TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER
DEPARTMENT: PLANNING AND COMMUNITY ENVIRONMENT
DATE: JULY 28, 2008
CMR: 323:08

SUBJECT: JOINT CITY COUNCIL/PLANNING & TRANSPORTATION COMMISSION STUDY SESSION ON THE COMPREHENSIVE PLAN AMENDMENT WORK PROGRAM

PURPOSE
The purpose of the study session is for staff to outline the scope, schedule and budget of the Comprehensive Plan Amendment and the expected approach to each of the key work plan components. Staff recommends that the City Council and Planning & Transportation Commission provide comments and input to staff and the consultant team regarding implementation of the work program.

BACKGROUND
On April 7, 2008, the City Council approved the selection of two consultants for completion of the Comprehensive Plan amendment contract work plan: Design, Community & Environment (DC&E), the lead planning and design firm, and Applied Development Economics (ADE), an economic consultant. In conjunction with approving the consultant team, the Council also requested that staff schedule a joint study session with the Planning & Transportation Commission within approximately 90 days to further discuss the components of the work program and to provide direction to staff and the consultant team regarding its implementation. The City Council had initiated the amendment in 2006 with approval of a Colleague’s Memo that outlined the general parameters of the work program. The focus of the amendment is to ensure that sufficient public services are available to serve new housing development, that sufficient land for neighborhood-serving retail uses is retained, that impacts of increased housing on public services such as parks, libraries and schools are mitigated and that the City’s commitment to reduce global warming is addressed.

The Council indicated at the time the work program was developed that the amendment was to continue the direction of the 1998 Comprehensive Plan and underscore its major themes, including:
• Building Community and Neighborhoods
• Maintaining and Enhancing Community Character
• Reducing Reliance on the Automobile
• Meeting Housing Supply Challenges
• Protecting and Repairing Natural Features
• Meeting Residential and Commercial Needs
• Providing Responsive Governance and Regional Leadership

The Council has allocated $850,000 for this work effort over a 3 to 4 year period. This budget and timeframe is premised on retaining the focused scope outlined below.

**DISCUSSION**

The joint City Council and Planning & Transportation Commission (PTC) study session provides an opportunity for the City Council, the PTC and the public to review and comment on the process developed by staff for implementing the Comprehensive Plan amendment work program, at the initial stage of the process. The main work plan elements for the Comprehensive Plan amendment approved by Council in 2006 are listed below. For each major element of the work program staff has provided a summary of the proposed approach to implementation. Staff has also included a detailed schedule for the work program (Attachment A) that identifies the major components and a timeframe for their completion.

- **Revise existing conditions and update growth projections**
  Recent trends in development patterns and new data will be incorporated into base conditions staff and ADE will identify a realistic growth rate for development through 2015-2020. ADE will review available projections from various data sources and evaluate historic growth patterns to provide a context for the projections. ADE will prepare a housing needs assessment, which will focus on local demographic and household characteristics that affect local demand. ADE will also complete a comprehensive assessment of commercial growth opportunities in Palo Alto. Policy L-8 of the Comprehensive Plan limiting non-residential growth will be evaluated. Staff and the consultant team will present their recommendations regarding growth projections at a Council/PTC study session(s) in early 2009.

- **Prepare two area studies and update land use map**
  DC&E will prepare concept plans for the East Meadow Circle/Fabian Way/West Bayshore area and the California Avenue PTOD area (including the existing Fry’s Electronics site and adjacent properties). These concept plans will address land use and circulation and provide policy guidance for each area. Although the focus of the potential land use changes will be in these two specific areas, an overall evaluation of land use patterns within an area generally bounded by Highway 101, El Camino Real, Embarcadero Road and San Antonio Road will be completed. Three neighborhood workshops for each of the two study areas will be held to identify issues, develop alternatives and select a preferred alternative. The resulting plans will establish a vision for each area. Council and Commission input regarding the scope of the area plans is appropriate at the study session.
For the **Cal Avenue PTOD/Fry’s area**, it is anticipated that the concept plan will also include evaluation of the functionality of California Avenue for autos, bicyclists and pedestrians and potential for redevelopment or intensification near the transit station. The designation of the Park Boulevard Bicycle Boulevard in the area plan will also be an important component of this study. Staff anticipates that the preparation of the concept plan may lead to a more specific plan for this area, with possible funding available from ABAG as a designated Planned Development Area (PDA).

For the **East Meadow/Fabian Way/West Bayshore** concept plan, primary issues of concern will be the balance of residential and non-residential uses and assuring that any new housing in the area is adequately supported by infrastructure and community services, including support retail, bikeways and trails, parks and community facilities. The actual boundaries of this study have yet to be determined but could be expanded to incorporate the potential Foothill College campus at Cubberley on Middlefield.

- **Review and modify appropriate Comprehensive Plan text**
  Staff will carefully evaluate all policies and programs for relevance and clarity and review potential changes with the PTC through a series of meetings in the fall/winter 2008/2009. The vision statements will also be evaluated although it is anticipated that the current vision statements will continue to serve as the framework for the amendment to the Comprehensive Plan. Existing land use definitions will be evaluated and appropriate uses under each definition will be further refined. After PTC review, staff will review all of the policies and programs with Council in early 2009. Policies that currently allow conversion of non-residential land to residential uses will be modified to ensure sufficient retail potential and to prevent loss of potential tax dollars. Policies and programs that limit the loss of retail serving uses will be strengthened or added.

- **Develop a Sustainability theme for inclusion in Comprehensive Plan**
  Sustainability will be addressed by adding an eighth major theme to the Comprehensive Plan and incorporating relevant concepts throughout each chapter of the Plan from the City’s existing programs, policies and initiatives including the City’s Climate Protection Plan. The Comprehensive Plan will underscore the City’s commitment to addressing climate change concerns. At this time Staff and the consultants are proposing to incorporate sustainability components into each of the existing Plan chapters, however, creating a new Sustainability Chapter is another option.

- **Retail Market Analysis/Fiscal Study**
  ADE will evaluate the fiscal impacts of land-use options through use of a fiscal model. The model will be useful for understanding how the past and present land use mix has affected the City’s fiscal conditions. ADE will also prepare a comprehensive assessment of commercial opportunities in Palo Alto and Palo Alto’s current retail market. Staff has requested ADE to particularly focus on the viability of neighborhood serving retail areas and potential opportunities for commercial growth.

- **Housing Element and Housing Sites Inventory**
The Housing Element programs and polices will be reviewed and modified to address recommendations from the Below Market Rate Study that was recently approved by Council and from the May 14, 2008 PTC study session on housing. The focus of the changes is likely to include policies that encourage more affordable, higher density, smaller units near transit that appeal to lower income seniors, singles or couples. Staff will initially develop a Housing Inventory that establishes criteria for recommending sites to place on the inventory. These criteria may include: proximity to transit along a major transportation corridor, existing zoning that allows higher density residential either alone or in a mixed use configuration, and the site potential for redevelopment and/or intensification.

Staff will work closely with the community and the PTC over the next year to develop the housing policies and programs and a list of potential sites for the Inventory, and will then share those with the PTC and Council in early 2009 to solicit direction on the City’s approach to the Housing Element. After completion of the Area Studies, staff will add any additional housing from those studies to the list of potential inventory sites. From this expanded list, the PTC and Council will determine the composition of the inventory and finalize the approach addressing housing needs. It is anticipated that the draft Housing Element will be completed by the end of July 2009 and forwarded to the State for an initial compliance review.

- **Infrastructure and Community Facilities Analysis**
  The Comprehensive Plan Amendment will also provide a thorough analysis of levels of service needs for schools, parks and libraries relative to current and projected growth (particularly housing growth) through 2020. General areas for new parks and community facilities will be identified based on unmet need. Policies to support neighborhood connections to enhance and integrate a pattern of walkable neighborhoods will be developed and potential connections identified. Staff and the consultants will coordinate with the Palo Alto Unified School District (PAUSD) to identify school capacity constraints and thresholds and potential options to accommodate an increased number of students.

- **Public Outreach**
  The main components of the public outreach program for the Comprehensive Plan amendment that have been identified consist of a variety of methods to engage public participation and include:

  1. A dynamic interactive website with blog that is frequently updated with project status and a schedule of upcoming events;
  2. Newsletters for periodic inclusion in residents’ utility bills;
  3. Stakeholder meetings for Area Plans;
  4. Neighborhood Workshops for each Area Plan;
  5. Community Workshops for overall plan discussion;
  6. Integration with PAUSD outreach and programs;
  7. A Youth Community Workshop; and
  8. A series of PTC Comprehensive Plan meetings

Another major component of the work program will include preparation of an environmental impact
report and integration of CEQA significance thresholds used in the EIR into an appendix to the Comprehensive Plan amendment. Policies to support neighborhood connections to enhance and integrate a pattern of walkable neighborhoods will be developed and potential connections identified.

- **Schedule of Work**
  Attachment A provides a detailed draft timeline for the entire Comp. Plan amendment process. The main components are:

  - Completion of Background Studies – through December 2008
  - Area Concept plan preparation – January 2009 to May 2010
  - Draft Housing Element preparation – August 2008 to July 2009
  - Comprehensive Plan EIR Preparation – July 2009 to May 2010
  - Comprehensive Plan Amendment for Review and Adoption – June 2010 to December 2010

**RESOURCE IMPACTS**
There are no fiscal impacts resulting from the study session. The Council approved a budget of $850,000 in April 2008 for the amendment process, to be spread over 4 years beginning in FY 07/08.

**POLICY IMPLICATIONS**
Although this study session will result in no policy decision, the Comprehensive Plan amendment process enables the Comprehensive Plan to be updated to focus on current City policy and adequately reflect the City’s vision consistent with the goals of the existing Comprehensive Plan. The updated plan is intended to provide an effective guide for future growth in the City.

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**ATTACHMENTS**
A. Schedule of Work for Comprehensive Plan Amendment