February 25, 2019

The Honorable City Council
Palo Alto, California

SECOND READING: Ordinance of the Council of the City of Palo Alto
Amending Chapter 18.18 (Downtown Commercial District) of Title 18
(Zoning) of the Palo Alto Municipal Code (PAMC) to Repeal Section
18.18.040 Relating to a Nonresidential Square Footage Cap in the CD
Downtown Commercial Zoning District to Implement and Conform to
the Updated Comprehensive Plan 2030 (FRIST READING: February 11,
2019 PASSED: 4-3 DuBois, Filseth, Kou no)

This item was heard by the Council on Monday, February 11, 2019 and approved on a 4-3 vote.
It is now before the Council for the second reading. The adopted Motion is listed below.

MOTION AS AMENDED RESTATED: Council Member Kniss moved, seconded by Vice Mayor
Fine to:

A. Find the Ordinance within the scope of the Comprehensive Plan Environmental Impact
Report (EIR) certified and adopted on November 13, 2017 by Council Resolution No. 9720;

B. Adopt an Ordinance implementing City Council direction from January 30, 2017 to
repeal Palo Alto Municipal Code (PAMC) Section 18.18.040 regarding a non-residential
floor area restriction in the CD Downtown Commercial Zoning District; and

C. Direct Staff to return with a Phase II study on net new office floor area, including square
footage per office staff and draft policy recommendations to encourage housing
production Downtown including possible restrictions to office space Downtown if
needed.

MOTION AS AMENDED PASSED: 4-3 DuBois, Filseth, Kou no

ATTACHMENTS:

• Attachment A- Municode Ord 18.18.40. (PDF)
**NOT YET ADOPTED**

DRAFT

Ordinance No. ___

Ordinance of the Council of the City of Palo Alto Amending Chapter 18.18 (Downtown Commercial District) of Title 18 (Zoning) of the Palo Alto Municipal Code (PAMC) to Repeal Section 18.18.040 Relating to a Nonresidential Square Footage Cap in the CD Downtown Commercial Zoning District to Implement and Conform to the Updated Comprehensive Plan 2030

The Council of the City of Palo Alto ORDAINS as follows:

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

A. The 1998 Comprehensive Plan for the City of Palo Alto included a program, Land Use Program L-8, to limit new nonresidential development in the Downtown area to 350,000 square feet or 10 percent above the amount of development existing or approved as of May 1986 (the “Downtown cap”), and to re-evaluate this limit when nonresidential development reached 235,000 square feet. This program perpetuated the already existing Downtown cap adopted in 1986 by Ordinance No. 3696 which had amended the Zoning Code to add a new chapter codifying the Downtown cap.

B. Beginning in 2013, when Downtown nonresidential development was approaching 235,000 square feet, the City re-evaluated the Downtown cap, studying land use and traffic conditions and impacts, at the same time that the Comprehensive Plan update process was underway.

C. As part of Council’s process for adoption of the updated Comprehensive Plan in 2017, the Council determined to maintain a cumulative citywide cap on nonresidential development of 1.7 million square feet and apply it to office/R&D development only with certain exemptions, to continue on an ongoing basis the annual limit on office/R&D development by a separate ordinance, and to eliminate the 350,000 square foot cap on nonresidential development in the Downtown in then-existing Program L-8 and focus on monitoring development and parking demand. Accordingly, former Program L-8 is not included in the Comprehensive Plan 2030 as adopted by the Council on November 13, 2017.

D. This Ordinance, which would remove the Downtown cap from the Zoning Code, implements and is in furtherance of the updated Comprehensive Plan 2030.

SECTION 2. Section 18.18.040 (Repeal of Regulations) of Chapter 18.18 (Downtown Commercial (CD) District) of Title 18 (Zoning) is repealed in its entirety.

18.18.040 Repeal of Regulations
The department of planning and community environment shall monitor the number of square feet approved for nonresidential development in the CD district and the number of square feet approved for nonresidential development pursuant to a planned community (PC) zone if the site of the PC zone was within the CD district on the effective date of this chapter. When 350,000 square feet of nonresidential development have received final design review approval pursuant to Chapter 18.76 or have received building permits, if no design approval is required, this chapter shall be repealed and a moratorium shall be imposed. This moratorium shall prohibit the city's acceptance or processing of any application for planning approval or a building permit for new nonresidential square footage in the CD district. This moratorium shall remain in effect for one year while the city undertakes a study of what regulations would be appropriate in the CD district. The moratorium may be extended by the council until such study is completed and appropriate regulations are implemented.

SECTION 3. Any provision of the Palo Alto Municipal Code or appendices thereto inconsistent with the provisions of this Ordinance, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this Ordinance.

SECTION 4. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 5. The Council finds that the Ordinance is within the scope of and in furtherance of the Comprehensive Plan 2030 which was evaluated in that certain Final Environmental Impact Report ("Final EIR") certified and for which findings were adopted by Council Resolution Nos. 9720 and 9721 on November 13, 2017, all in accordance with the California Environmental Quality Act ("CEQA"). Pursuant to Section 15168 of the State CEQA Guidelines, the City has determined that no new effects would occur from and no new mitigation measures would be required for the adoption of this Ordinance.

SECTION 6. This Ordinance shall be effective on the thirty-first date after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:
ABSTENTIONS:

NOT PARTICIPATING:

ATTEST:

____________________________  ______________________________
City Clerk                          Mayor

APPROVED AS TO FORM:                APPROVED:

____________________________  ______________________________
Assistant City Attorney               City Manager

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Director of Planning & Community
   Environment