TO:             HONORABLE CITY COUNCIL

FROM:           CITY MANAGER

DEPARTMENT: PLANNING AND
COMMUNITY ENVIRONMENT

DATE:            NOVEMBER 6, 2006

CMR:  397:06

SUBJECT:         STATUS REPORT ON COMPREHENSIVE PLAN AMENDMENT
SCHEDULE AND WORK PROGRAM

This is an information report and no Council action is required.

BACKGROUND
On June 5, 2006, the City Council approved the Work Program for an amendment to the Comprehensive Plan. The focus of the amendment is to ensure adequate public services are available to serve new housing development, to preserve sufficient land for neighborhood-serving retail uses and to extend the Comprehensive Plan through 2020. The amendment process was to begin after completion of the Zoning Ordinance Update (ZOU) process in spring of 2007 and anticipated to take approximately 2 years to complete. Staff will be returning to Council in the winter of 2006/2007 with a detailed budget and consultant contracts. As an interim measure to prevent loss of retail sites prior to completion of the Comprehensive Plan amendment, on August 7, 2006 the Council: 1) directed staff to modify the commercial zoning districts to eliminate “stand alone” housing through the ZOU and 2) initiated rezonings on the Palo Alto Bowl, Mayflower Motel and Summerwinds Nursery and adjacent office sites, which are planned and zoned for housing but currently used for commercial development. Subsequent to the Council’s approval of the Work Program, the State notified the City that all housing elements are to be revised by June 2009. The Work Program adopted by Council did not anticipate changes to the Housing Element.

DISCUSSION
As part of the Comprehensive Plan amendment process, staff proposed quarterly progress reports to Council. Although the amendment process is not scheduled to begin until after completion of the ZOU in 2007, staff has prepared this report to provide Council with information related to the amendment schedule and Work Program in general and as it relates to the State’s housing element requirements and Regional Housing Needs Allocation (RHNA) process. The report also provides the status of the four Council-initiated rezonings. Planning staff is coordinating with Budget staff and will be including funding for the Comprehensive Plan amendment work in the mid-year budget package.
Housing Element and ABAG RHNA Process
In July of 2006, the City received information from ABAG initiating the RHNA methodology process. Since then, staff has been carefully monitoring the progress of the ABAG Housing Methodology Committee (HMC). At its October 19th meeting, the HMC approved an allocation methodology for assigning shares of the regional housing need to each city and county in the Bay Area using factors related to housing growth, jobs, and opportunities for transit oriented development near existing and planned transit stations. Recently Palo Alto staff responded to a questionnaire from ABAG regarding factors related to growth projections and growth capacity. ABAG has assumed that in 2020, Palo Alto’s population will be 70,900; staff’s response supports a more realistic projection of 65,000-66,000. The population projections are critical because they will be a factor used in determining housing growth for the RHNA within Palo Alto.

The ABAG Board of Directors will adopt proposed a “fair share” methodology for all jurisdictions in the Bay Area in January based on the HMC’s recommendations and public input. The draft housing allocations based on the adopted methodology are to be released by June 30, 2007. The current state housing RHNA statute provides for two reviews of the proposed allocations. The first begins in June 2007 and concludes in October 2007. The second is an appeals period which begins in November 2007 and concludes in April 2008. The RHNA process schedule is attached, which shows that adopted Housing Elements are due to the state by June 2009.

Work Program and Schedule Revisions
Due to the requirement to update the City’s Housing Element by 2009, staff has revised the Work Program for the Comprehensive Plan amendment (Attachment A) to incorporate the Housing Element review. Although staff did not originally include updating the Housing Element through the amendment process, staff anticipates completing the amendment within two years after completion of the ZOU and the Council-related rezonings as reflected in the attached schedule. The ZOU schedule that staff presented to Council in June reflects the anticipated timeline for ZOU completion. The Commercial Zones/Mixed Use and Performance Standards should be completed by the end of 2006. The Multi-family Districts should be heard by Council in early 2007 with the remaining chapters of the ZOU to Council in spring of 2007, which would conclude the ZOU process.

Rezonings of Four Properties to Commercial
In late August, staff sent letters to all owners and tenants of the four sites (Palo Alto Bowl, Summerwinds Nursery, Middlefield Road office building and Mayflower Motel) proposed to be redesignated and rezoned from multi-family use to commercial and has met with the property owners and some tenants to discuss the proposed changes. A community meeting to discuss the proposed land use changes was held on October 26, 2006. Staff prepared several development prototypes of different land uses including retail, mixed use and housing for each site, which were discussed at the community meeting. The prototypes will also be provided to the Planning and Transportation Commission and City Council during their deliberations on the land use changes for the three sites. It is anticipated that the rezonings will be heard by the Planning and Transportation Commission before the end of the year and the City Council in early 2007. Staff
has also identified additional sites in the City that are currently used for commercial development but planned and zoned for residential uses and not listed on the City’s Housing Sites Inventory. Staff will be returning to Council to initiate rezonings on those sites before the end of the year.

RESOURCE IMPACT
This report is a status update to Council and has no resource impacts.

ENVIRONMENTAL REVIEW
This report is an information item and is not subject to CEQA.

ATTACHMENTS
A. Comprehensive Plan Amendment Work Program (revised October 2006)
B. Comprehensive Plan Amendment Schedule (revised October 2006)
C. ABAG RHNA Schedule

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