TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER DEPARTMENT: PLANNING & COMMUNITY ENVIRONMENT

DATE: APRIL 11, 2005 CMR: 211:05

SUBJECT: ZONING ORDINANCE UPDATE: ADOPTION OF AN ORDINANCE ADOPTING A REVISED SINGLE FAMILY RESIDENTIAL (R-1) CHAPTER (18.12) OF THE ZONING ORDINANCE (TITLE 18); AMENDING RELATED DEFINITIONS CONTAINED IN CHAPTER 18.04 AND RELATED HOME IMPROVEMENT EXCEPTION PROVISIONS IN 18.76 AND 18.77; AND INCORPORATING RELATED R-1 SINGLE-STOREY HEIGHT COMBINING DISTRICT (S) REGULATIONS CONTAINED IN 18.13, RELATED SPECIAL RESIDENTIAL BUILDING SITE COMBINING DISTRICT REGULATIONS CONTAINED IN CHAPTER 18.15, AND RELATED R-1 SINGLE FAMILY INDIVIDUAL REVIEW PROVISIONS CONTAINED IN CHAPTER 18.14 INTO CHAPTERS 18.12, 18.76 (PERMITS AND APPROVALS) AND 18.77 (PROCESSING OF PERMITS AND APPROVALS) OF TITLE 18 (ZONING ORDINANCE) OF THE PALO ALTO MUNICIPAL CODE.

RECOMMENDATION

Staff and the Planning and Transportation Commission (P&TC) recommend Council approval of the proposed ordinance (Attachment A), including Exhibit A, comprising the revised Single Family Residential (R-1) Chapter (18.12) of the Zoning Ordinance.

BACKGROUND

Planning staff presented the proposed R-1 chapter of the Zoning Ordinance to the Council on October 4, 2004 (CMR 437:04) and March 14, 2005 (CMR 180:05). At the March 14 meeting, Council heard public testimony from approximately 55 speakers. At the conclusion of this meeting, the Council closed the public hearing and continued the item to April 11, 2005.

More than three-quarters of the public testimony focused on proposed revisions regarding expanding opportunities for second dwelling units. Of these speakers, approximately 19 were in support of expanding second dwelling unit opportunities, 18 were in opposition, and another 6 were not directly opposed, but indicated that some limitations should be provided if the change is approved. Comments included very strong concern that there would be an unacceptable increase in rental second units in R-1 neighborhoods resulting
in increased noise and traffic on the one hand; to supporting the policies of the Housing Element for increasing these types of housing units, and allowing property owners to add second dwelling units and increasing the general housing stock as well as providing small units for family members.

Another topic of testimony was whether to allow second stories on substandard lots (4 supportive comments, 2 opposing, and 4 in support if limited in scope, generally as proposed by staff).

A few speakers spoke in opposition to the enclosure of noise producing equipment and in opposition to maximum lot sizes. Other comments addressed contextual front setbacks, application of Home Improvement Exceptions (HIE), opposition to parking in the front setback for second units and the Single-Family (S) overlay districts.

Staff has attached responses (Attachment C) to Council questions submitted during and following the March 14th meeting.

DISCUSSION
Second Dwelling Units
In response to public testimony and Council questions, staff is recommending a development limit of 15-second units annually over the next 5 years. The proposed alternative recommendations for small second units consists of the following:

• This limit would apply to small (up to 450 square feet) second dwelling units on lots of at least 7,000 square feet and less than 135% (8,100 sq. ft.) of the minimum lot size.
• All single-family zones would allow for small second units on 7,000 square foot lots. This includes all R-1 combining districts. (See Table 5B, Section 18.12.070 of the Ordinance).
• The limit of 15 units per year would be rolled over to the next year if that maximum were not constructed.
• The five-year limit will be from June 1, 2005 to June 1, 2010. Staff will also report annually to the PTC and Council on the development of these units, including total units approved and built, as well identifying concentrations of units in specific neighborhoods. After 5 years, the program will be evaluated and will expire unless Council takes further action to extend it.

These limitations do not affect the existing allowance for second units on lots that are 135% or more of the required minimum lot size (8,100 square feet or more). A second dwelling unit of up to 900 square feet is allowed on such lots. There are two important reasons for not adding these lots to the 5 year limit; 1) these regulations are already in effect and there have been no negative impacts from the average of three units built each year; and 2) revising the existing provisions for second units could affect the City’s compliance with State legislation.

The proposed changes are incorporated into the draft code chapter at Section 18.12.070. The Planning Staff and City Attorney have also included findings in the proposed
ordinance to support the suggested changes in light of State second unit law requirements.

**Second Dwelling Unit Parking**
Some concern was also expressed about the proposed exception to allow one parking space for a second dwelling unit to be located in the front setback. The wording in the draft Code would allow the Director to approve the exception only if the parking cannot be provided elsewhere on-site and would not cause unnecessary grading or tree removal. There are existing standards that would still apply: at least 60% of the front yard must be comprised of permeable surfaces; tandem parking is permitted in R-1 zones; and parking is allowed in the last 6 feet of the 16 foot street side yard setback. A second driveway cut is not permitted on standard single-family lots. The exception is intended to apply to circumstances where that space could not be provided elsewhere on site and is therefore constraining construction of the second dwelling unit. It would most likely apply to those homes built at or near their front setback line and with garages located near the front setback where it is more difficult to locate the required parking space outside the front setback. Homes where the garage is located at least 40 feet from the front property line would not likely need the exception because the additional uncovered parking space could be provided outside the front setback.

**Noise-Producing Equipment**
Staff has also developed more specific language regarding the requirements for noise-producing equipment in response to public and Council questions about ventilation and location of such equipment. The proposed language (Section 18.12.040(l)) provides that the Planning Director could allow noise-producing equipment to be located within the building envelope but without housing and/or insulation, where a combination of technical equipment specifications and location will assure compliance with the City’s noise ordinance criteria at the nearest property line.

**RESOURCE IMPACT**
The implementation of limiting the development of small second dwelling units on lots between 7,000 and 8,100 square feet is not expected to significantly impact staff resources or the City’s budget. Additional staff time will be required initially to set up a tracking system for these units and to educate staff and the public on these limitations. Resource impacts associated for other R-1 requirements, including impact fees for all second dwelling units, were previously discussed in the October 4, 2004 and March 15, 2005 CMR’s. The standard community facilities impact fee for second dwelling units ($3,723) would apply to those additional units that would be developed in the city.

**POLICY IMPLICATIONS**
Recommendations of this staff report are consistent with the overall land use and housing goals of the Comprehensive Plan, which are listed and discussed in the March 14, 2005 CMR. The Zoning Ordinance Update is intended to bring the Zoning Ordinance into compliance with the 1998-2010 Comprehensive Plan. Staff and the Commission believe that the proposed amendments are a significant step in that direction.
ENVIRONMENTAL REVIEW
The proposed R-1 Chapter changes are covered by the environmental analysis conducted for the adoption of the Comprehensive Plan. The Comprehensive Plan Environmental Impact Report (EIR) was certified by the City Council on July 20, 1998. The Addendum to the Comprehensive Plan EIR was adopted by the City Council on December 2, 2002 with the update to the Housing Element policies and programs. Staff has considered the proposed revisions to the R-1 district, and finds that they are not changes to or new information not analyzed in previous environmental analysis. Additionally, they do not have any additional significant environmental effects or increase any previously analyzed effects that were contained within the Comprehensive Plan EIR and Addendum.

The ZOU’s environmental consultant, EIP Associates, also reviewed the proposed R-1 changes. In addition to analyzing the potential impacts from basements on groundwater, concluding that there would be no cumulative impacts from construction of single family basements, they concurred with staff’s conclusion that the new R-1 Chapter is consistent with the Comprehensive Plan EIR and Addendum.

ATTACHMENTS
Attachment A: Proposed Ordinance Adopting Changes to the R-1 Chapter (18.12) and Definitions (18.04) of the Zoning Code
Exhibit A: Final (Clean) Version of R-1 Code
Attachment B: Errata Sheet (Corrections to R-1 Code)
Attachment C: Council Questions and Responses

Cc: Planning and Transportation Commission.

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