existing streetscape is especially important and will be accomplished through application of the development standards and design guidelines presented in the CAP, which encourage design features and require building locations that facilitate interaction between the street and the pedestrian. The area's traditional grid street pattern, pedestrian-oriented buildings, mature tree canopy, and mix of land uses will also be preserved. As the area is redeveloped and open spaces are provided and enhanced, they should be landscaped and planted in a manner that increases the tree canopy and vegetation in SOFA 2.

The CAP recognizes SOFA 2's location near downtown and the train station and calls for higher density housing and other development in a vibrant mixed-use area adjacent to the more intensive Alma Street Corridor and downtown areas and within walking distance of the train station. This concentration of higher density housing will also be within walking distance of the social opportunities and commercial services provided in the downtown.

This vision is implemented in the Policies, Design Guidelines and Development Standards within the SOFA 2 Coordinated Area Plan.

Chapter III - Policies

The following chapter includes policies for SOFA 2 related to land uses, housing, traffic and circulation, community facilities, design character and street trees and landscaping. These policies state the expectations for the area and provide direction to those responsible for reviewing proposed projects within the area.

Land Uses (L)

To achieve the community described in the Vision statement above, the CAP includes the opportunity for combined residential and commercial development. Most increase in intensity will be for residential uses.

1. General Land Use Policies:

POLICY L-1:
Promote varied residential development and neighborhood services while sustaining the character and vitality of the commercial and public facilities.

POLICY L-2:
Enhance desirable characteristics and uses by using planning and development standards to create opportunities for neighborhood development. Encourage a compatible transition from the residential neighborhoods to the downtown. Emphasize the addition of new open spaces and plantings that improve the tree canopy and other vegetation in the area.

PROGRAM L-1:
Develop a comprehensive Transfer of Development Rights (TDR) program for SOFA 2 to provide incentives for historic and seismic rehabilitation, and other desirable characteristics and uses including pocket parks and other public open space

2. Neighborhood-Serving Commercial Uses

The distinct character of the SOFA area is created by its role in providing commercial services to the downtown area, such as auto repair, along with lower cost office space and convenient neighborhood-serving uses such as a grocery store, hardware store, gymnasium, day spa, and restaurants, The distinct character of the SOFA commercial and mixed use area is further enhanced by its role in serving downtown employees and visitors. The continuation of these uses will be encouraged due to their neighborhood serving functions.

Some ground floor office use will remain as existing nonconforming uses, and in most areas of SOFA 2 new office uses will be permitted in the same manner as under the previous CD-S zoning. Some different regulations apply in the Homer/Emerson Corridor, which is centered on the intersection of Homer Avenue and Emerson Street, and includes Homer Avenue between Alma and Ramona Streets, and Emerson Street between Forest and Channing Avenues. This area is a retail node for the area, so office uses will not be permitted to replace existing retail, personal

Restaurants on Emerson Street

Small Businesses on Emerson Street

services, automotive services, or restaurants, and new buildings will be required to be convertible to retail use. Impacts from commercial uses and mixed-use residential projects will be reduced with the application of the development standards and design guidelines.

POLICY L-3:
Create an active commercial center for the South of Forest Area by encouraging neighborhood-serving businesses to locate along Emerson Street and Homer Avenue.

POLICY L-4:
Encourage pedestrian activity along Emerson Street and Homer Avenue through uses that include retail, personal service and restaurants. Incorporate frequent building entrances, storefront windows, pedestrian-scale signage, and outdoor activity spaces into new development in the entire SOFA 2 area to create a lively, pedestrian-friendly environment.

POLICY L-5:
Permit existing commercial uses to remain. Encourage new neighborhood, and pedestrian oriented commercial uses in existing buildings and new mixed-use development.

The SOFA 2 CAP anticipates that the Residential Transition districts in SOFA 2 will become much more of a mixed use area with substantial residential development next to or combined with office and commercial uses. This type of development is strongly encouraged in the City's 1998-2010 Comprehensive Plan as an opportunity to create neighborhoods that are made more interesting and livable by providing the following: 1) a variety of activities taking place; 2) the ability to be active both day and night; 3) the opportunity for a rich texture of architectural and urban design; and 4) the easy accessibility of commercial service to residents and employees of the area. The standards and regulations in Chapters IV and V are designed to result in the development of substantial quantities of housing. So long as great care is given in project design to ensure compatibility between residential and other uses, the area is considered an appropriate location for higher density residential development.

By concentrating future neighborhood serving businesses in SOFA 2, the vitality of the existing hub will be reinforced and a wider array of services will be possible. While the CAP does not forbid residential uses along Homer Avenue and Emerson Street, it does provide opportunities for small-scale neighborhood serving retail and reduced parking requirements for historic commercial buildings to reflect their reliance on pedestrian access and the constraints of reusing those historic buildings. Transparent storefronts or window displays, frequent entries, and other measures to increase visual appeal for pedestrians, regardless of the use of these properties, are included in the design review guidelines in Chapter IV and the development standards in Chapter V.

An economic analysis prepared for the plan cautioned that the market for retail and service uses in the area is limited due to the proximity of the area to Downtown and the limited neighborhood population. However, the market for neighborhood local retail and service uses will improve with the private redevelopment facilitated by the CAP due to increased number of residents and employees in the area, and the expected opening of the Homer Avenue bicycle and pedestrian tunnel in 2004. Residents have expressed the desire to maintain and encourage additional local serving commercial uses in the area. Therefore the plan allows for that type of development.

3. Mixed-Use Development:

This plan provides development standards and design guidelines to facilitate in-fill residential and mixed-use development while continuing a broad range of compatible service commercial uses within SOFA 2 and by incorporating measures to reduce noise, visual and other conflicts between such uses, which include auto-related uses. The responsibility for ensuring compatibility with legal existing land uses and activities is placed on new development, and not existing uses.

POLICY L-6:
Enhance the vitality and livability of the South of Forest Area by allowing a mixture of residential and neighborhood serving commercial land uses.

4. Automobile and Other Service Uses

The long-standing presence of several automobile and other service uses in the area is very valuable to the City. The presence of these business uses is a great convenience to local residents and downtown workers, and opportunities to locate such uses are limited in the rest of the City. The SOFA 2 CAP encourages existing automobile and service uses in the area but limits new automotive uses to Alma Street and the west side of High Street, with conditional use permits to ensure compatibility with surrounding land uses. Assuming that all the activities at the existing automobile and service uses are operating legally, the responsibility for resolving issues that arise from incompatible land uses locating on adjacent properties will rest with new development. However, new automobile or other service uses will also be responsible for addressing compatibility issues.

POLICY L-7:
Enhance the character of the South of Forest Area by ensuring that new residential development is compatible with existing residential areas and incorporates measures to minimize potential nuisance conflicts with existing commercial land uses.

5. Transit Oriented Development

The permitted commercial, residential, and mixed use floor area ratios provide a combined development potential that locates both housing and jobs within walking distance of the Palo Alto CalTrain Station and regional bus routes served by the Dumbarton Express. Mixed use, transit-oriented development of this type will increase the amount of housing and employment located close to major transit services, increasing the attractiveness of transit throughout the region.

POLICY L-8:
Pursuant to the 1998-2010 Comprehensive Plan, encourage transit-oriented development by allowing greater housing density in areas located nearest to major transit routes providing access to housing and employment centers.

Housing (H)

The City of Palo Alto is confronted with a well-documented phenomenon related to the continually rising cost of housing. The SOFA 2 CAP seeks to provide for more modest homes through the provision of less expensive, attached housing units in residential and mixed-use projects. Phase 2 also addresses the well-documented need for "affordable" housing in Palo Alto special provisions for certain types of housing such as single room occupancy (SRO) facilities or senior housing facilities. Projects including affordable housing are required to meet the same development standards (except for residential density) and the same design guidelines as market rate housing projects and are required to incorporate design features to ensure compatibility with the SOFA area.

1. Housing Quantity and Density Policies:

The area within Phase 2 of SOFA provides increased housing opportunities convenient to shops, services, and transit. The Comprehensive Plan recommends the creation of a substantial number of new residential units near the downtown, responding to the city's housing shortage and the area's proximity to transportation opportunities. The concentration on residential uses maintains the overall character of this area and helps create the transition to lower density residential areas to the east and south.

POLICY H-1:
Within SOFA, Phases 1 and 2, provide for a total of 300 residential units and promote the retention of existing housing units and encourage the development of new housing units throughout the South of Forest Area.

POLICY H-2:
Use SOFA 2 as a transition between the existing single-family uses to the South and the commercial uses in the downtown area to the north by providing opportunities for medium and high density multiple family housing within the area.

POLICY H-3:
Provide for increased residential densities including additional lower cost ownership and rental housing within traditional historic housing types.

POLICY H-4:
Permit planned community districts, subject to specific development standards, to permit higher FARs in SOFA 2 for residential use. Require planned community districts to provide specific public benefits.

2. Variety of Housing Type Policies:

Phase 2 of the SOFA plan includes a range of housing options, including mixed use housing, apartments, condominiums, and affordable housing to enable new residents the benefit of being in an area with convenient access to downtown, jobs, transit and services.

POLICY H-5:
Allow a variety of housing types in SOFA 2, including, but not limited to, the following: units in a mixed-use configuration; apartments; townhouses; and studio units.

POLICY H-6:
Housing types in SOFA 2 should be suitable for various ages, household sizes, lifestyles and incomes.

3. Affordable Housing Policies:

Provision for the allowance of affordable housing is incorporated into Phase 2 of the CAP pursuant to the current Below Market Rate housing program. Program H-20 of the Comprehensive Plan sets forth priorities for compliance with the Below Market Rate (BMR) program by developers. The primary objective of this BMR program is: "to obtain actual housing units or buildable parcels within each development rather than off-site units or in-lieu payments". Palo Alto's Below Market Rate Housing program requires all developers of projects of more than five units to develop at least 15% of the units using specific affordability criteria, or in some cases, to pay a fee in-lieu of providing BMR units. These requirements are subject to change as the Comprehensive Plan Housing Element as amended from time to time.

POLICY H-7:
Preserve existing affordable housing opportunities within the South of Forest Area and expand the supply of affordable housing units.

PROGRAM H-1:
When applicable, negotiate Below Market Rate (BMR) agreements with property owners to comply with Program H-20 of the Comprehensive Plan.

POLICY H-8:
Strongly encourage retention of existing housing, particularly traditional housing structures, rental and other housing that is affordable in an area where land and construction costs have made this retention difficult.

POLICY H-9:
Increase the possibility of developing housing in a mixed-use configuration by making residential development standards more compatible with existing non-residential development standards through adjustment of setbacks, daylight planes, and other requirements.

A variety of housing types in SOFA 2

Transportation (T)

The SOFA area offers an unusually varied set of transportation options. A traditional grid street pattern with a mixture of uses and moderately dense, pedestrian-oriented residential and commercial development helps to support alternatives to automobile use. Walking and bicycling within the area on flat tree-lined streets is pleasant and convenient. The bicycle boulevard passes through SOFA 2 on Bryant Street, and part of the segment of Addison Avenue that passes through SOFA 2 has a designated bike lane. Bus and train service is within a fifteen-minute walk of the outer boundaries of SOFA 2 and provides transportation throughout the Peninsula, South and East Bay.

A one-way street couplet including Homer and Channing Avenue has facilitated heavy through-traffic across SOFA to the major sub-regional arterials of Middlefield and Alma. This roadway system has provided good automobile access but has also resulted in relatively higher volumes and increased speed of traffic. This topic is discussed in more detail in the "Traffic Patterns" section of this CAP.

The policies in this chapter address six transportation issues in SOFA 2. These include trip reduction, transit oriented development, parking management, traffic patterns, transit service, and bicycle and pedestrian circulation.

1. Trip Reduction

Encouraging use of the many alternatives to automobile access in SOFA 2 is the single most effective way to reduce transportation impacts on the area while providing safe and convenient access. The area has excellent transit, bicycle and pedestrian access, and proximity to a variety of retail, employment, housing opportunities, and community facilities. Reinforcing the mixed land use pattern will increase the viability of transportation alternatives and reduce the need for automobile use. These efforts need to be coordinated with comprehensive downtown transportation management efforts to be fully effective.

POLICY T-1:
Reduce vehicle use in the Downtown and SOFA 2 area, where development patterns support transportation alternatives such as walking, biking and transit use.

PROGRAM T-1:
Through the Transportation Division, coordinate SOFA 2 trip reduction efforts with Downtown trip reduction efforts, including shuttle service, transit service and other projects. Establish a citywide Transportation Demand Management program that is integrated with SOFA 2.

POLICY T-2:
Provide 5% reductions in commercial parking requirements for developers who complete all of the following: 1) require commitments from all commercial tenants to provide financial incentives to employees for not driving to work or who participate in the Santa Clara Valley Transportation Authorities Eco-Pass free transit program or commuter check program, 2) pay annual fees to support Downtown/SOFA 2 Transportation Management programs and monitoring by the City, and 3) submit annual monitoring reports to the City on implementation of these incentives and employee travel behavior.

PROGRAM T-2:
Support the continuation of a full time City of Palo Alto Transportation Management Coordinator for the downtown area (including SOFA 2), with responsibility for promoting trip reduction efforts, reviewing requests for parking reductions based on Transportation Demand Management (TDM) plans, and monitoring the success of trip reduction programs based on data provided by SOFA and downtown employers. The coordinator would develop guidelines for approval of parking management, employee trip reduction incentives, and other programs proposed by developers and tenants of mixed use and other projects within SOFA 2.

In Silicon Valley and other Bay Area locations, financial incentives that pay employees cash for not driving to work, or provide credits toward transit or bicycling costs, have been shown to reduce auto use by 15-30% depending on the size of the cash incentive.

3. Parking Management

Presently, there is a parking shortage at peak periods in the downtown and SOFA, which in turn affects adjacent residential areas. This demand is predominantly generated by downtown and SOFA visitors and employees, and by SOFA residents. The shortage will be reduced with the two new downtown parking structures: the recently-opened garage on High Street (Lot R) and the garage on Bryant Street (Lots S and L), scheduled to open in Winter 2003.

The SOFA 2 CAP addresses the parking shortage by requiring that new development, except that located in the Downtown Parking District, provide onsite parking and share parking facilities where appropriate. The relocation of the Palo Alto Medical Foundations (PAMF), and some existing commercial development in the Phase I area of SOFA, combined with new development that provides adequate parking is anticipated to ease the parking shortage in the area. The SOFA 2 CAP provides for limited reductions in parking when appropriate conditions exist (i.e., when a project can utilize shared parking for different uses with different peak demand periods or it is within walking distance of the transit station, or it provides all affordable or senior housing units, etc.). Parking incentives are also provided to encourage renovation of historic structures and their adaptive reuse.

POLICY T-4:
Encourage shared parking for all uses with different peak hour parking demands and provide parking reductions of up to 20% for mixed-use projects with a housing component that have shared parking facilities and offset peak hour parking needs, and parking reductions of up to 15% for projects with multiple commercial uses that have shared parking facilities and offset peak hour parking needs.

Uses with offset peak parking needs can share parking facilities, resulting in lower land and construction costs for parking, and less visual impact of parking lots and structures. This policy will be implemented through an existing City regulation in the parking regulations in Chapter 18.83 of the Palo Alto Municipal Code that allows a 20% reduction in the number of spaces that would otherwise be required for each use separately. For mixed-use projects combining housing with retail and office uses with offset peak requirements, this reduction could be up to 20%. If a project proposes incentives for trip reduction that will further reduce parking demand, such as employee transit passes or separate charges for residential or employee parking spaces, an additional 5% reduction could be approved.

POLICY T-5:
Reduce impacts on residential areas adjacent to SOFA 2 area from the parking impacts of the downtown area and the Residential Transition Districts by encouraging shared parking facilities and below grade parking.

POLICY T-6:
Decrease the adverse visual impacts of surface parking and street level parking garages by encouraging parking for mixed use and multi-family residential parking to be either underground or otherwise not visible from adjacent roadways through the use of landscape screening. Allow parking reductions and flexibility for historic buildings to avoid conflicts between preservation and provision of parking.

POLICY T-7
Encourage an increased amount of short-term on-street parking for retail and commercial uses.

Business parking in SOFA 2

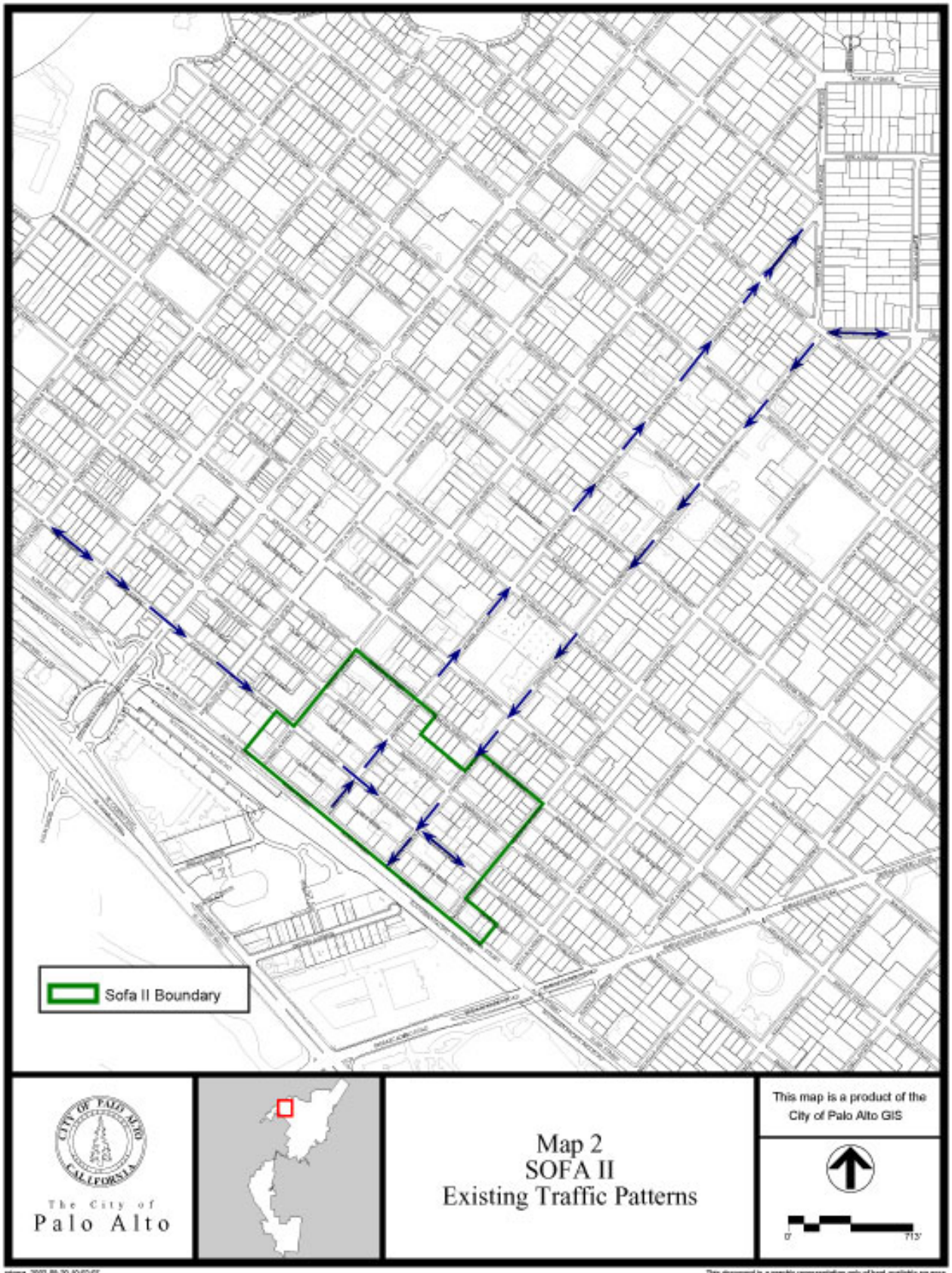
4. Traffic Patterns

SOFA 2 is affected by Downtown and through traffic as well as neighborhood-generated traffic. For several decades, Homer and Channing Avenues have formed a one-way couplet three to four blocks south of University Avenue. As a result of the one-way designation, Homer and Channing Avenues are attractive opportunities to bypass downtown at higher speeds than the two-way streets closer to Downtown, such as Forest Avenue. Maps 2 and 3 show the existing and potential traffic patterns in SOFA 2.

The fast-moving traffic on Homer and Channing Avenues is a concern for pedestrians, bicyclists and vehicles attempting to exit the driveways of homes. Residents along Homer Avenue have expressed the concern that the volume and speed of traffic along the street makes safe and convenient exiting from their driveways, especially when they must back up into the traffic flow, difficult. Consideration was given to returning these streets to two-way flow in order to calm traffic and maintain the residential character of the area. Returning the streets to two-way travel would affect circulation around the commercial uses in SOFA 2 closer to Alma Street as well as outside SOFA 2. Truck access to various commercial uses frequently requires wide turning movements that can be more easily accommodated on one-way streets. Deliveries to Whole Foods Grocery Store and other nearby commercial uses are often accomplished by trucks double-parking along Homer Avenue which blocks one traffic lane. That same area has a pedestrian crossing at mid-block to the Whole Foods parking area. Additional concerns were also raised by the residents of the Channing House, located just outside SOFA 2, regarding their ability to safely enter and exit their underground parking garage if Channing becomes a two-way street.

The Working Group endorsed the conversion of Homer and Channing Avenues and a portion of High Street from one-way to two-way traffic flow, with the caveat that this conversion should not adversely affect the needs of Whole Foods and the Channing House. The issue will require further analysis, which will be conducted at a future date.

It should be noted that traffic calming measures could be implemented whether Homer and Channing Avenues remain one-way or become two-way streets. The City of Palo Alto Five Year Capital Improvement Program (CIP) calls for street improvements and traffic calming measures such as speed tables and bulb-outs along Homer and Channing Avenues. In addition, the CIP project includes bike boulevard improvements, street furniture, and accessibility improvements. These improvements are scheduled for construction in fiscal year 2004/05.


Sofa II Boundary
The City of
Palo Alto
Map 2
SOFA II
Existing Traffic Patterns
This map is a product of the
City of Palo Alto GIS
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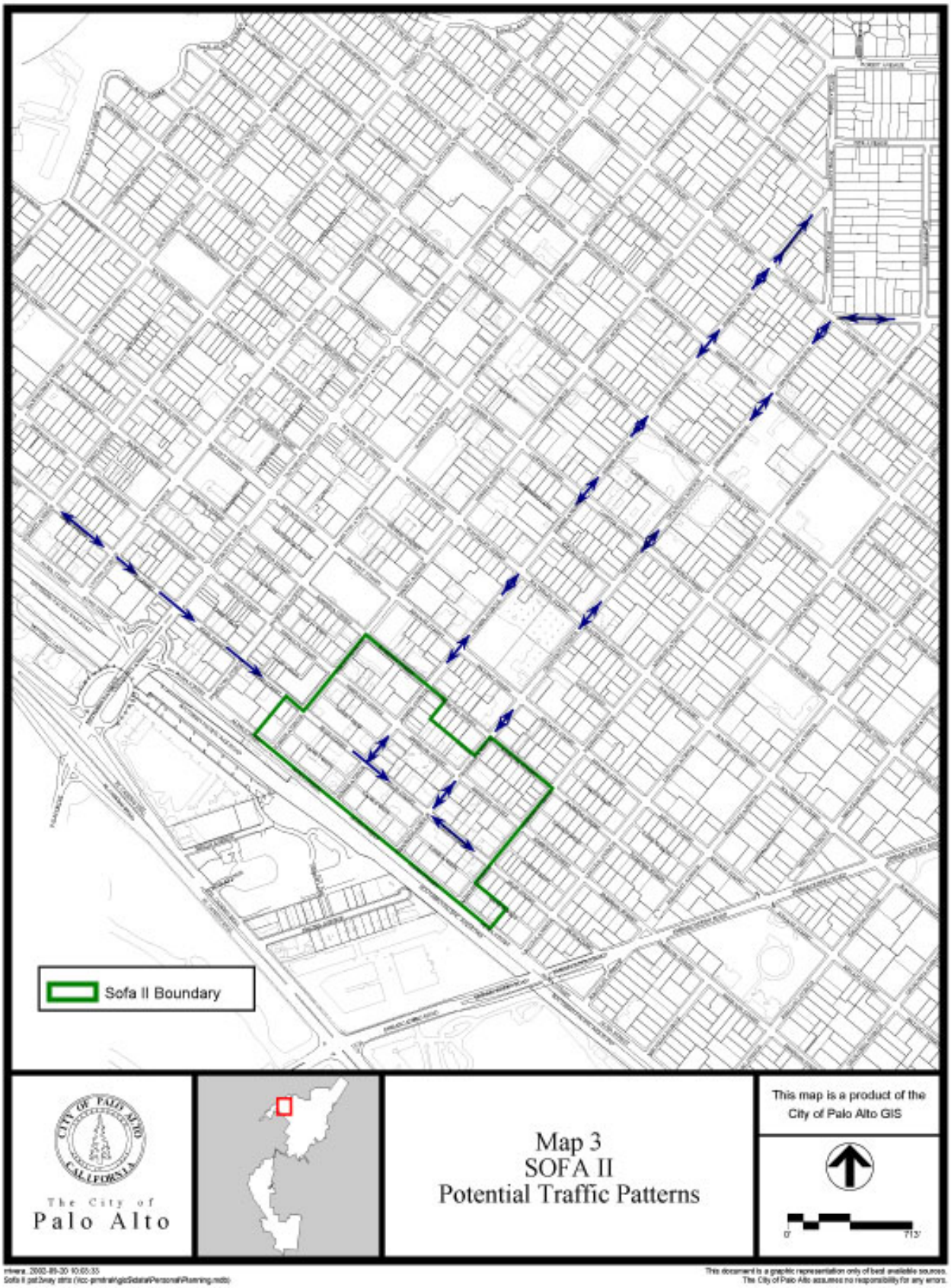
Sofa II Boundary
The City of
Palo Alto
Map 3
SOFA II
Potential Traffic Patterns
This map is a product of the
City of Palo Alto GIS
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The SOFA 2 CAP is consistent with the City of Palo Alto's CIP in that the CAP encourages further study of traffic calming measures, which could include: pedestrian bulb-outs, traffic lane narrowing and conversion to two-way flow.

POLICY T-8:
Study ways of calming traffic on Homer and Channing Avenues that could include, but not be limited to, pedestrian bulb-outs, traffic lane narrowing or conversion to two-way flow. Consider converting a portion of High Street to a two-way traffic circulation pattern where appropriate.

POLICY T-9:
Complete further research on the possible installation of a traffic signal and signing improvements if Homer, Channing and a portion of High Street are converted to two-way traffic flow. These improvements could include a new signal at Channing and Alma and a southbound left turn lane on Alma at Channing. Coordinate these changes with the improvements to loading and delivery access described below.

POLICY T-10:
Assist SOFA 2 businesses in finding safe and convenient ways to accommodate truck deliveries which may be affected by change if the one way street pattern is converted to a two-way pattern.

POLICY T-11:
Future study of the conversion of Homer and Channing Avenues should address the concerns raised by a major grocery store and Channing House, as described in Programs T-3 and T-4 below, in addition to the need for signals and turn lanes on Alma Street.

PROGRAM T-3:
Coordinate with the major grocery store on Homer Avenue in SOFA 2 to reduce current and potential future conflicts of truck loading with two-way traffic on Homer Avenue. These changes may include but not be limited to the addition of loading zones on Homer Avenue and Emerson Street, restrictions in loading hours, increased use of the alley between Homer and Forest, or the evaluation of the redesign of loading facilities within the store.

PROGRAM T-4:
Coordinate with the Channing House residents, as part of a future Transportation Division study, to improve safety and reduce conflict between trucks loading, traffic on Homer Avenue and residents entering and exiting the parking facilities.

POLICY T-12:
Support necessary and appropriate changes to mid-block pedestrian crossings, including relocation of crossings to nearby intersections, raised pavement, signing to assure that crossings are visible to passing traffic and convenient and safe for pedestrians.

POLICY T-13:
Maintain the existing alleys between Alma and High Streets and High and Emerson Streets primarily as support for the nearby commercial sites, providing both loading and circulation for local businesses.

5. Transit Service

Transit service within SOFA 2 is fairly good by regional standards, with a heavily used commuter rail station within 3 to 12 blocks of any part of SOFA 2, a regional express bus to the East Bay,

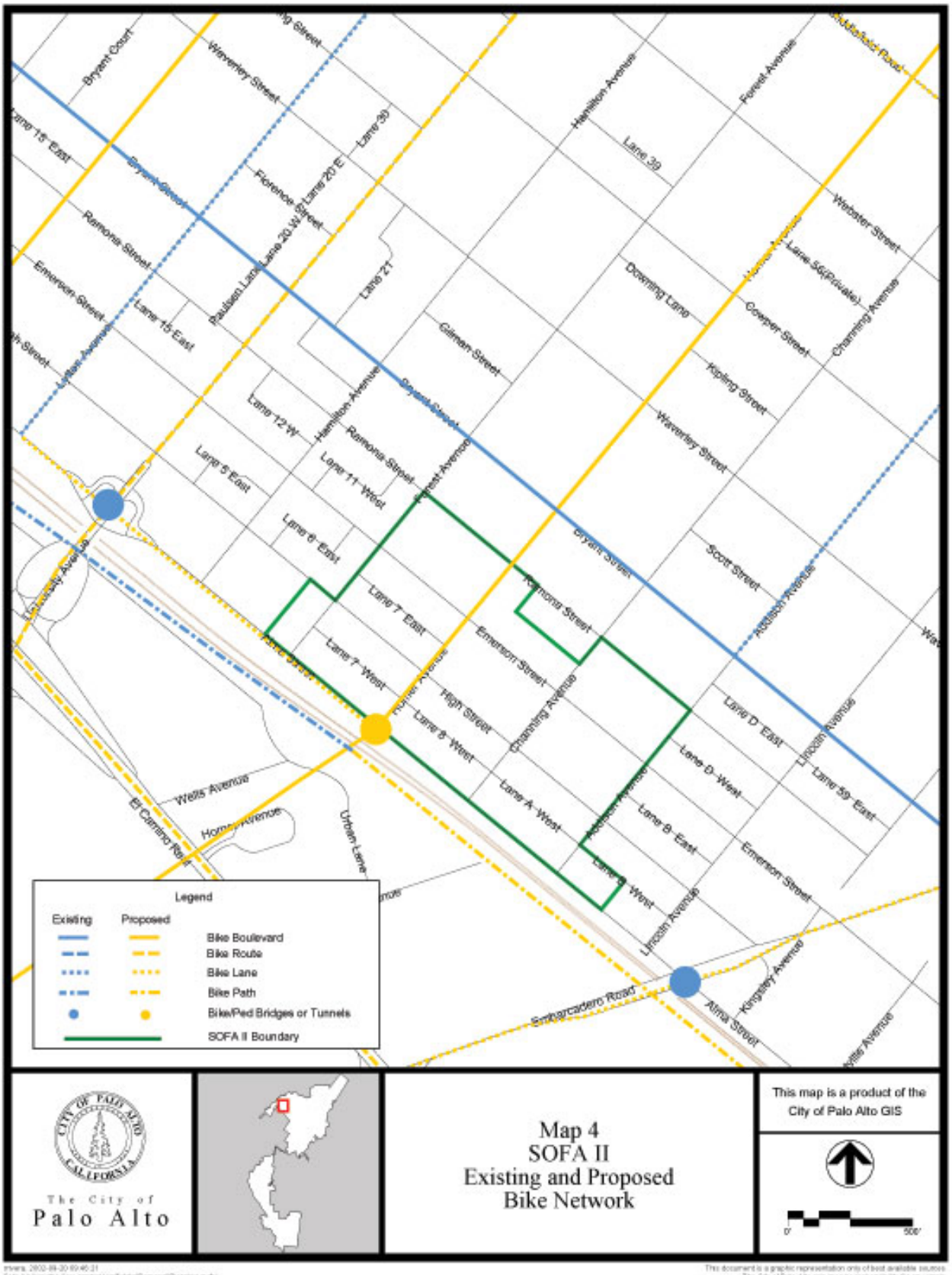
and two local services through the area, with several others through the nearby downtown area. More frequent daily service and evening and weekend service would increase convenience for transit users. The Marguerite shuttle to Stanford University comes within one block of Forest Avenue. The 1998-2010 Comprehensive Plan also calls for the provision of a shuttle/jitney type bus system to serve Palo Alto. This program has been implemented and provides a shuttle service that travels within close proximity of SOFA along Webster Street. This program reduces traffic and parking demands in this area by providing an alternative to driving. Ridership is generally low on all transit except rail and East Bay bus service, suggesting most residents, employees and visitors have cars available and find few incentives to use public transportation services. Studies show housing and employment near transit and incentives such as free transit passes can increase transit use and discourage auto use; such efforts are supported and encouraged in the SOFA 2 CAP.

POLICY T-14:
In coordination with Downtown efforts, encourage transit use by SOFA residents, employees and visitors, increasing awareness of available transit service and schedules and working with Santa Clara Valley Transportation Authority (SCVTA), SamTrans, Stanford, and other transit providers to improve service.

6. Bicycle Circulation

Bicycling is a convenient transportation method for residents, employees, and visitors to SOFA and those who travel through the area to nearby destinations. Map 4 shows the existing and proposed bicycle routes. Bryant Street is a bicycle boulevard and Addison Avenue is a bicycle route between Bryant and Guinda Streets. The Alma Street sidewalk is currently designated as a sidewalk and bicycle path, but this designation will be removed in the future as planned bike routes are developed. Bicyclists can cross under Alma Street and the railroad tracks using sidewalk bicycle paths at University Avenue and Embarcadero Road. Access to both existing undercrossings is inconvenient. In addition, crossing the railroad tracks and El Camino Real at University Avenue is complex and can be hazardous. A new undercrossing of the railroad tracks at Homer Avenue and Alma Street will be constructed by the City of Palo Alto to correct the existing situation. In addition, Homer Avenue is recommended to be designated a bicycle boulevard in the Draft Bicycle Transportation Plan.

The new undercrossing will involve the construction of a bicycle and pedestrian tunnel under the railroad right-of-way that would connect the area around the Palo Alto Medical Foundation (PAMF) with the SOFA and Downtown areas. Entry/exit features will be constructed on the Alma Street side and at the PAMF side of the railroad tracks. Both entry/exit features will be set back from the street on the Alma side and from bicycle paths on the PAMF side. Stairways and Americans with Disabilities Act-compliant ramps will be integrated with new landscaping at the


Legend
Existing
Proposed
Bike Boulevard
Bike Route
Bike Lane
Bike Path
Bike/Ped Bridges or Tunnels
SOFA II Boundary
The City of
Palo Alto
Map 4
SOFA II
Existing and Proposed
Bike Network
This map is a product of the
City of Palo Alto GIS
Bryant Street
Waverley Street
Hamilton Avenue
Forest Avenue
Ramona Street
Emerson Street
Lane 15 East
Lane 21
Gilman Street
Downing Lane
Webster Street
Cooper Street
Kipling Street
Channing Avenue
Lane 12 W
Lane 5 East
Lane 11 West
Lane 6 East
Lane 7 East
Lane 7 West
Lane 8 West
High Street
Lane A West
Lane D East
Lane D West
Lane B East
Lane 59 East
Scott Street
Addison Avenue
Lincoln Avenue
Wells Avenue
El Camino Real
Alma Street
Kingsley Avenue
Embarcadero Road

Access points to the tunnel. The tunnel will also incorporate lighting features and design enhancements to promote safety and reduce the perception of the tunnel as a long, dark enclosed corridor. The tunnel's expected opening is Spring of 2004.

POLICY T-15:
Provide safe and efficient bicycle routes consistent with the proposed bike/pedestrian undercrossing of the railroad tracks. These routes should provide connections between the SOFA, Downtown, and nearby schools, shopping centers, transit centers and employment centers.

PROGRAM T-5:
Revise bicycle routes in SOFA 2 to provide a bicycle route between the Bryant Street "bike boulevard" and Alma Street using Homer and/or Channing Avenue, or as otherwise recommended by the Palo Alto Bicycle Advisory Committee (PABAC), to connect with the proposed pedestrian bicycle undercrossing at Homer Avenue and Alma Street. Further study of an alternate route is needed if Homer Avenue remains one-way between Alma and Ramona Streets.

POLICY T-16:
Support the construction of a bicycle/pedestrian undercrossing at Homer Avenue and Alma Street. Facilitate implementation of the recommendations of the Railroad Crossing Feasibility Study to improve pedestrian access from SOFA to the PAMF campus and points west.

7. Pedestrian Circulation

Pedestrian access throughout the South of Forest Area is good, with a regular pattern of small blocks. In the commercial areas towards Alma Street, the attractiveness of the pedestrian experience is diminished by areas of narrow sidewalks, missing or stunted street trees and by heavy and fast-moving traffic on Alma Street. Heavy, fast traffic on Homer and Channing Avenues also impacts pedestrians despite wider sidewalks and large street trees. To improve the safety and circulation of pedestrians and contribute to a walkable neighborhood, the SOFA 2 CAP encourages traffic calming improvements at key intersections within SOFA 2.

Alma Street and the railroad tracks both form barriers between the area and Stanford University, the new Urban Lane PAMF facility and other areas to the southeast. The proposed pedestrian and bicycle crossing at Homer Avenue and Alma Street would help mitigate these obstacles.

POLICY T-17:
Improve pedestrian and bicycle connections between and within SOFA 2, the Palo Alto Transit Center, and Stanford University.

PROGRAM T-6:
Develop a plan for improvements to Alma Street, adjacent streets and key intersections, using bulb-outs, raised walkways, street trees and other measures to improve pedestrian safety and convenience within SOFA 2 and crossing Alma Street, helping to link with the transit center and Stanford.

POLICY T-18:
Improve access for the disabled throughout SOFA 2.

PROGRAM T-7:
Complete corner curb cuts throughout SOFA 2, consider the needs of wheelchair users and persons with other disabilities in planning for crossings and other public and private pedestrian improvements in the area. As sidewalks are repaired, applicable ADA requirements shall be satisfied.

Community Facilities (CF)

Community facilities include public and private facilities that provide services to the surrounding community. Among these services are schools, libraries, open space/public facilities and childcare. Because they are the subject of separate, ongoing planning processes at the School district and City-wide level, this CAP contains no policies or programs related to schools or libraries. However, the issues of schools and libraries related to SOFA 2 are briefly discussed below. Childcare and Open Space/Parks issues are discussed in more detail with accompanying CAP policies and programs:

1. Schools

Potential impacts on schools are addressed in the Environmental Impact Report for the entire SOFA area (Phases I and 2). Demographic changes have resulted in increasing enrollments throughout the city, which are the subject of Palo Alto Unified School District planning efforts. City policy requires that new development be evaluated for its impact on school enrollment relative to existing capacity. However, the City does not discourage new development solely on the basis of impacts to schools, nor can it require new development to address impacts to school enrollment beyond the payment of established school impact fees. The type of housing encouraged in SOFA 2 would yield fewer children than the single-family detached housing allowed in areas of the Phase I plan.

2. Libraries

The area is currently served by the Downtown Library, located within the study area, and the Main Library, located less than one mile away. Library services are assumed to continue unchanged for the purposes of this Coordinated Area Plan. This issue was also evaluated in the environmental document for all of SOFA and was found to have a less than significant impact.

3. Open Space/Public Facilities

Scott Park, a 0.4-acre mini-park located off Scott Street near Channing Avenue is adjacent to SOFA 2. The park contains a half court basketball court, a grassy area, playground equipment and picnic tables. The closest developed neighborhood park is 2.0-acre Johnson Park, located five blocks to the north across University Avenue. Kellogg Park, approximately 0.4 acres in size, located just south of Embarcadero Road and the turf area at Addison Elementary School both provide additional neighborhood recreational open space. In addition, the Williams House and gardens, located on Homer Avenue, provides an additional 0.25-acre of city-owned open space within SOFA 2, although presently public access to the space is limited to guided tours during the hours the museum is open. The El Camino Park playing fields, located across from Stanford Shopping Center, are within one-half mile of portions of SOFA 2.

In addition to these existing public facilities, a new two-acre public park will be developed by the City of Palo Alto along Homer Avenue between Bryant and Waverley Streets as part of the implementation of Phase I of the SOFA plan. This new park will be within easy walking distance of SOFA 2 and will serve as the closest neighborhood park for residents of the area.

Along with these existing and new public facilities, the SOFA area provides opportunities for private development of publicly accessible open space through the development of "pocket parks" or public plazas that are incorporated into the design of a private development.

POLICY CF-1:
Develop Urban Design Plan for improvements in the public right-of-way including street furniture, lighting and other amenities.

POLICY CF-2:
Encourage private development proposals to accommodate publicly accessible open spaces and connections to other open spaces where feasible. Encourage establishment of usable outdoor pedestrian open spaces, plazas, etc. with pedestrian amenities.

4. Accessibility

The Comprehensive Plan Housing Element and Community Services and Facilities Element emphasize the City's commitment to providing services and housing for people with special needs, including persons with disabilities. The Fair Housing Act Amendments of 1988 require requires that local governments make reasonable accommodations in their rules, policies, practices, or services when necessary to afford persons with handicaps equal opportunity for access to housing. The Americans with Disabilities Act gives other rights with respect to commercial enterprises and other public accommodations

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POLICY CF-3
The SOFA 2 CAP shall be interpreted and applied in a manner that does not deny to persons with disabilities the access to housing and public accommodations that they are guaranteed under federal law.

Design Character and Guidelines (DC)

The goal of the Coordinated Area Plan with respect to Design Character is to create the conditions that will encourage future development to preserve and enhance the original, varied, pedestrian-oriented and generally fine-grained scale of development in the area. In order to do so, the CAP policies address several different issues, including subdivision or lot development pattern, compatibility of new development with existing patterns and historic preservation, the process of development review, and the establishment of design guidelines and development standards.

This section of the CAP addresses the visual quality, urban design and distinct character of SOFA 2. This character arises from consistent patterns of physical forms, including the canopy created by the area's street trees; the size, bulk, mass, height and location of buildings; the type of architecture and age of buildings; as well as from notable exceptions to those patterns.

Renovated Businesses on Alma Street

SOFA 2 contains a wide variety of building types, heights, sizes, and styles generally possessing a high degree of visual interest and pedestrian orientation. Styles vary, but the buildings have patterns of entryways, porches and fenestration in common. This section of the CAP addresses key aspects of this character for SOFA 2, including street trees and heritage trees, historic preservation, architectural design and public art.

The design guidelines included in the CAP encourage the scale, bulk and mass of buildings and their architectural components to be compatible with that of existing structures in the neighborhood. Heights are generally limited to 35' with 50' buildings allowed in the RT-50 District areas along the west side of High Street and along Alma Street where the height of the buildings would be compatible with the width of the street and speed of the traffic. Ground floor designs will provide visual interest such as display windows, porches, storefronts, courts, landscaping, and architectural details.

POLICY DC-1:
Promote quality design as defined by massing, detail, materials, etc. Implementation of the design guidelines should allow for flexibility and diversity in relation to the overall context of the neighborhood.

PROGRAM DC-1:
Include design guidelines for SOFA 2 that encourage quality design as defined by style, detail, massing, and materials. Encourage flexibility in design character, and allow creative use of architectural styles consistent with the fabric of the neighborhood.

POLICY DC-2:
With new development, require new street trees, storefront treatment of front facades, pedestrian scale signage, pedestrian/seating, sidewalk widening, and other improvements to improve pedestrian experience throughout SOFA 2.

Building articulation, roofline stepbacks and variations, and frequent use of street entry features are all design measures that reinforce the original, finer grain of development in this area.

POLICY DC-3:
The commercial development in SOFA 2 is centered on Homer Avenue and Emerson Street, with many intact buildings remaining. The character of these commercial buildings, with store front entrances and no front or side setbacks, creates a lively pedestrian environment which should be reinforced by new development, particularly along Emerson Street, which links this area to the downtown.

POLICY DC-4:
Incorporate transition techniques into new buildings to blend higher density housing or mixed-use projects into the existing lower density residential housing adjacent to the southeastern portion of SOFA 2.

1. Historic Preservation

One of the goals of the SOFA 2 CAP is to encourage the preservation and adaptive reuse of historic buildings throughout the area.

SOFA 2 played a significant role in the early history of Palo Alto and includes a substantial number of historic structures currently listed on Palo Alto's Historic Inventory. These structures, and the historic patterns of development they create, contribute to much of the area's unique and interesting character.

The commercial development along Homer Avenue and Emerson Street was the center of a mixed-use district, which provided a variety of essential services to the adjacent downtown and nearby residential areas such as Professorville, a National Register Historic District. The SOFA area included the residences, businesses and community facilities of a variety of ethnic groups and nationalities. Map 5 shows the locations of Historic Resources in SOFA 2.

Appendix B-1 lists the properties that have been designated as SOFA 2 Historic Resources. These historic resources are protected by the SOFA 2 CAP. Alterations or additions on these sites must comply with the Secretary of the Interior's Standards for Rehabilitation. Appendix B-2 lists properties that have been identified as Potential SOFA 2 Historic Resources. When any development is proposed on these sites, they will first be evaluated for historical significance under CEQA. If the site is eligible for the California Register of Historic Resources or the National Register of Historic Places, it will be reclassified as a SOFA 2 Historic Resource.

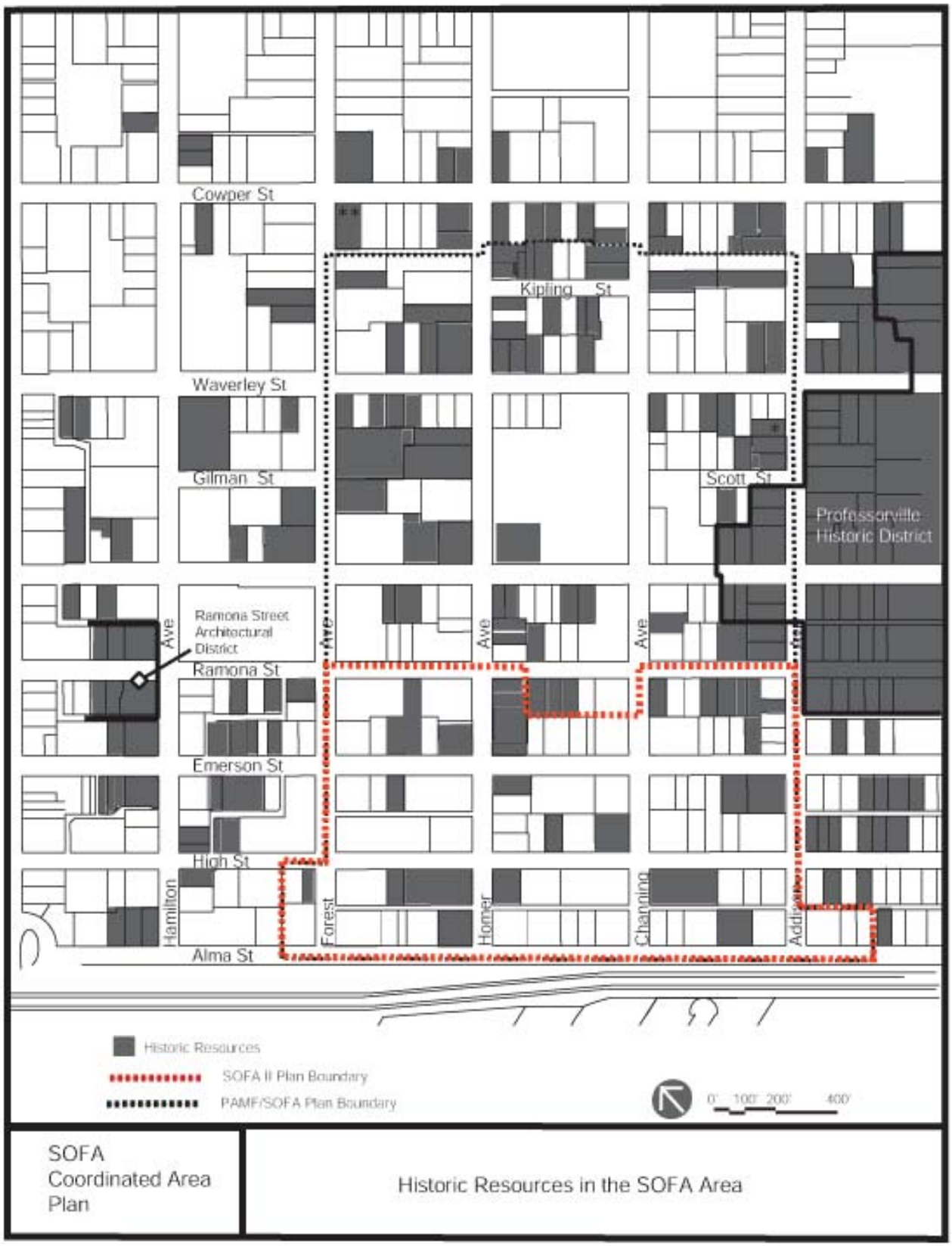
POLICY DC-5:
Require SOFA 2 Historic Resources, which are identified in Appendix B-1, to conform to the Secretary of the Interior's Standards when undergoing alterations or additions.

POLICY DC-6:
Require public and private efforts to maintain, preserve, and use historic buildings and other historic resources in order to maintain the scale and character of the area.

POLICY DC-7:
Allow exceptions of up to 25% less than the full parking requirement to encourage reuse of historic buildings for original or compatible uses.

POLICY DC-8:
Provide information to the public, developers, homeowners etc., on all available historic preservation tax programs, credits and other financial assistance available.

POLICY DC-10:
Encourage use of the State Historic Building Code when reviewing proposed modifications to historic structures, and provide information regarding the Code to the public, developers, homeowners, etc.



Map 5: Historic Resources in SOFA 2

Historic buildings on Homer Avenue

POLICY DC-11:
Promote continuation or restoration of the original use of SOFA 2 Historic Resources wherever possible, but allow adaptive reuse if compatible with preservation of historic features where original use is infeasible.

POLICY DC-12:
Permit continued non-conforming use of SOFA 2 Historic Resources if necessary to assure preservation and restoration of historic resources. Continuation of the original use or a similar use should be pursued wherever feasible. Established and designated historic resources shall be exempt from the minimum densities outlined in the CAP.

POLICY DC-13:
Develop a Transfer of Development Rights (TDR) program for historic structures in the SOFA 2 Residential Transition districts which allows development rights to be transferred from historic buildings in the area to eligible receiver sites in either the SOFA 2 Residential Transition districts or the Downtown (CD) area, with the limitation that development rights cannot be transferred to another historic building.

POLICY DC-14:
Make determinations on historic resources using consultants hired by the city. For commercial and mixed-use development, the applicant will pay for the consultant.

2. Public Art

Public art makes a valuable contribution to the urban design of Palo Alto and enriches the built environment and public life. The plan encourages new development in SOFA 2 to provide public art as a part of the project.

POLICY DC-15:
Encourage new development to provide public art within all major projects. The art is to be reviewed and approved by the Public Art Commission.

Public and Private Trees (PPT)

To achieve the city's tree preservation goals, all development must be consistent with the Citywide Tree Protection Ordinance. The ordinance requires preservation and maintenance of large Coast Live Oaks and Valley Oaks, and Coast Redwoods. Planting of new oaks and redwoods and protection of those not yet large enough to be protected will also help to maintain Palo Alto's distinctive tree canopy after the inevitable loss of today's large oaks and redwoods.

The Tree Technical Manual establishes standards for removal, maintenance, and planting of trees. In establishing these procedures and standards, it is the City's intent to encourage the preservation of trees.

The South of Forest Area of Palo Alto includes many fine tree specimens growing on public and private property. The area also contains several examples of the two oak species and redwoods that are protected in Palo Alto. These notable trees and the remainder of the urban forest presents both opportunities to build on the area's distinctive features and constraints for the location of

new development within the area. The existing trees provide wildlife habitat, shade, and a dramatic urban design feature and enhance the pedestrian environment. The preservation and enhancement of these resources is essential to maintaining the character of the neighborhood.

In order to introduce a healthy diversity of street trees, while producing consistency within a block to create a strong pattern, the street tree species listed in Appendix D should normally be used.

1. Trees on Public Property:

POLICY PPT-1:
Preserve and protect existing street trees when in compliance with Appendix D or as otherwise approved by the Planning or Public Works Arborist, planning new development so that damage or removal of existing healthy street trees is minimized.

POLICY PPT-2:
Driveways, walkways and structures should be located to preserve existing street trees wherever possible. Protective measures should be taken in construction and landscaping to assure the continued health of existing street trees.

POLICY PPT-3:
Any new development or substantial renovation of an existing building within SOFA 2 should consider the replacement of any "missing" street trees at an interval of approximately 20-25 feet on center.

POLICY PPT-4:
Street tree selection should be in accordance with the proposed street tree species shown in Appendix D or as otherwise approved by the City.

POLICY PPT-5:
Adopt city policies that require use of structural soil to promote tree growth when sidewalks are replaced.

2. Trees on Private Property:

POLICY PPT-6:
Protect and maintain Heritage Trees. In addition, promote preservation of Coast Live Oak and Valley Oak, which are not yet large enough to qualify for protection under the Tree Protection Ordinance. Incorporate planting of these native oak species in established open spaces, plazas, etc. and in other appropriate locations in SOFA 2.

POLICY PPT-7:
Strongly encourage the preservation of significant trees on private property in SOFA 2 when applying the design criteria in Chapter IV.

Chapter IV – Compatibility Requirements and Design Guidelines

Section List

4.010 Compatibility Requirements
4.020 Design Guidelines for Public Property
4.030 Design Guidelines for Private Property

4.010 Compatibility Requirements

(a) New and remodeled structures

Compatibility with the existing area is required for all new and remodeled structures in all districts throughout SOFA 2. Compatibility is achieved when the apparent scale and mass of new buildings is consistent with that existing in the neighborhood, and when new construction shares general characteristics and establishes design linkages with surrounding existing buildings so that the visual unity of the street is maintained.

A compatible building design is one that supports and reinforces the shared architectural and site features of neighboring properties. It is not necessary in an area of coherent architectural or historic character to employ specific styles in new construction in order to achieve compatibility. Other fundamental features of neighboring properties are more important. A contemporary style, for example, can be fully compatible with a historic neighborhood if the new design has taken careful account of the following characteristics of the street and area:

(1) siting, scale, massing, materials;

(2) the rhythmic pattern of the street established by the general width of the buildings and the spacing between them;

(3) the pattern of roof lines and projections;

(4) the sizes, proportions, and orientations of windows, bays, and doorways;

(5) the location and treatment of entryways;

(6) the shadow patterns from massing and decorative features;

(7) the treatment of landscaping.

With respect to scale, compatibility refers to what is apparent rather than to actual measurements. Buildings can be designed to appear smaller or larger than they actually are by respectively increasing or reducing the articulation of massing and wall surfaces. When articulation is minimal, one's primary impression is of the building as a whole, and it seems larger and more monolithic. When articulation is increased, the primary impression is of the building's separate parts perceived one after another, and the building seems smaller and more humanly scaled.

(b) Compatibility with historic structures and other existing structures

(1) Buildings adjacent to or across the street from Historic Resources must be compatible with the scale and massing of such historic buildings.

(2) Existing buildings, whether or not Historic Resources, can provide character and scale to new development and should be reused and remodeled rather than demolished when to do so would strengthen the area.

(3) Renovated storefronts should be compatible in materials, scale and proportion with Historic Resources and other existing buildings. Awnings and signage should complement and not hide building columns, windows, and other architectural features. Where several businesses exist in a single building, coordination of awnings and sign changes can reduce visual clutter.

Adaptive reuse of buildings on Emerson Street

Section 4.020 Design Guidelines for Public Property

These guidelines for public property development are to be used in designing and reviewing projects on public property, particularly in the public right of way. They may also be useful to designers of private projects. Where there is a number or amount referenced, this is illustrative only.

(a) Streets and Alleys

(1) Street improvements should facilitate and enhance the pedestrian environment. Desirable features include, but are not limited to, the following: street trees, benches, bus stop shelters, increased sidewalk width, pedestrian open space, public/private open space, and right of way improvements such as bulb-outs and other enhanced pedestrian crossing features.

(2) New developments should incorporate design features that encourage pedestrian usage of existing and new alleys, when appropriate.

(3) Alleys should connect to other alleys or streets when possible to form a continuous vehicular and pedestrian network.

(4) Alleys in commercial areas place service vehicle access and parking away from the street and sidewalks, offering a secondary access to individual parcels and attractive and comfortable streetscapes. The alleys between Alma Street and High Street, and High Street and Emerson Street, provide important support to commercial uses. Continuing their effectiveness in supporting commercial uses is the highest priority for future maintenance and modification of the alleys and in reviewing new development adjacent to them. Improved pedestrian or bicycle access, and use of the alleys to provide access to residential development, are all desirable if this can be done in a way that does not substantially interfere with their primary purpose.

(5) In areas where walking is to be encouraged, streets lined with garages are undesirable. Alleys provide an opportunity to put the garage to the rear, allowing the more “social” aspects of the building to be oriented toward the front of the street. Streets lined with porches, entries and living spaces are safer due to visual surveillance.

(6) Design of alleys should provide sufficient light to promote nighttime safety. Where alleys intersect streets, adequate sight distances and building setbacks should be provided.

(b) Intersections and Crosswalks

(1) Intersections should be designed to facilitate both pedestrian and vehicular movement. The dimensions should be minimized while providing adequate levels of service.

(2) Intersections should be designed to slow traffic and reduce pedestrian crossing distances.

(3) The street system should balance the needs and viability of the pedestrian, as well as the car.

(4) Reduced auto speeds improve pedestrian accessibility and safety and can continue to accommodate safe vehicular movement. Minimum curb radius at the intersection will reduce the pedestrian crossing distance while reducing the speed of the car through the intersection.

(5) Crosswalks should be designed to clearly confer the right-of-way to the pedestrian and minimize the crossing distance.

(6) Raised crosswalks will be considered where there are no traffic signals. The color and texture of paving materials shall be reviewed and approved by the City prior to installation of such a crosswalk. The paving materials should enhance visibility and minimize hazards such as slipping and tripping.

(c) Gateways

(1) Gateways should be located at the intersection of Alma Street and Homer Avenue and at the intersection of Ramona Street and Homer Avenue. The gateways denote the entrance into the pedestrian friendly shopping street.

(2) Elements of the gateway features, such as materials and form should be used in the street furniture throughout the area.

(d) Sidewalks

(1) Sidewalks adjacent to new development should include a continuous minimum clear width of 5 feet for pedestrian travel and a minimum overall sidewalk width of 10 feet to the curb line. Where such a sidewalk width is not currently provided, new development should supplement the public sidewalk with an additional setback for the building.

(2) Where existing buildings constrain sidewalk widening on private property, developers of the private property are encouraged to widen the sidewalk in the public right of way where possible.

(3) Historic sidewalk dimensions should be investigated and incorporated into new development where appropriate, as determined by a site analysis.

(e) Pedestrian Amenities

(1) Sidewalk improvements should be grouped so that a minimum 5-foot wide walking area is maintained for pedestrians. Trees, street furniture and outdoor displays and tables should be located either next to the curb, or within 3 feet of the building provided that adequate walkway is preserved.

(2) Arcades or building setbacks with awnings or shade trees should be provided where sidewalk width is inadequate for anticipated pedestrian and outdoor use.

(f) Street Furniture

Street furniture should be selected or designed to promote a sense of continuity throughout the area. The design intent is to create a distinctive community character while meeting the user’s needs.

(g) Street Parking

Street parking should be provided although it will not count towards meeting a private development's on-site parking requirement. In some cases a street parking space may be deleted to use the area for a landscaped area with a bench or other pedestrian amenity, or for ADA compliance.

(h) Landscaping

(1) Landscaping should be appropriate for the area, well maintained, and not allowed to create a safety hazard by concealing or overgrowing pedestrian facilities. As the area redevelops, tree canopy and other vegetation should be increased, to create an atmosphere more hospitable to pedestrians and those making use of outdoor spaces.

(2) Tree canopy should be used wherever possible to provide shade and weather protection for pedestrians. Adequate room for tree growth should be provided so that tree roots will not damage pedestrian facilities.

(3) Landscaping may be used to provide a buffer between vehicles and pedestrians and to screen parking and utility areas.

(4) Street tree planter areas along Alma should incorporate Japanese Box Wood borders similar to existing examples along Alma between Channing and Homer Avenues.

(5) Streets should be lined with a limited selection of trees, in accordance with the proposed street tree species shown in Appendix D, to give them a unified and distinct image.

(6) Adequate sight distances must be maintained to ensure safety. In areas that do not have space for planter strips, the trees should be kept close to the sidewalk to provide shade and should be aligned to visually frame the street. In all cases, trees should be trimmed regularly to accommodate buses and service vehicles. Tree maintenance should be ensured. Shade for the comfort of the pedestrian is key to creating a viable walking environment. Street trees help reduce heat build up from large asphalt areas and create a cooler microclimate. Trees also provide habitat for local birds.

(7) Street Trees.

(A) Street trees should be planted (at developer's expense) along the centerline of the planting strip at a maximum spacing of twenty-five (25) feet on center of the entire length of street frontage. Where there exist street trees in good health and condition, they should be protected and incorporated into street tree planting. Species of the shade trees should be as approved by Planning and Public Works arborists;

(B) New development or major remodeling of existing development should include planting of 24 inch box street trees (at developer's expense) to replace any missing or diseased trees. Species should be selected according to Appendix D (Street Tree Species Recommendations) unless otherwise approved by the Planning and Public Works arborists.

(i) Lighting

Decorative lighting should be used in the public right-of-way that showcases adjacent buildings. Light fixtures should be attractive elements during the day when they are not illuminated.

(j) Public Art

Art should be used whenever possible in the public right-of-way to provide visual interest for pedestrians and other passers-by.

Street trees on Homer Avenue

Section 4.030 Design Guidelines for Private Property

These guidelines for private property development are to be used in design review of projects in the RT Residential Transition zones and new PC Districts and provide methods for meeting the compatibility requirements of Section 4.010. Where there is a number or amount referenced, this is illustrative only. The guidelines do not apply to projects that are not subject to design review.

(a) Multiple-family Residential Design Guidelines

The guidelines in PAMC Chapter 18.28 apply to multiple-family residential projects and residential portions of mixed-use projects.

(b) Architecture

(1) It is strongly recommended that the architectural design and styles of new construction, additions, modifications, etc. reference and enhance the scale, massing and character of the existing architectural and/or historical heritage of South of Forest Avenue area. Contemporary reinterpretations of these styles, which are similar and compatible in style, color, articulation and form are also encouraged.

(2) Each style should utilize characteristic roof forms, materials, window treatments, and other details, which should be used consistently throughout the design in order to create a compatible design.

(3) Buildings along Emerson Street, Homer Avenue and Ramona Street should provide a particularly inviting appearance to pedestrians, with high quality materials and landscaping and observance of all the guidelines of this Section 4.030 to improve the pedestrian experience.

(4) Publicly oriented uses should be visible through storefront windows from the sidewalk.

(c) Paseos

Paseos are publicly accessible walkways on private property.

(1) Paseos have the potential to be attractive, well-designed, people-oriented places that provide desirable spaces. Paseos, whether publicly or privately owned, should be designed and maintained for general public use.

(2) Paseos should be incorporated into new public or private developments where any of the following situations occur:

(A) An area open to the public area exists within the interior of a block that should be connected to the surrounding street frontage;

(B) Pedestrians are required to walk out of their way to move between public areas on a block; or

(C) There are opportunities to make pedestrian connections between residential and commercial areas.

(D) Other functions of the paseo (e.g. merchandise delivery, trash collection and fire access) may be considered during the design and development review process.

(d) Entrances

(1) Main entrances to buildings are encouraged, with direct visibility from the street. A clear entry path should lead from the sidewalk to the front door.

(2) Low hedges, fences or trellises or gateposts are recommended to mark the transition from the public street to common entry to private residential entrance.

(3) Ornamental lighting consistent with the building's architectural style is encouraged to improve the safety, security and attractiveness of the pedestrian entry.

(4) Open space, plaza areas, etc., are recommended in association with building entrances.

(5) Outside pedestrian seating (benches, for example) is encouraged. The linear seating length is recommended to be equal to 15% of the proposed building linear frontage with a minimum of 12 lineal feet of seating.

(6) Trellises, arbors, porte-cocheres or other similar architectural features are encouraged to identify entrances. These may project no more than three feet into the setback area.

(e) Height

Staggered stepbacks that vary the massing of portions of a building are recommended to encourage diversity in design and assist in increasing the access to daylight from the interior of a building.

(f) Massing/building articulation.

It is recommended that building mass or facade composition be articulated. Techniques for creating this massing or facade module may include but are not limited to roofline variations and projections or recessed wall surfaces.

(g) Driveways

(1) Setback of driveways from adjacent properties should be a minimum five (5) feet.

(2) The maximum number of curb cuts for one building should be one two-way curb cut or two one-way curb cuts per parcel or for every 150 feet of frontage. The maximum width should be 12 feet for a one-way driveway and 24 feet for a two-way driveway.

(3) The maximum grade of ramps should be sixteen percent (16%).

(4) Ramps should be a maximum of 20 feet wide.

(5) Permeable driveway surfaces should be used where appropriate.

(h) Fence and Walls

(1) Aesthetically appealing fences and/or walls should be provided along all property lines when needed to screen service areas, and parking areas from adjacent developments.

(2) Planting areas established adjacent to a fence or wall should have a minimum width of 5 feet, and shade trees should be planted approximately 25 feet on center.

(3) All service areas, sanitation areas/containers, recycling bins, mechanical areas and similar items and functions should be entirely screened. Screening should be a minimum of one foot above the height of the container or similar structure.

(i) Landscaping

(1) See Section 4.020 for information on street trees and other plantings in the public right-of- way.

(2) On sites where existing heritage trees and other significant trees and landscape features exist, new development should be designed to preserve such trees and incorporate them into the open space or other appropriate areas of the development. For summary of City ordinances and requirements and map of such trees, refer to Appendix D of this CAP.

(3) Open space/pocket parks. Trees of at least 24-inch box size should be planted in all open spaces at approximately 25 feet on center. Adequate area for root zone should be incorporated into underground or decked parking garage design.

(j) Lighting

Exterior lighting within parking areas should be adequately shielded to minimize glare and intrusion on neighboring residential properties.

(k) Signage

(1) Where permitted, signs should be designed to be read at the pedestrian scale. Use of projecting signs and signs on awnings is strongly recommended.

(2) Building mounted signs should relate to the architectural design of the building, and should be indirectly lit, avoiding large areas of bright colors. Illuminated can signs and illuminated awnings are not permitted.

(l) Parking

(1) Parking for multi-family projects should be underground where feasible. Partially submerged parking a half level below the building is allowed. Required guest parking may be provided in well-landscaped lots at grade.

(2) Any garage openings for natural ventilation associated with partially below grade parking should be located along side or rear property lines rather than along street faces. Openings should be screened with lattice that is compatible with the facade above, and with hedges or other planting. Garage lighting should be designed to minimize glare and intrusion though the plant and lattice screening.

(3) Requests to extend fully underground parking under the public right of way may be considered provided that there will be no cost to the City, no impact on the quality of street trees and on-site tree landscaping to be provided and no impact to existing and/or proposed utilities or similar infrastructure.

(4) Surface parking lots should be located behind buildings or in the interior of a site whenever possible. Surface parking lots should be visually and functionally segmented into several smaller lots. Land devoted to surface parking lots should be reduced via redevelopment and construction of shared parking facilities. The configuration of surface parking lots should accommodate future redevelopment. All surface parking lots should be planted so that in 10 years 70% of the surface area of the lot is shaded. Additionally, surface parking lots should be screened from streets by landscape treatments.

(5) If it is necessary to provide surface parking in front of a building, such parking should be planted with shade trees at a ratio of 1 tree for every 3 spaces, with the tree located between the parking spaces to maximize shade over the paved parking area and the area where cars are parked.

(6) Providing approximately 10% of required spaces as short term parking outside underground garage structure is encouraged and may be identified as short term parking only. This surface level parking should be landscaped with one tree for every 3 spaces. Short term parking should be located along the rear alley when available, serving to widen the alley travel lane to a safer 20 foot width while creating parking with the look and feel of public on-street parking.

(7) Parking structures may be used for shared parking arrangements but should not dominate the street frontage. Retail uses should be encouraged on the first floor of street-side edges of parking structures.

(m) Bicycle Facilities

Pedestrian facilities should be connected with bicycle parking facilities whenever possible to encourage bicyclists to park their bikes and walk to nearby destinations.

(n) Art

Art should be used to provide visual interest for pedestrians and other passers-by.

(o) Mixed Use Design Guidelines

(1) Where residential uses are located above non-residential uses, balconies, window designs, building articulation, street level entries, and other similar architectural characteristics should be utilized to emphasize the residential character of the structures and strengthen the pedestrian scale.

(2) Where non-residential uses are located above residential uses, the ground floor residential uses should be slightly above grade level, including a landscaped setback, porch and stoop design to provide both privacy for the resident and interest for the pedestrian.

(p) Trash and Loading Areas

Trash and loading areas should be centralized where possible.

(q) Pocket parks, plazas and courts

(1) Pocket parks, plazas, and courts should be located on major circulation routes, such as corners or near building entrances, to increase usage.

(2) Restaurant uses, cafes, or similar service establishments are strongly encouraged to provide outdoor seating areas, benches, or tables.

(3) Such spaces should be well-landscaped with trees and other vegetation increasing the tree canopy

(r) Noise Reductions

All development within the RT-35 and RT-50 districts should employ design and construction methods and materials that reflect or absorb sound such as barriers, landscaping, soundproofing construction materials, and double-glazed windows where necessary to achieve desired noise levels.

Whimsical landscaping and artistic details along Homer Avenue

Chapter V - Development standards

Section List

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5.010 Summary of Districts

The districts described below are the zoning districts within SOFA 2. The various districts are shown on the SOFA 2 districting map, Appendix A.

(a) SOFA R-2 District [R-2]

The SOFA R-2 Residence district permits one or two dwelling units under the same ownership on a site under regulations that preserve the essential character of single-family use. The number of dwelling units on a site as of November 24, 2003 may not be reduced. Some of the existing structures have been identified as potential SOFA 2 Historic Resources; these structures may receive an additional benefit under Section 5.110(c). Other district standards are set forth in Appendix G.

(b) SOFA RM-15 District [RM-15]

The SOFA RM-15 District permits low density multiple family dwellings that are compatible with other residential and non-residential uses. The number of dwelling units on a site as of November 24, 2003 may not be reduced. All sites in the SOFA RM-15 District have existing structures that have been identified as SOFA 2 Historic Resources. Other district standards are set forth in Appendix G.

(c) SOFA RM-30 District [RM-30]

The SOFA RM-30 District permits medium density multiple-family dwellings. The maximum permitted density is thirty units per acre. The SOFA RM-30 district site is presently developed as an integrated project with the adjoining PC District 3707. The number of dwelling units on the site as of November 24, 2003 may not be reduced. The site is required to provide 6 parking spaces for the residential units in PC District 3707. Other standards are set forth in Appendix G.

(d) Planned Community District 2967 [PC-2967]

PC-2967 was created in 1977 to permit the construction of 19 market-rate dwelling units on the site at the corner of Forest Avenue and Ramona Street. It has not been identified as a historic resource. The number of dwelling units may not be reduced. Other district standards are set forth in Appendix G.

(e) Planned Community District 3707 [PC-3707]

PC-3707 was created in 1986 for 744 Ramona Street to provide 3 residential units and 12 commercial parking spaces for professional offices at 745 Emerson Street. The site is developed as a unified project with the adjacent RM-30 site, which provides 6 parking spaces for the residential units. The number of dwelling units may not be reduced. Other District standards are set forth in Appendix G.

(f) Planned Community District 4283 [PC-4283]

PC-4283, Alma Place, was approved in 1995 at 725-753 Alma Street to provide 107 affordable residential units and a limited amount of office space. The number of dwelling units may not be reduced. Other district standards are set forth in Appendix G.

(g) Planned Community District 4389 [PC-4389]

PC-4389 was created in 1996 at 901 Alma Street as a mixed-use project providing 4 dwelling units and approximately 4,425 square feet of office space. Public art and street and alley improvements were provided as a public benefit. The number of dwelling units may not be reduced. Other district standards are set forth in Appendix G.

(h) Planned Community District 4779 [PC-4779]

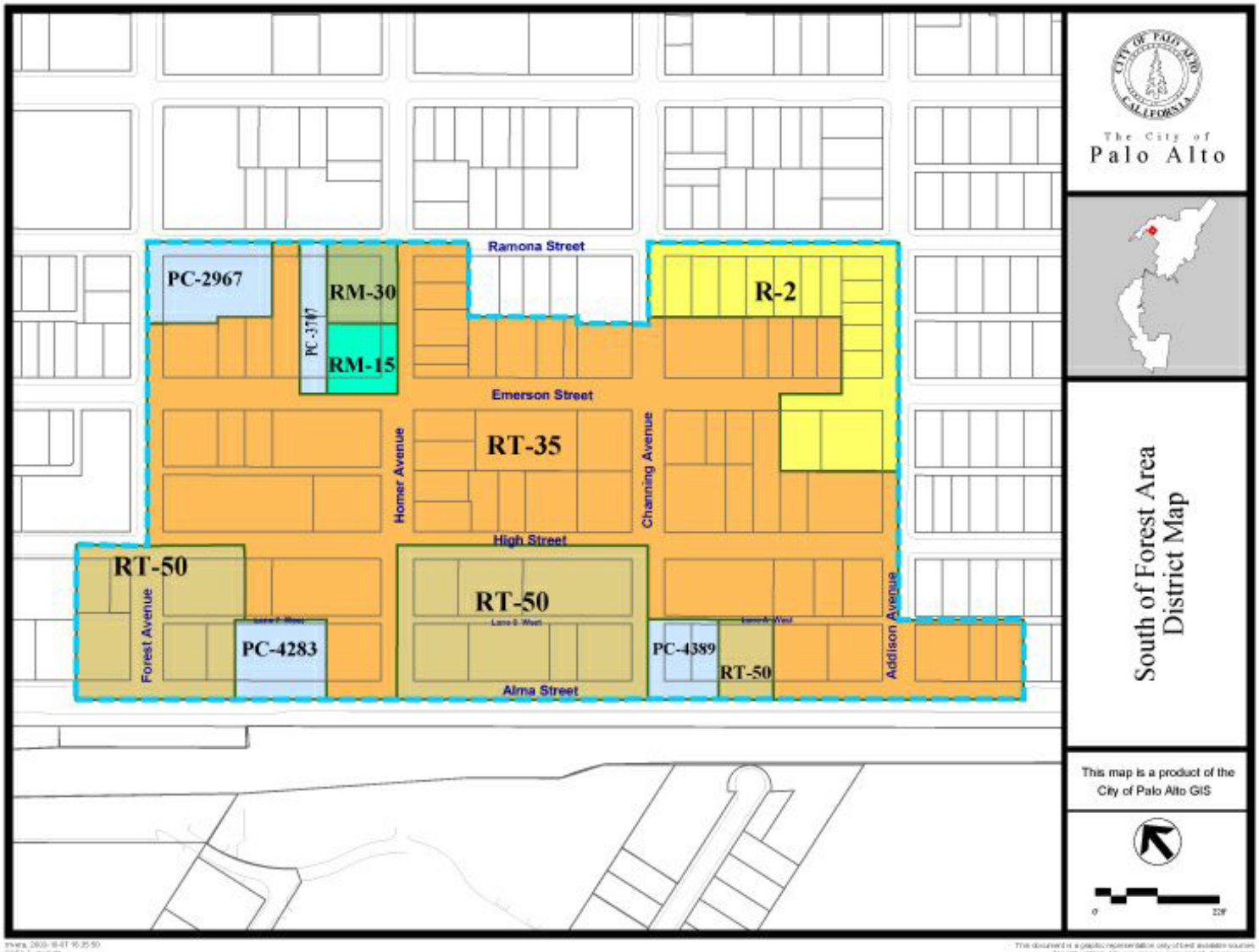
If Ordinance No. 4779, passed by the City Council on February 18, 2003, is approved by the voters of the City of Palo Alto at the election of November 4, 2003, it shall govern the development of the 800 block of High Street, APN 120-28-002, 120-28-043, and 120-28-044.

(i) RT Residential Transition Districts [RT]

The Residential Transition District is the primary district for SOFA 2. It is divided into the RT-35, and RT-50 districts, each of which has different development standards. The RT-35 and RT-50 districts are intended to promote the continuation of a mixed use, walkable, area with a wealth of older buildings. In the future, as in the past, different non-residential uses will become more or less dominant. However, it is a goal of the plan to make sure that a particularly strong market in one sector does not drive out diversity. Neighborhood serving retail and service uses that serve the residential communities in and near SOFA are particularly valued. The differing height, intensity, and use restrictions recognize the differing potentials of the area as it moves between purely residential neighborhoods and the downtown, and closer to Alma Street and the transit center.

In the Homer/Emerson Corridor, which comprises Homer Avenue between Alma Street and Ramona Street, and Emerson Street between Forest Avenue and Channing Avenue, different regulations may apply, including, but not limited to: office uses, parking, setbacks and daylight planes.

Map 6: SOFA 2 District Map (also see Appendix A)



5.020 RT Districts - Land Uses

(a) Permitted and Conditionally Permitted Uses

Table 1 shows the uses permitted or conditionally permitted in the RT-35 and RT-50 districts.

Table 1: RT District Permitted and Conditionally Permitted Uses

	RT-35 RT-50	Also see regulations in Section:
ACCESSORY AND SUPPORT USES		
Accessory uses to the primary use	P	
EDUCATIONAL, RELIGIOUS, AND ASSEMBLY USES		
Private educational facilities	P	
Private clubs, lodges, or fraternal organizations	P	
Religious institutions	P	
OFFICE USES		
Medical, professional, administrative, and general business offices	P	See restrictions on size and location in subsections (b) and (c)
PUBLIC/QUASI-PUBLIC USES		
Utility facilities	CUP	
RECREATION USES		
Commercial recreation	CUP	
RESIDENTIAL USES		
Home occupations	P	
Lodging (including bed and breakfast facilities)	P	
Multiple-family uses, including SRO housing	P	
Residential care homes	P	
Two-family uses	P	
RETAIL USES		
Retail services, excluding liquor stores	P	

	RT-35 RT-50	Also see regulations in Section:
SERVICE USES		
Automobile service stations, subject to site and design review as specified in Chapter 18.82 of the Palo Alto Municipal Code	CUP(1)	
Automotive services, including tire services	CUP(1)	
Convalescent facilities	P	
Day care centers	P	
Day care homes, small adult	P	
Day care homes, large adult	P	
Day care homes, small family	P	
Day care homes, large family	P	
Eating and drinking facilities, except drive-in services	P	
Financial services	P	
General business services	P	
Personal services	P	
Reverse vending machines	P	
Warehousing and Distribution	CUP	
TEMPORARY USES		
Temporary parking facilities for up to five years	CUP	
Temporary uses, subject to regulations in Chapter 18.90 of the Palo Alto Municipal Code	CUP	
TRANSPORTATION USES		
Parking as a principal use	CUP	
Transportation terminals	CUP(1)	
(1) New uses of this nature are only permitted in that area bounded by High Street on the east, Alma street on the west, Forest Avenue on the north, and Addison Avenue on the south.		

(b) Office Uses

(1) No new gross square footage of a medical, professional or general business or administrative office use shall be allowed, once the gross square footage of such office uses, or any combination of such uses, on a site has reached five thousand gross square feet.

(2) No conversion of gross square footage from any other use to a medical, professional or general business or administrative office use shall be allowed once the gross square footage of such office uses, or any combination of such uses, on a site has reached five thousand gross square feet.

(3) Subdivision of a parcel shall not increase the square footage of allowed office uses.

(4) In the case of a lot merger, the resulting parcel is subject to the five-thousand-gross-square-foot limit set forth in subsections one and two.

(c) Protection of Specific Uses

(1) For sites in the Homer/Emerson Corridor (as defined in Appendix C-1) located in the RT-35 or RT-50 districts, medical, professional, administrative, and general business offices may not be located on the ground floor of a building unless such offices:

(A) have been continuously in existence in that space since March 19, 2001, and, as of that date, were neither non-conforming nor in the process of being amortized pursuant to PAMC Chapter 18.95;

(B) occupy a space that was not occupied by retail services, eating and drinking services, personal services, or automotive services on March 19, 2001 or thereafter;

(C) occupy a space that was vacant on March 19, 2001;

(D) are located in new or remodeled ground floor areas built on or after March 19, 2001 if the ground floor area devoted to retail services, eating and drinking services, personal services, and automobile services does not decrease;

(E) are located in the half of the site furthest from Homer Avenue, for the site at 801 Alma Street; or

(F) are located in commercial space constructed under a building permit issued in reliance on Section 8 of Ordinance 4730 (which defines commercial space for which an ARB application had been filed prior to March 19, 2001 as “space not occupied by retail, personal services, eating and drinking services, housing, or automotive services”).

(2) For all sites outside of the Homer/Emerson Corridor, in the RT-35 or RT-50 districts, housing on the ground floor may not be replaced by office uses.

(d) Commercial Hours of Operation

Non-residential uses with hours of operation between 11:00 p.m. and 6:00 a.m. require a Conditional Use Permit.

Anchor retail in the Homer/Emerson Corridor

5.030 RT Districts - Development Standards

(a) Site Development Standards

Table 2 shows the site development standards applicable in the RT-35 and RT-50 districts.

Table 2: RT District Site Development Standards

	RT-35	RT-50	Also see regulations in Section:
Minimum lot size and lot dimensions	*None*		See 5.020(b)(3) and (4) for restrictions on office uses for subdivisions and lot mergers
Setbacks and Daylight Planes for Exclusively Residential Uses			
Front Yard (ft)	15’	12’	See subsections (f) and (g) for permitted encroachments See subsections (d) and (e) for special setbacks and daylight planes
Street Side Yard (ft)			
Interior Side Yard (ft)	15’ to building wall 10’ to parking podium	10’	
Rear Yard (ft)			
Rear Yard (on alley) (ft)	10’ to building wall 5’ to parking podium	10’	
Daylight Plane – side and rear lot lines	15’ height at the lot line increasing at 45 degrees	*None*	
Interior side setbacks for parcels less than 100’ wide	15’, but may be reduced to zero by the Director or Council, following ARB review, if consistent with the established building pattern in the area		
Setbacks and Daylight Planes for Exclusively Non-Residential Uses			
Front Yard (ft)	*None*		See subsections (d) and (e) for special setbacks and daylight planes
Street Side Yard (ft)			
Interior Side Yard (ft)			
Rear Yard (ft)			
Daylight Plane – side and rear lot lines			
Setbacks and Daylight Planes for Mixed Uses			
Portions of the building with Commercial uses on the first floor			See subsections (f) and (g) for permitted encroachments See subsections (d) and (e) for special setbacks and daylight planes
Setbacks	15’, but may be reduced to zero by the Director or Council, following ARB review, if consistent with the established building pattern in the area		
Daylight Plane	*None*		
Portions of the building with Residential uses on the first floor			
Setbacks	Same as for exclusively residential uses (above)		
Daylight Plane			
Maximum Height (ft)	35	50	

	RT-35	RT-50	Also see regulations in Section:
Residential Density			
Maximum density (standard) (du/acre)	-		
Maximum average unit size (square feet)	1,250		

(b) Floor Area Ratio

(1) The following Table sets forth the maximum floor area ratios for the RT-35 and RT-50 districts:

Table 3: RT District Floor Area Ratios

	RT-35	RT-50	Also see regulations in Section:
Floor area ratio (FAR)			See additional restrictions on office uses in subsections 5.020 (b) and (c). For floor area bonuses and transferable development rights, see Sections 5.060, 5.070, and 5.080 See subsection (c) for restrictions on rental projects See 5.090 for PC Districts
Maximum commercial FAR for any project, except when floor area bonuses granted for seismic or historic rehabilitation are used on-site (see 5.070(c)).	0.40:1		
Maximum FAR for mixed use and exclusively residential projects	1.15:1	1.30:1	
Maximum FAR for: • Exclusively Rental Residential (see additional restrictions in subsection (c)) • 100% affordable housing • Exclusively Social Service Uses • All other projects, when using floor area bonuses or transferable development rights (see Sections 5.060, 5.070, and 5.080)	1.30:1	1.50:1	
PC Districts (See Section 5.090)	1.50:1	2.0:1	

(2) Notwithstanding PAMC Section 18.04.030(65), all covered or above-grade parking shall be included in calculation of floor area ratio, provided, surface "tuck under" parking located off a public alley and available to the public shall not be included, and semi-depressed podium parking located directly under a first floor residential use shall not be included if it is not more than four feet above grade.

(c) Exclusively Rental Residential Projects

When an exclusively rental residential project is built with an FAR exceeding 1.15:1 in the RT-35 district or 1.30:1 in the RT-50 district, a covenant in a form satisfactory to the City Attorney must be recorded against the land guaranteeing that the parcel or airspace will not be subdivided, and that the units will continue to be offered for rent individually. The covenant must last for ninety years or the life of the building; whichever is lesser, and must be completed prior to issuance of building permits.

(d) Special setbacks and daylight planes adjacent to low-density residential areas

The following requirements apply to lots in the RT-35 district:

(1) Screening adjacent to R-1 and R-2 districts

All projects in the RT-35 district with lot lines adjacent to an R-1 or R-2 district must provide a 5-8' solid fence or wall and a landscaped screen along the lot line(s).

(2) Rear lot lines adjacent to AMF, R-1, or R-2 districts

All projects in the RT-35 district with rear lot lines adjacent to an AMF, R-1, or R-2 district must provide a 20 foot setback, and are subject to a daylight plane beginning at a height of 16 feet at the setback line and increasing at a 60 degree angle.

(3) Commercial and Mixed Uses – Side lot lines adjacent to AMF, R-1, or R-2 districts

All commercial or mixed use projects in the RT-35 district with side lot lines adjacent to an AMF, R-1, or R-2 district must provide a 10 foot setback, and are subject to a daylight plane beginning at a height of 15 feet at the setback line and increasing at a 45 degree angle.

(4) Commercial and Mixed Uses – Lot lines across a street or alley from AMF, R-1, or R-2 districts

All commercial or mixed use projects in the RT-35 district directly across a street or alley from an AMF, R-1, or R-2 district must provide a ten-foot street setback, which must be landscaped except for required access.

(e) Special Daylight Planes along Homer Avenue and High Street, and Channing Avenue

The following daylight planes apply to projects in the RT-50 district on the south side of Homer Avenue between Alma Street and High Street, projects on High Street, and projects on the north side of Channing Avenue between Alma Street and High Street, where such sites are across the street from the RT-35 district.

Table 4: RT-50 Special Daylight Planes

Daylight Plane for lot lines along Homer Avenue		See subsection (g) for permitted encroachments
Height above average grade at street setback line (ft)	35	
Slope (Horizontal:Vertical)	5:3	
Daylight Plane for lot lines along High Street, Channing Avenue		See subsection (g) for permitted encroachments
Height above average grade at street setback line (ft)	35	
Slope (Horizontal:Vertical)	1:1	

(f) Permitted Setback Encroachments

Balconies, porches, stairways, and similar elements may extend up to 6 feet into the setback. Cornices, eaves, fireplaces, and similar architectural features (excluding flat or continuous walls or enclosures of interior space) may extend up to 4 feet into the front and rear setbacks and up to 3 feet into interior side setbacks.

(g) Permitted Daylight Plane Encroachments

Daylight plane encroachments shall be limited to:

(1) Television and radio antennas, and flues;

(2) Dormers, roof decks, gables, or similar architectural features, provided that the horizontal length of all such features does not exceed the greater of a combined total of 15 feet on each side or 20% of building length; and

(3) Cornices, eaves, and similar architectural features, excluding flat or continuous walls or enclosures of usable interior space, may extend into a required daylight plane a distance not exceeding three feet. Chimneys may extend into the required daylight plane a distance not to exceed the minimum allowed pursuant to PAMC Chapter 16.04.

(h) Street Trees

Street trees are required along all streets. Street trees shall be spaced no further than 20 to 25 feet on center in planter strips or tree wells located between the curb and sidewalk. Tree species and planting techniques shall be selected to create a unified image for the street, provide effective canopy, avoid sidewalk damage, and minimize water consumption (see Appendix D for tree selection along specific streets).

(i) Street Frontages

(1) The regulations of Palo Alto Municipal Code Section 18.47.040 (Pedestrian Shopping Combining District (P) Regulations) shall apply in the RT-35 and RT-50 districts.

(2) Where commercial offices are located on the ground floor, public reception areas or display windows must be clearly visible from street level. Frosted glass or translucent or solid window blinds are not permitted.

(j) Public and Private Open Space for Residences.

All new residential or mixed-use projects shall provide usable private open space for each unit and significant usable shared open space. The adequacy of the open space for the residents of the building shall be reviewed as part of architectural review. See Performance Standards, Section 5.050 (k) and (l), for design requirements of private and common useable open space.

(k) Signs

(1) All signs must comply with Chapter 16.20 of the Palo Alto Municipal Code.

(2) Illuminated can signs and illuminated awnings are prohibited in the RT-35 and RT-50 districts.

(l) Floor Area Exemption for Americans with Disabilities Act Compliance

Square footage added to existing buildings to bring the building into compliance with the Americans with Disabilities Act (ADA) shall be exempt from floor area calculations. No ADA exemption shall be available for new buildings.

(m) Noise Attenuation for Residential Development along Alma Street or near Substation

Applicants for approval of residential development of parcels having any lot line along Alma Street must demonstrate that private residential open space and interior space meet applicable city noise standards and shall provide such studies as the city reasonably requires. Residential development and open space should generally be located on the top and to the rear of such projects to help buffer residents from traffic, train and substation noise.

(n) Affordable Housing Requirements

All projects must comply with the City's BMR Housing Program.

5.040 RT Districts - Parking Regulations

(a) Applicable PAMC Regulations

Chapter 18.83 of the Palo Alto Municipal Code shall apply as amended from time to time. Where requirements in this CAP conflict with requirements from Chapter 18.83, this CAP shall prevail.

(b) Parking Requirements

The following table shows the required parking for uses in the RT-35 and RT-50 districts.

Table 5: RT District Required Parking

Use	Number of Required spaces
Multiple-family and two-family use	As required by PAMC Chapter 18.83
Multiple-family use, with an approved TDM program as set forth in subsection (c).	1 per studio 1.2 per one bedroom 1.5 per two or more bedroom guest parking per PAMC Chapter 18.83
Senior housing and single room occupancy housing	1 per unit
All permitted commercial uses (Automotive services, financial services, general business services, personal services, retail services, commercial recreation)	
(1) In the Homer/Emerson Corridor (as defined in Appendix C-1)	1 per 250 square feet of gross floor area
(2) All other sites	As required by PAMC Chapter 18.83
Eating and drinking facilities	
(1) In the Homer/Emerson Corridor (as defined in Appendix C-1)	1 per 250 square feet of gross floor area up to 1,500 square feet. All area above 1,500 square feet shall be parked as required by PAMC Chapter 18.83.
(2) All other sites	As required by PAMC Chapter 18.83
All other uses permitted or conditionally permitted in the RT-35 or RT-50 districts	As required by PAMC Chapter 18.83

(c) Residential Parking Reduction for a Transportation Demand Management Program

Multiple-family residential use may receive a parking reduction, as set forth in subsection (b), with an approved TDM program that shall include, for each unit, membership in a car share program and subsidized transit passes in an amount to be determined by the Director, or an equivalent alternative.

(d) Commercial Parking Reduction for a Transportation Demand Management Program

For medical, professional, and general business offices, general business services, financial services, personal services, automotive services, and automobile service stations, parking requirements may be reduced by 5% with the implementation of a Transportation Demand Management Program.

(e) Tandem Parking

Tandem parking is permitted for multiple-family and two-family uses.

(f) Parking Reduction for Historic Resources

The Director of Planning and Community Environment may approve reductions of up to 25% of the parking requirement for SOFA 2 Historic Resources that undergo rehabilitation in conformance with the Secretary of the Interior Standards, subject to the following provisions:

(1) The parking reduction shall be a reduction of the total parking required for the non-exempt square footage of the historic structure;

(2) Existing parking shall not be eliminated as a result of the reduction;

(3) The Director of planning and community environment shall grant the exception only upon completion of a parking study, done by a qualified consultant hired by the city and paid for by the applicant, verifying that the reduced parking requirement will provide sufficient parking for the use or uses in the historic building.

(4) Once a parking reduction is granted, there may be no change of use on site without a new determination under section (h)(3) above.

(g) Sites within Parking Assessment Districts

Sites within a parking assessment district retain all rights and duties resulting from their inclusion in that district.

(h) Parking exemption for housing added to existing buildings

Up to two units of housing may be added to an existing commercial building constructed prior to November 24, 2003 without provision of parking. If a Residential Parking Permit program is in effect immediately to the south of SOFA 2, this parking exemption does not require additional permits or review beyond that otherwise required for the project. Otherwise, this parking exemption requires a Conditional Use Permit, with the additional finding that the site would be unable to provide the required parking for the units.

Renovated building on High Street

5.050 RT Districts - Performance Standards

(a) PAMC Performance Standards

Residential, non-residential and mixed-use projects shall comply with PAMC Chapter 18.64.

(b) Noises, Odors, and Clutter

Noises, odors, and clutter shall be screened effectively from streets and adjacent properties.

(c) Trash and Service Equipment

Trash and service equipment, including but not limited to satellite receiving dishes, dumpsters, recycling containers, and air conditioning units, shall be located on the rear of buildings or otherwise out of public view and shall be enclosed or screened with 100% opaque materials around all sides, including landscaping where permissible.

(d) Trash Recycling Areas

Trash recycling areas and similar offensive areas shall be entirely enclosed (top and sides) and screened with 100% opaque materials when located adjacent to or in close proximity to existing residential uses, proposed residential uses, and residentially zoned properties.

(e) Reduction of Noise and Visual Impacts

New commercial and mixed-use projects, including such noise generating uses as vehicle, automobile repair, automobile service station, and transportation centers, shall be designed to reduce potential noise and visual impacts on adjacent uses with particular attention to existing residential uses.

(f) Reduction of External Noise Impacts

All new development or substantial remodeling of existing uses, which might be impacted by such uses shall incorporate design features to minimize potential impacts from noise producing uses on future building tenants and users.

(g) Storage Yards

All commercial uses with outside service or storage yards, including vehicle storage yards, shall provide attractive, opaque screening around the entire perimeter of these yards. Screening shall include dense landscaping in combination with an opaque fence if feasible.

(h) Elimination of Odors and Fumes

All uses producing strong odors and fumes, which can be detected from off or adjacent to the property shall install equipment or containment areas in order to eliminate such detectable odors and fumes.

(i) Light Sources

Interior and exterior light sources shall be shielded in such a manner as to prevent visibility of the light sources and to eliminate glare and light spillover beyond the perimeter of the development.

(j) Prohibition of Nuisance

All uses, whether permitted or conditional, shall be conducted in such a manner as to preclude any nuisance, hazard, or commonly recognized offensive conditions or characteristics, including creation or emission of dust, gas, smoke, noise, fumes, odors, vibrations, particulate matter, chemical compounds, electrical disturbance, humidity, heat, cold, glare, or night illumination. Prior to issuance of a building permit or occupancy permit, or at any other time, the chief building official may require evidence that adequate controls, measures, or devices have been provided to insure and protect the public interest, health, comfort, convenience, safety, and general welfare from such nuisance, hazard, or offensive condition.

(k) Private Useable Open Space

Residential and Mixed Use development shall provide useable private open space in a yard, patio, porch, deck, balcony, French balcony at least two feet in depth, or loggia for each dwelling unit. The type and design of the useable private open space shall be appropriate to the architectural character of the building, and shall consider dimensions, solar access, wind protection, views, and privacy. Notwithstanding PAMC Section 18.04.030 (65)(A), loggias up to 80 square feet per dwelling unit shall be excluded from gross floor area. Spaces enclosed with windows are not open space.

(l) Common Useable Open Space

Residential and Mixed Use development in the RT-35 and RT-50 zones shall provide common useable open space. The design of the common useable open space shall be suitable for a variety of user groups, including families with children. The common useable open space shall be intentionally designed for the use and enjoyment of the residents and as an integrated composition with the building, with particular attention to solar access, protection from wind, visibility both into and from the area, quality and durability of paving and furnishings, and use of appropriate and attractive plant materials. The size and dimensions of the common open space(s) shall be adequate and suitable for the number of units served by the open space(s).

Balconies and loggias

5.060 RT Districts - Public Benefit Floor Area Bonus Program

(a) Types of Bonuses

The following floor area bonuses may be granted in the RT-35 and RT-50 districts pursuant to the procedures in subsection (f).

(1) Affordable Housing Bonus

For each square foot of additional BMR residential space provided, two square feet of bonus market-rate residential square footage may be granted. BMR space for which bonus square footage is granted may not be used to fulfill the requirements of the City's Below Market Rate Housing Program. However, all BMR Units must comply with the City's BMR Housing Program with respect to size, configuration, pricing, location, and amenities. The bonus residential square footage is not subject to the requirements of the City's BMR Housing Program. All units must comply with the maximum average unit size set forth in Section 5.030(a).

(2) Affordable Space for Community and Non-profit Services or Childcare

For every 60 square feet of commercial space to be provided exclusively for Community and Non-profit Services or Childcare available to the public, 100 square feet of bonus residential floor area may be granted. The Director may establish a program to monitor that such commercial space is used exclusively by community services, non-profits, or childcare available to the public.

(3) Public Parking Bonus

For every 3 underground public parking spots, or every 5 public podium parking spaces, 1,000 square feet of residential bonus square footage may be granted.

(b) Covenants required

Covenants acceptable to the City Attorney and recorded against the land are required prior to the issuance of building permits for the project in order for any bonus to be granted. The covenants shall guarantee that public benefits provided in order to qualify for bonus floor area remain public benefits for the life of the building or for 90 years, whichever is lesser.

(b) Restrictions on Use of Bonuses

Bonus floor area granted under this Section 5.060 may only be used for residential units. All residential units in the project, including BMR units and units built with bonus square footage, must comply with the maximum average unit size set forth in subsection 5.030(a).

(c) Maximum Bonus Allowed

No bonus may be granted that causes the floor area ratio for the site to exceed 1.30:1 in the RT-35 district, or 1.50:1 in the RT-50 district.

(d) No Transfer of Bonus Floor Area

Bonus floor area granted under this Section 5.060 must be used on the same site as the one on which the improvements for which the bonus was granted are built.

(e) Bonuses used on Historic Sites

If bonus floor area granted under this Section 5.060 is used on a historic site, the project must conform to the Secretary of the Interior's Standards.

(f) Procedure for Granting of Bonuses

Granting the floor area bonuses listed in subsection (a) of this Section 5.060 requires a Conditional Use Permit, as set forth in PAMC Chapter 18.90, and amended as follows:

(1) Notwithstanding PAMC Section 18.90.035, a hearing of the zoning administrator is not required to grant a Conditional Use Permit for the floor area bonuses set forth in this Section 5.060.

(2) The planning and transportation commission shall review and make a recommendation on the Conditional Use Permit following a noticed public hearing. The hearing shall be noticed in the same manner as a hearing of the zoning administrator, as set forth in PAMC Section 18.90.030.

(3) The recommendation of the planning and transportation commission shall be based upon the findings for a Conditional Use permit, as set forth in PAMC Section 18.90.060, and shall be supported by facts presented in the application and gathered during the public hearing. The recommendation of the planning and transportation commission shall be transmitted to the zoning administrator.

(4) If the zoning administrator agrees with the recommendation of the planning and transportation commission, she shall take action on the application as described in PAMC Section 18.90.040. Such action is subject to appeal under PAMC Chapter 18.92. If the zoning administrator disagrees with the recommendation of the planning and transportation commission, she may attempt to resolve the disagreement at a meeting with the planning and transportation commission. If the disagreement is not resolved, the zoning administrator shall forward the application to the city council for a decision. The decision of the city council is final.

(5) If the action of the zoning administrator is appealed pursuant to PAMC Chapter 18.92, no hearing of the planning and transportation commission is required.

5.070 RT Districts - Historic and Seismic Floor Area Bonuses

(a) Types of Floor Area Bonuses

The following types of floor area bonuses may be granted in the RT-35 and RT-50 districts:

(1) Historic Rehabilitation

Buildings in the RT district that are on the SOFA 2 Historic Resources List may qualify for a floor area bonus of 25% of the existing building area or 2,500 square feet, whichever is greater, if they undergo rehabilitation according to the Secretary of the Interior's Standards for Rehabilitation of Historic Buildings.

(2) Seismic Rehabilitation

Buildings in the RT district that are in Seismic Category I, II, or III may be granted a floor area bonus of 25% of the existing building area or 2,500 square feet, whichever is greater, if they undergo rehabilitation as described in Section 16.42 of this code.

(b) Restrictions on Floor Area Bonuses

The floor area bonuses in subsection (a) shall be subject to the following restrictions:

(1) All bonus square footage shall be counted as square footage for the purposes of the Downtown Development Cap.

(2) In no event shall a building expand beyond an FAR of 1.30:1 in the RT-35 district or 1.50:1 in the RT-50 district using a bonus granted for seismic rehabilitation. On-site use of a bonus granted for historic rehabilitation shall not be subject to this limitation, but still must conform to the Secretary of the Interior's Standards as set forth in subsection (5).

(3) The bonus shall be allowed on a site only once.

(4) For buildings in Seismic Category I, II, or III, seismic rehabilitation shall conform to the analysis standards referenced in PAMC Chapter 16.42.

(5) For buildings on the SOFA 2 Historic Resource List, historic rehabilitation shall conform to the Secretary of the Interior's "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings" (36 CFR §67,7).

(6) For buildings in both Seismic Category I, II, or III and on the SOFA 2 Historic Resource List, no bonus shall be granted unless the project includes both seismic and historic rehabilitation conforming to the standards in subsections (4) and (5), and the city council must approve on-site use of such a FAR bonus. Such approval is discretionary, and may be granted only upon making both of the following findings, which the applicant for on-site use of a cumulative floor area bonus shall have the burden of demonstrating the facts necessary to support:

(A) The exterior modifications for the entire project comply with the U.S. Secretary of the Interior's "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings" (36 CFR §67,7); and

(B) The on-site use of the FAR bonus would not otherwise be inconsistent with the historic character of the interior and exterior of the building and site.

(c) No additional restriction on use of on-site bonus

Floor area granted under this Section 5.070 and used on-site may be occupied by any use otherwise permitted in the district.

(d) Parking exemption for bonuses used on-site

Floor area granted under this Section 5.070 and used on-site is exempt from parking requirements.

(e) Transfer of Floor Area Bonuses

The floor area bonuses for historic or seismic rehabilitation described in subsection (a) may be transferred as described in Section 5.080. Such transfer shall not be subject to the discretionary council approval set forth in subsection (b)(6).

(f) Procedure for Granting of Floor Area Bonuses

The floor area bonuses described in subsection (a) of this section shall be granted in accordance with the following requirements, and no building permit shall be issued until the following requirements are fulfilled:

(1) An application for such floor area bonus(es) must be filed with the director of planning and community environment, stating the amount of such bonus(es) applied for, the basis therefor under this section, and the extent to which such bonus(es) are proposed to be used on-site and/or for transfer.

(2) Upon completion of such application, written determination of eligibility for the bonus(es) has been issued by the director of planning and community environment or the director's designee, based upon the following:

(A) In the case of the floor area bonus for seismic rehabilitation, the chief building official has made a determination that the project complies with or exceeds the analysis standards referenced in PAMC Chapter 16.42;

(B) In the case of the floor area bonus for historic rehabilitation of a SOFA 2 Historic Resource, the architectural review board, taking into consideration the recommendations of the historic resources board, has found that the project complies with the Secretary of the Interior's "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings"; and

(C) In the case of cumulative seismic and historic rehabilitation bonuses that are proposed to be used on-site, the city council has made the findings set forth in subsection (b)(6) of this section.

(3) The city may retain an expert in historic rehabilitation or preservation, at the applicant's expense, to provide the city with an independent evaluation of the project's conformity with the Secretary of the Interior's "Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings."

(4) Upon determining that the project has been completed as approved, the director or director's designee shall issue a written certification which shall state the total floor area bonus utilized at the site, and the amount (if any) of remaining floor area bonus which is eligible for transfer to another site pursuant to the provisions of Section 5.080 of this code. The certification shall be recorded in the office of the county recorder and a copy shall be provided to the applicant.

Adaptive reuse of a historic building

5.080 RT Districts - Transfer of Development Rights

(a) Purpose

This section describes the exclusive procedure for transfer of development rights to or from properties in the RT-35 and RT-50 districts, including any Planned Community districts established in an RT district

(b) Transfer of Development Rights from Sites Dedicated as Open Space

An owner of a parcel in the RT-35 or RT-50 district may offer to dedicate the parcel to the City for park or open space uses. If the City Council, in its sole discretion, chooses to accept the dedication, the owner shall be entitled to Transferable Development Rights equal to 1.15 times the lot area, in the RT-35 district, or 1.3 times the lot area, in the RT-50 district. Such TDRs are subject to all restrictions in this Section 5.080.

(c) Transfer of Bonus Floor Area Granted for Historic or Seismic Rehabilitation

Bonuses granted for historic or seismic rehabilitation under Section 5.070 may be transferred to an eligible receiver site upon:

(1) certification by the city pursuant to 5.070(f)(4) of the floor area from the sender site which is eligible for transfer, and

(2) compliance with the transfer procedures set forth in subsection (k).

(d) Eligible Receiver Sites in SOFA 2

In the RT-35 and RT-50 districts a site is eligible to be a receiver site if it meets the following criteria:

(1) It is neither an historic site, nor a site containing a historic structure, as those terms are defined in Section 16.49.020(e) of Chapter 16.49 of the PAMC; and

(2) It is either:

(A) located at least one hundred fifty feet from any property zoned for residential use, not including property in planned community zones or in commercial zones within the downtown boundaries where mixed use projects are permitted; or

(B) separated from residentially zoned property by a city street with a width of at least fifty feet, and separated from residentially zoned property by an intervening property zoned RT-35, RT-50, or CD, which intervening property has a width of not less than fifty feet.

(e) Eligible Receiver Sites outside of SOFA 2

A site outside of SOFA 2 is eligible to receive floor area bonuses transferred from within SOFA 2 if it is permitted to be a receiver site under the zoning applicable to the site.

(f) Transfers from Outside SOFA 2

No otherwise eligible receiver site in SOFA 2 may receive a transfer of development rights from outside SOFA 2.

(g) Transfers from SOFA 2 to sites outside of SOFA 2

The development rights in subsections (b) and (c) of this Section 5.080 may be transferred outside of SOFA 2 to any zone district that permits such transfers. The use of such floor area is subject to such limitations as are imposed by the zone district of the receiver site.

(h) Maximum FARs in the RT-35 and RT-50 districts

No otherwise eligible receiver site in the RT-35 or RT-50 districts shall be allowed to use transferable development rights under this Section to the extent such use would:

(1) cause the FAR on the site to exceed a 1.3:1 FAR in the RT-35 district, or a 1.5:1 FAR in the RT-50 district.

(2) cause the development limitation for the Downtown monitoring area set forth in Comprehensive Plan to be exceeded.

(i) Limitations on Use of Transferred Square Footage

Square footage transferred to receiver sites in SOFA 2 may only be used for residential use. Square footage transferred out of SOFA 2 is subject to the provisions of the zone district of the receiver site.

(j) Parking Required for Transferred Square Footage

The following parking requirements apply to development rights transferred to receiver sites in SOFA 2. Square footage transferred out of SOFA 2 is subject to the provisions of the zone district of the receiver site.

(1) For eligible receiver sites in SOFA 2 and in the Downtown Parking Assessment District, the first 5,000 square feet of floor area transferred to a receiver site, whether located in the RT-35 or RT-50 Districts or in the PC District, shall be exempt from the otherwise-applicable on-site parking requirements. Any additional square footage allowed to be transferred to a receiver site pursuant to this Section shall be subject to the parking regulations applicable to the zoning district in which the receiver site is located.

(2) For eligible receiver sites in SOFA 2 outside the Downtown Parking Assessment District, the parking regulations of Chapter 5.040 apply.

(k) Transfer Procedure

Transferable development rights may be transferred from a sender site (or sites) to a receiver site only in accordance with all of the following requirements:

(1) An application pursuant to Chapter 16.48 of the Palo Alto Municipal Code for major ARB review of the project proposed for the receiver site must be filed. The application shall include:

(A) A statement that the applicant intends to use transferable development rights for the project;

(B) Identification of the sender site(s) and the amount of TDRs proposed to be transferred; and

(C) Evidence that the applicant owns the transferable development rights or a signed statement from any other owner(s) of the TDRs that the specified amount of floor area is available for the proposed project and will be assigned for its use.

(2) In reviewing a project proposed for a receiver site pursuant to this section, the architectural review board, or the joint ARB/HRB board, if the receiver site is subject to joint board review, shall review the project in accordance with Section 16.48.120 of the Palo Alto Municipal Code and the SOFA CAP, Phase 2; however, the project may not be required to be modified for the sole purpose of reducing square footage unless necessary in order to satisfy the criteria for approval under Chapter 16.48, the SOFA 2 CAP, or any specific requirement of the municipal code.

(3) Following design approval of the project on the receiver site, and before issuance of building permits, the director shall issue written confirmation of the transfer, which identifies both the sender and receiver sites and the square footage transferred. This confirmation shall be recorded in the office of the county recorder prior to the issuance of building permits and shall include the written consent or assignment by the owner(s) of the TDRs where such owner(s) are other than the applicant.

(l) Purchase or Conveyance of TDRs – Documentation

(1) Transferable development rights may be sold or otherwise conveyed by their owner(s) to another party. However, no such sale or conveyance shall be effective unless evidenced by a recorded document, signed by the transferor and transferee and in a form designed to run with the land and satisfactory to the city attorney. The document shall clearly identify the sender site and the amount of floor area transferred and shall also be filed with the department of planning and community environment.

(2) Where transfer of TDRs is made directly to a receiver site, the recorded confirmation of transfer described in subsection (k)(3) shall satisfy the requirements of this section.

(m) Availability of Receiver Sites

The city does not guarantee that in the future there will be sufficient eligible receiver sites to receive such transferable development rights.

(n) Establishment of Forms

The city may from time to time establish application forms, submittal requirements, fees and such other requirements and guidelines as will aid in the efficient implementation of this section.

5.090 RT Districts – Regulations for New Planned Community (PC) Districts

Planned Community (PC) Districts may be established in SOFA 2 pursuant to the procedures in Section 6.030 of this CAP.

(a) Location

New PC districts in SOFA 2 may only be granted to sites zoned RT-35 or RT-50 when the new PC district is applied for. Existing PC districts in SOFA 2 may be amended.

(b) Uses

The only uses that are permitted in a new PC District in SOFA 2 are:

(1) Residential projects in which all units are affordable to income levels up to 120% of the Santa Clara County Median Income, and which comply with the City's BMR Program.

(2) Exclusively rental residential projects with a maximum average unit size of 1250 square feet. When a PC District is granted for an exclusively rental residential project, a covenant in a form satisfactory to the City Attorney must be recorded against the land guaranteeing that the parcel or airspace will not be subdivided, and that the units will continue to be offered for rent individually. The covenant must last for ninety years or the life of the building; whichever is lesser, and must be completed prior to issuance of building permits.

(3) Social service uses (excluding social service offices), as defined in Appendix C-1.

(4) Retail or social service offices incidental to other uses on the site.

(c) Maximum Floor Area Ratio – RT-35 District

For sites located in the RT-35 district, the maximum FAR for a new PC District shall be determined as part of the review process, but in no event shall exceed 1.5:1.

(d) Maximum Floor Area Ratio – RT-50 District

For sites located in the RT-50 district:

(1) the maximum FAR for a new PC District for the rental and social service projects described in subsections (b)(2) and (b)(3) shall be determined as part of the review process, but in no event shall exceed 2.0:1.

(2) the maximum FAR for a new PC District for 100% affordable residential projects, as described in subsection (b)(1), shall be determined as part of the review process.

(e) General Development Standards

(1) The height limit for the site shall not be increased by establishment of a PC District, except as provided in paragraph (3).

(2) The daylight plane applicable to the site shall not be altered by establishment of a PC District, except as provided in paragraph (3)..

(3) Exceptions to the design standards in this subsection (e) may be granted as part of a Design Enhancement Exception, as set forth in PAMC 18.91.

(4) All residential, non-residential, and mixed-use projects must comply with the design guidelines and performance standards of Chapters 18.64 and 18.28.

(f) Recycling Storage

All new development, including approved modifications that add thirty percent or more floor area to existing uses, shall provide adequate and accessible interior areas or exterior enclosures for the storage of recyclable materials in appropriate containers. The design, construction and accessibility of recycling areas and enclosures shall be subject to approval by the architectural review board, in accordance with design guidelines adopted by that board and approved by the city council pursuant to Palo Alto Municipal Code Section 16.48.070.

(g) Inspections

Each PC district shall be inspected by the building division at least once every three years for compliance with the PC district regulations and the conditions of the ordinance under which the district was created.

5.100 RT Districts - Non-conforming Uses and Facilities

(a) Legal Non-conforming Uses

Any use existing on November 24, 2003, and which, prior to that date, was a lawful conforming permitted use or conditional use operating subject to a conditional use permit, or was a grandfathered use under the previous zoning regulations, may remain as a legal non-conforming use and shall not require a conditional use permit or be subject to the provisions of PAMC Chapter 18.94. Such uses shall be permitted to remodel, improve, or replace site improvements on the same site, for continual use and occupancy by the same use. Any such remodeling, improvement or replacement shall not result in increased floor area, nor shall such remodeling, improvement or replacement result in increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except pursuant to the exceptions to floor area ratio regulations set forth in Section 5.070 (RT Districts - Historic and Seismic Floor Area Bonuses), or according to subsection (d) of this Section 5.100. Remodeling, improvement or replacement of medical, professional or general business or administrative office uses of a size exceeding 5,000 square feet that are deemed legal non-conforming uses pursuant to this subsection (a), shall not result in increased floor area devoted to such office uses. For purposes of this section, an existing use is defined as:

(1) A use which was being conducted on August 28, 1986; or

(2) A use not being conducted on August 28, 1986, if the use was temporarily discontinued due to a vacancy of six months or less before August 28, 1986.

(b) Legal Non-conforming Uses – Discontinuance or Replacement

(1) If a legal non-conforming use ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use.

(2) Discontinuance of occupancy for a period of up to twenty-four months after destruction of the facility in which a non-conforming use is located from fire or other casualty, or for a period of up to twenty-four months after issuance of a building permit for remodeling or redevelopment of a project, shall not be considered cessation of use provided the director of planning and community environment determines that the owner is diligently pursuing redevelopment of the facility.

(c) Legal Non-complying Facilities

PAMC Chapter 18.94 notwithstanding, a non-complying facility existing on November 24, 2003 and which, when built, was a complying facility, may remain as a legal non-complying facility and shall not be subject to the provisions of PAMC Chapter 18.94. Such a facility shall be permitted to be remodeled, improved or replaced; provided, that such remodeling, improvement or replacement shall not result in increased floor area, nor shall such remodeling, improvement or replacement result in increased height, length, building envelope, or any other increase in the size of the facility, or any increase in the existing

degree of noncompliance, except pursuant to Section 5.070 (RT Districts - Historic and Seismic Floor Area Bonuses), or according to subsection (d) of this Section 5.100.

(d) Addition of Housing to Legal Non-complying Facilities

Legal non-complying facilities that are non-complying, in whole or in part, because the facilities have a commercial Floor Area Ratio (FAR) greater than that permitted by this CAP, may nevertheless expand up to the maximum mixed-use FAR for the district, provided all additional floor area is reserved for residential use in conformance with all applicable development standards of this CAP.

5.110 All SOFA 2 Districts - Historic Preservation

The following regulations apply to all sites in SOFA 2.

(a) Preservation of Historic Resources

SOFA 2 Historic Resources shall be maintained and preserved, except as provided below. Restoration, additions and alterations shall be in substantial conformance with the Secretary of the Interior's Standards. Adaptive reuse is permitted and encouraged.

(b) Demolition Under Special Circumstances

No permit shall be issued to demolish or cause to be demolished all or any part of a SOFA 2 Historic Resource unless one of the following occurs:

(1) The city council, in compliance with the procedures in Section 6.030 of this CAP, determines that under the historic designation, taking into account the current market value, the value of transferable development rights, and the costs of rehabilitation to meet the requirements of the building code or other city, state or federal laws, the property retains no reasonable economic use; or

(2) The chief building official or the fire chief, after consultation, to the extent feasible, with the department of planning and community environment, determines that an imminent safety hazard exists and that demolition of the building is the only feasible means to secure the public safety; or

(3) the council finds, after review and recommendation from the historic resources board, that

(A) demolition of a SOFA 2 Historic Resource would allow the achievement of a competing Coordinated Area Plan goal at a level that would be of substantially greater public benefit than historic preservation, and

(B) that preservation of the historic resource would be a substantial impediment to achievement of that public benefit. Examination of alternatives is required, including, but not limited to, preservation, alteration, demolition, and relocation

(c) R-2 Historic Sites

Notwithstanding the residential density limits set forth in the R-2 district in PAMC Section 18.17.050(g), for a site in the SOFA R-2 district containing a SOFA 2 Historic Resource, not more than two units shall be permitted on a site with a lot area of 5,000 square feet or more. The second unit may be located over a garage.

5.120 All SOFA 2 Districts - Environmental Protection

(a) Noise

(1) Design of all residential development within the RT-35 and RT-50 districts located in an area where the L_{dn} exceeds 60 dBA shall be subject to modeling of interior noise levels by acoustical engineers prior to construction to ensure compliance with City of Palo Alto standard of 45 dB L_{dn} for residential development set forth in PAMC Title 9

(2) All residential development proposed in a noise environment of 65 dBA L_{dn} shall be designed so that all required exterior open space shall have a noise environment not exceeding 65 L_{dn}

(b) Geology

Project applicants shall, if determined necessary by the building official, contract with a qualified soils or geotechnical engineer to perform a detailed geotechnical study for any development proposed within SOFA 2. All mitigation measures identified in the geotechnical report shall be implemented in order to reduce geologic-related impacts to a less than significant level. The geotechnical report shall be subject to review and approval by the Palo Alto Building Division prior to grading activities.

(c) Hydrology

Development within SOFA 2 shall incorporate Best Management Practices (BMP's) as defined within Policy N-21 of the Comprehensive Plan, into project plans. The project applicant shall prepare a stormwater pollution prevention plan identifying the specific BMP's to be followed during the project. Incorporation of the BMP's identified in the prevention plan shall be completed prior to the issuance of any grading permit, and shall be subject to the approval of the City Public Works Engineering Division.

(d) Groundwater or Soil Contamination

(1) For all redevelopment projects on sites suspected by the city of containing groundwater or soil contamination within the planning area, the City shall require that the project applicant hire a qualified environmental testing company to collect and test random soil samples for analysis of soil and groundwater contamination. The environmental consultant, hired and paid for by the applicant, shall comply with all regulations governing sampling methodologies, shipping and handling procedures, and testing methodologies. The analysis shall comply with the planned schedule and analytical procedures for providing the information specified in the State of California Environmental Protection Agency Department of Toxic Substances Control's Preliminary Endangerment Assessment (PEA).

(2) Validated data shall be submitted to:

(A) the Santa Clara County Department of Health;

(B) the Santa Clara Valley Water District; and

(C) the State of California Environmental Protection Agency Department of Toxic Substances Control for review.

(3) In the event that contamination is discovered, affected soils shall be removed in compliance with all federal and state regulations governing clean-up procedures and disposal of hazardous materials. Clean up shall be certified as complete by the Santa Clara County Department of Health and the Santa Clara Valley Water District.

(e) Asbestos

All development projects shall be comply with City of Palo Alto Fire Department standards and procedures for asbestos containing material.

(f) Demolition Waste

All development projects subject to ARB or joint ARB/HRB review shall prepare construction recycling plans as part of the project approval process. The construction recycling plan shall be implemented through explicit provisions in demolition and construction contracts. The construction recycling plans shall include the following specific steps:

(1) Recovery of concrete, asphalt, and other inert solids;

(2) Recovery of scrap metals;

(3) Salvage of building fixtures and other re-usable items; and

(4) Siting containers at the construction site for cardboard, beverage containers, wood, and other recyclable materials.

(g) Solid Waste Disposal

All new development projects subject to ARB or joint ARB/HRB review shall prepare operation recycling plans as part of the project approval process. The ongoing programs shall describe the proposed diversion rates for different material types and the location to which they will be diverted, as well as locations, areas, types of bins, etc. In addition, the program should contain the following specific information:

(1) Specific locations, square footage, and equipment that would be used to hold and handle recyclables and solid waste;

(2) The locations of containers within the retail facility near high volume pedestrian areas to encourage waste minimization and recycling; and

(3) Store layouts that incorporate space for the storage of recyclable material, principally cardboard, prior to its movement to another area for processing and transport.

(h) Archaeological Resources

In the event that archaeological resources or human remains are discovered during grading or construction activities, all work shall cease within 150 feet of the find until it can be evaluated by a qualified, professional archaeologist. If the find is determined to be significant, appropriate mitigation measures shall be developed and implemented in accordance with Appendix K of the CEQA Guidelines. Any discoveries shall be reported

to the City of Palo Alto community development director for forwarding to the historic resources board.

Ground floor retail on Homer Avenue

Chapter VI - Implementation

Section List

6.010	Permits, Exceptions, and Review Procedures
6.020	Plan Amendments
6.030	Establishment of Planned Community Districts
6.040	SOFA 2 Historic Resource List Procedures
6.050	Procedures for Demolition of SOFA 2 Historic Resources

The following chapter provides information on the approvals necessary for projects proposed within SOFA 2, as well as provisions for the establishment of Planned Community districts, and procedures for designating and removing structures from the SOFA 2 Historic Resource List. The procedures in this Chapter VI are the only procedures applicable in SOFA 2. In addition, this chapter creates a mechanism by which alterations can be made to the plan in the future. The Palo Alto Municipal Code (PAMC) sections referred to in this chapter are contained in Appendix H for reference.

6.010 Review Procedures

(a) New Construction

All new external alterations or improvements in SOFA 2 shall require a Coordinated Development Permit pursuant to PAMC Section 19.10.050. All such development, excluding single-family or two-family uses, shall also require a Certificate of Occupancy, pursuant to PAMC Section 16.04.120, prior to occupying any structure. A City of Palo Alto business license shall be required if the City adopts such a license in the future prior to occupying any structure.

(b) Conditional Uses

The permit granting procedure for all uses that require a conditional use permit, as specified in Chapter V of this CAP shall be as set forth in Chapter 18.90 of the Palo Alto Municipal Code.

(c) Exceptions to Development Standards

(1) In the RT-35, RT-50, RM-15 and RM-30 districts, the only exceptions to the development standards that may be granted are variances and design enhancement exceptions:

(A) Variances are discouraged, but shall be granted when necessary to avoid a regulatory taking. The procedure for the granting of variances shall be as set forth in PAMC Chapter 18.90.

(B) Design enhancement exceptions shall only be permitted for exceptions to setbacks and parking lot design. Design enhancement exceptions may be granted by the architectural review board in the manner set forth in Chapter 16.48.

(2) In the R-2 district, the only exceptions to development standards that may be granted are variances and home improvement exceptions, pursuant to Title 18 of the PAMC.

(d) Review of New Construction or Alterations

(1) Projects requiring a building permit, including a grading or demolition permit, are subject to design review pursuant to PAMC Chapter 16.48.

(2) When reviewing projects under this subsection (d), the city shall use the compatibility requirements and design guidelines of Chapter IV of this CAP in addition to the design guidelines of PAMC Chapter 16.48.

(e) Review of Projects on SOFA 2 Historic Resources

Exterior alterations requiring a building permit, including grading, shall be subject to review by the HRB when such projects are on sites on the SOFA 2 Historic Resource List. Exterior alterations do not include ordinary maintenance or repair. The standards of review for projects on SOFA 2 Historic Resources shall be:

(A) the compatibility requirements and design guidelines in Chapter IV of this CAP; and

(B) the Secretary of the Interior's Standards for Rehabilitation.

(f) Projects on SOFA 2 Potential Historic Resources

Sites on the SOFA 2 Potential Historic Resource List shall undergo a study to determine their eligibility for the SOFA 2 Historic Resource List before undergoing any external alterations requiring a building permit, including a grading or demolition permit, except if the project conforms with the Secretary of the Interior's Standards. External alterations do not include ordinary maintenance or repair. If the director determines that a site meets the criteria for addition to the SOFA 2 Historic Resource List, as set forth in 6.040, it shall be added to the List. If such a site is found to be ineligible for the SOFA 2 Historic Resource List, it shall be removed from the SOFA 2 Potential Historic Resource List.

(g) Staff Review of Small Projects

For projects subject to ARB review, alterations that do not alter a street facing façade, do not demolish more than twenty percent of the exterior walls, do not add to or enlarge the structure above the first floor, and do not construct, relocate or demolish an accessory structure are considered small projects and may be approved by staff in the manner set forth in Chapter 16.48 of the PAMC.

(h) Administrative Approval of Minor Changes in Projects

The provisions of Chapter 18.99 of the Palo Alto Municipal Code regarding administrative approval of minor changes in projects shall apply within SOFA 2.

(i) Subdivisions, Parcel Maps, and other Land Divisions

All divisions of property within SOFA 2 shall be reviewed and processed in accordance with the Subdivision Map Act and Title 21 (Subdivisions) of the PAMC.

6.020 Plan Amendments

Amendments to this Coordinated Area Plan may be initiated by any property owner in SOFA 2, by motion of the city council at the request of the planning commission, or by the Director. Plan amendments shall be processed in the same manner as Comprehensive Plan amendments, as set forth in Section 19.04.080 of the Palo Alto Municipal Code.

6.030 Establishment of Planned Community Districts

Planned community districts in SOFA 2 shall be established in the same manner as planned community districts elsewhere in the City, subject to the specific requirements of this CAP. All SOFA 2 planned community districts shall comply with the development standards and other regulations set forth in section 5.090.

(a) Initiation

Application for designation of a planned community district may be made as provided in Chapter 18.68 of the Municipal Code.

(b) Application Contents

In addition to that information required under Chapter 18.68 for a planned community district application, the applicant shall submit a written statement explaining how the proposed district is consistent with the SOFA CAP, Phase 2.

(c) Additional Materials Required

In addition to the application, the applicant shall submit the following items:

(1) A development program statement, as described in PAMC Section 18.68.080;

(2) A development plan, as described in PAMC Section 18.68.090;

(3) A development schedule, as described in PAMC Section 18.68.100; and

(4) A fee, as prescribed by the municipal fee schedule, shall be submitted with the application, no part of which shall be returnable to the applicant.

(5) The parking and loading plan, showing the number of spaces and the location shall be based upon the requirements of Section 5.040 of Chapter V of this CAP, unless requested modifications to meet the needs of the individual project are supported by traffic engineering studies or other relevant data, demonstrating the feasibility and adequacy of the plan.

(d) Approval Process

(1) Initial review by the planning and transportation commission

(A) The applicant for a PC district shall initially submit to the planning and transportation commission a development program statement, development plan, and a development schedule as described in subsection (c). The plot plans, landscape development plan, and design plan in the development plan

should only be preliminary during this phase of review by the planning commission.

(B) If the planning and transportation commission acts favorably in its initial review of the PC application, the development plan shall then be submitted to the architectural review board (ARB), as set forth in subsection (d)(2).

(C) If the planning commission acts unfavorably in its initial review of the application, the commission shall recommend denial, and the recommendation shall be forwarded directly to the city council for review under subsection (d)(5).

(2) Review by the architectural review board

In this phase, a detailed plot plan, landscape development plan, and design plan of the development plan shall be submitted for design review pursuant to Chapter 16.48 of the Palo Alto Municipal Code and this CAP. The development plan as approved by the board is then returned to the planning and transportation commission for its final review and recommendation, as set forth in subsections (3) and (4), before being submitted to the city council for final action.

(3) Planning and transportation commission final review:

The planning and transportation commission shall review and consider all materials submitted by the applicant pursuant to this Section, and shall prepare and recommend to the city council, as appropriate, the specific regulations to be applied within the proposed planned community district. The specific regulations may modify those regulations contained in this Coordinated Area Plan, subject to the limitations of section 5.090 of Chapter V, as is appropriate to meet the individual district needs and shall include the items listed in PAMC 18.68.110.

(4) Final planning and transportation commission recommendation

The decision of the commission shall be rendered within a reasonable time following the close of any public hearing or hearings and the written recommendation of the commission shall be forwarded to the council within thirty days. The recommendation of the commission shall set forth fully the findings and determinations of the commission with respect to the application.

(5) Council action

Upon receipt of the recommendation of the commission on establishment of or change to a SOFA 2 PC District, the council shall hold a noticed public hearing on the matter.

After consideration of the recommendation of the commission, and the completion of a public hearing, the council may approve, modify, or disapprove the proposed establishment of or change to a SOFA 2 PC District. Should the council determine establishment of or change to a SOFA 2 PC district is appropriate, such establishment or change shall be accomplished by ordinance amending the SOFA 2 PC and the Palo Alto Zoning Map.

(h) Findings Required for Approval

The planning and transportation commission, prior to recommending approval of any PC district, and the city council, prior to approving an ordinance designating and regulating any PC district, shall make all of the following findings with respect to the application:

(1) The site is so situated, and the use or uses proposed for the site are of such characteristics that the SOFA 2 PC is necessary to accommodate them within the SOFA Phase 2 area.

(2) Development of the site under the provisions of the SOFA 2 PC will result in public benefits not otherwise attainable by application of the regulations of Residential Transitional Districts. In making the findings required by this section, the planning and transportation commission and city council, as appropriate, shall specifically cite the public benefits expected to result from use of the planned community district.

(3) The use or uses permitted, and the site development regulations applicable within the district shall be consistent with the purposes of the Palo Alto Comprehensive Plan and this Coordinated Area Plan, and shall be compatible with existing and potential uses on adjoining sites or within the general vicinity.

(i) Hearing Notice

Notice of planning commission or city council hearings shall be given as provided in PAMC Section 18.98.060.

(j) Post-approval Requirements

The following regulations shall apply to any PC district approved pursuant to this section:

(1) Change in development schedule

For good cause shown by the property owner in writing and unless otherwise specified by the specific applicable regulations for the district, prior to the expiration of the original time schedule for the development, the Director may, without a public hearing, modify the time limits imposed by any adopted development schedule; provided, that such modification shall not extend the schedule by more than one year; and provided, that only one such modification may be made.

(2) Failure to meet development schedule

Sixty days prior to the expiration of the development schedule, the Director shall notify the property owner in writing of the date of expiration. Failure to meet the approved development schedule, including an extension, if granted, shall result in:

(A) The expiration of the property owner's right to develop under the PC district. The zoning administrator shall notify the property owner, the city council, the planning commission and the building official of such expiration; and

(B) The zoning administrator's initiating a zone change for the property subject to the PC district in accordance with Chapter 18.98 of the Palo Alto Municipal Code. The property owner may submit a new application for a PC district concurrently with the zoning administrator's recommendation for a zone change.

(3) Resubmittal of application

When an application for establishment of a planned community district has been submitted by a property owner and subsequently denied by the council, no new application by a property owner for the same change, or for substantially the same change, either with respect to properties included within the proposed change or with respect to proposed district classifications, or both, shall be filed or accepted by the zoning administrator within one year of the date of closing of the hearing before the commission, except upon a showing to the satisfaction of the zoning administrator of a substantial change of circumstances.

Adaptive reuse of a historic building

6.040 SOFA 2 Historic Resource List Procedures

(a) Historic Resource Lists

The director shall maintain the following:

(1) the SOFA 2 Historic Resource List, a list of historic resources in SOFA 2. The initial list includes those properties in SOFA 2 that were on the Palo Alto Historic Inventory or determined eligible for the National or California Register at the time of adoption of this CAP, and may be updated from time to time in compliance with this section. The initial list is set forth in Appendix B-1. Category 3 and 4 residences in the R-2 District are not included in Appendix B-1.

(2) the Potential SOFA 2 Historic Resource List, a list of sites in SOFA 2 that may, upon further study, qualify for inclusion on the SOFA 2 Historic Resource List. The initial list includes those properties that, prior to adoption of this CAP, were determined by qualified experts to be potentially eligible for the National or California Register, and Category 3 and 4 residences in the R-2 District. The initial list is set forth in Appendix B-2.

(b) Owner-Initiated Additions to the SOFA 2 Historic Resource List

The owner of any property may request that the property be added to the SOFA 2 Historic Resource List. For such a request, application shall be made to the director in a manner specified by the director. If the director determines, after review and recommendation by the historic resources board, and evidence from a qualified expert hired by the City and paid for by the applicant, that a property meets the criteria for inclusion on the SOFA 2 Historic Resource List, the property shall be added to the List. Such determination shall be made within 90 days of receipt of a completed application. The criteria for inclusion on the SOFA 2 Historic Resource List shall be substantial evidence, in light of the record as a whole, that the property is eligible for the National or California Register. In addition, for owner-initiated additions, a site may be designated a SOFA 2 Historic Resource if it is eligible for the Palo Alto Historic Inventory.

(c) Removal from the SOFA 2 Historic Resource and Potential Historic Resource Lists

The owner of any property on the SOFA 2 Historic Resource List or SOFA 2 Potential Historic Resource List may request removal from either list at any time. For such a request, application shall be made to the director in a manner specified by the director. In addition, the director may initiate a request for removal of any property from either list at any time. If the director determines, after review and recommendation by the historic resources board, and evidence from a qualified expert, hired by the City and paid for by the applicant, that a property does not meet the criteria for inclusion on the SOFA 2 Historic Resource List, the property shall be removed from the applicable list. Such determination shall be made within 90 days of receipt of a completed application, in the case of an owner-initiated review. The criteria for removal from the SOFA 2 Historic Resource List or the SOFA 2 Potential Historic Resource List shall be substantial evidence, in light of the record as a whole, that the property is not eligible for the National or California Register.

(d) Transfers from the SOFA 2 Potential Historic Resource List to the SOFA 2 Historic Resource List

The director may initiate review of a property on the SOFA 2 Potential Historic Resource List at any time to determine its eligibility for the SOFA 2 Historic Resource List. If the director determines, after review and recommendation by the historic resources board, and evidence from a qualified expert hired by the City and paid for by the applicant, that a property meets the criteria for inclusion on the SOFA 2 Historic Resource List, the property shall be added to the List. If the director determines, after such review and recommendation, that the property does not meet the criteria for inclusion on the List, the property shall be removed from the SOFA 2 Potential Historic Resource List. The criteria for inclusion on the SOFA 2 Historic Resource List shall be substantial evidence, in light of the whole record, that the property is eligible for the National or California Register.

(e) Review of SOFA 2 Historic Resources

Properties on the SOFA 2 Historic Resource List are subject to the review procedure set forth in 6.010(e).

(f) Review of SOFA 2 Potential Historic Resources

Properties on the SOFA 2 Potential Historic Resource List shall undergo a study by a qualified historic preservation expert hired by the City and paid for by the applicant to determine eligibility for the SOFA 2 Historic Resource List prior to undergoing any major external alteration, addition, or demolition, as set forth in 6.010(f).

A historic building on Homer Avenue

6.050 Procedures for Demolition of SOFA 2 Historic Resources

(a) Application for a Permit to Demolish.

An application for a permit to demolish any SOFA 2 Historic Resource shall comply with Chapter 16.04 of the Palo Alto Municipal Code. In addition to the contents specified under Chapter 16.04, any application for a permit to demolish a SOFA 2 Historic Resource, on the grounds specified in Section 5.110(b)(1) of this CAP shall contain any appropriate and relevant economic information which will enable the council to make the necessary determination.

(b) Review of Application.

(1) Review by historic resources board

Applications which are accepted as complete for a permit to demolish a SOFA 2 Historic Resource on the grounds specified in Section 5.110(b) of this CAP shall be placed on the agenda of the historic resources board for hearing and recommendation. If the historic resources board does not act on the application within thirty days of referral to it, the city council may proceed without a recommendation from the historic resources board.

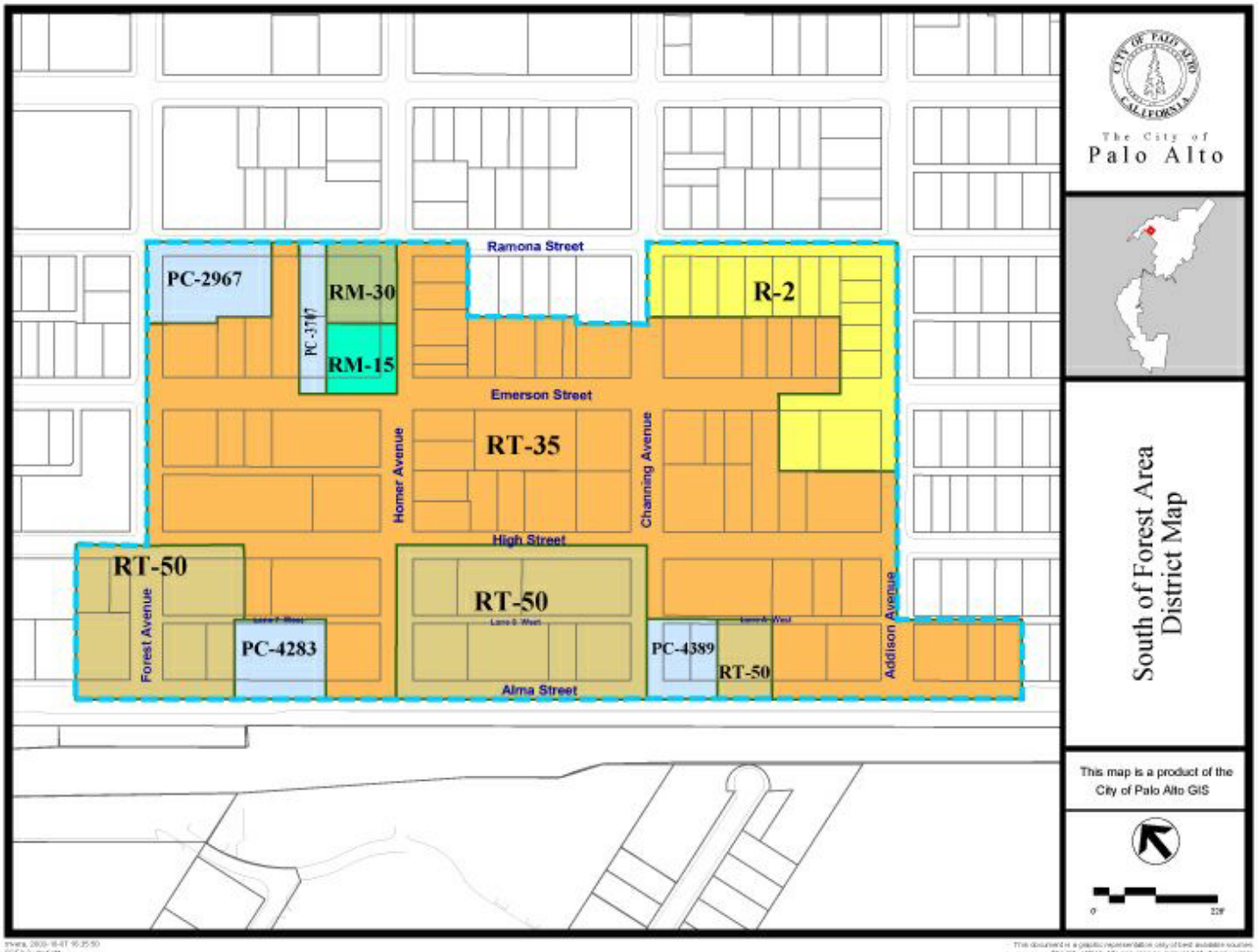
(2) City council hearing and decision.

Any application for permit to demolish a SOFA 2 Historic Resource on the grounds specified in Section 5.110(b) of this CAP shall be heard by the city council. Notice shall be given by mailed notice to all owners of property immediately adjacent to the property that is the subject of the application, and by publication at least once in a local newspaper of general circulation. The applicant shall have the burden of establishing that the criteria set forth in Section 5.110(b) of this CAP have been met. The council may approve, disapprove or approve the application with conditions, and shall make findings relating its decision to the standards set forth in Section 5.110(b). The decision of the council shall be rendered within thirty days from the date of the conclusion of the hearing.

(c) Permit to Move a SOFA 2 Historic Resource.

In reviewing an application for a permit to demolish a SOFA 2 Historic Resource on the grounds specified in Sections 5.110(b) of this CAP, the historic resources board may decide that the building may be moved without destroying its historic or architectural integrity and importance, and may recommend to the city council that the demolition permit be denied, but that a permit to relocate be processed, pursuant to Chapter 16.32 of the PAMC.

APPENDIX A SOFA 2 DISTRICT MAP



APPENDIX B SOFA 2 HISTORIC RESOURCES AND SEISMIC HAZARDS

Appendix B contains the list of historic resources and seismic hazards in SOFA 2 at the time of adoption of this Coordinated Area Plan. These lists will be maintained by the city and may be updated from time to time. Appendix B-1 lists buildings and sites that are SOFA 2 Historic Resources, and therefore are entitled to bonuses and subject to restrictions under this CAP. Appendix B-2 lists buildings and sites that are SOFA 2 Potential Historic Resources, and will require further study to establish their historic status prior to undergoing exterior alteration. Appendix B-3 lists those buildings that have been designated as seismic hazards, and are given incentives under this CAP to reduce those hazards.

Appendix B-1 SOFA 2 Historic Resource List

The following buildings are SOFA 2 Historic Resources:

Address	Parcel Number
Alma Street	
799	120-27-079
Emerson Street	
731	120-27-071
800	120-28-006
945	120-28-079
High Street	
790	120-27-078
865	120-28-039
900	120-28-049
Homer Avenue	
140	120-28-002
200	120-28-007
201	120-27-070
209	120-27-070
210	120-28-008
212-214	120-28-009
230	120-28-010
232	120-28-011
248	120-28-012
Ramona Street	
734	120-27-066

Appendix B-2 SOFA 2 Potential Historic Resource List

The following buildings are SOFA 2 Potential Historic Resources.

Address	**Parcel Number**
Addison Avenue	
181	120-28-088
225	120-28-075
Alma Street	
955	120-28-096
Emerson Street	
728-732	120-27-074
936-944	120-28-087
Forest Avenue	
137	120-27-084
High Street	
744	120-27-077
831	120-28-041
Ramona Street	
904	120-28-053
926	120-28-070
934	120-28-071
942	120-28-072
948	120-28-073

Appendix B-3 SOFA 2 Seismic Hazard List

The following buildings in SOFA 2 are on the Palo Alto Seismic Hazards List, and are listed in Categories I, II, or III. Other buildings in SOFA 2 may qualify for such designation:

1. 667 Alma Street

2. 847 Emerson Street

3. 949 Emerson Street

4. 232 Homer Street

APPENDIX C DEFINITIONS

Appendix C-1 contains definitions specific to this Coordinated Area Plan. In addition, the definitions contained in Palo Alto Municipal Code Chapter 18.04, as amended from time to time, shall apply to this Coordinated Area Plan. Chapter 18.04 is included in Appendix C-2 as a reference only. Where a definition in Appendix C-1 conflicts with a definition in Title 18, Appendix C-1 shall prevail.

Appendix C-1 SOFA 2 Specific Definitions

The following definitions shall apply for the purposes of the Coordinated Area Plan:

(a) "Balcony"

A balcony is an unenclosed, habitable structure, usually cantilevered from a façade or an elevation, providing private outdoor space to a dwelling unit. Also see "French Balcony"

(b) "BMR Unit"

"BMR Unit" shall mean a housing unit that, if for-sale, has an initial sales price that is consistent with what a household making 80 to 100 percent of the Santa Clara County median income can afford in housing expenses, such as mortgage payment, taxes, insurance, and association dues. If the unit is for rent, a BMR unit is a housing unit that has an initial rent equivalent to the HUD Section 8 (or its successor program) Fair Market Rent, adjusted annually by not more than one-third of the Consumer Price Index or other comparable formula agreed to by the city.

(c) "Below Market Rate Housing Program" or "BMR Housing Program"

"Below Market Rate Housing Program" or "BMR Housing Program" means the program requiring provision of affordable housing under certain circumstances, described in the Housing Element of the Palo Alto Comprehensive Plan, as amended from time to time, and including any ordinance implementing that Comprehensive Plan program, if such an ordinance is adopted by the City Council in the future.

(d) "California Register"

"California Register" means the historic register established by California Public Resources Code Section 5024.1, as amended.

(e) "Director"

"Director" means the Director of planning and community environment or his or her designee.

(f) "Downtown Monitoring Cap"

"Downtown Monitoring Cap" means the University Ave/Downtown/South of Forest Area (SOFA) Commercial Growth Monitoring Area outlined by the 1989 Palo Alto Citywide

Land Use and Transportation Study and discussed in 1998-2010 Palo Alto Comprehensive Plan Program L-8.

(g) "Exclusively Rental Residential Project"

"Exclusively Rental Residential Project" means a project in which all residential units on the site are rental units, and which contains no commercial space other than space accessory to the rental residential use.

(h) "French Balcony"

A French balcony is a shallow balcony, at least two feet in depth, accessed by a single pair of inward-swinging doors. Also see "Balcony".

(i) "Homer/Emerson Corridor"

"Homer/Emerson Corridor" means all sites bordering Homer Avenue between Alma Street and Ramona Street and/or Emerson Street between Forest Avenue and Channing Street.

(j) "Loggia"

A loggia is an open-air space within the mass of a building with a roof and a floor but open to the outside on at least one side.

(k) "National Register"

"National Register" means the historic register established by the National Historic Preservation Act of 1966 (16 USC 470), as amended.

(l) "Non-conforming Use"

A "Non-conforming use" is one that was lawfully in existence on November 24, 2003, but which is not permitted, either as of right, or conditionally, under the CAP. A non-conforming use includes one that is permitted in SOFA 2, either as of right, or conditionally, but (i) exceeds the size permitted on the site under the CAP or (ii) is located in an area, such as a street-facing ground floor, where such a use is not allowed under the CAP.

(m) "Non-complying facility"

A "Non-complying facility" means a structure or building that was lawfully in existence under its zoning classification prior to November 24, 2003, but which violates one or more provisions of Chapter 5 of the CAP.

(n) "PAMC"

"PAMC" means the Palo Alto Municipal Code

(o) "Secretary of the Interior's Standards"

"Secretary of the Interior's Standards" means the Secretary of the United States Department of the Interior's Standards for Rehabilitation of Historic Buildings, issued by the National Park Service (36 Code of Federal Regulations Part 67), together with the

accompanying interpretive Guidelines for Rehabilitating Historic Buildings, as they may be amended from time to time.

(p) "Senior Housing"

"Senior Housing" means housing that incorporates facilities and services to meet the health care, transit, or social service needs of seniors and qualifies as senior housing under state or federal law. Meeting the housing needs of seniors may require selecting sites near shopping areas, social activities, medical services, and transit lines.

(q) "Social Service Uses"

"Social Service Uses" means services provided by private nonprofit or public agencies including but not limited to child care, family support services, services for youth, seniors, and persons with disabilities, and services addressing the needs of the unhoused.

(r) "SOFA 2 Historic Resources"

"SOFA 2 Historic Resources" means those buildings and sites on the SOFA 2 Historic Resource List as changed from time to time in accordance with the procedures in this CAP.

(s) "SRO Housing"

"SRO Housing", or "Single-Room Occupancy housing", shall mean a hotel or residential structure that provides short-term and transitional housing. Units may or may not have kitchens or bathrooms within each individual unit.

Appendix C-2 PAMC Chapter 18.04 - Definitions

Chapter 18.04 DEFINITIONS

Sections:

18.04.010 Purpose and applicability.
18.04.020 General rules for construction of language.
18.04.030 Definitions.

18.04.010 Purpose and applicability.

The purpose of this chapter is to promote consistency and precision in the interpretation of the zoning regulations. The meaning and construction of words and phrases defined in this chapter shall apply throughout the zoning regulations, except where the context of such words or phrases clearly indicates a different meaning or construction.
(Ord. 3048 (part), 1978)

18.04.020 General rules for construction of language.

The following general rules of construction shall apply to the text of the zoning regulations:

(a) The particular shall control the general.

(b) In case of any difference of meaning or implication between the text of any provision and any caption or illustration, the text shall control.

(c) The word "shall" is always mandatory and not discretionary. The word "may" is discretionary.

(d) References in the masculine and feminine genders are interchangeable.

(e) Words used in the present tense include the future, and words used in the singular include the plural, and the plural the singular, unless the context clearly indicates the contrary.

(f) The words "activities" and "facilities" include any part thereof.

(g) Unless the context clearly indicates to the contrary, the following conjunctions shall be interpreted as follows:

(1) "And" indicates that all connected items or provisions shall apply.

(2) "Or" indicates that the connected items or provisions may apply singly or in any combination.

(3) "Either...or" indicates that the connected items or provisions shall apply singly but not in combination.

(h) "District" means a general district or a combining district established by this title, unless otherwise indicated by specific reference to another kind of district.

(i) All public officials, bodies, and agencies to which reference is made are those of the city unless otherwise indicated.

(j) "City" means the city of Palo Alto.

(Ord. 3048 (part), 1978)

18.04.030 Definitions.

(a) Throughout this title the following words and phrases shall have the meanings ascribed in this section.

(1) "Abandon" means to cease or discontinue a use or activity without intent to resume, but excluding temporary or short-term interruptions to a use or activity during periods of remodeling, maintaining, or otherwise improving or rearranging a facility, or during normal periods of vacation or seasonal closure.

(2) "Abutting" means having property or district lines in common.

(3) "Accessory building" means a building which is incidental to and customarily associated with a specific principal use or facility, and which meets the applicable conditions set forth in Chapter 18.88.

(4) "Accessory dwelling" means a dwelling unit accessory to a principal use on a site and intended for occupancy by persons residing therein by reason of employment of one or more occupants on the same site.

(5) "Addition" means any construction which increases the size of a building or facility in terms of site coverage, height, length, width, or gross floor area.

(6) "Administrative office services" means offices and service facilities performing headquarters, regional, or other level management and administrative services for firms and institutions.

(7) "Airport-related use" means a use providing aviation-related services typically ancillary to operations of an airport including, but not limited to, aircraft repair and maintenance, flight instruction, and aircraft chartering.

(8) "Alley" means a public or private vehicular way less than twenty-five feet in width affording a secondary means of vehicular access to abutting property.

(9) Reserved.

(10) Reserved.

(11) "Alteration" means any construction or physical change in the internal arrangement of rooms or the supporting members of a building or structure, or change in relative position of buildings or structures on a site, or substantial change in appearance of any building or structure.

(A) "Incidental alteration" means any alteration to interior partitions or interior supporting members of a structure which does not increase the structural strength of the structure; any alteration to electrical, plumbing, heating, air conditioning, ventilating, or other utility services, fixtures or appliances; any addition, closing, or change in size of doors or windows in the exterior walls; or any replacement of a building facade which does not increase the structural strength of the structure.

(B) "Structural alteration" means any alteration not deemed an incidental alteration.

(12) "Animal care" means a use providing grooming, housing, medical care, or other services to animals, including veterinary services, animal hospitals, overnight or short-term boarding ancillary to veterinary care, indoor or outdoor kennels, and similar services.

(13) "Automobile service station" means a use providing gasoline, oil, tires, small parts and accessories, and services incidental thereto, for automobiles, light trucks, and similar motor vehicles. The sale of food or grocery items or alcoholic beverages on the same site is prohibited except for prepackaged soft drinks, cigarettes, and snack foods either from automatic vending machines or in shelves occupying a floor area not to exceed forty square feet.

(14) "Automotive services" means a use engaged in sale, rental, service, or major repair of new or used automobiles, trucks, trailers, boats, motorcycles, recreational vehicles, or other similar vehicles, including tire recapping, painting, body and fender repair, and engine, transmission, air conditioning, and glass repair and replacement, and similar services.

(15) "Basement" means that portion of a building between floor and ceiling, which is fully below grade or partly below and partly above grade, but so located that the vertical distance from grade to the floor below is more than the vertical distance from grade to ceiling.

(16) "Below market rate (BMR) housing unit" means any housing unit sold or rented to low or moderate income persons pursuant to the city of Palo Alto's below market rate program administered by the Palo Alto housing corporation, or a successor organization.

(17) "Bicycle parking space" means an area specifically reserved and intended for parking of a bicycle, accessible to the user independently of any other bicycle parking space, and including such additional features or conveniences as specified by this title.

(18) "Block" means any lot or group of contiguous lots bounded on all sides by streets, railroad rights-of-way, or waterways, and not traversed by any street, railroad right-of-way, or waterway.

(19) Reserved.

(20) Reserved.

* (21) "Breezeway" means a building or specific portion thereof, not over 3.7 meters (twelve feet) in height at the ridge line, which connects two otherwise separate buildings, and which is not more than fifty percent enclosed at the perimeter, including the wall surfaces of the buildings so connected.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(22) "Building" means any structure used or intended for supporting or sheltering any use or occupancy.

(23) "Business or trade school" means a use, except a college or university, providing education or training in business, commerce, language, or other similar activity or pursuit, and not otherwise defined as a home occupation or private educational facility.

(24) "Canopy" means any roof-like structure, either attached to another structure or freestanding, or any extension of a roof line, constructed for the purpose of protection from the elements in connection with outdoor living.

(25) "Cellar" means that portion of a building between floor and ceiling which is wholly or partly below grade and so located that the vertical distance from grade to the floor below is equal to or greater than the vertical distance from grade to ceiling.

(24.5) "Carport" means a portion of a principal residential building or an accessory building to a residential use designed to be utilized for the shelter of one (1) or more motor vehicles, which is open (unenclosed) at the vehicular entry side and which has no more than two sides enclosed.

(26) "Change of use" means the replacement of an existing use by a new use, or a change in the nature of an existing use, but not including a change of ownership, tenancy, or management where the previous nature of the use, line of business, or other function is substantially unchanged. (See also subdivisions (A) through (F) of subsection (143) of this Section 18.04.030.)

(27) "Church" means a use providing facilities for regular organized religious worship and religious education incidental thereto, but excluding a private educational facility. A property tax exemption obtained pursuant to Section 3(f) of Article XIII of the Constitution of the State of California and Section 206 of the Revenue and Taxation Code of the State of California, or successor legislation, constitutes prima facie evidence that such use is a church as defined in this section.

(28) Reserved.

(29) Reserved.

(30) Reserved.

(31) "College" or "university" means an educational institution of higher learning which offers a course of studies designed to culminate in the issuance of a degree as defined by Section 94302 of the Education Code of the State of California, or successor legislation.

(32) "Combining district" means a district established by this title, which may be applied to a lot or portion thereof only in combination with a general district. More than one combining district may apply to the same lot or portion thereof.

(33) "Commercial recreation" means a use providing recreation, amusement, exercise or entertainment services, including theaters, bowling lanes, billiard parlors, skating arenas, gymnasiums, exercise studios or facilities, fitness centers, health clubs or spas, martial arts studios, group movement instruction, and similar services, operated on a private or for-profit basis, but excluding uses defined as outdoor recreation services defined in subsection (107).

(34) "Community center" means a place, structure, area, or other facility used for and providing religious, fraternal, social and/or recreational programs generally open to the public and designed to accommodate and serve significant segments of the community.

(35) "Convalescent facility" means a use other than a residential care home providing inpatient services for persons requiring regular medical attention, but not providing surgical or emergency medical services.

(36) "Corporation yard" is defined in subsection (52).

(37) Reserved.

(38) "Court" means a space open and unobstructed to the sky, located at or above grade level on a lot, and bounded on three or more sides by walls of a building.

(39) Reserved.

(40) Reserved.

(41) "Covered parking" means a carport or garage that provides full overhead protection from the elements with ordinary roof coverings. Canvas, lath, fiberglass, and vegetation are not ordinary roof coverings and cannot be used in providing a covered parking space.

(42) "Day care center" means a day care facility licensed by the state or county for nonmedical daytime care. This term includes, but is not limited to, nursery schools, preschools and similar facilities.

(43) Day Care Home.

(A) "Family day care home" means a home licensed by the state or county which regularly provides care, protection, and supervision of twelve or fewer children under the age of eighteen, in the provider's own home, for periods of less than twenty-four hours per day, while the parents or guardians are away and includes the following:

(i) "Large family day care home" means a home which provides family care to seven to twelve children, inclusive, including children under age eighteen who reside at the home. This term includes, but is not limited to, nursery schools, preschools, and similar facilities.

(ii) "Small family day care home" means a home which provides family day care to six or fewer children, including children under age eighteen who reside at the home. This term includes, but is not limited to, nursery schools, preschools, and similar facilities.

(B) "Adult day care home" means use of a dwelling unit or portion thereof, licensed by the state or county, for daytime care and supervision of twelve or fewer persons, above the age of eighteen, and includes the following:

(i) "Large adult day care home" means a home which provides daytime care of seven to twelve adults.

(ii) "Small adult day care home" means a home which provides daytime care to six or fewer adults.

(43a) Deleted [Ord. 4642 § 32]

* (44) "Daylight plane" means an inclined plane, beginning at a stated height above average grade, that average grade being an average of the grade at the midpoint of the building and the grade at the closest point on the abutting site, and extending into the site at a stated upward angle to the horizontal, which may limit the height or horizontal extent of the building at any specific point where the daylight plane is more restrictive than the height limit applicable at such point on the site. The "daylight plane" shall be measured separately for each building on a lot, and separately for each side of each building.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(45) "Drive-in service" means a feature or characteristic of a use involving sales of products or provision of services to occupants in vehicles, including drive-in or drive-up windows and drive-through services such as mechanical automobile washing.

(46) "Dwelling unit" means a room or group of rooms including living, sleeping, eating, cooking, and sanitation facilities, constituting a separate and independent housekeeping unit, occupied or intended for occupancy by one family on a nontransient basis and having not more than one kitchen.

(47) "Eating and drinking service" means a use providing preparation and retail sale of food and beverages, including restaurants, fountains, cafes, coffee shops, sandwich shops, ice cream parlors, taverns, cocktail lounges and similar uses. Related definitions are contained in subsections (45) and (136).

(48) Reserved.

(49) Reserved.

(50) Reserved.

* (51) "Enclosed" means a covered space fully surrounded by walls, including windows, doors, and similar openings or architectural features, or an open space of less than 9.3 square meters (one hundred square feet) fully surrounded by a building or walls exceeding 2.4 meters (eight feet) in height.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(51.5) "Envelope" means the three-dimensional spatial configuration of a building's volume and mass.

(52) "Equipment yard" means a use providing for maintenance, servicing, or storage of motor vehicles, equipment, or supplies, or for the dispatching of service vehicles; or distribution of supplies or construction materials required in connection with a business activity, public utility service, transportation service, or similar activity. "Equipment yard" includes a construction materials yard, corporation yard, vehicular service center or similar use.

(53) "Facility" means a structure, building or other physical contrivance or object.

(A) "Accessory facility" means a facility which is incidental to, and customarily associated with, a specified principal facility, and which meets the applicable conditions set forth in Chapter 18.88.

(B) "Noncomplying facility" means a facility which is in violation of any of the site development regulations or other regulations established by this title, but was lawfully existing on July 20, 1978, or any amendments to this title, or the application of any district to the property involved by reason of which adoption or application the facility became noncomplying. (For the definition for "nonconforming use" see subsection (143)(B)).

(C) "Principal facilities" means a main building or other facility which is designed and constructed for or occupied by a principal use.

(54) "Family" means an individual or group of persons living together who constitute a bona fide single housekeeping unit in a dwelling unit. "Family" shall not be

construed to include a fraternity, sorority, club, or other group of persons occupying a hotel, lodginghouse, or institution of any kind.

(55) "Farmers' market" means a market certified by the state or county agricultural commission under Title 3, Chapter 3, Article 6.5 of the California Administrative Code which allows direct retail sale by farms to the public of such items as fruits, vegetables, nuts, eggs, honey, nursery stock, cut flowers, live animals and inspected meats and seafood.

(56) "Financial service" means a use providing financial services to individuals, firms, or other entities. The term "financial service" includes banks, savings and loan institutions, loan and lending institutions, credit unions and similar services.

* (57) "Floor area ratio" means the maximum ratio of gross floor area on a site to the total site area.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(57.5) "Footprint" means the two-dimensional configuration of a building's perimeter boundaries as measured on a horizontal plane at ground level.

(58) "Full cash value" has the meaning assigned to it in the Revenue and Taxation Code for property taxation purposes.

(59) Reserved.

(60) Reserved.

(61) "General business office" means a use principally providing services to individuals, firms, or other entities, including but not limited to real estate, insurance, property management, title companies, investment, personnel, travel, and similar services, and including business offices of public utilities or other activities when the service rendered is that customarily associated with administrative office services.

(62) "General district" means a district created by this title establishing basic regulations governing land use and site development. Not more than one general district designation shall apply to the same portion of a lot.

(63) "General business service" means a use engaged in sales, servicing, installation, and repair services, or the performance of activities and services of the general nature described in this section, including printing, blueprinting and publishing, commercial bakeries, creameries or catering, cabinetry and furniture repair, bulk cleaning and laundry services (including a service that provides cleaning or laundry services for cleaning and laundry stations on other sites), lumber, plumbing, electrical, sheet metal, and other construction and building materials, and automobile parts and supplies.

(64) "Grade" means the lowest point of adjacent ground elevation of the finished surface of the ground paving, or sidewalk, excluding areas where grade has been raised by means of a berm, planter box, or similar landscaping feature, unless required for drainage, within the area between the building and the property line, or when the property line is more than five feet from the building, between the building and a line five feet from the building. In building areas with natural slopes in excess of ten percent, "grade" shall mean the adjacent ground elevation of the finished or existing grade, whichever is lower.

(64.5) "Grandfathered" means a designation established by means of a "grandfather clause," exempting a class of uses or structures from the otherwise currently applicable provisions of this title, because such uses or structures conformed with earlier applicable provisions of this title, prior to the enactment of subsequent provisions. (65)(A) "Gross floor area" means the total area of all floors of a building measured to the outside surfaces of exterior walls, and including the following:

(i) Halls;

(ii) Stairways;

(iii) Elevator shafts;

(iv) Service and mechanical equipment rooms;

(v) Basement, cellar or attic areas deemed usable by the chief building official;

(vi) Open or roofed porches, arcades, plazas, balconies, courts, walkways, breezeways or porticos if located above the ground floor and used for required access;

(vii) Permanently roofed, but either partially enclosed or unenclosed, building features used for sales, service, display, storage or similar uses;

(viii) In residential districts, all roofed porches, arcades, balconies, porticos, breezeways or similar features when located above the ground floor.

(B) Gross floor area shall not include the following:

(i) Parking facilities accessory to a permitted or conditional use and located on the same site;

(ii) Roofed arcades, plazas, walkways, porches, breezeways, porticos, and similar features not substantially enclosed by exterior walls, and courts, at or near street level, when accessible to the general public and not devoted to sales, service, display, storage or similar uses.

(iii) Except in the CD District and in areas designated as special study areas, minor additions of floor area approved by the director of planning and community environment for purposes of resource conservation or code compliance, upon the determination that such minor additions will increase compliance with environmental health, safety or other federal, state or local standards. Such additions may include, but not be limited to, the following:

a. Area designed for resource conservation, such as trash compactors, recycling and thermal storage facilities;

b. Area designed and required for hazardous materials storage facilities, handicapped access or seismic upgrades;

(iv) In commercial and industrial districts except in the CD District and in areas designated as special study areas, additions of floor area designed and used solely for on-site employee amenities for employees of the facility, approved by the director of planning and community environment, upon the determination that such additions will facilitate the reduction of employee vehicle use. Such additions may include, but not be limited to, recreational facilities, credit unions, cafeterias and day care centers.

(C) In the R-1 and R-E single-family residence districts, "gross floor area" means the total covered area of all floors of a main structure and accessory structures greater than one hundred twenty square feet in area, including covered parking and stairways, measured to the outside surface of exterior walls, subject to the following exceptions:

(i) Floor area where the distance between the floor and the roof directly above it measures 5.18 meters (seventeen feet) or more, shall be counted twice;

(ii) Floor area where the distance between the floor and the roof directly above it measures 7.92 meters (twenty-six feet) or more shall be counted three times;

(iii) Basements where the finished level of the first floor is not more than .91 meters (three feet) above the grade around the perimeter of the building foundation, shall be excluded from the calculation of gross floor area, provided that lightwells, stairwells and other excavated features comply with the provisions of Section 18.10.050(m), 18.12.050(o), 18.17.050(p), or 18.19.050(o), as applicable; and

(iv) 60.69 square meters (two hundred square feet) of unusable third floor equivalent, such as attic space, shall be excluded from the calculation of gross floor area.

(v) Carports shall be counted toward the maximum allowable floor area ratio requirements.

(66) "Guest cottage" means an accessory building containing a lodging unit without kitchen facilities, and used to house occasional visitors or nonpaying guests of the occupants of a dwelling unit on the same site.

(67) "Height" means the vertical distance above grade to the highest point of the coping of a flat roof or to the deck line of a mansard roof or to the average height of the highest gable of a pitched or hipped roof, except that in the R-1, R-2 and RMD Districts the height of a pitched or hipped roof shall be measured to the height of the peak or highest ridge line. The height of a stepped or terraced building is the maximum height of any segment of the building.

(68) Reserved.

(69) Reserved.

(70) Reserved.

(71) "Home occupation" means an accessory activity conducted in a dwelling unit solely by the occupants thereof, in a manner incidental to residential occupancy, in accord with the provisions of this title. (For further provisions, see regulations for home occupations in Section 18.88.130.)

(72) "Hospital" means a facility providing medical, psychiatric, or surgical services for sick or injured persons primarily on an in-patient basis, and including ancillary facilities for outpatient and emergency treatment, diagnostic services, training, research, administration, and services to patients, employees, or visitors.

(73) "Hotel" means a facility containing rooms or groups of rooms, generally without individual kitchen facilities, used or intended to be used for use by temporary overnight occupants, whether on a transient or residential occupancy basis, and whether or not eating facilities are available on the premises. "Hotel" includes a motel, motor hotel, tourist court, or similar use, but does not include mobile home parks or similar use.

(74) "Impervious area" means the portion of land on a lot that is covered by structures, paved surfaces, uncovered porches or similar cover and is incapable of being penetrated by water under normal circumstances.

(75) "Kitchen" means a room designed, intended or used for the preparation of food.

(76) "Landscaping" means an area devoted to or developed and maintained with native or exotic plantings, lawn, ground cover, gardens, trees, shrubs, and other plant materials, decorative outdoor landscape elements, pools, fountains, water features, paved or decorated surfaces of rock, stone, brick, block, or similar material (excluding driveways, parking, loading, or storage areas), and sculptural elements.

(77) "Liquor store" means a use requiring a State of California "off-sale general license" (sale for off-site consumption of wine, beer, and/or hard liquor) and having fifty percent or more of total dollar sales accounted for by beverages covered under the off-sale general license.

(78) Reserved.

(79) Reserved.

(80) Reserved.

(81) "Loading space" means an area used for loading or unloading of goods from a vehicle in connection with the use of the site on which such space is located.

(82) "Lodging" means the furnishing of rooms or groups of rooms within a dwelling unit or an accessory building to persons other than members of the family residing in said dwelling unit, or in the case of an accessory building, a dwelling unit on the same site, for overnight occupancy on a residential occupancy basis, whether or not meals are provided to such persons. Lodging shall be subject to the residential density requirements of the district in which the use is located.

(83) "Lodging unit" means a room or group of rooms not including a kitchen, used or intended for use by overnight occupants as a single unit, whether located in a hotel or a dwelling unit providing lodging. Where designed or used for occupancy by more than two persons, each two-person capacity shall be deemed a separate lodging unit. For the purpose of determining residential density, each two lodging units shall be considered the equivalent of one dwelling unit.

(84) "Lot" or "site" means a parcel of land consisting of a single lot of record, used or intended for use under the regulations of this title as one site for a use or group of uses.

* (A) "Corner lot" means a lot abutting two or more streets having an angle of intersection of one hundred thirty-five degrees or less. A lot abutting on a curved street or streets shall be considered a corner lot if straight lines drawn from the intersections of the side lot lines with the street lines to the midpoint of the street frontage meet at an interior angle of one hundred thirty-five degrees or less.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (B) "Flag lot" means an interior lot on which the buildable area is located to the rear of a lot abutting a street, and which has access to the same street by means of a narrow driveway.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (C) "Interior lot" means a lot abutting one street.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (D) "Through lot" means a lot other than a corner lot abutting more than one street.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(85) "Lot area" means the area of a lot measured horizontally between bounding lot lines, but excluding any portion of a flag lot providing access to a street and lying between a front lot line and the street, and excluding any portion of a lot within the lines of any natural watercourse, river, stream, creek, waterway, channel, or flood control or drainage easement and excluding any portion of a lot within a street right-of-way whether acquired in fee, easement, or otherwise.

(86) "Lot coverage" encompasses the following definitions:

(A) "Single-family residential use" means the total land area within a site that is covered by buildings, including all projections except the exterior or outermost 1.2 meters (four feet) of any eave or roof overhang, but excluding ground level paving, landscaping features, and open recreational facilities.

(B) "All other uses except single-family residential" means the total land area within a site that is covered by buildings, excluding all projections, ground level paving, landscaping features, and open recreational facilities.

(C) Except in the CD District and areas designated as special study areas, the director of planning and community environment may permit minor additions of floor area to facilities that exceed lot coverage limits, for purposes of resource conservation or code compliance, upon the determination that such minor additions will increase site compliance with environmental health and safety standards. Such additions may include, but not be limited to, the following:

(i) Area designed for resource conservation, such as trash compactors, recycling and thermal storage facilities;

(ii) Area designed and required for hazardous materials storage facilities, handicapped access and seismic upgrades.

(D) In commercial and industrial districts except in the CD District and in areas designated as special study areas, the director of planning and community environment may permit additions of floor area that exceed lot coverage limits upon the determination that such additions are designed and used solely for providing on-site employee amenities for employees of the facility and will facilitate the reduction of employee vehicle use. Such additions may include, but not be limited to, recreational facilities, credit unions, cafeterias and day care facilities.

* (87) "Lot depth" means the horizontal distance from the midpoint of the front lot line to the midpoint of the rear lot line, or to the most distant point on any other lot line where there is no rear lot line.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(88) Reserved.

(89) Reserved.

(90) Reserved.

(91) "Lot line" means any boundary of a lot.

* (A) "Front lot line" means, on an interior lot, the lot line abutting a street, or, on a corner lot, the shorter lot line abutting a street, or, on a through lot, the lot line abutting the street providing the primary access to the lot, or, on a flag lot, the interior lot line most parallel to and nearest the street from which access is obtained.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (B) "Interior lot line" means any lot line not abutting a street.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (C) "Rear lot line" means the lot line not intersecting a front lot line which is most distant from and most closely parallel to the front lot line. A lot bounded by only three lot lines will not have a rear lot line.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (D) "Side lot line" means any lot line which is not a front or rear lot line.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (E) "Street lot line" means any lot line abutting a street.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(92) "Lot of record" means a lot which is part of a subdivision recorded in the office of the county recorder, or a lot or parcel described by metes and bounds which has been so recorded.

* (93) "Lot width" means the horizontal distance between side lot lines, measured at the required front setback line.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(94) "Manufacturing" means a use engaged in the manufacture, predominantly from previously prepared materials, of finished products or parts, including processing, fabrication, assembly, treatment, and packaging of such products, and incidental storage, sales, and distribution of such products, but excluding basic industrial processing of extracted or raw materials, processes utilizing inflammable or explosive materials (i.e., materials which ignite easily under normal manufacturing conditions), and processes which create hazardous or commonly recognized offensive conditions.

(95) "Medical office" means a use providing consultation, diagnosis, therapeutic, preventive, or corrective personal treatment services by doctor, dentists, medical and dental laboratories, and similar practitioners of medical and healing arts for humans, licensed for such practice by the state of California and including services related to medical research, testing and analysis but excluding use of hazardous materials in excess of allowances contained in Title 17 of this code.

(96) "Mobile home (manufactured housing)" means a structure, transportable in one or more sections, which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities,

and including the plumbing, heating, air-conditioning, and electrical systems contained therein.

(97) "Mobile home park" means a residential facility arranged or equipped for the accommodation of two or more mobile homes, with spaces for such mobile homes available for rent, lease, or purchase, and providing utility services and other facilities either separately or in common to mobile home spaces therein.

(98) Reserved.

(99) Reserved.

(100) Reserved.

(101) "Motel" is defined in subsection (73).

(102) "Multiple-family use" means the use of a site for three or more dwelling units, which may be in the same building or in separate buildings on the same site.

(102.5) "Neighborhood business service" means a use occupying two thousand five hundred square feet or less, which is engaged in sales, servicing, installation and repair service, excluding vehicular repair and service, which does not generate noise, fumes or truck traffic greater than that normally associated with neighborhood-serving uses, or the performance of activities and services of the general nature described in this section. Such uses may include, but not be limited to, reproduction and copying, catering, cleaning, laundry services, home repair and remodeling supplies and sales, cabinetry and furniture repair.

(103) "Neighborhood recreational center" means a privately owned or operated use providing, primarily for residents of the surrounding area, facilities for recreational or cultural activities, including lessons and instructions incidental thereto.

(104) "Net floor area" means the net enclosed floor area used or capable of use for any activity, excluding walls, stairways, elevator shafts, service and mechanical equipment rooms, corridors or halls providing common access to more than one use, and unenclosed porches or balconies.

(105) "Open" means a space on the ground or on the roof of a structure, uncovered and unenclosed.

(106) "Opposite," as used with respect to relative location of two sites, means property which is separated less than 30.5 meters (one hundred feet) by a street, alley, creek, drainageway, or other separately owned right-of-way, and which would be considered abutting based on projection of side lot lines to the centerline of such separating right-of-way.

(107) "Outdoor recreation service" means a privately owned or operated use providing facilities for outdoor recreation activities, including golf, tennis, swimming, riding, or other outdoor sport or recreation, operated predominantly in the open, except for accessory or incidental enclosed services or facilities.

(108) Reserved.

(109) Reserved.

(110) "Parking as a principal use" means a use providing parking and storage of motor vehicles on a profit or nonprofit basis, as a principal use and not accessory to a permitted or conditional use.

(111) "Parking facility" means an area on a lot or within a building, or both, including one or more parking spaces, together with driveways, aisles, turning and maneuvering areas, clearances, and similar features, and meeting the requirements established by this title. "Parking facility" includes parking lots, garages, and parking structures.

(A) "Temporary parking facility" means parking lots which are not required under this chapter and which are intended as interim improvements of property subject to removal at a later date.

(112) "Parking space" means an area on a lot or within a building used or intended for use for parking of a motor vehicle, having permanent means of access to and from a public street or alley independently of any other parking space, and located in a parking facility meeting the requirements established by this title. "Parking space" is equivalent to the term "parking stall" and does not include driveways, aisles, or other features comprising a parking facility as defined in this chapter.

(113) "Patio cover" is defined in subsection (24), Canopy.

(114) "Personal service" means a use providing services of a personal convenience nature, and cleaning, repair or sales incidental thereto, including:

(A) Beauty shops and barbershops;

(B) Shoe repair;

(C) Self-service laundry and cleaning services; laundry and cleaning pick-up stations where all cleaning or servicing for the particular station is done elsewhere; and laundry and cleaning stations where the cleaning or servicing for the particular station is done on site, utilizing equipment meeting any applicable Bay Area Air Quality Management District requirements, so long as no cleaning for any other station is done on the same site, provided that the amount of hazardous materials stored does not at any time exceed the threshold which would require a permit under Title 17 (Hazardous Materials Storage) of this code;

(D) Repair and fitting of clothes and personal accessories;

(E) Quick printing services where printing for the particular service is done on site, so long as no quick printing for any other printing service is done on the same site;

(F) Copying services;

(G) Film processing shops, including shops where development processing for the particular shop is done on site, so long as no development processing for any other shop is done on the same site;

(H) Art, dance or music studios.

(115) "Private educational facility" means a privately owned school, including schools owned and operated by religious organizations, offering instruction in the several branches of learning and study required to be taught in the public schools by the Education Code of the State of California.

(116) "Professional office" means a use providing professional or consulting services in the fields of law, architecture, design, engineering, accounting, and similar professions, including associated product testing and prototype development, but excluding product manufacturing or assembly and excluding use of hazardous materials in excess of the allowances contained in Title 17 of this code.

(117) "Projection" means architectural elements, not part of the main building support, that cantilever from a single building wall or roof, involving no supports to the ground other than the one building wall from which the element projects.

(118) "Property" means real property which includes the land, that which is affixed to the land, and that which is incidental or appurtenant to the land, as defined in Civil Code Sections 658 - 662.

(119) "Queue line" means an area for parking and lining of motor vehicles while awaiting a service or other activity.

(120) "Recreational vehicle" means a vehicle towed or self-propelled on its own chassis or attached to the chassis of another vehicle and designed or used for temporary dwelling, recreational or sporting purposes. The term "recreational vehicle" includes, but is not limited to, travel trailers, pickup campers, camping trailers, motor coach homes, converted trucks and buses and boats and boat trailers.

(121) "Recycling center" means facilities appurtenant and exterior to an otherwise allowed use, which are utilized for collection of recyclable materials such as metal, glass, plastic, and paper stored in mobile vehicles or trailers, permanent storage units, or in bulk reverse vending machines exceeding fifty cubic feet in size.

(122) "Religious institution" means a seminary, retreat, monastery, conference center, or similar use for the conduct of religious activities, including accessory housing incidental thereto, but excluding a private educational facility. Any such use for which a property tax exemption has been obtained pursuant to Section 3(f) of Article XIII of the Constitution of the State of California, and Section 206 of the Revenue and Taxation Code of the State of California. or successor legislation, or which is used in connection with any church which has received such an exemption, shall be prima facie presumed to be a religious institution.

(123) "Research and development" means a use engaged in study, testing, design, analysis, and experimental development of products, processes, or services, including incidental manufacturing of products or provisions of services to others.

(124) Residential care home" means use of a dwelling unit or portion thereof licensed by the state of California or county of Santa Clara, for care of up to six persons, including overnight occupancy or care for extended time periods, and including all uses defined in Sections 5115 and 5116 of the California Welfare and Institutions Code, or successor legislation.

(125) "Retail service" means a use engaged in providing retail sale, rental, service, processing, or repair of items primarily intended for consumer or household use, including but not limited to the following: groceries, meat, vegetables, dairy products, baked goods, candy, and other food products; liquor and bottled goods, household cleaning and maintenance products; drugs, cards, and stationery, notions, books, tobacco products, cosmetics, and specialty items; flowers, plants, hobby materials, toys, household pets and supplies, and handcrafted items; apparel, jewelry, fabrics, and like items; cameras, photography services, household electronic equipment, records, sporting equipment, kitchen utensils, home furnishing and appliances, art supplies and framing, arts and antiques, paint and wallpaper, carpeting and floor covering, interior decorating services, office supplies, musical instruments, hardware and homeware, and garden

supplies; bicycles; mopeds and automotive parts and accessories (excluding service and installation); cookie shops, ice cream stores and delicatessens.

(A) "Extensive retail service," as used with respect to parking requirements, means a retail sales use having more than seventy-five percent of the gross floor area used for display, sales, and related storage of bulky commodities, including household furniture and appliances, lumber and building materials, carpeting and floor covering, air conditioning and heating equipment, and similar goods, which uses have demonstrably low parking demand generation per square foot of gross floor area.

(B) "Intensive retail service" as used with respect to parking requirements, means any retail service use not defined as extensive retail service.

(126) "Reverse vending machine" means a mechanical device which accepts one or more types of empty beverage containers and issues a cash refund or credit slip.

* (127) "Screened" means shielded, concealed and effectively hidden from view at an elevation up to 2.4 meters (eight feet) above ground level on adjoining sites, or from adjoining streets, within 3.0 meters (ten feet) of the lot line, by a fence, wall, hedge, berm, or similar structure, architectural or landscape feature, or combination thereof.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(128) "Setback line" means a line within a lot parallel to a corresponding lot line, which is the boundary of any specified front, side or rear yard, or the boundary of any public right-of-way whether acquired in fee, easement, or otherwise, or a line otherwise established to govern the location of buildings, structures, or uses. Where no minimum front, side or rear yards are specified, the setback line shall be coterminous with the corresponding lot line. (See Chapter 20.08 of the Palo Alto Municipal Code for setback map regulations.)

(129) Reserved.

(130) Reserved.

(131) "Shopping center" means a group of commercial establishments, planned, developed, owned, or managed as a unit, with off-street parking provided on the site, and having a total gross floor area of not less than 92,903 square meters (one million square feet) and a total site area of not less than 20.3 hectares (fifty acres).

(132) "Single-family use" means the use of a site for only one dwelling unit.

(133) "Site" is defined in subsection (84).

(134) "Structure" means that which is built or constructed, an edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner. (For further provisions, see the definition for "facility," subsection (53).)

(135) "Studio dwelling unit, efficiency dwelling unit" means a dwelling unit consisting of a single habitable room for living and sleeping purposes, plus ancillary kitchen and bath facilities.

(136) "Take-out service" means a characteristic of an eating or drinking service which encourages, on a regular basis, consumption of food or beverages, such as

prepared or prepackaged items, outside of a building, in outdoor seating areas where regular table service is not provided, in vehicles parked on the premises, or off-site.

(137) "Transportation terminal" means a depot, terminal, or transfer facility for passenger transportation services.

(138) Reserved.

(139) Reserved.

(140) Reserved.

(141) "Two-family use" means the use of a site for two dwelling units, which may be within the same building or separate buildings.

(142) "Usable open space" means outdoor or unenclosed area on the ground, or on a roof, balcony, deck, porch, patio or terrace, designed and accessible for outdoor living, recreation, pedestrian access, landscaping or any required front or street side yard, but excluding parking facilities, driveways, utility or service areas.

(143) "Use" means the conduct of an activity, or the performance of a function or operation on a site or in a building or facility.

(A) "Accessory use" means a use which is incidental to, and customarily associated with a specified principal use, and which meets the applicable conditions set forth in Chapter 18.88.

(B) "Nonconforming use" means a use which is not a permitted use or conditional use authorized within the district in which it is located, but which was lawfully existing on July 20, 1978, or the date of any amendments hereto, or the application of any district to the property involved, by reason of which adoption or application the use became nonconforming. (For further provisions, see the definition of "noncomplying facility" in subsection (53).)

(C) "Principal use" means a use which fulfills a primary function of a household, establishment, institution, or other entity.

(D) "Permitted use" means a use listed by the regulations of any particular district as a permitted use within that district, and permitted therein as a matter of right when conducted in accord with the regulations established by this title.

(E) "Conditional use" means a use, listed by the regulations of any particular district as a conditional use within that district and allowable therein, solely on a discretionary and conditional basis, subject to issuance of a conditional use permit, and to all other regulations established by this title.

(F) "Change of use" is defined in subsection (26).

(144) "Warehousing" and "distribution" means a use engaged in storage, wholesale, and distribution of manufactured products, supplies, and equipment, but excluding bulk storage of materials which are inflammable or explosive or which create hazardous or commonly recognized offensive conditions.

* (145) "Watercourse bank" means the side of a watercourse the top of which shall be the topographic line roughly parallel to stream centerline where the side slopes intersect the plane of the ground traversed by the watercourse. Where banks do not distinguishably end, the surrounding country being an extension of the banks, the top of such banks shall be defined as determined by the building official.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(146) "Yard" means an area within a lot, adjoining a lot line, and measured horizontally, and perpendicular to the lot line for a specified distance, open and unobstructed except for activities and facilities allowed therein by this title.
* (A) "Front yard" means a yard measured into a lot from the front lot line, extending the full width of the lot between side lot lines intersecting the front lot line.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (B) "Interior yard" means a yard adjoining an interior lot line.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (C) "Rear yard" means a yard measured into a lot from the rear lot line, extending between the side yards; provided, that for lots having no defined rear lot line, the rear yard shall be measured into the lot from the rearmost point of the lot depth to a line parallel to the front lot line.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (D) "Side yard" means a yard measured into a lot from a side lot line, extending between the front yard and rear lot line.

* An illustration may be found at the end of this chapter in a printed edition of this code. * (E) "Street yard" means a yard adjoining a street lot line.

* An illustration may be found at the end of this chapter in a printed edition of this code.

(147) "Youth club" means a recreational use, operated on a profit or nonprofit basis, for supervised youth involving dancing or social gathering as a principal activity but prohibiting sale or consumption of alcoholic beverages.
(Ord. 4642 §§ 32, 33, 2000: Ord. 4472 § 2, 1998: Ord. 4140 §§ 2, 3, 4, 1993: Ord. 4081 § 4, 1992: Ord. 4043 § 1, 1991: Ord. 4016 §§ 2-6, 1991: Ord. 3905 §§ 2, 3, 4, 1989: Ord. 3896 §§ 1, 2, 3, 1989: Ord. 3890 § 1, 1989: Ord. 3850 § 5, 1989: Ord. 3807 § 16, 1988: Ord. 3783 § 1, 1987: Ord. 3757 §§ 1 - 4, 1987: Ord. 3735 §§ 1, 23, 24, 1987; Ord. 3703 §§ 1 - 5, 9, 1986: Ord. 3683 § 1, 1986: Ord. 3632 §§ 1, 2, 1985: Ord. 3584 § 1, 1984: Ord. 3583 §§ 27 - 28, 1984: Ord. 3536 §§ 1, 2, 27 - 30, 1984: Ord. 3465 §§ 29, 30, 1983: Ord. 3349 § 1, 1982: Ord. 3345 §§ 1, 5, 9, 10, 11, 19, 20, 1982: Ord. 3340 §§ 1, 2, 6, 7, 1982: Ord. 3291 § 1, 1981: Ord. 3255 §§ 1 and 3, 1981: Ord. 3187 §§ 7, 8, 9, 10, 1980: Ord. 3130 §§ 1 (part), 15 (part), 23, 25 (part), 1979: Ord. 3108 §§ 3, 13, 14, 16, 1979: Ord. 3103 § 1, 1979; Ord. 3064 § 1 (part), 1978: Ord. 3048 (part), 1978

APPENDIX D PREFERRED TREES

Appendix D contains a list of preferred street trees and the locations of known native Oaks in SOFA 2. This map is for reference purposes only; all trees in SOFA 2 are still subject to applicable sections of the Palo Alto Municipal Code

STREET TREE SPECIES RECOMMENDATION FROM NORTH TO SOUTH			
Street Name	**Alma To High**	**High to Emerson**	**Emerson to Ramona**
Forest Avenue	Fraxinus (species t.b.d)	Acer (species t.b.d.)	Fraxinus (species t.b.d.)
Homer Avenue	Fraxinus (species t.b.d.)	Celtis australis	Fraxinus (species t.b.d.)
Channing Avenue	Acer capillipes	Cercis canadensis	Acer Capillipes
Addison Avenue	Celtis australis	Ginkgo biloba 'Autumn Gold'	Celtis australis

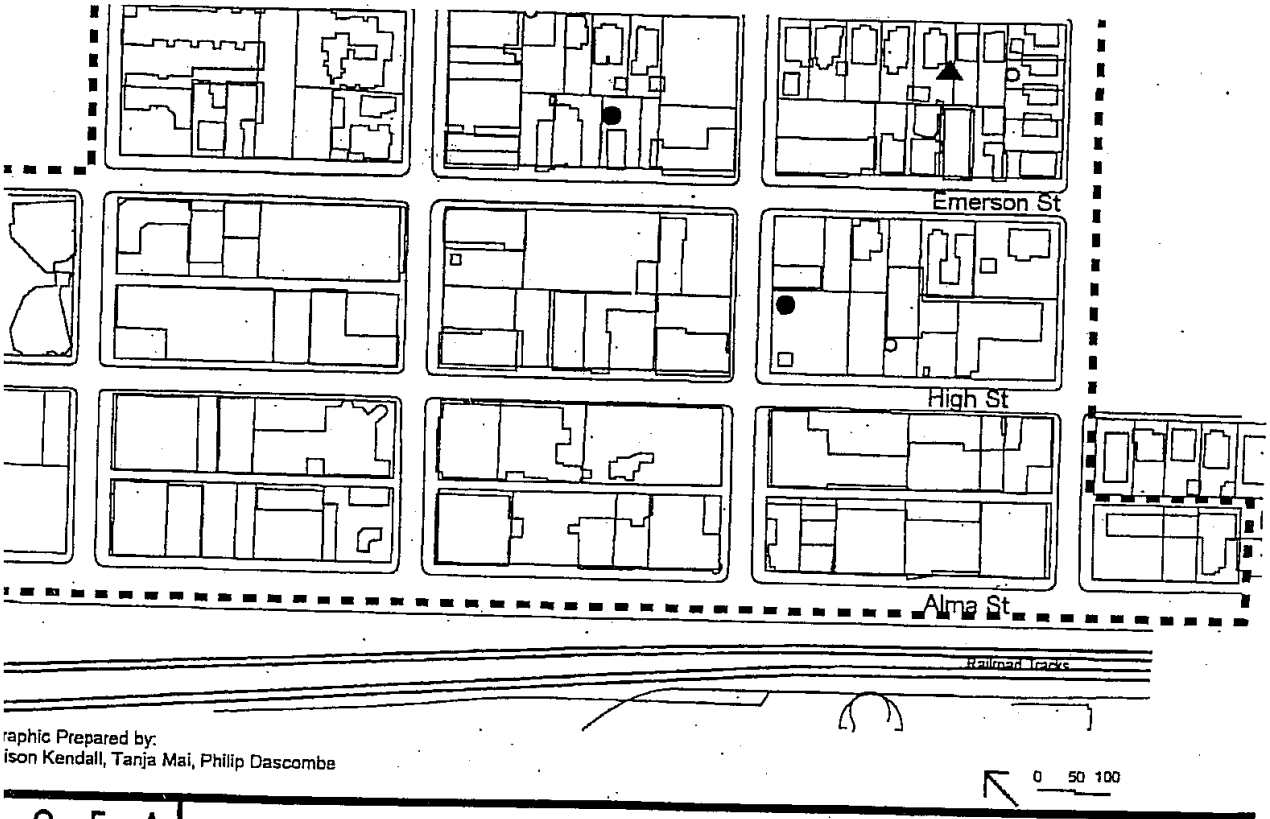
STREET TREE SPECIES FROM WEST TO EAST			
Street Name	**Forest to Homer**	**Homer to Channing**	**Channing to Addison**
Alma Street	Fraxinus (species t.b.d.)	Fraxinus (species t.b.d.)	Fraxinus (species t.b.d.)
High Street	Pistacia chinensis	Acer (species t.b.d.)	Pistacia chinensis
Emerson Street	Cercis Canadensis	Acer (species t.b.d.)	Cercis Canadensis
Ramona Street	Lagerstroemia indica 'Natchez' (white) or 'Cherokee' (red)	Lagerstroemia indica 'Natchez' (white) or 'Cherokee' (red)	Lagerstroemia indica 'Natchez' (white) or 'Cherokee' (red)

Valley Oaks:

● 11 - 36' diameter protected

Coast Live Oaks:

▲ 11 - 36' diameter protected



raphic Prepared by:
ison Kendall, Tanja Mai, Philip Dascombe

O F A
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NATIVE OAKS IN SOFA PLAN AREA
Source: Survey prepared by Canopy's Oak Well Project, June 98

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APPENDIX E ECONOMIC ANALYSES

Appendix E contains City-commissioned economic analyses used in development of the Coordinated Area Plan. Two analyses and one clarifying memo are included. Prototypes referenced in the economic analyses are located in Appendix I.

M E M O R A N D U M

TO: Lisa Grote, City of Palo Alto
FROM: Alexander Quinn, Senior Associate
Matt Kowta, Principal
RE: SOFA II Economic Analysis - Draft Findings
DATE: June 20, 2002

The purpose of this memorandum is to provide the analysis, findings, and conclusions regarding an Economic Analysis conducted for the preparation of Phase II of the South of Forest (SOFA) Coordinated Area Plan.

Study Objective

The City of Palo Alto retained BAE to evaluate the economic viability of proposed zoning amendments in the South of Forest Area (SOFA) Coordinated Area Plan, Phase II. This study has been prepared in response to a portion of the Coordinated Area Plan ordinance (No. 4454), which calls for planning efforts to include an analysis of economic conditions so that development plans work within the context of existing market conditions.

The zoning alternatives include an option for a 1.15 Floor Area Ratio (FAR) maximum recommended by the SOFA Coordinated Area Plan Working Group, an alternative specifying a 1.5 FAR maximum, proposed by City staff, and a third 2.5 FAR alternative that was defined for the purposes of this analysis, to bracket the high end of potential SOFA Phase II area density. In addition, BAE evaluated the existing zoning (0.6 FAR) as a baseline condition. For each of these zoning alternatives, the urban design firm of Freedman, Tung & Bottomley (FTB) developed a series of illustrative development prototypes that served as the basis for BAE's financial analysis. FTB created a development prototype for each FAR level for both a small and large site.

For each of the different prototypes, BAE estimated the resulting residual land value. For the small site, BAE assumed a 10,500 square foot corner lot on Alma Street with approximately 9,800 auto-related building square. The large site was modeled after the small corner lot site plus the adjacent City owned parcel at 841 Alma Street, which currently is the site for a City electric utility substation. The small site and the City parcel combined provide 26,250 square feet of site area. Finally, BAE analyzed each development prototype assuming reduced parking requirements, in addition to standard parking requirements.

In addition to analyzing the economics associated with the different density regulations, the City of Palo Alto also requested that BAE evaluate the economic viability of restrictions on ground floor office uses in certain portions of the SOFA II area. Specifically, the Working Group proposal would limit ground floor office to 2,500 square feet on any single parcel, with a maximum of 5,000 total square feet of office, including upper floor office spaces. The Working Group proposal would also prohibit ground floor office, including medical and professional

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along Emerson Street and Homer Avenue and general business and office on ground floor south of Homer except Alma Street. BAE evaluated the general demand for retail space within the SOFA Phase II area and the viability of retail uses within specific corridors of the SOFA Phase II area.

Study Approach

As background for the economic analysis, BAE researched existing market conditions for office, retail, rental residential, and for-sale condominiums within the vicinity of SOFA. The market information provided BAE with an estimate of the current balance of supply and demand for these land uses as well as for the revenue potential that might be associated with new development. BAE also collected development cost and operating cost inputs from local developers, lenders, contractors, and insurers. Using the findings from the market research and these additional inputs, BAE created a pro-forma analysis for each development prototype. The pro-forma analyses estimate the residual land value or –in other words– the value of the land remaining after accounting for the cost to develop each prototype. The residual land value represents the amount a developer would need to pay for a given piece of property upon which to build the specified development prototype, while allowing for a reasonable profit.

After calculating the land residual value, BAE then evaluated the general economic feasibility of the various zoning alternatives for the small and large sites, considering the current economic value of the sites in their current condition. The result provides an analysis of the zoning alternatives and whether the alternatives offer sufficient economic incentive to land owners and developers to redevelop property within the area.

For a development prototype for which BAE estimated that the residual land value is higher than the current economic value of the site, BAE deemed the zoning alternative to be economically feasible. In addition to our own market survey, BAE also reviewed the South of Forest Area – West Retail Market Study (Wallace & Steichen, Inc., June 2001) on the City's behalf to assess the economic viability of restrictions on ground floor office uses in the SOFA II area.

Limiting Conditions

The following limiting conditions apply to this memorandum and the BAE analysis conducted for the study:

- All development program assumptions for each scenario (e.g., number of residential units, parking square footage, etc.) were provided to BAE and are considered reliable.
- Most of the assumptions used in the BAE financial analysis could change over time, depending on market and economic conditions. These assumptions include construction loan interest rates and loan-to-value ratios, development project revenue, construction costs, city fees and tax assessments, etc.

- The BAE analysis did not involve in-depth market analysis of future demand for retail, housing, or office space.
- The availability of on-street parking for new commercial space (e.g., office or retail) in the Plan area was not analyzed or considered in the BAE work.
- The BAE analysis did not include an assessment of any physical development constraints in the Plan area such as potential environmental contamination, easements, infrastructure capacity, etc. The BAE analysis did also not assess highest and best use for any particular parcel.

Development Prototypes

As discussed previously, BAE, FTB, and the City of Palo Alto's Planning and Community Environment Department created development prototypes for three zoning alternatives, each with a standard parking alternative and a reduced parking alternative. In general, FTB created development prototypes that maximized the allowable floor area ratio by specifying large three bedroom-two bathroom residential units of approximately 1,500 square feet each, in addition to the allowable commercial building floor area.

In certain cases, FTB was unable to utilize the parcel to its fullest allowed FAR because the site could not fit the required parking. For example, FTB could only fit 16 residential units with 58 parking spaces in the 1.5 FAR standard parking alternative on the large site, but could fit 22 units and 52 parking spaces in the 1.5 FAR *reduced* parking alternative for the same large site (See Appendix O and Appendix P). The table on the next page summarizes the development prototypes BAE analyzed for the SOFA Phase II area. Appendix S provides a more detailed description of the type of construction and unit amenities assumed for each development prototype.

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Development Prototypes by Zoning and Parking Alternative

Development Prototype		Construction Type	Building Sq. Ft.	Residential Units All 3 bed-2bath	Commercial Sq. Ft.	Parking Spaces
Small Site: 0.24 Acres (10,500 Lot Sq. Ft.)	Existing Zoning 0.6 FAR	Wood Frame, 2-Story Apartments/Commercial	6,300	2 @ 1,400 Sq.Ft. each	3,500 Office	18 Surface
	1.15 FAR Standard Parking	Wood Frame, 3-Story Condos	10,500	7 @ 1,500 Sq.Ft. each		17 Podium
	1.15 FAR Reduced Parking	Wood Frame, 3-Story Condos	10,500	7 @ 1,500 Sq.Ft. each		11 Podium
	1.5 FAR Standard Parking	Wood Frame, 3-Story Condos	15,000	10 @ 1,500 Sq.Ft. each		23 Podium
	1.5 FAR Reduced Parking	Wood Frame, 3-Story Condos	15,000	10 @ 1,500 Sq.Ft. each		15 Podium
	2.5 FAR Standard Parking	Wood Frame, 3-Story Condos	22,000	14 @ 1,500 Sq.Ft. each		33 Undrgrnd
	2.5 FAR Reduced Parking	Wood Frame, 3-Story Condos	22,000	14 @ 1,500 Sq.Ft. each		21 Undrgrnd.
Large Site: Small Site and Substation **0.6 Acres (26,250 Lot Sq. Ft.)**	Existing Zoning 0.6 FAR	Wood Frame, 2-Story Apartments/Commercial	14,975	7 @ 1,425 Sq.Ft. each	5,000 Office	36 Surface
	1.15 FAR Standard Parking	Wood Frame, 3-Story Condos/Commercial	29,200	16 @ 1,500 S.F. each	2,500 Office 2,700 Retail	4 Surface 15 Tuck Undr. 39 Podium
	1.15 FAR Reduced Parking	Wood Frame, 3-Story Condos/Commercial	29,200	16 @ 1,500 S.F. each	2,500 Office 2,700 Retail	4 Surface 15 Tuck Undr. 24 Podium
	1.5 FAR Standard Parking	Wood Frame, 3-Story Condos/Commercial	29,200	16 @ 1,500 S.F. each	2,500 Office 2,700 Retail	4 Surface 15 Tuck Undr. 39 Podium
	1.5 FAR Reduced Parking	Wood Frame, 3-Story Condos/Commercial	39,300	22 @~1,500 S.F. each	2,500 Office 2,700 Retail	4 Surface 15 Tuck Undr. 33 Podium
	2.5 FAR Standard Parking	Wood Frame, 3-Story Condos/Commercial	38,500	20 @1,500 S.F. each	4,000 Office 3,000 Retail	29 Undrgrnd. 26 Podium 19 Surface
	2.5 FAR Reduced Parking	Wood Frame-Steel Joists, 4-Story Condos/Commercial	53,300	33 @~1,400 S.F. each	2,800 Office 2,750 Retail	24 Undrgrnd. 26 Podium 19 Surface

Current SOFA Area Real Estate Market Conditions

BAE conducted a survey of current leasing/for sale residential, retail, and office properties in the vicinity of SOFA. BAE surveyed approximately 60 properties. The results of the survey are shown in Appendices A, B, C, and D. BAE also reviewed recent property transactions for vacant land and condominium sales within Palo Alto. Based on these surveys, BAE has utilized the rental rate/sales price assumptions shown in the following matrix, summaries of which are provided below.

For-Sale Condominiums

BAE located 18 condominiums for sale within the vicinity of SOFA. The properties varied in price and size but averaged $534 per square foot. Excluding an adult living unit (persons 55 years and above) with an available pool and spa and asking price of $811 per square foot, the average asking sales price was $517 per square foot. BAE also reviewed condominium sales within the downtown zip code (94301) over the last 12 months. BAE located 30 condominium sales that averaged approximately $460 per square foot with an average building age of 30 years. Based on these comparables, a conservative estimate for a new condominium project with reduced parking (1.5 per unit) is $500 per square foot, while a new condominium project with standard parking (2.3 per unit) could conservatively obtain $515 per square foot in the SOFA Phase II area.

Rental Residential

BAE obtained rental information for 13 properties within the vicinity of SOFA. Rental rates varied from $1.43 to $2.78 per square foot. Overall, the average per square foot rental rate was $1.81. BAE also reviewed RealFacts data, which maintains multifamily housing summary information on 13 projects in Palo Alto. In March 2002, three bedroom-two bath units within the 13 projects averaged $1.88 per square foot. New three bedroom-two bathroom rental units would likely generate more than the average per square foot rental rate, but the actual rental rate would clearly be contingent upon unit and building amenities.

Office

BAE obtained leasing information on 23 office properties within the vicinity of SOFA. In total, BAE found approximately 115,000 square feet of vacant office space within the area with a median lease rate of $3.75 per square foot, triple net (NNN). The spaces varied in size and type, with vacant Class A office space asking from $2.00 to $4.50 per square foot, NNN. Based on the comparables, a new office space of the type envisioned in the development prototypes could conservatively generate approximately $3.50 per square foot, NNN.

Retail

BAE located three properties with available retail space within the vicinity of SOFA. The three spaces averaged approximately $4.00 per square foot with lease terms negotiable. BAE also contacted commercial brokers that work within SOFA to further understand the retail demand within SOFA. All of the brokers indicated there is a lack of parking within SOFA which reduces retail opportunities. Brokers stated that SOFA will continue to struggle to compete

with better parked and heavier auto and pedestrian traffic retail areas in downtown and elsewhere in Palo Alto. In addition, two commercial brokers felt that downtown employee parking spilled over into SOFA further reducing the number of available parking spaces for SOFA retailers. The City recently estimated a downtown parking shortfall of approximately 1,450 spaces. The City is currently constructing another 700 public parking spaces in downtown, which will help to alleviate parking pressures in downtown and in surrounding communities, including SOFA.

Pro-Forma Analysis

The pro-forma analyses synthesize local market data, construction cost information, and operating expenses to estimate land residual values for each development prototype. The land residual value is based on stabilized project occupancy, or –in the case of condominiums– project sell-out. It is important to note that construction costs, operating expenses, and revenue potential can change in response to economic cycles and other macro and microeconomic conditions; however, BAE has based this analysis on existing conditions.

Development Cost Assumptions

Appendix S provides a detail of development costs by prototype. These costs are a synthesis of information from building contractors, developers, and BAE's review of the 2002 RS Means Square Foot Cost manual.[1] In general, BAE used conservative construction cost estimates and assumed high-quality construction and ample unit amenities.

Parking costs are represented on a per square foot basis and were obtained through conversations with developers and contractors that work within the Palo Alto region. Underground parking represents the most expensive parking type, priced at $75 per square foot. Underground parking on smaller parcels (e.g. a small 10,500 square foot lot) becomes quite expensive due to a lack of parking efficiencies (e.g., a major portion of the underground parking area is dedicated to the ramp). BAE estimated the cost of building underground parking on the small site at over $35,000 per space.

[1] RS Means, Square Foot Costs, 23rd Addition, 2002. The RS Means manual provides national construction cost data for a broad range of development types. The RS Means manual includes construction cost multipliers for Palo Alto.

The following table summarizes the construction cost assumptions by land use and site size:

Site Size	Land Use	Construction Costs/ Sq. Ft.	Parking Costs/ Sq. Ft.	City Fees	Construction Financing Terms	Developer Profit
Small	Mixed-Use Apartments / Commercial	Apartments: $141 Commercial: $156	Surface: $8	$20/Bldg. Sq. Ft.	Rate 7.5% LTV 0.75 Points: 1.5% Drawdown: 0.55	12%
	Condominiums	Small Project: $160 Larger Project: $150	Surface: $8 Podium: $45 Underground: $70-$75	$17,000 - $18,000/unit excld. BMR costs	Rate 7.5% LTV 0.75 Points: 1.5% Drawdown: 0.55-0.60	10%
Large	Mixed-Use Condominiums/ Commercial	Condominiums: $140-$150 Commercial: $150-$160	Surface: $8 Tuck-Under: $30 Podium: $45 Underground: $70	$13-$26/ Bldg. Sq. Ft. excld. BMR costs	Rate 7.5% LTV 0.75 Points: 1.5%-2.0% Drawdown: 0.55-0.65	12%

Developer Profit. BAE contacted a number of local lenders to obtain construction lending criteria within Palo Alto. Overall, BAE found that lenders look favorably upon projects within the City of Palo Alto and assign lower underwriting criteria compared to the Bay Area overall. Capitalization rates are generally lower in Palo Alto than in neighboring cities. Nonetheless, lenders stated that commercial projects in general, and office projects specifically, are deemed to involve more risk than residential projects in today's economic climate. To offset the higher risk, lenders require higher developer profit margins. In this analysis, BAE assumed a strictly residential project would require a 10 percent return on total costs minus financing costs, while a mixed-use project would require a 12 percent return on total costs minus financing costs.

Defect Liability Insurance for Ownership Residential Projects. BAE contacted local insurers to obtain cost information on wrap insurance policies that protect developers and their contractors from construction defect claims (particularly for condominium construction). While BAE located two insurance brokers that provided insurance cost estimates, both brokers indicated that the short-term future of wrap insurance policies is uncertain. The brokers stated that the stagnant stock market combined with September 11, 2001 severely damaged the insurance industry. Compounding the problem is the prevalence of construction defect claims within California on condominium projects. As a result, insurers have been more hesitant to offer higher risk insurance policies, including wrap insurance policies. Currently, wrap insurance policies are estimated at $420,000 for coverage capped at a maximum of $3,000,000 without the ability to augment the amount of coverage. Insurance brokers and developers stated that wrap insurance policies may disappear altogether. The result would be a near standstill in condominium construction throughout California, including Palo Alto.

BAE's analysis assumes a developer would be able to obtain defect liability insurance. If this insurance were not available, redevelopment feasibility would be reduced because multifamily rental units do not generate similar values compared to condominium values. As an example, a 1,500 square foot rental unit in SOFA would generate approximately $22,000 in net revenue a year[2]. Based on local capitalization rates, the apartment could sell for approximately $318,000.[3] A comparable condominium with similar unit amenities could sell in Palo Alto for approximately $750,000, which is more than twice the value of the rental unit.

Operating Costs Assumptions

BAE calculated operating expenses for retail and office space assuming a triple net lease arrangement, under which the property owner passes through most of the operating expenses to tenants. The property owner's assumed monthly management and property maintenance expense rate is $0.35 per office square foot and $0.33 per square foot for retail. The estimated apartment operating expense rate is 30 percent of gross potential rent for the small two unit apartments presented in Appendix E, due to a lack of economies of scale, and 25 percent of gross potential rent for the seven unit mixed-use project presented in Appendix L.[4]

Revenue

After reviewing existing market lease rates within SOFA, BAE developed revenue assumptions for office, retail, apartment, and condominium uses. The following matrix provides a summary of the revenue and operating expense assumptions:

Land Use Description	Monthly Lease Rate/ Sq. Ft.	Operating Expenses/ Sq.Ft.	Assumed Vacancy	Capitalization Rate
Office	$3.50	$0.35/Month	10%	8%
Retail	$3.25	$0.33/Month	10%	8%
Very small scale multifamily project (2-unit mixed use project)	$1.90	30% of Gross Rent	5%	8%
Small scale multifamily project (7-unit mixed use project)	$1.95	25% of Gross Rent	5%	8%
Condominium – Standard Parking	$515 (sales price)	Not applicable	5% Marketing and Brokerage Fee	Not applicable
Condominium – Reduced Parking	$500 (sales price)	Not applicable	5% Marketing and Brokerage Fee	Not applicable

[2] Assumes a three bedroom-two bath unit could garner $2,850 per month with an annual expense rate of 30 percent of gross potential revenue.

[3] Assumes a capitalization rate of 7.0 percent.

[4] Dollars and Cents of Multifamily Housing, National Apartment Association, Urban Land Institute, 2000. Local multifamily housing developers, 2002; U.S. Bank, 2002; Mid-Peninsula Bank, 2002.

Redevelopment Incentive Thresholds

As part of the economic feasibility analysis, BAE evaluated the financial returns that would encourage landowners to redevelop his or her parcels. Specifically, BAE analyzed the existing economic value of the small site with a 9,800 square foot auto-related building and added demolition costs and redevelopment profit to estimate the price a developer would need to pay in order to make it financially attractive for the owner to sell the property rather than continue with its current economic use. The analysis assumes that the small site owner will continue to operate its building as is without renovating or redeveloping the site if its existing economic value exceeds what a developer could afford to pay in order to acquire the site for a given development prototype. BAE determined the building's economic value by assuming the building is leased to a separate auto repair business in its current condition. As shown in Table 1, at an assumed lease rate of $1.85 per square foot (NNN), a monthly management expense of $0.19 per square foot, vacancy of 10 percent, and a capitalization rate of eight percent, the 9,800 square foot auto service building has an economic or capitalized value of $2,175,600. BAE then added $10 per building square foot demolition costs and 10 percent redevelopment profit resulting in a land residual goal of $2,491,160 or $237 per lot square foot. This is the estimated financial incentive necessary to redevelop the small site.

BAE also analyzed the necessary financial incentive to make it worthwhile for the City of Palo Alto to augment or upgrade an existing electric substations that could replace the electric capacity currently provided by the City's substation at 841 Alma. According to the City's Utilities Department, a rough estimate of replacement costs is one million dollars. Adding redevelopment profit of 10 percent results in a land residual goal of $1.1 million or approximately $70 per lot square foot. Therefore, the combined land residual value goal is $1.1 million plus $2.49 million results in a combined site land residual value goal of approximately $3.59 million.

While the economic value for the substation is substantially lower than small site's economic value on a per lot square foot basis, the substation site's land residual value as a vacant property would be approximately $53 per square foot based on existing zoning standards.[5] The small site is assumed to contain an existing building –on the other hand– that exceeds existing zoning standards and does not require new construction to generate economic value.

[5] Based on a floor area ratio of 0.6 with a maximum office square footage of 5,000 square feet. Assumes 5,000 square feet of office with four 1,100 square foot rental units.

Table 1: Economic Value and Redevelopment Feasibility Thresholds

Small Site - Auto-Related Service		
Lot Size	10,500	Lot Sq. Ft.
Auto-Related Service Building Size	9,800	Bldg. Sq. Ft.
Estimated Lease Rate As Is (NNN)	$1.85	/Bldg. Sq.Ft.
Monthly Lease Revenue	$18,130	/Month
Less Vacancy (-10%)	($1,813)	/Month
Estimated Expense Rate	($0.19)	/Bldg. Sq.Ft.
Monthly Expenses	($1,813)	/Month
Total Monthly Revenue	$14,504	
Annual Revenue	$174,048	/Year
Capitalization Rate	8%	
Building Capitalized Value	$2,175,600	
Total Site Value	$2,175,600	
Demolition Costs	$98,000	@$10/Bldg. Sq. Ft.
Redevelopment Profit	10% of Site Value	
Total Land Residual Goal	**$2,491,160**	
Total Land Residual Goal/Sq Ft.	$237.25	/Lot Sq.Ft.

841 Alma, City Utility Substation		
Lot Size	15,750	Lot Sq. Ft.
Estimated cost to remove substation and upgrade other to maintain capacity	$1,000,000	
Total Site Value	$1,000,000	
Redevelopment Profit	10% of Site Value	
Total Land Residual Goal	**$1,100,000**	
Total Land Residual Goal/Sq Ft.	$69.84	/Lot Sq.Ft.

Small Site Land Residual Goal	**$2,491,160**	
Total Land Residual Goal/Sq Ft.	**$237.25**	**/Lot Sq.Ft.**

Combined Site Land Residual Goal	**$3,591,160**	
Total Land Residual Goal/Sq Ft.	**$136.81**	**/Lot Sq.Ft.**

Sources: City of Palo Alto, Planning and Community Environment Department, 2002; BAE, 2002.

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Development Feasibility Results

BAE compared the land residual values for each development prototypes to the economic or capitalized value of the small site and the small site and the City substation's combined large site discussed in the previous section. These results are summarized on the next page. Overall, the reduced parking alternative adds to the efficiency of the site but only provides marginally higher returns where a site can physically accommodate the higher parking requirements without reducing the building intensity. Existing zoning standards do not provide sufficient economic incentive to landowners to redevelop their property. In general, owners of smaller parcels have more barriers towards redevelopment than larger sites because the larger sites offer better economies of scale and improved site parking efficiencies. Redevelopment potential for sites that do not have sufficient size to build underground or partially submerged podium parking, would be severely limited under the standard parking requirements. In addition, a City policy restricting parcel consolidation would reduce redevelopment feasibility due to a loss of economies of scale and reduction in site efficiencies.

Small Site Redevelopment Opportunities

Existing market conditions would not provide sufficient incentive to redevelop a small site (approximately 12,000 square feet or less) under a 1.15 FAR alternative. Based on BAE's economic analysis, the 1.5 FAR alternative would provide sufficient incentive to redevelop the small site with a marginal increase of one percent to the project value. While a 1.5 FAR parking alternative provides redevelopment incentive for smaller sites, redevelopment would likely result in condominium projects and not mixed-use projects because of the higher parking requirements for office and retail uses. Due to the marginal feasibility of the small site, a 1.5 FAR zoning alternative may have difficulty providing a local public benefit (e.g. open space, available public parking, etc.), which would be necessary to apply for the 1.5 FAR, without eliminating the site's economic feasibility. The 2.5 FAR low parking requirement would generate the highest land residual value at $3.1 million. Using the land residual goal model discussed earlier, BAE can give a rough estimate of development feasibility for small redevelopment projects in general. If BAE assumed a similar sized parcel with an 8,000 square foot building averaging $2.00 per square foot (NNN) a month, the 1.5 FAR alternative with standard parking would provide sufficient incentive for site redevelopment. Simultaneously, if BAE assumed a 9,000 square foot building on the same parcel and $2.50 per square foot lease rate redevelopment would only be economically feasible under a 2.5 FAR reduced parking alternative.

Large Site Redevelopment Opportunities

Due in part to the lower economic value of the substation and greater site efficiencies, the 1.15 FAR standard parking alternative would provide sufficient financial incentive for redevelopment. Similar to the small site, the standard parking alternatives for the 1.5 and 2.5 FAR alternatives would curtail the total building square feet regardless of the FAR limitations. If BAE applied the FAR alternatives to a similar sized underutilized parcel (26,250 lot square feet), containing a 15,000 square foot building that generated $2.00 per square foot in revenue, a 1.15 FAR standard parking would offer sufficient incentive to the property to redevelop his or

her property. If the same building leased at $3.00 per square foot, a 1.5 FAR reduced parking alternative would provide sufficient economic incentive.

Economic Feasibility Analysis Summary

Development Prototype		Total Development Costs	Total Revenue	Land Residual Value	Redevelopment Feasibility
Small Site: Ole's 0.24 Acres	Existing Zoning 0.6 FAR	$1,537,000	$1,989,000	$452,000	Not feasible
	1.15 FAR Standard Parking	$3,757,000	$5,137,000	$1,380,000	Not feasible
	1.15 FAR Reduced Parking	$3,599,000	$4,988,000	$1,388,000	Not feasible, needs ~25% increase in gross revenue
	1.5 FAR Standard Parking	$4,392,000	$6,838,000	$2,446,000	Feasible with ~1% increase in gross revenue
	1.5 FAR Reduced Parking	$4,192,000	$6,646,000	$2,454,000	Feasible with ~1% increase in gross revenue
	2.5 FAR Standard Parking	$7,078,000	$9,773,000	$2,696,000	Feasible
	2.5 FAR Reduced Parking	$6,396,000	$9,496,000	$3,099,000	Feasible, could absorb some reduction in condo values or increased costs
Large Site: Ole's and Substation **0.6 Acres**	Existing Zoning 0.6 FAR	$3,208,000	$4,142,000	$934,000	Not feasible
	1.15 FAR Standard Parking	$8,426,000	$13,344,000	$4,918,000	Feasible, and feasible with substation priced at $155/Lot Sq.Ft.
	1.15 FAR Reduced Parking	$8,109,000	$13,023,000	$4,914,000	Feasible, and feasible with substation priced at $155/Lot Sq.Ft.
	1.5 FAR Standard Parking	$8,426,000	$13,344,000	$4,918,000	Feasible, and feasible with substation priced at $155/Lot Sq.Ft.
	1.5 FAR Reduced Parking	$9,954,000	$16,819,000	$6,864,000	Feasible, and feasible with substation priced at $280/Lot Sq. Ft.
	2.5 FAR Standard Parking	$10,791,000	$16,528,000	$5,737,000	Feasible, and feasible with substation priced at $205/Lot Sq. Ft.
	2.5 FAR Reduced Parking	$14,075,000	$22,898,000	$8,823,000	Feasible, and feasible with substation priced at $400/Lot Sq. Ft.

Ground Floor Office Restrictions

As part of the economic analysis, BAE reviewed retail market conditions within SOFA Phase II. BAE did not estimate the gross annual demand for retail space within the area or forecast future retail demand within SOFA. Rather, BAE reviewed existing work performed by Wallace and Stiechen, Inc. in June 2001, and contacted local retailers, developers, and brokers within SOFA to gather qualitative information on the overall retail demand, as a substitute for office uses. Further analysis on available parking, the total potential retail space in SOFA, and an analysis of retail demand within walking distance of SOFA would provide a more comprehensive understanding of retail market conditions within SOFA and the potential economic impact of curtailing office uses on the ground floor.

SOFA – West Retail Market Study

The South of Forest Area – West, Retail Market Study (Wallace & Steichen, Inc., June 2001) was limited to a general overview of existing retail conditions and to analyzing demand for grocery store space in SOFA Phase II. The study does not attempt to estimate the total supportable retail space in the area nor analyze other retail store categories on their economic viability in the SOFA Phase II area. According to the SOFA Retail Market Study, the SOFA Phase II area has 62,000 square feet of retail space, with more than 50 percent of the space dedicated to grocery establishments, and eating and drinking establishments. These establishments are scattered throughout the SOFA Phase II area with slightly greater concentrations of retail space on Homer Avenue and Emerson Street. The SOFA Retail Market Study assumed households within the 94301 zip code to be the primary trade area. According to their retail market study, the primary trade area has 7,609 households containing 16,510 residents. These households tend be more affluent and have lower household sizes than Palo Alto households in general, with an estimated per capita income of approximately $82,000 in 2000 and an average household size of 2.1 persons per household.

The SOFA Retail Market Study estimated the amount of supportable retail square feet for grocery retail within SOFA. The analysis shows SOFA's total supportable grocery demand at 44,000 square feet.[6] After accounting for the 22,000 square foot Whole Foods store at Homer Avenue and Emerson Street, the report estimates SOFA could support another 22,000 in grocery retail space. The SOFA Retail Market Study did not provide a supportable square foot estimate for other retail categories, but rather, provided a rough estimate that another 30,000 to 100,000 square feet of retail could be supported in SOFA within a ten-year period. If the SOFA Phase II area could only attain the lower estimate of 30,000 square feet, a new commercial building or buildings with existing retail tenants could be financially impacted by a zoning ordinance that curtailed office use on the ground floor.

[6] The SOFA Retail Market Study estimates a total sales potential for grocery expenditures of $35,120,000 and assumes $800 per square foot.

Due to scope constraints, BAE did not obtain the total existing and potential commercial square footage within the SOFA Phase II area. Nonetheless, assuming a 30,000 square foot retail square foot absorption over ten years and limiting office uses on the ground floor for new and existing retail buildings would likely result in higher commercial space vacancies, especially in areas that do not have retail synergies and lack walk-by traffic. Based on the higher 100,000 square feet retail absorption estimate, new and existing retail space could expect healthier real estate conditions but still may be impacted if newly redeveloped parcels added more than 100,000 retail square feet in addition to the estimated 62,000 retail square feet already within the SOFA Phase II area.

Retail Absorption

Under the Working Group and the Staff Alternative, only new commercial space within specified area of SOFA Phase II area and buildings that already contain retail tenants in specified areas would be affected by the ground floor limits on office uses. Existing ground floor office buildings are grandfathered in and could continue to lease to office tenants. If the office tenant vacated the space, the landowner would have a year to backfill the space with another office tenant as long as he or she did not expand the total square footage of the building. Therefore, the area should not experience a sudden injection of available retail space but rather, will likely result in an incremental increase in the amount of retail square feet as sites are sporadically redeveloped.

Existing Office Market Conditions

The regional office market is currently recovering from a considerable increase in office vacancies and subsequent decline in market lease rates as a result of the slowdown of high tech and venture capital employment and a recent injection of office space. According to CB Richard Ellis 2002 1st Quarter Report, Palo Alto's office market had an overall vacancy rate of 18 percent and lost approximately 34,000 square feet in the total occupied office tenant space from the previous quarter. The report also estimated another 167,000 square feet was under construction. While Palo Alto has been affected less than many other jurisdictions, it has seen a rise in office vacancies. Compounding the increase in office vacancies is new office developments under construction at Whiskey Gulch in East Palo Alto, showing a short-term risk in developing office space of any considerable size. Lenders indicated a general hesitation to underwrite large office projects. While this creates some impact to small office developers, they do not compete at the same level as large scale office projects which are affected more by regional economic downturns. Nonetheless, the overall office market in Palo Alto is soft and does not justify large scale new speculative construction in the short term.

On the other side, retail real estate market conditions have remained relatively healthy. BAE found only three buildings within the vicinity of the SOFA Phase II area that had available retail space for lease. In general, those spaces were asking comparable lease rates to available office spaces. BAE did not locate any subregional retail market reports that spoke to retail real estate conditions in the Palo Alto area.

Developing Retail Synergy

Certain areas within the SOFA Phase II may be better suited for retail. The intersection of Emerson and Homer Avenue contain higher concentrations of retail uses compared to the SOFA Phase II area overall. The Retail Market Study states that, "small retailers cannot survive unless they are located close to other retailers that supply similar or complimentary goods and services."[7] Targeting specific retail nodes within SOFA Phase II for retailers while allowing office users elsewhere may encourage the concentration of retail uses and improve local retail synergy. This assumes that a commercial building can obtain a higher premium for office use than for a retailer. In this scenario, office users would locate along streets that allowed for large office space thereby pushing retailers towards specific locations within the SOFA Phase II area. Currently, office and retail lease rates are comparable and a commercial building owner would not find sufficient financial incentive to target office tenants over retail tenants. Notwithstanding, certain streets within the SOFA Phase II area are not conducive to retail uses. For example, Alma Street is a heavy auto traffic corridor that does not have on street parking. This area would not be conducive to retail uses.

Commercial Space Flexibility and Absorption

Limiting commercial landowner flexibility is likely to be the largest economic impact as a result of curtailing office uses within the SOFA Phase II area. A landowner with vacant retail space would only be able to target retail tenants rather than allowing either a retailer or an office user to inhabit the space. This may result in longer vacancies and –if the space remained vacant long enough– a reduction in the asking lease rates as the landowner weighs the loss in potential revenue over a vacant property generating zero revenue. Simultaneously, owners of ground floor office spaces may be hesitant to lease space to a prospective retailer because –under the proposed ordinance– the landowner would be unable to convert it back to office space.

Under existing conditions, retail remains relatively healthy in Palo Alto overall compared to a recovering office market. However, fluctuations in real estate market conditions that increase demand for office and reduced demand for retail can and do occur. The result would be a loss in potential revenue as commercial landowners would be precluded from leasing the space to a higher income generating use.

Parking

The SOFA Retail Market Study points out that, "…successful convenience retailing requires convenient, easily accessible parking."[8] BAE did not obtain an inventory of parking within the SOFA Phase II area but did receive qualitative information from brokers, developers, and landowners who stated that there is a shortage of parking within the area. As discussed earlier, they argued that they the SOFA Phase II area retailers would have to compete with downtown retailers, which are part of a parking district. While new development would likely cover its share of parking demand under the Specific Plan's parking requirements of four spaces per 1,000 building square feet, an existing parking shortfall within SOFA could reduce the

[7] Wallace, John; *Retail Market Study South of Forest Area – West*, City of Palo Alto, June, 2001, page 17.
[8] Ibid, page 18.

economic viability of retail in the area. As discussed earlier, the City of Palo Alto is attempting to alleviate the existing parking shortfall in the downtown by building 700 additional public parking spaces. This will help to alleviate parking pressures placed on adjacent communities, including the SOFA Phase II area.

Conclusions

Curtailing ground floor office uses within the SOFA Phase II area altogether may deter redevelopment projects that create mixed-use products. Properties not within close proximity to other retail services that could not create retail synergies are likely to struggle to maintain a retail tenant at comparable office lease rates. The result would be a greater emphasis on residential projects compared to building both retail and residential mixed use. Furthermore, if parking availability is exceedingly constrained within the area, developers may have difficulty competing with nearby downtown retail space, which are a part of a parking district. Notwithstanding, current retail market conditions are relatively healthy and would likely support new retail. A possible alternative could be to limit ground floor office uses along specific retail nodes and allow ground floor office in areas that are less conducive to retail. Based on existing retail conditions, logical retail locations appear to be Homer Avenue and Emerson Street. Corridors less conducive to retail include Alma Street and Ramona Streets.

Appendix A: Condominiums For Sale, City of Palo Alto

Project Name Address	Unit Type	# of Bed/Bath	Total S.F.	List Price	Price per Square Foot	# of Parking Spaces	Unit Amenities
101 Alma Street #306	condo	1 Bed/ 1 Bath	828	$428,000	$517	1	24 hour security
555 Byron Street #104	condo	3 Bed/ 2 Bath	1,589	$1,289,000	$811	n. avail.	ground floor, corner unit, indoor pool and spa with retractable roof. Adult living 55+.
667 Waverly Street #c3	condo	2 Bed/ 2 Bath	1,582	$849,000	$537	n. avail.	
165 Forest Avenue #4b	condo	2 Bed/ 2 Bath	1,334	$699,000	$524	n. avail.	Was listed at $749,000
1237 Alma Street	condo	2 Bed/ 2.5 Bath	1,450	$679,000	$468	n. avail.	Townhouse in Old Palo Alto's Spanish Village. Two story unit few minutes walk from downtown.
4250 El Camino Real	condo	1 Bed/1 Bath	679	$349,000	$514	n. avail.	Top floor condo located in Redwoods. Building 19 years old. W/D inside. View of Greenbelt and Redwoods.
435 Sheridan #205	condo	2 Bed/2 Bath	1,570	$695,000	$443	2	Wood shingled exterior. 35 unit complex built in 1999. Security entrance, clubhouse, underground parking, person storage, central air and heat, W/D hook-ups, gourmet kitchen.
555 Byron #104	condo	3 Bed/2 Bath	1,589	$1,198,000	$754	n. avail.	Fireplace and central air/heating. The building complex was build in 1997. Security entrance, clubhouse, personal storage, cable hookups.
555 Byron #310	condo	2 Bed/2 Bath	1,546	$1,150,000	$744	n. avail.	Fireplace and central air/heating. The building complex was build in 1997. Security entrance, clubhouse, personal storage, cable hookups.
443 Homer	condo	3 Bed/2 Bath	1,541	$849,000	$551	2	Two car garage w/ electric door opener. Personal storage, security entrance. Pool and Laundry Area
667 Waverly	condo	2 Bed/2 Bath	1,582	$849,000	$537	2	Two car garage. Security building, electric heating, no cooling system. Underground park

Sources: Respective property representatives; Multiple Listing Service, 2002; Bay Area Economics, 2002.

Appendix A: Condominiums For Sale, City of Palo Alto

Project Name Address	Unit Type	# of Bed/Bath	Total S.F.	List Price	Price per Square Foot	# of Parking Spaces	Unit Amenities
1237 Alma	condo	2 Bed/2 Bath	1,478	$625,000	$423	2	Attached parking, carport. Laundry area and extra storage space. Central air and fireplace. Cable TV.
101 Alma #907	condo	3 Bed/2 Bath	1,500	$625,000	$417	1	One car garage with electric opener. Extra storage. Central heating but no air conditioning Security building, clubhouse, pool, exercise room, cable TV. Built in 1960.
101 Alma #205	condo	2 Bed/3 Bath	1,800	$599,000	$333	1	One car garage with electric opener. Extra storage. Central heating but no air conditioning Security building, clubhouse, pool, exercise room, cable TV. Built in 1960.
101 Alma #607	condo	2 Bed/2 Bath	1,311	$579,000	$442	1	One car garage with electric opener. Extra storage. Central heating but no air conditioning Security building, clubhouse, pool, exercise room, cable TV. Built in 1960.
101 Alma #904	condo	1 Bed/1Bath	913	$449,500	$492	1	One car garage. Central air and heat. Security building, clubhouse, pool, exercise room, cable TV. Built in 1960.
101 Alma #306	condo	1 Bed/1Bath	828	$428,000	$517	1	One car garage with electric opener. Extra storage. Central heating but no air conditioning Security building, clubhouse, pool, exercise room, cable TV. Built in 1960.
427 Alma #308	condo	2 Bed/2 Bath	890	$519,000	$583	1	One car garage with electric opener. Extra storage. Laundry area along with security for building complex. Electric heating. No air conditioning.

Sources: Respective property representatives; Multiple Listing Service, June, 2002; Bay Area Economics, 2002.

Appendix B: Apartment, Townhomes, and Condominiums For Rent, City of Palo Alto

Project Name Address	Unit Type	# of Bed/Bath	Total S.F.	Asking Lease Rate	Price per Square Foot	Unit Amenities
360 Forest Avenue	apartment	1 Bed/ 1 Bath 2 Bed/ 2 Bath	900 1,150	$2,150 - 2,300 $2,900 - 3,200	$2.38 - 2.55 $2.52 - 2.78	Built in 1927, all utilities paid, lap pool, billiards room with grand piano, garage laundry facilities on site; renovated in 2000
2456 Bayshore Road	condo	2 Bed/2 Bath	1,100	$1,500	$1.36	Dishwasher, disposal, large balcony, W/D, refrigerator, extra storage, pool on site
2585 Park Boulevard	condo	2 Bed/2.5 Bath	1,200	$2,200	$1.83	Central Palo Alto, near California Avenue fireplace, storage, garage, and pool on site
2336 Williams	townhouse	2 Bed/1.5 Bath	1,000	$1,775	$1.78	Refurbished Townhouse
130 Fern	condo	2 Bed/2 Bath	1,038	$2,000	$1.93	Fully furnished 1 level end unit. Skylights, pool on site, available June 1- November 1.
4250 El Camino Real	condo	2 Bed/2 Bath suites	1,400	$2,000	$1.43	Built in 1987, Two parking spaces, W/D, dishwasher, secure complex and garage, pool on site
650 Circle Drive	studio	1 Bath	400	$825	$2.06	Studio with one bath and kitchenette, W/D, parking space, central heating
821 University Avenue	apartment	1 Bed/1 Bath	700	$1,250	$1.79	University and Lytton, 1 car garage
2657 Alma Street	apartment	2 Bed/2 Bath	800	$1,350	$1.69	2 story unit, remodeled kitchen. Private fenced yard with patio, 2 parking spaces, laundry on site
2719 Alma Street	apartment	1 Bed/1Bath 2 Bed/1 Bath	750 875	$1,075 $1,250	$1.43 $1.43	Hardwood Floors, Carport, and Patio
765 San Antonio	townhouse	3 Bed/2 Bath	1,200	$2,300	$1.92	Washer & drier, balcony, one-car garage, top floor
Waverly & Hawthorne	townhouse	2 Bed/1&1/2 Bath	1,050	$1,695	$1.61	Hardwood floors, fireplace, and patio
837 Cowper Street	apartment	2 Bed/1 Bath 2 Bed/2 Bath	950 1,100	$1,825 $2,025	$1.92 $1.84	Garden area

Sources: Respective property representatives; Bay Area Economics, 2002.

Appendix C: City of Palo Alto SOFA Phase II - Office Space

Project Name Address	Total S.F.	S.F. Vacant	Vacancy Rate	Size Range Of Leasable Space	Asking Lease Rate	Lease Type (NNN, FS, etc.)	TI Allowance	Class Space	Age of Building	Tenant Mix	Property Renovated	General Comments
505 Hamilton Avenue	33,000	3,200 2,200	9.7%	two spaces	$4.00	NNN	negotiable ($10-$20.00)	B	1940's	Professional	yes	
181 Lytton Avenue	n/a	20	n/a	one space	$4.00	NNN	negotiable	n/a	n/a	Professional	n/a	Property managed by King Realty.Available since Nov. 2, 2001.
555 Hamilton Avenue	13,780	969 375 295	11.9%	three spaces one on first floor, other two on 2nd floor	$4.50	NNN	negotiable	A	1985	Professional	yes	Property was updated when BMW Technologies moved in.
514 Bryant Street	11,000	1,400	12.7%	one space 2nd floor	$3.00	NNN	negotiable	B	1950's	Professional	yes	Space has been vacant since Jul. 1, 2001.
530 University Avenue	8,000	300	3.8%	three spaces each 100 s/f	$2-$4.00	Full Service	no	n/a	n/a	Professional	no	General upkeep of building maintained. Recently purchased by owner.
825 Emerson Street	1,434	1,434	100.0%	one space	$3.50	NNN	negotiable	n/a	1960's	General Commercial/Retail	no	General upkeep of building maintained. Property vacant since Jan. 2, 2002.
16 Hamilton Avenue	2,500	2,500	100.0%	one space	$3.25	Modified Full Service	no	A	1960's	Professional	no	General upkeep on building maintained. Property vacant since Mar. 2, 2002.
658 High Street	7,000	7,000	100.0%	one space	$3.25	Modified Full Service	n/a	n/a	n/a	Professional	n/a	Will become available in July-Aug. 2002.
654 High Street	8,400	8,400	100.0%	one space	$3.25	Modified Full Service	n/a	n/a	n/a	Professional	n/a	Will become available in July-Aug. 2002.
Bryant Street	36,000	4,655	12.9%	one space Basement	$2.00	NNN	no	A	1960's	General Law Office and Bank	yes	No longer vacant. New tenant will occupy June 02. Building was vacant for seven months.

Sources: Respective property representatives; Cornish and Carey Commercial, 2002; Bay Area Economics, 2002.

Appendix C: City of Palo Alto SOFA Phase II - Office Space, con't

Project Name Address	Total S.F.	S.F. Vacant	Vacancy Rate	Size Range Of Leasable Space	Asking Lease Rate	Lease Type (NNN, FS, etc.)	TI Allowance	Class Space	Age of Building	Tenant Mix	Property Renovated	General Comments
611 Emerson Street	6,800	6,800 Sublease	100.0%	one space	$3.95	NNN	negotiable	A	n/a	General	yes	Renovation completed Jan. 2, 2002.Current tenant is the Chronicle. Prospective tenants are retail oriented. **Also noted in Retail Section**
720 University Avenue	7,235	1,605	22.2%	three spaces	$4.50	Full Service	negotiable	A	n/a	n/a	n/a	Three offices, four reserved parking spaces. Available Oct. 2001
240 Hamilton Avenue	5,000	2,000	40.0%	one space	$3.50	NNN	negotiable	A	2 months	n/a	n/a	Available since May 2, 2002.
745 Emerson Street	8,994	2,500	27.8%	Max space 2,500 Min space 1,000	$3.75	Full Service	negotiable	n/a	n/a	n/a	n/a	On site parking. Shared shower, kitchen and conference room. Available since Dec. 1, 2001. Sublease o.k.
120 Hawthorne Avenue	8,705	2,570	29.5%	one space	$2.50	Full Service	negotiable	n/a	n/a	n/a	n/a	Kitchen, conference room, reception, four private offices. Tenant pays utilities. Available since Oct. 1, 2001
116 University Avenue	2,890	2,890	100.0%	one space	$2.65	NNN	negotiable	A	n/a	n/a	n/a	No retail use. 1st Floor is 2,590 s/f and 2nd Floor is 300 s/f. Previous occupant was Bungey Travel.
214 Homer Avenue	6,400	3,100	48.4%	one space	negotiable market value	Gross	negotiable	n/a	n/a	n/a	n/a	Available since June 1, 2002. Avl. for sublease.
285 Hamilton Avenue	48,585	3,150	6.5%	one space	$3.95	NNN	negotiable	A	n/a	n/a	n/a	Available since April 2002. Underground parking. 7 private offices, 2 conference rooms, kitchen.
379 Lytton Avenue	29,702	5,490	18.5%	one space	$3.90	NNN	negotiable	n/a	n/a	n/a	n/a	Available since April 2002. Avl. for sublease.

Sources: Respective property representatives; Cornish and Carey Commercial, 2002; Bay Area Economics, 2002.

Appendix C: City of Palo Alto SOFA Phase II - Office Space, con't

Project Name Address	Total S.F.	S.F. Vacant	Vacancy Rate	Size Range Of Leasable Space	Asking Lease Rate	Lease Type (NNN, FS, etc.)	TI Allowance	Class Space	Age of Building	Tenant Mix	Property Renovated	General Comments
849 High Street	11,250	6,000	53.3%	Max space 6,000 Min space 2,500	$4.00	NNN	negotiable	n/a	n/a	n/a	n/a	Available since Jan. 2, 2002. Sublease o.k. on-site parking
435 Tasso Street Suite 215 and 230	31,000	8,131	26.2%	Max space 6,491 Min space 1,641	$4.50	NNN	negotiable	A	n/a	n/a	n/a	Available since April 2, 2002. Sublease o.k.
209 Hamilton Avenue	18,000	9,042	50.2%	Max space 9,042 Min space 2,500	$4.50	NNN	negotiable	A	n/a	n/a	n/a	
255 Lytton Avenue	13,215	12,415	93.9%	Max space 12,415 Min space 2,700	$3.50	NNN	negotiable	n/a	n/a	n/a	n/a	Available since July 1, 2001.
100 Hamilton Avenue	71,000	2,400 4,600 11,000	25.4%	three spaces	$3.50 - $5.00	NNN	negotiable	A	1985	General	no	11,000 sq. ft. space will be available Sept. 2002. Other spaces have been vacant since Mar. 2002, on average.

Sources: Respective property representatives; Cornish and Carey Commercial, 2002; Bay Area Economics, 2002.

Appendix D: City of Palo Alto SOFA Phase II - Retail Space

Project Name Address	Total S.F.	S.F. Vacant	Vacancy Rate	Size Range Of Leasable Space	Asking Lease Rate	Lease Type (NNN, FS, etc.)	TI Allowance	Age of Building	Tenant Mix	Property Renovated	Year	General Comments
540 Bryant Street	unknown	1,790	n/a	one space	$3.50	negotiable	no	unknown	Retail	yes	n/a	Vacant since April 2, 2002.
208 Hamilton Avenue	unknown	1,800	n/a	one space	$4.50	negotiable	no	2002	Retail	new	n/a	
611 Emerson Street	6,800	6,800 Sublease	100.0%	one space	$3.95	NNN	negotiable	unknown	General	yes	2002	Renovation completed Jan. 2, 2002. Current tenant was the Chronicle. Prospective Also noted in Office Section

Sources: Respective property representatives; Bay Area Economics, 2002.

Appendix E: Small Site, Existing Zoning Regulations (0.6 FAR)

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	10,500	Sq. Ft.
Commercial Space	-	Bldg. Sq. Ft.
Retail Square Feet	-	
Office Square Feet	-	Bldg. Sq. Ft.
Total Rental Units	7	Units@1,500 Sq. Ft. Each
Residential Square Feet	10,500	Sq. Ft.
Total Building Square Feet	10,500	Sq. Ft.

Parking	Required	Spaces
Retail Parking	1 Sp/250 Sq. Ft.	
Office Parking	1 Sp/250 Sq. Ft.	-
Residential Parking	2 Sp/Unit	14

Parking Type	Spaces
Tuck-Under Parking	-
Podium Parking	14
Underground Parking	-

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Price	Unit	Item Costs	Price/Unit
Site Area Improvements	10,500	Sq. Ft.	$6	/Sq. Ft.	$63,000	$9,000
Residential Building (a)	10,500	Bldg. Sq. Ft.	$160	/Bldg. Sq.Ft.	$1,680,000	$240,000
Podium Parking (b)	7,200	Sq. Ft.	$45	/Sq. Ft.	$324,000	$46,286
TOTAL	10,500	Bldg. Sq. Ft.			$2,067,000	$295,286

SOFT COSTS

Item	Number	Unit	Price	Unit	Item Costs	Price/Unit
Architecture Fees	$2,067,000	Total Hard Costs	5%	of Total Hard Costs	$103,350	$14,764
Engineering Fees	$2,067,000	Total Hard Costs	2.5%	of Total Hard Costs	$51,675	$7,382
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000	$60,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000	$7,143
Development Impact Fees and Building Fees						
Development Impact Fees						
Residential	7	Units@1,500 Sq. Ft. Each	$6,930	/Unit	$48,510	$6,930
Building Fees						
BMR Residential In-Lieu Fee	$250,000	Appraised Apt Value	7.5%	*Appraised Apartment Value	$18,750	$2,679
Plumbing, Mechanical, and Electric	10,500	Bldg. Sq. Ft.	$0.18	/Bldg. Sq.Ft.	$1,890	$270
Building Fees	$2,067,000	Total Hard Costs	$5,892 + $3.85/additional $1,000		$10,107	$1,444
School Fees						
Residential	10,500	Living Area	$2.14	/Bldg. Sq. Ft. of Living Area	$22,470	$3,210
Plan Check Fees (c)	1	Project	$20,554	/Project	$20,554	$2,936
Utility Fees (c)	1	Project	$21,800	/Project	$21,800	$3,114
Construction Financing Costs						
Loan to Value Ratio	$2,836,105	Total Value	0.75	of Total Value		
Length of Construction Period	8	months				
Drawdown Factor	$2,127,079	Total Loan	0.55	of Total Loan		
Construction Loan Rate	$2,127,079	Total Loan	7.5%	of Total Loan/Year	$58,495	$8,356
Loan Fees	$2,127,079	Total Loan	1.5%	of Total Loan	$31,906	$4,558
Permanent Loan Fees	$2,194,880	Permanent Loan	1%	of Permanent Loan	$21,949	$3,136
Interim Property Taxes	$5,439,615	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$21,758	$3,108
Developer Services & Other Soft Costs	$2,970,213	Hard & Soft Costs	3%	of Hard & Soft Costs	$89,106	$12,729
Project Contingency	$3,059,320	Hard & Soft Costs	5%	of Hard & Soft costs	$152,966	$21,852
TOTAL SOFT COSTS					$1,145,286	$163,612
DEVELOPER PROFIT	$3,099,936	Hard & Soft Costs (e)	10%	of Hard & Soft costs (d)	$309,994	$44,285
				TOTAL CONSTRUCTION COSTS:	**$3,522,280**	**$503,183**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price Per Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES					
Market Price	9,000	Bldg. Sq. Ft.	$500 /Bldg. Sq. Ft.	$4,500,000	$750,000
Below Market Rate Unit Price (e)	1,500	Bldg. Sq. Ft.	$164 /Bldg. Sq. Ft.	$245,388	$245,388
Brokerage and Marketing Expenses			5% of Potential Revenue	($225,000)	($32,143)
TOTAL REVENUE			$502 /Bldg. Sq. Ft.	$4,520,388	$645,770

TOTAL PROJECT VALUE		**$4,520,388**
LAND RESIDUAL VALUE	**$95.06 /Lot Sq. Ft.**	**$998,109**

Notes:
(a) Assumes 1,400 square foot units with wood frame construction, custom quality construction, skylight, and full appliances.
(b) Assumes 423 square feet per space.
(c) See Appendix T for a detail list of planning, building, and development impact fees.
(d) Financing costs are not included in calculating developer profit.
(e) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Seque Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix F: Small Site, 1.15 FAR Alternative-Standard Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	10,500	Sq. Ft.
Commercial Space	-	Bldg. Sq. Ft.
Retail Square Feet	-	Bldg. Sq. Ft.
Office Square Feet	-	Bldg. Sq. Ft.
Total Condominiums	7	Units@1,500 Sq. Ft. Each
Residential Square Feet	10,500	Bldg. Sq. Ft.
Total Building Square Feet	10,500	Bldg. Sq. Ft.

Parking	Required	Spaces
Retail Parking	1 Sp/250 Sq. Ft.	
Office Parking	1 Sp/250 Sq. Ft.	-
Residential Parking	2.3 Sp/Unit	17

Parking Type	Spaces
Surface Parking	
Partially Submerged Podium Parking	17
Underground Parking	-

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Site Area Improvements	10,500	Sq. Ft.	$6	/Sq. Ft.	$63,000	$9,000
Residential Building (a)	10,500	Bldg. Sq. Ft.	$160	/Bldg. Sq. Ft.	$1,680,315	$240,045
Podium Parking (b)	7,200	Sq. Ft.	$45	/Sq. Ft.	$324,000	$46,286
TOTAL	10,500	Bldg. Sq. Ft.			$2,067,315	$295,331

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Architecture Fees	$2,067,315	Total Hard Costs	5%	of Total Hard Costs	$103,366	$14,767
Engineering Fees	$2,067,315	Total Hard Costs	2.5%	of Total Hard Costs	$51,683	$7,383
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000	$60,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000	$7,143
Development Impact Fees and Building Fees (c)						
Development Impact Fees	7	Units	$6,930	/Unit	$48,510	$6,930
Building Fees						
BMR Residential In-Lieu Fee	$257,500	Appraised Apt Value	7.5%	*Appraised Apartment Value	$19,313	$2,759
Plumbing, Mechanical, and Electric	10,500	Bldg. Sq. Ft.	$0.18	/Bldg. Sq. Ft.	$1,890	$270
Building Fees	$2,067,315	Total Hard Costs	$5,892 + $3.85/additional $1,000		$10,111	$1,444
Excavation Fees	9,600	Cubic Yards	$1,000 + $100/additional 1,000 C.Y.		$1,900	$271
School Fees	10,500	Living Area	$2.14	Bldg. Sq. Ft. of Living Area	$22,470	$3,210
Plan Check Fees	1	Project	$21,260	/Project	$21,260	$3,037
Utility Fees	1	Project	$25,300	/Project	$25,300	$3,614
Construction Financing Costs						
Loan to Value Ratio	$2,843,116	Total Value	0.75	of Total Value		
Length of Construction Period	16	months				
Drawdown Factor	$2,132,337	Total Loan	0.60	of Total Loan		
Construction Loan Rate	$2,132,337	Total Loan	7.5%	of Total Loan/Year	$127,940	$18,277
Loan Fees	$2,132,337	Total Loan	1.5%	of Total Loan	$31,985	$4,569
Interim Property Taxes	$5,494,202	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$43,954	$6,279
Developer Services & Other Soft Costs	$3,046,995	Hard & Soft Costs	3%	of Hard & Soft Costs	$91,410	$13,059
Project Contingency	$3,138,405	Hard & Soft Costs	5%	of Hard & Soft Costs	$156,920	$22,417
TOTAL SOFT COSTS					$1,228,010	$175,430
DEVELOPER PROFIT	$3,135,400	Hard & Soft Costs (d)	10%	of Hard & Soft Costs (d)	$313,540	$44,791
				TOTAL CONSTRUCTION COSTS:	**$3,608,865**	**$515,552**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	9,000	Bldg. Sq. Ft.	$515	/Bldg. Sq. Ft.	$4,635,000	$772,500
Below Market Rate Unit Price (e)	1,500	Bldg. Sq. Ft.	$164	/Bldg. Sq. Ft.	$245,388	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($244,019)	($34,860)
TOTAL REVENUE	10,500	Bldg. Sq. Ft.	$442	/Bldg. Sq. Ft.	$4,636,369	$662,338
LAND RESIDUAL VALUE			**$97.86**	**/Lot. Sq. Ft.**	**$1,027,503**	**$146,786**

Notes:
(a) Assumes 1,500 square foot units with wood frame high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail
(b) Assumes 423 square feet per space.
(c) See Appendix T for a detail list of planning, building, and development impact fees.
(d) Financing costs are not included in calculating developer profit.
(e) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix G: Small Site, 1.15 FAR Alternative-Reduced Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	10,500	Sq. Ft.
Commercial Space	-	Bldg. Sq. Ft.
Retail Square Feet	-	Bldg. Sq. Ft.
Office Square Feet	-	Bldg. Sq. Ft.
Total Condominiums	7	Units@1,500 Sq. Ft. Each
Residential Square Feet	10,500	Bldg. Sq. Ft.
Total Building Square Feet	10,500	Bldg. Sq. Ft.

Parking	Required	Spaces
Retail Parking	1 Sp/250 Sq. Ft.	
Office Parking	1 Sp/350 Sq. Ft.	-
Residential Parking	1.5 Sp/Unit	11

Parking Type	Spaces
Surface Parking	
Partially Submerged Podium Parking	11
Underground Parking	-

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Site Area Improvements	10,500	Sq. Ft.	$6	/Sq. Ft.	$63,000	$9,000
Residential Building (a)	10,500	Bldg. Sq. Ft.	$160	/Bldg. Sq. Ft.	$1,680,315	$240,045
Podium Parking (b)	4,700	Sq. Ft.	$45	/Sq. Ft.	$211,500	$30,214
TOTAL	10,500	Bldg. Sq. Ft.			$1,954,815	$279,259

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Architecture Fees	$1,954,815	Total Hard Costs	5%	of Total Hard Costs	$97,741	$13,963
Engineering Fees	$1,954,815	Total Hard Costs	2.5%	of Total Hard Costs	$48,870	$6,981
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000	$60,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000	$7,143
Development Impact Fees and Building Fees (c)						
Development Impact Fees	7	Units	$6,930	/Unit	$48,510	$6,930
Building Fees						
BMR Residential In-Lieu Fee	$250,000	Appraised Apt Value	7.5%	*Appraised Apartment Value	$18,750	$2,679
Plumbing, Mechanical, and Electric	10,500	Bldg. Sq. Ft.	$0.18	/Bldg. Sq. Ft.	$1,890	$270
Building Fees	$1,954,815	Total Hard Costs	$5,892 + $3.85/additional $1,000		$9,664	$1,381
Excavation Fees	6,300	Cubic Yards	$1,000 + $100/additional 1,000 C.Y.		$1,600	$229
School Fees	10,500	Living Area	$2.14	Bldg. Sq. Ft. of Living Area	$22,470	$3,210
Plan Check Fees	1	Project	$20,589	/Project	$20,589	$2,941
Utility Fees	1	Project	$25,300	/Project	$25,300	$3,614
Construction Financing Costs						
Loan to Value Ratio	$2,720,199	Total Value	0.75	of Total Value		
Length of Construction Period	16	months				
Drawdown Factor	$2,040,149	Total Loan	0.60	of Total Loan		
Construction Loan Rate	$2,040,149	Total Loan	7.5%	of Total Loan/Year	$122,409	$17,487
Loan Fees	$2,040,149	Total Loan	1.5%	of Total Loan	$30,602	$4,372
Interim Property Taxes	$5,364,370	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$42,915	$6,131
Developer Services & Other Soft Costs	$2,916,125	Hard & Soft Costs	3%	of Hard & Soft Costs	$87,484	$12,498
Project Contingency	$3,003,609	Hard & Soft Costs	5%	of Hard & Soft Costs	$150,180	$21,454
TOTAL SOFT COSTS					$1,198,974	$171,282
DEVELOPER PROFIT	$3,000,778	Hard & Soft Costs (d)	10%	of Hard & Soft Costs (d)	$300,078	$42,868
				TOTAL CONSTRUCTION COSTS:	**$3,453,867**	**$493,410**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	9,000	Bldg. Sq. Ft.	$500	/Sq. Ft.	$4,500,000	$750,000
Below Market Rate Unit Price (e)	1,500	Bldg. Sq. Ft.	$164	/Bldg. Sq. Ft.	$245,388	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($237,269)	($33,896)
TOTAL REVENUE	10,500	Bldg. Sq. Ft.	$429	/Sq. Ft.	$4,508,119	$644,017
LAND RESIDUAL VALUE			**$100.40**	**/Lot Sq. Ft.**	**$1,054,251**	**$150,607**

Notes:
(a) Assumes 1,500 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail
(b) Assumes 427 square feet a space.
(c) See Appendix T for a detail list of planning, building, and development impact fees.
(d) Financing costs are not included in calculating developer profit.
(e) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix H: Small Site, 1.5 FAR Alternative-Standard Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	10,500	Sq. Ft.
Commercial Space	-	Bldg. Sq. Ft.
Retail Square Feet	-	Bldg. Sq. Ft.
Office Square Feet	-	Bldg. Sq. Ft.
Total Condominiums	10	Units@1,500 Sq. Ft. Each
Residential Square Feet	15,000	Bldg. Sq. Ft.
Total Building Square Feet	15,000	Bldg. Sq. Ft.

Parking	Required	Spaces
Retail Parking	1 Sp/250 Sq. Ft.	
Office Parking	1 Sp/250 Sq. Ft.	-
Residential Parking	2.3 Sp/Unit	23

Parking Type	Spaces
Surface Parking	
Partially Submerged Podium Parking	-
Underground Parking	23

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Site Area Improvements	10,500	Sq. Ft.	$6	/Sq. Ft.	$63,000	$6,300
Residential Building (a)	15,000	Bldg. Sq. Ft..	$151	/Bldg. Sq. Ft.	$2,259,000	$225,900
Underground Parking (b)	10,500	Sq. Ft.	$70	/Sq. Ft.	$735,000	$73,500
TOTAL	15,000	Bldg. Sq. Ft.			$3,057,000	$305,700

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Architecture Fees	$3,057,000	Total Hard Costs	5%	of Total Hard Costs	$152,850	$15,285
Engineering Fees	$3,057,000	Total Hard Costs	2.5%	of Total Hard Costs	$76,425	$7,643
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000	$42,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000	$5,000
Development Impact Fees and Building Fees (c)						
Development Impact Fees	10	Units	$6,930	/Unit	$69,300	$6,930
Building Fees						
BMR Residential In-Lieu Fee	$2,575,000	Appraised Apt Value	7.5%	*Appraised Apartment Value	$193,125	$19,313
Plumbing, Mechanical, and Electric	15,000	Bldg. Sq. Ft..	$0.18	/Bldg. Sq. Ft.	$2,700	$270
Building Fees	$3,057,000	Total Hard Costs	$5,892 + $3.85/additional $1,000		$14,017	$1,402
Excavation Fees	14,000	Cubic Yards	$1,000 + $100/additional 1,000 C.Y.		$2,300	$230
School Fees	15,000	Living Area	$2.14	Bldg. Sq. Ft. of Living Area	$32,100	$3,210
Plan Check Fees	1	Project	$27,432	/Project	$27,432	$2,743
Utility Fees	1	Project	$33,150	/Project	$33,150	$3,315
Construction Financing Costs						
Loan to Value Ratio	$4,130,399	Total Value	0.75	of Total Value		
Length of Construction Period	16	months				
Drawdown Factor	$3,097,799	Total Loan	0.60	of Total Loan		
Construction Loan Rate	$3,097,799	Total Loan	7.5%	of Total Loan/Year	$185,868	$18,587
Loan Fees	$3,097,799	Total Loan	1.5%	of Total Loan	$46,467	$4,647
Interim Property Taxes	$6,853,894	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$54,831	$5,483
Developer Services & Other Soft Costs	$4,417,565	Hard & Soft Costs	3%	of Hard & Soft Costs	$132,527	$13,253
Project Contingency	$4,550,092	Hard & Soft Costs	5%	of Hard & Soft costs	$227,505	$22,750
TOTAL SOFT COSTS					$1,720,597	$172,060
DEVELOPER PROFIT	$4,545,262	Hard & Soft Costs (d)	10%	of Hard & Soft Costs (d)	$454,526	$45,453
				TOTAL CONSTRUCTION COSTS:	**$5,232,123**	**$523,212**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	13,500	Bldg. Sq. Ft.	$515	/Bldg. Sq. Ft.	$6,952,500	$772,500
Below Market Rate Unit Price (e)	1,500	Bldg. Sq. Ft.	$164	/Bldg. Sq. Ft.	$245,388	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($359,894)	($35,989)
TOTAL REVENUE	15,000	Bldg. Sq. Ft.	$456	/Bldg. Sq. Ft.	$6,837,994	$683,799
LAND RESIDUAL VALUE			**$152.94**	**/Lot Sq. Ft.**	**$1,605,871**	**$160,587**

Notes:
(a) Assumes 1,500 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail
(b) Assumes 425 square feet per space.
(c) See Appendix T for a detail list of planning, building, and development impact fees.
(d) Financing costs are not included in calculating developer profit.
(e) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix I: Small Site, 1.5 FAR Alternative-Reduced Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	10,500	Sq. Ft.
Commercial Space	-	Sq. Ft.
Retail Square Feet	-	
Office Square Feet	-	Sq. Ft.
Total Condominiums	10	Units@1,500 Sq. Ft. Each
Residential Square Feet	15,000	Bldg. Sq. Ft.
Total Building Square Feet	15,000	Bldg. Sq. Ft.

Parking	Required	Spaces
Retail Parking	1 Sp/250 Sq. Ft.	
Office Parking	1 Sp/350 Sq. Ft.	-
Residential Parking	1.5 Sp/Unit	15

Parking Type	Spaces
Surface Parking	
Partially Submerged Podium Parking	15
Underground Parking	-

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Site Area Improvements	10,500	Sq. Ft.	$6	/Sq. Ft.	$63,000	$6,300
Residential Building (a)	15,000	Bldg. Sq. Ft..	$151	/Bldg. Sq. Ft.	$2,259,000	$225,900
Podium Parking (b)	6,400	Sq. Ft.	$45	/Sq. Ft.	$288,000	$28,800
TOTAL	15,000	Bldg. Sq. Ft.			$2,610,000	$261,000

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Architecture Fees	$2,610,000	Total Hard Costs	5%	of Total Hard Costs	$130,500	$13,050
Engineering Fees	$2,610,000	Total Hard Costs	2.5%	of Total Hard Costs	$65,250	$6,525
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000	$42,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000	$5,000
Development Impact Fees and Building Fees (c)						
Development Impact Fees	10	Units	$6,930	/Unit	$69,300	$6,930
Building Fees						
BMR Residential In-Lieu Fee	$2,500,000	Appraised Apt Value	7.5%	*Appraised Apartment Value	$187,500	$18,750
Plumbing, Mechanical, and Electric	15,000	Bldg. Sq. Ft..	$0.18	/Bldg. Sq. Ft.	$2,700	$270
Building Fees	$2,610,000	Total Hard Costs	$5,892 + $3.85/additional $1,000		$12,252	$1,225
Excavation Fees	8,600	Cubic Yards	$1,000 + $100/additional 1,000 C.Y.		$1,800	$180
School Fees	15,000	Living Area	$2.14	Bldg. Sq. Ft. of Living Area	$32,100	$3,210
Plan Check Fees	1	Project	$24,778	/Project	$24,778	$2,478
Utility Fees	1	Project	$33,150	/Project	$33,150	$3,315
Construction Financing Costs						
Loan to Value Ratio	$3,639,329	Total Value	0.75	of Total Value		
Length of Construction Period	16	months				
Drawdown Factor	$2,729,497	Total Loan	0.60	of Total Loan		
Construction Loan Rate	$2,729,497	Total Loan	7.5%	of Total Loan/Year	$163,770	$16,377
Loan Fees	$2,729,497	Total Loan	1.5%	of Total Loan	$40,942	$4,094
Interim Property Taxes	$6,335,202	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$50,682	$5,068
Developer Services & Other Soft Costs	$3,894,723	Hard & Soft Costs	3%	of Hard & Soft Costs	$116,842	$11,684
Project Contingency	$4,011,565	Hard & Soft Costs	5%	of Hard & Soft Costs	$200,578	$20,058
TOTAL SOFT COSTS					$1,602,143	$160,214
DEVELOPER PROFIT	$4,007,431	Hard & Soft Costs (d)	10%	of Hard & Soft Costs (d)	$400,743	$40,074
				TOTAL CONSTRUCTION COSTS:	**$4,612,886**	**$461,289**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	13,500	Bldg. Sq. Ft.	$500	/Bldg. Sq. Ft.	$6,750,000	$750,000
Below Market Rate Unit Price (e)	1,500	Bldg. Sq. Ft.	$164	/Bldg. Sq. Ft.	$245,388	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($349,769)	($34,977)
TOTAL REVENUE	15,000	Bldg. Sq. Ft.	$443	/Bldg. Sq. Ft.	$6,645,619	$664,562
LAND RESIDUAL VALUE			**$193.59**	**/Lot. Sq. Ft.**	**$2,032,732**	**$203,273**

Notes:
(a) Assumes 1,500 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances.
See Appendix S for a full unit detail
(b) Assumes 425 square feet per space.
(c) See Appendix T for a detail list of planning, building, and development impact fees.
(d) Financing costs are not included in calculating developer profit.
(e) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix J: Small Site, 2.1 FAR Alternative-Standard Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	10,500	Sq. Ft.
Commercial Space	-	Bldg. Sq. Ft.
Retail Square Feet	-	Bldg. Sq. Ft.
Office Square Feet	-	Bldg. Sq. Ft.
Total Condominiums	14	Units@1,500 Sq. Ft. Each
Residential Square Feet	21,000	Bldg. Sq. Ft.
Interior Corridor Circulation	1,000	Bldg. Sq. Ft.
Total Building Square Feet	22,000	Bldg. Sq. Ft.

Parking	Required	Spaces
Retail Parking	1 Sp/250 Sq. Ft.	-
Office Parking	1 Sp/250 Sq. Ft.	-
Residential Parking	2.3 Sp/Unit	33

Parking Type	Spaces
Tuck-Under Alley Parking	-
Partially Submerged Podium Parking	-
Underground Parking (a)	33

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Site Area Improvements	10,500	Sq. Ft.	$6	/Sq. Ft.	$63,000	$4,500
Residential Building (b)	22,000	Bldg. Sq. Ft..	$155	/Bldg. Sq.Ft.	$3,401,792	$242,985
Underground Parking (c)	22,000	Sq. Ft.	$75	/Sq. Ft.	$1,650,000	$117,857
TOTAL	22,000	Bldg. Sq. Ft.			$5,114,792	$365,342

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Architecture Fees	$5,114,792	Total Hard Costs	5%	of Total Hard Costs	$255,740	$18,267
Engineering Fees	$5,114,792	Total Hard Costs	2.5%	of Total Hard Costs	$127,870	$9,134
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000	$30,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000	$3,571
Development Impact Fees and Building Fees (c)						
Development Impact Fees	14	Units	$6,930	/Unit	$97,020	$6,930
Building Fees						
BMR Residential In-Lieu Fee	$515,000	Appraised Apt Value	7.5%	*Appraised Apartment Value	$38,625	$2,759
Plumbing, Mechanical, and Electric	22,000	Bldg. Sq. Ft..	$0.18	/Bldg. Sq.Ft.	$3,960	$283
Building Fees	$5,114,792	Total Hard Costs	$5,892 + $3.85/additional $1,000		$22,146	$1,582
Excavation Fees	34,300	Cubic Yards	$2,000 + $100/additional 10,000 C.Y.		$2,300	$164
School Fees						
Residential	21,000	Living Area	$2.14	/Sq. Ft. of Living Area	$44,940	$3,210
Plan Check Fees	1	Project	$40,051	/Project	$40,051	$2,861
Utility Fees	1	Project	$40,950	/Project	$40,950	$2,925
Construction Financing Costs						
Loan to Value Ratio	$6,258,394	Total Value	0.75	of Total Value		
Length of Construction Period	18	months				
Drawdown Factor	$4,693,795	Total Loan	0.60	of Total Loan		
Construction Loan Rate	$4,693,795	Total Loan	7.5%	of Total Loan/Year	$316,831	$22,631
Loan Fees	$4,693,795	Total Loan	1.5%	of Total Loan	$70,407	$5,029
Interim Property Taxes	$9,136,792	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$82,231	$5,874
Developer Services & Other Soft Costs	$6,727,863	Hard & Soft Costs	3%	of Hard & Soft Costs	$201,836	$14,417
Project Contingency	$6,929,699	Hard & Soft Costs	5%	of Hard & Soft costs	$346,485	$24,749
TOTAL SOFT COSTS					$2,161,392	$154,385
DEVELOPER PROFIT	$6,888,946	Hard & Soft Costs (e)	10%	of Hard & Soft Costs (d)	$688,895	$49,207
				TOTAL CONSTRUCTION COSTS:	**$7,965,078**	**$568,934**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	18,000	Bldg. Sq. Ft.	$515	/Bldg. Sq. Ft.	$9,270,000	$772,500
Below Market Rate Unit Price (f)	3,000	Bldg. Sq. Ft.	$164	/Bldg. Sq. Ft.	$490,776	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($488,039)	($34,860)
TOTAL REVENUE					**$9,272,737**	$662,338
LAND RESIDUAL VALUE			**$124.54**	**/Lot. Sq. Ft.**	**$1,307,659**	**$93,404**

Notes:
(a) Assumes two levels of underground parking.
(b) Assumes 1,500 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances.
See Appendix S for a full unit detail
(c) Tuck Under Alley Parking assumes 250 square feet a space. Underground parking assumes 475 square feet a space.
(d) See Appendix T for a detail list of planning, building, and development impact fees.
(e) Financing costs are not included in calculating developer profit.
(f) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix K: Small Site, 2.1 FAR Alternative-Reduced Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	10,500	Sq. Ft.
Commercial Space	-	Bldg. Sq. Ft.
Retail Square Feet	-	Bldg. Sq. Ft.
Office Square Feet	-	Bldg. Sq. Ft.
Total Condominiums	14	Units@1,500 Sq. Ft. Each
Residential Square Feet	21,000	Bldg. Sq. Ft.
Interior Corridor Circulation	1,000	Bldg. Sq. Ft.
Total Building Square Feet	22,000	Bldg. Sq. Ft.

Parking	Required	Spaces
Retail Parking	1 Sp/250 Sq. Ft.	
Office Parking	1 Sp/350 Sq. Ft.	-
Residential Parking	1.5 Sp/Unit	21

Parking Type	Spaces
Tuck-Under Alley Parking	-
Partially Submerged Podium Parking	-
Underground Parking	21

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Site Area Improvements	10,500	Sq. Ft.	$6	/Sq. Ft.	$63,000	$4,500
Residential Building (a)	22,000	Bldg. Sq. Ft..	$155	/Bldg. Sq.Ft.	$3,401,792	$242,985
Underground Parking (c)	9,500	Sq. Ft.	$70	/Sq. Ft.	$665,000	$47,500
TOTAL	22,000	Bldg. Sq. Ft.			$4,129,792	$294,985

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs	Price/Unit
Architecture Fees	$4,129,792	Total Hard Costs	5%	of Total Hard Costs	$206,490	$14,749
Engineering Fees	$4,129,792	Total Hard Costs	2.5%	of Total Hard Costs	$103,245	$7,375
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000	$30,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000	$3,571
Development Impact Fees and Building Fees (c)						
Development Impact Fees	14	Units	$6,930	/Unit	$97,020	$6,930
Building Fees						
BMR Residential In-Lieu Fee	$500,000	Appraised Apt Value	7.5%	*Appraised Apartment Value	$37,500	$2,679
Plumbing, Mechanical, and Electric	22,000	Bldg. Sq. Ft..	$0.18	/Bldg. Sq.Ft.	$3,960	$283
Building Fees	$4,129,792	Total Hard Costs	$5,892 + $3.85	/additional $1,000	$18,256	$1,304
Excavation Fees	14,800	Cubic Yards	$2,000 + $100	/additional 10,000 C.Y.	$2,100	$150
School Fees						
Residential	21,000	Living Area	$2.14	/Sq. Ft. of Living Area	$44,940	$3,210
Plan Check Fees	1	Project	$34,203	/Project	$34,203	$2,443
Utility Fees	1	Project	$40,950	/Project	$40,950	$2,925
Construction Financing Costs						
Loan to Value Ratio	$5,188,455	Total Value	0.75	of Total Value		
Length of Construction Period	18	months				
Drawdown Factor	$3,891,341	Total Loan	0.60	of Total Loan		
Construction Loan Rate	$3,891,341	Total Loan	7.5%	of Total Loan/Year	$262,666	$18,762
Loan Fees	$3,891,341	Total Loan	1.5%	of Total Loan	$58,370	$4,169
Interim Property Taxes	$8,000,650	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$72,006	$5,143
Developer Services & Other Soft Costs	$5,581,496	Hard & Soft Costs	3%	of Hard & Soft Costs	$167,445	$11,960
Project Contingency	$5,748,941	Hard & Soft Costs	5%	of Hard & Soft Costs	$287,447	$20,532
TOTAL SOFT COSTS					$1,906,596	$136,185
DEVELOPER PROFIT	$5,715,352	Hard & Soft Costs (d)	10%	of Hard & Soft Costs (d)	$571,535	$40,824
				TOTAL CONSTRUCTION COSTS:	**$6,607,923**	**$471,995**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	18,000	/Bldg. Sq. Ft.	$500	/Bldg. Sq. Ft.	$9,000,000	$750,000
Below Market Rate Unit Price (e)	3,000	/Bldg. Sq. Ft.	$164	/Bldg. Sq. Ft.	$490,776	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($474,539)	($33,896)
TOTAL RESIDENTIAL REVENUE					**$9,016,237**	$644,017
LAND RESIDUAL VALUE			**$229.36**	**/Lot Sq. Ft.**	**$2,408,314**	**$172,022**

Notes:
(a) Assumes 1,500 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances.
See Appendix S for a full unit detail
(b) Assumes 452 square feet per space.
(c) See Appendix T for a detail list of planning, building, and development impact fees.
(d) Financing costs are not included in calculating developer profit.
(e) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix L: Large Site, Existing Zoning Regulations (0.6 FAR)

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	26,250	Sq. Ft.
Commercial Space	5,000	Bldg. Sq. Ft.
Retail Square Feet	-	Bldg. Sq. Ft.
Office Square Feet	5,000	Bldg. Sq. Ft.
Total Condominiums	14	Units@1,450 Sq. Ft. Each
Residential Square Feet	20,300	Bldg. Sq. Ft.
Total Building Square Feet	25,300	Bldg. Sq. Ft.

Parking	Required	Spaces
Retail Parking	1 Sp/250 Sq. Ft.	
Office Parking	1 Sp/250 Sq. Ft.	20
Residential Parking	2.1Sp/Unit+1 Sp	31

Parking Type	Spaces
Tuck Under Parking	51
Podium Parking	-
Underground Parking	-

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Site Area Improvements	26,250	Sq. Ft.	$6	/Sq. Ft.	$157,500
Commercial Construction (b)	5,000	Bldg Sq. Ft.	$152	/Bldg. Sq.Ft.	$760,000
Residential Building (c)	20,300	Bldg Sq. Ft.	$150	/Bldg. Sq.Ft.	$3,045,000
Tuck Under Parking (d)	14,280	Sq. Ft.	$30	/Sq. Ft.	$428,400
TOTAL	25,300	Bldg Sq. Ft.			$4,390,900

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Architecture Fees	$4,390,900	Total Hard Costs	5%	of Total Hard Costs	$219,545
Engineering Fees	$4,390,900	Total Hard Costs	2.5%	of Total Hard Costs	$109,773
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000
Development Impact Fees and Building Fees (e)					
Development Impact Fees					
Commercial	5,000	Bldg Sq. Ft.	$18.75	/Bldg. Sq.Ft.	$93,750
Residential	14	Units@1,450 Sq. Ft. Each	$6,930	/Unit	$97,020
BMR Residential In-Lieu Fee	$483,333	Appraised Apt Value	7.5%	*Appraised Apartment Value	$36,250
Building Fees					
Plumbing, Mechanical, and Electric	25,300	Bldg Sq. Ft.	$0.18	/Bldg. Sq.Ft.	$4,554
Building Fees	$4,390,900	Total Hard Costs	$5,892 + $3.85/additional $1,000		$19,286
School Fees					
Commercial	5,000	Bldg Sq. Ft.	$0.34	/Bldg. Sq.Ft.	$1,700
Residential	20,300	Bldg Sq. Ft.	$2.14	/Bldg. Sq.Ft.	$43,442
Plan Check Fees	1	Project	$34,352	/Project	$34,352
Utility Fees	1	Project	$76,950	/Project	$76,950
Construction Financing Costs					
Loan to Costs Ratio	$5,597,522	Total Costs	0.75	of Total Costs	
Length of Construction Period	8	months			
Drawdown Factor	$4,198,142	Total Loan	0.55	of Total Loan	
Construction Loan Rate	$4,198,142	Total Loan	7.5%	of Total Loan/Year	$115,449
Loan Fees	$4,198,142	Total Loan	1.5%	of Total Loan	$62,972
Permanent Loan Fees	$4,331,958	Permanent Loan	1%	of Permanent Loan	$43,320
Interim Property Taxes	$9,410,423	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$37,642
Developer Services & Other Soft Costs	$5,856,905	Hard & Soft Costs	3%	of Hard & Soft Costs	$175,707
Project Contingency	$6,032,612	Hard & Soft Costs	5%	of Hard & Soft Costs	$301,631
TOTAL SOFT COSTS					$1,943,342
DEVELOPER PROFIT	$6,112,502	Hard & Soft Costs (e)	12%	of Hard & Soft Costs (e)	$733,500
				TOTAL CONSTRUCTION COSTS:	**$7,067,743**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	
RESIDENTIAL UNIT SALES						
Market Price	17,400	/Bldg. Sq. Ft.	$500	/Bldg. Sq. Ft.	$8,700,000	$725,000
Below Market Rate Unit Price (f)	2,900	/Bldg. Sq. Ft.	$169	/Bldg. Sq. Ft.	$490,776	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($459,539)	($32,824)
TOTAL RESIDENTIAL REVENUE					**$8,731,237**	$623,660
OFFICE LEASING						
Monthly Lease Rate (NNN)	5,000	Bldg. Sq. Ft.	$3.50	/Bldg. Sq. Ft.	$17,500	
Less Vacancy			10%	of Potential Revenue	($1,750)	
Monthly Operating Expenses	5,000	Bldg. Sq. Ft.	($0.35)	/Bldg. Sq. Ft.	($1,750)	
TOTAL MONTHLY REVENUE	25,300	Bldg. Sq. Ft.	$0.55	/Bldg. Sq. Ft.	$14,000	
	Annual Revenue		**Capitalization Rate**		**Capitalized Value**	
COMMERCIAL CAPITALIZED VALUE	$168,000	/Year	8%	/Annual Revenue	**$2,100,000**	
TOTAL PROJECT VALUE					**$10,831,237**	
LAND RESIDUAL VALUE			**$143.37**	**/Lot Sq. Ft.**	**$3,763,495**	

Notes:
(a) Assumes wood frame construction with tenant improvements included at $40 per square foot. See Appendix S for a full unit detail.
(b) Assumes 1,500 square foot units with wood frame construction, custom quality construction, skylight, and full appliances.
(c) Assumes 333 square feet a space with landscaping.
(d) See Appendix T for a detail list of planning, building, and development impact fees.
(e) Financing costs are not included in calculating developer profit.
(f) The estimated monthly unit expense rate is $3,600 per year.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix M: Large Site, 1.15 FAR Alternative-Standard Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	26,250	Sq. Ft.
Commercial Space	5,200	Bldg. Sq. Ft.
Office Square Feet	2,500	Bldg. Sq. Ft.
Retail Square Feet	2,700	Bldg. Sq. Ft.
Total Condominiums	15	Units@1,500 Sq. Ft. Each
Residential Square Feet	22,500	Bldg. Sq. Ft.
Total Building Square Feet	27,700	Bldg. Sq. Ft.

Parking	Required	Spaces
Office Parking	1 Sp/250 Sq. Ft.	10
Retail Parking	1 Sp/250 Sq. Ft.	11
Residential Parking	2.3 Sp/Unit	35

Parking Type	Spaces
Surface Parking	4
Tuck-Under Alley Parking	15
Partially Submerged Podium Parking	37

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Site Area Improvements	26,250	Sq. Ft.	$6	/Sq. Ft.	$157,500
Residential Building (a)	22,500	Bldg. Sq. Ft..	$152	/Bldg. Sq.Ft.	$3,428,350
Commercial Building (b)	5,200	Bldg. Sq. Ft..	$152	/Bldg. Sq.Ft.	$790,400
Surface Parking (c)	1,000	Sq. Ft.	$8	/Sq. Ft.	$8,000
Tuck Under Alley Parking (c)	3,750	Sq. Ft.	$30	/Sq. Ft.	$112,500
Podium Parking (c)	12,500	Sq. Ft.	$45	/Sq. Ft.	$562,500
TOTAL	27,700	Bldg. Sq. Ft.			$5,059,250

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Architecture Fees	$5,059,250	Total Hard Costs	5%	of Total Hard Costs	$252,963
Engineering Fees	$5,059,250	Total Hard Costs	2.5%	of Total Hard Costs	$126,481
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000
Development Impact Fees and Building Fees					
Development Impact Fees					
Residential	15	Units	$6,930	/Unit	$103,950
Commercial	5,200	Bldg. Sq. Ft..	$18.75	/Bldg. Sq.Ft.	$97,500
BMR Fee	$1,912,857	Appraised Apt Value (e)	7.5%	*Appraised Apartment Value	$143,464
Building Fees					
Plumbing, Mechanical, and Electric	27,700	Bldg. Sq. Ft.	$0.18	/Bldg. Sq.Ft.	$4,986
Building Fees	$5,059,250	Total Hard Costs	$5,892 + $3.85/additional $1,000		$21,929
Excavation Fees	16,700	Cubic Yards	$2,000 + $100/additional 10,000 C.Y.		$2,100
School Fees					
Residential	22,500	Living Area	$2.14	/Sq. Ft. of Living Area	$48,150
Commercial	5,200	Bldg. Sq. Ft..	$0.34	/Bldg. Sq.Ft.	$1,768
Plan Check Fees (d)	1	Project	$39,824	/Project	$39,824
Utility Fees (d)	1	Project	$82,150	/Project	$82,150
Construction Financing Costs					
Loan to Costs Ratio	$6,454,516	Total Costs	0.75	of Total Costs	
Length of Construction Period	18	months			
Drawdown Factor	$4,840,887	Total Loan	0.60	of Total Loan	
Construction Loan Rate	$4,840,887	Total Loan	7.0%	of Total Loan/Year	$304,976
Loan Fees	$4,840,887	Total Loan	1.5%	of Total Loan	$72,613
Permanent Loan Fees	$1,167,668	Total Office Perm. Loan	1.0%	of Office Loan	$11,677
Interim Property Taxes	$10,434,941	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$93,914
Developer Services & Other Soft Costs	$6,937,696	Hard & Soft Costs	3%	of Hard & Soft Costs	$208,131
Project Contingency	$7,145,827	Hard & Soft Costs	5%	of Hard & Soft costs	$357,291
TOTAL SOFT COSTS					$2,443,868
DEVELOPER PROFIT	$7,113,852	Hard & Soft Costs (e)	12%	of Hard & Soft Costs (e)	$853,662
				TOTAL CONSTRUCTION COSTS:	**$8,356,780**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	19,500	/Bldg. Sq. Ft.	$515	/Bldg. Sq. Ft.	$10,042,500	$717,321
Below Market Rate Unit Price (f)	3,000	/Bldg. Sq. Ft.	$164	/Bldg. Sq. Ft.	$490,776	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($526,664)	($35,111)
TOTAL RESIDENTIAL REVENUE					**$10,006,612**	$667,107
COMMERCIAL LEASING						
Monthly Office Lease Rate (NNN)	2,500	Bldg. Sq. Ft.	$3.50	/Bldg Sq. Ft.	$8,750	
Monthly Retail Lease Rate (NNN)	2,700	Bldg. Sq. Ft.	$3.25	/Bldg Sq. Ft.	$8,775	
Less Vacancy			10%	of Potential Revenue	($1,753)	
Monthly Operating Expenses	5,200	Bldg. Sq. Ft.	($0.34)	/Bldg Sq. Ft.	($1,755)	
TOTAL COMMERCIAL LEASING REVENUE					$14,018	
	Annual Revenue		**Capitalization Rate**		**Capitalized Value**	
COMMERCIAL CAPITALIZED VALUE	$168,210	/Year	8%	/Annual Revenue	**$2,102,625**	
TOTAL PROJECT VALUE					**$12,109,237**	
LAND RESIDUAL VALUE			**$142.95**	**/Lot Sq. Ft.**	**$3,752,457**	

Notes:
(a) Assumes 1,500 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail
(b) Assumes wood frame construction on stucco. Tenants are ground floor restaurant and small office user. See Appendix S for building detail.
(c) Assumes 250 square feet per space for surface parking & tuck under alley, and 340 square feet per space for podium parking.
(d) See Appendix T for a detail list of planning, building, and development impact fees.
(e) Financing costs are not included in calculating developer profit.
(f) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix N: Large Site, 1.15 FAR Alternative-Reduced Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	26,250	Sq. Ft.
Commercial Space	5,200	Bldg. Sq. Ft.
Office Square Feet	2,500	Bldg. Sq. Ft.
Retail Square Feet	2,700	Bldg. Sq. Ft.
Total Condominiums	15	Units@1,500 Sq. Ft. Each
Residential Square Feet	22,500	Bldg. Sq. Ft.
Total Building Square Feet	27,700	Bldg. Sq. Ft.

Parking	Required	Spaces
Office Parking	1 Sp/350 Sq. Ft.	8
Retail Parking	1 Sp/250 Sq. Ft.	7
Residential Parking	1.5 Sp/Unit	23

Parking Type	Spaces
Surface Parking	4
Tuck-Under Alley Parking	15
Partially Submerged Podium Parking	19

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Site Area Improvements	26,250	Sq. Ft.	$6	/Sq. Ft.	$157,500
Residential Building (a)	22,500	Bldg. Sq. Ft..	$152	/Bldg. Sq.Ft.	$3,428,350
Commercial Building (b)	5,200	Bldg. Sq. Ft..	$152	/Bldg. Sq.Ft.	$790,400
Surface Parking (c)	1,000	Sq. Ft.	$8	/Sq. Ft.	$8,000
Tuck Under Alley Parking (c)	3,750	Sq. Ft.	$30	/Sq. Ft.	$112,500
Podium Parking (c)	7,100	Sq. Ft.	$45	/Sq. Ft.	$319,500
TOTAL	27,700	Bldg. Sq. Ft.			$4,816,250

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Architecture Fees	$4,816,250	Total Hard Costs	5%	of Total Hard Costs	$240,813
Engineering Fees	$4,816,250	Total Hard Costs	2.5%	of Total Hard Costs	$120,406
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000
Development Impact Fees and Building Fees (d)					
Development Impact Fees					
Residential	15	Units	$6,930	/Unit	$103,950
Commercial	5,200	Bldg. Sq. Ft..	$18.75	/Bldg. Sq.Ft.	$97,500
BMR Fee	$1,160,714	Appraised Apt Value (d)	7.5%	*Appraised Apartment Value	$87,054
Building Fees					
Plumbing, Mechanical, and Electric	27,700	Bldg. Sq. Ft.	$0.18	/Bldg. Sq.Ft.	$4,986
Building Fees	$4,816,250	Total Hard Costs	$5,892 + $3.85/additional $1,000		$20,969
Excavation Fees	9,500	Cubic Yards	$2,000 + $100/additional 10,000 C.Y.		$1,900
School Fees					
Residential	22,500	Living Area	$2.14	/Sq. Ft. of Living Area	$48,150
Commercial	5,200	Bldg. Sq. Ft..	$0.34	/Bldg. Sq.Ft.	$1,768
Plan Check Fees	1	Project	$38,382	/Project	$38,382
Utility Fees	1	Project	$82,150	/Project	$82,150
Construction Financing Costs					
Loan to Costs Ratio	$6,134,277	Total Costs	0.75	of Total Costs	
Length of Construction Period	18	months			
Drawdown Factor	$4,600,708	Total Loan	0.60	of Total Loan	
Construction Loan Rate	$4,600,708	Total Loan	7.0%	of Total Loan/Year	$289,845
Loan Fees	$4,600,708	Total Loan	1.5%	of Total Loan	$69,011
Permanent Loan Fees	$1,167,668	Total Office Perm. Loan	1.0%	of Office Loan	$11,677
Interim Property Taxes	$10,095,969	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$90,864
Developer Services & Other Soft Costs	$6,595,673	Hard & Soft Costs	3%	of Hard & Soft Costs	$197,870
Project Contingency	$6,793,543	Hard & Soft Costs	5%	of Hard & Soft costs	$339,677
TOTAL SOFT COSTS					$2,316,970
DEVELOPER PROFIT	$6,762,688	Hard & Soft Costs (e)	12%	of Hard & Soft Costs (e)	$811,523
				TOTAL CONSTRUCTION COSTS:	**$7,944,743**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	19,500	/Bldg. Sq. Ft.	$500	/Bldg. Sq. Ft.	$9,750,000	$696,429
Below Market Rate Unit Price (f)	3,000	/Bldg. Sq. Ft.	$164	/Bldg. Sq. Ft.	$490,776	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($512,039)	($34,136)
TOTAL RESIDENTIAL REVENUE					**$9,728,737**	$648,582
COMMERCIAL LEASING						
Monthly Office Lease Rate (NNN)	2,500	Bldg. Sq. Ft.	$3.50	/Bldg Sq. Ft.	$8,750	
Monthly Retail Lease Rate (NNN)	2,700	Bldg. Sq. Ft.	$3.25	/Bldg Sq. Ft.	$8,775	
Less Vacancy			10%	of Potential Revenue	($1,753)	
Monthly Operating Expenses	5,200	Bldg. Sq. Ft.	($0.34)	/Bldg Sq. Ft.	($1,755)	
TOTAL COMMERCIAL LEASING REVENUE					$14,018	
	Annual Revenue		**Capitalization Rate**		**Capitalized Value**	
COMMERCIAL CAPITALIZED VALUE	$168,210	/Year	8%	/Annual Revenue	**$2,102,625**	
TOTAL PROJECT VALUE					**$11,831,362**	
LAND RESIDUAL VALUE			**$148.06**	**/Lot Sq. Ft.**	**$3,886,620**	

Notes:
(a) Assumes 1,500 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail
(b) Assumes wood frame construction on stucco. Tenants are ground floor restaurant and small office user. See Appendix S for building detail.
(c) Assumes 250 square feet per space for surface parking & tuck under alley, and approximately 370 square feet per space for podium parking.
(d) See Appendix T for a detail list of planning, building, and development impact fees.
(e) Financing costs are not included in calculating developer profit.
(f) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.
Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix O: Large Site, 1.5 FAR Alternative-Standard Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	26,250	Sq. Ft.
Commercial Space	5,200	Bldg. Sq. Ft.
Office Square Feet	2,500	Bldg. Sq. Ft.
Retail Square Feet	2,700	Bldg. Sq. Ft.
Total Condominiums	21	Units
Residential Square Feet	31,400	Bldg. Sq. Ft.
Interior Corridor Circulation	1,500	Bldg. Sq. Ft.
Total Building Square Feet	38,100	Bldg. Sq. Ft.

Parking	Required	Spaces
Office Parking	1 Sp/250 Sq. Ft.	10
Retail Parking	1 Sp/250 Sq. Ft.	11
Residential Parking	2.3 Sp/Unit	49

Parking Type	Spaces
Surface Parking	4
Tuck-Under Alley Parking	14
Underground Parking	52

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Site Area Improvements	26,250	Sq. Ft.	$6	/Sq. Ft.	$157,500
Residential Building (a)	32,900	Bldg. Sq. Ft..	$144	/Bldg. Sq.Ft.	$4,752,840
Commercial Building (b)	5,200	Bldg. Sq. Ft..	$152	/Bldg. Sq.Ft.	$790,400
Surface Parking (c)	1,000	Sq. Ft.	$8	/Sq. Ft.	$8,000
Tuck Under Alley Parking (c)	3,500	Sq. Ft.	$30	/Sq. Ft.	$105,000
Underground Parking (c)	25,450	Sq. Ft.	$70	/Sq. Ft.	$1,781,500
TOTAL	38,100	Bldg. Sq. Ft.			$7,595,240

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Architecture Fees	$7,595,240	Total Hard Costs	5%	of Total Hard Costs	$379,762
Engineering Fees	$7,595,240	Total Hard Costs	2.5%	of Total Hard Costs	$189,881
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000
Video Recording of Construction	1	Project	$50,000	/Project	$50,000
Development Impact Fees and Building Fees (d)					
Development Impact Fees					
Residential	21	Units	$6,930	/Unit	$145,530
Commercial	5,200	Bldg. Sq. Ft..	$18.75	/Bldg. Sq.Ft.	$97,500
BMR Fee	$772,214	Appraised Apt Value (e)	7.5%	*Appraised Apartment Value	$57,916
Building Fees					
Plumbing, Mechanical, and Electric	38,100	Bldg. Sq. Ft.	$0.18	/Bldg. Sq.Ft.	$6,858
Building Fees	$7,595,240	Total Hard Costs	$5,892 + $3.85/additional $1,000		$31,946
Excavation Fees	34,000	Cubic Yards	$2,000 + $100/additional 10,000 C.Y.		$2,300
School Fees					
Residential	31,400	Living Area	$2.14	/Sq. Ft. of Living Area	$67,196
Commercial	5,200	Bldg. Sq. Ft..	$0.34	/Bldg. Sq.Ft.	$1,768
Plan Check Fees	1	Project	$55,482	/Project	$55,482
Utility Fees	1	Project	$83,350	/Project	$83,350
Construction Financing Costs					
Loan to Costs Ratio	$9,184,729	Total Costs	0.75	of Total Costs	
Length of Construction Period	18	months			
Drawdown Factor	$6,888,547	Total Loan	0.60	of Total Loan	
Construction Loan Rate	$6,888,547	Total Loan	7.5%	of Total Loan/Year	$464,977
Loan Fees	$6,888,547	Total Loan	1.5%	of Total Loan	$103,328
Permanent Loan Fees	$1,160,168	Total Office Perm. Loan	1.0%	of Office Loan	$11,602
Interim Property Taxes	$13,355,796	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$120,202
Developer Services & Other Soft Costs	$9,884,838	Hard & Soft Costs	3%	of Hard & Soft Costs	$296,545
Project Contingency	$10,181,383	Hard & Soft Costs	5%	of Hard & Soft costs	$509,069
TOTAL SOFT COSTS					$3,095,212
DEVELOPER PROFIT	$10,110,546	Hard & Soft Costs (e)	12%	of Hard & Soft Costs (e)	$1,213,265
				TOTAL CONSTRUCTION COSTS:	**$11,903,718**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	26,990	/Bldg. Sq. Ft.	$515	/Bldg. Sq. Ft.	$13,899,850	$772,214
Below Market Rate Unit Price (f)	4,410	/Bldg. Sq. Ft.	$167	/Bldg. Sq. Ft.	$736,164	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($731,801)	($34,848)
TOTAL RESIDENTIAL REVENUE					**$13,904,213**	$662,105
COMMERCIAL LEASING						
Monthly Office Lease Rate (NNN)	2,500	Bldg. Sq. Ft.	$3.50	/Bldg Sq. Ft.	$8,750	
Monthly Retail Lease Rate (NNN)	2,700	Bldg. Sq. Ft.	$3.25	/Bldg Sq. Ft.	$8,775	
Less Vacancy			10%	of Potential Revenue	($1,753)	
Monthly Operating Expenses	5,200	Bldg. Sq. Ft.	($0.34)	/Bldg Sq. Ft.	($1,755)	
TOTAL COMMERCIAL LEASING REVENUE					$14,018	
	Annual Revenue		**Capitalization Rate**		**Capitalized Value**	
COMMERCIAL CAPITALIZED VALUE	$168,210	/Year	8%	/Annual Revenue	**$2,102,625**	
TOTAL PROJECT VALUE					**$16,006,838**	
LAND RESIDUAL VALUE			**$156.31**	**/Lot Sq. Ft.**	**$4,103,121**	

Notes:
(a) Assumes 1,500 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances.
See Appendix S for a full unit detail
(b) Assumes wood frame construction on stucco. Tenants are ground floor restaurant and small office user. See Appendix S for building detail.
(c) Assumes 250 square feet per space for surface and tuck under parking and 490 square feet for two-level undrground parking.
(d) See Appendix T for a detail list of planning, building, and development impact fees.
(e) Financing costs are not included in calculating developer profit.
(f) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix P: Large Site, 1.5 FAR Alternative-Reduced Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	26,250	Sq. Ft.
Commercial Space	5,200	Bldg. Sq. Ft.
Office Square Feet	2,500	Bldg. Sq. Ft.
Retail Square Feet	2,700	Bldg. Sq. Ft.
Total Condominiums (a)	21	Units
Residential Square Feet	31,400	Bldg. Sq. Ft.
Interior Corridor Circulation	1,500	Bldg. Sq. Ft.
Total Building Square Feet	38,100	Bldg. Sq. Ft.

Parking	Required	Spaces
Office Parking	1 Sp/350 Sq. Ft.	8
Retail Parking	1 Sp/250 Sq. Ft.	7
Residential Parking	1.5 Sp/Unit	32

Parking Type	Spaces
Surface Parking	4
Tuck-Under Alley Parking	15
Partially Submerged Podium Parking	33

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Site Area Improvements	26,250	Sq. Ft.	$6	/Sq. Ft.	$157,500
Residential Building (a)	32,900	Bldg. Sq. Ft..	$144	/Bldg. Sq.Ft.	$4,752,840
Commercial Building (b)	5,200	Bldg. Sq. Ft..	$152	/Bldg. Sq.Ft.	$790,400
Surface Parking (c)	1,000	Sq. Ft.	$8	/Sq. Ft.	$8,000
Tuck Under Alley Parking (c)	3,750	Sq. Ft.	$30	/Sq. Ft.	$112,500
Podium Parking (c)	13,300	Sq. Ft.	$45	/Sq. Ft.	$598,500
TOTAL	38,100	Bldg. Sq. Ft.			$6,419,740

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Architecture Fees	$6,419,740	Total Hard Costs	5%	of Total Hard Costs	$320,987
Engineering Fees	$6,419,740	Total Hard Costs	2.5%	of Total Hard Costs	$160,493
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000
Video Recording of Construction	1	Project	$60,000	/Project	$60,000
Development Impact Fees and Building Fees (d)					
Development Impact Fees					
Residential	21	Units	$6,930	/Unit	$145,530
Commercial	5,200	Bldg. Sq. Ft..	$18.75	/Bldg. Sq.Ft.	$97,500
BMR Fee	$749,722	Appraised Apt Value (d)	7.5%	*Appraised Apartment Value	$56,229
Building Fees					
Plumbing, Mechanical, and Electric	38,100	Bldg. Sq. Ft.	$0.18	/Bldg. Sq.Ft.	$6,858
Building Fees	$6,419,740	Total Hard Costs	$5,892 + $3.85/additional $1,000		$27,301
Excavation Fees	17,800	Cubic Yards	$2,000 + $100/additional 10,000 C.Y.		$2,100
School Fees					
Residential	31,400	Living Area	$2.14	/Sq. Ft. of Living Area	$67,196
Commercial	5,200	Bldg. Sq. Ft..	$0.34	/Bldg. Sq.Ft.	$1,768
Plan Check Fees	1	Project	$48,500	/Project	$48,500
Utility Fees	1	Project	$88,350	/Project	$88,350
Construction Financing Costs					
Loan to Costs Ratio	$7,922,552	Total Costs	0.75	of Total Costs	
Length of Construction Period	20	months			
Drawdown Factor	$5,941,914	Total Loan	0.60	of Total Loan	
Construction Loan Rate	$5,941,914	Total Loan	7.0%	of Total Loan/Year	$415,934
Loan Fees	$5,941,914	Total Loan	1.5%	of Total Loan	$89,129
Permanent Loan Fees	$1,167,668	Total Office Perm. Loan	1.0%	of Office Loan	$11,677
Interim Property Taxes	$12,030,451	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$126,320
Developer Services & Other Soft Costs	$8,565,611	Hard & Soft Costs	3%	of Hard & Soft Costs	$256,968
Project Contingency	$8,822,580	Hard & Soft Costs	5%	of Hard & Soft costs	$441,129
TOTAL SOFT COSTS					$2,843,969
DEVELOPER PROFIT	$8,746,969	Hard & Soft Costs (e)	12%	of Hard & Soft Costs (e)	$1,049,636
				TOTAL CONSTRUCTION COSTS:	**$10,313,345**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	26,990	/Bldg. Sq. Ft.	$500	/Bldg. Sq. Ft.	$13,495,000	$749,722
Below Market Rate Unit Price (e)	4,410	/Bldg. Sq. Ft.	$167	/Bldg. Sq. Ft.	$736,164	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($711,558)	($33,884)
TOTAL RESIDENTIAL REVENUE					**$13,519,606**	$643,791
COMMERCIAL LEASING						
Monthly Office Lease Rate (NNN)	2,500	Bldg. Sq. Ft.	$3.50	/Bldg Sq. Ft.	$8,750	
Monthly Retail Lease Rate (NNN)	2,700	Bldg. Sq. Ft.	$3.25	/Bldg Sq. Ft.	$8,775	
Less Vacancy			10%	of Potential Revenue	($1,753)	
Monthly Operating Expenses	5,200	Bldg. Sq. Ft.	($0.34)	/Bldg Sq. Ft.	($1,755)	
TOTAL COMMERCIAL LEASING REVENUE					$14,018	

	Annual Revenue	Capitalization Rate	Capitalized Value
COMMERCIAL CAPITALIZED VALUE	$168,210 /Year	8% /Annual Revenue	**$2,102,625**
TOTAL PROJECT VALUE			**$15,622,231**
LAND RESIDUAL VALUE		**$202.24 /Lot Sq. Ft.**	**$5,308,886**

Notes:
(a) Assumes 20 units at 1,500 square feet and two units at 1,300 square feet with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail
(b) Assumes wood frame construction on stucco. Tenants are ground floor restaurant and small office user. See Appendix S for building detail.
(c) Assumes 250 square feet per space for surface and tuck under parking and 400 square feet per space for podium parking.
(d) See Appendix T for a detail list of planning, building, and development impact fees.
(e) Financing costs are not included in calculating developer profit.
(f) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix Q: Large Site, 2.5 FAR Alternative-Standard Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	26,250	Sq. Ft.
Commercial Space	5,500	Bldg. Sq. Ft.
Office Square Feet	2,800	Bldg. Sq. Ft.
Retail Square Feet	2,700	Bldg. Sq. Ft.
Total Condominiums (a)	33	Units
Residential Square Feet	45,750	Bldg. Sq. Ft.
Building Circulation	5,125	Bldg. Sq. Ft.
Total Building Square Feet	56,375	Bldg. Sq. Ft.

Parking	Required	Spaces
Office Parking	1 Sp/250 Sq. Ft.	12
Retail Parking	1 Sp/250 Sq. Ft.	11
Residential Parking	2.3 Sp/Unit	76

Parking Type	Spaces
Surface Parking	18
Partially Submerged Podium Parking	-
Underground Parking	81

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Site Area Improvements	26,250	Sq. Ft.	$6	/Sq. Ft.	$157,500
Open Space Improvements	2,000	Sq. Ft.	$20	/Sq. Ft.	$40,000
Residential Building (a)	50,875	Bldg. Sq. Ft.	$151	/Bldg. Sq. Ft.	$7,704,079
Commercial Building (b)	5,500	Bldg. Sq. Ft.	$152	/Bldg. Sq. Ft.	$836,000
Surface Parking (c)	4,500	Sq. Ft.	$8	/Sq. Ft.	$36,000
Underground Parking (c)	47,500	Sq. Ft.	$75	/Sq. Ft.	$3,562,500
TOTAL	56,375	Bldg. Sq. Ft.			$12,336,079

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Architecture Fees	$12,336,079	Total Hard Costs	5%	of Total Hard Costs	$616,804
Engineering Fees	$12,336,079	Total Hard Costs	2.5%	of Total Hard Costs	$308,402
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000
Video Recording of Construction	1	Project	$60,000	/Project	$60,000
Development Impact Fees and Building Fees (d)					
Development Impact Fees					
Residential	33	Units	$6,930	/Unit	$228,690
Commercial	5,500	Bldg. Sq. Ft.	$18.75	/Bldg. Sq. Ft.	$103,125
Building Fees					
Plumbing, Mechanical, and Electric	56,375	Bldg. Sq. Ft.	$0.18	/Bldg. Sq. Ft.	$10,148
Building Fees	$12,336,079	Total Hard Costs	$5,892 + $3.85/additional $1,000		$50,673
Excavation Fees	73,900	Cubic Yards	$2,000 + $100/additional 10,000 C.Y.		$2,700
School Fees					
Residential	45,750	Living Area	$2.14	/Sq. Ft. of Living Area	$97,905
Commercial	5,500	Bldg. Sq. Ft.	$0.34	/Bldg. Sq. Ft.	$1,870
Plan Check Fees	1	Project	$84,832	/Project	$84,832
Utility Fees	1	Project	$90,750	/Project	$90,750
Construction Financing Costs					
Loan to Costs Ratio	$14,411,977	Total Costs	0.75	of Total Costs	
Length of Construction Period	20	months			
Drawdown Factor	$10,808,983	Total Loan	0.60	of Total Loan	
Construction Loan Rate	$10,808,983	Total Loan	7.0%	of Total Loan/Year	$756,629
Loan Fees	$10,808,983	Total Loan	1.5%	of Total Loan	$162,135
Permanent Loan Fees	$1,134,495	Total Office Perm. Loan	1.0%	of Office Loan	$11,345
Interim Property Taxes	$18,933,246	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$189,332
Developer Services & Other Soft Costs	$15,531,418	Hard & Soft Costs	3%	of Hard & Soft Costs	$465,943
Project Contingency	$15,997,361	Hard & Soft Costs	5%	of Hard & Soft Costs	$799,868
TOTAL SOFT COSTS					$4,461,150
DEVELOPER PROFIT	$15,867,120	Hard & Soft Costs (e)	12%	of Hard & Soft Costs (e)	$1,904,054
				TOTAL CONSTRUCTION COSTS:	**$18,701,283**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	39,150	/Bldg. Sq. Ft.	$515	/Bldg. Sq. Ft.	$20,162,250	$720,080
Below Market Rate Unit Price (f)	6,600	/Bldg. Sq. Ft.	$186	/Bldg. Sq. Ft.	$1,226,940	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($1,069,460)	($32,408)
TOTAL RESIDENTIAL REVENUE					**$20,319,731**	$615,749
COMMERCIAL LEASING						
Monthly Office Lease Rate (NNN)	2,800	Bldg. Sq. Ft.	$3.50	/Bldg Sq. Ft.	$9,800	
Monthly Retail Lease Rate (NNN)	2,700	Bldg. Sq. Ft.	$3.25	/Bldg Sq. Ft.	$8,775	
Less Vacancy			10%	of Potential Revenue	($1,858)	
Monthly Operating Expenses	5,500	Bldg. Sq. Ft.	($0.34)	/Bldg Sq. Ft.	($1,856)	
TOTAL COMMERCIAL LEASING REVENUE					$14,861	

	Annual Revenue	Capitalization Rate	Capitalized Value
COMMERCIAL CAPITALIZED VALUE	$178,335 /Year	8% /Annual Revenue	**$2,229,188**
TOTAL PROJECT VALUE			**$22,548,918**
LAND RESIDUAL VALUE		**$147 /Lot Sq. Ft.**	**$3,847,635**

Notes:
(a) Assumes approximately 1,400 square foot units with wood frame construction, high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail
(b) Assumes wood frame construction on stucco. Assumed tenant is a ground floor restaurant. See Appendix S for building detail.
(c) Assumes 250 square feet per space for tuck under parking and podium parking, and 580 square feet per space for two-level underground parking.
(d) See Appendix T for a detail list of planning, building, and development impact fees.
(e) Financing costs are not included in calculating developer profit.
(f) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

Appendix R: Large Site, 2.5 FAR Alternative-Reduced Parking

DEVELOPMENT SUMMARY

Development Program	Number	Unit
Lot Size	26,250	Sq. Ft.
Commercial Space	5,500	Bldg. Sq. Ft.
Office Square Feet	2,800	Bldg. Sq. Ft.
Retail Square Feet	2,700	Bldg. Sq. Ft.
Total Condominiums (a)	33	Units
Residential Square Feet	45,750	Bldg. Sq. Ft.
Building Circulation	5,125	Bldg. Sq. Ft.
Total Building Square Feet	56,375	Bldg. Sq. Ft.

Parking	Required	Spaces
Office Parking	1 Sp/350 Sq. Ft.	8
Retail Parking	1 Sp/250 Sq. Ft.	7
Residential Parking	1.5 Sp/Unit	49

Parking Type	Spaces
Surface Parking	18
Partially Submerged Podium Parking	20
Underground Parking	26

CONSTRUCTION COSTS

HARD COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Site Area Improvements	26,250	Sq. Ft.	$6	/Sq. Ft.	$157,500
Open Space Improvements	2,000	Sq. Ft.	$20	/Sq. Ft.	$40,000
Residential Building (a)	50,875	Bldg. Sq. Ft..	$151	/Bldg. Sq.Ft.	$7,704,079
Commercial Building (b)	5,500	Bldg. Sq. Ft..	$152	/Bldg. Sq.Ft.	$836,000
Surface Parking (c)	4,500	Sq. Ft.	$8	/Sq. Ft.	$36,000
Podium Parking (c)	6,000	Sq. Ft.	$45	/Sq. Ft.	$270,000
Underground Parking (c)	9,000	Sq. Ft.	$70	/Sq. Ft.	$630,000
TOTAL	56,375	Bldg. Sq. Ft.			$9,673,579

SOFT COSTS

Item	Number	Unit	Cost	Unit	Item Costs
Architecture Fees	$9,673,579	Total Hard Costs	5%	of Total Hard Costs	$483,679
Engineering Fees	$9,673,579	Total Hard Costs	2.5%	of Total Hard Costs	$241,839
Defect Liability Wrap Insurance	1	Project	$420,000	$3 Million in Coverage	$420,000
Video Recording of Construction	1	Project	$60,000	/Project	$60,000
Development Impact Fees and Building Fees (d)					
Development Impact Fees					
Residential	33	Units	$6,930	/Unit	$228,690
Commercial	5,500	Bldg. Sq. Ft..	$18.75	/Bldg. Sq.Ft.	$103,125
Building Fees					
Plumbing, Mechanical, and Electric	56,375	Bldg. Sq. Ft.	$0.18	/Bldg. Sq.Ft.	$10,148
Building Fees	$9,673,579	Total Hard Costs	$5,892 + $3.85/additional $1,000		$40,154
Excavation Fees	22,000	Cubic Yards	$2,000 + $100/additional 10,000 C.Y.		$2,200
School Fees					
Residential	45,750	Living Area	$2.14	/Sq. Ft. of Living Area	$97,905
Commercial	5,500	Bldg. Sq. Ft..	$0.34	/Bldg. Sq.Ft.	$1,870
Plan Check Fees	1	Project	$69,020	/Project	$69,020
Utility Fees	1	Project	$90,750	/Project	$90,750
Construction Financing Costs					
Loan to Costs Ratio	$11,522,960	Total Costs	0.75	of Total Costs	
Length of Construction Period	20	months			
Drawdown Factor	$8,642,220	Total Loan	0.60	of Total Loan	
Construction Loan Rate	$8,642,220	Total Loan	7.0%	of Total Loan/Year	$604,955
Loan Fees	$8,642,220	Total Loan	1.5%	of Total Loan	$129,633
Permanent Loan Fees	$1,404,495	Total Office Perm. Loan	1.0%	of Office Loan	$14,045
Interim Property Taxes (e)	$16,662,753	Hard & Soft Costs	1.2%	of Hard & Soft Costs	$174,959
Developer Services & Other Soft Costs	$12,446,552	Hard & Soft Costs	3%	of Hard & Soft Costs	$373,397
Project Contingency	$12,446,552	Hard & Soft Costs	5%	of Hard & Soft Costs	$622,328
TOTAL SOFT COSTS					$3,768,697
DEVELOPER PROFIT	$12,693,643	Hard & Soft Costs (e)	12%	of Hard & Soft Costs (e)	$1,523,237
				TOTAL CONSTRUCTION COSTS:	**$14,965,513**

REVENUE

REVENUES and EXPENSES	Number	Unit	Price	Unit	Total	Price/Unit
RESIDENTIAL UNIT SALES						
Market Price	39,150	/Bldg. Sq. Ft.	$500	/Bldg. Sq. Ft.	$19,575,000	$699,107
Below Market Rate Unit Price (f)	6,600	/Bldg. Sq. Ft.	$186	/Bldg. Sq. Ft.	$1,226,940	$245,388
Brokerage and Marketing Expenses			5%	of Potential Revenue	($1,040,097)	($31,518)
TOTAL RESIDENTIAL REVENUE					**$19,761,843**	$598,844
COMMERCIAL LEASING						
Monthly Office Lease Rate (NNN)	2,800	Bldg. Sq. Ft.	$3.50	/Bldg Sq. Ft.	$9,800	
Monthly Retail Lease Rate (NNN)	2,700	Bldg. Sq. Ft.	$3.25	/Bldg Sq. Ft.	$8,775	
Less Vacancy			10%	of Potential Revenue	($1,858)	
Monthly Operating Expenses	5,500	Bldg. Sq. Ft.	($0.34)	/Bldg Sq. Ft.	($1,856)	
TOTAL COMMERCIAL LEASING REVENUE					$14,861	

	Annual Revenue	Capitalization Rate	Capitalized Value
COMMERCIAL CAPITALIZED VALUE	$178,335 /Year	8% /Annual Revenue	**$2,229,188**
TOTAL PROJECT VALUE			**$21,991,031**
LAND RESIDUAL VALUE		**$267.64 /Lot Sq. Ft.**	**$7,025,517**

Notes:
(a) Assumes 30 units at 1,400 square feet and three units at 1,250 square feet with wood frame high-quality construction, skylight, wood floors. and full kitchen appliances. See Appendix S for a full unit detail.
(b) Assumes wood frame construction on stucco. Tenants are ground floor restaurant and small office user. See Appendix S for building detail.
(c) Assumes 250 square feet per space for tuck under parking and podium parking, and 350 square feet per space for podium parking.
(d) See Appendix T for a detail list of planning, building, and development impact fees.
(e) Financing costs are not included in calculating developer profit.
(f) The below market rate unit price is based on Santa Clara County's median income for a four person household according to the Department of Housing and Community Development. See Appendix U for an explanation of the BMR home price.

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; BAE, 2002.

SOFA Phase II, Zoning Alternatives Analysis Summary Sheet - With Changes per Sedway Comments

SMALL SITE (existing building, approx. 10,000 sq. ft. auto-related service)

Lot Size: 10,500 S.F.

Estimated residual value necessary to provide redevelopment incentive: $2,491,160 or $237 /Lot S.F.

Zoning Alternative Name	Actual FAR	Building Program	Total Project Cost	Total Project Value	Land Residual Value Total	Land Residual Value Per Lot S.F.	Redevelopment Feasibility Findings
Existing Zoning	0.60	3,500 S.F. Office & 2 Units @ 1,400 S.F.	$1,537,097	$1,988,700	$451,603	$43.01	Inadequate redevelopment incentive.
1.15 FAR-Standard Parking	1.00	7 Units @ 1,500 S.F.	$3,608,865	$4,636,369	$1,027,503	$97.86	Inadequate redevelopment incentive; needs ~35% net revenue increase.
1.15 FAR-Reduced Parking	1.00	7 Units @ 1,500 S.F.	$3,453,867	$4,508,119	$1,054,251	$100.40	Inadequate redevelopment incentive; needs ~35% net revenue increase.
1.5 FAR-Standard Parking	1.43	10 Units @ 1,500 S.F.	$5,232,123	$6,837,994	$1,605,871	$152.94	Inadequate redevelopment incentive; needs ~15% net revenue increase.
1.5 FAR-Reduced Parking	1.43	10 Units @ 1,500 S.F.	$4,612,886	$6,645,619	$2,032,732	$193.59	Inadequate redevelopment incentive; needs ~8% net revenue increase.
2.5 FAR-Standard Parking	2.10	14 Units @ 1,500 S.F.	$7,965,078	$9,272,737	$1,307,659	$124.54	Inadequate redevelopment incentive; needs ~13% net revenue increase.
2.5 FAR-Reduced Parking	2.10	14 Units @ 1,500 S.F.	$6,607,923	$9,016,237	$2,408,314	$229.36	Marginal redevelopment incentive; needs ~1% net revenue increase

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction 2002; City of Palo Alto, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; Public Works Department, Planning Department, City of Palo Alto, 2002; Palo Alto Unified School District; June 2002. Palo Alto Utilities Department, 2002; BAE, 2002.

SOFA Phase II, Zoning Alternatives Analysis Summary Sheet - With Changes per Sedway Comments

LARGE SITE (existing building, approximately 10,000 sq. ft., auto-related service, plus public improvements with estimated replacement cost of $1 million.

Lot Size: **26,250 S.F.**

Estimated residual value necessary to provide redevelopment incentive: **$3,591,160** or **$136.81 /Lot S.F.**

Zoning Alternative Name	Actual FAR	Building Program	Total Project Cost	Total Project Revenue	Land Residual Value Total	Land Residual Value Per Lot S.F.	Redevelopment Feasibility
Existing Zoning	0.60	5,000 S.F. Office & 7 Units @ 1,425 S.F.	$3,207,963	$4,142,381	$934,418	$35.60	Inadequate redevelopment incentive.
1.15 FAR-Standard Parking	1.15	2,500 S.F. Office, 2,700 S.F. Retail & 15 Units @ 1,500 S.F.	$8,356,780	$12,109,237	$3,752,457	$142.95	Meets redevelopment incentive threshold; value of land currently used for public improvements @ $155/sq. ft.
1.15 FAR-Reduced Parking (land residual decreases from $165 to $148)	1.15	2,500 S.F. Office, 2,700 S.F. Retail & 15 Units @ 1,500 S.F.	$7,944,743	$11,831,362	$3,886,620	**$148.06**	Meets redevelopment incentive threshold; value of land currently used for public improvements @ $155/sq. ft.
			changes made: from one inclusionary unit to two inclusionary units				
1.5 FAR-Standard Parking	1.50	2,500 S.F. Office, 2,700 S.F. Retail & 21 Units @ 1,500 S.F.	$11,903,718	$16,006,838	$4,103,121	$156.31	Meets redevelopment incentive threshold; value of land currently used for public improvements @ $155/sq. ft.
1.5 FAR-Reduced Parking	1.50	2,500 S.F. Office, 2,700 S.F. Retail & 21 Units @ 1,500 S.F.	$10,313,345	$15,622,231	$5,308,886	$202.24	Meets redevelopment incentive threshold; could absorb some increase in costs or decrease in revenue.
2.5 FAR-Standard Parking (land residual remains the same after changes)	2.25	2,500 S.F. Office, 2,700 S.F. Retail & **33 Units @ 1,400 S.F.**	$18,701,283	$22,548,918	$3,847,635	**$146.58** land residual remains the same	Meets redevelopment incentive threshold; value of land currently used for public improvements @ $155/sq. ft.
			changes made: note change from 1,500 s.f. units to 1,400 s.f. units, interim taxes of hard and soft costs (not land costs)				
2.5 FAR-Reduced Parking (land residual increases from $258 to $267 after changes)	2.25	2,500 S.F. Office, 2,700 S.F. Retail & **33 Units @ 1,400 S.F.**	$14,965,513	$21,991,031	$7,025,517	**$267.64**	Meets redevelopment incentive threshold; could absorb some increase in costs or decrease in revenue.
			changes made:add open space improvements, 2,000 s.f. @ $20 per s.f. construction loan period 24 to 20, drawdown 0.65 to 0.60 construction loan points from 2 to 1.5 note change from 1,500 s.f. units to 1,400 s.f. units, interim taxes of hard and soft costs (not land costs)				

Sources: RS Mean Square Foot Construction Costs, 2002; Ross Construction, 2002; Segue Construction; 2002; J.R. Roberts Construction 2002; City of Palo Alto, 2002; Classic Communities, 2002; Dollars and Cents, Multifamily Housing, 2002; Public Works Department, Planning Department, City of Palo Alto, 2002; Palo Alto Unified School District; June 2002. Palo Alto Utilities Department, 2002; BAE, 2002.

Appendix S: Construction Costs Estimates

SMALL SITE

Scenario	Construction Type	Building Square Feet	Base Price Per Square Foot	-Architecture & Engineering	Add-Ons	Add-on Cost	Location Factor	Total Hard Costs Per Square Foot
Existing Zoning	2-Story	6,300						
Residential (a)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Custom Construction		$100.44	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Full Appliances, Washer & Dryer	$22.89	1.15	$141.74
Commercial w/TI	Wood Frame, No Elevator, Interior Wall, Floor and Ceiling Finishes		$138.72	-0.07%	-Elevator, + Smoke Detectors	($6.73)	1.18	$155.84
1.15 FAR - Low Park Residential 3-Story (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	10,500	$110.13	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors	$29.10	1.15	$160.03
1.15 FAR - High Park Residential 3-Story (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	10,500	$110.13	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors	$29.10	1.15	$160.03
1.5 FAR - Low Park Residential 3-Story (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	15,000	$99.64	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors	$31.39	1.15	$150.60
1.5 FAR - High Park Residential 3-Story (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	15,000	$99.64	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors	$31.39	1.15	$150.60
2.0 FAR - Low Park Residential 3-Story (b)	3-Story Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	22,000	$100.97	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors; Elevator	$31.39	1.15	$152.14
2.0 FAR - High Park Residential 3-Story (b)	3-Story Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	22,000	$100.97	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors; Elevator	$31.39	1.15	$152.14

Notes:

(a) The residential units include a full cooking range, refrigerator, garbage disposal, 100 square foot deck, two bathrooms, a sky light, washer and dryer, dishwasher, and a fireplace.

(b) The condominiums include a full cooking range, refrigerator, garbage disposal, 100 square foot deck, two bathrooms, a sky light, bay windows, a fire place, broom closet, and marble countertops.

Sources: RS Mean Square Foot Construction Costs, 2002;

Appendix S: Construction Cost Estimates, Continued

LARGE SITE

Scenario	Construction Type	Building Square Feet	Base Price Per Square Foot	-Architecture & Engineering	Add-Ons	Add-on Cost	Location Factor	Total Hard Costs Per Square Foot
Existing Zoning	2-Story	25,300						
Residential (a)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Custom Construction		$96.30	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Full Appliances, Washer & Dryer	$29.10	1.15	$144.14
Commercial	Wood Frame, No Elevator, Interior Wall, Floor and Ceiling Finishes		$138.72	-0.07%	-Elevator, + Smoke Detectors	($6.73)	1.18	$155.64
1.15 FAR - Low Park	2-Story							
Residential (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	27,700	$100.97	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors; Elevator	$29.58	1.15	$150.05
Commercial	Wood Frame, No Elevator, Ground Floor Restaurant, and Office Tenant Improvements		$122.01	-0.07%	Front Bar, Sound System, Decorative Wood Beams Smoke Detectors, Walk-In Refrigerator	$6.90	1.18	$152.00
1.15 FAR - High Park	2-Story							
Residential (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	38,100	$100.97	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors; Elevator	$29.58	1.15	$150.05
Commercial	Wood Frame, No Elevator, Ground Floor Restaurant, and Office Tenant Improvements		$122.01	-0.07%	Front Bar, Sound System, Decorative Wood Beams Smoke Detectors, Walk-In Refrigerator; Elevator	$6.90	1.18	$152.00
1.5 FAR - Low Park	3-Story							
Residential (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	38,100	$95.93	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors; Elevator	$28.31	1.15	$142.80
Commercial	Wood Frame, No Elevator, Ground Floor Restaurant, and Office Tenant Improvements		$122.01	-0.07%	Front Bar, Sound System, Decorative Wood Beams Smoke Detectors, Walk-In Refrigerator	$6.90	1.18	$152.00
1.5 FAR - High Park	3-Story							
Residential (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	38,100	$100.97	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors; Elevator	$29.58	1.15	$150.05
Commercial	Wood Frame, No Elevator, Ground Floor Restaurant, and Office Tenant Improvements		$122.01	-0.07%	Front Bar, Sound System, Decorative Wood Beams Smoke Detectors, Walk-In Refrigerator	$6.90	1.18	$152.00
2.5 FAR - Low Park	4-Story	56,375	$101.70	-0.07%		$29.08	1.15	$150.29
Residential (b)	Wood Frame-Steel Joists, Elevator, Clay Tile Roof Air Conditioning, Luxury Construction				2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors; Elevator			
Commercial	Wood Frame, No Elevator, Ground Floor Restaurant, and Office Tenant Improvements		$130.01	-0.07%	Front Bar, Sound System, Decorative Wood Beams Smoke Detectors, Walk-In Refrigerator	$6.90	1.18	$161.44
2.5 FAR - High Park	3-Story							
Residential (b)	Wood Frame, No Elevator, Clay Tile Roof Air Conditioning, Luxury Construction	56,375	$100.97	-0.07%	2 Baths, Upgraded Cabinets, Fireplace, Skylight Deck, Bay Windows, Upgraded Ceilings, and Wood Floors Front Bar, Sound	$29.08	1.15	$149.48
Commercial	Wood Frame, No Elevator, Ground Floor Restaurant, and Office Tenant Improvements		$122.01	-0.07%	System, Decorative Wood Beams Smoke Detectors, Walk-In Refrigerator	$6.90	1.18	$152

Notes:

(a) The residential units include a full cooking range, refrigerator, garbage disposal, 100 square foot deck, two bathrooms, a sky light, washer and dryer, dishwasher, and a fireplace.

(b) The condominiums include a full cooking range, refrigerator, garbage disposal, 100 square foot deck, two bathrooms, a sky light, bay windows, a fire place, broom closet, and marble countertops.

Sources: RS Mean Square Foot Construction Costs, 2002; BAE, 2002.

Appendix T: Impact Fees and Planning Fees

Development Impact Fees	Commercial	Unit	Multifamily	Unit
Commercial In-Lieu Fee (Housing)	$15.00	/sq. ft.	Not applicable	
Parks Fee	$3.38	/sq. ft.	$5,210	/unit
Community Center Fee	$0.19	/sq. ft.	$1,250	/unit
Library Fee	$0.18	/sq. ft.	$470	/unit
Total Fee	$18.75	/sq. ft.	$6,930	/unit
Below Market Rate Program			5.00%	of Appraised Value
			or 1 BMR unit every 10 units	
School Fees	$0.34	/sq. ft.	$2.14	/sq. ft.

Building Fees	Commercial	Unit	Multifamily	Unit
Electrical Permit Fee	$0.06	/sq. ft.	$0.06	/sq. ft.
Mechanical Permit Fee	$0.06	/sq. ft.	$0.06	/sq. ft.
Plumbing Permit Fee	$0.06	/sq. ft.	$0.06	/sq. ft.
Building Permit Fee	$5,903	Per Million in valuation plus $3.85 for each additional $1,000 in valuation		
Building Demolition Permit	$100	/Project	$100	/Project
Excavating, Grading, and Fill Permits	$1,000	/first 1,000 cubic yards, plus $100 for each additional 1,000 cubic yards		

Plan Review	Commercial	Unit	Multifamily	Unit
Development Project Preliminary Review	$3,000	/Project	$3,000	/Project
Regular Negative Declaration	$650	/Project	$650	/Project
Plan Check	75%	of Building Permit Fee	75%	of Building Permit Fee
Fire and Life Safety Plan Check	45%	of Building Permit Fee	45%	of Building Permit Fee
Zoning Plan Check	25%	of Building Permit Fee	25%	of Building Permit Fee
Strong Motion Instrumentation Surcharge	$21	/$100,000 of valuation	$10	/$100,000 of valuation
Address Changes	$100	Per Change	$100	Per Change
Architectural Review	$1,815	/Project	$1,815	/Project

Utility Fees	Commercial	Unit	Multifamily	Unit
Gas Service	$3,000	/Project	$3,000	/Project
Gas Meter	$500	/Meter	$200	/Meter
Domestic Fire Service Water	$6,000	/Project	$6,000	/Project
Fire Service 6"	$6,000	/Project	$6,000	/Project
4" Water Meter	$3,000	/Meter	$3,000	/Meter
1" Irrigation Meter	$150	/Meter	$150	/Meter
2 Sewer Laterals	$4,500	/Project	$4,500	/Project
Relocation of Utilities	$10,000 -$20,000	Small-Large Project	$10,000 -$20,000	Small-Large Project

Sources: Public Works Department, Planning Department, City of Palo Alto, June 2002; Palo Alto Unified School District; June 2002.
Palo Alto Utilities Department, 2002; BAE, 2002.

Appendix U: Affordable Home Price and Rent Calculator For BMR Units

Income Limits	Household Size 2-Persons	3-Persons	4 Persons
Median-Income 100% AMI	$76,800	$86,400	$96,000

Median-Income Households Weighted Average		Amount Avail. for Housing	Principal & Interest	Property Insurance	Property Taxes	Mortgage Insurance	Condo Fees	Total Monthly Payment	Down-Payment	Affordable Home Price
2-Persons	$76,800	$1,920	$1,196	$39	$189	$195	$300	$1,920	$9,465	**$189,299**
3-Persons	$86,400	$2,160	$1,374	$45	$217	$224	$300	$2,160	$10,867	**$217,344**
4-Persons	$96,000	$2,400	$1,551	$51	$245	$253	$300	$2,400	$12,269	**$245,388**

Ownership Cost Assumptions		
% of Income for Housing Costs	30%	of gross annual income
Mortgage Terms	Standard Mortgage Terms	
Down Payment	5.0%	of home value
Annual Interest Rate	7.00%	fixed
Loan Term	30	years
Annual Mortgage Insurance	1.30%	of mortgage
Annual property tax rate	1.2%	of home value
Annual Hazard Insurance	0.25%	of home value
Condominium Fees	$300	/Month

Source: Department of Housing and Community Development, 2002; Bay Area Economics, 2002.

Appendix V: List of Contacts and Sources

Lenders
Union Bank, Construction Lending, Commercial and Multifamily
Wells Fargo Bank, Construction Lending, Multifamily
Bay View Bank, Construction Lending
Mechanics Bank, Commercial Lending
Mid-Peninsula Bank, Construction Lending
Heritage Bank, Construction Lending
TRI Commercial, Commercial Financing

Real Estate Brokers and Developers
Jim Bayer, Broker and Developer
Chop Keenan, Keenan Land Company
Doug Ross, Ross Construction
Scott Ward, Classic Communities
Vic Spicer, Home Real Estate Broker
Steve Pierce, Zane, MacGregor & Co.
Tom Harrison, Peninsula Plating
Marlene Prendergast & David Easton, Palo Alto Housing Corporation
Kevin Brown, Mid-Peninsula Housing Corporation
Gary Mandarich, Mandarich Developments

Building Contractors
Kirck Wallace, Segue Construction
Chris Long, Devcon Construction
Doug Ross, Ross Construction
Don Cruzon, J.R. Roberts Corp.

City Departments
Utilities Department
Planning and Community Environment
Public Works Department

Market Data Sources
RealFacts Apartment Data
Respective property owners
First American Real Estate Solutions, Condominium and Land Sales July, 2001-June, 2002
Colliers International, Mid-Year Market Report, San Mateo County and Silicon Valley, 2001
Wallace and Steichen, Inc.
Grub & Ellis, Silicon Valley Office Trends, 2001.

Construction and Operating Costs Reference Books
R.S. Mean Square Foot Construction Costs, 2002
Dollars and Cents of Shopping Centers, 2000
Dollars and Cents of Multifamily Housing, 2000
BOMA Experience Exchange Report, 2000

Defect Liability Insurers, Insurance Brokers
American A&S Insurance Brokers
Farmers Insurance

Bay Area Economics

September 3, 2002

Mr. Steve Emslie
Director of Planning and Community Development
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Dear Steve:

The purpose of this letter is to respond to your inquiry regarding the redevelopment feasibility threshold that we used in analyzing the various alternatives for the large site prototype as part of our SOFA II financial analysis. As I will explain below, there is no single figure that can represent development feasibility, even within an area as small as SOFA II. While it can be argued that the development feasibility threshold that we chose for the large site prototype is not representative of all sites within the SOFA II area because part of the site is publicly owned, I believe we have been careful to try to explain that the analysis represented a specific set of circumstances on a specific property and that feasibility thresholds can be expected to vary from property to property within the SOFA II area.

Recognizing that the City may find a more general indicator of development feasibility to also be useful, I am providing some additional discussion regarding the "residual land values" that we estimated for the different SOFA II development prototypes, in relation to reported market rate land values within the City of Palo Alto. The results of our prior analysis indicate that at a development intensity of 1.15 FAR (with reduced parking) the large site prototype would support a residual land value that is in the range of commercial and multifamily land values reported in the City's Housing Element. More specifically, our original analysis indicates that the economics of the 1.15 FAR large site prototype with reduced parking would allow a developer to pay a price of approximately $165 per square foot for a development site, which is within the range of values that were mentioned in the Housing Element update for multifamily residential and commercial land within the City of Palo Alto ($150 to $167 per square foot). While the owner of a property that is developed to a fairly high intensity and which generates significant net income may not be satisfied with selling his/her property at that price level, the owner of a property with functionally obsolete buildings, or of a site that is developed at a relatively low intensity could find this level of value quite attractive. Meanwhile, the large site development prototype based on a 1.5 FAR with reduced parking would support a residual land value of just over $200 per square foot and the large site development prototype with a 2.5 FAR and reduced parking would support an even greater residual land value.

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Background

As we explained in our original analysis, the large site prototype that we defined for the purposes of the SOFA II financial analysis was based on combining two smaller sites into a larger site. The two smaller sites involved a parcel already developed and occupied by an auto-related use (i.e., auto repair shop) and an adjacent city-owned site that is currently occupied by an electrical substation.

The purpose of estimating a "redevelopment incentive threshold" for each of the sites (i.e., the small site and the large site) was to estimate the price that a developer would have to pay the property owner to make it attractive to the site's owner to sell it for development consistent with the proposed zoning regulations. After establishing the redevelopment incentive threshold for each of the sites, we could then compare the residual land values that we estimated for each of the development prototypes with the appropriate redevelopment incentive threshold. If the residual land value for a given prototype was equal to or greater than the redevelopment incentive threshold for the small site or large site, as appropriate, then we deemed the prototype feasible.

For the small site, we estimated the redevelopment incentive threshold to represent a level that would provide the property owner with compensation that is ten percent greater than the value that would be derived by capitalizing the estimated net income from the existing use of the site. For the large site, we estimated the redevelopment incentive threshold to represent a level that would compensate the owner for the value of the small site plus an additional value that was equal to the estimated cost of relocating the substation, plus a ten percent premium.

We understand that there is concern that the location that the large site represents is unique among SOFA II area properties due to it being partially owned by the City and, therefore, it could be argued that the redevelopment incentive threshold that we estimated for that site may be lower than the value that would trigger development "feasibility" on other properties in the SOFA II area that are privately owned. In fact, in my presentation to the Planning and Transportation Commission on August 7, I was careful to point out that the finding that a particular prototype met the assumed redevelopment threshold was specific to that particular prototype developed under a specific set of assumptions, that there is no single residual land value that would be indicative of an economically attractive development prototype within the SOFA II area, and that literally each property owner can be expected to have a different perspective on what constitutes an adequate incentive to develop their property rather than leave the property in its existing state.

Thus, in addition to considering the results of the pro-forma analyses for the different development prototypes in relationship to the development incentive thresholds that we established for the particular parcels that we used as our examples for the purposes of the analysis, it is also useful to simply consider the residual land values associated with the different development prototypes and ask the question of whether, if permitted a certain

level of development intensity, a developer would be able to afford to pay a "market" rate price for the land necessary to build the project. According to information published in the City's recently updated Housing Element, multifamily residential land values within the city range from $150 to $167 per square foot and above and commercial land values are about $150 per square foot. In comparison, the large site SOFA II prototype involving 1.15 FAR with reduced parking standards would generate a residual land value of $165 per square foot. The large site prototype involving a 1.5 FAR with reduced parking would generate a residual land value of about $200 per square foot, and the 2.5 FAR large site prototype with reduced parking would generate a residual land value of over $250 per square foot.

Conclusions

In consideration of our original analysis as well as the additional discussion provided above, we believe it should be clear that:

a) if the City supports an increase in the allowable FAR in the SOFA II area to 1.15 or above and allows reduced parking standards, the City will be making development within the SOFA II area more economically attractive than it is under current zoning regulations, and;

b) generally, with all other factors being held constant, as the allowable FAR increases, there is more incentive for redevelopment in the area, and;

c) if the City allows development similar to the prototype we defined for the large site at an FAR of 1.15 with reduced parking, a prospective developer should be able to pay a property owner a "market value" for his/her land that is in line with current multifamily residential and commercial property values, as reported in the City's Housing Element.

I hope that this additional information is useful as the City continues to discuss the proposed SOFA II development regulations. If we can provide any additional assistance, please do not hesitate to contact me.

Sincerely,

Matt Kowta, M.C.P.
Principal

M E M O R A N D U M

TO: Lisa Grote, City of Palo Alto
FROM: Alexander Quinn, Senior Associate
Matt Kowta, Principal
RE: SOFA II Floor Area Bonus Economic Analysis
DATE: September 29th, 2003

The purpose of this memorandum is to provide the analysis, findings, and recommendations regarding a reasonable Floor Area Bonus to grant development projects in the South of Forest Area in exchange for the provision of certain public benefits.

Study Objective

The City of Palo Alto retained Bay Area Economics to perform an analysis of the amount Floor Area Bonus (FAB) that the City of Palo Alto should grant developers in exchange for the provision of public benefits as part of their development projects within the South of Forest Area (SOFA). The City Council is currently in the process of developing a FAB program that will allow development within the RT-35 zone an increase in maximum density, from 1.15 Floor Area Ratio (FAR) to 1.3, and development within the RT-50 zone to receive a increase from 1.3 to 1.5 FAR by providing additional public benefit. Public benefit is defined as converting a market rate residential unit to a below market rate (BMR) unit; leasing commercial space to either a child care provider or non-profit organization; and/or providing public parking spaces. This analysis is intended to assist the City of Palo Alto in setting the amount of public benefit a developer must provide in order to receive a FAB.

Summary of Key Assumptions and Findings

BAE performed a static pro forma analysis using the building and market inputs developed for the South of Forest Area Coordinated Area Plan, Phase II Economic Analysis. BAE based its analyses on three key assumptions:

- The FAB has no bearing on the base project's feasibility.9 Rather, the base project is economically feasible before the FAB. The FAB is an additional incentive and not an assumed component of any given project within SOFA II.
- The FAB does not dramatically change the general design or site layout of the project and represents a minor adjustment to the base project. Thus, construction costs for the FAB are incremental and do not dramatically change the overall project costs. For example, the FAB would not require a project to change from partially submerged podium parking to fully underground parking.

[9] The base project is a project at the allowed floor area ratio before the allowed floor area bonus program.

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- The development cost and revenue estimates generated in the SOFA II Economic Analysis represent a reasonable depiction of current market and development conditions. Further, the site and building prototypes defined for the SOFA II Economic Analysis represent typical development likely to occur within the SOFA II area.

Based on these key assumptions, BAE performed a static pro forma analysis of the FAB, using a lot size of 26,250 square feet. This is the "large lot" from BAE's original SOFA II Economic Analysis. The following matrix summarizes those results.

	FAB	
Public Benefit	*1.15 FAR to 1.3 FAR*	*1.3 FAR to 1.5 FAR*
Conversion of Market Rate Units to BMR Units	0.46 BMR units/ bonus market rate unit	0.51 BMR units/ bonus market rate unit
Lease to Child Care Center or Non-profit Organization	570 below market sq. ft./ 1,000 bonus square feet	590 below market sq. ft./ 1,000 bonus square feet
Provide Public Parking (Partially Submerged Podium)	4.5 spaces/ 1,000 bonus sq. ft.	4.7 spaces/ 1,000 bonus sq. ft.
Provide Public Parking (Under Ground Parking)	3.0 spaces/ 1,000 bonus sq. ft.	3.1 spaces/ 1,000 Bonus sq. ft.

The analysis shows a FAB in SOFA II can generate up to approximately three underground public parking spaces for every 1,000 bonus square feet and four to five partially submerged podium parking spaces for every 1,000 bonus square feet. In addition, the analysis shows a developer using a FAB can convert approximately one market rate unit to a BMR unit for every two bonus market rate units. Finally, the analysis shows a developer can lease approximately 600 square feet of commercial space to a non-profit organization or child care provider for every 1,000 bonus square feet.10 The following is an example of how much public benefit the FAB could generate based on these standards for a 26,250 square foot lot.

	FAB – 26,250 Sq. Ft. Lot	
Public Benefit	*1.15 FAR to 1.3 FAR*	*1.3 FAR to 1.5 FAR*
FAB Square Feet	3,938 bonus sq. ft.	5,250 bonus sq. ft.
Conversion of Market Rate Units to BMR Units	2 BMR units converted	2.5 BMR units converted
Lease to Child Care Center or Non-profit Organization	2,240 below market sq. ft.	3,100 below market sq. ft.
Provide Public Parking (Partially Submerged Podium)	18 public spaces	25 public spaces
Provide Public Parking (Under Ground Parking)	12 public spaces	16 public spaces

The following sections further detail BAE's assumptions, methodology, and findings.

Background

As stated earlier, BAE used market and development cost data from the SOFA II Economic Analysis to estimate the amount of public benefit the City could reasonably expect from granting a FAB within SOFA II. The following summarizes the basic methodology and City review process associated with the SOFA II Economic Analysis.

In June of 2002, the City of Palo Alto retained BAE to perform an economic analysis of zoning alternatives for the SOFA II Coordinated Area Plan. The zoning alternatives included an option for a 1.15 Floor Area Ratio (FAR) maximum and an alternative specifying a 1.5 FAR maximum. For each of the zoning alternatives, the urban design firm of Freedman, Tung & Bottomley (FTB) developed a series of illustrative development prototypes that served as the basis for BAE's financial analysis. FTB created a development prototype for each FAR level for both a small and large site. For each of the different prototypes, BAE estimated the resulting residual land value. For the small site, BAE assumed a 10,500 square foot corner lot on Alma Street with approximately 9,800 square feet of auto-related building space. The large site was modeled after the small corner lot site plus the adjacent City-owned parcel at 841 Alma Street, which currently is the site for a City electric utility substation. The small site and the City parcel combined provide 26,250 square feet of site area.

As background for the economic analysis, BAE researched existing market conditions for office, retail, rental residential, and for-sale condominiums within the vicinity of SOFA. The market information provided BAE with an estimate of the current balance of supply and demand for these land uses as well as for the revenue potential that might be associated with new development. BAE also collected development cost and operating cost inputs from local developers, lenders, contractors, and insurers. Using the findings from the market research and these additional inputs, BAE created a pro-forma analysis for each development prototype.

BAE presented its analysis in a series of public meetings and public hearings from July 2002 to October 2002. During that period, BAE received public comment on the analysis, including comments on behalf of local developers from another economic consultant, and from the local development community. BAE revised its economic analysis based on these comments and on comments from city staff. The City Council accepted the SOFA II Economic Analysis in October of 2002.

The City Council preliminary decided to allow a 1.15 maximum FAR within the RT-35 zone with a FAB of up to 1.3 FAR, and a 1.3 maximum FAR within the RT-50 zone with a FAB of up to 1.5 FAR. The City Council directed staff to review the amount of public benefit the City could require in exchange for the FAB while providing sufficient economic incentive to the developer. The City Council defined public benefit as:

- Providing a BMR unit available to a moderate-income household (120 percent of AMI) or lower.
- Building and reserving spaces for public parking.
- Leasing space to a non-profit user and/or a child care user.

Limiting Conditions

The following limiting conditions apply to this memorandum and the BAE analysis conducted for the study:

- All development program assumptions for each scenario (e.g., number of residential units, parking square footage, etc.) were provided to BAE and are considered reliable.
- Most of the assumptions used in the BAE financial analysis could change over time, depending on market and economic conditions. These assumptions include construction loan interest rates and loan-to-value ratios, development project revenue, construction costs, City fees and tax assessments, etc.
- The BAE analysis did not involve in-depth market analysis of future demand for retail, housing, or office space.
- The BAE analysis did not include an assessment of any physical development constraints in the Plan area such as potential environmental contamination, easements, infrastructure capacity, etc. The BAE analysis did also not assess highest and best use for any particular parcel.
- The information developed in the SOFA II Economic Analysis reasonably depicts current market and development conditions. Further, the child care and non-profit average lease rate reported in the *Palo Alto Non-profit Survey Report*[11] represents prevailing market rents for non-profit and child care space.
- BAE only evaluated the public benefit potential of the FAB assuming a developer would build for sale condominium housing. At the time of SOFA II Economic Analysis, for sale housing represented the highest and best use. BAE believes this still to be the case.

Study Approach

BAE used four underlying assumptions in developing the FAB pro forma analysis:

- First, BAE assumed the FAB is a *bonus* for the project; meaning the bonus does not make a project feasible that would otherwise not be feasible if built at the base FAR limit (either 1.15 FAR or 1.3 FAR, depending on the zone). Rather, the base project is economically feasible before the bonus and the bonus only acts as an additional incentive to the builder to provide public benefits; it is not intended to make an otherwise infeasible project feasible.

[11] Palo Alto Non-profit Survey Report, City of Palo Alto, Planning Division, 2001.

- Second, the FAB does not dramatically change the overall design of the project. For example, if a project receives a FAB of 1.15 to 1.3, the project does not change from partially submerged parking to fully underground parking, thereby shifting costs significantly higher for the entire project. It is assumed that in these cases, the developer would choose not to pursue a FAB because the increased costs would outweigh the economic incentive provided by the FAB.

- Third, land values (i.e., cost to the developer) are based only on the value justifiable at the base FAR limit (1.15 in RT-35 and 1.3 in RT-50). BAE did not include additional land costs in estimating the incremental cost to the developer to construct the FAB portion of a project. This assumption was necessary in order to estimate the amount of residual value the FAB would generate.

- Finally, public benefit can be accommodated within the base project and not only in the FAB portion of the project. For example, if a developer of a mixed use project requests a FAB then he or she can use a portion of the project's base commercial square feet to accommodate a non-profit or child care tenant. The developer does not need to provide the non-profit lease space within the FAB portion of the project.

Using these underlying assumptions, BAE developed a static pro forma analysis of the FAB. BAE assessed the FAB residual value for both the small site (10,500 lot square feet) and the large site (26,250 lot square feet) but, for the purposes of this analysis estimated the amount of public benefit the FAB could generate based on the large site. This was primarily due to scale, due to the fact that the small site FAB offered only a small amount of bonus square feet (1,575 square feet for the 1.15-1.3 FAB and 2,100 for the 1.3-1.5 FAB), the large site provided significantly more bonus square feet (3,938 square feet for the 1.15-1.3 FAB and 5,250 for the 1.3-1.5 FAB) and public benefit. In each scenario, BAE maximized the FAB. This is for modeling purposes only as it is likely that developers would review the FAB and request a bonus amount that is within the allowable range, and is optimized to fit best into their projects.

For each FAB scenario, BAE estimated the residual value after accounting for incremental developer costs (assuming the cost of the land has already been factored into the base project cost before FAB) and developer incentive (15 percent return on costs for the FAB portion of the project). The residual represents the "excess" value available to support public benefit. BAE then matched the estimated unit cost of providing the different types of public benefit to the residual value, in order to estimate the amount of public benefit that could be generated for a given quantity of FAB. Thus, BAE calculated the public benefit standard per bonus market rate residential unit and per 1,000 bonus non-residential square feet. This allows the City to apply the standard to a FAB of any scale.

Floor Area Bonus Generated

Using the small and large site, BAE first determined the maximum allowable bonus square feet that can be obtained through the FAB. The following table summarizes the FAB.

	Small Site (10,500 Lot Sq. Ft.)		Large Site (26,250 Lot Sq. Ft.)	
	1.15-1.3 FAB	**1.3-1.5 FAB**	**1.15-1.3 FAB**	**1.3-1.5 FAB**
Maximum Allowable Sq. Ft. before FAB	12,075	13,650	30,188	34,125
Bonus Square Feet	1,575	2,100	3,938	5,250
Pct. Increase in Project Sq. Ft.	13%	15%	13%	15%
Bonus Units	2	2	4	5
Average Unit Size (Sq. Ft.)	788	1,050	984	1,050

As shown in the previous table, a small site would only receive a marginal gain in the total building square feet. A developer attempting to maximize building intensity on a 10,500 square foot lot would increase building square feet by approximately 13 percent through a 1.15-1.3 FAB and by 15 percent through a 1.3-1.5 FAB. Further, on a small lot, a developer could choose not to maximize the FAR and instead construct one unit at the required average unit size (1,250 square feet), thereby only needing to build two parking spaces instead of four parking spaces for two smaller units. The result would be only marginal public benefit to the City, as the builder would subsidize only half a BMR unit. The FAB is more likely to be requested by developers with larger lots where the 0.15 or 0.2 FAR bonus represents a significantly larger increase in building space.

FAB Pro Forma Results

Tables 1 though 4 summarize the FAB pro forma results for the small site prototype and the large site prototype under both FAB programs. For the pro forma analysis, BAE used the following pro forma assumptions:

- For sale condominiums would be constructed within the incremental increase in space associated with the FAB.
- As stated earlier, land costs are not included in the FAB.
- A 15 percent return on development costs for the FAB portion of the project is sufficient incentive for developers to pursue a FAB.
- FAB parking is partially submerged podium parking.

For each development prototype, BAE calculated a residual value available for public benefit. This is the amount of project value remaining and available to offset the cost of providing public benefits after accounting for FAB development costs and allowing for developer profit incentive. The following summarizes the amount of residual value available to support public benefits, by FAB and site size.

	Small Site (10,500 Lot Sq. Ft.)		Large Site (26,250 Lot Sq. Ft.)	
	1.15-1.3 FAB	**1.3-1.5 FAB**	**1.15-1.3 FAB**	**1.3-1.5 FAB**
Total Residual Value	$149,184	$244,822	$441,824	$612,054
Residual Value Per Bonus Sq. Ft.	$95	$112	$117	$117

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Table 1: Floor Area Bonus Economic Analysis, FAR 1.15 to FAR 1.3, Small Site

Pro Forma Assumption: This static pro forma only analyzes the Floor Area Bonus portion of the project as it is assumed that the base project (the project before the Floor Area Bonus) is economically feasible. The Floor Area Bonus only acts as an additional builder's incentive to the project and is not essential to the base project's economic feasability. Thus, the Floor Area Bonus pro forma does not include land cost.

Major Assumptions

Floor Area Bonus Program	Number	Unit
Lot Size	10,500	Lot Sq. Ft.
Bonus Square Feet	1,575	Bldg. Sq. Ft.
Total Bonus Units	2	Units
Average Unit Size	788	Sq. Ft. Per Unit
Parking Spaces Required	4	Spaces (a)

Incremental Development Costs Assumptions	Price Per Unit	Unit
Hard Costs		
Construction Hard Costs (b)	$160	/Bldg. Sq. Ft.
Partially Submerged Podium Parking (c)	$19,000	/Space
Soft Costs		
Architecture and Engineering	7.5%	of Hard Costs
Defect Liability Insurance	5%	of Hard Costs
Impact Fees	$10,600	/Unit
BMR In-Lieu Fee	7.5%	of Appraised Value
Plumbing, Electrical, Building Fees	$773	/Unit
Construction Loan (d)	7.5%	Interest
Interim Property Taxes (e)	1.2%	of Soft & Hard Cost
Development Overhead/Other (f)	3%	of Total Costs
Contingency	5%	of Total Costs
Developer Profit Assumptions		
Assumed Necessary Development Incentive	15%	of Total Costs
Sales Revenue		
Price Per Square Foot (g)	$500	/Bldg. Sq. Ft.
Price Per Unit	$393,750	/Market Rate Unit
Unit Sale Expenses		
Brokerage and Marketing Expenses	5%	of Potential Revenue

Pro Forma Analysis

Development Costs for Floor Area Bonus Portion	
Hard Costs	
Construction Costs	$252,000
Parking Costs	$76,000
Sub Total	*$328,000*
Soft Costs	-
Architecture and Engineering	$24,600
Defect Liability Insurance	$16,400
Impact Fees	$21,201
BMR	$59,063
Building/Permitting/Impact Fess	$1,546
Construction Loan (d)	$27,889
Interim Taxes	$2,872
Development Overhead/Other (f)	$14,447
Contingency	$24,801
Sub Total	*$192,819*
Floor Area Bonus Development Costs	**$520,819**
Development Feasibility	-
Sales Revenue	$787,500
Total Sales Revenue	*$787,500*
Less Units Sales Expenses	
Brokerage and Marketing Expenses	($39,375)
Total Operating Expenses	*($39,375)*
Net Income	**$748,125**
	-
Gross Profit from Floor Area Bonus	$227,306
Less Developer Incentive (h)	($78,123)
Remaining Available for Public Benefit	**$149,184**
Remaining Available Per Bonus Sq. Ft.	**$95**

Notes:

a) Assumes partially submerged podium parking.
b) Assumes wood frame high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail.
c) Assumes 400 square feet per space. This only includes hard costs.
d) Assumes a 0.6 drawdown factor, 18 month construction period, 0.75 loan to value ratio, and 1.5 percentage point loan fee.
e) Assumes the property would be assessed halfway through construction.
f) Overhead/developer fee/other is percentage of total costs except contingency.
g) The price per square foot is based on the SOFA II Economic Analysis which included a market review of condominium sales within the SOFA II market area.
h) Developer incentive is assumed to be the developer profit threshold (14 percent of total costs).

Table 2: Floor Area Bonus Economic Analysis, FAR 1.15 to FAR 1.3, Large Site

Pro Forma Assumption: This static pro forma only analyzes the Floor Area Bonus portion of the project as it is assumed that the base project (the project before the Floor Area Bonus) is economically feasible. The Floor Area Bonus only acts as an additional builder's incentive to the project and is not essential to the base project's economic feasability. Thus, the Floor Area Bonus pro forma does not include land cost.

Major Assumptions

Floor Area Bonus Program	**Number**	**Unit**
Lot Size	26,250	Lot Sq. Ft.
Bonus Square Feet	3,938	Bldg. Sq. Ft.
Total Bonus Units	4	Units
Average Unit Size	984	Sq. Ft. Per Unit
Parking Spaces Required	8	Spaces (a)

Incremental Development Costs Assumptions	**Price Per Unit**	**Unit**
Hard Costs		
Construction Hard Costs (b)	$160	/Bldg. Sq. Ft.
Partially Submerged Podium Parking (c)	$19,000	/Space
Soft Costs		
Architecture and Engineering	7.5%	of Hard Costs
Defect Liability Insurance	5%	of Hard Costs
Impact Fees	$11,022	/Unit
BMR In-Lieu Fee	7.5%	of Appraised Value
Plumbing, Electrical, Building Fees	$930	/Unit
Construction Loan (d)	7.5%	Interest
Interim Property Taxes (e)	1.2%	of Soft & Hard Cost
Development Overhead/Other (f)	3%	of Total Costs
Contingency	5%	of Total Costs
Developer Profit Assumptions		
Assumed Necessary Development Incentive	15%	of Total Costs
Sales Revenue		
Price Per Square Foot (g)	$500	/Bldg. Sq. Ft.
Price Per Unit	$492,188	/Market Rate Unit
Unit Sale Expenses		
Brokerage and Marketing Expenses	5%	of Potential Revenue

Pro Forma Analysis

Development Costs for Floor Area Bonus Portion		
Hard Costs		
Construction Costs		$630,000
Parking Costs		$152,000
	Sub Total	*$782,000*
Soft Costs		-
Architecture and Engineering		$58,650
Defect Liability Insurance		$39,100
Impact Fees		$44,086
BMR		$147,656
Building/Permitting/Impact Fess		$3,719
Construction Loan (d)		$66,494
Interim Taxes		$6,850
Development Overhead/Other (f)		$34,457
Contingency		$59,151
	Sub Total	*$460,164*
Floor Area Bonus Development Costs		**$1,242,164**
Development Feasibility		-
Sales Revenue		$1,968,750
	Total Sales Revenue	*$1,968,750*
Less Units Sales Expenses		
Brokerage and Marketing Expenses		($98,438)
	Total Operating Expenses	*($98,438)*
Net Income		**$1,870,313**
		-
Gross Profit from Floor Area Bonus		$628,149
Less Developer Incentive (h)		($186,325)
Remaining Available for Public Benefit		**$441,824**
Remaining Available Per Bonus Sq. Ft.		**$112**

Notes:
a) Assumes partially submerged podium parking.
b) Assumes wood frame high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail.
c) Assumes 400 square feet per space. This only includes hard costs.
d) Assumes a 0.6 drawdown factor, 18 month construction period, 0.75 loan to value ratio, and 1.5 percentage point loan fee.
e) Assumes the property would be assessed halfway through construction.
f) Overhead/developer fee/other is percentage. of total costs except contingency
g) The price per square foot is based on the SOFA II Economic Analysis which included a market review of condominium sales within the SOFA II market area.
h) Developer incentive is assumed to be the developer profit threshold (14 percent of total costs).

Table 3: Floor Area Bonus Economic Analysis, FAR 1.3 to FAR 1.5, Small Site

Pro Forma Assumption: This static pro forma only analyzes the Floor Area Bonus portion of the project as it is assumed that the base project (the project before the Floor Area Bonus) is economically feasible. The Floor Area Bonus only acts as an additional builder's incentive to the project and is not essential to the base project's economic feasability. Thus, the Floor Area Bonus pro forma does not include land cost.

Major Assumptions

Floor Area Bonus Program	**Number**	**Unit**
Lot Size	10,500	Lot Sq. Ft.
Bonus Square Feet	2,100	Bldg. Sq. Ft.
Total Bonus Units	2	Units
Average Unit Size	1,050	Sq. Ft. Per Unit
Parking Spaces Required	4	Spaces (a)

Incremental Development Costs Assumptions	**Price Per Unit**	**Unit**
Hard Costs		
Construction Hard Costs (b)	$160	/Bldg. Sq. Ft.
Partially Submerged Podium Parking (c)	$19,000	/Space
Soft Costs		
Architecture and Engineering	7.5%	of Hard Costs
Defect Liability Insurance	5%	of Hard Costs
Impact Fees	$11,162	/Unit
BMR In-Lieu Fee	7.5%	of Appraised Value
Plumbing, Electrical, Building Fees	$982	/Unit
Construction Loan (d)	7.5%	Interest
Interim Property Taxes (e)	1.2%	of Soft & Hard Cost
Development Overhead/Other (f)	3%	of Total Costs
Contingency	5%	of Total Costs

Developer Profit Assumptions		
Assumed Necessary Development Incentive	15%	of Total Costs

Sales Revenue		
Price Per Square Foot (g)	$500	/Bldg. Sq. Ft.
Price Per Unit	$525,000	/Market Rate Unit

Unit Sale Expenses		
Brokerage and Marketing Expenses	5%	of Potential Revenue

Pro Forma Analysis

Development Costs for Floor Area Bonus Portion	
Hard Costs	
Construction Costs	$336,000
Parking Costs	$76,000
Sub Total	*$412,000*
Soft Costs	-
Architecture and Engineering	$30,900
Defect Liability Insurance	$20,600
Impact Fees	$22,324
BMR	$78,750
Building/Permitting/Impact Fess	$1,964
Construction Loan (d)	$35,033
Interim Taxes	$3,609
Development Overhead/Other (f)	$18,155
Contingency	$31,167
Sub Total	*$242,503*
Floor Area Bonus Development Costs	**$654,503**
Development Feasibility	-
Sales Revenue	$1,050,000
Total Sales Revenue	*$1,050,000*
Less Units Sales Expenses	
Brokerage and Marketing Expenses	($52,500)
Total Operating Expenses	*($52,500)*
Net Income	**$997,500**
	-
Gross Profit from Floor Area Bonus	$342,997
Less Developer Incentive (h)	($98,175)
Remaining Available for Public Benefit	**$244,822**
Remaining Available Per Bonus Sq. Ft.	**$117**

Notes:

a) Assumes partially submerged podium parking.
b) Assumes wood frame high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail.
c) Assumes 400 square feet per space. This only includes hard costs.
d) Assumes a 0.6 drawdown factor, 18 month construction period, 0.75 loan to value ratio, and 1.5 percentage point loan fee.
e) Assumes the property would be assessed halfway through construction.
f) Overhead/developer fee/other is percentage. of total costs except contingency
g) The price per square foot is based on the SOFA II Economic Analysis which included a market review of condominium sales within the SOFA II market area.
h) Developer incentive is assumed to be the developer profit threshold (14 percent of total costs).

Table 4: Floor Area Bonus Economic Analysis, FAR 1.3 to FAR 1.5, Large Site

Pro Forma Assumption: This static pro forma only analyzes the Floor Area Bonus portion of the project as it is assumed that the base project (the project before the Floor Area Bonus) is economically feasible. The Floor Area Bonus only acts as an additional builder's incentive to the project and is not essential to the base project's economic feasability. Thus, the Floor Area Bonus pro forma does not include land cost.

Major Assumptions

Floor Area Bonus Program	**Number**	**Unit**
Lot Size	26,250	Lot Sq. Ft.
Bonus Square Feet	5,250	Bldg. Sq. Ft.
Total Bonus Units	5	Units
Average Unit Size	1,050	Sq. Ft. Per Unit
Parking Spaces Required	10	Spaces (a)

Incremental Development Costs Assumptions	**Price Per Unit**	**Unit**
Hard Costs		
Construction Hard Costs (b)	$160	/Bldg. Sq. Ft.
Partially Submerged Podium Parking (c)	$19,000	/Space
Soft Costs		
Architecture and Engineering	7.5%	of Hard Costs
Defect Liability Insurance	5%	of Hard Costs
Impact Fees	$11,162	/Unit
BMR In-Lieu Fee	7.5%	of Appraised Value
Plumbing, Electrical, Building Fees	$982	/Unit
Construction Loan (d)	7.5%	Interest
Interim Property Taxes (e)	1.2%	of Soft & Hard Cost
Development Overhead/Other (f)	3%	of Total Costs
Contingency	5%	of Total Costs
Developer Profit Assumptions		
Assumed Necessary Development Incentive	15%	of Total Costs
Sales Revenue		
Price Per Square Foot (g)	$500	/Bldg. Sq. Ft.
Price Per Unit	$525,000	/Market Rate Unit
Unit Sale Expenses		
Brokerage and Marketing Expenses	5%	of Potential Revenue

Pro Forma Analysis

Development Costs for Floor Area Bonus Portion		
Hard Costs		
Construction Costs		$840,000
Parking Costs		$190,000
	Sub Total	*$1,030,000*
Soft Costs		-
Architecture and Engineering		$77,250
Defect Liability Insurance		$51,500
Impact Fees		$55,810
BMR		$196,875
Building/Permitting/Impact Fess		$4,911
Construction Loan (d)		$87,583
Interim Taxes		$9,024
Development Overhead/Other (f)		$45,389
Contingency		$77,917
	Sub Total	*$606,257*
Floor Area Bonus Development Costs		**$1,636,257**
Development Feasibility		-
Sales Revenue		$2,625,000
	Total Sales Revenue	*$2,625,000*
Less Units Sales Expenses		
Brokerage and Marketing Expenses		($131,250)
	Total Operating Expenses	*($131,250)*
Net Income		**$2,493,750**
		-
Gross Profit from Floor Area Bonus		$857,493
Less Developer Incentive (h)		($245,439)
Remaining Available for Public Benefit		**$612,054**
Remaining Available Per Bonus Sq. Ft.		**$117**

Notes:

a) Assumes partially submerged podium parking.
b) Assumes wood frame high-quality construction, skylight, wood floors and full kitchen appliances. See Appendix S for a full unit detail.
c) Assumes 400 square feet per space. This only includes hard costs.
d) Assumes a 0.6 drawdown factor, 18 month construction period, 0.75 loan to value ratio, and 1.5 percentage point loan fee.
e) Assumes the property would be assessed halfway through construction.
f) Overhead/developer fee/other is percentage. of total costs except contingency
g) The price per square foot is based on the SOFA II Economic Analysis which included a market review of condominium sales within the SOFA II market area.
h) Developer incentive is assumed to be the developer profit threshold (14 percent of total costs).

Public Benefit Costs Calculation

As stated earlier, Public Benefit is defined as converting a market rate residential unit to a BMR unit affordable to a moderate-income household, leasing space to non-profit organization, leasing space to a child care provider, and/or building and reserving public parking. BAE calculated the Public Benefit by estimating (1) the difference between the market rate price and the BMR price, (2) the difference between a commercial market rate lease and the average lease rate for a non-profit organization, and (3) the costs to build parking. The following explains BAE's methodology for estimating the Public Benefit costs.

BMR Public Benefit Costs. BAE calculated the Public Benefit costs of converting a market rate unit to a BMR unit as the difference between the market rate price of a 1,250 square foot unit and the BMR price for a three bedroom-two bathroom unit as determined by the City of Palo Alto's Planning and Community Environment Department's Housing Division.12 According to the Housing Division, the moderate-income BMR unit price is $387,250. Based on the SOFA II Economic Analysis, the market rate price for condominiums within the SOFA II market area is approximately $500 per square foot of living area. Accordingly, the estimated value for 1,250 square foot unit is $625,000. Therefore, the cost to convert a market rate unit is the difference between the market rate price and the BMR price. As shown in Table 5, the difference is approximately $238,000. Thus, the Public Benefit cost is $238,000 per market rate unit converted to BMR.

Parking (Partially Submerged Podium Parking, Fully Underground Parking). BAE used parking construction cost estimates generated from the SOFA II Economic Analysis. As shown in Table 5, the average construction cost for partially submerged parking is $25,000 per space, excluding land costs. In addition, the average construction costs for fully underground parking is $38,000 per space, excluding land costs. Thus, the Public Benefit cost to provide public parking is $25,000 per partially submerged parking space and $38,000 per fully underground space.

Commercial Space Leased to Non-Profit Organization or Child Care Provider. Similar to calculating the Public Benefit cost of converting a market rate unit into a BMR unit, the Public Benefit cost of leasing to a non-profit organization or child care provider is the market value of a commercial lease minus the below market value of a non-profit lease. In 2001, the City of Palo Alto surveyed a number of local non-profit organizations, including child care providers. 13 Those surveyed were asked to provide their current lease terms. On average, the lease terms tend to be less than market rates for commercial space in Palo Alto. According to the Palo Alto Non-profit Survey Report, the average lease rate for non-profit organizations and

[12] BAE used a 1,250 square foot unit size because the City plans to require an average unit size of 1,250 square feet of living area or less within the SOFA II area.

[13] Palo Alto Non-profit Survey Report, City of Palo Alto, Planning Division, 2001.

child care providers was $2.35 per month, full service.14 BAE then compared the average lease amounts to prevailing commercial rates in the SOFA II area as surveyed and reported in the SOFA II Economic Analysis. As shown in Table 5, the estimated capitalized value of a market rate commercial lease is approximately $450 per square foot compared to an estimated value of approximately $250 per square foot for a below market non-profit organization or child care lease. Thus, the net Public Benefit from leasing space to a non-profit organization or to a child care provider at rates typically charged to these types of tenants is approximately $200 per square foot.

[14] BAE assumes full service lease terms because the survey asked what the respondent pays for its space.

Table 5: Public Benefit Cost Calculation

BMR PUBLIC BENEFIT

BMR Public Benefit Cost Calculation			
Market Rate Price Calculation			
Average Unit Size	1,250		sq. ft.
Price Per Square Foot		$500	sq. ft.
Market Rate Price (a)		$625,000	/unit
BMR Price (b)		$387,250	/unit
Net Public Benefit (c)		**$237,750**	/unit

PARKING PUBLIC BENEFIT

Parking Public Benefit Cost Calculation (Partially Submerged Podium Parking)		
Average Underground Parking Space Size (h)	420	sq. ft.
Average Hard Costs Per Square Foot (h)	$45	sq. ft.
Average Soft Costs (as a percentage of hard costs) (i)	30%	of hard costs
Total Public Parking Benefit Costs (j)	**$25,000**	**/Space**

Parking Public Benefit Cost Calculation (Underground Parking)		
Average Underground Parking Space Size (h)	420	sq. ft.
Average Hard Costs Per Square Foot (h)	$70	sq. ft.
Average Soft Costs (as a percentage of hard costs) (i)	30%	of hard costs
Total Public Parking Benefit Costs (j)	**$38,000**	**/Space**

CHILD CARE AND NON PROFIT ORGANIZATION PUBLIC BENEFIT

Child Care and Non Profit Organization Public Benefit Cost Calculation		
Market Rate Commercial Space		
Commercial Lease Rate NNN (Market Rate) (d)	$3.50	/month
Less Vacancy	($0.18)	/month
Less Operating Expenses	($0.34)	/month
Net Lease Revenue	$2.99	/month
Capitalization Rate	8%	
Market Value Per Commercial Square Foot (e)	$448	
Child Care and Non Profit Organization Lease Rate (f)		
Below Market Lease Rate Full Service (f)	$2.35	/month
Less Vacancy	($0.12)	/month
Less Operating Expenses	($0.56)	/month
Net Lease Revenue	$1.67	/month
Capitalization Rate	8%	
Child Care or Non Profit Lease Value Per Sq. Ft. (g)	$251	/Sq. Ft.
Net Public Benefit (c)	**$197**	**/Sq. Ft.**

Notes:
(a) Market for sale prices are based on the SOFA II Economic Analysis, which estimated a sales price of $500 per square foot. Based on a unit size of 1,250 square feet in living area. This is a three bedroom-two bathroom unit with two available parking spaces.
(b) BMR Prices were determined by the Housing Coordinator, Cathy Siegel in May of 2003. These are based on a three bedroom-two bathroom unit.
(c) The net public benefit is the loss in potential revenue from converting a market rate unit into a BMR unit. The net public benefit cost of leasing to a non profit or child care organization is the loss in potential lease revenue from the average lease rate as estimated in the Palo Alto Non Profit Survey Report in 2001.
(d) The market lease rate is based on the SOFA II Economic Analyis, which included an estimate of prevailing lease rates for commercial space within the SOFA II market area.
(e) The market value is the net monthly revenue annualized and divided by the capitalization rate.
(f) The average lease rate is according to average lease rates of non profit organizations from the City of Palo Alto Non Profit Survey Report. Operating expenses for non profit organizations and child care centers include building maintenance, property taxes, utilities, cleaning, and building insurance.
(g) The average child care lease rate is based on the Palo Alto Non Profit Survey Report of average surveyed commercial lease rates of child care centers.
(h) Based on the SOFA II Economic Analysis which included researching parking construction costs.
(j) Totals are rounded to the nearest thousand.

Correlation Calculations and Recommended FAB Standards

The previous sections discussed BAE's methodology and findings regarding the residual values available for Public Benefit associated with granting a FAB, and the estimated costs of providing the specified public benefits in exchange. This section discusses the correlation between the residual values generated from FABs and the Public Benefit costs. As stated earlier, BAE used the large site to determine this correlation because the FABs on a large site add significantly more square feet and –in general- do not generate fractional correlations between FAB amounts and associated Public Benefit amounts. Table 6 summarizes the correlation calculations.

BMR Units. In this case, BAE first determined the residual value per market rate unit for both the 1.15 – 1.3 FAB and the 1.3 – 1.5 FAB. As shown in Table 6, the residual value is approximately $110,000 per market rate unit when granting a 1.15 – 1.3 FAB and $122,000 per market rate unit when granting a 1.3 – 1.5 FAB. BAE then divided these totals by the Public Benefit costs to convert a market rate unit to a BMR unit ($237,750). The result is approximately 0.46 BMR unit conversion for every one bonus market rate unit constructed within the RT-35 zone and 0.51 BMR unit conversions for every one bonus market rate unit construction within the RT-50 zone.

Recommended BMR Standard. BAE recommends that the City of Palo Alto simplify the FAB requirement to a single ratio in both the RT-35 and RT-50 zones. Thus, BAE recommends a Public Benefit requirement of 0.5 BMR unit conversions for every bonus market rate unit constructed.

Public Parking. For public parking, BAE divided the FAB residual value per 1,000 bonus square feet by the Public Benefit cost per public parking space. The residual value per 1,000 bonus square feet is approximately $112,000 when granting a 1.15 – 1.3 FAB and $117,000 when granting a 1.3 – 1.5 FAB.

Partially Submerged Parking. The analysis shows the residual value generated from 1,000 bonus square feet can support approximately 4.5 partially submerged podium parking spaces in the RT-35 zone and 4.7 in the RT-50 zone.

Fully Underground Parking. BAE estimates the residual value generated from 1,000 bonus square feet can support approximately three underground parking spaces in the RT-35 zone and 3.1 in the RT-50 zone.

Recommended Public Parking Standard. Based on the calculations above, BAE recommends granting a FAB contingent upon the builder providing 4.5 partially submerged parking spaces per 1,000 bonus square feet and 3.0 fully underground parking spaces per 1,000 bonus square feet within both the RT-35 and RT-50 zone.

Lease to Non-profit Organization and/or Child Care Provider. As with the public parking correlation calculation, BAE divided the residual value per 1,000 bonus square feet by the Public Benefit cost per square foot for a below market lease to a non-profit organization and/or a child care provider. Accordingly, the residual value per 1,000 bonus square feet can support a lease of approximately 570 square feet of space to a non-profit organization or child care provider within the RT-35 zone. A FAB granted within RT-50 could support approximately a 590 square feet lease for every 1,000 bonus square feet.

Recommended Non-profit/Child Care Provider Lease Standard. For simplification purposes, BAE recommends using a single standard for leasing space to a non-profit organization and/or a child care provider in return for a FAB within either the RT-35 or RT-50 zones. BAE recommends rounding the standard down to 500 lease square feet of space for non-profit/child care for every 1,000 bonus square feet granted.

Public Benefit Generated Based on Standard and FAB Conclusions

Using the small and large site prototypes, BAE estimated the amount of Public Benefit that could be generated using the recommended standards discussed in the previous section. Table 7 summarizes the Public Benefit generation for the small and large sites.

Small sites will likely generate only a small amount of public benefit considering the bonus represents a marginal increase in the total building square footage. Only 1,050 square feet of space for lease to a non-profit or child care provider could be justified by a 1.3 – 1.5 FAB. Larger sites will benefit more and therefore the large site example was used to calculate the correlation between the public benefit and the FAB. The residual value generated from the large site example within the RT-50 zone could support 16 fully underground public parking spaces. The recommended standards can be adjusted based on fluctuating market conditions to reflect differences in BMR subsidy and parking development costs. Furthermore, the City will have the opportunity to revisit the development inputs and assumptions if few developers take advantage of the FAB or if the FAB restrictions are set too low.

Table 6: Floor Area Bonus and Public Benefit Correlation

	Floor Area Bonus			
BMR FLOOR AREA BONUS	**RT-35: 1.15 to 1.3 Floor Area Bonus**		**RT-50: 1.3 to 1.5 Floor Area Bonus**	
Residual Value for Public Benefit (a)	$441,824		$612,054	
Residual Value Per Market Rate Unit (a)	$110,456	/Unit	$122,411	/Unit
BMR Public Benefit (b)	$237,750	/Unit	$237,750	/Unit
Below Market Rate Units per Market Rate Bonus Unit	**0.46**	BMR Units : Market Units	**0.51**	BMR Units : Market Units
PARKING FLOOR AREA BONUS				
Residual Value for Public Benefit (a)	$441,824		$612,054	
Residual Value Per Bonus SF (a)	$112	/Bonus SF	$117	/Unit
Partially Submerged Podium Parking Public Benefit (e)	$25,000	/Parking Space	$25,000	/Parking Space
Parking Spaces Per 1,000 Bonus SF	**4.5**	Parking Spaces/1,000 SF	**4.7**	Parking Spaces/1,000 SF
Underground Parking Public Benefit (b)	$38,000	/Parking Space	$38,000	/Parking Space
Parking Spaces Per 1,000 Bonus SF	**3.0**	Parking Spaces/1,000 SF	**3.1**	Parking Spaces/1,000 SF
CHILD CARE AND NON PROFIT LEASE FLOOR AREA BONUS				
Residual Value for Public Benefit (a)	$441,824		$612,054	
Residual Value Per Bonus SF (a)	$112	/Bonus SF	$117	/Unit
Child Care and Non Profit Public Lease Benefit (b)	$197	/Leased SF	$197	/Leased SF
Non-Profit/Child Care Lease SF Per 1,000 Bonus SF (e)	**570**	BM Lease/1,000 SF	**590**	BM Lease/1,000 SF

Notes:
(a) See Tables 2 and 4 for detail of the amount remaining for public benefit.
(b) See Table 5.
(c) The market rate unit to below market rate unit ratio is the residual value per market rate unit divided by the BMR public benefit as calculated in Table 5.
(d) The bonus square feet per public parking space is the parking costs divided by residual value per bonus square foot.
(e) The non profit and child care lease square feet per bonus square feet is the residual value per bonus square feet divided by the child care and non profit public lease benefit.
These totals are rounded to the nearest ten.

Table 7: Public Benefit Generation of Small and Large Sites

	RT 35		RT-50	
	1.15 to 1.3 Floor Area Bonus		1.3 to 1.5 Floor Area Bonus	
Small Site (Lot Size: 10,500 Sq. Ft)				
Floor Area Bonus				
Bonus Square Feet	1,575	Bonus Sq. Ft.	2,100	Bonus Sq. Ft.
Units	2	Market Rate Units	2	Market Rate Units
Developer Incentive	$78,123	Developer Incentive	$98,175	Developer Incentive
Residual Value Available for Public Benefit	$149,184	Value for Public Benefit	$244,822	Value for Public Benefit
Public Benefit				
Units Converted to BMR	1	BMR Unit	1	BMR Unit
Public Parking Spaces (Partially Submerged Podium)	7	Spaces	10	Spaces
Public Parking Spaces (Underground)	5	Spaces	6	Spaces
Commercial Space Converted to Non-Profit/Child Care Lease Space (a)	790	Leased Sq. Ft.	1,050	Leased Sq. Ft.
Large Site (Lot Size: 26,250 Sq. Ft.)				
Floor Area Bonus				
Bonus Square Feet	3,938	Bonus Sq. Ft.	5,250	Bonus Sq. Ft.
Units	4	Market Rate Units	5	Market Rate Units
Developer Incentive	$186,325	Developer Incentive	$245,439	Developer Incentive
Residual Value Available for Public Benefit	$441,824	Value for Public Benefit	$612,054	Value for Public Benefit
Public Benefit				
BMR Units	2	BMR Units	2.5	BMR Units
Public Parking Spaces (Partially Submerged Podium)	18	Spaces	24	Spaces
Public Parking Spaces (Underground)	12	Spaces	16	Spaces
Commercial Space Converted to Non-Profit/Child Care Lease Space (a)	1,970	Leased Sq. Ft.	2,630	Leased Sq. Ft.

Note:
(a) Totals are rounded to the nearest ten.

APPENDIX F APPLICABLE CAPITAL IMPROVEMENT PROJECTS

Appendix F shows Capital Improvement Projects applicable to SOFA 2.

Appendix F-1 Homer Undercrossing

Homer Avenue Undercrossing (10121)

Continuing — Miscellaneous Infrastructure

PROJECT DESCRIPTION

This project consists of design and construction of a new pedestrian/bicycle grade-separated crossing of the Caltrain tracks approximately 800 feet south of the Palo Alto Caltrain station platform between the Palo Alto Medical Foundation and the Homer/Alma intersection. The project will provide access from the South of Forest Area (SOFA) residential and commercial areas to the new Palo Alto Medical Foundation (PAMF) campus, to the Caltrain station, and to the new bike path constructed by PAMF along Urban Lane which is planned to be extended south to Churchill Avenue. By improving access to the major multi-modal hub the project will encourage and facilitate multi-modal trips.

PROJECT JUSTIFICATION

The need for a new pedestrian/bicycle crossing of the railroad tracks was identified during the review of the plan for the new PAMF campus. The approved PAMF campus plan includes an area to accommodate a pedestrian/bicycle access/landing area for a future crossing and a connection to the existing segment of the bike path built by PAMF on its campus. In conjunction with the PAMF/SOFA Coordinated Area Plan study, a planning and feasibility study for the pedestrian/bicycle crossing of the Caltrain right-of-way in the vicinity of the Homer/Alma intersection was prepared. It is projected that approximately 1,600 to 1,800 pedestrians and bicyclists would use this facility daily.

FUTURE FINANCIAL REQUIREMENTS

FISCAL YEAR	AMOUNT	COMPONENTS
PY Budget	$100,000	
2001-02	$2,550,000	Construction
2002-03		
2003-04		
2004-05		
2005-06		

Sources of Funding: General Fund with the following reimbursements: TEA-21 ($2,200,000); Sheraton and Palo Alto Medical Foundation ($350,000)

CIP

Homer Avenue Undercrossing (10121)
continued

IMPACT AND SUPPORT ANALYSIS

- Environmental: Environmental review will be required
- Design Elements: Project will be reviewed by CIP Design Consultant and is subject to Architectural Review Board and Bicycle Advisory Committee review.
- Operating: Maintenance through Public Works Operations
- Telecommunications: None

COMPREHENSIVE PLAN

This project furthers policy T-14 and program T-21 of the Comprehensive Plan

Appendix F-2 Street Improvements

South of Forest Avenue (SOFA) Street Improvements (10402)

New — Miscellaneous Infrastructure

PROJECT DESCRIPTION

This project will implement traffic calming on Homer and Channing Avenues to improve safety, and reduce conflicts. There may also be a possible conversion of Homer and Channing and sections of High Street from one-way to two-way traffic flow, and changes to mid-block pedestrian crossings to improve visibility and safety.

PROJECT JUSTIFICATION

The PAMF/SOFA Coordinated Area Plan includes a number of policies to calm traffic and improve safety for pedestrians and bicyclists in the SOFA neighborhood. The plan calls for further study of converting Homer and Channing to two-way flow to make these street more in keeping with the residential character of the area.

FUTURE FINANCIAL REQUIREMENTS

FISCAL YEAR	AMOUNT	COMPONENTS
PY Budget		
2001-02		
2002-03		
2003-04	$125,000	Design
2004-05	$400,000	Implementation
2005-06		

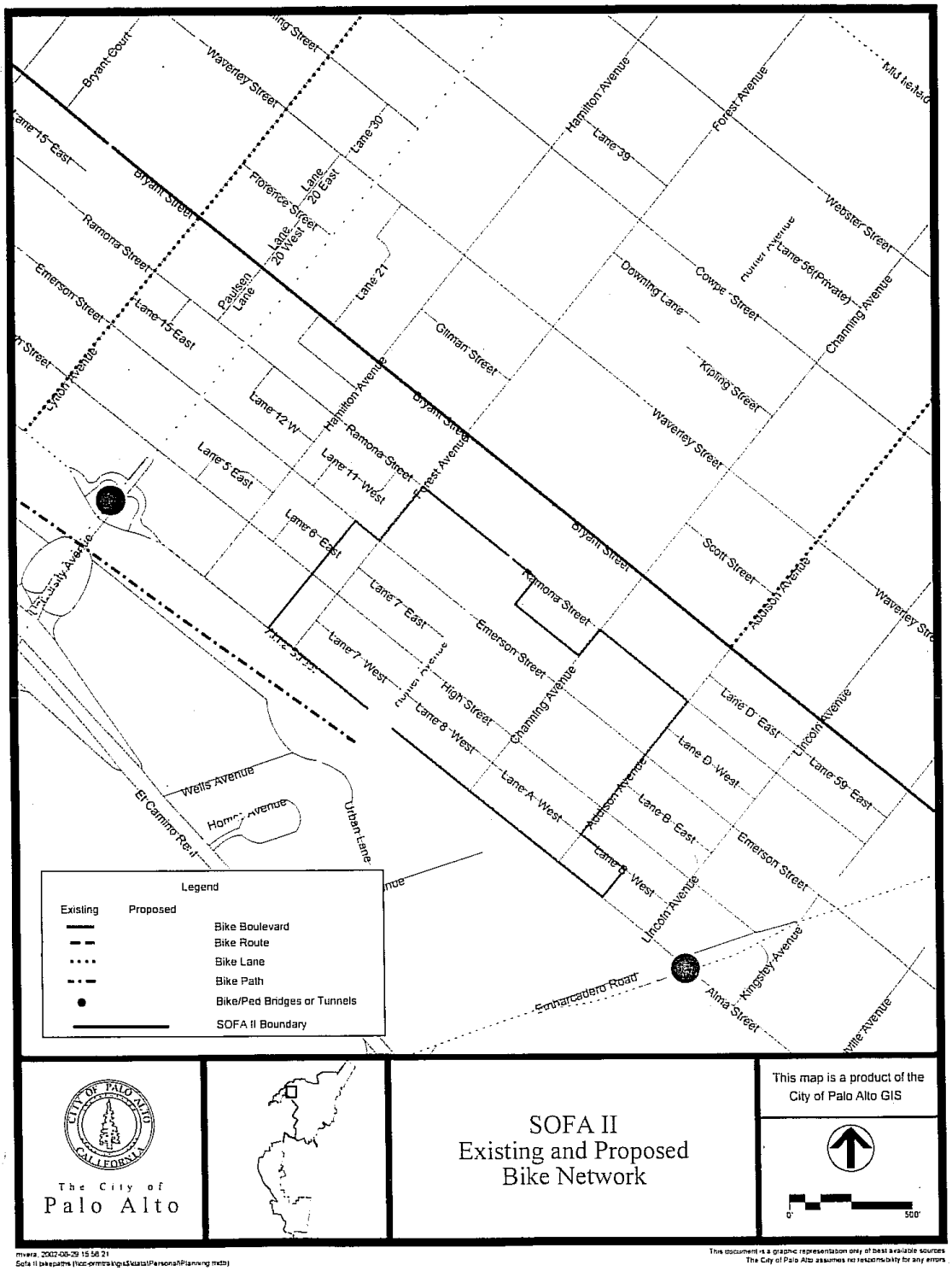
Sources of Funding: General Fund

IMPACT AND SUPPORT ANALYSIS

- Environmental: An environmental review may be required.
- Design Elements: Possible review by CIP
- Operating: Maintenance by Public Works Operations
- Telecommunications: None

COMPREHENSIVE PLAN

This project is consistent with Policy L-67


Legend
Existing
Proposed
Bike Boulevard
Bike Route
Bike Lane
Bike Path
Bike/Ped Bridges or Tunnels
SOFA II Boundary
Bryant Court
Waverley Street
Hamilton Avenue
Forest Avenue
Webster Street
Bryant Street
Ramona Street
Emerson Street
Lane 15 East
Lane 30
Lane 39
Florence Street
Lane 20 East
Lane 20 West
Lane 21
Paulsen Lane
Downing Lane
Cowper Street
Lane 56 (Private)
Channing Avenue
Gilman Street
Kipling Street
Lane 12 W
Lane 11 West
Lane 5 East
Lane 6 East
Lane 7 East
Lane 7 West
Lane 8 West
Lane A West
Lane B East
Lane B West
Lane D East
Lane D West
Lane 59 East
Scott Street
Addison Avenue
Lincoln Avenue
High Street
Wells Avenue
El Camino Real
Urban Lane
Southampton Avenue
Kingsley Avenue
Alma Street
Southerland Road
This map is a product of the City of Palo Alto GIS
The City of Palo Alto
SOFA II
Existing and Proposed
Bike Network
0'
500'

APPENDIX G REGULATIONS FOR R-2, RM-15, RM-30, AND SPECIFIC PC DISTRICTS IN SOFA 2

Appendix G contains Palo Alto Municipal Code zoning district regulations that apply to certain zoning districts within SOFA 2. These PAMC code sections are included as a reference only, and shall apply as amended from time to time.

APPENDIX G-1 PAMC CHAPTER 18.17 - R-2 DISTRICT

Chapter 18.17 R-2 TWO FAMILY RESIDENCE DISTRICT REGULATIONS

Sections:

18.17.010 Specific purposes.
18.17.020 Applicability of regulations.
18.17.030 Permitted uses.
18.17.040 Conditional uses.
18.17.050 Site development regulations.
18.17.055 Site development regulations for substandard lots.
18.17.060 Parking and loading.
18.17.070 Special requirements.
18.17.080 Permitted yard encroachments.
18.17.090 Reserved.

18.17.010 Specific purposes.

The R-2 two-family residence district is intended to allow a second dwelling unit under the same ownership as the initial dwelling unit on appropriate sites in areas designated for single-family use by the Palo Alto Comprehensive Plan, under regulations that preserve the essential character of single-family use.
(Ord. 3048 (part), 1978)

18.17.020 Applicability of regulations.

The specific regulations of this chapter and the additional regulations and procedures established by Chapters 18.83 to 18.99, inclusive, apply to all R-2 two-family residence districts.
(Ord. 3048 (part), 1978)

18.17.030 Permitted uses.

The following uses shall be permitted in the R-2 two-family residence district:

(a) Accessory facilities and uses customarily incidental to permitted uses;

(b) Home occupations when accessory to permitted residential use;

(c) Horticulture, gardening, and growing of food products for consumption by occupants of the site;

(d) Single-family use;

(e) Two-family use, under one ownership;

(f) Residential care homes;

(g) Mobile homes (manufactured housing) on permanent foundations;

(h) Small and large family day care homes;

(i) Small adult day care homes.

(Ord. 3735 §§ 8, 9, 1986: Ord. 3536 § 7, 1984: Ord. 3291 § 4, 1981: Ord. 3130 § 17 (part) 1979: Ord. 3048 (part), 1978)

18.17.040 Conditional uses.

The following uses may be conditionally allowed in the R-2 two-family residence district, subject to issuance of a conditional use permit in accord with Chapter 18.90:

(a) Churches and religious institutions;

(b) Community centers;

(c) Day care centers and large adult day care homes;

(d) Outdoor recreation services;

(e) Private educational facilities;

(f) Temporary uses, subject to regulations established by Chapter 18.90;

(g) Utility facilities essential to provision of utility services to the neighborhood, but excluding business offices, construction or storage yards, maintenance facilities, or corporation yards.

(Ord. 3735 § 10, 1987: Ord. 3536 § 8, 1984: Ord. 3130 § 16 (part), 1979: Ord. 3048 (part), 1978)

18.17.050 Site development regulations.

The following site development regulations shall apply in the R-2 two-family residence district; provided, that more restrictive regulations may be recommended by the architectural review board and approved by the director of planning and community environment, pursuant to Chapter 16.48:

(a) Site Area. The minimum site area shall be five hundred fifty-seven square meters (six thousand square feet).

(b) Site Width. The minimum site width shall be 18.3 meters (sixty feet).

(c) Site Depth. The minimum site depth shall be 30.5 meters (one hundred feet).

(d) Front Yard. The minimum front yard ("setback") shall be 6.1 meters (twenty feet).

(e) Rear Yard. The minimum rear yard ("setback") shall be 6.1 meters (twenty feet).

(f) Side Yards. The following side yard regulations shall apply:

(1) The minimum interior side yard shall be 1.8 meters (six feet).

(2) The minimum street side yard shall be 4.9 meters (sixteen feet).

(g) Residential Density. Not more than one single-family dwelling shall be permitted on a site of less than six hundred ninety-seven square meters (seven thousand five hundred square feet). Not more than two dwelling units shall be permitted on a site of six hundred ninety-seven square meters (seven thousand five hundred square feet) or greater.

(h) Site Coverage. The following regulations shall apply:

(1) The maximum building site coverage shall be thirty-five percent of the site area.

(2) Covered patios and overhangs otherwise in compliance with all applicable laws may cover five percent of the site area in addition to the maximum site coverage of thirty-five percent prescribed in subdivision (1).

(i) Height.

(1) General. The maximum height shall be 9.14 meters (thirty feet) as measured to the peak of the roof.

(2) Daylight Plane. No structures except those described in subdivisions (i), (ii) and (iii) of this subsection (i)(2) shall extend beyond a daylight plane having a height of 3.05 meters (ten feet) at each side lot line and an angle of forty-five degrees, nor beyond a daylight plane having a height of 4.88 meters (sixteen feet) at the front or rear setback line and an angle of sixty degrees.

(i) Televisions and radio antennas; chimneys and flues;

(ii) Dormers, roof decks, gables or similar architectural features; provided that the horizontal length of all such features shall not exceed a combined total of 4.57 meters (fifteen feet) on each side, nor shall the height of such features exceed 7.32 meters (twenty-four feet);

(iii) Cornices, eaves, and similar architectural features, excluding flat or continuous walls or enclosures of usable interior space, may extend into a required daylight plane a distance not exceeding 0.6 meters (two feet). Chimneys may extend into the required daylight plane a distance not to exceed the minimum allowed pursuant to Chapter 16.04 of this code.

Upon request of the building official, any person building or making improvements to a structure shall provide a certification that the structure, as built, complies with the daylight provisions of this subsection (i)(2). Such certification shall be prepared by a licensed engineer, architect or surveyor and shall be provided prior to frame inspection.

(j) Accessory Facilities and Uses. Regulations governing accessory facilities and uses and governing the application of site development regulations in specific instances, are established by Chapter 18.88.

(k) Floor Area Ratio. The maximum allowable floor area ratio shall be as follows:

(1) For lots five thousand square feet or less, the maximum floor area ratio shall be .45.

(2) For lots in excess of five thousand square feet, the maximum floor area ratio shall be .45 for the first five thousand square feet and .30 for all square footage in excess of five thousand square feet, except as provided in subsection (n).

(3) Notwithstanding subsections (k)(1) and (k)(2), the maximum allowable house size shall be six thousand square feet.

(1) Lighting. Recreational and security lighting shall be permitted only so long as the lighting is shielded so that the direct light does not extend beyond the property where it is located. Both recreational and security lighting, if freestanding, shall be restricted to twelve feet in height.

(m) Garage Doors. For garages located within 15.24 meters (fifty feet) from a street frontage, on lots less than 22.86 meters (seventy-five feet) in width, the total combined width of garage doors which face the street at an angle of less than ninety degrees shall not exceed 6.1 meters (twenty feet).

(n) Exemption from Floor Area Limitations for Purposes of Providing Additional Covered Parking Area Required for Two-Family Uses. For two-family uses, floor area limits may be exceeded by a maximum of two hundred square feet, for purposes of providing one required covered parking space.

(o) Special Setbacks. Where applicable, setback lines imposed by a special setback map pursuant to Chapter 20.08 of this code shall be followed for the purpose of determining legal setback requirements.

(p) Basements. Basements shall be permitted in areas that are not designated as special flood hazard areas, and may extend to, but not beyond, the building footprint. Basement area shall generally not be included in the calculation of gross floor area, except that basement area that is deemed to be habitable space shall be included as gross floor area unless the finished level of the first floor is no more than three feet above the grade around the perimeter of the building foundation. Excavated features shall not affect the measurement of the grade for the purposes of determining basement gross floor area, so long as such features meet the following provisions:

(1) Excavated features along the perimeter of a basement, such as lightwells and stairwells, shall not affect the measurement of grade, provided that:

(A) Such features shall not be located in the front of the building;

(B) Such features shall not exceed .91 meters (three feet) in width;

(C) The cumulative length of all such features shall not exceed 7.58 meters (twenty-five feet);

(D) Such features shall not extend more than 0.6 meters (two feet) into a required side yard nor more than 1.2 meters (four feet) into a required rear yard; further, the cumulative length of any features or portions of features that extend into a required side or rear yard shall not exceed 4.6 meters (fifteen feet) in length;

(E) Prior to issuance of a building permit, the owner shall provide satisfactory evidence to the planning division that any features or portions of features that extend into a required side or rear yard will not be harmful to any mature trees on the subject property or on abutting properties;

(F) Such features shall either require installation of a drainage system that meets the requirements of the public works department, or shall be substantially sheltered from the rain by a roof overhang or canopy of a permanent nature.

(2) Excavated areas along the perimeter of a basement, such as below grade patios and sunken gardens, that exceed the dimensions set forth in subsection (1) shall not affect the measurement of grade, provided that:

(A) The excavated area shall not be located in the front of the building;

(B) The excavated area shall not exceed a total of two hundred square feet, a substantial portion of which shall be terraced and landscaped;

(C) The excavated area including that portion which is landscaped and/or terraced shall not extend more than 0.6 meters (two feet) into a required side yard nor more than 1.2 meters (four feet) into a required rear yard; further the cumulative length of any excavated area or portion thereof that extends into a required side or rear yard shall not exceed 4.6 meters (fifteen feet) in length;

(D) Prior to issuance of a building permit, the owner shall provide satisfactory evidence to the planning division that the excavated area or portion thereof that extends into a required side or rear yard will not be harmful to any mature trees on the subject property or on abutting properties;

(E) The excavated area shall either include a drainage system that meets the requirements of the public works department, or shall be substantially sheltered from the rain by a roof overhang or canopy of a permanent nature;

(F) Any roof overhang or canopy installed pursuant to subsection (E) shall be within the site coverage requirements of subsection (h);

(G) The excavated area shall be architecturally compatible with the residence and shall be screened to off site views by means of landscaping and/or fencing, as determined appropriate by the zoning administrator.

(Ord. 4081 § 10, 1992: Ord. 4043 § 3, 1991: Ord. 4016 § 13, 1991: Ord. 3465 § 4, 1983: Ord. 3130 § 2(part), 1979: Ord. 3064 § 1 (part), 1978: Ord. 3048 (part), 1978)

18.17.055 Site development regulations for substandard lots.

The following site development regulations shall apply to all new construction on substandard and flag lots within the R-2 single-family and two-family residence district in lieu of comparable provisions in Sections 18.17.050 above.

(a) Substandard Lot Defined. For the purposes of this section, a substandard lot shall be a lot with a width of less than fifty feet or a depth of less than eighty-three feet and an area less than eighty-three percent of the minimum area required by the zoning of the parcel.

(b) Flag Lot Defined. Flag lot shall be defined as set forth in Section 18.40.030 of this code.

(c) Height. The maximum height shall be 5.1817 meters (seventeen feet), as measured to the peak of the roof.

(d) Habitable Floor Limitations. There shall be a limit of one habitable floor. Habitable floors include lofts, mezzanines and similar area but exclude basements. The

chief building official shall make the final determination as to whether a floor is habitable.

(e) Single-family and two-family homes on substandard lots and flag lots existing on August 1, 1991 and which prior to that date were lawful, complying structures, provided, however, that in the case of a conflict between the provisions of this section and the provisions of Chapter 18.94, this section shall control. Such structures may remain and may be remodeled, improved or replaced without complying with the site development regulations contained in this section so long as any such remodeling, improvement or replacement does not result in a height above 5.1817 meters (seventeen feet) or any additional habitable floor area above a first habitable floor, except that any structure damaged or destroyed by natural disaster (such as fire, flood or earthquake) may be replaced to its previous size without regard to the height and habitable floor limitations imposed by this section.

(f) Nothing contained in this section shall affect or otherwise redefine the provisions of Section 18.88.050 as to the determination of whether a substandard lot may be used as a lot under this title.

(Ord. 4043 § 4, 1991)

18.17.060 Parking and loading.

(a) Off-street parking and loading facilities shall be required for all permitted and conditional uses in accord with Chapter 18.83. All parking and loading facilities on any site, whether required as minimums or optionally provided in addition to minimum requirements, shall comply with the regulations and the design standards established by Chapter 18.83.

(b) Minimum parking requirements for selected uses permitted in the R-2 two-family residence district shall be as follows (see also Chapter 18.83):

(1) Single-Family Use. The minimum parking requirement for a site with one dwelling unit shall be two spaces. A minimum of one space shall be covered.

(2) Two-Family Use. The minimum parking requirement for a site with two dwelling units shall be 1.5 spaces per dwelling unit. A minimum of one space per unit shall be covered.

(c) Location of Parking Spaces. No required parking space shall be located in a required front yard, or in the first 3.0 meters (ten feet) adjoining the street property line of a required street side yard.

(Ord. 3048 (part), 1978)

18.17.070 Special requirements.

The following special requirements shall apply in the R-2 two-family residential district:

(a) Professional and medical office uses (except product testing and analysis, and prototype development), existing on July 20, 1978, and which, prior to that date, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, or which uses were, prior to July 20, 1978, located in an R-2 district which

was imposed by reason of annexation of the property to the city without benefit of prezoning and which, prior to the date of annexation, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, may remain as grandfathered uses and shall not be subject to the provisions of Chapter 18.94.

(1) Such uses shall be permitted to remodel, improve, or replace site improvements for continual use and occupancy by the same use; provided, that any such remodeling, improvement or replacement shall not result in increased floor area or number of offices, nor shall such remodeling, improvement or replacement result in shifting of building footprint or increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except through the granting of a design enhancement exception, pursuant to Chapter 18.91.

(2) Any such remodeling, improvement, or replacement of any building designed and constructed for residential use shall be subject to the issuance of a conditional use permit in accord with Chapter 18.90.

(3) If a use deemed grandfathered pursuant to this subsection (a) ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use.

(4) A use deemed grandfathered pursuant to this subsection (a) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a grandfathered use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

(5) In the event of redevelopment of all or a portion of the site for permitted residential uses, such professional and medical office uses may not be incorporated in the redevelopment, except that this provision shall not apply to permanent conversion to residential use of space within an existing structure now used for professional and medical office uses.

(b) Two-family uses, except where one of the units is a legal nonconforming detached single-family dwelling, as described in subsection (c), and multiple-family uses existing on July 20, 1978, and which, prior to that date, were lawful conforming permitted uses or conditional uses operating pursuant to a conditional use permit, or which uses were, prior to July 20, 1978, located in an R-2 district which was imposed by reason of annexation of the property to the city without benefit of prezoning and which, prior to the date of annexation, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, may remain as grandfathered uses and shall not be subject to the provisions of Chapter 18.94. Such uses shall be permitted to remodel, improve, or replace site improvements on the same site for continual use and occupancy by the same use; provided, that any such remodeling, improvement, or replacement shall not result in increased floor area or number of dwelling units, nor shall such remodeling, improvement or replacement result in shifting of building footprint or increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except through the granting of a design enhancement exception pursuant to Chapter 18.91, with respect to multiple-family uses, or a home improvement exception, pursuant to Chapter 18.90,

with respect to two-family uses. If a use deemed grandfathered pursuant to the provisions of this subsection (b) ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use. A use deemed grandfathered pursuant to the provisions of this subsection (b) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a grandfathered use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

(c) Notwithstanding any provisions of Chapters 18.88 and/or 18.94, in the case of a legal and nonconforming second detached single-family dwelling existing prior to July 20, 1978 on a substandard size lot, such nonconforming use shall be permitted to remodel, improve, or replace site improvements on the same site for continual use and occupancy by the same use, without necessity to comply with site development regulations; provided, that any such remodeling, improvement or replacement shall not result in increased floor area, number of dwelling units, height, length, or any other increase in the size of the improvement.

(Ord. 4140 § 6, 1993: Ord. 4043 § 5, 1991: Ord. 4016 § 14, 1991: Ord. 3741 § 2, 1987: Ord. 3583 § 2, 1984: Ord. 3255 1981: Ord. 3070 § 1 (part), 1978: Ord. 3064 (part), 1978: Ord. 3048 (part), 1978)

18.17.080 Permitted yard encroachments.

(a) Horizontal Additions. Where a single-family or two-family dwelling legally constructed according to existing yard and setback regulations at the time of construction encroaches upon present required yards, one encroaching side of the existing structure may be extended in accord with this section. Only one such extension shall be permitted for a life of such building. This section shall not be construed to allow the further extension of an encroachment by any building which is the result of the granting of a variance, either before or after such property became part of the city.

(1) Front Yard. In cases where the existing setback is less than 6.1 meters (twenty feet) but at least 4.3 meters (fourteen feet), the existing encroachment may be extended for a distance of not more than one hundred percent of the length of wall to be extended; provided, that the total length of the existing encroaching wall and the additional wall shall together not exceed one-half the maximum existing width of such building.

(2) Interior Side Yard. In cases where the existing setback is less than 2.5 meters (eight feet) but at least 1.5 meters (five feet), an existing encroachment may be extended not more than one hundred percent of the length of the existing encroachment, but not to exceed 6.1 additional meters (twenty additional feet).

(3) Street Side Yard. In cases where the existing side yard setback is less than 4.9 meters (sixteen feet) but at least 3.0 meters (ten feet), an existing encroachment may be extended for not more than one hundred percent of the length of the encroaching wall to be extended, but not to exceed 6.1 meters (twenty feet).

(b) Subsection (a) of this section notwithstanding, an addition shall not be permitted to encroach into a special setback, as established by the setback map pursuant to Chapter 20.08 of the Palo Alto Municipal Code.

(Ord. 4043 § 6, 1991)

18.17.090 Reserved.*

* Editor's Note: Former Section 18.17.090, Exceptions to site development regulations for home improvements and minor additions, previously codified herein and containing portions of Ordinance No. 4043 was repealed in its entirety by Ordinance No. 4081.

APPENDIX G-2 RM-15 DISTRICT

Chapter 18.22 RM-15 LOW DENSITY MULTIPLE-FAMILY RESIDENCE DISTRICT REGULATIONS

Sections:

18.22.010 Specific purposes.
18.22.020 Applicability of regulations.
18.22.030 Permitted uses.
18.22.040 Conditional uses.
18.22.050 Site development regulations.
18.22.060 Residential density.
18.22.070 Parking and loading.
18.22.080 Below market rate (BMR) units.
18.22.090 Special requirements.
18.22.100 Recycling storage.

18.22.010 Specific purposes.

The RM-15 low density multiple-family residence district is intended to create, preserve and enhance areas for a mixture of single-family and multiple-family housing which is compatible with lower density and residential districts nearby, including single-family residence districts. The RM-15 residence district also serves as a transition to moderate density multiple-family districts or districts with nonresidential uses. Permitted densities in the RM-15 residence district range from six to fifteen dwelling units per acre.
(Ord. 3807 § 2 (part), 1988)

18.22.020 Applicability of regulations.

The specific regulations of this chapter and the additional regulations and procedures established by Chapters 18.83 to 18.99, inclusive, shall apply to all RM-15 low density multiple-family residence districts.
(Ord. 3807 § 2 (part), 1988)

18.22.030 Permitted uses.

The following uses shall be permitted in the RM-15 low density multiple-family residence district:

(a) Single-family, two-family and multiple-family uses;

(b) Mobile homes on permanent foundations and other manufactured housing (see Section 18.88.140);

(c) Accessory facilities and uses customarily incidental to permitted uses;
(d) Home occupations, when accessory to permitted residential uses;
(e) Horticulture, gardening and growing of food products for consumption by occupants of a site;
(f) Residential care homes;
(g) Small and large family day care homes;
(h) Small adult day care homes;
(i) Lodging.
(Ord. 3807 § 2 (part), 1988)

18.22.040 Conditional uses.

The following uses may be conditionally allowed in the RM-15 low density multiple-family residence district, subject to issuance of a conditional use permit in accord with Chapter 18.90:
(a) Churches and religious institutions;
(b) Community centers;
(c) Day care centers and large adult day care homes;
(d) Neighborhood recreational centers;
(e) Private educational facilities;
(f) Temporary uses, subject to regulations established by Chapter 18.90;
(g) Utility facilities essential to provision of utility services to the neighborhood, but excluding business offices, construction or storage yards, maintenance facilities or corporation yards.
(Ord. 3807 § 2 (part), 1988)

18.22.050 Site development regulations.

The following site development regulations shall apply in the RM-15 low density multiple-family residence district; provided that more restrictive regulations may be recommended by the architectural review board and approved by the director of planning and community environment, pursuant to the regulations set forth in Chapter 16.48 and the multiple-family residential guidelines set forth in Chapter 18.28:
(a) Site Area. The minimum site area shall be eight thousand five hundred square feet.
(b) Site Width. The minimum site width shall be seventy feet.
(c) Site Depth. The minimum site depth shall be one hundred feet.
(d) Front Yard. The minimum front yard ("setback") shall be twenty feet.
(e) Side and Rear Yards. The following side and rear yard regulations shall apply:
(1) The minimum interior side and rear yards for a single-story structure shall be ten feet.
(2) The minimum interior side and rear yards for a structure over one story shall be ten feet for the first story of the structure, and shall be one-half of the actual height of the structure, but not less than ten feet, for the portion of the structure over one story.

(3) The minimum side and rear yards which are adjacent to a street shall be sixteen feet.

(4) The minimum side and rear yards for a structure over one story adjacent to any single-family zone (including R-1, R-2 and RMD zones) shall be ten feet for the first story of the structure and shall be twenty feet for the portion of the structure over one story.

(f) Arterial Street Setback. A building on property adjacent to an arterial street, as designated in the Palo Alto Comprehensive Plan (other than an arterial street in the CD district) shall be set back a minimum of twenty-five feet from the property line.

(g) Height and Daylight Plane. The maximum height shall be two stories, not to exceed thirty feet. For the purposes of this chapter, height means the vertical distance above grade to the highest point of the coping of a flat roof, or to the deck line of a mansard roof, or to the average height of the highest gable of a pitched or hipped roof. The measurement shall be taken from the lowest adjoining sidewalk or ground surface within a five foot horizontal distance from the exterior wall of the building. However, no structure, except television and radio antennas, chimneys and flues, shall extend above or beyond a daylight plane having a height of five feet at each side or rear site line and an angle of forty-five degrees.

(h) Lot Coverage. The following lot coverage regulations shall apply:

(1) The maximum lot coverage shall be thirty-five percent of the site area.

(2) Covered patios and overhangs otherwise in compliance with all applicable laws may cover five percent of the site area in addition to the maximum lot coverage set forth above.

(i) Floor Area Ratio (FAR). The maximum FAR shall be 0.50.

(j) Usable Open Space. The following usable open space regulations shall apply:

(1) Each lot shall have not less than thirty-five percent of the lot area developed into permanently maintained usable open space, as measured in the ground floor area only, some portion of which shall be common usable open space; and

(2) Each dwelling unit shall have at least one private usable open space area contiguous to the unit which allows the occupants of the unit the personal use of the outdoor space. The minimum size of such areas shall be as follows and shall not be calculated in the FAR:

(A) Balconies (above ground level) shall be fifty square feet.

(B) Patios or yards (at ground level) shall be one hundred square feet, the least dimension of which is eight feet.

(k) Accessory Facilities and Uses. Regulations governing accessory facilities and uses, and governing the application of site development regulations in specific instances, are established by Chapter 18.88.

(l) Special Setbacks. Where applicable, setback lines imposed by a special setback map pursuant to Chapter 20.08 of this code shall be followed for the purpose of determining legal setback requirements.

(Ord. 4642 § 38, 2000: Ord. 4081 § 12, 1992: Ord. 4016 § 17, 1991: Ord. 3807 § 2 (part) 1988)

18.22.060 Residential density.

The following table establishes the permitted density of a lot, based on the lot area. When calculating the number of units, if insufficient area exists to provide the minimum lot area for an additional unit, the total number of units shall be rounded down to the smaller number. Notwithstanding the foregoing, the permitted density of any lot shall not exceed fifteen dwelling units per acre.

Permitted Densities RM-15

Lot Size Lot Area (in square feet)	No. of Dwelling Units/Square Feet of Lot Area
Up to - 5,999	1 unit
6,000 - 8,499	2 units
8,500 and over	3 units plus 1 unit/each additional 2,850 square feet

(Ord. 3807 § 2 (part), 1988)

18.22.070 Parking and loading.

(a) Off-street parking and loading facilities shall be required for all permitted and conditional uses in accord with Chapter 18.83. All parking and loading facilities on any site, whether required or optionally provided in addition to minimum requirements, shall comply with the regulations and design standards established by Chapter 18.83.

(b) Minimum parking requirements for selected uses permitted in the RM-15 low density multiple-family residence district shall be as set forth below. A minimum of one parking space per dwelling unit shall be covered (see Chapter 18.83).

(1) Single-Family Use. The minimum parking requirement for a site with one dwelling unit shall be two spaces.

(2) Two-Family Use. The minimum parking requirement for a site with two dwelling units shall be 1.5 spaces per dwelling unit.

(3) Multiple-Family Use. The minimum parking requirement for a site with three or more dwelling units shall be: 1.25 spaces per studio unit, 1.50 spaces per one-bedroom unit, and 2.00 spaces per two or more bedrooms.

(4) Lodging Use. The minimum parking requirement for a site with a lodging use shall be one space per lodging unit, in addition to any applicable requirement based on single-family use, two-family use or multiple-family use on the same site.

(c) Guest Parking. Guest parking shall be provided in multiple-family developments exceeding three units, in accordance with the following requirements:

(1) The number of guest parking spaces in a development shall be one plus ten percent of the total number of units in the development.

(2) Notwithstanding the foregoing, if more than one parking space per dwelling unit in a development is assigned or secured so that it is inaccessible to the public, then

guest parking spaces equivalent to thirty-three percent of the total number of units in the development shall be provided.

(3) Guest parking spaces shall be clearly marked as reserved for guests and shall be in an area providing guests with unrestricted access to the guest parking spaces.

(d) Location of Parking Spaces. No required parking space shall be located in a required front yard, nor in the first ten feet adjoining the street property line of a required street side yard.

(Ord. 3807 § 2 (part), 1988)

18.22.080 Below market rate (BMR) units.

(a) In developments of ten or more units not less than ten percent of the units shall be provided at below-market rates to low and moderate income households in accordance with Program 12 of the Palo Alto Comprehensive Plan.

(b) Density Bonus. In developments of ten or more units where BMR housing units are provided, a density increase of no more than fifteen percent over the otherwise prescribed number of units may be permitted; provided, that for each additional market unit an additional BMR unit is included. All other site development regulations shall apply.

(Ord. 3807 § 2 (part), 1988)

18.22.090 Special requirements.

The following special requirements shall apply in the RM-15 low density multiple-family residence district:

(a) The site development regulations set forth in Sections 18.12.050 through 18.12.080 of Chapter 18.12 of the Palo Alto Municipal Code shall apply to sites in single-family use.

(b) Professional and medical office uses existing on July 20, 1978 and which, prior to that date, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, or which uses were, prior to July 20, 1978, located in an RM-1 or RM-2 district, which was imposed by reason of annexation of the property to the city without benefit of prezoning and which, prior to the date of annexation, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, may remain as grandfathered uses and shall not be subject to the provisions of Chapter 18.94.

(1) Such uses shall be permitted to remodel, improve, or replace site improvements for continual use and occupancy by the same use; provided, that any such remodeling, improvement or replacement shall not result in increased floor area or number of offices, nor shall such remodeling, improvement or replacement result in shifting of building footprint or increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except through the granting of a design enhancement exception, pursuant to Chapter 18.91.

(2) Any such remodeling, improvement, or replacement of any building designed and constructed for residential use shall be subject to the issuance of a conditional use permit in accord with Chapter 18.90.

(3) If a use deemed grandfathered pursuant to this subsection (b) ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use.

(4) A use deemed grandfathered pursuant to this subsection (b) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a grandfathered use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

(5) In the event of redevelopment of all or a portion of the site for permitted residential uses, such professional and medical office uses may not be incorporated in the redevelopment, except that this provision shall not apply to permanent conversion to residential use of space within an existing structure now used for professional and medical office uses.

(c) Two-family uses and multiple-family uses existing on July 20, 1978 and which, prior to that date, were lawful conforming permitted uses or conditional uses operating pursuant to a conditional use permit, or which uses were, prior to July 20, 1978, located in an RM-1 or RM-2 district which was imposed by reason of annexation of the property to the city without benefit of prezoning and which, prior to the date of annexation, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, may remain as grandfathered uses and shall not be subject to the provisions of Chapter 18.94. Such uses shall be permitted to remodel, improve, or replace site improvements on the same site for continual use and occupancy by the same use; provided, that any such remodeling, improvement or replacement shall not result in increased floor area or number of dwelling units, nor shall such remodeling, improvement or replacement result in shifting of building footprint or increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except through the granting of a design enhancement exception, pursuant to Chapter 18.91, with respect to multiple-family uses, or a home improvement exception, pursuant to Chapter 18.90, with respect to two-family uses. If a use deemed grandfathered pursuant to this subsection (c) ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use. A use deemed grandfathered pursuant to this subsection (c) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a grandfathered use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

(d) Motel uses existing on July 20, 1978, and which, prior to that date, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, may remain as grandfathered uses and shall not be subject to the provisions of Chapter 18.94. Such uses shall be permitted to remodel, improve, or replace site improvements on the same site for continual use and occupancy by the same use; provided, that any such remodeling, improvement or replacement shall not result in

increased floor area or number of dwelling units, nor shall such remodeling, improvement or replacement result in shifting of building footprint or increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except through the granting of a design enhancement exception, pursuant to Chapter 18.91. If a use deemed grandfathered pursuant to this subsection (d) ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use. A use deemed grandfathered pursuant to this subsection (d) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a grandfathered use to a conforming use, shall not thereafter be used except to accommodate a conforming use.
(Ord. 4140 § 8, 1993: Ord. 4016 § 18, 1991: Ord. 3807 § 2 (part), 1988)

18.22.100 Recycling storage.

All new multiple-family residential development, including multiple-family residential development that is part of a mixed use development, shall provide adequate and accessible interior areas or exterior enclosures for the storage of recyclable materials in appropriate containers. The design, construction and accessibility of recycling areas and enclosures shall be subject to approval by the architectural review board, in accordance with design guidelines adopted by that board and approved by the city council pursuant to Section 16.48.070. This requirement shall apply only to multiple-family developments that utilize dumpsters rather than individual curbside pickup for trash collection.
(Ord. 4069 § 1, 1992)

APPENDIX G-3 PAMC CHAPTER 18.24 - RM-30 DISTRICT

Chapter 18.24 RM-30 MEDIUM DENSITY MULTIPLE-FAMILY RESIDENCE DISTRICT REGULATIONS

Sections:

18.24.010 Specific purposes.
18.24.020 Applicability of regulations.
18.24.030 Permitted uses.
18.24.040 Conditional uses.
18.24.050 Site development regulations.
18.24.060 Residential density.
18.24.070 Parking and loading.
18.24.080 Below market rate (BMR) units.
18.24.090 Special requirements.
18.24.100 Recycling storage.

18.24.010 Specific purposes.

The RM-30 medium density multiple-family residence district is intended to create, preserve and enhance neighborhoods for multiple-family housing with site development standards and visual characteristics intended to mitigate impacts on nearby lower density residential districts. Projects at this density are intended for larger parcels that will enable developments to provide their own parking spaces and to meet their open space needs in the form of garden apartments or cluster developments. Permitted densities in the RM-30 residence district range from sixteen to thirty dwelling units per acre.
(Ord. 3807 § 3 (part), 1988)

18.24.020 Applicability of regulations.

The specific regulations of this chapter and the additional regulations and procedures established by Chapters 18.83 to 18.99, inclusive, shall apply to all RM-30 medium density multiple-family residence districts.
(Ord. 3807 § 3 (part), 1988)

18.24.030 Permitted uses.

The following uses shall be permitted in the RM-30 medium density multiple-family residence district:

(a) Single-family, two-family and multiple-family uses;

(b) Mobile homes on permanent foundations and other manufactured housing (see Section 18.88.140);
(c) Accessory facilities and uses customarily incidental to permitted uses;
(d) Home occupations, when accessory to permitted residential uses;
(e) Horticulture, gardening and growing of food products for consumption by occupants of a site;
(f) Residential care homes;
(g) Day care homes;
(h) Lodging.
(Ord. 3807 § 3 (part), 1988)

18.24.040 Conditional uses.

The following uses may be conditionally allowed in the RM-30 medium density multiple-family residence district, subject to issuance of a conditional use permit in accord with Chapter 18.90:
(a) Churches and religious institutions;
(b) Community centers;
(c) Day care centers:
(d) Neighborhood recreational centers;
(e) Private educational facilities;
(f) Temporary uses, subject to regulations established by Chapter 18.90;
(g) Utility facilities essential to provision of utility services to the neighborhood, but excluding business offices, construction or storage yards, maintenance facilities or corporation yards;
(h) Surface parking facilities located on abandoned railroad rights-of-way.
(Ord. 4316 § 1, 1995: Ord. 3807 § 3 (part), 1988)

18.24.050 Site development regulations.

The following site development regulations shall apply in the RM-30 medium density multiple-family residence district; provided, that more restrictive regulations may be recommended by the architectural review board and approved by the director of planning and community environment, pursuant to the regulations set forth in Chapter 16.48 and the multiple-family residential guidelines set forth in Chapter 18.28:
(a) Site Area. The minimum site area shall be eight thousand five hundred square feet.
(b) Site Width. The minimum site width shall be seventy feet.
(c) Site Depth. The minimum site depth shall be one hundred feet.
(d) Front Yard. The minimum front yard ("setback") shall be twenty feet.
(e) Side and Rear Yards. The following side and rear yard regulations shall apply:
(1) The minimum interior side and rear yards for a single-story structure shall be ten feet.

(2) The minimum interior side and rear yards for a structure over one story shall be ten feet for the first story of the structure and shall be one-half of the actual height of the structure, but not less than ten feet, for the portion of the structure over one story.

(3) The minimum side and rear yards which are adjacent to a street shall be sixteen feet.

(4) The minimum side and rear yards for a structure over one story adjacent to any single-family zone (including R-1, R-2 and RMD zones) shall be ten feet for the first story of the structure and shall be twenty feet for the portion of the structure over one story.

(f) Arterial Street Setback. A building on property adjacent to an arterial street, as designated in the Palo Alto Comprehensive Plan (other than an arterial street in the CD district) shall be set back a minimum of twenty-five feet from the property line.

(g) Height and Daylight Plane. The maximum height shall not exceed thirty-five feet. For the purposes of this chapter, height means the vertical distance above grade to the highest point of the coping of a flat roof, or to the deck line of a mansard roof, or to the average height of the highest gable of a pitched or hipped roof. The measurement shall be taken from the lowest adjoining sidewalk or ground surface within a five foot horizontal distance from the exterior wall of the building. However, no structure, except television and radio antennas, chimneys and flues, shall extend above or beyond a daylight plane having a height of ten feet at each side or rear site line and an angle of forty-five degrees.

(h) Lot Coverage. The following lot coverage regulations shall apply:

(1) The maximum lot coverage shall be forty percent of the site area.

(2) Covered patios and overhangs otherwise in compliance with all applicable laws may cover five percent of the site area in addition to the maximum lot coverage set forth above.

(i) Floor Area Ratio (FAR).

(1) The maximum FAR for projects with detached or underground parking shall be 0.6:1, which shall be calculated by the gross floor area of the building as defined in Section 18.04.030(65) of the Palo Alto Municipal Code.

(2) The maximum FAR for projects with attached garages or tuckunder or semi-depressed parking contiguous to the building shall be 0.75:1, which shall include such parking area in the calculation of gross floor area as defined in Section 18.04.030(65).

(j) Usable Open Space. The following usable open space regulations shall apply:

(1) Each lot shall have not less than thirty percent of the lot area developed into permanently maintained common usable open space as measured in the ground floor area only.

(2) Each dwelling unit shall have at least one private usable open space area contiguous to the unit which allows the occupants of the unit the personal use of the outdoor space. The minimum size of such areas shall be as follows and shall not be calculated in the FAR:

(A) Balconies (above ground level) shall be fifty square feet.

(B) Patios or yards (at ground level) shall be one hundred square feet the least dimension of which is eight feet.

(3) Part of all of the required private usable open space areas may be added to the required common usable open space in a development, for purposes of improved design, privacy, protection and increased play area for children, upon a recommendation of the architectural review board and approval of the director of planning and community environment.

(k) Accessory Facilities and Uses. Regulations governing accessory facilities and uses, and governing the application of site development regulations in specific instances, are established by Chapter 18.88.

(l) Special Setbacks. Where applicable, setback lines imposed by a special setback map pursuant to Chapter 20.08 of this code shall be followed for the purpose of determining legal setback requirements.

(Ord. 4642 § 39, 2000: Ord. 4016 § 20, 1991: Ord. 3807 § 3 (part), 1988)

18.24.060 Residential density.

The following table establishes the permitted density of a lot, based on the lot area. When calculating the number of units, if insufficient area exists to provide the minimum lot area for an additional unit, the total number of units shall be rounded down to the smaller number. Notwithstanding the foregoing, the permitted density of any lot shall not exceed thirty dwelling units per acre.

Permitted Densities RM-30

Lot Size (in square feet)	No. of Dwelling Units/Area Square Feet of Lot
Up to - 5,999	1 unit
6,000 - 8,499	2 units
8,500 and over	3 units plus 1 unit/each additional 1,350 square feet

(Ord. 3807 § 3 (part), 1988)

18.24.070 Parking and loading.

(a) Off-street parking and loading facilities shall be required for all permitted and conditional uses in accord with Chapter 18.83. All parking and loading facilities on any site, whether required or optionally provided in addition to minimum requirements, shall comply with the regulations and design standards established by Chapter 18.83.

(b) Minimum parking requirements for selected uses permitted in the RM-30 medium density multiple-family residence district shall be as set forth below. A minimum of one parking space per dwelling unit shall be covered (see also Chapter 18.83)

(1) Single-Family Use. The minimum parking requirement for a site with one dwelling unit shall be two spaces.

(2) Two-Family Use. The minimum parking requirement for a site with two dwelling units shall be 1.5 spaces per dwelling unit.

(3) Multiple-Family Use. The minimum parking requirement for a site with three or more dwelling units shall be: 1.25 spaces per studio unit, 1.50 spaces per one-bedroom unit and 2.00 spaces per two or more bedrooms.

(4) Lodging Use. The minimum parking requirement for a site with a lodging use shall be one space per lodging unit, in addition to any applicable requirement based on single-family use, two-family use or multiple-family use on the same site.

(c) Guest Parking. Guest parking shall be provided in multiple-family developments exceeding three units, in accordance with the following requirements:

(1) The number of guest parking spaces in a development shall be one plus ten percent of the total number of units in the development.

(2) Notwithstanding the foregoing, if more than one parking space per dwelling unit in a development is assigned or secured so that it is inaccessible to the public, then guest parking spaces equivalent to thirty-three percent of the total number of units in the development shall be provided.

(3) Guest parking spaces shall be clearly marked as reserved for guests and shall be in an area providing guests with unrestricted access to the guest parking spaces.

(d) Location of Parking Spaces. No required parking space shall be located in a required front yard, nor in the first ten feet adjoining the street property line of a required street side yard.

(Ord. 3807 § 3 (part), 1988)

18.24.080 Below market rate (BMR) units.

(a) In developments of ten or more units, not less than ten percent of the units shall be provided at below-market rates to low and moderate income households in accordance with Program 12 of the Palo Alto Comprehensive Plan.

(b) Density Bonus. In developments of ten or more units, where BMR housing units are provided, a density increase of no more than fifteen percent over the otherwise prescribed number of units may be permitted; provided, that for each additional market unit an additional BMR unit is included. All other site development regulations shall apply.

(Ord. 3807 § 3 (part), 1988)

18.24.090 Special requirements.

The following special requirements shall apply in the RM-30 medium density multiple-family residence district:

(a) The site development regulations set forth in Sections 18.12.050 through 18.12.080 of Chapter 18.12 of the Palo Alto Municipal Code shall apply to sites in single-family use.

(b) Professional and medical office uses existing on July 20, 1978 and which, prior to that date, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, or which uses were, prior to July 20, 1978, located in

an RM-3 or RM-4 district, which was imposed by reason of annexation of the property to the city without benefit of prezoning and which, prior to the date of annexation, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, may remain as grandfathered uses and shall not be subject to the provisions of Chapter 18.94.

(1) Such uses shall be permitted to remodel, improve, or replace site improvements for continual use and occupancy by the same use; provided, that any such remodeling, improvement or replacement shall not result in increased floor area or number of offices, nor shall such remodeling, improvement or replacement result in shifting of building footprint or increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except through the granting of a design enhancement exception, pursuant to Chapter 18.91.

(2) Any such remodeling, improvement, or replacement of any building designed and constructed for residential use shall be subject to the issuance of a conditional use permit in accord with Chapter 18.90.

(3) If a use deemed grandfathered pursuant to this subsection (b) ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use.

(4) A use deemed grandfathered pursuant to this subsection (b) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a grandfathered use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

(5) In the event of redevelopment of all or a portion of the site for permitted residential uses, such professional and medical office uses may not be incorporated in the redevelopment, except that this provision shall not apply to permanent conversion to residential use of space within an existing structure now used for professional and medical office uses.

(c) Two-family uses and multiple-family uses existing on July 20, 1978 and which, prior to that date, were lawful conforming permitted uses or conditional uses operating pursuant to a conditional use permit, or which uses were, prior to July 20, 1978, located in an RM-3 or RM-4 district which was imposed by reason of annexation of the property to the city without benefit of prezoning and which, prior to the date of annexation, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, may remain as grandfathered uses, and shall not be subject to the provisions of Chapter 18.94. Such uses shall be permitted to remodel, improve, or replace site improvements on the same site for continual use and occupancy by the same use; provided, that any such remodeling, improvement or replacement shall not result in increased floor area or number of dwelling units, nor shall such remodeling, improvement or replacement result in shifting of building footprint or increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except through the granting of a design enhancement exception, pursuant to Chapter 18.91, with respect to multiple-family uses or a home improvement exception, pursuant to Chapter 18.90, with respect to two-family uses. If a

use deemed grandfathered pursuant to this subsection (c) ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use. A use deemed grandfathered pursuant to this subsection (c) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a grandfathered use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

(d) Motel uses existing on July 20, 1978, and which, prior to that date, were lawful conforming permitted uses or conditional uses operating subject to a conditional use permit, may remain as grandfathered uses, and shall not be subject to the provisions of Chapter 18.94. Such uses shall be permitted to remodel, improve, or replace site improvements on the same site; provided, that any such remodeling, improvement or replacement shall not result in increased floor area or number of dwelling units, nor shall such remodeling, improvement or replacement result in shifting of building footprint or increased height, length, building envelope, or any other increase in the size of the improvement, or any increase in the existing degree of noncompliance, except through the granting of a design enhancement exception, pursuant to Chapter 18.91. If a use deemed grandfathered pursuant to this subsection (d) ceases and thereafter remains discontinued for twelve consecutive months, it shall be considered abandoned and may be replaced only by a conforming use. A use deemed grandfathered pursuant to this subsection (d) which is changed to or replaced by a conforming use shall not be established, and any portion of a site or any portion of a building, the use of which changes from a grandfathered use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

(Ord. 4140 § 9, 1993: Ord. 4016 § 20, 1991: Ord. 3807 § 3 (part), 1988)

18.24.100 Recycling storage.

All new multiple-family residential development, including multiple-family residential development that is part of a mixed use development, shall provide adequate and accessible interior areas or exterior enclosures for the storage of recyclable materials in appropriate containers. The design, construction and accessibility of recycling areas and enclosures shall be subject to approval by the architectural review board, in accordance with design guidelines adopted by that board and approved by the city council pursuant to Section 16.48.070. This requirement shall apply only to multiple-family developments that utilize dumpsters rather than individual curbside pickup for trash collection.

(Ord. 4069 § 2, 1992)

APPENDIX G-4 PLANNED COMMUNITY DISTRICT 2967

ORDINANCE NO. 2967

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING SECTION 18.08.040 OF THE PALO ALTO MUNICIPAL CODE TO CHANGE THE ZONING CLASSIFICATION OF CERTAIN PROPERTY KNOWN AS 250 FOREST AVENUE FROM M-1-S, M-1-S-C AND C-2-S-C TO P-C, SUBJECT TO CONDITIONS, AND CHANGING THE FIRE ZONE

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

SECTION 1. Section 18.08.040 of the Palo Alto Municipal Code, the "Zoning Map", hereby is amended by changing the zoning classification of certain property known as 250 Forest Avenue from M-1-S, M-1-S-C and C-2-S-C to P-C. Said property is shown on Exhibit A attached hereto, incorporated herein by reference, and entitled "Change of District of 250 Forest Avenue from M-1-S, M-1-S-C, C-2-S-C to P-C."

SECTION 2. Section 16.04.180 of the Palo Alto Municipal Code is amended by changing the fire zone of the property reclassified by this ordinance from Fire Zone 1 to Fire Zone 3. The Official Fire Zone Map of the City of Palo Alto, California, is amended accordingly.

SECTION 3. The diagrams attached hereto entitled "Development Plan" are incorporated herein by reference. Said Development Plan is approved pursuant to Section 18.68.070 of the Palo Alto Municipal Code subject to the following conditions:

1. Use:

   A total of nineteen residential units, with developer contributing 25 percent of the actual sales price of units 3 and 5 to the City to be allocated to a city-sponsored program to provide housing to low or moderate income families, said contributions to be made in a manner and according to procedures acceptable to the City Attorney.

2. Improvements:

   a. All improvements and development shall be substantially as shown on the approved development plan and shall comply with all applicable codes and ordinances.

   b. A drainage system shall be constructed within the property subject to the approval of City Engineer. No surface drainage across the sidewalk will be permitted.

   c. Any new driveway shall be the standard ramped driveway to provide continuity of sidewalk to the satisfaction of City Engineer.

d. The developer shall apply for an encroachment permit for any obstruction within City right-of-way.

e. Proposed street trees shall be approved by the Superintendent of Parks.

f. The final landscaping plan shall be submitted to the Architectural Review Board for approval.

g. Landscaping shall be installed in accordance with the approved plan and shall be maintained and replaced in the common areas by the homeowners association as necessary to assure normal growth, health and groomed appearance.

h. Fire sprinklers and roofing materials shall be as required by the Chief of the Palo Alto Fire Department.

i. Electric service shall be underground in accordance with City specifications.

j. Creative Environments, shall, either itself or through its contractors, provide a bond to protect the trees proposed to be preserved in the Development Plan, the bond to be sufficient to replace or repair any tree destroyed or injured during the course of construction. The form and substance of the bond shall be approved by the City Attorney prior to the issuance of a use permit.

3. Development Schedule:

a. Start of construction within one year of City Council approval.

b. Completion of all improvements and within two years of start of construction.

c. In the event the development schedule is not met, the zoning shall automatically change upon lapse of the schedule to the prior existing zones, or their equivalents, should a new zoning ordinance be adopted.

SECTION 4. The Council finds that this project will have no significant adverse environmental impact.

SECTION 5. This ordinance shall become effective upon the commencement of the 31st day after the day of its passage.

INTRODUCED: January 17, 1977

PASSED: February 7, 1977

AYES: Beahrs, Berwald, Clay, Comstock, Eyerly, Norton, Sher, Witherspoon

NOES: None

ABSENT: Carey

ABSTAINING: None

ATTEST:

City Clerk

APPROVED:

Mayor

-2-

APPROVED AS TO FORM:

Assistant City Attorney

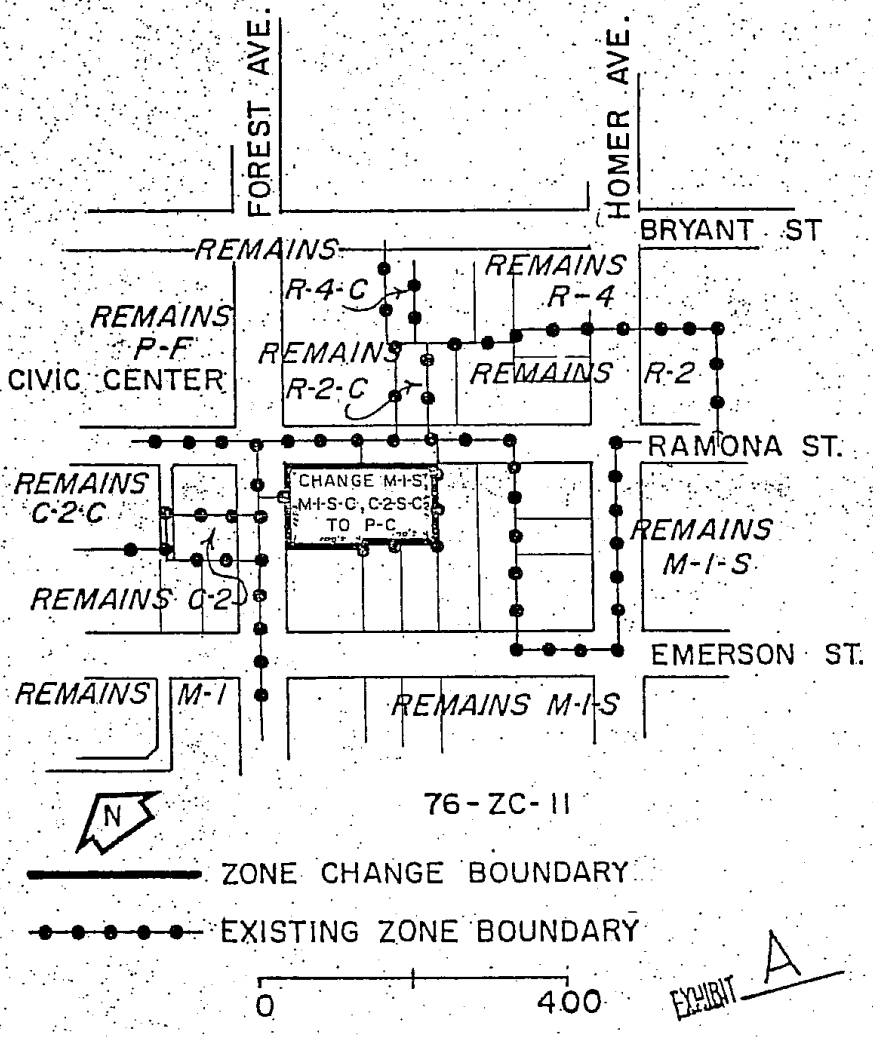
APPROVED:

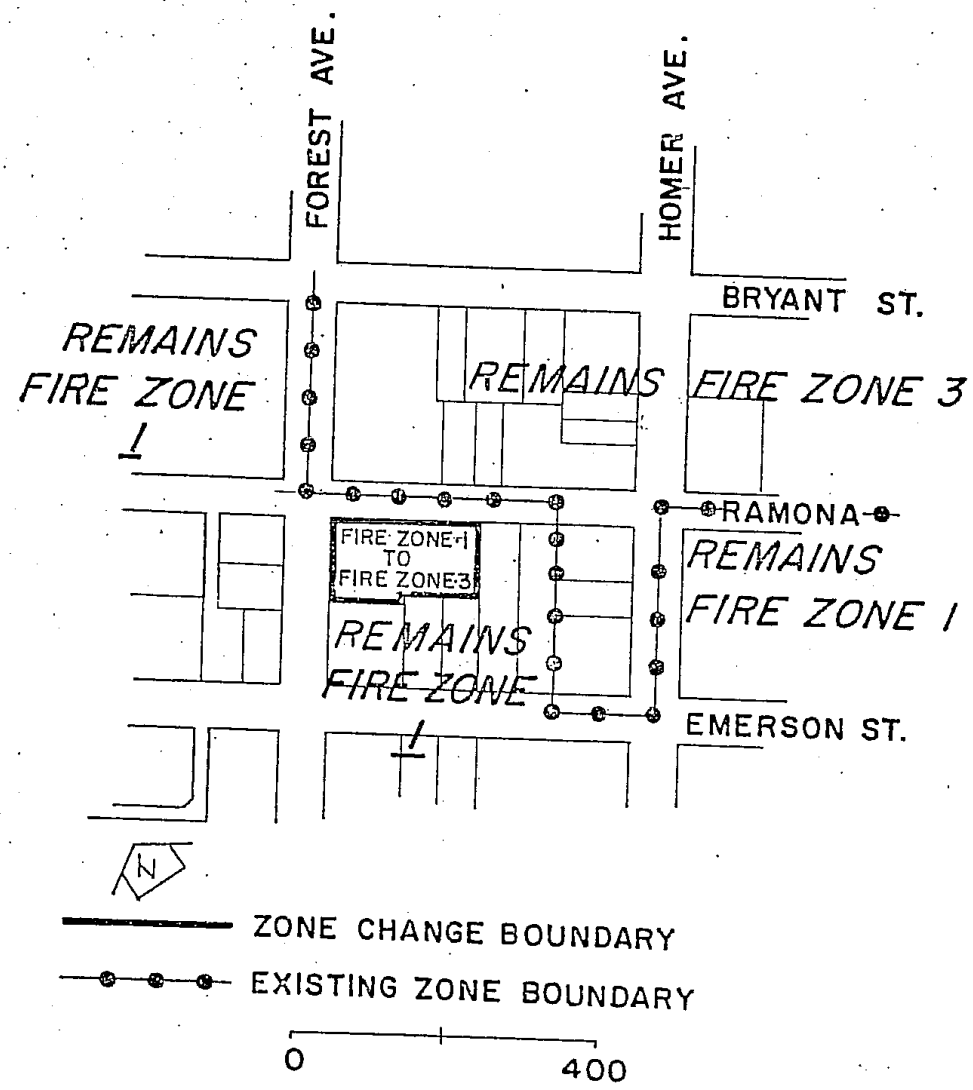
City Manager

Director of Planning and
Community Environment

Fire Department

Division of Inspectional
Services


FOREST AVE.
HOMER AVE.
BRYANT ST
REMAINS
R-4-C
REMAINS
R-4
REMAINS
P-F
CIVIC CENTER
REMAINS
R-2-C
REMAINS
R-2
RAMONA ST.
REMAINS
C-2-C
CHANGE M-1-S, M-1-S-C, C-2-S-C TO P-C
REMAINS
M-1-S
REMAINS C-2
EMERSON ST.
REMAINS
M-1
REMAINS M-1-S
N
76-ZC-11
ZONE CHANGE BOUNDARY
EXISTING ZONE BOUNDARY
0
400
EXHIBIT A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HOMER AVE.
BRYANT ST.
REMAINS FIRE ZONE 1
REMAINS
FIRE ZONE 3
RAMONA
FIRE ZONE 1 TO FIRE ZONE 3
REMAINS FIRE ZONE 1
REMAINS FIRE ZONE 1
EMERSON ST.
N
ZONE CHANGE BOUNDARY
EXISTING ZONE BOUNDARY
0
400

APPENDIX G-5 PLANNED COMMUNITY DISTRICT 3707

ORDINANCE NO. 3707
ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING SECTION 18.08.040 OF THE PALO ALTO MUNICIPAL CODE (THE ZONING MAP) TO AMEND PROVISIONS OF PC DISTRICT 3182 FOR PROPERTY KNOWN AS 744 RAMONA STREET

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

SECTION 1. Section 18.08.040 of the Palo Alto Municipal Code, the "Zoning Map," is hereby further amended to adopt additional provisions applicable to PC (Planned Community) District 3182 established by Ordinance No. 3182. Said property is shown on a map attached hereto as Exhibit "A" and incorporated herein by reference.

SECTION 2. The City Council hereby finds with respect to the subject property that:

1. The site is so situated and the use or uses proposed for the site are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow the proposed development in that the provision of commercial parking on a site otherwise used for residential purposes is not permitted under existing multiple family districts.

2. Development of the site under the provisions of the Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts in that the project will provide required commercial parking for professional offices existing at 745 Emerson Street. Without such parking, the commercial users of the Emerson Street offices would be forced to use on-street parking, which is very limited in the surrounding area.

3. The uses permitted and the site development regulations applicable within the PC District are consistent with the Palo Alto Comprehensive Plan and are compatible with existing and potential uses on adjoining sites or within the general vicinity. The proposed use of the site for three condominium units adjacent to commercial uses and proximate to the downtown area is consistent with Comprehensive Plan Employment Policy 2 which encourages the construction of more housing on or near industrial or commercial sites, and Housing Objective 3 which encourages increases in the local housing supply.

SECTION 3. Development Plan. The plans attached hereto as Exhibit "B" constitute the development plan and are incorporated herein by reference. Said development plan is approved pursuant to section 18.68.120 of the Palo Alto Municipal Code.

SECTION 4. Regulations. a. Uses. Allowable uses for the property at 744 Ramona Street shall be limited to three residential condominium units and twelve commercial parking spaces serving the office uses at 745 Emerson Street.

b. Special Requirements. (1) Within the residential development at the northeast corner of Ramona Street and Homer Avenue six residential parking spaces complying with all City standards shall be provided for the three residential units at 744 Ramona prior to occupancy of the units.

(2) Landscaping shall be installed in accordance with the approved plan and shall be maintained and replaced, as necessary, to assure normal growth, health and groomed appearance.

(3) Before finalizing construction drawings, the developer shall submit final drainage plans and calculations for review and approval by the Public Works/Engineering Department.

(4) All work done within the public right-of-way shall be subject to the issuance of a street opening permit from the Public Works/Engineering Department.

(5) In addition to meeting the requirements of Title 24, the project shall meet either of the following:

(a) If individual water heaters are used in each unit, stubbed-in solar pre-plumbing shall be installed in accordance with City of Palo Alto solar pre-plumbing specifications to facilitate the future installation of solar water heating.

(b) If a central water heater is used, a solar water heating system sized to provide at least 50 percent of the domestic water heating energy requirements shall be installed.

(6) An encroachment permit shall be obtained from the Public Works Department for the irrigation system between the sidewalk and the curb.

(7) An automatic fire sprinkler system shall be installed.

(8) No construction activities or storage of materials shall be permitted in the public right-of-way, including parking areas and the sidewalks. Developer shall design building and construction access so that public property is not impacted during construction.

(9) The developer shall remove the existing street trees on Ramona Street at the property frontage and plant new street tree(s) in accordance with the Parks Department's specifications.

(10) Prior to issuance of a building permit, the developer shall obtain Architectural Review Board approval of the final landscape plans, including planting for roof terraces, courtyard areas and the on-grade area in front of the parking garage, paving details and colors, with particular attention to landscape screening of the above-grade parking structure.

(11) The developer shall enter into an easement with the owner of 745 Emerson Street to provide twelve commercial parking spaces for the uses at 745 Emerson Street. This easement shall specify that the owner of 745 Emerson Street shall maintain these parking spaces in a neat and orderly manner or the grantor shall have the right to maintain the parking spaces and place a lien on 745 Emerson Street for the value of these maintenance services. This easement shall be reviewed and approved by the City Attorney's Office prior to the issuance of a certificate of use and occupancy for 744 Ramona Street.

c. Development Schedule. Construction shall begin no later than two months from the date of City Council adoption of this ordinance and shall be completed within twelve months of the issuance of a building permit.

SECTION 5. The Council finds that this is a subsequent review of a prior project and no further environmental review is necessary.

SECTION 6. This ordinance shall become effective upon the commencement of the thirty-first day after the day of its passage.

INTRODUCED: August 25, 1986

PASSED: September 8, 1986

AYES: Bechtel, Fletcher, Klein, Levy, Patitucci, Renzel, Sutorius, Woolley

NOES: None

ABSTENTIONS: Cobb

ABSENT: None

ATTEST:

City Clerk

APPROVED:

Mayor

3.

APPROVED AS TO FORM:

Sr. Assistant City Attorney

APPROVED:

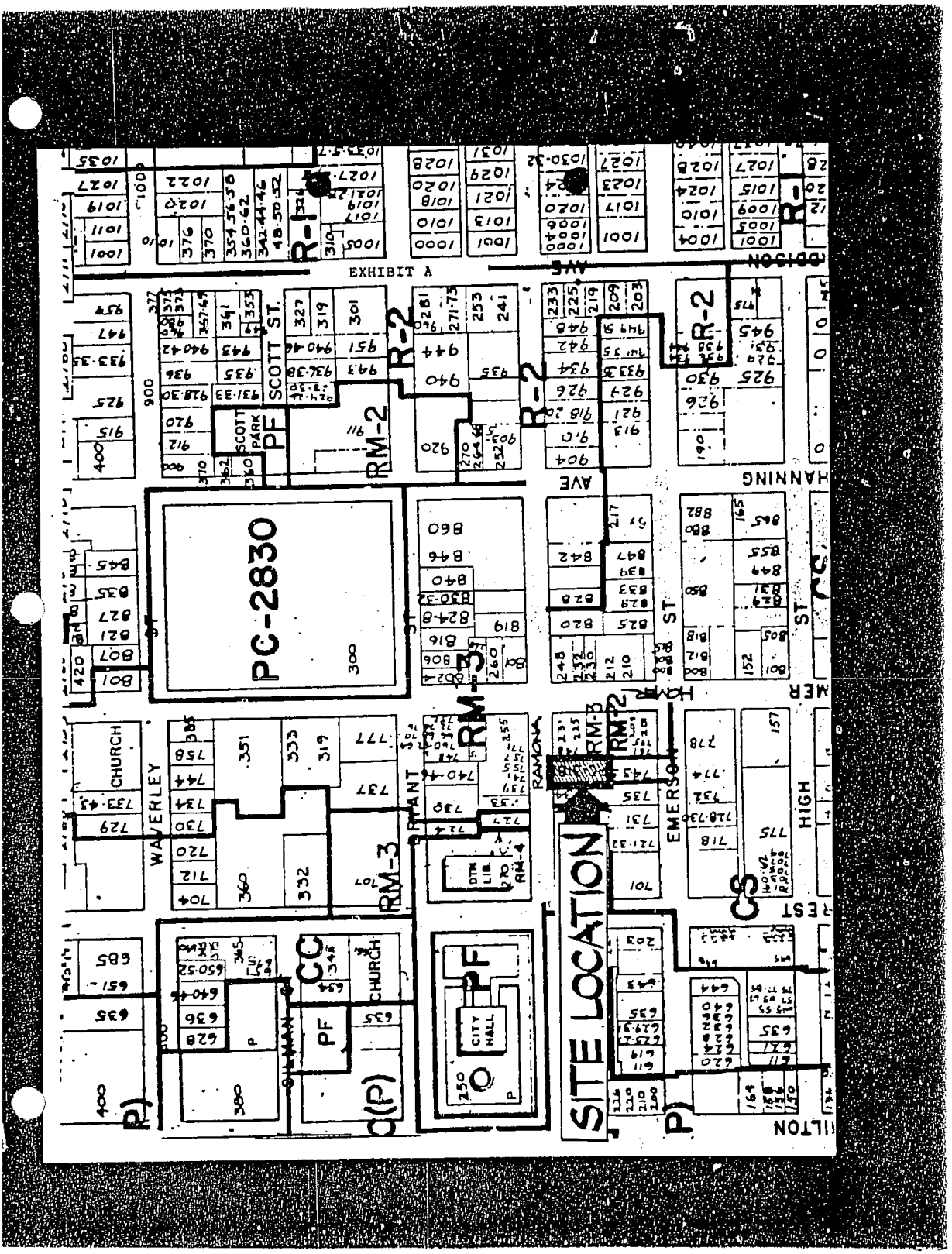
City Manager-Asst.

Director of Planning and
Community Environment

Director of Public Works

Director of Utilities

4.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PC-2830
SITE LOCATION
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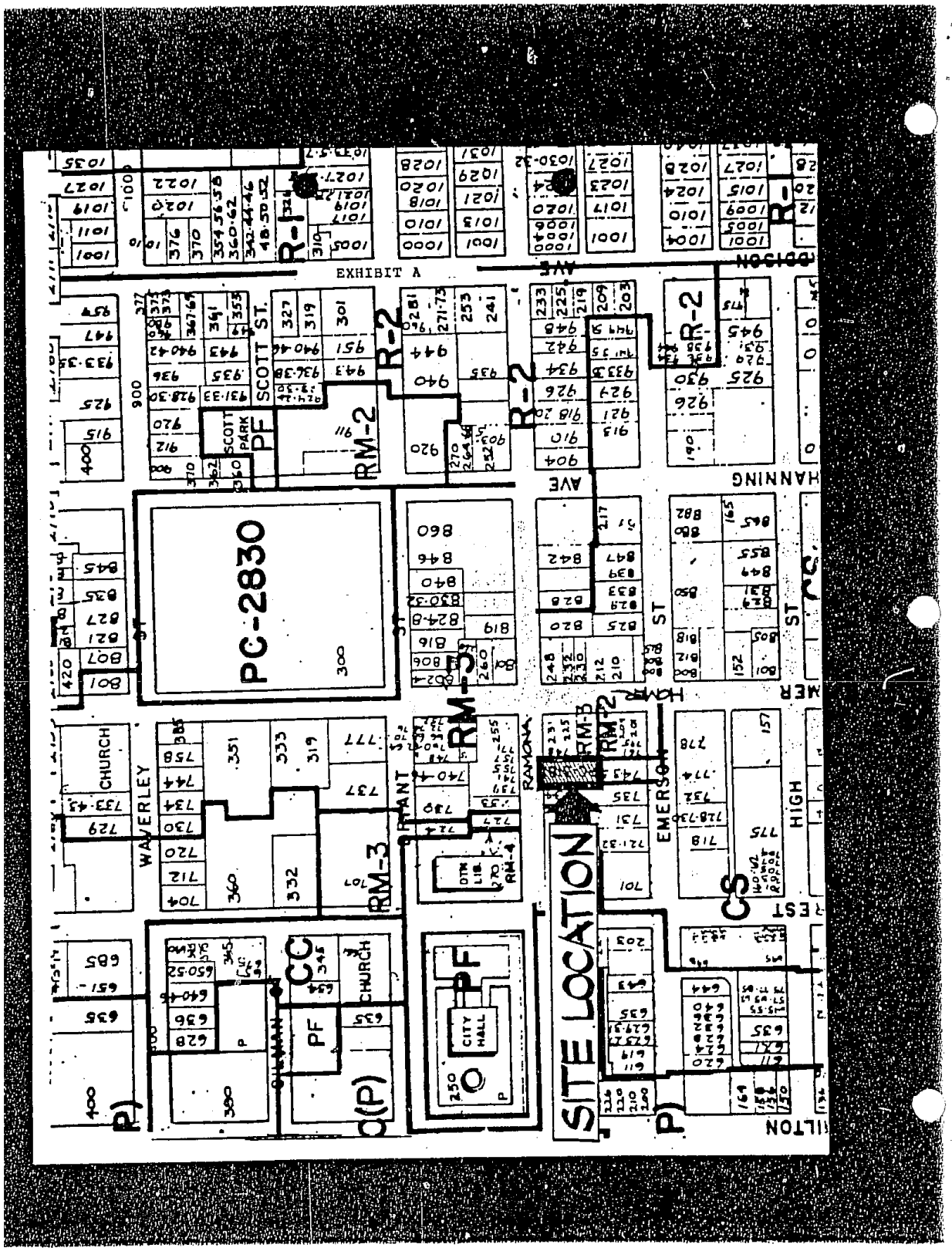
SCOTT ST.
SCOTT PARK
WAVERLEY
CHURCH
HANNING
AVE
HIGH
EMERSON
RAMONA
HOMER
GILMAN
R-1
R-2
RM-2
RM-3
RM-4
PF
CC
CS
C(P)
P)


PC-2830
SITE LOCATION
EXHIBIT A
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SCOTT PARK
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R-1
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RM-2
RM-3
RM-4
RM-5
RM-B
CC
CS
CITY HALL
CHURCH
WAVERLEY
RAMONA
EMERSON
HIGH
HANNING
HOMER
OLIVAN
DISCON
AVE
ST

I N D E X

A 1 PARKING GARAGE LEVEL -10
2 FLOOR PLAN LEVEL +0 & +5
2a AIR SPACE PLAN LEVEL +0 & +5
3 FLOOR PLAN LEVEL +10 & +15
3a AIR SPACE PLAN LEVEL +10 & +15
4 FLOOR PLAN LEVEL +20 & +25
4a AIR SPACE PLAN LEVEL +20 & +25
5 ROOF PLAN
5a COURTYARD DECK LAYOUT PLAN
6 FLOOR PLAN UNIT A3
7 FLOOR PLAN UNITS A2 & A7
8 FLOOR PLAN UNIT B1
9 FLOOR PLAN UNIT B4
10 FLOOR PLAN UNIT C5
11 FLOOR PLAN UNITS C6 & C9
12 FLOOR PLAN UNIT D8
13 EXTERIOR ELEVATIONS
14 EXTERIOR ELEVATIONS
15 INTERIOR COURT ELEVATIONS
16 INTERIOR COURT ELEVATIONS
17 INTERIOR ELEVATIONS
18 CROSS SECTION
19 CROSS SECTION
20 DETAILS
21 DETAILS
22 DETAILS
23 DETAILS
24 DETAILS

APPROVED
Approved by City Council
Ordinance No. 3707
Resolution No.
Date 9/8/86
File No. 86-PC-26
CITY OF PALO ALTO

APPROVED w/ cond
ARCHITECTURAL REVIEW BOARD
10-2-1986
DEPARTMENT OF PLANNING
CITY OF PALO ALTO

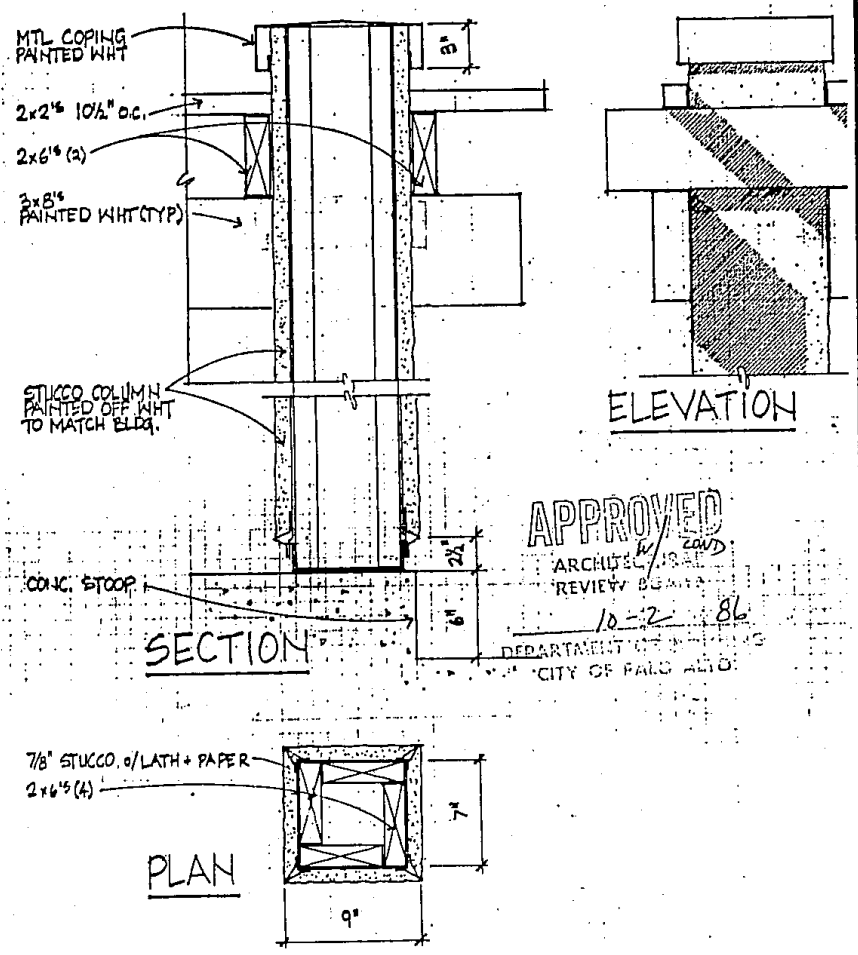
"EXHIBIT B"

TITLE COVER

OWNER

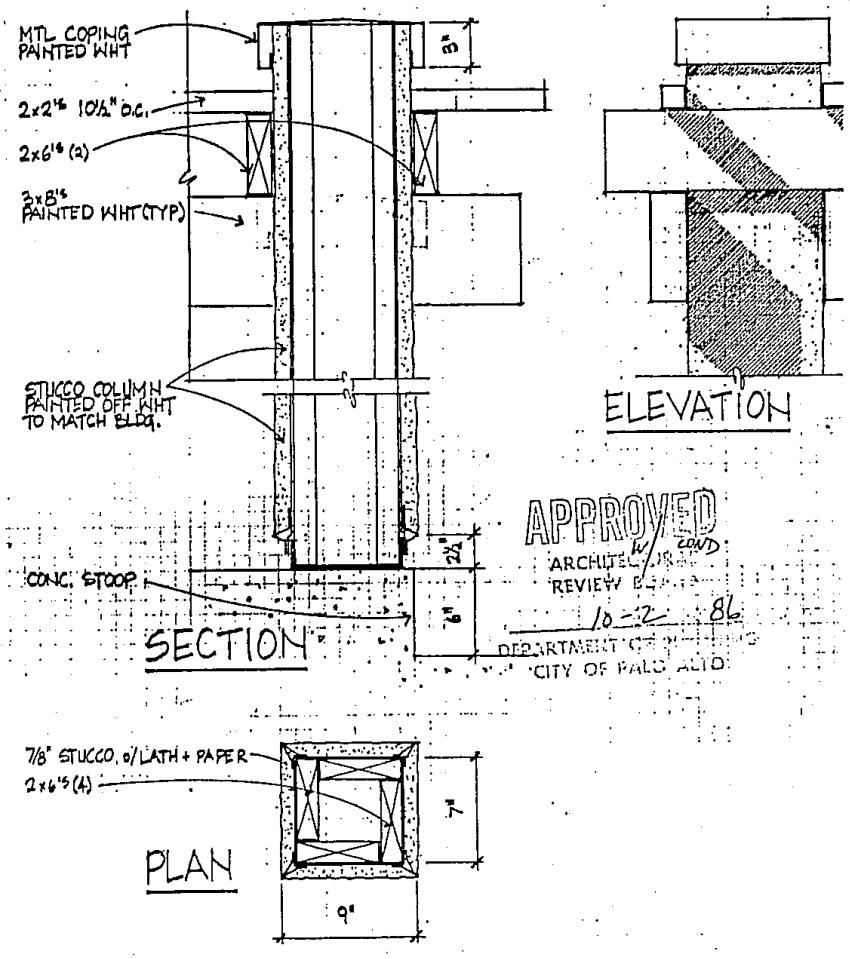
DRAWN
CHECKED
DATE
SCALE
JOB NO. 8516
SHEET C

Louis B. Schump
3018 Mission St. 36
San Francisco, CA 94110
415 282-2128



TRELLIS DETAIL 1½"=1'-0"

Louis B. Schump
3018 Mission St. 36
San Francisco, CA 94110
415 282-2128



APPROVED
ARCHITECTURAL REVIEW BOARD
10-2-86
DEPARTMENT OF PLANNING
CITY OF PALO ALTO

TRELLIS DETAIL 1½"=1'-0"

APPENDIX G-6 PLANNED COMMUNITY DISTRICT 4283

ORDINANCE NO. 4283

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING SECTION 18.08.040 OF THE PALO ALTO MUNICIPAL CODE (THE ZONING MAP) TO CHANGE THE CLASSIFICATION OF PROPERTY KNOWN AS 725-753 ALMA STREET FROM CD-S(P) TO PC

WHEREAS, the Planning Commission, after a duly noticed public hearing held May 10, 1995, and the Architectural Review Board, upon consideration at its meeting of April 20, 1995, have recommended that Section 18.08.040 (the Zoning Map) of the Palo Alto Municipal Code be amended as hereinafter set forth; and

WHEREAS, the City Council, after due consideration of the recommendations, finds that the proposed amendment is in the public interest and will promote the public health, safety and welfare.

NOW, THEREFORE, the Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Section 18.08.040 of the Palo Alto Municipal Code, the "Zoning Map," is hereby amended by changing the zoning of certain property known as 725-753 Alma Street (the "subject property") from "CD-S(P) Service Commercial with a Pedestrian Combining District" to "PC Planned Community." The subject property is shown on the map labeled Exhibit "A", attached hereto and incorporated herein by reference.

SECTION 2. The City Council hereby finds with respect to the subject property that:

(a) The site is so situated, and the uses proposed for the subject property are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow the proposed development, which will provide housing for low- and very low-income persons. The increased density and decreased parking requirement will allow a greater number of smaller units suitable to a low-income working person, thus serving a larger number of persons needing this type of housing, and will reduce the costs per unit, thus making the units affordable to persons with low and very low incomes.

(b) The project will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts, in that housing for low- and very low-income persons is a public need, considering the expense of housing in Palo Alto, and that this type of small, affordable unit is not being provided in the community by other projects.

(c) The uses permitted and the site development regulations applicable within the district are consistent with the Palo Alto Comprehensive Plan, and existing and potential uses on adjoining sites or within the general vicinity, in that the permitted uses (housing for low- and very low-income persons and office space) will have minimal traffic or noise impacts on the surrounding neighborhood, and that the development project proposed to be constructed on the subject property will further the policies and programs of the Housing Element by increasing the supply of rental housing, providing smaller, affordable units, providing housing which meets the special needs of working individuals, and taking advantage of financing available from other levels of government.

SECTION 3. Those certain plans entitled "Palo Alto SRO," prepared by Rob Wellington Quigley, FAIA, Architecture-Planning, dated as received by the City on March 9, 1995, a copy of which is on file in the Planning Division office, and to which copy reference is hereby made concerning the full particulars thereof, are hereby approved as the Development Plan for the subject property, pursuant to Section 18.68.120. Said Development Plan is approved for the following uses, and subject to the following conditions:

(a) Permitted Uses. The uses shall be limited to residential units affordable to low- and very low-income persons and accessory uses incidental thereto, and a maximum of 1,800 square feet of leasable office space.

(b) Conditional Uses. No conditional uses shall be permitted.

(c) Site Development Regulations. All improvements and development shall be substantially in accordance with the approved Development Plan. The following are site development regulations which establish rules for modifications or additions to any building, accessory structure or landscaping on the subject property. Definitions of terms used shall be in accordance with Chapter 18.04 (Definitions) of Title 18 (Zoning) of the Palo Alto Municipal Code.

(i) Final plans including materials and colors, garage plans, complete lighting and photometric plans, detailed landscaping and irrigation plans encompassing on- and off-site plantable areas, and signs shall be reviewed and approved by the Architectural Review Board ("ARB") prior to issuance of building permits. All utility meters, lines, transformers, backflow preventers, electric panel switchboards, and any other required utilities shall be shown on the final plans and shall show that no conflict will occur between the utilities and landscape materials

and shall be screened in a manner which respects the building design and setback requirements.

(ii) In addition to the information described above, and all information otherwise required under Title 16 and Title 18 of the Municipal Code, the final plans shall include the following:

(A) An acoustically-effective railing, at least four feet high, on the first floor deck; and

(B) Recessing of the windows on the east and south elevations.

(iii) All residential unit windows shall have appropriate STC ratings as described in the acoustical consultant's report and Title 24 of the California Building Code. Windows which will be affected by noise from the compressor on the adjacent property to the north shall meet appropriate STC ratings to reduce such noise to 45 dB DNL or less as measured on the interior with the window closed.

(iv) If a mechanical ventilation system to provide a source of fresh air for each unit is determined by the City not to be required in order to satisfy Title 24 noise requirements, the project shall nevertheless include adequate space for the future installation of mechanical ventilation equipment.

(v) All residential unit windows shall be of a type which is convertible to inoperable status (i.e., sealed).

(d) Parking and Loading Requirements. The parking and loading requirements governing the subject property shall be in accordance with the Development Plan, except as follows: The project shall include a garage plan with parking accessed from Alma Street and the alley, as reviewed and approved by the ARB.

(i) The project sponsor shall improve the alley for the length of the alley adjoining the project site, and any other portions disturbed by utility installation to serve the project.

(ii) Parking spaces in the garage shall be assigned so that users know which entrance to use.

(e) Special Requirements:

(i) Prior to issuance of a grading and excavation permit, a detailed grading plan shall be submitted for review and approval by the City Public Works Department and the Building

Inspection Division. Any contaminated soil or groundwater encountered during excavation shall be remediated or disposed of in accordance with applicable State or local laws and procedures.

(ii) Prior to issuance of a building permit:

(A) All lot lines shall be removed pursuant to a Certificate of Compliance.

(B) Final plans shall be revised as required to comply with the ARB approvals referenced above, which will include additional standard conditions.

(C) The applicant shall submit a formal drainage plan for the site to the Public Works Department. The plan shall include connection of the project's storm drain system to the City storm drainage line at the intersection of Homer and High.

(iii) Prior to occupancy:

The sidewalk along the Alma Street frontage of the property, and curb and gutter, shall be replaced as determined by the Department of Public Works in order to ensure pedestrian and vehicular safety.

(iv) Following occupancy:

(A) For the first two years following project occupancy, the property owner shall meet on a regular basis, at least once annually, with owners and tenants of properties located on the block wherein the subject property is situated. The purpose of the meeting shall be to discuss and seek to resolve any common concerns regarding such issues as parking.

(B) The property owner shall comply with the following conditions in order to mitigate any potential adverse land use or health impacts resulting from the proximity of the project to automotive service uses:

(1) One year following occupancy of the residential portion of the project, the property owner shall submit to the Director of Planning and Community Environment ("Director") a written report as provided in this condition. For the purpose of this condition, "occupancy" means rental of 90 percent of the units.

(2) The written report shall include all of the following information:

(a) A detailed log of any and all odor complaints received during the year by the project sponsor/property owner from residents of the project regarding odors entering the project from outside sources.

(b) A description of action(s) taken in response to any and all such complaints.

(c) A description of any and all complaints received by the Bay Area Air Quality Management District (BAAQMD) during the year concerning odors or other airborne emissions alleged to have emanated from sources located on the same block as the project. The description shall include both verified and unverified complaints, and the address(es) of the complainant(s), to the extent such information is available from the BAAQMD.

(3) If, upon review of the report and any other available relevant information, the Director determines that the location of the project adjacent to automotive uses has resulted in significant odor complaints from the project unrelated to any violation of emissions standards by the automotive uses, then the Director shall require the property owner to take one of the following actions within one hundred eighty (180) days:

(a) Install an exhaust stack and fan system, as recommended by Charles & Braun to vent emissions from Ellison's paint booth emissions;

(b) Seal all windows to the project's residential units, and ensure that a mechanical ventilation system to the units is operational; or

(c) Implement an alternative mitigation measure, as proposed by a qualified expert, and as reviewed and approved by the City as an amendment to the PC zone under Chapter 18.68 or Chapter 18.99, as appropriate.

(4) In the Director's discretion at the end of the one-year reporting period, the property owner may be required to submit an additional report following the second year of occupancy, to be reviewed in accordance with paragraph (3).

(5) Notice of any determination made by the Director pursuant to paragraphs (3) or (4) of this condition shall be given in writing in accord with the provisions of Chapter 18.93, and any aggrieved or affected persons may appeal such determination in accord with the provisions of that Chapter.

(f) Development Schedule. Construction of the project shall be commenced on or before December 31, 1997, and shall be completed and ready for occupancy on or before December 31, 1999. If the acquisition of the property by the City or Palo Alto Housing Corporation has not occurred by March 31, 1996, then the Zoning Administrator shall take the actions set forth in Palo Alto Municipal Code section 18.68.140.

SECTION 4. The Council finds that this project, as mitigated, will not have a significant environmental effect.

SECTION 5. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED: June 26, 1995

PASSED: July 17, 1995

AYES: ANDERSEN, FAZZINO, HUBER, KNISS, MCCOWN, ROSENBAUM, SCHNEIDER, SIMITIAN, WHEELER

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

City Clerk

APPROVED AS TO FORM:

Senior Asst. City Attorney

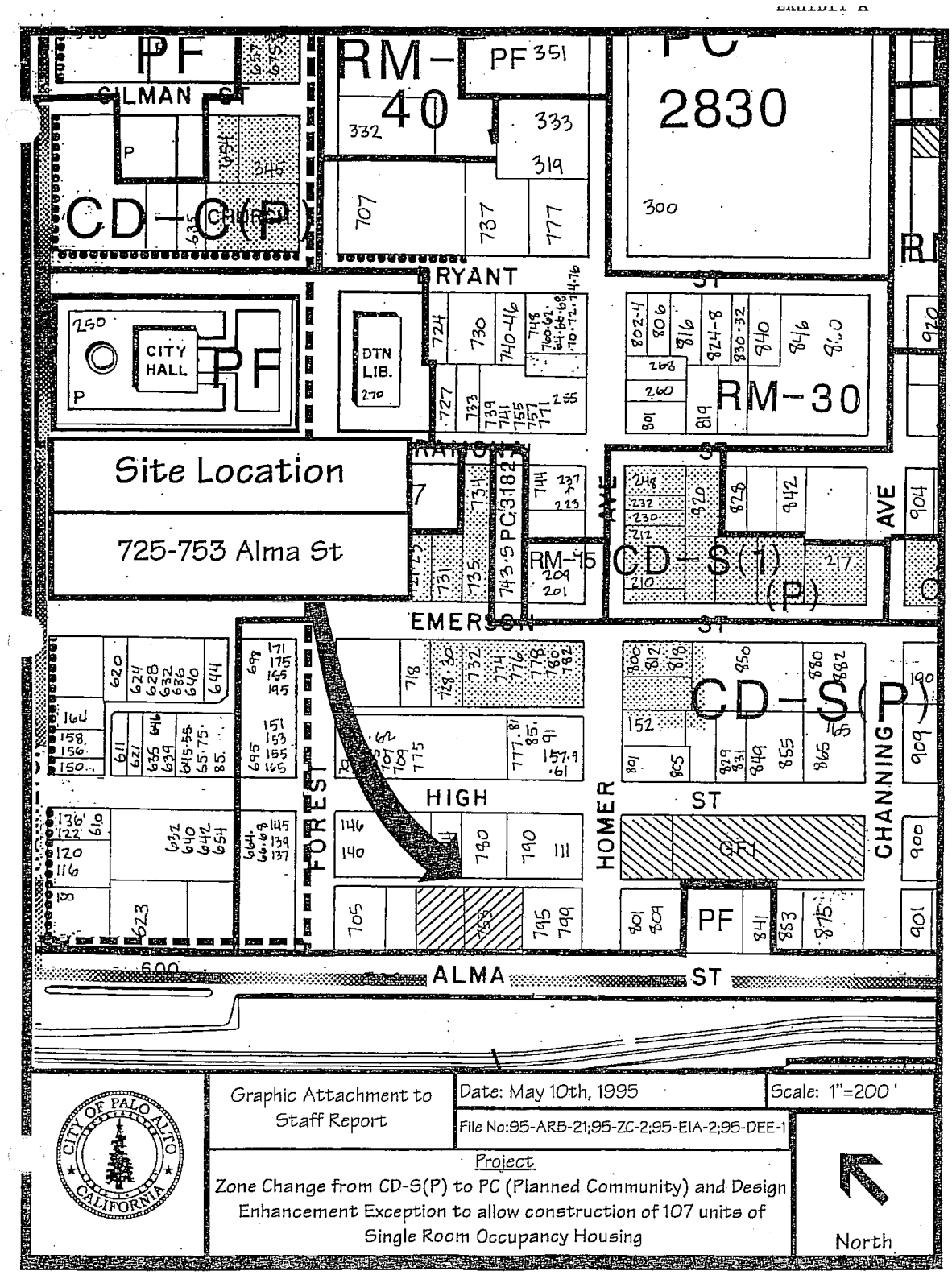
APPROVED:

Mayor

City Manager

Director of Planning
and Community Environment

950719 lac 0080075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GILMAN ST
RM-40
PF 351
PC 2830
CD-C(P)
CHURCH
RYANT ST
CITY HALL
PF
DTN LIB.
RM-30
Site Location
725-753 Alma St
PC 3182
RM-15
CD-S(1)(P)
EMERSON ST
CD-S(P)
HIGH ST
FOREST
HOMER
CHANNING
GFI
PF
ALMA ST
Graphic Attachment to Staff Report
Date: May 10th, 1995
Scale: 1"=200'
File No:95-ARB-21;95-ZC-2;95-EIA-2;95-DEE-1
Project
Zone Change from CD-S(P) to PC (Planned Community) and Design Enhancement Exception to allow construction of 107 units of Single Room Occupancy Housing
CITY OF PALO ALTO CALIFORNIA
North

APPENDIX G-7 PLANNED COMMUNITY DISTRICT 4389

ORDINANCE NO. 4389

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING SECTION 18.08.040 OF THE PALO ALTO MUNICIPAL CODE (THE ZONING MAP) TO CHANGE THE CLASSIFICATION OF PROPERTY KNOWN AS 901-909 ALMA STREET FROM CD-S(P) TO PC

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

SECTION 1.

(a) The Planning Commission, after a duly noticed public hearing held September 11, 1996, and the Architectural Review Board, upon consideration at its meeting of August 1, 1996, have recommended that Section 18.08.040 (the Zoning Map) of the Palo Alto Municipal Code be amended as hereinafter set forth.

(b) The City Council, after due consideration of the recommendations, finds that the proposed amendment is in the public interest and will promote the public health, safety and welfare, as hereinafter set forth.

SECTION 2. Section 18.08.040 of the Palo Alto Municipal Code, the "Zoning Map," is hereby amended by changing the zoning of certain property known as 901-909 Alma Street (the "subject property") from "CD-S(P) Commercial Downtown - Pedestrian Shopping Combining District" to "PC Planned Community." The subject property is shown on the map labeled Exhibit "A," attached hereto and incorporated herein by reference.

SECTION 3. The City Council hereby finds with respect to the subject property that:

(a) The site is so situated, and the uses proposed for the subject property are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow the proposed mixed use development, or for a development on this site that is compatible with the mix of uses, density and design of the surrounding neighborhood. Specifically, while the CD-S(P) District permits mixed residential and nonresidential use, it does not provide the flexibility for developing a mixed use project on a small lot, consistent with the character of predominantly service commercial areas such as Alma Street. The project design, which positions residential units above the Alma Street arterial corridor, serves to improve the quality of the residential living spaces and provides a more substantial building along Alma Street, consistent with the Downtown Urban Design Guide. While the CD-S(P) District

allows office and residential projects as permitted uses, the required provisions for developing residential uses within this district make it difficult to design a mixed use project which is compatible with the land uses and development pattern of the surrounding neighborhood, particularly along Alma Street. Adoption of the PC District for this project would permit the necessary flexibility in floor area, common usable open space, and off-street parking requirements so that a compatible, vertically integrated, mixed use project can be built on a relatively small lot.

(b) The project will result in public benefits not otherwise attainable by application of general districts or combining districts, as follows:

(i) The project design, which positions residential units above the Alma Street arterial corridor, provides an attractive, substantial building along Alma Street, consistent with the policies of the Downtown Urban Design Guide. The intersection of Channing Avenue and Alma Street is identified as an "Auto Entry" to the Downtown. The Guide suggests varying building heights along Alma Street "to create a mini-skyline along the western edge to anchor the downtown," and further suggest that buildings along Alma Street should be designed as "four sided" because they will tend to be taller than other buildings and will be visible from mnay elevated locations. The design of the project furthers these policies.

(ii) The application of the PC District standards as proposed would result in public benefits by providing desirable street improvements along Alma Street and Channing Avenue in the vicinity of the project. These street improvements would be beneficial to the neighborhood and community at large in that they will help to increase pedestrian activity in the area. The improvements consist of a special sidewalk treatment consisting of integral colored concrete paving along the Channing Avenue and Alma Street frontages, and a 1,786 sq. ft. pedestrian plaza facing Channing Avenue that includes raised planters, public seating, and new street trees and other landscaping. These improvements would not all be made available through development of the site under the CD-S(P) District regulations.

(iii) The project will incorporate original art work, as approved by the Public Art Commission and the Architectural Review Board, which will be visible to the public.

(iv) The applicant will resurface the portion of the alley adjacent to the site.

(c) The uses permitted and the site development regulations applicable within the district are consistent with the

and shall be screened in a manner which respects the building design and setback requirements.

(ii) In addition to the information described above, and all information otherwise required under Title 16 and Title 18 of the Municipal Code, the final plans shall include the following:

(A) An acoustically-effective railing, at least four feet high, on the first floor deck; and

(B) Recessing of the windows on the east and south elevations.

(iii) All residential unit windows shall have appropriate STC ratings as described in the acoustical consultant's report and Title 24 of the California Building Code. Windows which will be affected by noise from the compressor on the adjacent property to the north shall meet appropriate STC ratings to reduce such noise to 45 dB DNL or less as measured on the interior with the window closed.

(iv) If a mechanical ventilation system to provide a source of fresh air for each unit is determined by the City not to be required in order to satisfy Title 24 noise requirements, the project shall nevertheless include adequate space for the future installation of mechanical ventilation equipment.

(v) All residential unit windows shall be of a type which is convertible to inoperable status (i.e., sealed).

(d) Parking and Loading Requirements. The parking and loading requirements governing the subject property shall be in accordance with the Development Plan, except as follows: The project shall include a garage plan with parking accessed from Alma Street and the alley, as reviewed and approved by the ARB.

(i) The project sponsor shall improve the alley for the length of the alley adjoining the project site, and any other portions disturbed by utility installation to serve the project.

(ii) Parking spaces in the garage shall be assigned so that users know which entrance to use.

(e) Special Requirements.

(i) Prior to issuance of a grading and excavation permit, a detailed grading plan shall be submitted for review and approval by the City Public Works Department and the Building

modification of the requirements of Chapter 18.83 with respect to number of parking spaces. Relevant data has been presented by the project applicant to support the modification, in that the office portion of the project and the residential units will not have peak parking demands at the same time. Therefore, reduction of the required parking by one space is appropriate.

SECTION 4. Those certain plans entitled "901 Alma, a Mixed Use Development for Douglas Ross" prepared by Columbus Architecture·Interiors·Planning, dated March 21, 1996, approved by the Architectural Review Board on August 1, 1996, with revisions dated August 29, 1996, together with revised landscape plan dated September 10, 1996, copy on file in the Planning Division office, and to which copy reference is hereby made, are hereby approved as the Development Plan for the subject property, pursuant to Palo Alto Municipal Code section 18.68.120. Said Development Plan is approved for the following uses, and subject to the following conditions:

(a) Permitted Uses. The permitted uses shall be limited to a mixed use project which includes approximately 4,425 sq. ft. of office use and four residential units.

(b) Conditional Uses. No conditional uses shall be allowed.

(c) Site Development Regulations. All improvements and development shall be substantially in accordance with the approved Development Plan and the Conditions of Project Approval adopted by the City Council in conjunction with approval of this ordinance. The following site development regulations establish rules for modifications or additions to any building, accessory structure or landscaping on the subject property. Definitions of terms used shall be in accordance with Chapter 18.04 (Definitions) of Title 18 (Zoning) of the Palo Alto Municipal Code:

Once the project has been constructed consistent with the approved Development Plan, any exterior changes to the buildings or any new construction not specifically permitted by the Development Plan or by these site development regulations shall require and amendment to this Planned Community Zone.

(d) Parking and Loading Requirements. The parking and loading requirements governing the subject property shall be in accordance with the approved Development Plan, on file with the Department of Planning and Community Environment and as amended in accordance with this section. The following requirements shall apply to the project and shall be reflected in amendments made to the Development Plan and approved by the Director of Planning and Community Environment prior to issuance of building permits:

(i) Bicycle parking spaces, in the number and type required under Chapter 18.83 of the PAMC, shall be provided on the site.

(e) Development Schedule. Construction of the project shall commence on or before July 1, 1997, and shall be completed and ready for occupancy on or before September 1, 1998.

(f) Special Requirements. The following special conditions and requirements shall apply to the project. These requirements shall be reflected in amendments made to the Development Plan and approved by the Director of Planning and Community Environment prior to issuance of building permits:

(i) Public Art. This project was approved in part on the basis that it will incorporate original art, visible to the public, as a public benefit of the project. The exact nature and location of the art will be determined by the City's Public Art Commission (PAC), applying the standards set forth in PAMC 2.26.040. The art shall be approved by the PAC prior to issuance of building permits for the project, and shall be fully installed by the date of initial occupancy of the project.

(ii) BMR Requirements. In conformance with the City's Below Market Rate (BMR) requirements (Program #13, Housing Element, Palo Alto Comprehensive Plan), a lump sum payment in-lieu of provision of BMR housing shall be paid to City for deposit in the Housing Reserve Fund. This payment shall be $34,790, which was calculated based on a rental market value of $248,500 for each of the four residential units in the project, applying a rate of 3.5% times market value. The payment is due to City prior to occupancy of any of the residential units.

The provisions of this condition f.(ii) have been negotiated between the City and the project applicant, and are set forth in that letter from the applicant to the City's Assistant Planning Official dated November 25, 1996. In the event of conflict between the November 25, 1996 letter and this Ordinance, the terms of this Ordinance shall prevail.

(iii) Improvement Plans. Final plans, including complete lighting and photometric plans; detailed landscaping and irrigation plans encompassing on-and off-site plantable areas, with additional landscaping provided in the proposed parking court,; final plans for the public artwork; building materials and colors, including the glass, roof deck material, mullion details and the proposed cementious board and proposed signage shall be reviewed and approved by the ARB prior to issuance of building permits. The applicant shall reconsider the proposed parking court material

(asphalt) and the design of the building entry on Channing Avenue. All utility meters, lines, transformers, backflow preventers, electrical panel switchboards, and any other required utilities shall be shown on the final plans and shall show that no conflict will occur between the utilities and landscape materials and shall be screened in a manner which respects the building design and setback requirements. The plans shall incorporate the improvements described in Sections 3(b) (ii) and 3(b)(iii) of this Ordinance.

(v) Mitigation measures and other conditions. In addition to the Conditions of Approval adopted by the City Council in conjunction with approval of this Ordinance, the project shall incorporate the mitigation measures presented in the Environmental Impact Assessment (96-EIA-12) for the project, on file with the Department of Planning and Community Environment.

SECTION 5. The Council finds that this project, as mitigated, will not have a significant environmental effect.

SECTION 6. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED: November 4, 1996

PASSED: December 9, 1996

AYES: ANDERSEN, HUBER, MCCOWN, ROSENBAUM, SCHNEIDER, SIMITIAN, WHEELER

NOES:

ABSTENTIONS:

ABSENT: FAZZINO, KNISS

ATTEST:

City Clerk

APPROVED AS TO FORM:

Senior Asst. City Attorney

APPROVED:

Mayor

City Manager

Director of Planning and Community Environment

961211 lac 0080354

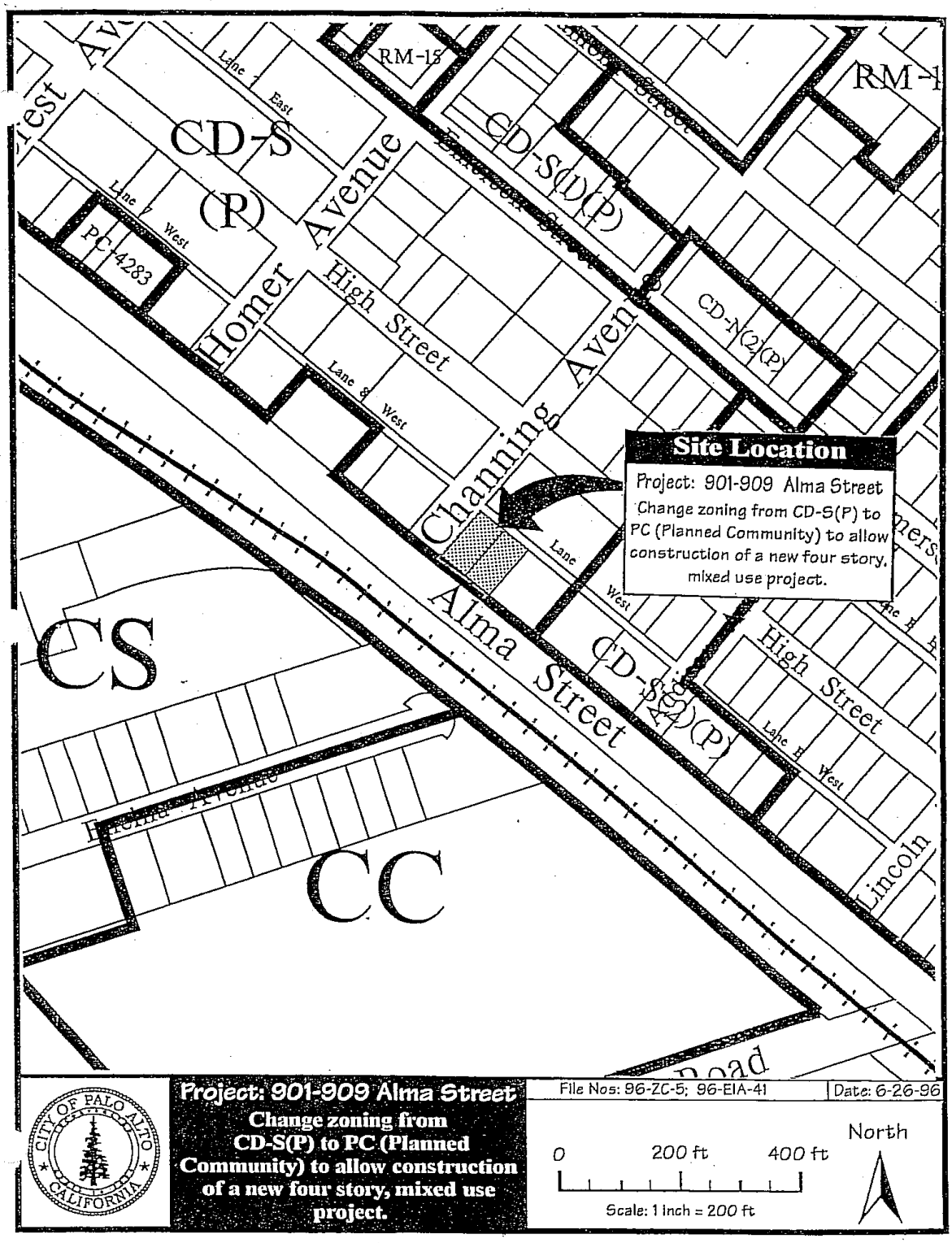
Site Location
Project: 901-909 Alma Street
Change zoning from CD-S(P) to PC (Planned Community) to allow construction of a new four story, mixed use project.
Project: 901-909 Alma Street
Change zoning from CD-S(P) to PC (Planned Community) to allow construction of a new four story, mixed use project.
File Nos: 96-ZC-5; 96-EIA-41
Date: 6-26-96
0
200 ft
400 ft
Scale: 1 inch = 200 ft
North
CITY OF PALO ALTO
CALIFORNIA
CD-S (P)
CD-S(D)(P)
CD-N(2)(P)
RM-15
PC-4283
Homer Avenue
High Street
Channing Avenue
Alma Street
Lincoln
CS
CC
Lane 7 East
Lane 7 West
Lane 8 West
Lane H West

EXHIBIT "A"

APPENDIX G-8 (P) PEDESTRIAN SHOPPING COMBINING DISTRICT

Chapter 18.47 PEDESTRIAN SHOPPING COMBINING DISTRICT (P) REGULATIONS

Sections:

18.47.010 Special purposes.
18.47.020 Applicability of regulations.
18.47.030 Zoning Map Designation.
18.47.040 Use Limitations and Site Development Regulations.

18.47.010 Special purposes.

The pedestrian shopping combining district is intended to modify the regulations of the CN neighborhood commercial district, the CC community commercial district and the CD commercial downtown district in locations where it is deemed essential to foster the continuity of retail stores and display windows and to avoid a monotonous pedestrian environment in order to establish and maintain an economically healthy retail district.
(Ord. 3792 § 1, 1988: Ord. 3098 § 1, 1978; Ord. 3048 (part), 1978)

18.47.020 Applicability of regulations.

The pedestrian shopping combining district may be combined with any CN, CC or CD district, in accord with Chapter 18.08 and Chapter 18.98. Where so combined, the regulations established by this chapter shall apply in lieu of, or in addition to, the provisions established by Chapter 18.41, Chapter 18.43 or Chapter 18.49.
(Ord. 3792 § 2, 1988: Ord. 3048 (part), 1978)

18.47.030 Zoning map designation.

The pedestrian shopping combining district shall apply to any site adjacent to designated pedestrian frontage or pedestrian ways shown on the zoning map.
(Ord. 3048 (part), 1978)

18.47.040 Use limitations and site development regulations.

(a) Pedestrian Design Features Required. On any site, or portion of a site, adjoining a designated pedestrian sidewalk or pedestrian way, new construction and alterations to existing structures shall be required as determined by the architectural review board, to provide the following design features intended to create pedestrian or shopper interest, to provide weather protection for pedestrians, and to preclude inappropriate or inharmonious building design and siting:

(1) Display windows, or retail display areas;

(2) Pedestrian arcades, recessed entryways, or covered recessed areas designed for pedestrian use with an area not less than the length of the adjoining frontage times 0.5 meters (1.5 feet);

(3) Landscaping or architectural design features intended to preclude blank walls or building faces.

The specific nature and requirements of pedestrian design features shall be determined by the architectural review board, in accord with design guidelines prepared by that board pursuant to Chapter 16.48.

(b) Parking and Vehicular Access Restricted. Vehicular access to sites adjoining designated pedestrian sidewalks or pedestrian ways which requires vehicular movement across such pedestrian sidewalks or pedestrian ways shall be prohibited, except where required by law or as may be authorized by a use permit in accord with Chapter 18.90.

(Ord. 3792 § 3, 1988: Ord. 3108 § 18, 1979: Ord. 3098 § 2, 1978: Ord. 3048 (part), 1978)

APPENDIX H REFERENCED PALO ALTO MUNICIPAL CODE REVIEW PROCEDURE

Appendix H contains Palo Alto Municipal Code procedural regulations and design guidelines referenced in this SOFA 2 CAP. These PAMC code sections are included as a reference only, and shall apply as amended from time to time.

APPENDIX H-1 PAMC CHAPTER 18.90 – VARIANCES, IMPROVEMENT EXCEPTIONS, AND CONDITIONAL USE PERMITS

Chapter 18.90* VARIANCES, HOME IMPROVEMENT EXCEPTIONS, AND CONDITIONAL USE PERMITS

Sections:

18.90.010 Duties of zoning administrator.
18.90.020 Application for variance, home improvement exception, or conditional use permit.
18.90.025 Home improvement exception - Optional hearing request notice.
18.90.030 Public hearing notice.
18.90.035 Public hearing.
18.90.040 Action by zoning administrator.
18.90.050 Variance - Findings and conditions.
18.90.055 Home improvement exception - Findings and conditions.
18.90.060 Conditional use permit - Findings and conditions.
18.90.070 Effective date.
18.90.080 Revocation, extension, transferability, and duration.
18.90.085 Expansion of conditional uses.
18.90.090 Reports.
18.90.100 Variances in conjunction with subdivision.
18.90.105 Variances and use permits in conjunction with planned community zone changes, site and design applications and applications for approvals requiring review of an environmental impact report.
18.90.110 Temporary uses.
18.90.111 Reserved.

18.90.120 Sales of alcoholic beverages.

* Editor's Note: The content of Chapter 18.90 was superseded in its entirety by Ordinance No. 4081. Prior ordinances, or parts of ordinances, codified herein include Ordinances Nos. 3048, 3064, 3070, 3130, 3255, 3273, 3340, 3345, 3373, 3465, 3519, 3536, 3583, 3754, 3850 and 4016.

18.90.010 Duties of zoning administrator.

Subject to the provisions of this chapter and the general purpose and intent of this title, the zoning administrator may grant the following:

(a) A variance from the site development regulations (except limitations on residential density and size of establishment) and parking and loading regulations (except those accessible parking regulations mandated by state and/or federal law and contained in Chapter 18.83) applicable within any district established by this title;

(b) A variance from the special requirements that apply to site development and parking and loading regulations applicable within any district established by this title, except provisions which restrict expansion of grandfathered uses that are subject to the special requirements of a specific zoning district. Special requirements in any district do not include special provisions and exceptions as set forth in Chapter 18.88 except for the location of accessory buildings;

(c) A variance from the requirements of Title 20;

(d) A variance from the requirements of Chapter 16.24 except Sections 16.24.040 and 16.24.070;

(e) In the RE, R-1, RMD, or R-2 zone districts, an exception to the site development regulations for construction of home improvements and minor additions;

(f) A conditional use permit for any use or purpose for which such permit is required or permitted by the provisions of this title.

(Ord. 4081 § (part), 1992)

18.90.020 Application for variance, home improvement exception, or conditional use permit.

(a) Application for a variance, home improvement exception, or a conditional use permit may be made by the owner of record of property for which the variance, home improvement exception, or conditional use permit is sought, or by one of the following:

(1) A purchaser of property for which the variance, home improvement exception, or conditional use permit is sought, when acting pursuant to a contract in writing duly executed and acknowledged by both the buyer and the owner of record;

(2) A lessee in possession of property for which a variance, home improvement exception, or conditional use permit is sought, when acting with the written consent of the owner of record;

(3) An agent of the owner of record of property for which a variance, home improvement exception, or conditional use permit is sought, when duly authorized by the owner in writing.

(b) Application shall be made to the zoning administrator on a form prescribed by the zoning administrator, and shall contain the following:

(1) A description and map showing the location of the property for which the variance, home improvement exception, or conditional use permit is sought, and indicating the location of all parcels or properties within a distance of 91.4 meters (300 feet) from the exterior boundary of the property involved in the application;

(2) If the application is for a variance or conditional use permit, the name and address of the applicant, and the names and addresses of all persons shown in the last equalized assessment roll (as updated by the semi-annual real estate update information) as owning real property within 91.4 meters (300 feet) of the exterior boundary of the property which is the subject of the application;

(3) If the application is for a home improvement exception, the name and address of the applicant, and the names and addresses of all persons shown in the last equalized assessment roll (as updated by the semi-annual real estate update information) as owning real property within 45.73 meters (150 feet) of the exterior boundary of the property which is the subject of the application;

(4) If the application is for a variance or home improvement exception, plans and/or descriptions of existing and proposed construction on the property involved, together with a statement of the circumstances which justify the application;

(5) If the application is for a conditional use permit, plans and/or descriptions of existing and proposed uses on the property, and describing in detail the nature of the use proposed to be conducted on the property;

(6) Such additional information as the zoning administrator may deem pertinent and essential to the application.

(c) Application for a variance, home improvement exception, or conditional use permit shall be accompanied by the fee prescribed by the municipal fee schedule, no part of which shall be returnable to the applicant.

(Ord. 4081 § 3 (part), 1992)

18.90.025 Home improvement exception - Optional hearing request notice.

(a) Upon receipt of an application for a home improvement exception, the zoning administrator shall send an optional hearing request notice to all persons described in Section 18.90.020(b)(3).

(b) The optional hearing request notice shall contain the following:

(1) The exact address of the property for which the home improvement exception is sought;

(2) A brief description of the home improvement exception sought;

(3) Reference to the application on file for particulars;

(4) A statement that the zoning administrator will act upon the application on a date certain, which is at least ten working days from the date of mailing of the notice, if no written request for a hearing is filed prior to such date.

(c) Any person may request a hearing on an application for a home improvement exception by filing a written request therefor with the zoning administrator prior to the

proposed date of zoning administrator action as set forth in the notice described in subsection (b)(4) of this section.
(Ord. 4081 § 3 (part), 1992)

18.90.030 Public hearing notice.

(a) Upon receipt of an application for a variance or a conditional use permit, the zoning administrator shall set a date for a public hearing, which hearing shall be held within forty-five days of the date of filing of the application or request for hearing.

(b) Notice of such hearing shall be given by publication once in a local newspaper of general circulation not less than twelve days prior to the date of hearing. Additionally, notice of such hearing shall be mailed at least twelve days prior to the date of the hearing to the applicant, and to owners of record of real property within 91.4 meters (300 feet) of the exterior boundary of the property involved, as such owners of record are shown in the last equalized assessment roll, and to owners or occupants of the property within 91.4 meters (300 feet) as shown on the city utility customer file. Compliance with the procedures set forth in this section shall constitute a good faith effort to provide notice, and the failure of any owner or occupant to receive notice shall not prevent the city from proceeding with the hearing or from taking any action or affect the validity of any action.

(c) The notice of public hearing shall contain the following:

(1) The exact address of the property, if known, or the location of the property, if the exact address is not known, and the nature or purpose of the application.

(2) The time, place, and purpose of the hearing;

(3) A brief description, the content of which shall be in the sole discretion of the city, of the variance, home improvement exception, or conditional use permit sought;

(4) Reference to the application on file for particulars; and

(5) A statement that any interested person, or agent thereof, may appear and be heard.

Typographical and/or publishing errors shall not invalidate the notice nor any city action.
(Ord. 4081 § 3 (part), 1992)

18.90.035 Public hearing.

At the time and place set for the hearing, the zoning administrator shall hear evidence for and against the application. Each hearing shall be open to the public. The zoning administrator may continue any hearing from time to time.
(Ord. 4081 § 3 (part), 1992)

18.90.040 Action by zoning administrator.

Within a reasonable time, but not more than ten working days after the conclusion of the hearing, or in the case of a home improvement exception where no request for hearing has been filed, no more than ten working days after the date proposed for zoning administrator action as set forth in the optional hearing request notice, the zoning administrator shall make findings and shall render a decision on the application. The

decision shall be supported by the evidence contained in the application and/or presented at the hearing. Notice of the decision of the zoning administrator shall be mailed to the applicant and to any other person requesting such notice. Upon the request of the recipient of a variance or the city, the variance, and the conditions applicable thereto, shall be recorded with the county recorder.
(Ord. 4081 § 3 (part), 1992)

18.90.050 Variance - Findings and conditions.

(a) The zoning administrator may grant a variance from the site development regulations, the parking and loading regulations, or the special requirements of this title applicable within any district if, from the application of the facts presented at the public hearing, he or she finds:

(1) There are exceptional or extraordinary circumstances or conditions applicable to the property involved that do not apply generally to property in the same district.

(2) The granting of the application is necessary for the preservation and enjoyment of a substantial property right of the applicant, and to prevent unreasonable property loss or unnecessary hardship.

(3) The granting of the application will not be detrimental or injurious to property or improvements in the vicinity and will not be detrimental to the public health, safety, general welfare, or convenience.

(4) In addition to the above listed findings, in the case of a flag lot, the zoning administrator may grant a variance only if he or she makes all of the following additional findings:

(A) The granting of the application will not disrupt established neighborhood character and aesthetics, and will not affect the health of the residents by significantly blocking out light and air;

(B) The granting of the application will not result in excessive paving, parking, potential traffic conflicts on busy streets, street tree removal or loss of private landscaping;

(C) The granting of the application will not negatively impact the privacy and quiet enjoyment of adjoining single-family residences, for both indoor and outdoor use.

(b) In granting such variance, the zoning administrator may impose such reasonable conditions or restrictions as he or she deems appropriate or necessary to protect the public health, safety, general welfare, or convenience, and to secure the purposes of this title.
(Ord. 4081 § 3 (part), 1992)

18.90.055 Home improvement exception - Findings and conditions.

(a) The zoning administrator may grant a home improvement exception if, after consideration of the application and all testimony offered at the public hearing (if any), he or she finds:

(1) There are exceptional or extraordinary circumstances or conditions applicable to the property involved that do not apply generally to property in the same district.

(2) The granting of the application is desirable for the preservation of an existing architectural style or neighborhood character, or a protected tree as defined in Chapter 8.10 or other significant tree, which would not otherwise be accomplished through the strict application of the regulations.

(3) The granting of the application will not be detrimental or injurious to property or improvements in the vicinity and will not be detrimental to the public health, safety, general welfare, or convenience.

In determining whether or not to grant exceptions pursuant to this section, the zoning administrator shall consider such applicable residential design guidelines as may be adopted and published by the city council from time to time.

(b) In granting such home improvement exceptions, the zoning administrator may impose such reasonable conditions or restrictions as he or she deems appropriate or necessary to protect the public health, safety, general welfare, or convenience, and to secure the purposes of this title.

(Ord. 4385 § 2, 1996: Ord. 4081 § 3 (part), 1992)

18.90.060 Conditional use permit - Findings and conditions.

(a) The zoning administrator may grant a conditional use permit in accord with this title if, from the application or the facts presented at the public hearing, he or she finds:

(1) The proposed use, at the proposed location, will not be detrimental or injurious to property or improvements in the vicinity, and will not be detrimental to the public health, safety, general welfare, or convenience.

(2) The proposed use will be located and conducted in a manner in accord with the Palo Alto Comprehensive Plan and the purposes of this title.

(3) In addition to the above-listed findings, in the case of a use in the GF ground floor combining district, the zoning administrator may grant a conditional use permit only if he or she made the following additional finding: The location, access or design of the ground floor space of the building proposed to house the use, creates exceptional or extraordinary circumstances or conditions applicable to the property involved that do not apply generally to property in the same district.

(b) The zoning administrator may impose such reasonable conditions or restrictions as he or she deems necessary to secure the purpose of this title and to assure operation of the use in a manner compatible with existing and potential uses on adjoining properties and in the general vicinity.

(Ord. 4098 § 3, 1992: Ord. 4081 § 3 (part), 1992)

18.90.070 Effective date.

A variance, home improvement exception, or conditional use permit granted by the zoning administrator shall take effect ten days following the mailing of the notice of the decision of the zoning administrator, unless an appeal is filed as provided in Chapter 18.92.

(Ord. 4081 § 3 (part) 1992: Ord. 3048 (part), 1978)

18.90.080 Revocation, extension, transferability, and duration.

(a) In any case where the conditions of a variance, home improvement exception, or conditional use permit have not been or are not being complied with, the zoning administrator shall set a date for public hearing and notice the public hearing in accordance with Section 18.90.030. Following such hearing, but not more than ten working days after conclusion of the hearing, the zoning administrator shall make findings of whether the conditions of the variance, home improvement exception, or conditional use permit have not been or are not being complied with and render his decision to revoke or modify such variance, home improvement exception, or conditional use permit.

(b) In any case where, in the judgment of the zoning administrator, substantial evidence indicates that the use conducted pursuant to a conditional use permit is being conducted in a manner detrimental to the public health, safety and welfare, the zoning administrator shall set a date for a public hearing and notice the public hearing in accordance with Section 18.90.030. Following such hearing, but not more than ten working days after the conclusion of the hearing, the zoning administrator shall make findings of whether the use has been conducted in a manner detrimental to the public health, safety and welfare and render his or her decision whether or not to modify the conditional use permit. In determining whether the use is conducted in a manner detrimental to the public health, safety and welfare, the zoning administrator shall consider, but not be limited to, the following: increased traffic, insufficient parking, increased hours of operation, increased noise level and increased capacity.

(c) A variance, home improvement exception, or conditional use permit which has not been used within one year following the effective date thereof, shall become null and void and of no effect unless a shorter time period shall specifically be prescribed by the conditions of such variance, home improvement exception, or conditional use permit. The zoning administrator may, without a hearing, extend such time for a maximum period of one additional year only, upon application filed with him or her before the expiration of the one-year limit, or the expiration of such limit as may be specified by the conditions of the variance, home improvement exception, or conditional use permit.

(d) A use permit which has not been used for any period of one year or more shall become null and void.

(e) A variance granted pursuant to this chapter shall exist for the life of the existing structure or such structure as may be constructed pursuant to the variance approval unless a different time period is specified in the issuance of the variance. A variance from the parking and loading regulations shall be valid only during the period of continued operation of the use and/or structure for which the variance was granted.

(f) A home improvement exception granted pursuant to this chapter shall exist for the life of the structure for which the exception was granted.

(Ord. 4081 § 3 (part), 1992)

18.90.085 Expansion of conditional uses.

(a) Any expansion in the building size or site area of a conditional use shall necessitate the issuance of a conditional use permit for the expansion in accord with the

provisions of this chapter. This use permit for expansion of a conditional use shall have no effect on any existing use permit previously issued for the subject property.

(b) No application for a conditional use permit shall be necessary for existing uses which were lawful conforming permitted uses and which were rendered conditional by reason of rezoning or changes to this title, provided that any expansion in the building site or site area of such a use shall be subject to the issuance of a conditional use permit in accord with this chapter.

(Ord. 4081 § 3 (part), 1992)

18.90.090 Reports.

The zoning administrator shall make a monthly report to the city manager of the action taken on all applications for variances and conditional use permits. A copy of such report also shall be forwarded to the city council and the planning commission.

(Ord. 4081 § 3 (part), 1992)

18.90.100 Variances in conjunction with subdivision.

In cases of major or minor subdivisions, the subdivider may, in conjunction with the filing of a tentative map or a preliminary parcel map and additional data pursuant to Title 21, also file an application under this chapter for one or more variances set forth in Section 18.90.010. In such event, the variance application shall be processed concurrently with the major or minor subdivision, in lieu of under the provisions of this title, in accord with the following procedure:

(a) In such cases the tentative map or preliminary parcel map under Section 21.12.040 shall include the dimensions and locations of all proposed buildings and structures for which variances are sought under this section, and the subdivider's application shall contain justification and reasons for such variances.

(b) In the case of a tentative map, the planning commission may recommend and the city council may approve, and in the case of a preliminary parcel map the director of planning and community environment may approve, the granting of one or more variances where the findings for variances set forth in Section 18.90.050 are made. No separate public hearing need be held for the granting of variances under this section.

(c) In the granting of variances under this section, in the case of a major subdivision, the planning commission may recommend and the city council may require, and in the case of a minor subdivision the director of planning and community environment may require, the imposition of such conditions or restrictions as are deemed necessary or appropriate to protect the public health, safety or welfare.

(d) Any variance granted under this section shall, unless otherwise stated, be transferable with the lot upon which it is granted and any condition or restriction imposed in conjunction therewith shall be deemed to be binding on the lot in the hands of transferees for the duration of the variance or the enjoyment of the benefits granted thereby.

(e) In addition to the matters set forth in Chapter 21.16, the final map or parcel map shall include thereon a statement substantially as follows:

"Lots (listing them by number or other appropriate designation) are transferable subject to certain conditional variances as to setback and/or yard requirements which are shown on the record of variances and conditions for this subdivision on file with the Department of Planning and Community Environment, City of Palo Alto, California."

(f) At the time of the filing of the final map or parcel map with the director of planning and community environment, the subdivider applying for variances under this section shall also file therewith a map or maps, in duplicate, drawn to scale, showing the lots in the subdivision upon which such variances are sought and showing clearly by dotted lines drawn parallel to the property line affected, with dimension marks and numbers in each case, such altered setbacks and yards as may have been approved and imposed on the tentative map or preliminary parcel map. The map or maps accompanying the final map or parcel map shall be captioned, "Record of Variances and Conditions Thereof Granted in Conjunction with Subdivision of (state tract name and number)," and shall contain thereon a statement substantially as follows:

(1) In the case of a final map:

"The variances and conditions or restrictions as to setback and/or yard requirements shown hereon were granted and imposed by the City Council of the City of Palo Alto on [date] _____. Such variances shall be transferable with the respective lots on which they were granted and such conditions or restrictions shall be binding on such lots in the hands of transferees for the duration of said variance or the enjoyment of the benefits granted thereby."

(2) In the case of a parcel map:

"The variances and conditions or restrictions as to setback and/or yard requirements shown hereon were granted and imposed by the Director of Planning and Community Environment of the City of Palo Alto on [date] _____. Such variances shall be transferable with the respective lots on which they are granted and such conditions or restrictions shall be binding on such lots in the hands of transferees for the duration of said variance or the enjoyment of the benefits granted thereby."

(g) The approval by the city council of such final map, or the approval by the director of planning and community environment of such parcel map, and the accompanying map or maps showing variances and conditions, shall constitute the granting of such variances subject to any such conditions or restrictions.
(Ord. 4642 § 42, 2000: Ord. 4081 § 3 (part), 1992)

18.90.105 Variances and use permits in conjunction with planned community zone changes, site and design applications and applications for approvals requiring review of an environmental impact report.

(a) Whenever application is made for a planned community zone change pursuant to Chapter 18.68, site and design review pursuant to Chapter 18.82, or any approval for which an environmental impact report is required pursuant to the California Environmental Quality Act, and the plans for such application also require approval of a use permit or variance, the person making such application may accompany such

application with an application under this chapter for a use permit or one or more variances, as the case may be. In such event, the variance or use permit application shall be processed concurrently with the accompanying application, in accordance with the procedures established for review of the application for planned community zone change, site and design review and/or environmental impact report review, as the case may be.

(b) Where the accompanying application is for a planned community zone change the applicable public hearing and notice provisions in such case shall be those required for a planned community zone change. In the case where the accompanying application is for site and design review, the applicable public hearing and notice provisions shall be those set forth in Section 18.90.030, and shall apply prior to planning common review of the applications.

(c) All provisions of this chapter shall continue to apply in such case, except that the zoning administrator shall not act on either application.

(Ord. 4081 § 3 (part), 1992)

18.90.110 Temporary uses.

The zoning administrator may grant a conditional use permit authorizing the use of a site in any district for a temporary use, subject to the following provisions:

(a) Application shall be made to the zoning administrator and shall be subject to the fee prescribed by the municipal fee schedule.

(b) The permit may be granted by the zoning administrator without a requirement for public hearing and notice as otherwise required by Section 18.90.030.

(c) The permit may include authorization to vary from specific requirements of this title as may be solely related to the requested temporary use.

(d) A conditional use permit for a temporary use, if granted by the zoning administrator, shall be valid for a specifically stated time period not to exceed forty-five days. The zoning administrator may impose such reasonable conditions or restrictions as he or she deems necessary to secure the purposes of this title and to assure operation of the use in a manner compatible with existing and potential uses on adjoining properties and in the general vicinity.

(e) A conditional use permit for a temporary use may be granted by the zoning administrator if, from the application or the facts presented to him, he finds:

(1) The granting of the application will not be detrimental or injurious to property or improvements in the vicinity, and will not be detrimental to the public health, safety, general welfare, or convenience.

(2) The proposed use will be located and conducted in a manner in accord with the Palo Alto comprehensive plan and the purposes of this title.

(f) Any person who obtains a temporary use permit as provided by this section and fails to abide by its conditions is guilty of a misdemeanor.

(g) Any person who uses a site for a temporary use in violation of Title 18 and fails to obtain a temporary use permit as required by this section is guilty of a misdemeanor.

(Ord. 4453 § 68, 1997: Ord. 4081 § 3 (part), 1992)

18.90.111 Reserved.*

* Editor's Note: Former Section 18.90.111 pertaining to temporary uses at the World Cup Soccer Games and containing portions of Ordinance No. 4181 was repealed July 18, 1994 in accordance with Section 7 of Ordinance No. 4181.

18.90.120 Sales of alcoholic beverages.

(a) In any district where otherwise permitted by this title, any eating and drinking establishment or other use having any part of its operation subject to an on-sale license required by the state of California shall be subject to securing a conditional use permit.

(b) A conditional use permit shall be obtained in the case of premises for which no conditional use permit is in force, whenever a new on-sale license is required by the state of California.

(c) In the case of premises for which a conditional use permit is in force, which permits the sale of alcohol, an amendment to such permit shall be required whenever such use is intensified or is expanded in square footage.

(d) In the case of premises for which a conditional use permit is in force, but such use permit does not permit sales of alcohol, an amendment to such permit shall be required whenever a new on-sale license is required by the state of California.

(e) The maximum number of permits for on-sale general (liquor, beer and wine) and for on-sale beer and wine licenses which may be issued in any single block where any portion of the block is classified in one or more districts in which an eating and drinking establishment is a permitted or a conditional use shall be governed by the following table, and no applications for a conditional use permit for the sale of alcoholic beverages under an on-sale license from the state of California shall be accepted unless the standards in this section are met.

In any block having residentially zoned site area equal to or greater than twenty-five percent of the total block area:

Maximum Number of Conditional Use Permits Which May Be Authorized	Square Feet of Zoned Site Area in District(s) Allowing Eating and Drinking Use as a Permitted or Conditional Use
No permit	0 – 1,858.0 sq. m. (0-19,999 sq. ft.)
1 permit	1,8581 – 3,716.0 sq. m. (20,000-39,999 sq. ft.)
2 permits	3,716.1 sq. m. and above (40,000 sq. ft. and above)
3 or more	In the same progression.

In any block having residentially zoned site area less than twenty-five percent of total block area:

Maximum Number of Conditional Use Permits Which May Be Authorized	Square Feet of Zoned Site Area in District(s) Allowing Eating and Drinking Use as a Permitted or Conditional Use

4 permits	0 – 14,864.4 sq. m. (0 – 159,999 sq. ft.)
5 permits	14,864.5 – 29,728.9 sq. m. (160,000 – 319,999 sq. ft.)
6 permits	29,729.0 – 59,457.9 sq. m. (320,000 – 639,999 sq. ft.)
7 permits	59,458.0 – 118,915.8 sq. m. (640,000 – 1,279,999 sq. ft.)
8 or more	In the same progression.

(f) Additional conditional use permits may be authorized for establishments for on-sale beer and wine licenses. The total number of such additional permits shall be equal to half the number of on-sale general licenses permitted in the tables contained in subsection (c) of this section.
(Ord. 4081 § 3 (part), 1992)

APPENDIX H-2 PAMC CHAPTER 16.48 – ARCHITECTURAL REVIEW

Chapter 16.48 ARCHITECTURAL REVIEW*

Sections:

16.48.010 Declaration of goals and purposes.
16.48.020 Architectural review board.
16.48.030 Manner of appointment.
16.48.040 Procedures of the architectural review board.
16.48.050 Applicability of chapter.
16.48.060 Application.
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16.48.070 Recommendation of the architectural review board.
16.48.080 Action of the director of planning and community environment.
16.48.090 Appeals.
16.48.100 Referral to council.
16.48.110 Preliminary review.
16.48.120 Standards for review.
16.48.130 Time limits.
16.48.135 Exceptions to site development, parking and loading requirements to enhance the design of development subject to architectural review.
16.48.140 Integration with other code provisions.
16.48.150 Moratorium.
16.48.160 Violations - Penalty - Enforcement.

* Editor's Note: Prior ordinance history: Ordinance No. 2703 as amended by Ordinance Nos. 2717, 2847, 2863, 2927, 2960, 2984, 3197, 3243 and 3333.

16.48.010 Declaration of goals and purposes.

The goals and purposes of this chapter are to:

(a) Promote orderly and harmonious development of the city;

(b) Enhance the desirability of residence or investment in the city;

(c) Encourage the attainment of the most desirable use of land and improvements;

(d) Enhance the desirability of living conditions upon the immediate site or in adjacent areas;

(e) Promote visual environments which are of high aesthetic quality and variety and which, at the same time, are considerate of each other.
(Ord. 3416 § 1 (part), 1983)

16.48.020 Architectural review board.

There is created an architectural review board consisting of five persons, at least three of whom shall be architects, landscape architects, building designers or other design professionals. Each member of the architectural review board shall be appointed by the city council and shall serve, commencing on the first day of October, for a term of three years or until his or her successor is appointed and takes office. The architectural review board shall have the powers and duties specified in this chapter, and shall comply with the procedures specified in this chapter.
(Ord. 3416 § 1 (part), 1983)

16.48.030 Manner of appointment.

In filling vacancies on the architectural review board, the following procedures shall be followed by the city council:

(a) Following notification of vacancy on the architectural review board, the city clerk shall advertise the same in a newspaper of general circulation in the city, including the council agenda digest, four times within two weeks.

(b) Written nominations and applications shall be submitted to the city clerk within such two-week period, to be forwarded to the city council for its consideration. Notwithstanding the foregoing, if the nomination or application of an incumbent board member is not submitted to the city clerk within the period specified above, said period shall be extended for an additional five days during which the city clerk shall accept written nominations and applications of nonincumbents.

(c) The city council shall review all nominations and applications and conduct such interviews as it deems necessary prior to selection.

(d) Final selection and appointment shall be made by the city council at a regular city council meeting after the period for submittal of nominations and applications has expired.
(Ord. 3416 § 1 (part), 1983)

16.48.040 Procedures of the architectural review board.

The architectural review board shall meet at least monthly and shall prescribe bylaws, forms, applications, rules and regulations for the conduct of its business. All meetings of the architectural review board shall be open to the public. The architectural review board shall send a report, not less than once a year, to the planning commission and city council for the purpose of communicating the concerns of the board with respect to the city's plans, policies, ordinances and procedures as these affect the projects which the board reviews.
(Ord. 3796 § 1, 1988: Ord. 3416 § 1 (part), 1983)

16.48.050 Applicability of chapter.

No permit required under Title 16 shall be issued except after approval of the design of the project by the director of planning and community environment, or by the city council, as the case may be, upon a recommendation of the architectural review board, in compliance with this chapter. The architectural review board shall make a recommendation on the design of all of the following projects:

(a) New construction, including public projects and construction on public property, and including paved areas, exterior work and signs which require a permit or design review from the city pursuant to other sections of this code, but excepting singly developed single-family dwellings and duplexes, and additions thereto;

(b) Unless the application is diverted for administrative approval pursuant to Chapter 18.99, a PC zone district or any amendment thereto, applied for pursuant to Chapter 18.68:

(1) Any application for approval of or amendment to a PC zone district shall initially be reviewed by the planning commission for conformance with Chapter 18.68, then the development plan shall be reviewed by the architectural review board for compliance with this chapter, and finally the development plan shall be returned to the planning commission for a final recommendation to the city council.

(2) In the event the planning commission, at its initial review, recommends denial of the application, such recommendation shall be forwarded directly to the city council, and the architectural review board shall make no recommendation on the application except as may be directed by the city council.

(3) In the event of inconsistencies in the recommendation of the architectural review board on an application for approval of or amendment to a PC zone district, the commission and board shall attempt to resolve such inconsistencies prior to the commission's making a final recommendation to the city council, by means which may include a joint meeting. If the inconsistencies are not resolved, then the separate recommendations of each body, together with the minutes of their respective meetings and/or of the joint meeting shall be transmitted to the city council.

(c) Unless the application is diverted for administrative approval pursuant to Chapter 18.99, any development, construction or improvement in any OS zone district, AC zone district or any district which is combined with a D zone district, except singly developed single-family dwellings, duplexes and accessory buildings and uses thereto, or any gasoline service station which must be approved pursuant to Chapter 18.82, as required in the CN, CC, CS, GM and LM zones:

(1) Any such development, construction, improvement or gasoline service station shall initially be reviewed by the planning commission pursuant to Chapter 18.82 and then shall be reviewed by the architectural review board for compliance with this chapter before final action by the city council.

(2) In the event the planning commission, at its initial review, recommends denial of the application, such recommendation shall be forwarded directly to the city council, and the architectural review board shall make no recommendation on the application except as may be directed by the city council.

(3) In the event of inconsistencies in the recommendation of the planning commission and the recommendation of the architectural review board, the commission and board shall attempt to resolve such inconsistencies prior to forwarding the application to the city council by means which may include a joint meeting. If the inconsistencies are not resolved, then the separate recommendations of each body, together with the minutes of their respective meetings and/or of the joint meeting shall be transmitted to the city council.

(d) Fences, in any category of architectural review board jurisdiction enumerated in subsections (a) through (c) of this section.

(e) Projects requiring variances or use permits when, in the discretion of the zoning administrator or the director of planning and community environment, they may have a significant effect upon the aesthetic character of the city or the surrounding area.

(f) The foregoing requirements notwithstanding, the director of planning and community environment may approve or disapprove the design of a minor change to a project which has previously received design approval without procuring a recommendation of the architectural review board under the following circumstances:

(1) The director determines that the change requested is minor, of little visual significance and will not materially alter the appearance of previously approved improvements; or

(2) The board has recommended to the director that no further architectural review board review is necessary.

(g) In addition to the foregoing requirements, the director of planning and community environment or city council may request the opinion of the architectural review board on other architectural matters.

(h) The foregoing requirements notwithstanding, the director of planning and community environment may approve or disapprove the design of the following small projects without procuring a recommendation from the architectural review board:

(1) Any sign which complies with the sign ordinance and which is consistent with any design guidelines which may be adopted by the architectural review board;

(2) A minor project, including minor additions or alterations to an existing building or to site improvements, which in the discretion of the director does not significantly change the visual character or function of the building or site and which is consistent with any design guidelines which may be adopted by the architectural review board. Examples of minor projects include, but are not limited to:

(A) Equipment, when screened from public view,

(B) Fences or walls,

(C) Changes to doors and windows,

(D) Skylights, or

(E) A landscaping project which the director finds to be an upgrade of existing landscaping.

While reviewing these small projects, the director shall follow the same design guidelines and recordkeeping procedures as are generally required by the board when it reviews projects under this chapter. The director shall send a report, on a biannual basis, to the board concerning the number and type of project approvals he or she makes under

this section. The director shall also attach to each meeting agenda of the board a report listing the projects scheduled for review as well as the number and types of project approvals he or she has made under this section. Not later than four working days after the effective date of the director's decision and action on a small project, any person aggrieved by the action of the director on the project may file a request for review of the project by the board. Under such circumstances, the board shall review and make a recommendation on the design of the small project in the same manner as it reviews and makes recommendations on other projects under this chapter. The same appeals procedure set forth in Section 16.48.090 shall also apply to the small project.
(Ord. 4305 § 9, 1995: Ord. 4077 § 1, 1992: Ord. 3796 §§ 2, 3, 1988: Ord. 3754 § 2, 1987: Ord. 3416 § 1 (part), 1983)

16.48.060 Application.

Applications for design review of a project shall be filed with the planning department along with a fee as set forth in the municipal fee schedule. Unless the applicant is otherwise notified in writing, the application shall be deemed complete on the thirtieth calendar day after its receipt by the planning department, or on the date the project is first considered by the architectural review board, whichever comes first. Once the application is deemed complete, the director shall review the application and, pursuant to the California Environmental Quality Act (CEQA), shall, if the project is not exempt from CEQA, either prepare a negative declaration or require an environmental impact report to be prepared. If an environmental impact report is required, the procedures set forth in the state guidelines and the city of Palo Alto's Procedures for Implementation of the California Environmental Quality Act of 1970 shall be followed. If no environmental impact report is required, the application will be placed on the agenda of the architectural review board no later than the first regular meeting following the thirty-first calendar day after receipt of a complete application, provided that, for good cause, the director of planning and community environment shall have the discretion to place the application on a later agenda.
(Ord. 3796 § 4, 1988: Ord. 3416 § 1 (part), 1983)

16.48.065 Public hearing and notice.

(a) For purposes of this chapter, a major project shall be:

(1) A new building or building addition of five thousand square feet or more;

(2) Any project that is not exempt under CEQA;

(3) Any residential construction project that will total three or more units when completed;

(4) Any residential construction project that will total two or more units when completed in a neighborhood preservation combining district under Chapter 18.30 of the Palo Alto Municipal Code;

(5) Any project which the director of planning and community environment determines may be controversial; or

(6) Any project which the director determines will significantly alter the character or appearance of a building or site. All projects which are not determined to be major projects shall be designated as minor projects. Minor projects shall include small projects, as defined in Section 16.48.050(h) above.

(b) Notice of the hearing on a major project by the architectural review board shall be given by publication of the board's agenda once in a local newspaper of general circulation not less than eight calendar days prior to the date of the hearing.

Additionally, notice of such hearing shall be mailed at least twelve calendar days prior to the date of the board hearing to the applicant, to owners of record of real property within ninety-one and four-tenths meters (three hundred feet) of the exterior boundary of the property involved, as such owners of record are shown in the last equalized assessment roll, and to owners or occupants of the property within ninety-one and four tenths meters (three hundred feet) as shown on the city utility customer file. Compliance with the procedures set forth in this section shall constitute a good faith effort to provide notice, and the failure of any owner or occupant to receive notice shall not prevent the city from proceeding with the hearing or from taking any action or affect the validity of any action.

(c) The notice of public hearing shall contain the following:

(1) The exact address of the property, if known, or the location of the property, if the exact address is not known, and the nature or purpose of the application;

(2) The time, place, and purpose of the hearing;

(3) A brief description, the content of which shall be in the sole discretion of the city, of the approval sought;

(4) Reference to the application on file for particulars; and

(5) A statement that any interested person, or agent thereof, may appear and be heard.

(d) Typographical and/or publishing errors shall not invalidate the notice nor any city action. At the time and place set for such hearing, the board shall hear evidence for and against the application. Each hearing shall be open to the public. The board may continue any hearing from time to time.

(e) Notice of the hearing on a minor project by the board shall be given by publication of the agendas of regular board meetings once in a local newspaper of general circulation not less than four calendar days prior to the date of the meeting and shall be provided to the city council in the next available council packet. Minor projects of little visual significance as designated by the director of planning and community environment, or projects which have been previously reviewed by the board and designated by the board to return on the consent calendar, may be placed on the board's consent calendar no later than seventy-two hours prior to the meeting. The consent calendar shall be voted upon as one item, and the vote shall not affect the validity of the action taken upon any such individual item. Any member of the board may request that an individual item be removed from the consent calendar, in which case the item shall be considered immediately after the consent calendar is voted upon.

(Ord. 3796 § 6, 1988).

16.48.070 Recommendation of the architectural review board.

The architectural review board shall recommend to the director of planning and community environment that the design of and negative declaration, if applicable, for a project be approved, disapproved or approved with modifications, including the imposition of conditions, by making findings in accordance with the standards contained in this chapter, and such additional standards as may be adopted and published by the city council from time to time. An application must be acted upon no later than six months after the date the application is determined to be complete pursuant to Section 16.48.060. Notwithstanding the foregoing, if an environmental impact report is required to be prepared for the project pursuant to CEQA, the application must be acted upon no later than one year after the date the application is determined to be complete pursuant to Section 16.48.060. However, these time limits may be extended once for a period not to exceed ninety calendar days, upon the consent of the director and the applicant.
(Ord. 3796 § 6, 1988: Ord. 3416 § 1 (part), 1983)

16.48.080 Action of the director of planning and community environment.

(a) No later than three working days after the architectural review board's recommendation on the design and negative declaration, if applicable, for a project, the director of planning and community environment shall take one of the following actions, with such action to become effective on the third working day following the board hearing:

(1) If the director agrees with the recommendation of the board, he shall act accordingly on the project and negative declaration, if applicable.

(2) If the director disagrees with the recommendation of the board, he shall, at his discretion, either attempt to resolve the differences with the board at the next available board meeting or shall refer the decision directly to the city council.

(A) If the differences are resolved at the next available board meeting, the director shall act accordingly on the project and negative declaration, if applicable, and notify the applicant in writing of the decision.

(B) If the director refers the decision directly to the city council, the council shall act on the application pursuant to Section 16.48.090.

(C) If the director attempts to resolve the differences at the next available board meeting but the differences are not resolved, the application shall be sent to the city council with the recommendations of the director of planning and community environment, and the council shall act on the application pursuant to Section 16.48.090.

If the director disagrees with the board's recommendation on a project, he shall mail a copy of his decision and action to the applicant no later than three working days after the board makes its recommendation. Regardless of the director's decision on a project, he shall mail a copy of the board hearing minutes to the applicant within ten working days after the board makes its recommendation, or as soon as the hearing minutes are available. If the director agrees with the board's recommendation, he shall include a copy of his decision and action with the minutes mailed to the applicant.

(b) The minutes from the architectural review board meetings shall be placed in the city council packet as soon as they are available. Notice of the decisions and actions of the director on the items shall also be included in the packet if they are different from the recommendations of the board.

(c) Building permits for a major project, as defined in Section 16.48.065, may be issued on or after the ninth working day after the effective date of the approval of the director on the project, unless the decision is referred to the city council or the architectural review board pursuant to subdivision (2) of subsection (a) of this section, or appealed, pursuant to Section 16.48.090. Building permits for a small or minor project, as defined in Sections 16.48.050(h) and 16.48.065, may be issued on or after the fifth working day after the effective date of the approval of the director on the project, unless the decision is appealed pursuant to Sections 16.48.050(h) or 16.48.090. If the decision is referred or appealed, building permits may be issued only after board or city council approval of the project, as applicable.

(Ord. 3796 § 7, 1988: Ord. 3416 § 1 (part), 1983)

16.48.090 Appeals.

Any person aggrieved by the action of the director of planning and community environment may file an appeal with the city council. An appeal of an action on a major project shall be filed not later than eight working days after the effective date of the director's decision and action on a project. An appeal of an action on a minor project shall be filed not later than four working days following the effective date of the director's decision and action on a project. Projects referred to the architectural review board by the director under provisions of Chapter 18.99 may be appealed. Any such appeal shall be filed in accordance with the provisions of Chapter 18.93.

Any appeal shall be filed with the city clerk, along with a fee as set forth in the municipal fee schedule; however, any member of the city council may file such an appeal without a fee. Any appeal shall be considered an appeal of both the negative declaration, if applicable, and the design of the project. The city clerk shall place the appeal upon the agenda of the city council for a regular meeting not later than the thirty-first working day after the receipt of the appeal. If the appellant is other than the applicant for the project, the city clerk shall notify the applicant of the appeal. The city council may take one of the following actions:

(a) Pursuant to CEQA, require an environmental impact report be prepared on the project before the city council approves or disapproves the project;

(b) Disapprove the project;

(c) Approve the negative declaration, if applicable, and approve, or approve with modifications, the project.

Before taking action on an appeal, the city council may, in its discretion, refer the appeal to the planning commission for a recommendation.

(Ord. 3796 § 8, 1988: Ord. 3416 § 1 (part), 1983)

16.48.100 Referral to council.

Instead of making a recommendation on the design of a project and the negative declaration, if applicable, to the director of planning and community environment pursuant to Section 16.48.070, the architectural review board may determine that the planning issues involving a project merit review by the planning commission and city council. In that case, the architectural review board shall make a recommendation on the design of the project and the negative declaration, if applicable. These recommendations shall be transmitted to the planning commission and shall be placed on the agenda of the planning commission within two months after the architectural review board's referral. The planning commission shall make a recommendation on the project and the negative declaration, if applicable. The recommendations of both the architectural review board and the planning commission shall be transmitted to the city council for action. The city council may take one of the following actions:

(a) Pursuant to CEQA, require an environmental impact report be prepared on the project before the city council approves or disapproves the project;

(b) Disapprove the project;

(c) Approve the negative declaration, if applicable, and approve, or approve with modifications, the project.

Before approving, or approving with modifications, the project, the council may refer the project's design back to the architectural review board for additional recommendations. The board shall make its recommendation directly to the council.
(Ord. 3416 § 1 (part), 1983)

16.48.110 Preliminary review.

For the purpose of securing the advice of the architectural review board prior to making an application for the board's recommendation on a project, an applicant, upon paying a preliminary application fee, as set forth in the municipal fee schedule, may bring a design before the board for preliminary review. If the applicant wishes to proceed with the project, he or she must then file an application and pay a regular application fee. The comments of the architectural review board members during a preliminary review shall not be binding on their formal recommendation.
(Ord. 3416 § 1 (part), 1983)

16.48.120 Standards for review.

(a) In addition to the goals and purposes of this chapter as set forth in Section 16.48.010, the following standards shall be used by the architectural review board in reviewing projects within its jurisdiction:

(1) Whether the design is consistent and compatible with applicable elements of the city's Comprehensive Plan;

(2) Whether the design is compatible with the immediate environment of the site;

(3) Whether the design is appropriate to the function of the project;

(4) In areas considered by the board as having a unified design character or historical character, whether the design is compatible with such character;

(5) Whether the design promotes harmonious transitions in scale and character in areas between different designated land uses;

(6) Whether the design is compatible with approved improvements both on and off the site;

(7) Whether the planning and siting of the various functions and buildings on the site create an internal sense of order and provide a desirable environment for occupants, visitors and the general community;

(8) Whether the amount and arrangement of open space are appropriate to the design and the function of the structures;

(9) Whether sufficient ancillary functions are provided to support the main functions of the project and whether the same are compatible with the project's design concept;

(10) Whether access to the property and circulation thereon are safe and convenient for pedestrians, cyclists and vehicles;

(11) Whether natural features are appropriately preserved and integrated with the project;

(12) Whether the materials, textures, colors and details of construction and plant material are appropriate expression to the design and function and whether the same are compatible with the adjacent and neighboring structures, landscape elements and functions;

(13) Whether the landscape design concept for the site, as shown by the relationship of plant masses, open space, scale, plant forms and foliage textures and colors create a desirable and functional environment and whether the landscape concept depicts an appropriate unity with the various buildings on the site;

(14) Whether plant material is suitable and adaptable to the site, capable of being properly maintained on the site, and is of a variety which would tend to be drought-resistant and to reduce consumption of water in its installation and maintenance;

(15) Whether the design is energy efficient and incorporates renewable energy design elements including, but not limited to:

(A) Exterior energy design elements,

(B) Internal lighting service and climatic control systems, and

(C) Building siting and landscape elements.

(b) In applying the standards set forth in subsection (a) of this section, the architectural review board may review each of the following items of the proposed project:

(1) Uses and functions as they relate to the design of the project and adjacent uses;

(2) Compatibility with neighboring properties and uses;

(3) Visibility and effect upon view at all site lines;

(4) Aesthetics;

(5) Quality of design;

(6) Character;

(7) Scale;

(8) Building materials;

(9) Color; and
(10) Site development characteristics including, but not limited to:
(A) Lot size,
(B) Building coverage,
(C) Setbacks,
(D) Building height,
(E) Location upon the site,
(F) Open space, and
(G) Pedestrian, bicycle and vehicle circulation;
(11) Environmental factors including, but not limited to:
(A) Noise,
(B) Emission of smoke, fumes and odors,
(C) Fire safety, life safety and fire access,
(D) Disturbance of existing topography, trees, shrubs, and other natural features,
(E) Water percolation, grading and drainage, and impermeability of soils;
(12) Building and building components including, but not limited to:
(A) Stairs, ramps, escalators, moving sidewalks, elevators or downspouts on the exterior buildings,
(B) Flues, chimneys, exhaust fans, air-conditioning equipment, elevator equipment, fans, cooling towers, antennae or similar structures placed upon the roof or the exterior of the building,
(C) Sun shades, awnings, louvers or any visible device for deflecting, filtering or shielding the structure or interior from the elements,
(D) Balconies, penthouses. loading docks or similar special purpose appendages or accessory structures;
(13) Accessory structures, including garages, sheds, utility facilities and waste receptacles;
(14) Other on-site improvements including, but not limited to:
(A) Parking and other paved areas,
(B) Landscaping,
(C) Lighting,
(D) Signs and graphics, and
(E) Artwork, sculpture, fountains and other artistic features;
(15) Energy efficiency and renewable energy design elements including, but not limited to:
(A) Exterior energy design elements,
(B) Internal lighting service and climatic control systems, and
(C) Building siting and landscaped elements;
(16) Such other features as affect the design and ultimate appearance of the work, as determined by the architectural review board.
(c) The architectural review board may recommend requirements which are more restrictive than the maximum regulations set forth in Title 16 and/or Title 18 of this code, when it concludes such requirements are necessary:
(1) To promote the internal integrity of the design of the project;

(2) To assure compatibility of the proposed project's design with its site and surroundings;

(3) To minimize the environmental effects of the proposed project; provided, however, that the architectural review board's sole responsibility with respect to the storage of hazardous materials shall be to require compliance with Title 17 of this code.
(Ord. 4066 § 12, 1992: Ord. 3796 § 9, 1988: Ord. 3486 § 1, 1983: Ord. 3416 § 1 (part), 1983)

16.48.130 Time limits.

(a) For all projects approved after the effective date of the ordinance codified in this chapter, the approval shall be valid for one year from the original date of approval, except that for phased projects, a specific development schedule may be approved. In no event, however, shall such a development schedule exceed five years from the original date of approval. Approval of minor changes in a project shall not extend the original date of approval. The time period for a project, including a phased project, may be extended once for an additional year by the director of planning and shall be appealable, in accordance with Section 16.48.090. In the event the building permit is not secured for the project within the time limits specified in this chapter, the architectural review board approval shall expire and be of no further force or effect.

(b) Notwithstanding subsection (a) of this section, whenever a vesting tentative map is approved or conditionally approved pursuant to Chapter 21.13 of the Palo Alto Municipal Code and the Subdivision Map Act, the approval pursuant to this chapter shall be valid until the expiration of the vesting tentative map or expiration of development rights under the final map. Applications may be made for extensions, but only in conjunction with applications for extensions of the vesting tentative map or the final vesting map pursuant to Chapter 21.13 and the Subdivision Map Act.
(Ord. 3796 § 10, 1988: Ord. 3689 § 4, 1986: Ord. 3416 § 1 (part), 1983)

16.48.135 Exceptions to site development, parking and loading requirements to enhance the design of development subject to architectural review.

(a) In accordance with the provisions of Chapter 18.91 of this code, and subject to the provisions of this section and the purpose and intent of this chapter, the architectural review board may recommend that the director of planning and community environment approve minor exceptions to the site development, parking and loading requirements set forth in Title 18, when such exceptions will enhance the appearance and design of commercial and multiple-family development and other development subject to architectural review under this chapter. Items for which exceptions may be granted include, but are not limited to, dormers, eave lines, roof design, bay windows, cornices, parapets, columns, arcades, fountains, art, ornamentation, atriums, balconies, trellises, moldings, balustrades, stairs, entry features, and other minor architectural elements and design features.

(b) No exceptions shall be granted under this section which would increase floor area, decrease the number of required parking spaces, decrease the amount of required on-site landscaping, or decrease the required open space. Generally, exceptions shall be limited to minor changes to the setback, daylight plane, height, lot coverage limitations, parking lot design and landscaping configuration, and additional flexibility in the proportion between private and common open space.

(c) Application. Application for exceptions shall be made in the same manner and in conjunction with an application for design review, pursuant to Section 16.48.060.

(d) Public Hearing and Notice. A public hearing shall be held prior to any action on an application for exception. Such hearing shall be the same hearing at which the application for design review is held. Notice of the hearing for both applications shall be given in the same manner as the notice for a hearing on a major project, as set forth in Sections 16.48.065(b), (c) and (d).

(e) Role of Zoning Administrator. The zoning administrator shall make a recommendation to the architectural review board regarding each application for exception prior to the board's review of the application. The zoning administrator or designee shall also attend the public hearing on each application for exception, and shall advise the board regarding zoning issues.

(f) Recommendation of the Architectural Review Board. After considering the application and all testimony, both oral and written, offered at the public hearing, and the recommendation of the zoning administrator, the architectural review board shall make its recommendations regarding each application for exception to the director of planning and community environment along with its recommendations on the application for design review, in accordance with Section 16.48.070, provided, that the findings for approving an exception shall be as set forth in subsection (g) of this section.

(g) Findings. The architectural review board may recommend that the director of planning and community environment grant exceptions to the otherwise applicable site development, parking and loading requirements of Title 18 upon making the following findings:

(1) There are exceptional or extraordinary circumstances or conditions applicable to the property or site improvements involved that do not apply generally to property in the same zone district;

(2) The granting of the application will enhance the appearance of the site or structure, or improve the neighborhood character of the project and preserve an existing or proposed architectural style, in a manner which would not otherwise be accomplished through strict application of the minimum requirements of Title 18 and the standards for review set forth in this chapter; and

(3) The exception is related to a minor architectural feature or site improvement that will not be detrimental or injurious to property or improvements in the vicinity and will not be detrimental to the public health, safety, general welfare or convenience.

(h) Conditions. In recommending approval of such exceptions, the architectural review board may recommend imposing such reasonable conditions or restrictions as are appropriate or necessary to protect the public health, safety, general welfare or convenience, and to secure the purposes of Title 18 and of this chapter.

(i) Action of the Director of Planning and Community Environment. The director of planning and community environment shall act on the application for exception in conjunction with, and in the manner provided by Section 16.48.080.

(j) Appeals. Any person aggrieved by the action of the director may appeal such action to the city council by filing an appeal with the city clerk, not later than eight working days after the effective date of the director's action.

An appeal shall be in writing, stating the grounds therefor, and shall be accompanied by an appeal fee as prescribed by the municipal fee schedule. Filing of an appeal with the city clerk shall stay all proceedings in furtherance of the action appealed, as well as all proceedings in furtherance of the action on the application for design review, until the determination of the appeal as provided in this section. The city clerk shall place the appeal upon the agenda of the city council for a regular meeting not later than the thirty-first working day after receipt of the appeal. If the appellant is other than the applicant for the project, the city clerk shall notify the applicant of the appeal.

Upon conclusion of the hearing on appeal, the city council may by motion reverse or affirm, in whole or in part, or may modify the action of the director of planning and community environment. The decision of the council shall be final and shall be effective immediately.

(k) Time Limits. The time limits for any exception granted pursuant to this section shall be the same as the time limits for the accompanying design review approval, as set forth in Section 16.48.130. The grant of an exception pursuant to this section does not constitute a variance, and shall be effective only to the extent that the approved plans are not changed in a manner that affects the granted exception.
(Ord. 4123 § 2, 1992)

16.48.140 Integration with other code provisions.

Nothing in this chapter shall be construed as waiving, modifying, eliminating or mitigating the requirements of any other provision of this code. The requirements herein are intended to be supplementary and additional thereto, and in case of any conflict therewith, the most restrictive shall apply.
(Ord. 3416 § 1 (part), 1983)

16.48.150 Moratorium.

When any moratorium on construction or the processing of an application for any building permit or planning approval is adopted by the city council, regardless of such moratorium, a project which has received a final recommendation for design approval from the architectural review board pursuant to this chapter on or before the date of the council meeting at which the moratorium first appeared on the city council's printed agenda, shall continue to be processed; provided, that the project complies with all other city ordinances.
(Ord. 3575 § 1, 1984)

16.48.160 Violations - Penalty - Enforcement.

(a) No person shall erect, construct, enlarge, alter, repair, move, improve, remove, convert or demolish, equip, use, occupy or maintain any building, structure, fence, wall, sign, equipment, landscaping, or parking area which does not meet the requirements of this section.

(b) Violation of any provision of this chapter is a misdemeanor, punishable as provided in this code. Each day of violation constitutes a separate offense and may be separately punished.

(c) Persons employed in the following designated employee positions are authorized to exercise the authority provided in Penal Code Section 836.5 and are authorized to issue citations for violations of this chapter: chief building official, assistant building official, planning arborist, and code enforcement officer.

(Ord. 4745 § 12, 2002)

APPENDIX H-3 PAMC Chapter 18.28 – Multiple-family Residence District Guidelines

Chapter 18.28 MULTIPLE-FAMILY RESIDENCE DISTRICT GUIDELINES

Sections:

18.28.010 Specific purpose.
18.28.020 Applicability of regulations.
18.28.030 Site development guidelines.

18.28.010 Specific purpose.

The multiple-family residence district guidelines are intended to provide additional standards to be used in the design and evaluation of developments in the RM-15, RM-30 and RM-40 multiple-family residence districts. The guidelines are intended to protect existing single-family homes from the intrusion of multi-family housing projects, make new developments compatible with existing neighborhoods and enhance the desirability of living conditions in the proposed developments.
(Ord. 3807 § 5 (part), 1988)

18.28.020 Applicability of regulations.

The guidelines of this chapter shall be applicable to all RM-15, RM-30 and RM-40 multiple-family residence districts. The recommendation for final approval of the architectural and design elements of any project remains with the architectural review board, pursuant to Chapter 16.48 of the Palo Alto Municipal Code. The architectural review board retains the authority to interpret guidelines on a project-by-project basis in order to most effectively fulfill the specific purposes listed in Section 18.28.010.
(Ord. 3807 § 5 (part), 1988)

18.28.030 Site development guidelines.

On any site where the multiple-family zoning regulations apply, the following guidelines shall apply as a supplement to those regulations:

(a) Privacy Between Buildings.

(1) Windows, balconies or similar openings above the first story should be oriented so as not to have a direct line-of-sight into adjacent units within the project.

(2) Units above the first story should be designed so that they do not look directly on private patios or backyards of adjoining residential property.

(3) Landscaping should be used to aid in privacy screening.

(b) Trash Disposal Areas.

(1) Trash disposal areas should be accessible to all residents but screened from public view.

(2) Trash disposal areas should be screened from public view by a minimum six foot enclosure with gates. The structure should incorporate the architectural features of the project.

(c) Lighting.

(1) Lighting in parking areas and common open space should provide the minimum illumination necessary to achieve security while not causing a visual intrusion to adjoining living areas.

(2) Exterior light sources should be shielded in such a manner as to eliminate glare and light spillover beyond the perimeter of the development.

(3) Low-level lighting fixtures should be weather and vandal resistant.

(d) Paving Treatment. Textured paving material should be used in driveway and parking areas to break up the expanse of paving in the project.

(e) Noise Impacts.

(1) Units within the project should be adequately insulated to protect residents from noise intrusion from adjoining units. In addition to insulation between common walls, vertical insulation on exterior walls and from floor to floor should be provided.

(2) Loading docks, service entries, mechanical equipment and recreational play areas should be sited as far away from adjoining single-family properties as is reasonably possible.

(3) Projects adjacent to major arterials or railroad tracks should incorporate additional noise mitigation measures to protect residents. Measures should include but not be limited to the following:

(A) Double glazed windows;

(B) Sound walls;

(C) Earth berms.

(f) Visual Impacts.

(1) Roof vents, flues and other protrusions through the roof of any building or structure should be clustered and screened from public view.

(2) All exposed mechanical and other types of equipment which exceed sixteen inches in any horizontal dimension, whether installed on the ground or attached to a building roof or walls, should be screened from public and overhead view.

(g) Carports.

(1) Carport structures should be architecturally compatible with the main structures in the project and should utilize substantial support posts.

(2) Landscaping material associated with the carport should have adequate room to grow and be protected from abuse by cars.

(h) Underground Garages.

(1) Required residential parking spaces in the RM-40 zoning district should be underground or semi-depressed for projects of six units or more.

(2) Proximity of underground parking garages to property lines should take into consideration the need for landscaping along the perimeter of the site. In instances where

substantial planting is necessary, the placement of parking garages should be adequately setback from the property line to provide for the landscaping.

(i) Landscaping.

(1) Landscaping should be used to integrate a project design into the surrounding neighborhood, and to provide privacy screening between properties where appropriate.

(2) Usable outdoor recreation areas, both passive and active, should be incorporated into the project.

(3) Size and density of plant materials should be in proportion to the size of planting areas and the mass of the structure.

(4) Plant material selection should take into consideration solar orientation, drought tolerance, maintenance requirements and privacy screening.

(5) Plant material species and container sizes should allow for a mature appearance within a reasonable amount of time.

(6) Planting strips and street trees should be included in the consideration of the project.

(j) Pedestrian Protection. Water diversion techniques for channeling water runoff from the roof, away from pedestrian areas, should be incorporated in the design of the building. Such mechanisms may include overhangs, rain gutters, or covered walkways. (Ord. 3807 § 5 (part), 1988)

APPENDIX H-4 PAMC Chapter 18.64 – Additional Site Development and Design Regulations for Commercial and Industrial Districts

Chapter 18.64 ADDITIONAL SITE DEVELOPMENT AND DESIGN REGULATIONS FOR COMMERCIAL AND INDUSTRIAL DISTRICTS

Sections:

18.64.010 Specific purpose.
18.64.020 Applicability of regulations.
18.64.030 Site development guidelines.

18.28.010 Specific purpose.

The additional site development and design regulations for commercial and industrial districts are intended to modify the regulations of the OR, CN, CC, CS, CD, GM and LM districts in areas where it is deemed essential to reduce the lighting, noise and visual impacts of commercial and industrial uses in order to promote development compatible with adjacent residential areas and to preclude inappropriate or inharmonious building design and siting.
(Ord. 3810 § 1 (part), 1988)

18.28.010 Specific purpose.

The requirements and guidelines of this chapter shall be applicable to any portion of a site area in an OR, CN, CC, CS, CD, GM or LM district which is located within one hundred fifty feet of any RE, R-1, R-2, RM or PC district permitting single-family or multi-family development.
Design element regulations that are identified as requirements shall be included in the design of a project. Design elements that are identified as guidelines are recommended for incorporation in the design of a project. At the submittal of the project to the architectural review board, if these guidelines are not followed, it shall be necessary for the applicant to demonstrate how the project meets the design objectives set forth in this chapter.
(Ord. 3810 § 1 (part), 1988)

18.64.030 Site development regulations.

The following design requirements shall apply and the following design guidelines are recommended for application to any site or portion of a site in an OR, CN, CC, CS, CD, GM or LM district located within one hundred fifty feet of a residential district, for (1) new construction and (2) modifications of existing buildings or site improvements which qualify as major projects under Section 16.48.065 of the Palo Alto Municipal Code; provided, that more restrictive regulations may be recommended by the architectural review board and approved by the director of planning and community environment, pursuant to Chapter 16.48 of the Palo Alto Municipal Code.

(a) Lighting Impacts. In order to minimize the visual impacts of lighting from commercial and industrial uses on the residential sites located in close proximity, the following additional requirements and design guidelines shall apply to the applicable portions of the commercial/industrial site area:

(1) Requirement. Interior and exterior light sources shall be shielded in such a manner as to prevent visibility of the light sources, and to eliminate glare and light spillover beyond the perimeter of the development.

(2) Guidelines.

(A) Exterior light fixtures should be mounted no higher than fifteen feet.

(B) Lighting of the building exterior and parking areas should be of the lowest intensity and energy use adequate for its purpose.

(C) Unnecessary continued illumination, such as illuminated signs or backlit awnings, should be avoided.

(D) Timing devices should be considered for exterior and interior lights in order to minimize light glare at night without jeopardizing security of employees.

(E) Building elevations facing residential sites should not have highly reflective surfaces, such as reflective metal skin and highly reflective glazing. The paint colors should be in subdued hues.

(b) Noise Impacts. In order to protect residential properties from excessive and unnecessary noises from any sources in the commercial and industrial zones, the following additional requirements and design guidelines shall apply to the applicable portions of the commercial/industrial site area:

(1) Requirement. Compliance with a noise level limit as prescribed in the city's noise ordinance (Chapter 9.10 of the Palo Alto Municipal Code).

(2) Guidelines. Parking areas, driveways, loading docks, mechanical equipment, trash enclosures, on-site recreation areas and similar noise generating elements should be sited as far away from residential areas as is reasonably possible. When conditions require noise generating elements to be sited within close proximity to residential areas, noise mitigation measures should be implemented as deemed suitable by the architectural review board. These measures may include the following:

(A) Placement of concrete or masonry walls at the residential property line or around the noise generating element;

(B) Elimination of site access close to residential sites where other access is available;

(C) Installation of an earth berm and landscape buffers where appropriate;

(D) Discouragement of the use of open air loudspeakers and compliance with the city's loudspeakers ordinance (Chapter 9.12 of the Palo Alto Municipal Code).

(c) Visual Impacts. In order to reduce the apparent building mass to provide for reasonable privacy of residents of single-family and multiple-family dwellings and to reduce the visual impact of mechanical equipment, trash enclosures, exterior storage and loading docks, the following additional requirements and design guidelines shall apply to the applicable portions of the commercial/industrial site area:

(1) Requirements.

(A) Blank walls facing residential sites shall incorporate architectural design features and landscaping in order to reduce apparent mass and bulk.

(B) Adequate and accessible storage of trash and refuse shall be provided within a building or be fully screened from public view by masonry or other opaque and durable material. Chain link enclosures are strongly discouraged.

(C) Loading docks and exterior storage of materials or equipment shall be screened from view from residential sites by fencing, walls or landscape buffers.

(2) Guidelines.

(A) Windows, balconies or similar openings above the first story should be oriented so as to minimize a direct line-of-sight into residential areas.

(B) Roof vents, flues and other protrusions through the roof of any building or structure should be obscured from public view by roof screen or proper placement.

(C) All exposed mechanical and other type equipment whether installed on the ground or attached to the building, roof or walls, which exceeds sixteen inches in any horizontal dimension, should be screened from public view.

(D) Increased setbacks or more restrictive daylight planes may be proposed by the applicant, or recommended by the architectural review board, as mitigation for the visual impacts of massive buildings.

(E) Building elevations facing residential sites should not have highly reflective surfaces, such as reflective metal skin and highly reflective glazing. The paint colors should be in subdued hues.

(d) Accessive Impacts. In order to minimize conflicts between residential vehicular and pedestrian uses and more intensive traffic associated with industrial and commercial zones, the following additional design guidelines shall apply to the applicable portions of the commercial/industrial site area:

(1) Guidelines.

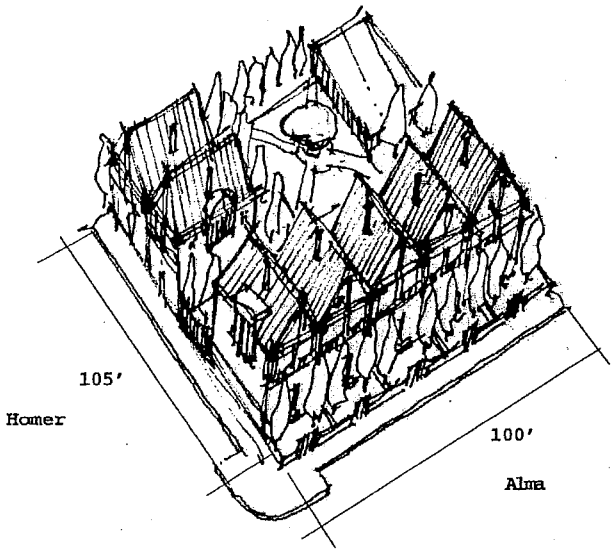
(A) The location of driveways, shipping and receiving areas, and loading docks should be sited as far away from residential areas as feasible while recognizing site constraints and traffic safety issues.

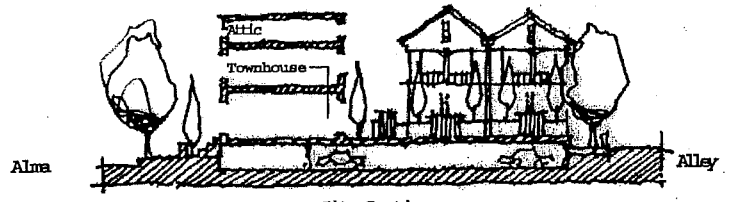
(B) Employee ingress and egress to a site should be located to avoid the use of residential streets wherever feasible.

(C) Late hour and early morning truck traffic to a site located in or near a residential area should be discouraged.
(Ord. 3810 § 1 (part) 1988)

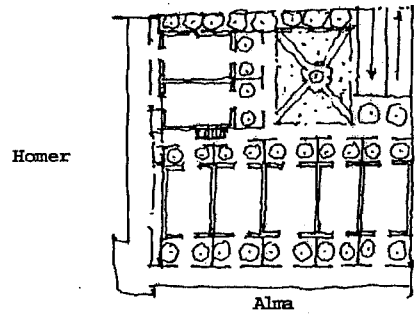
APPENDIX I DEVELOPMENT PROTOTYPES

This appendix contains development prototypes by Freedman, Tung, and Bottomley, based upon draft development standards of the Coordinated Area Plan using sites in SOFA 2.

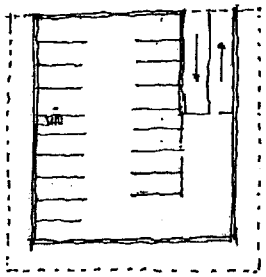




Site Section

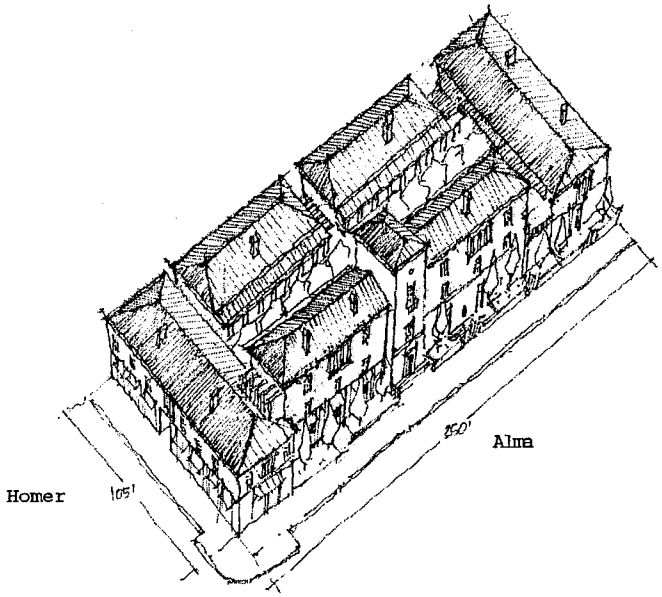


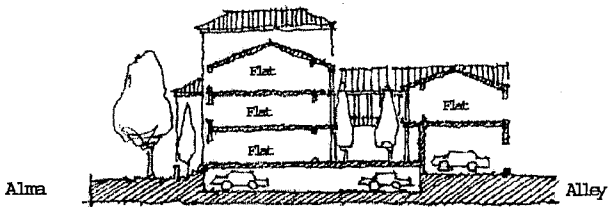
7 Townhouses

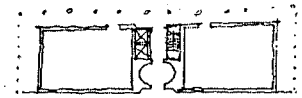


17 Podium Spaces

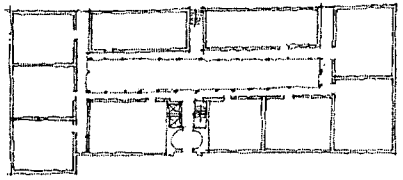
WORKING GROUP RESIDENTIAL PROTOTYPE on SMALL LOT			
Draft 6/18/02 1.15 FAR	DEVELOPMENT STANDARD	PROTOTYPE	COMMENTS
TOTAL F.A.R	1.15 Can be all residential	1.15 105'x100'=10,500 SF Lot 12,075 Maximum SF	FAR limits amount of housing possible.
NON-RESIDENTIAL	.4 Non Residential Max 5000 SF Office Max 2500 SF Ground Floor Office, No GF office on Homer or Emerson	No retail No office	Retail or Office incompatible with podium parking.
RESIDENTIAL DENSITY	No Minimum 1500 sf max. unit size	7 units (all townhouses) (30 units/ acre) 1500 SF units	FAR restricts number of units (unless smaller units.)
HEIGHT	35 feet to midslope of peaked roof or top of mansard 50 feet on Alma	28' To mid-slope of pitched roof - 2 stories plus parking podium.	Do not need extra height.
HIGH PARKING REQT RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	17 spaces (all podium)	Parking reqt. increases cost of unit or parking.
ALTERNATIVE: LOW PARKING REQT RESIDENTIAL OFFICE RETAIL	1.5 spaces/unit, no guest 1 SP/ 350 SF 1 SP/250 SF, 1st1000SF exempt	11 Spaces	Could do twice as much housing with same podium parking design, but FAR restricts.



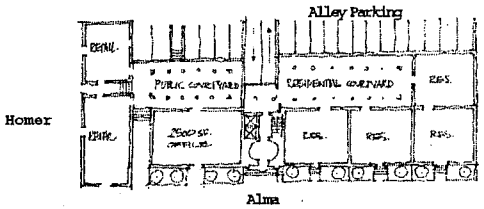




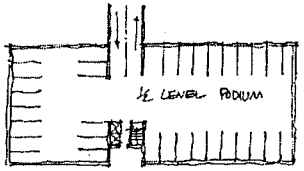
3rd floor



2nd floor
10 Flats



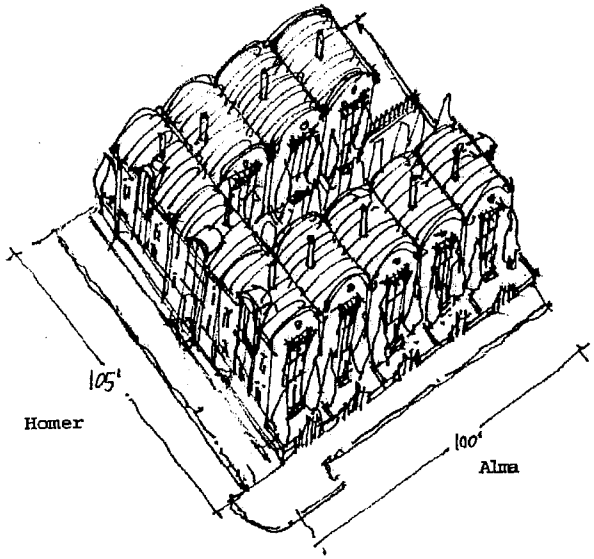
Ground Floor

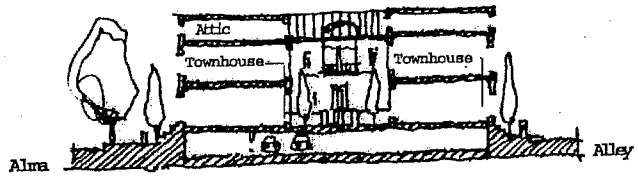


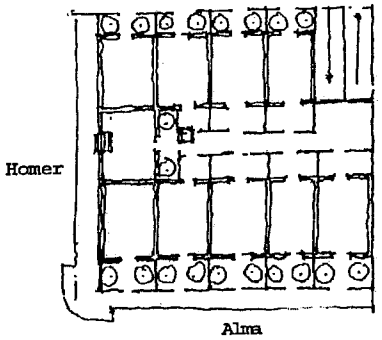
Podium Parking

WORKING GROUP RESIDENTIAL PROTOTYPE on LARGE LOT			
Draft 6/18/02 1.15 FAR	DEVELOPMENT STANDARD	PROTOTYPE	COMMENTS
TOTAL F.A.R	1.15 Can be all residential	1.15 105x250'=26,250 SF Lot 32,200 SF Maximum SF	FAR limits No. of units
NON-RESIDENTIAL	.4 Non Residential Max 5000 SF Office Max 2500 SF Ground Floor Office, No GF office on Homer or Emerson	2700 SF Retail along Homer 2500 SF Office along Alma	Due to high parking requirement, little incentive for retail development
RESIDENTIAL DENSITY	No Minimum 30 units/acre Maximum Max. 40 Units/acre for senior, affordable SRO 1500 sf max. unit size	16 units (27 units/acre) 1500 SF units with podium parking	Parking and FAR limits discourage housing density
HEIGHT	35 feet to midslope of peaked roof or top of mansard 50 feet on Alma except at Homer	25' to mid-slope - 2 stories plus parking podium.	
HIGH PARKING REQT RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	37 spaces for 16 units 10 spaces for 2500 SF 11 spaces for 2700 SF 58 sp, 39 podium, 19 alley	Parking is major constraint on density and retail or office space.
ALTERNATIVE: LOW PARKING REQT RESIDENTIAL OFFICE RETAIL	1.5 spaces/unit, no guest 1 SP/ 350 SF 1 SP/250 SF, 1st 1000 SF exempt	24 spaces for 16 units 8 spaces for 2500 SF 7 spaces for retail 39 sp, 20 podium, 19 alley	Parking requirement is half that required by 18.83, would allow more housing with higher FAR

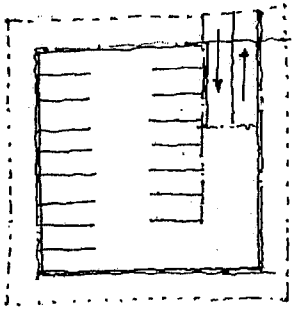
FREEDMAN TUNG & BOTTOMLEY
RETAIL MARKETING & URBAN PLANNING





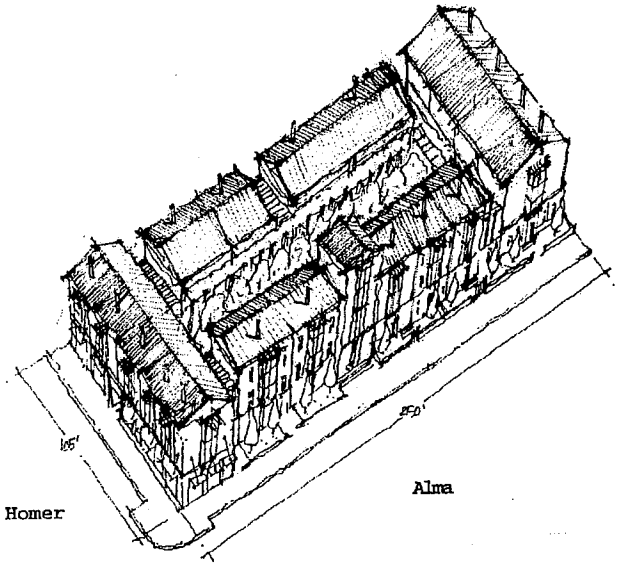


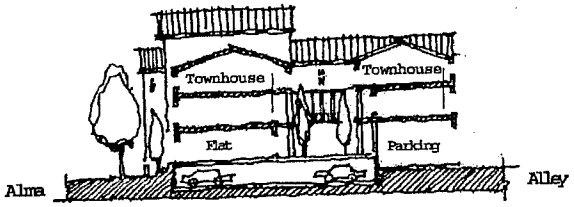
10 Townhouses



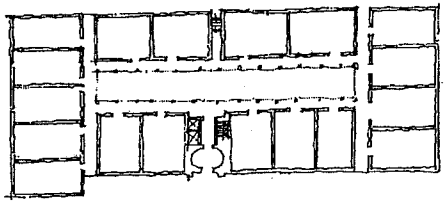
Podium Parking

STAFF RECOMMENDED RESIDENTIAL PROTOTYPE on SMALL LOT			
Draft 6/18/02 1.5 FAR	DEVELOPMENT STANDARD	PROTOTYPE	COMMENTS
TOTAL F.A.R.	1.5	1.5 105'x100'=10,500 SF Lot 15,750 Max. SF	
MAX NON-RESIDENTIAL FAR	.4 Non Residential Max 5000 SF Office Max 2500 SF Ground Floor Office, No GF office on Homer or Emerson	No Retail No Office	
RESIDENTIAL DENSITY	Minimum15 units/acre Max. 40 Units/acre 1500 sf max. unit size	10 Units (40 units/ acre) 1500 SF unit size (all townhouses)	FAR limits housing (affordable housing reqt. for over 30 units/ acre would discourage providing additional housing)
HEIGHT	35 feet to midslope of peaked roof, min. 15' stepback adjacent to single story development).	2 stories total (25' to mid-slope of pitched roof)	
LOW PARKING REQT	1.5 spaces/unit, no guest 1 SP/ 350 SF office 1 SP/250 SF, 1st 1000 SF exempt retail	15 spaces (all podium)	Lower parking reqt reflects ctrl location and transit nearby.
ALTERNATIVE: HIGH PARKING REQT: RESIDENTIAL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	23 spaces (all podium)	

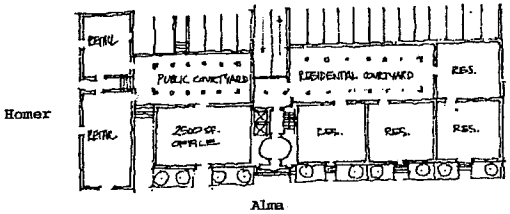




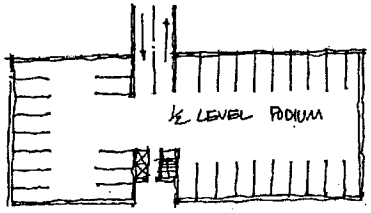
Site Section



2nd/ 3rd Floor 18 Townhouses



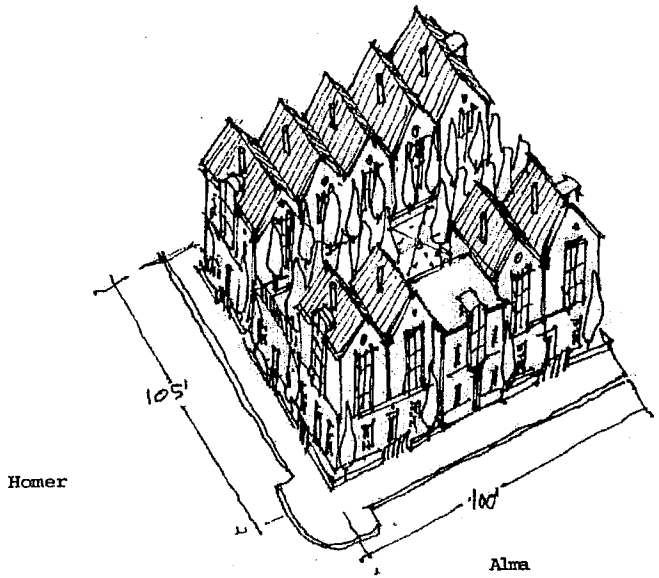
Ground Floor

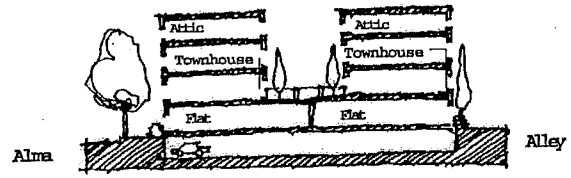


PodiumParking

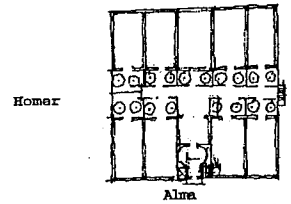
STAFF RECOMMENDED RESIDENTIAL PROTOTYPE on LARGE LOT

Draft 6/18/02 1.5 FAR	DEVELOPMENT STANDARD	PROTOTYPE	COMMENTS
TOTAL F.A.R.	1.5 (can be all residential) Max 39,375 SF	1.5 105'x250=26,250 SF Lot (includes 2100 SF public courtyard)	FAR not achievable with 18.83 parking requirements
NON-RESIDENTIAL	.4 Non Residential Max 5000 SF Office Max 2500 SF Ground Floor Office, No GF office on Homer or Emerson	2500 SF Ground Floor Office 2700 SF Retail	Retail has adjacent alley parking to improve viability
RESIDENTIAL DENSITY	No Minimum 30 units/acre Maximum Max. 40 Units/acre for senior, affordable SRO 1500 sf max. unit size	22 units with low pkg reqt (40 units/acre) (only 16 units with high parking reqt alternative) 1500 SF unit size	Minimum density assures at least 15 un/ac
HEIGHT	35 feet to midslope of peaked roof or top of mansard 50 feet on Alma except at Homer	3 stories total - townhouses over commercial at corner 25' to mid-slope	
LOW PARKING REQT	1.5 spaces/unit, no guest 1 SP/ 350 SF office 1 SP/250 SF, 1st 1000 SF exempt retail	33 spaces for 22 units 8 spaces for 2500 SF office 7 spaces for 2700 SF retail 48 sp, 29 podium, 19 alley	Lower parking reqt reflects data location and transit nearby, allows for parking at grade.
ALTERNATIVE: HIGH PARKING REQT: RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	37 spaces for 16 units 10 spaces for 2500 SF office 11 spaces for 2700 SF retail 58 sp 39 podium, 19 alley	Note: TDM/transit pass reduction available per 18.83

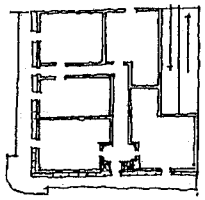




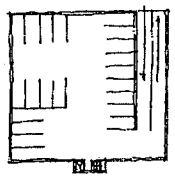
Site Section



9 2nd/3rd floor townhouses



5 First floor flats

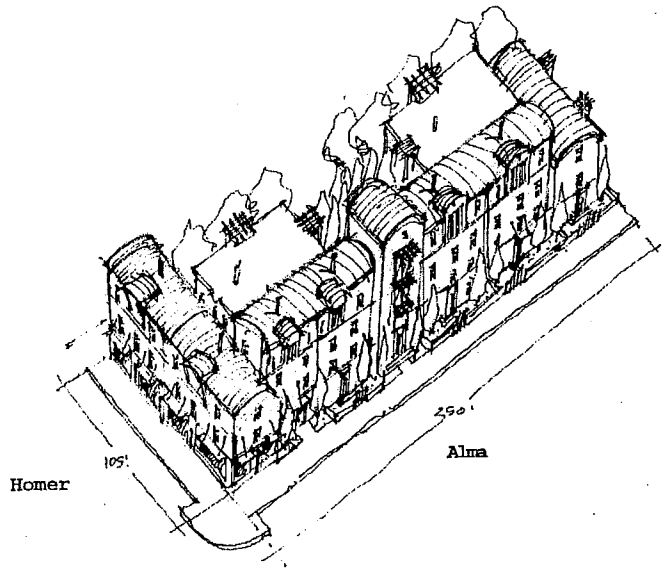


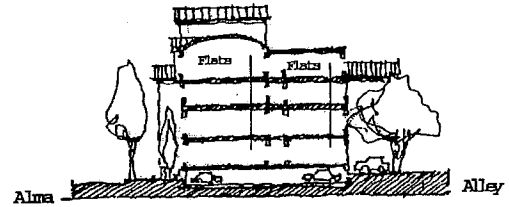
21Below Grade Parking

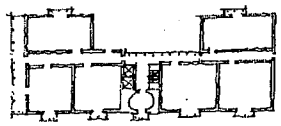
HIGH INTENSITY RESIDENTIAL PROTOTYPE on SMALL LOT

Draft 6/18/02 2.5 FAR	DEVELOPMENT STANDARDS	PROTOTYPE	COMMENTS
TOTAL F.A.R.* (Excl. podium parking)	Max. 2.5 FAR	2.1 FAR (22000 SF) 105'x100'=10,500 SF Lot Max. 26250 SF allowed	Parking requirements on small lot restrict FAR
MAX. NON-RESIDENTIAL F.A.R.	.4 Non Residential 2500 SF Office Ground Floor Office OK	No Office No Retail	High parking reqts. On small lot discourages commercial uses.
MIN. TO MAX. RESIDENTIAL DENSITY	Min 30 Units/Ac Max. 60 Units/Ac 1500 SF max unit size	14 units on 100'x105 lot 58 Units/acre 1500 SF average unit size	
HEIGHT	50', Stepback to 35' along Homer	3 Stories (flats on ground floor with 2 story townhouses above) 35' to mid slope	
LOW PARKING REQT RESIDENTIAL OFFICE RETAIL	 1.5 sp/unit No guest parking 1 SP/350 SF - 5% Transit 1 SP/250 SF over1000 SF	21 spaces fully underground	NOTE: Nearly twice as much housing possible with lower parking requirements.
ALTERNATIVE: HIGH PARKING REQT: RESIDENTIAL OFFICE RETAIL	 2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	33 spaces for 14 units with 2 levels fully underground 1 extra space 34 spaces total	Two levels underground parking is inefficient on small lot.

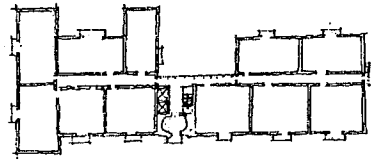
FRIEDMAN LONG & BOITOMLEY



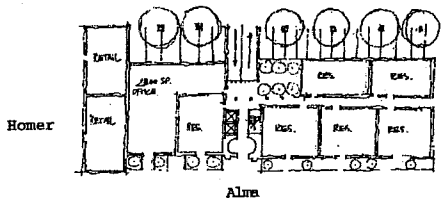




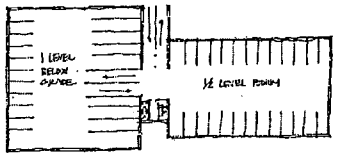
4th Floor Flats



2nd and 3rd Floor Flats



Ground Floor



Below Grade and Podium Parking

HIGH INTENSITY RESIDENTIAL PROTOTYPE on LARGE LOT

Draft 6/18/02 2.5 FAR	DEVELOPMENT STANDARDS	PROTOTYPE	COMMENTS
TOTAL F.A.R.* (Excl. parking on podium)	Up to 2.5 FAR PC Permit Required with Special Public Benefit	2.25 105'x250'=26,250 SF Lot 65625 Max. SF	
MAX. NON-RESIDENTIAL F.A.R.	.4 Non Residential 5000 SF Office Ground Floor Office OK	2700 SF Retail, 2800 SF Office	Parking off alley, in podium less than 4' high and fully underground
MIN. TO MAX. RESIDENTIAL DENSITY	Min 20 -Max 60 Units/Ac 1500 sf max unit size	33 units on 250'x105'lot 55 Units/acre 1400 SF average unit size	
HEIGHT	35' along Homer 50' to mid-slope of roof on Alma;	50 feet to mid slope of roof Four floors with ground floor commercial	Encourage articulation.
LOW PARKING REQT RESIDENTIAL OFFICE RETAIL	1.5 sp/unit No guest parking 1 SP/350 SF - 5% Transit 1 SP/250 SF over1000 SF	49 spaces for 33 units 8 spaces for 2800 SF office 7 spaces for 2700 SF retail 64 spaces: 20 podium, 19 alley, 26 fully underground, 1 extra	NOTE: Nearly twice as much housing possible with lower parking requirements.
ALTERNATIVE: HIGH PARKING REQT: RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	40 spaces for 18 units 12 spaces for 2800 SF office 11 spaces for 2700 SF retail 63 spaces: 20 podium, 19 alley, 26 fully underground, 2 extra	Note:TDM/transit pass reduction available per 18.83

WORKING GROUP RESIDENTIAL PROTOTYPE on SMALL LOT

Draft 6/18/02 **1.15 FAR**	DEVELOPMENT STANDARD	PROTOTYPE	COMMENTS
TOTAL F.A.R	1.15 Can be all residential	1.15 105'x100"=10,500 SF Lot 12,075 Maximum SF	FAR limits amount of housing possible.
NON-RESIDENTIAL	.4 Non Residential Max 5000 SF Office Max 2500 SF Ground Floor Office, No GF office on Homer or Emerson	No retail No office	Retail or Office incompatible with podium parking.
RESIDENTIAL DENSITY	No Minimum 1500 sf max. unit size	**7 units (all townhouses)** (30 units/ acre) 1500 SF units	FAR restricts number of units (unless smaller units.)
HEIGHT	35 feet to midslope of peaked roof or top of mansard 50 feet on Alma	25' To mid-slope of pitched roof - 2 stories plus parking podium.	Do not need extra height.
HIGH PARKING REQT RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	17 spaces (all podium)	Parking reqt. increases cost of unit or parking.
ALTERNATIVE: LOW PARKING REQT RESIDENTIAL OFFICE RETAIL	1.5 spaces/unit, no guest 1 SP/ 350 SF 1 SP/250 SF, 1st1000SF exempt	11 Spaces	Could do twice as much housing with same podium parking design, but FAR restricts.

WORKING GROUP RESIDENTIAL PROTOTYPE on LARGE LOT

Draft 6/18/02 **1.15 FAR**	DEVELOPMENT STANDARD	PROTOTYPE	COMMENTS
TOTAL F.A.R	1.15 Can be all residential	1.15 105'x250'=26,250 SF Lot 32,200 SF Maximum SF	FAR limits No. of Units
NON-RESIDENTIAL	.4 Non Residential Max 5000 SF Office Max 2500 SF Ground Floor Office, No GF office on Homer or Emerson	2700 SF Retail along Homer 2500 SF Office along Alma	Due to high parking requirement, little incentive for retail development
RESIDENTIAL DENSITY	No Minimum 30 units/acre Maximum Max. 40 Units/acre for senior, affordable SRO 1500 sf max. unit size	**16 units** (27 units/acre) 1500 SF units with podium parking	Parking and FAR limits discourage housing density.
HEIGHT	35 feet to midslope of peaked roof or top of mansard 50 feet on Alma except at Homer	25' to mid-slope - 2 stories plus parking podium.	
HIGH PARKING REQT RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	37 spaces for 16 units 10 spaces for 2500 SF 11 spaces for 2700 SF 58 sp, 39 podium, 19 alley	Parking is major constraint on density and retail or office space.
ALTERNATIVE: LOW PARKING REQT RESIDENTIAL OFFICE RETAIL	1.5 spaces/unit, no guest 1 SP/ 350 SF 1 SP/250 SF, 1st 1000 SF exempt	24 spaces for 16 units 8 spaces for 2500 SF 7 spaces for retail 39 sp, 20 podium, 19 alley	Parking requirement is half that required by 18.83, would allow more housing with higher FAR

STAFF RECOMMENDED RESIDENTIAL PROTOTYPE on SMALL LOT

Draft 6/18/02 **1.5 FAR**	DEVELOPMENT STANDARD	PROTOTYPE	COMMENTS
TOTAL F.A.R.	1.5	1.5 105'x100"=10,500 SF Lot 15,750 Max. SF	
MAX NON-RESIDENTIAL FAR	.4 Non Residential Max 5000 SF Office Max 2500 SF Ground Floor Office, No GF office on Homer or Emerson	No Retail No Office	
RESIDENTIAL DENSITY	Minimum15 units/acre Max. 40 Units/acre 1500 sf max. unit size	**10 Units** (40 units/ acre) 1500 SF unit size (all townhouses)	FAR limits housing (affordable housing reqt. for over 30 units/ acre would discourage providing additional housing)
HEIGHT	35 feet to midslope of peaked roof , min. 15' stepback adjacent to single story development.	2 stories total (25' to mid-slope of pitched roof)	
LOW PARKING REQT	1.5 spaces/unit, no guest 1 SP/ 350 SF office 1 SP/250 SF, 1st 1000 SF exempt retail	15 spaces (all podium)	Lower parking reqt reflects dntn location and transit nearby.
ALTERNATIVE: HIGH PARKING REQT: RESIDENTIAL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	23 spaces (all podium)	

STAFF RECOMMENDED RESIDENTIAL PROTOTYPE on LARGE LOT

Draft 6/18/02 **1.5 FAR**	DEVELOPMENT STANDARD	PROTOTYPE	COMMENTS
TOTAL F.A.R.	1.5 (can be all residential) Max 39,375 SF	1.5 105'x250'=26,250 SF Lot (includes 2100 SF public courtyard)	FAR not achievable with 18.83 parking requirements
NON-RESIDENTIAL	.4 Non Residential Max 5000 SF Office Max 2500 SF Ground Floor Office, No GF office on Homer or Emerson	2500 SF Ground Floor Office 2700 SF Retail	Retail has adjacent alley parking to improve viability
RESIDENTIAL DENSITY	No Minimum 30 units/acre Maximum Max. 40 Units/acre for senior, affordable SRO 1500 sf max. unit size	**22 units** with low pkg reqt (40 units/acre) (only 16 units with high parking reqt alternative) 1500 SF unit size	Minimum density assures at least 15 un/ac
HEIGHT	35 feet to midslope of peaked roof or top of mansard 50 feet on Alma except at Homer	3 stories total – townhouses over commercial at corner 25' to mid-slope	
LOW PARKING REQT	1.5 spaces/unit, no guest 1 SP/ 350 SF office 1 SP/250 SF, 1st 1000 SF exempt retail	33 spaces for **22 units** 8 spaces for 2500 SF office 7 spaces for 2700 SF retail 48 sp, 29 podium, 19 alley	Lower parking reqt reflects dntn location and transit nearby, allows for parking at grade.
ALTERNATIVE: HIGH PARKING REQT: RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	37 spaces for **16 units** 10 spaces for 2500 SF office 11 spaces for 2700 SF retail 58 sp 39 podium, 19 alley	Note: TDM/transit pass reduction available per 18.83

HIGH INTENSITY RESIDENTIAL PROTOTYPE on SMALL LOT

Draft 6/18/02 **2.5 FAR**	DEVELOPMENT STANDARDS	PROTOTYPE	COMMENTS
TOTAL F.A.R.* (Excl. podium parking)	Max. 2.5 FAR	2.1 FAR (22000 SF) 105'x100"=10,500 SF Lot Max. 26250 SF allowed	Parking requirements on small lot restrict FAR
MAX. NON-RESIDENTIAL F.A.R.	.4 Non Residential 2500 SF Office Ground Floor Office OK	No Office No Retail	High parking reqts. On small lot discourages commercial uses.
MIN. TO MAX. RESIDENTIAL DENSITY	Min 30 Units/Ac Max. 60 Units/Ac 1500 SF max unit size	**14 units** on 100'x105'lot 58 Units/acre 1500 SF average unit size	
HEIGHT	50', Stepback to 35' along Homer	3 Stories (flats on ground floor with 2 story townhouses above) 35' to mid slope	
LOW PARKING REQT RESIDENTIAL OFFICE RETAIL	1.5 sp/unit No guest parking 1 SP/350 SF - 5% Transit 1 SP/250 SF over1000 SF	21 spaces fully underground	NOTE: Nearly twice as much housing possible with lower parking requirements.
ALTERNATIVE: HIGH PARKING REQT: RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	33 spaces for **14 units** with 2 levels fully underground 1 extra space 34 spaces total	Two levels underground parking is inefficient on small lot.

HIGH INTENSITY RESIDENTIAL PROTOTYPE on LARGE LOT

Draft 6/18/02 **2.5 FAR**	DEVELOPMENT STANDARDS	PROTOTYPE	COMMENTS
TOTAL F.A.R.* (Excl. parking on podium)	Up to 2.5 FAR PC Permit Required with Special Public Benefit	2.25 105'x250'=26,250 SF Lot 65625 Max. SF	
MAX. NON-RESIDENTIAL F.A.R.	.4 Non Residential 5000 SF Office Ground Floor Office OK	2700 SF Retail, 2800 SF Office	Parking off alley, in podium less than 4' high and fully underground
MIN. TO MAX. RESIDENTIAL DENSITY	Min 20 -Max 60 Units/Ac 1500 sf max unit size	**33 units** on 250'x105'lot 55 Units/acre 1400 SF average unit size	
HEIGHT	35' along Homer 50' to mid-slope of roof on Alma;	50 feet to mid slope of roof Four floors with ground floor commercial	Encourage articulation.
LOW PARKING REQT RESIDENTIAL OFFICE RETAIL	1.5 sp/unit No guest parking 1 SP/350 SF - 5% Transit 1 SP/250 SF over1000 SF	49 spaces for **33 units** 8 spaces for 2800 SF office 7 spaces for 2700 SF retail 64 spaces: 20 podium, 19 alley, 26 fully underground, 1 extra	NOTE: Nearly twice as much housing possible with lower parking requirements.
ALTERNATIVE: HIGH PARKING REQT: RESIDENTIAL OFFICE RETAIL	2 spaces/unit plus 30% for guest parking 1 SP/250 SF 1 SP/250 SF	40 spaces for **18 units** 12 spaces for 2800 SF office 11 spaces for 2700 SF retail 63 spaces: 20 podium, 19 alley, 26 fully underground, 2 extra	Note:TDM/transit pass reduction available per 18.83

APPENDIX J ADOPTING ORDINANCE

The ordinance adopting this CAP is included in this Appendix J for reference only. The original is on file with the City Clerk's office.

ORDINANCE NO. 4808

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO ADOPTING THE SOUTH OF FOREST AREA COORDINATED AREA PLAN, PHASE 2 AND AMENDING SECTION 18.08.040 OF THE PALO ALTO MUNICIPAL CODE (THE ZONING MAP) TO CHANGE THE CLASSIFICATION OF CERTAIN PROPERTIES GENERALLY BOUNDED BY FOREST AVENUE, RAMONA STREET, ADDISON AVENUE, AND ALMA STREET TO SOUTH OF FOREST AREA, PHASE 2 DISTRICTS

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

SECTION 1. The City Council finds as follows:

A. Coordinated Area Plans ("CAPs") are intended to be used to facilitate neighborhood based planning for the use and re-use of land and buildings. The purposes of a CAP are described by Palo Alto Municipal Code section 19.10.010 as follows:

(a) To create enhanced opportunities for building a sense of community through public involvement in planning processes which are designed not only to satisfy constitutional due process requirements, but also to provide residents, and business and property owners with early, meaningful opportunities to help shape the physical components of their neighborhoods and community.

(b) To emphasize and enhance architectural qualities, public improvements, and site design by providing a graphic, visual linkage between policies and programs established in the Comprehensive Plan and specific development entitlements and public improvements.

(c) To facilitate physical change by each of the following methods:

(1) Accelerating and coordinating the planning process within selected areas so that private development and re-use can proceed under streamlined City review processes.

(2) Encouraging rational private investment by providing specific, dependable information about the design requirements, development standards, and uses allowed on a particular site.

(3) Analyzing and considering the economic environment so that the planning process works in conjunction with the marketplace, rather than independent of it.

(4) Coordinating and timing public infrastructure investment to facilitate desirable private land uses.

(d) To assure Palo Alto's environmental quality by using the Comprehensive Plan Environmental Impact Report to focus environmental review on area and site-specific issues and changed circumstances.

(e) To facilitate orderly and consistent implementation of the City's Comprehensive Plan.

B. The City Council has conducted a public hearing on the South of Forest Area, Phase 2 ("SOFA 2") Coordinated Area Plan ("CAP").

C. The City Council has reviewed and considered the information contained in the SOFA CAP Final Environmental Impact Report, and the Addendum to it, and has certified the adequacy of the environmental review and has made findings upon the significant environmental impacts identified in the EIR.

D. The City Council finds and determines that the SOFA 2 CAP is consistent with the Comprehensive Plan of the City of Palo Alto, as amended. The City Council has specifically considered the regional welfare and the impacts of the development agreement upon the regional welfare. The City Council finds and determines that the benefits of the project set forth in the EIR and CAP establish the reasonable relationship of the project to the regional welfare.

E. The City Council has specifically considered and hereby approves integration of the SOFA 2 CAP with the City's Capital Improvement Program in order to assure timely implementation of the public improvements set forth in the CAP.

F. The City Council has specifically considered the economic and fiscal feasibility of the SOFA 2 CAP in light of market place factors and incentives and disincentives to the desired development product, as well as a cost-benefit analysis of the public infrastructure investments and projected economic benefits to the city and community, and hereby finds and determines as follows:

(1) The proposed development is economically feasible under current market conditions;

(2) The development intensity proposed is warranted by the area's close proximity to both transit and neighborhood and downtown retail services, and to existing single and multiple family development; and

(3) The public infrastructure investment of approximately $10,000,000 in Phase 1 of the CAP resulted in the City acquiring a total of 2.41 acres of land and the historic Roth building for park, affordable housing and public facility purposes. This public investment was warranted by the City's need for affordable housing and parkland. In addition, 1.5 acres of the 2.41 total were dedicated without cost to the City. Public infrastructure planned for the Phase 2 area includes the Homer Avenue pedestrian/ bicycle undercrossing and street improvements. The public infrastructure investment will total approximately $3,200,000, most of which will be reimbursed through grants from various sources.

G. The City Council hereby finds that the adoption of the SOFA 2 CAP will serve the public interest, health, safety and general welfare.

SECTION 2. The SOFA 2 CAP shall be deemed to include the following documents:

A. South of Forest Area Coordinated Area Plan, Phase 2 attached as Exhibit "A;"

B. The environmental mitigation measures identified in the accompanying "Resolution of the Council of the City of Palo Alto Certifying the Adequacy of the South of Forest Area Coordinated Area Plan Final EIR as the Environmental Document for the SOFA 2 Coordinated Area Plan and Making Findings Thereon Pursuant to the California Environmental Quality Act," each of which has been incorporated into Exhibit "A"; and

C. This Ordinance Adopting the South of Forest Area, Phase 2 Coordinated Area Plan;

SECTION 3. The City Council hereby adopts the SOFA 2 CAP as the coordinated area plan and zoning regulations for SOFA 2.

SECTION 4. Section 18.08.040 of the Palo Alto Municipal Code, the "Zoning Map," is hereby amended by changing the zoning of

that area property shown on the map labeled Exhibit "B," attached to this ordinance and by this reference made part of it, to SOFA 2 CAP, and more particularly to its districts, SOFA R-2, SOFA RM-15, SOFA RM-30, Residential Transition RT-35 and Residential Transition RT-50. Planned Community Districts 2697, 3707, 4283, and 4389 remain in effect, subject to the additional requirements of the SOFA CAP, Phase 2.

SECTION 4. This ordinance shall be effective upon the thirty-first (31st) day after its passage and adoption.

INTRODUCED: November 10, 2003

PASSED: November 24, 2003

AYES: BEECHAM, BURCH, FREEMAN, KISHIMOTO, LYTLE, MOSSAR, OJAKIAN

NOES:

ABSENT: KLEINBERG, MORTON

ABSTENTIONS:

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED:

Mayor

City Manager

Director of Planning and Community Environment