



City of Palo Alto

City Council Staff Report

(ID # 9890)

Report Type: Action Items

Meeting Date: 12/3/2018

Summary Title: 2018 Comp Plan Implementation/Housing Ordinance (First Reading)

Title: PUBLIC HEARING: Adoption of an Ordinance Amending Various Sections of Title 18 of the Palo Alto Municipal Code Related to Residential and Mixed-use Development Standards Including, but not Limited to, Minimum and Maximum Unit Density, Unit Size, Floor Area Ratio, Height, and Open Space Including Rooftop Gardens; Parking Requirements Including, but not Limited to, Regulations Related to In-lieu Parking for Downtown Commercial Uses and Retail Parking for Mixed Use Projects; Exclusively Residential Projects in Certain Commercial Zoning Districts; Ground-floor Retail and Retail Preservation Provisions; the Entitlement Approval Process; and Other Regulations Governing Residential, Multi-family Residential and Commercial Zoning Districts, all to Promote Housing Development Opportunities in These Zoning Districts in Furtherance of Implementation of the Comprehensive Plan. CEQA: Determination of Consistency with the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720. The Planning and Transportation Commission Recommended Approval of the Proposed Ordinance on October 10, 2018 (Continued From November 26, 2018)

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that the City Council:

1. Find the proposed ordinance is consistent with the Comprehensive Plan Update Final Environmental Impact Report.
2. Adopt the attached ordinance (Attachment A)

Executive Summary

The draft ordinance is intended to create additional opportunities for new housing production to complement other policy initiatives approved by the City Council this year. While significant changes are proposed to advance housing goals, this set of policy changes alone is not expected to create the number of annual housing units anticipated from the Comprehensive Plan update. Existing policies and market conditions continue to favor commercial development over housing particularly downtown and in the California Avenue area. Additional gains in housing development can be achieved with additional changes to parking, floor area and height standards. However, such modifications would benefit from additional public comment.

The value of the proposed ordinance is that it streamlines project review, increases unit density, adjusts parking requirements to be more aligned with industry standards and modifies other development regulations that constrain housing development. It increases floor area for housing projects (on par with existing floor area standards for commercial development) and preserves local control of the design review process. The building volume that exists in the code today with respect to setbacks, height, and daylight plane are generally preserved.

In short, the proposed ordinance makes gains toward increased housing production while balancing interests to preserve neighborhood character. This report summarizes work completed over the past year to develop the 2018 Comprehensive Plan Implementation/Housing Ordinance.

1. The Background section of this report summarizes the following items:
 - a. The purpose of the Housing Work Plan
 - b. Work completed by the Architectural Review Board and Planning & Transportation Commission on drafting the 2018 Comprehensive Plan Implementation/Housing Ordinance
 - c. Findings and outcomes from advisory meetings with developers and architects, and with the community at-large
 - d. Findings from an evaluation of parking demand and supply in multifamily developments in Palo Alto.
2. The Discussion section presents zoning revisions identified in the ordinance in Attachment A that meet the intent of the Housing Work Plan and describes the rationale for each zoning change.
3. The Analysis section analyzes potential impacts of the draft zoning revisions, including how the revisions would increase housing production and affordability, and implications

under State Density Bonus Law and SB35 streamlining provisions. Additionally, massing models of how hypothetical sites could buildout under existing and proposed standards are provided in Attachments B and C.

The ordinance proposes a variety of changes to the multifamily zoning districts and certain commercial zoning districts in Palo Alto as well as some broader citywide changes, all to encourage housing production. Due, in part, to the scope of the ordinance, potential conflicts of interest are implicated for several members of the Council with respect to different portions of the ordinance. This necessitates the structuring of the Council's consideration of the ordinance as follows: after the staff presentation of the entire ordinance and public comment, the Council's discussion, deliberation and vote on the ordinance will be segmented to allow Councilmembers to participate in those portions for which they do not have a conflict; specifically, the Council will be asked to segment the matter into four parts: (a) proposed changes specific to the Downtown CD-C zoning district, (b) proposed changes specific to the California Avenue CC(2) zoning district and sites on El Camino Real zoned Neighborhood Commercial CN and Service Commercial CS, (c) proposed changes specific to the Multi-family Residential RM zoning district, and (d) proposed citywide changes. During each of the first three portions, the conflicted Councilmember(s) will leave the public hearing. Thereafter, the Council as a whole will consider the fourth part, the proposed citywide changes. While this may appear cumbersome, this is necessitated by the conflict of interest rules while maximizing Councilmember participation as allowed and feasible.

Background

On February 12, 2018, the City Council approved a Housing Work Plan, which outlined steps to implement the City's vision and adopted policies and programs for housing production, affordability, and preservation. The Work Plan included select policies and programs from the adopted Comprehensive Plan, adopted Housing Element, and a City Council colleagues' memo issued on November 6, 2017.

February 5, 2018 City Council Staff Report and City Council Colleagues' Memo

<https://www.cityofpaloalto.org/civicax/filebank/documents/63054>

Draft Housing Work Plan (February 2018)

<https://www.cityofpaloalto.org/civicax/filebank/documents/63027>

February 12, 2018 (as continued) City Council Action Minutes:

<https://www.cityofpaloalto.org/civicax/filebank/documents/63659>

The Work Plan describes the City's progress towards the housing production goals at various income levels (i.e. Regional Housing Needs Assessment, or RHNA). The Work Plan also explains the City's progress towards the housing projections developed during preparation of the updated Comprehensive Plan (i.e., 3,545-4,420 new units between 2015 and 2030). In both

cases, the City is behind in its effort to meet these goals. The approved Housing Work Plan indicates what action is needed to spur housing production.

This report and the draft ordinance attached for the Council's consideration represents one aspect of the Work Plan.

PTC and ARB Referral

The City Council referred specific Work Plan items to the PTC that would be included in the subject ordinance. The PTC held seven meetings to analyze various aspects of the Work Plan and to consider possible zoning changes to facilitate implementation of both the Work Plan and (by extension) the Comprehensive Plan housing production targets. The Architectural Review Board (ARB) also reviewed draft open space standards. A summary of previous study sessions is provided with links to the staff reports and attachments:

1. March 14th: The PTC discussed the Work Plan goals, timeline, and the PTC's role in implementation. Staff report and attachments:
<https://www.cityofpaloalto.org/civicax/filebank/documents/63859>
Minutes: <https://www.cityofpaloalto.org/civicax/filebank/documents/64589>
2. April 25th: The PTC discussed key issues in the zoning code as they relate to the Council referral, including issues regarding development standards and the entitlement process. Staff report and attachments:
<https://www.cityofpaloalto.org/civicax/filebank/documents/64680>
Minutes: <https://www.cityofpaloalto.org/civicax/filebank/documents/65784>
3. May 30th: The PTC discussed parking topics as they relate to housing production, including a new study of parking occupancy in multi-family residential developments in Palo Alto. Staff report and attachments:
<https://www.cityofpaloalto.org/civicax/filebank/documents/65225>
Minutes: <https://www.cityofpaloalto.org/civicax/filebank/documents/66124>
4. August 29th: The PTC discussed a conceptual framework for the ordinance, including ideas for zoning changes to development and parking standards, use regulations, and the public review process. Staff report and attachments:
<https://www.cityofpaloalto.org/civicax/filebank/documents/66513>
Minutes: <https://www.cityofpaloalto.org/civicax/filebank/documents/67075>
5. September 20th: The ARB reviewed draft standards and guidelines for rooftop open spaces. Staff report and attachments:
<https://www.cityofpaloalto.org/civicax/filebank/documents/66725>
Minutes: <https://www.cityofpaloalto.org/civicax/filebank/documents/67283>

6. September 26th: The PTC reviewed refinements to the conceptual framework for the ordinance. Staff report and attachments:
<https://www.cityofpaloalto.org/civicax/filebank/documents/66826>
 Minutes: <https://www.cityofpaloalto.org/civicax/filebank/documents/67266>
7. October 10th (continued): The PTC recommended that the City Council adopt a draft ordinance. The ordinance provided to the Council in Exhibit A represents this ordinance with the PTC’s recommended modifications. (See details in the Discussion section below.) Staff report and attachments:
<https://www.cityofpaloalto.org/civicax/filebank/documents/67132>
 Minutes: <https://www.cityofpaloalto.org/civicax/filebank/documents/67665>

The PTC endorsed the subject ordinance by a 5-1 vote (Commissioner Summa dissenting and Commissioner Riggs absent). This outcome was the result of several focused meetings that facilitated broad discussion and opportunities to focus on areas of shared support and disagreement. Throughout the process, Commissioners addressed the clear mandate from the Council and deliberated thoughtfully and at times compromising to advance the policy objectives. There are aspects of the ordinance that each Commissioner individually objected to and supported. The attached ordinance reflects the Commission’s final recommendation. This report also includes site massing models requested by the Commission to illustrate how actual sites could build out under the revised zoning regulations.

Community Outreach

Staff conducted two complementary community outreach efforts, as directed by the City Council as part of Work Plan implementation: (1) meetings with individuals who regularly use the City’s zoning code; and (2) a community meeting with the public at-large. Findings from these efforts are described below.

(1) Advisory Meetings. City consultants conducted 16 meetings with 22 individuals (primarily architects and developers) in April and May 2018. Key findings were as follows:

- Generally, developers and architects agreed with the direction of the Council referral, including streamlining the review process and reducing zoning constraints.
- Density and parking were cited as the major constraints to configuring a site in terms of site planning, massing, and the number of units attainable.
- There was a general sense that the current zoning does not support the City’s stated goals of multi-family housing, and a recommendation that the City instead allow the

**PROJECT REVIEW PROCESS
OPPORTUNITIES FOR INPUT**

WHAT IS IT/DO?
 The City's Review Process and Design Review process are critical to the City's ability to manage growth and development. The Review Process and Design Review process are critical to the City's ability to manage growth and development. The Review Process and Design Review process are critical to the City's ability to manage growth and development.

What is it like today?
Residential Design Review Process
 • Whether a use is permitted through an administrative (staff level) approval or a public review process can present an incentive or disincentive to its development.
 • The public review process provides opportunities for community input and feedback from decision-makers, but also adds time, expense, and uncertainty from the perspective of applicants.

DOWNTOWN AND EL CAMINO REAL (D-C, CL, CLS)
 NEED USE WITH 40 UNITS
 City Council PTC Architectural Review City Council
 NEED USE WITH 20 UNITS
 CALIFORNIA REVIEW (PROJ)
 City Council PTC Architectural Review City Council
 ALL PROJECT TYPES
 City Council PTC Architectural Review City Council

What could change?
 Idea #1: Streamline review process for projects that are consistent with the Zoning Ordinance by eliminating City & Design Review with the PTC and Council.
 • Require Architectural Review, with the AD.
 • Maintain existing and hearing process to provide opportunities for public input.
 Idea #2: Allow PTOD bonus height and density "by right" for certain types of projects.
 • Market-rate housing projects?
 • 100% affordable housing projects?
 • Affordable housing with a certain level of affordability (e.g., 80% of Area Median Income)?

COUNCIL WORK PLAN TASKS
 • Review and update the City's Review Process and Design Review process.
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types of developments that it wants “by right” and/or through modifications to density, parking, and related standards.

- Developers and architects expressed frustration about the length of time the entitlement process takes due to multiple reviewing bodies and instead recommended having one review body conduct design review based on a clear set of standards.

A more detailed summary and list of advisory groups can be found in the September 29th PTC report, linked above.

(2) Community Open House. On June 28, 2018, the City held a community open house on housing topics to describe the Housing Work Plan, present ideas for its implementation, and solicit feedback from community members on proposed ideas. Over 30 community members attended the meeting, which included a presentation, an open house of “idea stations” that allowed participants to interact with staff and other participants one-on-one or in small groups, and a debrief to share community members’ comments. The presentation, idea station boards, and detailed feedback (in the form of notes taken by staff and individual feedback forms) may be reviewed on the project website:

https://www.cityofpaloalto.org/gov/depts/pln/long_range_planning/housing_programs_and_policies/housing_work_plan.asp

Key findings are summarized below:

- Participants expressed a range of perspective on housing needs and ideas to spur housing production. There was little consensus about how to implement the adopted goals of the Comprehensive Plan, Housing Element and direction proposed in the Housing Work Plan.
- While some participants supported revisions to development standards and review processes to streamline housing production, others were concerned about impacts of new development on existing neighborhoods, traffic, and services.
- Ideas for revisions to parking regulations had the greatest range in perspectives: some participants were concerned that reductions in parking requirements would lead to spillover parking in neighborhoods; others supported requirements that more closely matched demand, especially for populations with lower parking demand such as seniors, homeless, and low income households.

A more detailed summary can be found in the September 29th PTC report, linked above.

Evaluation of Parking Supply and Demand in Multifamily Housing Developments—The City engaged Fehr & Peers to study parking demand in multi-family developments in Palo Alto, including market rate, affordable, and senior housing projects located at varying distances to

transit. The purpose of the study was to provide another data point in the ongoing discussion regarding the relationship between parking demand and parking supply (i.e., is the amount of parking that the City is requiring and/or that developers are building too much, about right, or too little).

Fehr & Peers, in coordination with City staff, selected nine sites/developments to observe. They counted occupied spaces at three time periods (midday, evening, and late night) on weekdays and at two time periods (midday and late night) on weekends. The report also reviews six other recent South Bay and statewide studies of parking demand and supply, including studies that made observations at other Palo Alto housing developments, and describes standard parking ratios issued by the Institute of Transportation Engineers.

The PTC expressed two concerns about the first draft of the report. First, that it did not survey on-street parking spaces adjacent to each development. Second, that it did not consider residents behaviors to understand where residents park and why.



The Marc, located 0.7 miles from the Downtown Caltrain station. The project provides 0.92 parking spaces per bedroom, but has peak demand of 0.58 spaces per bedroom, suggesting an oversupply of parking.

In response, Fehr & Peers revised the study and conducted new surveys at eight of the nine apartment complexes to measure peak parking demand for both off-street and on-street spaces.¹ Most of the complexes demonstrated similar or slightly lower on-site parking demand between the previous surveys and the new surveys. In addition, Fehr & Peers conducted intercept surveys at one of the complexes, the Marc, to determine residents' perspectives on parking conditions.² Residents at this complex generally parked in the on-site garage since they have assigned spaces, feel safe, and can avoid the hassle of on-street parking. However, the sample size of one complex is too small to draw conclusions. Although anecdotally interesting, the supplemental parking information it fell short of the PTC's expectations to better understand tenants' perspectives.

In conclusion, the study observed the following trends:

¹ One apartment complex had been sold since Fehr & Peers conducted the original survey; the new owners did not want to participate in the updated survey.

² For this in-person survey, Fehr & Peers intercepted residents in and near the project garage to ask questions about their perspectives on parking inside the project versus outside on the street. Only one property manager/owner allowed Fehr & Peers to conduct the intercept survey; the other eight declined to participate.

- On a per bedroom basis, the affordable and senior housing sites had comparable demand rates while market rate units had the highest rates.
- Resident experiences at The Marc indicated that residents prefer to park at the apartment complex instead of on the street and that residents view having available parking/empty spaces any time of day as the “right amount of parking.”
- Parking supply exceeded peak parking demand in the developments surveyed.

The study –helped inform the revised parking regulations presented in the draft ordinance, including reductions for senior housing based on evidence of lower demand. Coincidentally, the revised parking requirements generally equate to those standards allowed under State Density Bonus Law.

The complete parking report was presented to the PTC on September 29th and is directly available online: <https://www.cityofpaloalto.org/civicax/filebank/documents/67711>.

Discussion

These zoning revisions are proposed in parallel with several other zoning and policy changes to achieve Housing Work Plan, Comprehensive Plan, and Housing Element goals. Specifically, changes to local implementation of State Density Bonus Law, an updated Accessory Dwelling Unit Ordinance, an Affordable Housing Overlay, and a Workforce Housing Overlay are intended to facilitate affordable housing at varying income levels and market rate housing opportunities, consistent with the City’s adopted policy.

As these zoning changes are implemented through individual development projects, the City will continue to evaluate the effects of the code change, and make additional revisions over time, as necessary.

Overview of Ordinance Organization and Purpose

The ordinance proposes zoning changes by location and/or zoning district for:

- Citywide – all districts where multifamily uses are permitted
- Multi-family Residential districts - RM districts
- Downtown – CD(C)
- California Avenue – CC(2)
- El Camino Real – CS and CN

Revisions aim to increase housing production and shift redevelopment interests toward housing. The recommendations represent a modest step in that direction. However, City policy on commercial development, high property values, commercial rents, construction costs and other market influences may restrict efforts to expand housing opportunities without significant concessions on housing density and parking. The proposed suite of amendments is

intended to be considered as a complete package. Each concept is interrelated to site planning and housing production objectives, and eliminating one concept could limit the ordinance's effectiveness.

The passage of SB 35 and other housing reforms requires careful examination of how changes in local housing policy may result in development that is larger than anticipated and permitted by-right. The recommendations below are intended to support State and regional housing policy interests, while ensuring Palo Alto retains local control of development with opportunities for analysis of project related impacts.

Consistent with the 2018 Work Plan, the recommendations promote market rate and affordable housing unit production. Commercial floor area is not decreased, but residential uses may apply unused commercial floor area toward housing. Future policy direction may consider further incentives for housing by reducing the amount of commercial floor area that can be achieved. For example, on California Avenue, commercial land uses today can reach a 2.0 FAR. Raising the residential FAR from 0.6 to 2.0 FAR (as proposed) is helpful but is not likely to persuade a land owner redeveloping their property to build residential housing instead of commercial. Decreasing office floor area or significantly increasing residential FAR and likely height limits are standards that could be adjusted further in the future if the proposed changes and market conditions do not result in new housing projects.

Summary of Proposed Zoning Code Amendments³

Proposed zoning changes are described below. Detailed analysis of these concepts, including the rationale behind the changes, is provided in the Analysis section of the report.

1. CITYWIDE REVISIONS

- a. Open Space. Establish a consistent open space requirement for multi-family housing units in multi-family residential and commercial districts of 150 square feet (current code ranges from 100 to 200 square feet depending on the number of units provided). Micro units, defined herein as units with less than 450 square feet, are proposed to have a commensurate requirement of 40 square feet/unit. (See Table 4 in Analysis section.)

³ Detailed analysis of these concepts provided in the Analysis section of the report.

- b. Review Process. Eliminate Site & Design Review, which currently applies to residential and residential mixed-use projects with 10 more units in commercial zones. Site & Design applications are reviewed by the PTC, ARB and City Council. By contrast, commercial-only development projects and housing projects in multi-family zones are reviewed only by the ARB. The amendment makes the review of housing projects (including mixed-use development) no more burdensome than the review process for commercial projects and retains options for appeals to Council.
 - c. Retail Preservation. Exempt 100% affordable housing projects (120% AMI and below) from the retail preservation requirement except in the Ground Floor (GF) and Retail (R) combining districts, and on El Camino Real.
 - d. Parking. Adjust multifamily parking requirements based on maximum anticipated demand. Coincidentally, the changes generally reflect the standards permitted by State Density Bonus Law. Other changes are proposed to incentivize affordable housing and reflect lower parking demand near transit. (See Table 2 in Analysis section.)
2. MULTI-FAMILY ZONES (RM-15, RM-30, RM-40)
- a. Unit Density. Replace RM-15 zoning designation, which allows 15 units per acre with a RM-20 designation that allows 20 units per acre, to align with Housing Element density allowance.
 - b. Minimum Density. Establish a minimum unit density as provided below. Allow fewer units when determined by the Planning Director, after review by the ARB, that existing site improvements or parcel constraints preclude meeting this minimum standard:
 - RM-20: 11 units/acre
 - RM-30: 16 units/acre
 - RM-40: 21 units/acre
 - c. Non-complying Unit Density. Allow redevelopment and replacement of legally established residential housing units that exceed the maximum unit density allowed for the parcel, subject to the following criteria:
 - i. Other than unit density, the project complies with all applicable development standards.
 - ii. The project is a residential rental project.
 - iii. The development shall not be eligible for a density bonus pursuant to PAMC Chapter 18.15. The applicant must elect whether to utilize state density bonus law or the exception described herein as an alternative to state density bonus law.

- d. Administrative Code Clean Up. Modify PAMC Section 18.13.040(g) regarding below market rate (BMR) housing units to reflect regulatory requirements of Chapter 16.65 of Title 16.
3. DOWNTOWN CD-C ZONING DISTRICT
- a. Unit Density. Eliminate the unit density requirement restricting the maximum density to 40 units per acre. With the proposed amendment, unit density would be controlled by other existing development standards, such as height, floor area, parking requirements, etc. (See Table 3 in Analysis section.)
- b. Unit Size. Establish a maximum average housing unit size of 1,500 square feet, (weighted average by the number of bedrooms).⁴
- c. Retail Parking. Exempt the first 1,500 sq. ft. of ground-floor retail from parking requirements within residential mixed-use buildings.
- d. Driveway Approach. Reinforce existing city policy and guidelines to preclude curb cuts on University Avenue, except for City-owned parcels or City-sponsored projects.
- e. Residential Only Development. Allow housing-only projects to be constructed downtown, except in the ground floor (GF) combining district. Retail preservation ordinance standards apply for market rate housing projects. Note, current zoning standards permit housing only when part of a commercial, mixed-use development or on housing opportunity sites (i.e., in the Housing Element).
- f. Open Space. Allow rooftops to qualify for up to 75% of the usable open space requirement for the multi-family residential portion of a project, subject to objective performance standards (see draft ordinance for details).
- g. Housing Incentive Program (HIP). Establish a process that would allow property owners to apply to receive greater floor area than otherwise allowed under the zoning code and under State Density Bonus Law through waivers granted by the Director of Planning after review by the ARB. This program would be an alternative to the State Density Bonus Law and SB 35 streamlining, since it allows for more density. Components of the HIP include the following:
- i. FAR waiver to increase residential FAR from 1.0 up to 3.0, except for portion of FAR required to remain commercial by the requirements of the retail preservation ordinance or GF combining district. (See Table 4 in Analysis section for detailed standards and discussion of how this FAR value puts residential development potential on par with non-residential development.)
- ii. No TDRs may be used in conjunction with a qualifying HIP project.

⁴ For example, a project with ten 800-square foot 1-bedroom units, eight 1,200 square-foot 2-bedroom units, and two 1,800-square foot 3-bedroom units would have a weighted (by # of bedrooms/unit size) of 1,060 square feet $(((10 \times 800) + (8 \times 1,200) + (2 \times 1,800)) / (10 + 8 + 2))$. This weighted average more accurately represents the average unit size across all units in a development.

- iii. Require discretionary architectural review consistent with PAMC 18.76.020 (Architectural Review)

4. CALIFORNIA AVENUE CC(2) ZONING DISTRICT

- a. Unit Density. Eliminate the unit density requirement restricting the maximum density, which currently ranges from 30 to 50 dwelling units per acre. With the proposed amendment, unit density would be controlled by other existing development standards, such as height, floor area, parking requirements, etc. (See Table 3 in Analysis section.)
- b. Residential Only Development. Allow housing only projects to be constructed, except on properties in the retail shopping (R) combining district. Current zoning standards permit housing only when part of a commercial, mixed-use development.
- c. Retail Parking. Exempt the first 1,500 sq. ft. of ground-floor retail from parking requirements within residential mixed-use buildings to facilitate ground-floor retail.
- d. Driveway Approach. Reinforce existing City policy and guidelines to preclude curb cuts on California Avenue, except for City-owned parcels or City-sponsored projects.
- e. Open Space. Allow rooftops to qualify for up to 60% of the usable open space requirement for the multi-family residential portion of a project, subject to objective performance standards.
- f. Housing Incentive Program (HIP). Establish a process that would allow property owners to apply to receive greater floor area than otherwise allowed under the zoning code through waivers granted by the Director of Planning after review by the ARB. This program would be an alternative to the State Density Bonus Law and SB 35 streamlining, since it allows for more density. Components of the HIP include the following:
 - i. FAR waiver to increase residential FAR from 0.6 up to 2.0, except for that portion of the commercial FAR required to remain commercial by the requirements of the retail preservation ordinance or R combining district. (See Table 4 in Analysis section for detailed standards and discussion of how this FAR value puts residential development potential on par with non-residential development.)
 - ii. Require discretionary architectural review consistent with PAMC 18.76.020 (Architectural Review)

5. PROPERTIES ADJACENT TO EL CAMINO REAL IN THE CN AND CS ZONING DISTRICTS

- a. Unit Density. Eliminate the unit density requirement restricting the maximum density, which currently ranges from 30 to 50 dwelling units per acre. With the proposed amendment, unit density would be controlled by other existing development standards, such as height, floor area, parking requirements, etc. (See Table 3 in Analysis section.)
- b. Open Space. Allow rooftops to qualify for up to 60% of the usable open space requirement for the multi-family residential portion of a project, subject to objective performance standards.
- c. Retail Parking. Exempt the first 1,500 sq. ft. of ground-floor retail from parking requirements within new residential mixed-use buildings that are subject to the
- d. Ground Floor Residential Design Standards. Adopt objective design standards to create an attractive active appearance for residential development on the ground-floor, while also maintaining privacy for residents:
 - i. Individual dwelling units shall not be permitted on the ground-floor fronting El Camino Real. Instead, the ground-floor frontage on El Camino Real may include common areas, such as lobbies, stoops, community rooms, and work-out spaces with windows and architectural detail to create visualize interest. Ground floor residential would be permitted beyond the common areas or if set back away from El Camino Real.
 - ii. Parking shall be located behind buildings or below grade, or, where those options are not feasible, screened by landscaping, low walls, or structured garages with architectural detail.
- e. Housing Incentive Program (HIP). Establish a process that would allow property owners to apply to receive greater floor area than otherwise allowed under the zoning code through waivers granted by the Director of Planning after review by the ARB. This program would be an alternative to the State Density Bonus Law and SB 35 streamlining, since it allows for more density. Components of the HIP include the following (see Table 4 in Analysis section for detailed standards.):
 - i. FAR waiver to increase residential FAR from .5 (CN) and .6 (CS) up to 1.5, except for that portion of FAR required to remain commercial by the requirements of the retail preservation ordinance or other district requirements. (See Table 4 in Analysis section for detailed standards and discussion of how this FAR value puts residential development potential on par with non-residential development.)
 - ii. Waiver to eliminate or reduce the 50% lot coverage requirement and instead rely on site planning, landscape and setback requirements.
 - iii. Require discretionary architectural review consistent with PAMC 18.76.020 (Architectural Review)

PTC Modifications at October 10th Hearing

The PTC made the following changes to the ordinance and/or staff recommendation at the October 10th hearing. These changes have been integrated into the draft ordinance herein, except as noted below where Council input is requested:

1. Increase the maximum average unit size Downtown from 1,350 to 1,500 sq. ft.
2. Remove 100% affordable housing projects on El Camino Real from the proposed exemption from the Retail Preservation Ordinance.
3. Through the proposed Housing Incentive Program, allow 100% affordable housing projects to utilize the development standards established in the Affordable Housing Combining District when the project qualifies for federal tax credits. Qualifying projects would be processed through a discretionary review and would not require the legislative approval for a combining district.
4. Disallow in-lieu parking for commercial land uses above the ground floor. Ground-floor commercial could still take advantage of the program.
5. Consider retaining a separate guest parking requirement; discuss with Council (not included in draft ordinance; see discussion in Analysis section).

Analysis

Floor area, density allowance and parking are three of the greatest drivers influencing unit yield. According to feedback from developer advisors, these standards—in addition to the project review process—affect a property owner’s decision to redevelop a property.

The proposed amendments do not fundamentally change the buildable envelope of projects in the affected zoning districts. There are no recommended changes to height⁵, setbacks, and transitional height limits (daylight plane)⁶. The revisions propose increases to floor area and changes to open space requirements, which may result in bigger buildings, but the development envelope is not proposed to change. Moreover, the proposed FAR thresholds are maximums and not guaranteed to be achieved on every property being redeveloped.

Changes in market conditions, state-mandated regulations, or other external factors will also influence housing production in the future. Other factors, many of which are addressed in the proposed amendments, support land use decisions that can spur housing development. Lot

⁵ This report asks the Council to explore whether increased height for 100% affordable housing projects is appropriate Downtown and around California Avenue.

⁶ Along El Camino Real, changes are recommended to lot coverage.

consolidation, not addressed in the proposed amendments, is another area that requires further exploration and should be considered in phase 2 of this multi-year housing work plan.

State Density Bonus Law and SB 35 (Housing) Streamlining

A key consideration of the recommendations is the inter-relatedness between the City's existing and proposed standards; bonuses, waivers and incentives authorized by the State Density Bonus program; and application of State law, notably SB 35, which is described in the text box below.

The City's existing density, height, and other development standards represent the "base" or "floor" standards for a project proposed under SB 35 and State Density Bonus Law. Under State Density Bonus Law, an applicant can achieve up to 35% additional density bonus (i.e., increased FAR from 1.0 to 1.35 or 2.0 to 2.7) in exchange for providing affordable housing on site. The provision of 11% of units at Very-Low Income levels or 20% of units at Low Income levels qualify a project for the 35% density bonus. Many residential projects in Palo Alto—which are subject to the City's 15% inclusionary housing ordinance—could automatically qualify for such a bonus.

The State Density Bonus Law and the City's density bonus ordinance provide developers an opportunity to seek development incentives or concessions that support the construction of the affordable housing units. The staff proposed Housing Incentive Program (HIP) aims to create a local alternative to the State Density Bonus that allows for more floor area, while also retaining an opportunity for architectural review. Electing to participate in the HIP means that an applicant is not eligible for State Density Bonus law and no additional waivers or incentives. The developer could opt not to apply for the HIP and use the base zoning standards in conjunction with State law, but those standards and incentives yield less floor area and therefore would be a less attractive alternative.

SB 35 Streamlining

Effective January 1, 2018, SB 35, the “by right” housing bill, allows residential or residential mixed use projects that meet certain criteria to secure a streamlined review process (90 to 180 days depending on the project size). No CEQA review is required and no discretionary review (e.g., ARB, PTC or Council review) is permitted beyond advisory comments. Projects near transit may take advantage of zero parking requirements. Projects must be at least two-thirds residential, meet certain affordability requirements, and consistent with the City’s zoning and other “objective standards.” Currently, in Palo Alto, housing projects with 50% or more housing units affordable at low-income levels (up to 80% AMI) may be eligible for SB 35 streamlining. Other criteria apply in order to qualify for a SB 35 project.

State Density Bonus Law

California’s Density Bonus Law gives developers the right to build additional dwelling units and obtain flexibility in local development requirements, in exchange for building affordable or senior housing. State Density Bonus Law may be used in combination with SB35.

By right housing development in accordance with SB 35 has occurred in some jurisdictions in the Bay Area. Some of the provisions included in the City’s proposed ordinance are intended to introduce objective standards that would apply to by-right housing development, such as clarification of curb cuts on California and University Avenues. As directed by the Council through its adopted Housing Work Plan, staff is concurrently working on other changes to the zoning code. This will introduce more objective standards into the code that can be applied to future housing projects, including SB 35 development. None of the recommendations in this report preclude SB 35 or State Density Bonus development.

Analysis of Specific Zoning Changes

The balance of this report provides information analyzing the key zoning changes in the proposed ordinance.

Parking

The parking demand and supply study described in the Background section of this report found that parking supply exceeds demand across each product type studied: market rate, senior, and affordable multifamily housing. This suggests that there are opportunities to reduce parking requirements without creating spillover impacts or an undersupply of available parking. Existing regulations and proposed changes are shown in Table 1.

The current code provides an opportunity to reduce parking for affordable housing projects up to 40%. This represents a discretionary request, which complicates application processing for affordable housing providers. The ordinance recommends removing discretion and applying the City’s existing standard by right, based on deed restricted household income levels.

Similarly, the zoning code also allows for a 20% parking reduction for housing units located near fixed rail. Staff recommends applying that standard by right, eliminating the controversy that often surrounds requests for parking reductions. In exchange for using this proposed standard, property owners would be required to provide a (Caltrain) transit pass with each dwelling unit or implement a demonstrably equivalent measure.

Additionally, the zoning changes include an exemption for the first 1,500 sq. ft. of ground-floor retail from parking requirements. According to the developers and architects interviewed, the provision of parking for the commercial portion of mixed use residential buildings can be a challenge to making a project viable. This exemption would help to relieve physical and financial constraints, and provide an incentive for including retail uses in a project. The 1,500-square foot number in particular reflects the current trend toward smaller retail spaces.

Aligning parking supply and demand sets the right amount of parking based on use and location, and frees up space to be used for additional housing units, community space, or other amenities. However, developers have told staff that the proposed parking standards are still challenging to accommodate new housing development, particularly given the small lots Downtown. At this time, staff is not prepared to make further reductions, based on the available data. Exploring options for small lot consolidation in the future may help address this perceived constraint.

Table 1: Existing and Proposed Parking Standards

<i>Use/Unit Type</i>	<i>Existing</i>	<i>Proposed</i>	
		<i>Citywide</i>	<i>Within ½-Mile of Fixed Rail Station*</i>
Micro Unit (<450 sq. ft.)	No current standard	1	0.5
Studio	1.25	1	0.8
1 Bedroom	1.5	1	0.8
2+ Bedroom	2	2	1.6
Guest	1+10% of total units	included above	
Senior Housing	up to 50% reduction from existing standard	0.75 per unit No additional parking reduction.	
Affordable Housing	Potential reduction by income level: 40% for extremely low 30% for very low 20% for low income	Allow existing reductions by right	
* Projects that qualify for this standard must provide annual transit passes (ie; Go Passes) to each tenant.			

Project Review Process/Application Processing Time

The public review process provides opportunities for community input and feedback from decision-makers, but also adds time, expense, and uncertainty from the perspective of applicants.

Streamlining the review process by maintaining Architectural Review and eliminating Site & Design Review would maintain the following processes, but eliminate the burden placed on projects to undergo review by three separate bodies:

1. Staff review of zoning compliance
2. Public noticing and public comment at ARB hearings
3. Project review of context-based design criteria by the ARB
4. Opportunity for appeal to the City Council

Notably, the proposed revision represents the same process that currently exists for most project types in the city, including commercial development, multi-family residential projects in the RM districts, and residential or mixed-use projects with fewer than 10 units. Site & Design Review was originally created to address environmental issues, such as in the Baylands or Foothills and was later applied to review mixed-use projects when that concept was relatively new.

This change makes the review of housing projects no more burdensome than the review process for commercial office buildings.

Density and Intensity Standards

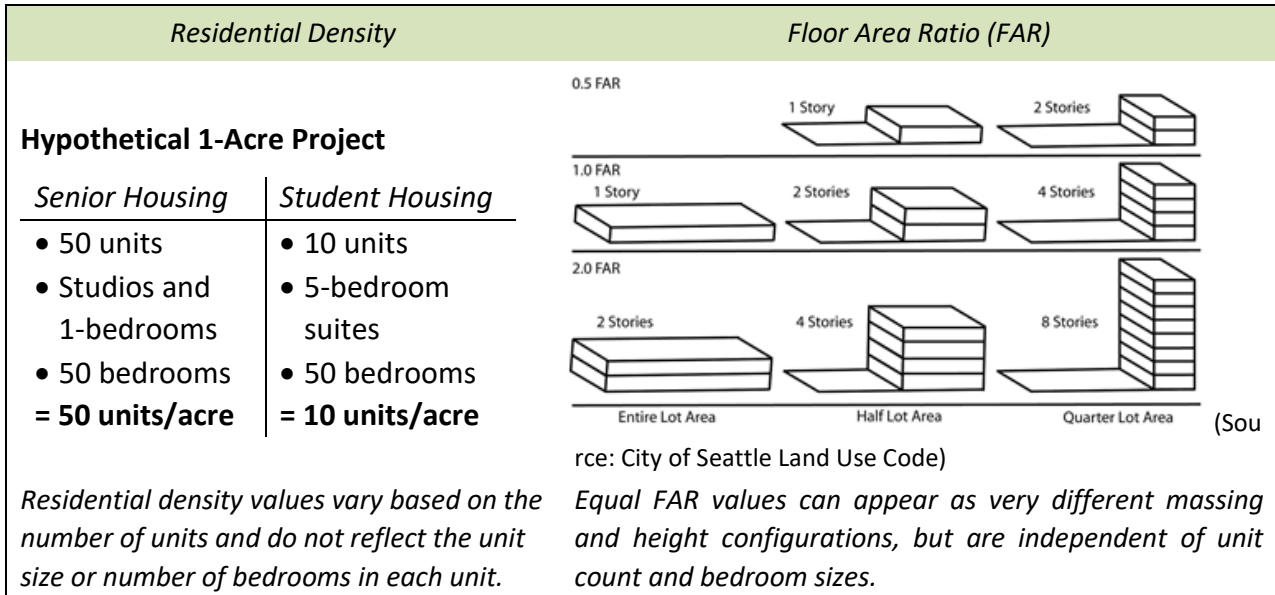
Current density/intensity maximums are one of the major items restricting housing production, according to architects and developers interviewed, and to the quantitative analysis of housing opportunity sites completed for Downtown.⁷

Unit Density

Eliminating residential density standards in commercial mixed-use districts would allow more flexibility for developers to increase the overall unit count without affecting the massing or design of a project. (See Table 2.) A density standard would still be retained in the form of FAR. As shown in Figure 1, residential density can be an imperfect metric on which to consider a project's potential impact. FAR values can be more easily illustrated and compared between projects to demonstrate the relationship between total floor area and the site area, and the resulting massing. This change could modestly increase the number of units proposed and the affordability of those units without impacting the massing and bulk of a project.

⁷ Dyett & Bhatia and EPS. "Downtown Development Evaluation: Residential Capacity and Feasibility Analysis" October 30, 2017. <<https://www.cityofpaloalto.org/civicax/filebank/documents/64477>>

Figure 1: Residential Density vs. FAR



Existing regulations and proposed changes are shown in Table 2.

Table 2: Existing and Proposed Residential Density Standards, by Commercial Zoning District

Maximum Residential Density (du/acre)	CD-C (Downtown)	CC(2) (Cal Ave.)	CN District (El Camino)	CS District (El Camino)
Existing	40	40 (50 w/BMR units)	15 (20 for Housing Element sites)	30
Proposed	--	--	--	--

Residential Density in the RM Districts Size

Setting reasonable minimum densities on conforming lots ensures that sites will not be underutilized, while not creating a burden on property owners and developers. This change could incrementally increase the number of units proposed and the affordability of those units, without impacting the building envelope already permitted pursuant to current regulations. Increasing the residential density maximum in RM-15 district from 15 to 20 (and renaming the district accordingly) would make the allowed densities in the Housing Element and district regulations consistent and provide an opportunity for some increased density. The proposed zoning change contemplates circumstances where a property owner is not able to meet the

minimum density standards and establishes a review and approval process to permit fewer units if warranted due to site constraints.

Commercial Floor Area May be Used for Residential Projects

The proposed amendments generally seek to allow residential development to achieve the total FAR that is currently allowed for non-residential projects through the Housing Incentive Program, or HIP, waiver. Existing regulations and proposed changes are shown in Table 3.

The examples below describe how sites could build out, based on the draft proposed regulations (also see the site massing models in Attachment B and C):

- In the Downtown CD(C) district, a 100% residential project (e.g., on a Housing Element opportunity site) could develop at up to the proposed maximum FAR allowance of 3.0. However, most CD(C) sites also contain the GF overlay and/or would be subject to the Retail Preservation Ordinance requirements. As a result, a residential mixed use project with ground-floor retail is a more likely scenario. For example, a mixed use project could be developed at 0.5 retail FAR and 2.5 residential FAR--not to exceed 3.0.
- Similarly, on California Avenue and El Camino Real, 100% residential projects could achieve 2.0 and 1.5 FAR in the CC(2) or CN/CS districts, respectively. However, given district requirements for ground-floor residential, R overlay standards, and Retail Preservation Ordinance requirements, mixed use projects are still often required in these districts. A more likely scenario is for a residential mixed use project to develop with ground-floor retail. For example, a mixed use project could be developed at 0.25 retail FAR and up to 1.75 residential FAR (not to exceed 2.0 total) on California Ave. and 0.15 retail FAR and up to 1.35 residential FAR (not to exceed 1.5 total) on El Camino Real.

Allowing residential FAR to compose the entire mixed-use FAR allowance (where retail is not required) would remove some of the disincentive that currently exists for residential development compared with commercial development, due to construction costs, lease rates, and development standards. This specific change would not increase the total amount of development currently allowed by the code, but may incrementally increase the amount of future residential development, and potentially decrease new commercial development.



In the CS District, hotels are permitted 2.0 FAR, while residential uses are permitted only 0.6 FAR. This discrepancy has provided an incentive for hotel development in the district.

Table 3: Existing and Proposed FAR Standards, by Commercial Zoning District

<i>Maximum Intensity (FAR)</i>	<i>CD-C (Downtown)</i>	<i>CC(2) (Cal Ave.)</i>	<i>CN District (El Camino)</i>	<i>CS District (El Camino)</i>
EXISTING				
Residential Mixed Use				
Residential	1.0	1.0	0.5	0.6
Commercial (Max.)	1.0	0.25-0.35	0.5	0.4
Ground Floor	n/a (except GF	0.15 or 0.25		
Commercial (Min.)	overlay)	(dep. on location)	0.15	0.15
Subtotal Mixed Use	2.0	1.25	1.0	1.0
Non-Residential				
Commercial FAR	1.0	2.0	0.4	0.4
Hotel FAR	2.0	2.0	2.0	2.0
Bonus and/or TDR	1.0	0.5	N/A	N/A
			2.0 (hotel)	2.0 (hotel)
Total Maximum FAR	3.0	2.0	1.0 (other)	1.0 (other)
PROPOSED				
Residential Mixed Use				
Residential (Max.)	3.0	2.0	1.5	1.5
Commercial (Max.)	No Change (see above)			
Ground Floor	n/a (except GF	n/a (except R	0.0-0.15 (dep.	0.0-0.15 (dep.
Commercial (Min.)	overlay)	overlay)	on location)	on location)
Subtotal Mixed Use	3.0	2.0	1.5	1.5
Non-Residential				
Hotel FAR	No Change			
Commercial FAR	No Change			
Bonus and/or TDR	No Change			
			2.0 (hotel)	2.0 (hotel)
Total Maximum FAR	3.0	2.0	1.5 (other)	1.5 (other)

In its review of the proposed changes, the City Council may want to consider whether the floor area dedicated to housing projects in the CN and CS districts ought to be consistent with the floor area granted to hotel development as there may be policy reasons to support this change. However, not all properties may be able to achieve the 2.0 floor area maximum due to other development constraints. The PTC supported increasing the FAR by .5 to achieve a 1.5 FAR, but it did not consider an increase to 2.0 during its review.

Maximum Average Unit Size

The City has seen several large penthouse dwelling units constructed in Downtown in recent years as a result of parking requirements and high rental rates. When a developer has a 12,000

square foot floor plate, they could choose to develop 12 units at 1,000 square feet. This would require 26 parking spaces or 3 units at 4,000 square feet each that requires only 6 parking spaces. Without the benefit of an in-lieu parking fee, residential parking spaces must be provided on site.

Developers say they cannot fit many parking spaces on site without going underground, which is expensive. As a result, the developer builds a few luxury units rather than 12 moderately-sized units. This new standard of a maximum average unit size of 1,500 square feet is intended to eliminate the former option Downtown. Combined with reduced parking requirements (including for micro units), this standard would provide an incentive for small and moderate-sized units in the City's most walkable transit-oriented core.

Open Space

On-site open space is an important factor in supporting livability in higher density residential areas, but current standards are applied inconsistently across districts and housing types. Standardization can clarify what is expected of developers, while flexibility in the location of open space can provide opportunities to develop sites with the allowable massing and unit density.

Using Building Rooftops as Open Space

The zoning code requires open space for residential uses in the City's commercial districts. In areas of the city designated for higher density multi-family housing, options to configure the massing and site plan for a project can help maximize the number of appropriate units for a site. Rooftop decks in a climate such as Palo Alto can offer an amenity for residents to take advantage of views and community outdoor space. The ordinance includes a range of standards and guidelines to address issues of privacy, noise, visibility, odors, and safety.

Standardized Requirements

A single standard for each district—regardless of how many units are on the site—simplifies the code and eliminates any bias for projects that are choosing between proposing five or six units. No changes are proposed to required landscaping areas (i.e., green space) or dimensional requirements. The proposed ordinance also contemplates micro-units with a maximum floor area of 450 square feet. While open space is an important component for any dwelling unit, the 150 square foot approach is excessive for these units; the ordinance instead proposes 40 square feet. Existing regulations and proposed changes are shown in Table 4.

Table 4: Existing and Proposed Open Space Standards, by Commercial Zoning District

	<i>CD-C (Downtown)</i>	<i>CC(2)/PTOD (Cal Ave.)</i>	<i>CN District (El Camino)</i>	<i>CS District (El Camino)</i>
Existing	<5 units: 200 sq. ft./du 6+ units: 150 sq. ft./du	<5 units: 200 sq. ft./du 6+ units: 100 sq. ft./du or less w/BMR units	<5 units: 20 sq. ft./du 6+ units: 150 sq. ft./du	<5 units: 20 sq. ft./du 6+ units: 150 sq. ft./du
Proposed (Dwelling Units)	150 sq. ft./du	150 sq. ft./du	150 sq. ft./du	150 sq. ft./du
Proposed (Micro Units)	40 sq. ft./du	40 sq. ft./du	40 sq. ft./du	40 sq. ft./du

Retail Incentives and Preservation

The Retail Preservation Ordinance has the benefit of preventing the conversion of retail uses and precluding office uses from occupying these spaces. However, the ordinance may also frustrate City efforts to enhance housing production by retaining retail in areas that do not have a strong retail environment and where a housing provider is unable or unwilling to include new retail floor area in their project due to financing, construction costs (more required parking) or other market considerations.



801 Alma was originally conceived to include ground-floor retail. However, the financing and logistics proved too complicated; ultimately, a 100% residential project was approved and constructed.

Staff recommends a narrow exemption to the Retail Preservation Ordinance for 100% affordable housing developments on sites outside of the GF and R overlays in Downtown and California Avenue, respectively. This change seeks to balance the tradeoff between housing production and retail preservation.

The PTC recommended retaining El Camino Real as a location where the Retail Preservation Ordinance for affordable housing developments would continue to apply and this change is reflected in the ordinance.

Ground Floor Retail Parking Reduction

To support continued retention of ground floor retail uses while recognizing the challenges developers have making a mixed-use housing project viable, staff recommends exempting the first 1,500 square feet of a retail or retail-like use within a residential mixed-use development from vehicle parking requirements. This change would reduce a retail use’s requirement by

approximately 8 parking spaces and a restaurant use's requirement by 18 spaces (6 spaces within the parking district).

In Lieu Parking

Non-residential uses have the option of paying into the Parking In-Lieu Fund in-lieu of providing parking on site (at a rate of \$70,094/space), subject to certain findings. Given the high cost of land and the value of office lease rates, developers often choose to pay this fee and maximize their leasable area. Residential uses do not have this option; moreover, they likely cannot afford the per space rate, as it is currently set.

At one point over the course of the Commission's discussion of possible zoning code changes, staff presented the concept of allowing residential properties to participate at a subsidized rate in the in-lieu parking program. This was not supported by a majority of the Commission and there was some discussion about the program as it relates to commercial development.

When testing some of the zoning ordinance concepts with developers, it became clear to staff that the in-lieu parking program did create a significant incentive that supported commercial development over housing. This presented a challenge that touched on varied community interests to promote housing while also allowing for moderate commercial growth against the backdrop of parking complaints downtown and related traffic congestion. Staff explored these issues with the Commission, which ultimately supported a motion to restrict commercial uses from participating in the in-lieu parking program above the first floor. The PTC minority view on this motion expressed opposition to this action, noting the lack of outreach to the business community and property owners, and that this fell outside of the Commission's scope or review for the Council-directed housing workplan.

Staff acknowledges that there is no reference to the in-lieu parking program in the housing workplan, but also notes the significance of this program as it relates to choices property owners make on how to redevelop property. While modification of this program may not be ripe for action at this time, staff supports a future community conversation that engages downtown property owners and businesses to explore whether modification to the program is warranted.

Since the ordinance reflects the Commission's recommendation, changes to the in-lieu parking program have been incorporated into Attachment A. If Council supports the Commission recommendation, no change is needed. If Council does not support action at this time, a motion can be made to strike Sections 8 from the attached ordinance (related to changes in to PAMC section 18.18.090(d)). This would effectively retain the existing in-lieu parking program unchanged.

Remove Legislative Requirement for the Affordable Housing Overlay

The PTC motion included a request to eliminate the legislative requirement for 100% affordable housing projects seeking to take advantage of the recently adopted Affordable Housing Combining District. The PTC would apply this to housing projects that qualify for federal income tax credits and not affordable housing projects up to 120% of the area median income, which is the current provision in the combining district. Staff supports this request and has included as a waiver that could be requested through the proposed Housing Incentive Program.

The Affordable Housing Combining District still has applicability in other parts of the city not affected by the proposed ordinance.

Additional Considerations

Consider Reinstating Guest Parking – PTC Request

As noted in the draft ordinance and parking discussion above, the revised parking standards are inclusive of guest parking. This change is based on findings from the empirical parking study and related literature review. The PTC recommended that the Council consider reinstating a requirement for guest parking stalls. The City's current guest parking requirement is 1 space, plus 10% of the required parking spaces for the residential development. Staff does not support this PTC recommendation as parking is a key driver in decisions to not only establish housing but also the size of the units and unit density. To achieve more housing, the zoning standards need to more accurately reflect the relationship between demand and supply, which is lower than what the current ordinance requires.

Increase Affordable Housing Density and Height Downtown – PTC – No Consensus

The PTC also discussed but did not make a motion to support additional incentives for 100% affordable housing development in high-amenity transit-oriented locations (i.e., Downtown and California Avenue). Staff explored a concept to increase FAR and allow an additional 10-feet in height to allow for an additional floor of residential. This included the following:

- In Downtown, allow 100% affordable housing projects at a specified area median income (AMI) percentage to achieve a 4.0 FAR and 10 additional feet in height (up to 60 feet) when located within .5 miles of the Caltrain station.
- Around California Avenue, allow 100% affordable housing projects at a specified AMI percentage to achieve a 2.5 FAR (whereas 1.5 FAR is allowed for BMR today) and extend to 50 feet in height when located within .5 miles of the Caltrain station. The current pedestrian and transit overlay district (PTOD) standard allows up to 50 feet in height when applied to below-market rate projects within the PTOD boundary.

The PTC, while conceptually interested in additional incentives, requested massing models to better understand how increases in height and FAR would fit in with the downtown. The PTC

also requested that massing models be presented to the Council that showed what construction would look like with the proposed standards on El Camino Real and near California Avenue. Staff was able to have these illustrations prepared for Downtown and El Camino Real at the time this report was prepared; see Attachment B and C. These massing models are illustrative and accurate relative to existing and proposed development standards.

If the Council is not interested in pursuing these additional incentives at this time, no further action is required. If, however, the Council would like to introduce these standards, then incorporating this direction in a motion supporting the attached ordinance would be necessary. Staff would adjust the ordinance and the language would be provided to Council on the second reading of the ordinance.

Policy Implications

Relationship to Housing Work Plan/Council Referral

Table 5 analyzes how each of the ordinance provisions fits into the Housing Work Plan.

Table 5: Relationship between Work Plan Items and Proposed Ordinance

Work Plan Items	Key Ordinance Provisions
2.1 Identify By Right Project Procedures (SB 35)	Ongoing – not included in this ordinance
2.2 Strengthen objective standards	Ongoing – not included in this ordinance
2.3 Comp Plan and SOFA plan changes to strengthen objective standards	Ongoing – not included in this ordinance.
2.4 Provide incentives and remove constraints for multifamily housing in the Downtown (CD-C), Cal Ave (CC(2)/PTOC), and El Camino Real (CN and CS) districts, including:	
2.4.1 Review and revise development standards (e.g. landscaping, open space)	<ul style="list-style-type: none"> • Allow rooftop gardens to qualify as usable open space • Simplify open space standards • Eliminate the 50% lot coverage requirement on El Camino Real
2.4.2. Consider eliminating dwelling unit densities and relying on FAR and average unit sizes	<ul style="list-style-type: none"> • Eliminate residential density standards in the CD-C, CC(2), and CN, CS districts • Establish a maximum average unit size Downtown
2.4.3 Review and revise permitted uses	<ul style="list-style-type: none"> • Provide exemptions from the Retail

Work Plan Items	Key Ordinance Provisions
and use mix (e.g. allow 100% residential w/ground floor retail)	<p>Preservation Ordinance for 100% affordable projects</p> <ul style="list-style-type: none"> • Allow 100% residential projects in the CD, CC2, and on El Camino Real in the CN and CS districts, except in all cases, where precluded by ground floor retail protections.
2.4.4 Review and revise level of permitting and plan review required	<ul style="list-style-type: none"> • Eliminate Site & Design Review • Provide Housing Incentive Program as an alternative to State Density Bonus Law
2.4.5 Allow parking reductions based on TDM plans and on payment of parking in lieu fees for housing (Downtown and Cal Ave). Update the TDM Ordinance to the extent that it does not already include metrics of measurements, accomplishments, and enforcement, include these metrics. ¹	<ul style="list-style-type: none"> • The Office of Transportation is currently updating guidelines for administering, monitoring and enforcing TDM programs (not part of draft ordinance)
2.4.6 Convert some non-residential FAR to residential FAR	<ul style="list-style-type: none"> • Allow residential development to utilize all existing FAR allowance, except where precluded by ground floor retail requirements.
2.4.7 Remove constraints to special needs housing ²	<ul style="list-style-type: none"> • Special needs housing is a defined term in the housing element and more work is needed to address certain housing populations. However, the ordinance includes the following provisions that may address other housing needs: <ul style="list-style-type: none"> ○ Removes the legislative requirement to establish the Affordable Housing Combining District, adjusting the % AMI levels to match federal tax credit standards ○ Creates an incentive for micro units near fixed rail transit. ○ Reduces by-right parking standards for affordable and senior housing
2.4.8 Increase Floor Area Ratio (FAR) in	<ul style="list-style-type: none"> • FAR increases through the Housing

Work Plan Items	Key Ordinance Provisions
the Downtown, California Avenue, and El Camino Real areas	Incentive Program
2.5 Support multifamily housing in the multifamily (RM) zoning districts by: <ul style="list-style-type: none"> i. Consider establishment of minimum densities in all RM zones ii. Allow redevelopment (replacement) of existing residential units on sites that are nonconforming because of the number of units or FAR 	<ul style="list-style-type: none"> • Minimum residential density standards proposed in the RM districts • Opportunity to rebuild legally established housing units that presently exceed permitted density allowances.
2.6 Provide incentives and remove constraints in all zoning districts, including:	
2.6.1 Adjustment to parking requirements to reduce costs (based on an ongoing study of parking demand by housing type and location); identify the appropriate amount of parking for various housing types and locations, taking into account parking mitigations	<ul style="list-style-type: none"> • Adjust parking requirements based on parking demand/supply analysis • Exempt 1,500 s.f. of ground floor retail from parking requirements

¹ A provision to allow residential uses to pay a fee in lieu of providing parking on site in Downtown and around California Avenue was considered and rejected by the PTC. Instead, the PTC action supported eliminated the in-lieu parking payment Downtown for commercial uses above the ground floor.

² Staff were not able to develop a strategy for teacher housing opportunities within Fair Housing Laws, but has considered possible changes to the Workforce Housing Overlay to support a possible housing project on Santa Clara County owned land near the courthouse. The PTC considered and rejected fee waivers for special needs housing.

Source: Palo Alto Planning & Community Environment, November 2018

Resource Impact

Most of the recommendations in this report do not have significant budget or fiscal impacts. If the in-lieu parking program is modified to preclude commercial development from participating in the program above the ground floor, the City would likely see a reduction in in-lieu parking fees over time.

Timeline

A timeline for development of the ordinance is provided in Table 6.

Table 6: Project Timeline

Meeting Type	Topic	Date
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<i>Meeting Type</i>	<i>Topic</i>	<i>Date</i>
PTC Study Session	Review objectives for housing work plan and city council direction	March 14
PTC Study Session	Overview of issues, including key findings from an analysis of residential capacity in Downtown	April 25
PTC Study Session	Parking, including key findings from an analysis of residential parking demand	May 30
Community Meeting	Present and receive feedback on ordinance framework ideas	June 28
PTC Study Session	Framework for ordinance	August 29
ARB Hearing	Review of rooftop open space design standards	September 20
PTC Hearing	Revised framework for ordinance	September 26
PTC Hearing	Recommendation on Draft Ordinance	October 10
City Council Hearing	Draft Ordinance (First Reading)	November 26

Environmental Review

The City Council certified a Final EIR (http://www.paloaltocompplan.org/wp-content/uploads/2017/08/PaloAltoCompPlanFEIR_Aug2017.pdf) on November 13, 2017 to analyze potential impacts associated with the updated Comprehensive Plan. The 2018 Comprehensive Plan Implementation and Housing Ordinance is consistent with the Comprehensive Plan and its Final EIR. At this time, no substantially greater or more severe impacts are anticipated and no development is proposed, beyond what is allowed by the Comprehensive Plan.

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Attachments:

Attachment A: 2018111402 ORD Draft 2018 Housing Work Plan Ordinance for CC v 11-13-18 (PDF)

Attachment B: CD-C Downtown Massing Model_11-09-18 (PDF)

Attachment C: CN ECR Massing Model_11-09-18 (PDF)

⁸ Emails may be sent directly to the PTC using the following address: planning.commission@cityofpaloalto.org

Attachment A

Not Yet Approved

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Title 18 (Zoning) of the Palo Alto Municipal Code, Including Chapters 18.04 (Definitions), 18.13 (Multiple Family Residential RM-15, RM-30 and RM-40) Districts), 18.16 (Neighborhood, Community, and Service Commercial (CN, CC, and CS) Districts), 18.18 (Downtown Commercial (CD) District), 18.40 (General Standards and Exceptions), and 18.52 (Parking and Loading Requirements), to Establish or Modify Development Standards for Residential and Mixed-Use Projects Including, But Not Limited to, Minimum and Maximum Unit Density, Unit Size, Floor Area Ratio, Height, and Open Space Including Rooftop Gardens, to Modify Parking Requirements and Adjustments, to Limit In-Lieu Parking for Downtown Commercial Uses Above the Ground Floor, to Allow Exclusively Residential Projects in Certain Commercial Zoning Districts, to Exempt Certain Affordable Housing Projects from Retail Preservation, to Simplify the Entitlement Process Removing Site and Design Review for Residential and Mixed-Use Projects, and to Make Other Technical Corrections and Clarifications, All to Promote Housing Development Opportunities in the Multi-Family Residential Zoning Districts and Commercial Zoning Districts in Furtherance of Implementation of the Comprehensive Plan

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. California is in the midst of a housing crisis due to a severe shortage of housing that is affordable to large segments of the population, including above-moderate and moderate income households and, most acutely, lower-income households. According to the California Department of Housing and Community Development (HCD), throughout the State, housing production averaged less than 80,000 new homes over the last 10 years, and ongoing production continues to fall far below the projected need of 180,000 additional homes annually. The lack of supply, with a deficit that deepens each year, has been a key driver of the lack of affordability for millions of households throughout the State. The majority of Californian renters pay more than 30 percent of their income toward rent, and nearly one-third pay more than 50 percent of their income toward rent.

B. In the nine-county Bay Area, which contains job centers that have produced a substantial number of new jobs, the lack of housing affordability is even more severe. The Bay Area continues to produce housing units in insufficient numbers to adequately house both existing and projected populations. Between 2011 and 2015, the Bay Area added 500,000 jobs but built only 65,000 new homes. Limited housing, with increasing demand and constraints on

Not Yet Approved

production, have resulted in high housing cost burdens that fall most heavily on lower income households who are more likely to be renters. Between 2000 and 2016, rents increased 24 percent while renter incomes rose just 9 percent. Six of every 10 economically insecure residents are renters and 75 percent of them pay more than 30 percent of their income for housing.

C. For Palo Alto, as a job center with among the highest housing prices and greatest jobs to housing imbalances in the Bay Area, the housing shortage threatens the city's prosperity, diversity, stability, environment, quality of life, and community character.

D. The cost pressures associated with substantially increased housing prices and rents have resulted in displacement and contributed to homelessness, separated families, and loss of diversity. Residents in search of affordability are driven to move to far outlying areas, requiring longer commutes to job centers in the Bay Area, including Palo Alto. According to a recent report by the Bay Area Economic Council, more than 100,000 Bay Area mega-commuters travel 90 minutes or more to reach their jobs, contributing to a 78 percent increase since 1990 in the number of mega-commuters crossing county and regional boundaries to get to work. Of the nearly 200,000 commuters crossing regional boundaries in 2013, 69 percent were commuting into the Bay Area for work. This results in health and quality of life impacts to individuals, as well as community-wide and region-wide impacts in terms of increased traffic congestion, air pollution and greenhouse gas emissions. Without the construction of more housing near urban centers and jobs, the State's ability to achieve its climate change goals is in jeopardy.

E. In November 2017, the City adopted an updated Comprehensive Plan that projected 3,545 to 4,420 new housing units between 2015 and 2030, and included policies to encourage housing production. The Council subsequently approved a Housing Work Plan with a recognition that if Palo Alto remains on its current course, the City will fall short of meeting its Regional Housing Needs Assessment (RHNA) allocation of 1,988 units at varying levels of affordability and the goals inherent in the Comprehensive Plan policies. The Housing Work Plan detailed the actions needed to spur the production of housing, and included the proposed zoning changes reflected in this Ordinance to remove barriers and disincentives to housing development at higher densities where appropriate near transit, jobs and services, and that is affordable for a range of income levels.

Not Yet Approved

SECTION 2. Subsection (a)(142) of Section 18.04.030 of Chapter 18.04 (Definitions) of Title 18 (Zoning) of the Palo Alto Municipal Code (PAMC) is amended to read as follows:

18.04.030 Definitions

...

(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, or landscaping, but excluding parking facilities, driveways, utility or service areas, or areas with mechanical equipment. Usable open space may be covered if at least 50% open on the sides. Usable open space shall be sited and designed to accommodate all groups including children, seniors, and other adults, different activities, groups, including active and passive recreation and uses, and should be located convenient to the intended users (e.g., residents, employees, or public). Any usable open space that is not landscaped shall be developed to encourage outdoor recreational use and shall include elements such as decks, seating, decorative paved areas and walkways which do not serve as an entrance walkway. Usable open space shall be screened from utility or service areas, and areas with mechanical equipment. Parking, driveways and required parking lot landscaping shall not be counted as usable open space.

Commented [LS1]: These amendments clarify the generally applicable attributes of “usable open space,” consistent with the purpose and requirements included in the discussion of rooftop usable open space. **3.f, 4.e, 5.b**

SECTION 3. The title of Chapter 18.13 of Title 18 (Zoning) of the PAMC is amended to read as follows:

Chapter 18.13

MULTIPLE-FAMILY RESIDENTIAL (RM-~~2015~~, RM-30 AND RM-40) DISTRICTS

SECTION 4. Section 18.13.010 (Purposes) and Section 18.13.040 (Development Standards) of **Chapter 18.13 (Multiple Family Residential RM-15, RM-30 and RM-40) Districts)** of Title 18 (Zoning) of the PAMC are amended as follows:

18.13.010 Purposes

This section specifies regulations for three multiple family residential districts.

(a) RM-~~2015~~ Low Density Multiple-Family Residence District [RM-~~2015~~]

The RM-~~2015~~ 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-~~2015~~ residence district also serves as a transition to moderate density multiple-family districts or districts with nonresidential uses. Permitted densities in the RM-~~2015~~ residence district range from eight to ~~fifteen~~ twenty dwelling units per acre, ~~with no required minimum density.~~

Commented [LS2]: The amendments to this Section, together with those to Table 2 of Section 18.13.040 that immediately follows, would establish a minimum density for each of the multiple-family residential subdistricts and increase the maximum density in RM-15 (re-named RM-20) from 15 to 20 dwelling units/acre. The latter change and the proposed 8 units/acre minimum for RM-15 are a Housing Element program. **2.a, 2.b**

Not Yet Approved

(b) RM-30 Medium Density Multiple-Family Residence District [RM-30]

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, with no required minimum density.

(c) RM-40 High Density Multiple-Family Residence District [RM-40]

The RM-40 high density multiple-family residence district is intended to create, preserve and enhance locations for apartment living at the highest density deemed appropriate for Palo Alto. The most suitable locations for this district are in the downtown area, in select sites in the California Avenue area and along major transportation corridors which are close to mass transportation facilities and major employment and service centers. Permitted densities in the RM-40 residence district range from thirty-one to forty dwelling units per acre, with no required minimum density.

Section 18.13.040 Development Standards

(a) Site Specifications, Building Size and Bulk, and Residential Density

The site development regulations in Table 2 shall apply in the multiple-family residence districts, 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 18.76, performance criteria set forth in Chapter 18.23, and the context-based design criteria set forth in Section 18.13.060.

**Table 2
Multiple Family Residential Development Table**

	RM- 2015	RM-30	RM-40	Subject to regulations in:
Minimum Site Specifications				
Site Area (ft ²)		8,500		
Site Width (ft)		70		
Site Depth (ft)		100		

Not Yet Approved

	RM- 2015	RM-30	RM-40	Subject to regulations in:
Substandard Lot Specifications				
Site Area (ft ²)	Less than 8,500 square feet and/or less than 70 feet in width			
Site Width (ft)				
Minimum Setbacks	Setback lines imposed by a special setback map pursuant to Chapter 20.08 of this code may apply			
Front Yard (ft)	20	20	0-25 ⁽¹⁾	18.13.040(b)
On arterial roadways ⁽¹⁾	0-20 ⁽¹⁾	0-20 ⁽¹⁾	0-25 ⁽¹⁾	
Interior Side Yards (ft)				
For lots with width of 70 feet or greater	10	10	10	
For lots with width of less than 70 feet	6 feet			
Interior Rear Yards (ft) ³	10	10	10	
Street Side and Street Rear Yards (ft)	16	16	0-16 ⁽²⁾	
Maximum Height (ft)	30	35	40	
Maximum height for those portions of a site within 50 feet of a more restrictive residential district or a site containing a residential use in a nonresidential district			35	
Daylight Planes⁽⁷⁾				
• Daylight Plane for side and rear lot lines for sites abutting any R-1, R-2, RMD, or RM- 2015 district or abutting a site containing a single-family or two-family residential use in a nonresidential district:				
Initial Height (ft)	10			
Angle (degrees)	45			
• Daylight Plane for side and rear lot lines for sites abutting a RM-30, RM-40, Planned Community, or nonresidential district that does				

Commented [LS3]: This reflects the existing code, but is not reflected in the web version and requires an update.

Not Yet Approved

	RM-2015	RM-30	RM-40	Subject to regulations in:
not contain a single-family or two-family residential use:				
For lots with width of 70 feet or greater	None			
For lots with width of less than 70 feet, limited to the first 10 feet from the property line (no daylight plane beyond 10 feet):				
Initial Height (ft)	10			
Angle (degrees)	45			
Maximum Site Coverage:				
Base	35%	40%	45%	
Additional area permitted to be covered by covered patios or overhangs otherwise in compliance with all applicable laws	5%	5%	5%	
Maximum Floor Area Ratio (FAR)⁽⁴⁾	0.5:1	0.6:1	1.0:1	
Maximum Residential Density (units)				
Maximum number of units per acre ⁽³⁾	2015	30	40	18.13.040(g)
Minimum Residential Density (units)				
Minimum number of units per acre ⁽⁸⁾	<u>11</u>	<u>16</u>	<u>21</u>	
Minimum Site Open Space⁽⁵⁾ (percent)	35	30	20	18.13.040(e)
Minimum Usable Open Space (sf per unit)⁽⁵⁾	150200	150	150100	
Minimum common open space (sf per unit)	75100	75	7550	18.13.04
Minimum private open space (sf per unit)	50	50	50	
Performance Criteria	See provisions of Chapter 18.23			Ch. 18.23
Landscape Requirements				18.40.130
Parking⁽⁶⁾	See provisions of Chapter 18.52			Ch. 18.52

Commented [LS4]: This amendment, together with the same change to other Chapters, would establish a consistent open space standards for multi-family and residential mixed-use projects in multi-family residential and commercial zoning districts. **1.a**

(1) Minimum front setbacks shall be determined by the Architectural Review Board upon review pursuant to criteria set forth in Chapter 18.76 and the context-based criteria outlined

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in Section 18.13.060. Arterial roadways do not include residential arterials.

- (2) Minimum street side setbacks in the RM-40 zone may be from 0 to 16 feet and shall be determined by the Architectural Review Board upon review pursuant to criteria set forth in Chapter 18.76 and the context-based criteria outlined in Section 18.13.060.
- (3) Provided that, for any lot of 5,000 square feet or greater, two units are allowed, subject to compliance with all other development regulations.
- (4) Covered parking is not included as floor area in multi-family development, up to a maximum of 230 square feet per required parking space that is covered. Covered parking spaces in excess of required parking spaces count as floor area.
- (5) Subject to the limitations of Section 18.13.040(e). Usable open space is included as part of the minimum site open space; required usable open space in excess of the minimum required for common and private open space may be used as either common or private usable open space; landscaping may count towards total site open space after usable open space requirements are met.
- (6) Tandem parking is allowed for any unit requiring two parking spaces, provided that both spaces in tandem are intended for use by the same residential unit. For projects with more than four (4) units, not more than 25% of the required parking spaces shall be in a tandem configuration.
- (7) Each daylight plane applies specifically and separately to each property line according to the adjacent use.

(8) The minimum density for a site may be reduced by the Director if, after the proposal is reviewed by the Architectural Review Board, the Director finds that existing site improvements or other parcel constraints, preclude the development from meeting the minimum density.

(b) Setbacks, Daylight Planes and Height - Additional Requirements and Exceptions

(1) Setbacks

- (A) Setbacks for lot lines adjacent to an arterial street, expressway or freeway, as designated in the Palo Alto Comprehensive Plan, shall be a minimum of twenty-five feet (25'), except that lesser setbacks may be allowed or required by the Planning Director, upon recommendation by the Architectural Review Board, where prescribed by the context-based criteria outlined in Section 18.13.060. Special setbacks of greater than 25 feet may not be reduced except upon approval of a design enhancement exception or variance.

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(B) Required parking spaces shall not be located in a required front yard, nor in the first ten feet (10') adjoining the street property line of a required street side yard.

(C) Projections into yards are permitted only to the extent allowed by Section 18.40.070 of this code.

(2) Height and Daylight Planes

(A) Exceptions to maximum height limitations are permitted only to the extent allowed by Section 18.40.090 of this code.

(B) The following features may extend beyond the daylight plane established by the applicable district, provided that such features do not exceed the height limit for the district unless permitted to by Section 18.40.090 of this code:

- i. Television and radio antennas;
- ii. Chimneys and flues that do not exceed 5 feet in width, provided that chimneys do not extend past the required daylight plane a distance exceeding the minimum allowed pursuant to Chapter 16.04 of this code.
- iii. Cornices and eaves, excluding flat or continuous walls or enclosures of usable interior space, provided such features do not extend past the daylight plane more than 4 feet, and so long as they do not encroach into the side setback greater than 2 feet.

...

(e) Usable Open Space

The following usable open space regulations shall apply:

(1) Required Minimum Site Open Space. Each site shall, at a minimum, have a portion of the site, as prescribed in Table 2, developed into permanently maintained open space. Site open space includes all usable open space plus landscape or other uncovered areas not used for driveways, parking, or walkways.

(2) Usable Open Space (Private and Common). Each project shall, at a minimum, have a portion of the site, as prescribed in Table 2, developed into permanently maintained usable open space, including private and common usable open space areas. Usable open space shall be located protected from the activities of commercial areas and adjacent public streets and shall provide noise buffering from surrounding uses

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where feasible. ~~Parking, driveways and required parking lot landscaping shall not be counted as usable open space.~~

Commented [LS5]: This was added to the usable open space definition.

(A) Private Usable Open Space. Each dwelling unit shall have at least one private usable open space area contiguous to the unit that allows the occupants of the unit the personal use of the outdoor space. The minimum size of such areas shall be as follows:

- (i) Balconies (above ground level): 50 square feet, the least dimension of which shall be 6 feet.
- (ii) Patios or yards in the RM-~~2015~~ and RM-30 districts: 100 square feet, the least dimension of which is 8 feet for at least 75% of the area.
- (iii) Patios or yards in the RM-40 district: 80 square feet, the least dimension of which is 6 feet for at least 75% of the area.

(B) Common Usable Open Space. The minimum designated common open space area on the site shall be 10 feet wide and each such designated area shall comprise a minimum of 200 square feet. In the RM-30 and RM-40 districts, part or 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.

(f) Personal Services, Retail Services, and Eating and Drinking Services in the RM-30 and RM-40 Districts

Within a single residential development containing not less than 40 dwelling units, personal services, retail services, and eating and drinking services solely of a neighborhood-serving nature to residents in the development or in the general vicinity of the project may be allowed upon approval of a conditional use permit, subject to the following limitations and to such additional conditions as may be established by the conditional use permit:

- (1) Total gross floor area of all such uses shall not exceed 5,000 square feet or three percent of the gross residential floor area within the development, whichever is smaller, and may not occupy any level other than the ground level or below grade levels.
- (2) A maximum of 2,500 square feet of retail and/or service and/or eating and drinking uses shall be allowed per establishment.

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- (3) Personal services, retail services, and eating and drinking services provided in accordance with this section shall not be included in the gross floor area for the site.
- (4) The conditional use permit for the project may preclude certain uses and shall include conditions that are appropriate to limit impacts of noise, lighting, odors, parking and trash disposal from the operation of the commercial establishment. The hours of operation shall be limited to assure compatibility with the residential use and surrounding residential uses.
- (5) Allowable Neighborhood-Serving Uses. A neighborhood-serving use primarily serves individual consumers and households, not businesses, is generally pedestrian oriented in design, and does not generate noise, fumes or truck traffic greater than that typically expected for uses with a local customer base. A neighborhood-serving use is also one to which a significant number of local customers and clients can walk, bicycle or travel short distances, rather than relying primarily on automobile access or the provider of the goods or services traveling off-site. Allowable neighborhood-serving personal services, retail services and eating and drinking services may include, but are not limited to, "agent" dry cleaners, flower shops, convenience grocery stores (excluding liquor stores), delicatessens, cafes, fitness facilities, day care facilities, and similar uses found by the Planning Director to be compatible with the intent of this provision.
- (6) Sign programs, including size, number, color, placement, etc. shall be permitted only as specified in the conditional use permit and by the Planning Director upon recommendation of the Architectural Review Board
- (7) Off-street parking and bicycle facilities, in addition to facilities required for residential uses, shall be provided as may be specified by the conditional use permit. However, there shall not be less than one parking space for each employee working or expected to be working at the same time.
- (8) For any project, other than a 100% affordable housing project, containing forty (40) or greater units and located more than 500 feet from neighborhood commercial services, as determined by the Director, a minimum of 1,500 square feet of neighborhood serving retail, personal service, and/or eating or drinking uses shall be provided, subject to the above limitations. No conditional use permit is required, but the commercial use shall be reviewed by the Architectural Review Board as part of the architectural review approval. A minimum of one parking space for each employee working or expected to be working at the same time shall be provided. A "100% affordable housing project" as used herein means a multiple-family housing project consisting entirely of affordable units, as defined in Section 16.65.020 of

Commented [LS6]: These revisions would exempt 100% affordable housing projects from the retail requirement in the RM district.

Not Yet Approved

this code, available only to households with income levels at or below 120% of the area median income for Santa Clara County, as defined in Chapter 16.65, except for a building manager's unit.

(g) Below Market Rate Units and Rental Housing Protection

- (1) In developments of five or more units on sites of less than five acres, not less than fifteen percent (15%) of the units shall be provided at below market rates (BMR) to very low, low and moderate income households in accordance with Program H 36 of the Palo Alto Comprehensive Plan Housing Element. In developments of five or more units on sites of five acres or more, not less than twenty percent (20%) of the units shall be provided at below market rates (BMR). Specified percentages are applied to all proposed units in a project, including those designated as BMR units.
- (2) Further details of the BMR program requirements, including their applicability to subdivisions and for density bonus purposes, are found in the discussion of Programs H 36 and H 38 of the Palo Alto Comprehensive Plan Housing Element.
- (3) Below market rate units shall be fully integrated into the development unless good cause is shown for an exception.

Commented [LS7]: This deletion is an administrative clean-up, as the BMR program is now addressed in Chapter 16.65 of the code. 2.d

(g) Redevelopment of Sites with Non-complying Density

For a parcel with a residential use that exceeds the maximum unit density of the applicable zoning district, the Director may grant an exception to the maximum unit density standard and allow the parcel to be redeveloped to replace the legally established residential units at the existing density, subject to all of the following:

- (1) The applicant must make the request for exception under this provision at the time of project application;
- (2) The project is a residential rental project;
- (3) The project complies with all other applicable development standards; and
- (4) The project shall not be eligible for a density bonus under Chapter 18.15 (Density Bonus). The applicant must elect whether to utilize state density bonus law or the exception described herein as an alternative to state density bonus law.

Commented [LS8]: This new subsection would authorize the Director to grant a zoning exception to allow residentially used sites in the multi-family zoning district that exceed the density standard to be redeveloped as a residential rental project with the same number of units. This option would be an alternative to state density bonus law. 2.c

(h) Performance Criteria

Not Yet Approved

In addition to all other provisions of this chapter, all multi-family development shall comply with applicable provisions of Chapter 18.23 (Performance Criteria for Multiple Family, Commercial, Industrial and Planned Community Districts).

SECTION 5. The Residential Uses portion of Table 1 of subsection (a) of Section 18.16.040 (Land Uses) of **Chapter 18.16 (Neighborhood, Community, and Service Commercial (CN, CC, and CS) Districts)** of Title 18 (Zoning) of the PAMC is amended as follows:

Section 18.16.040 Land Uses

The uses of land allowed by this Chapter in each commercial zoning district are identified in the following tables. Land uses that are not listed on the tables are not allowed, except where otherwise noted. Where the last column on the following tables (“Subject to Regulations in”) includes a section number, specific regulations in the referenced section also apply to the use; however, provisions in other sections may apply as well.

(a) Commercial Zones and Land Uses

Permitted and conditionally permitted land uses for each commercial zone are shown in Table 1:

TABLE 1
CD-PERMITTED AND CONDITIONALLY PERMITTED USES
P = Permitted Use CUP = Conditional Use Permit Required

LAND USE	CN ⁽⁴⁾	CC, CC(2)	CS ⁽⁴⁾	Subject to Regulations In:
...				
RESIDENTIAL USES				
Multiple-Family	p ⁽¹⁾	p ⁽¹⁾	p ⁽¹⁾	18.16.060(b) and (c)
Home Occupations	P	P	P	
Residential Care Homes	P	P	P	

...

(1) Residential is only permitted: (i) as part of a mixed use development, pursuant to the provisions of Section 18.16.060(b), or (ii) on sites designated as ~~Housing Opportunity Sites~~ housing inventory sites in the Housing Element of the Comprehensive Plan, (iii) on CN or CS sites on El Camino Real, or (iv) on CC(2) sites outside of the retail shopping (R) combining district, all pursuant to the provisions of Section 18.16.060(b) and (c).

Commented [LS9]: These amendments, together with other changes to the commercial zoning chapter 18.16, would allow residential only development in certain parts of the commercial zoning district, specifically in the CC(2) subdistrict and on CN or CS sites on El Camino Real. **4.b; 5.d**

...

Not Yet Approved

SECTION 6. Subsections (b) and (c) of Section 18.16.060 (Development Standards) of **Chapter 18.16 (Neighborhood, Community, and Service Commercial (CN, CC, and CS) Districts)** of Title 18 (Zoning) of the PAMC are amended as follows:

Section 18.16.060 Development Standards

...

(b) Mixed Uses and Residential

Table 4 specifies the development standards for new residential mixed use developments and residential developments. These developments shall be designed and constructed in compliance with the following requirements and the context-based design criteria outlined in Section 18.16.090, 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 Section 18.76.020.

Table 4
Mixed Use and Residential Development Standards

	CN	CC	CC(2)	CS	Subject to regulations in:
Minimum Site Specifications					
Site Area (ft ²)	None required				
Site Width (ft)					
Site Depth (ft)					
Minimum Setbacks					Setback lines imposed by a special setback map pursuant to Chapter 20.08 of this code may apply
Front Yard (ft)	0' - 10' to create an 8' - 12' effective sidewalk width ⁽⁸⁾	None Required ⁽⁸⁾	0' - 10' to create an 8' - 12' effective sidewalk width ⁽⁸⁾	0' - 10' to create an 8' - 12' effective sidewalk width ⁽⁸⁾	
Rear Yard (ft)	10' for residential portion; no requirement for commercial portion				
Rear Yard abutting residential zone district (ft)	10'				
Interior Side Yard if abutting residential zone district (ft)	10'				
Street Side Yard (ft)	5'				

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	CN	CC	CC(2)	CS	Subject to regulations in:
Build-to-Lines	50% of frontage built to setback ⁽¹⁾ 33% of side street built to setback ⁽¹⁾				
Permitted Setback Encroachments	Balconies, awnings, porches, stairways, and similar elements may extend up to 6' 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' into the front and rear setbacks and up to 3' into interior side setbacks				
Maximum Site Coverage	50%	50%	100%	50%	
Landscape/Open Space Coverage	35%	30%	20%	30%	
Usable Open Space		20 sq ft per unit for 5 or fewer units ⁽²⁾ 150 sq ft per unit for 6 units or more ⁽²⁾			
Maximum Height (ft)					
Standard	35' ⁽⁴⁾	50'	37'	50'	
Within 150 ft. of a residential zone district (other than an RM-40 or PC zone) abutting or located within 50 feet of the side	35'	35' ⁽⁵⁾	35' ⁽⁵⁾	35' ⁽⁵⁾	
Daylight Plane for lot lines abutting one or more residential zoning districts	Daylight plane height and slope shall be identical to those of the most restrictive residential zoning district abutting the lot line				
Residential Density (net) ⁽³⁾	15 or 20 ⁽⁹⁾	See sub-section (e) below	No maximum 30	30	18.16.060(i)
Sites on El Camino Real	No maximum		No maximum		
Maximum Residential Floor Area Ratio (FAR)	0.5:1 ⁽⁴⁾		0.6:1	0.6:1	
Maximum Nonresidential Floor Area Ratio (FAR)	0.4:1		2.0:1	0.4:1	
Total Mixed Use Floor Area Ratio (FAR)	0.9:1 ⁽⁴⁾		2.0:1	1.0:1	
Minimum Mixed Use Ground Floor Commercial FAR ⁽⁶⁾	0.15:1 ⁽¹⁰⁾		0.15:1 ⁽¹⁰⁾ 0.25:1 ⁽⁷⁾ ⁽¹⁰⁾	0.15:1 ⁽¹⁰⁾	

Commented [LS10]: This change implements in this commercial zoning district the citywide modification to provide for a single open space requirement regardless of the number of multi-family units. 1.a

Commented [LS11]: This amendment would eliminate residential unit density maximums in the CC(2) subdistrict and on CS and CN sites on El Camino Real. 4.a; 5.a

Not Yet Approved

	CN	CC	CC(2)	CS	Subject to regulations in:
Parking	See Chapters 18.52 and 18.54 (Parking)				18.52, 18.54

- (1) Twenty-five-foot driveway access permitted regardless of frontage; build-to requirement does not apply to CC district.
- (2) Required usable open space: (1) may be any combination of private and common open spaces; (2) does not need to be located on the ground (but rooftop gardens are not included as open space except as provided below); (3) minimum private open space dimension six feet; and (4) minimum common open space dimension twelve feet.

For CN and CS sites on El Camino Real and CC(2) sites that do not abut a single- or two-family residential use or zoning district, rooftop gardens may qualify as usable open space and may count as up to 60% of the required usable open space for the residential component of a project. In order to qualify as usable open space, the rooftop garden shall meet the requirements set forth in Section 18.40.190.
- (3) Residential density shall be computed based upon the total site area, irrespective of the percent of the site devoted to commercial use.
- (4) For CN sites on El Camino Real, height may increase to a maximum of 40 feet and the FAR may increase to a maximum of 1.0:1 (0.5:1 for nonresidential, 0.5:1 for residential).
- (5) For sites abutting an RM-40 zoned residential district or a residential Planned Community (PC) district, maximum height may be increased to 50 feet.
- (6) Ground floor commercial uses generally include retail, personal services, hotels and eating and drinking establishments. Office uses may be included only to the extent they are permitted in ground floor regulations.
- (7) If located in the California Avenue Parking Assessment District.
- (8) A 12-foot sidewalk width is required along El Camino Real frontage.
- (9) Residential densities up to 20 units/acre only are allowed on CN zoned housing inventory sites identified in the Housing Element. Other CN zoned sites are subject to a maximum residential density of up to 15 units/acre.
- (10) In the CC(2) zone and on CN and CS zoned sites on El Camino Real, there shall be no minimum mixed use ground floor commercial FAR for a residential project, except to the extent that the retail preservation requirements of Section 18.40.180 or the retail shopping (R) combining district (Chapter 18.30(A)) applies.

Commented [LS12]: Changes to this footnote would allow rooftop open space to qualify as usable open space for multifamily residential or residential mixed-use projects in the CC(2) subdistrict and on CN and CS zoned sites on El Camino Real, subject to standards specified in new Section 18.40.190 (below) of this ordinance. **4.e; 5.b**

Not Yet Approved

~~(1) Residential and nonresidential mixed use projects shall be subject to site and design review in accord with Chapter 18.30(G), except that mixed use projects with nine or fewer residential units shall only require review by the architectural review board.~~

Commented [LS13]: This change would eliminate site & design review for residential and residential mixed use projects in the commercial zoning district, and only apply the architectural review process like all other projects in this zoning district. **1.b**

~~(12) Nonresidential uses that involve the use or storage of hazardous materials in excess of the exempt quantities prescribed in Title 15 of the Municipal Code, including but not limited to dry cleaning plants and auto repair, are prohibited in a mixed use development with residential uses.~~

~~(23) Residential mixed use development is prohibited on any site designated with an Automobile Dealership (AD) Combining District overlay.~~

(c) Exclusively Residential Uses

Commented [LS14]: These changes allow for exclusively residential uses in the CC(2) zone and CN or CS zoned sites on El Camino Real, except where the retail preservation ordinance or the retail shopping (R) combining district applies. The changes also require that for frontages on El Camino Real, an exclusively residential project be designed to maintain ground-floor interest. **4.b, 5.d**

Exclusively residential uses are generally prohibited in the CN, CS, ~~and CC, and CC(2)~~ zone districts, except on housing inventory sites identified in the Housing Element, subject to the standards in Section 18.16.060(b), and on CS and CN sites on El Camino Real, subject to the following.

~~(1) On CS and CN sites on El Camino Real and on CC(2) sites, where the retail shopping (R) combining district and the retail preservation provisions of Section 18.40.180 do not apply, exclusively residential uses are allowed subject to the standards in Section 18.16.060(b) and the following additional requirements:-~~

~~(A) Residential units shall not be permitted on the ground-floor of development fronting on El Camino Real unless set back a minimum of 15 feet from the property line or the 12-foot effective sidewalk setback along the El Camino Real frontage, whichever is greater. Common areas, such as lobbies, stoops, community rooms, and work-out spaces with windows and architectural detail are permitted on the ground-floor El Camino Real frontage.~~

~~(B) Parking shall be located behind buildings or below grade, or, if infeasible, screened by landscaping, low walls, or garage structures with architectural detail.~~

...

(j) Housing Incentive Program

Commented [LS15]: This new subsection would authorize the Director to grant zoning waivers to allow increased FAR for the residential portion of a project, and to waive other development standards for a 100%affordable housing project, in the CC(2) subdistrict and on CN or CS zoned sites on El Camino Real, subject to architectural review. **4.f; 5.e**

~~(1) For an exclusively residential or residential mixed-use project in the CC(2) zone or on CN or CS zoned sites on El Camino Real, the Director may waive the~~

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residential floor area ratio (FAR) limit and the maximum site coverage requirement after the project with the proposed waiver or waivers is reviewed by the Architectural Review Board, if the Director finds that a project exceeding these standards is consistent with the required architectural review findings. In no event shall the Director approve a commercial FAR that exceeds the standard in Table 4 of Section 18.16.060(b) or a total FAR (including both residential and commercial FAR) in excess of 2.0 in the CC(2) zone or 1.5 in the CN or CS zone.

(2) For a 100% affordable housing project in the CC(2) zone or on CN or CS zoned sites on El Camino Real, the Director may waive any development standard including parking after the project with the proposed waiver or waivers is reviewed by the Architectural Review Board, if the Director finds that a project with such waiver or waivers is consistent with the required architectural review findings. In no event shall the Director approve development standards more liberal than the standards applicable to the Affordable Housing (AH) Combining District in Chapter 18.30(J). A "100% affordable housing project" as used herein means a multiple-family housing or mixed-use project in which the residential component consists entirely of affordable units, as defined in Section 16.65.020 of this code, available only to households with income levels at or below 120% of the area median income, as defined in Section 16.65.020, with an average not to exceed 60% of the area median income, except for a building manager's unit.

(3) This program is a local alternative to the state density bonus law, and therefore, a project utilizing this program shall not be eligible for a density bonus under Chapter 18.15 (Density Bonus).

(j) Parking and Vehicular Access on California Avenue Restricted

Vehicular access to CC(2) zoned sites on California Avenue which requires vehicular movement across the sidewalk on California Avenue shall be prohibited, except where required by law and as applied to parcels owned, leased or controlled by the City.

Commented [LS16]: This new subsection would preclude curb cuts on California Avenue, except for City parcels. **4.d**

SECTION 7. Subsections (b) and (c) of Section 18.18.060 (Development Standards) of **Chapter 18.18 (Downtown Commercial (CD) District)** of Title 18 (Zoning) of the PAMC are amended as follows:

Section 18.18.060 Development Standards

...

(b) Mixed Use and Residential

Table 3 specifies the development standards for new residential mixed use developments and

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residential developments. These developments shall be designed and constructed in compliance with the following requirements and the context-based design criteria outlines in Section 18.18.110, 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 Section 18.76.020:

**TABLE 3
MIXED USE AND RESIDENTIAL DEVELOPMENT STANDARDS**

	CD-C	CD-S	CD-N	Subject to regulations in Section:
Minimum Setbacks				Setback lines imposed by a special setback map pursuant to Chapter 20.08 of this code may apply
Front Yard (ft)	None required		10'	
Rear Yard (ft)	10' for residential portion; no requirement for commercial portion			
Interior Side Yard (ft)	No requirement	10' if abutting residential zone	10' if abutting residential zone	
Street Side Yard (ft)	No requirement	5'	5'	
Permitted Setback Encroachments	Balconies, awnings, porches, stairways, and similar elements may extend up to 6' 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' into the front and rear setbacks and up to 3' into interior side setbacks			
Maximum Site Coverage	No requirement	50%	50%	
Landscape Open Space Coverage	20%	30%	35%	
Usable Open Space	200 sq ft per unit for 5 or fewer units ⁽¹⁾ ; 150 sq ft per unit for 6 units or more ⁽¹⁾			Commented [LS17]: This change implements in the downtown commercial zoning district the citywide modification to provide for a single open space requirement regardless of the number of multi-family units. 1.a
Maximum Height (ft)				

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	CD-C	CD-S	CD-N	Subject to regulations in Section:
Standard	50'	50'	35'	
Within 150 ft. of an abutting residential zone	40' ⁽⁴⁾	40' ⁽⁴⁾	35' ⁽⁴⁾	
Daylight Plane for lot lines abutting one or more residential zoning districts or a residential PC district	Daylight plane height and slope identical to those of the most restrictive residential zone abutting the lot line			
Residential Density (net)⁽²⁾	40 No maximum	30	30	
Maximum Weighted Average Residential Unit Size⁽⁵⁾	1,500 sq ft per unit	No maximum	No maximum	
Maximum Residential Floor Area Ratio (FAR)	1.0:1 ⁽³⁾	0.6:1 ⁽³⁾	0.5:1 ⁽³⁾	
Maximum Nonresidential Floor Area Ratio (FAR)	1.0:1 ⁽³⁾	0.4:1	0.4:1	
Total Floor Area Ratio (FAR)⁽³⁾	2.0:1 ⁽³⁾	1.0:1 ⁽³⁾	0.9:1 ⁽³⁾	18.18.070
Parking Requirement	See Chapters 18.52 and 18.54			Chs. 18.52, 18.54

Commented [LS18]: This change implements a maximum average unit size for residential units in a project. **3.b**

- (1) Required usable open space: (1) may be any combination of private and common open spaces; (2) does not need to be located on the ground (but rooftop gardens are not included as open space except as provided below); (3) minimum private open space dimension 6'; and (4) minimum common open space dimension 12'.

For CD-C sites that do not abut a single- or two-family residential use or zoning district, rooftop gardens may qualify as usable open space and may count as up to 75% of the required usable open space for the residential component of a project. In order to qualify as usable open space, the rooftop garden shall meet the requirements set forth in Section 18.40.190.

- (2) Residential density shall be computed based upon the total site area, irrespective of the percent of the site devoted to commercial use. There shall be no deduction for that portion of the site area in nonresidential use.

Commented [LS19]: Changes to this footnote would allow rooftop open space to qualify as usable open space for multifamily residential or residential mixed-use projects in the CD-C zone subject to standards specified in new Section 18.40.190 (below) of this ordinance. **1.a**

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- (3) FAR may be increased with transfers of development and/or bonuses for seismic and historic rehabilitation upgrades, not to exceed a total site FAR of 3.0:1 in the CD-C subdistrict or 2.0:1 in the CD-S or CD-N subdistrict.
- (4) For sites abutting an RM-40 zoned residential district or a residential Planned Community (PC) district, maximum height may be increased to 50 feet.
- (5) The weighted average residential unit size shall be calculated by dividing the sum of the square footage of all units by the number of units. For example, a project with ten 800-square foot 1-bedroom units, eight 1,200-square foot 2-bedroom units, and two 1,800-square foot 3-bedroom units would have a weighted average residential unit size of $((10 \times 800) + (8 \times 1200) + (2 \times 1800)) \div (10 + 8 + 2) = 1,060$ square feet.

~~(1) Residential and nonresidential mixed use projects shall be subject to site and design review in accord with Chapter 18.30(G), except that mixed use projects with nine or fewer units shall only require review and approval by the architectural review board.~~

(12) Nonresidential uses that involve the use or storage of hazardous materials in excess of the exempt quantities prescribed in Title 15 of the Municipal Code, including but not limited to dry cleaning plants and auto repair, are prohibited in a mixed use development with residential uses.

(c) Exclusively Residential Uses

- (1) Exclusively residential uses are allowed in the CD-C subdistrict, except in the ground floor (GF) combining district.
- (2) Exclusively residential uses are generally prohibited in the ~~CD district and CD-N and CD-S~~ subdistricts. Such uses are allowed, however, where a site is designated as a ~~Housing Opportunity Site~~ housing inventory site in the Housing Element of the Comprehensive Plan. Such sites shall be developed pursuant to the regulations for the multi-family zone designation (RM-~~2015~~, RM-30, or RM-40) identified for the site in the Housing Element.

...

(l) Housing Incentive Program

- (1) For an exclusively residential or residential mixed-use project in the CD-C zone, the Director may waive the residential floor area ratio (FAR) limit after the project with the proposed waiver is reviewed by the Architectural Review Board, if the Director finds that the project exceeding the FAR standard is consistent with the required architectural review findings. In no event shall the Director approve a commercial FAR in excess of 1.0 or a total FAR (including both

Commented [LS20]: This change would eliminate site & design review for residential and residential mixed use projects in the downtown commercial zoning district, and only apply the architectural review process like all other projects in this zoning district. **1.b**

Commented [LS21]: This change would allow residential-only development in the downtown, except in the ground floor (GF) combining district. **3.e**

Commented [LS22]: This new subsection would authorize the Director to grant zoning waivers to allow increased FAR for the residential portion of a project, and to waive other development standards for a 100%affordable housing project, in the CD-C subdistrict, subject to architectural review. **3.h**

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residential and commercial FAR) in excess of 3.0. Nor shall the use of transferable development rights under Section 18.18.080 be allowed to cause the site to exceed a FAR of 3.0.

(2) For a 100% affordable housing project in the CD-C zone, the Director may waive any development standard including parking after the project with the proposed waiver or waivers is reviewed by the Architectural Review Board, if the Director finds that a project with such waiver or waivers is consistent with the required architectural review findings. In no event shall the Director approve a FAR in excess of 3.0 or approve other development standards more liberal than the standards applicable to the Affordable Housing (AH) Combining District in Chapter 18.30(J). A "100% affordable housing project" as used herein means a multiple-family housing or mixed-use project in which the residential component consists entirely of affordable units, as defined in Section 16.65.020 of this code, available only to households with income levels at or below 120% of the area median income, as defined in Section 16.65.020, with an average not to exceed 60% of the area median income, except for a building manager's unit.

(3) This program is a local alternative to the state density bonus law, and therefore, a project utilizing this program shall not be eligible for a density bonus under Chapter 18.15 (Density Bonus).

(m) Parking and Vehicular Access on University Avenue Restricted

Vehicular access to CD-C zoned sites on University Avenue which requires vehicular movement across the sidewalk on University Avenue shall be prohibited, except where required by law and as applied to parcels owned, leased or controlled by the City.

Commented [LS23]: This new subsection would preclude curb cuts on University Avenue, except for City parcels. **3.d**

SECTION 8. Subsection (d) of Section 18.18.090 (Parking and Loading) of **Chapter 18.18 (Downtown Commercial (CD) District)** of Title 18 (Zoning) of the PAMC is amended as follows:

Section 18.18.090 Parking and Loading

...

(d) In-lieu Parking Provisions

In connection with any expansion of the supply of public parking spaces within the CD commercial downtown district, the city shall allocate a number of spaces for use as "in-lieu parking" spaces to allow development to occur on sites which would otherwise be precluded from development due to parking constraints imposed by monetary contribution to the city to defray the cost of providing such parking. Contributions for each required parking space shall equal the incremental cost of providing a net new

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parking space in an assessment district project plus cost for the administration of the program, all as determined pursuant to [Chapter 16.57](#) of Title 16 of this code, by the director of planning and community environment, whose decision shall be final. Only sites satisfying one or more of the following criteria, as determined by the director of planning and community environment, shall be eligible to participate in the in-lieu parking program:

- (1) Construction of on-site parking would necessitate destruction or substantial demolition of a designated historic structure;
- (2) The site area is less than 10,000 square feet, but of such an unusual configuration that it would not be physically feasible to provide the required on-site parking;
- (3) The site is greater than 10,000 square feet, but of such an unusual configuration that it would not be physically feasible to provide the required on-site parking;
- (4) The site is located in an area where city policy precludes curb cuts or otherwise prevents use of the site for on-site parking; or
- (5) The site has other physical constraints, such as a high groundwater table, which preclude provision of on-site parking without extraordinary expense.

Commercial uses above the ground floor shall not be eligible to participate in the in-lieu parking program.

Commented [LS24]: This change would restrict the use of in-lieu parking for commercial uses above the ground floor to further incentivize housing development.

SECTION 9. Section 18.40.180 (Retail Preservation) of **Chapter 18.40 (General Standards and Exceptions)** of Title 18 (Zoning) of the PAMC is amended as follows:

Section 18.40.180 Retail Preservation

- (a) Conversion of Retail and Retail-Like Uses Prohibited.
 - (1) Any ground floor Retail or Retail-Like use permitted or operating as of March 2, 2015 may be replaced only by another Retail or Retail-Like use, as permitted in the applicable district.
 - (A) A ground floor Retail or Retail-Like use in the RT-35 district on properties with frontage on Alma Street between Channing Avenue and Lincoln Avenue may additionally be replaced by a Private Educational Facility use, provided that such use shall not be thereafter replaced by an Office use.
 - (2) The phrase 'use permitted or operating' as used in this section means:

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- (A) A lawfully established use conducting business, including legal non-conforming uses.
- (B) An established use conducting business without required city approvals, but is a permitted or conditionally permitted use in district.
- (C) For parcels vacant on March 2, 2015, the last use that was lawfully established, or established without required permits, and permitted or conditionally permitted in the district.

(b) Non-conforming Uses.

- (1) The requirements imposed by subsection (a) shall not apply to Retail or Retail-like uses that are no longer permitted or conditionally permitted in the applicable district.
- (2) Nothing in this section shall modify the provisions of Chapter 18.70 regarding the expansion, change, discontinuance, or termination of a non-conforming use.

(c) Waivers and Adjustments; and Exemptions.

- (1) Grounds. The following shall be grounds for a request for waiver or adjustment of the requirements contained in this section:
 - (A) Economic Hardship. An applicant may request that the requirements of this section be adjusted or waived based on a showing that applying the requirements of this section would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property; or
 - (B) Alternative Viable Active Use. Except in the GF or R combining districts, an applicant may request that the requirements of this Section 18.40.160 be adjusted or waived based on a showing that: the permitted retail or retail-like use is not viable; the proposed use will support the purposes of the zoning district and Comprehensive Plan land use designation; and the proposed use will encourage active pedestrian-oriented activity and connections.
- (2) Documentation. The applicant shall bear the burden of presenting substantial evidence to support a waiver or modification request under this Section and shall set forth in detail the factual and legal basis for the claim, including all supporting technical documentation. Evidence in support of a waiver under subsection (c)(1)(B) must demonstrate the viability of existing and future uses on the site, based on both the site characteristics and the surrounding uses; specifically whether a substitute use could be designed and/or conditioned to

Commented [LS25]: The changes to this subsection would exempt 100% affordable projects (excluding manager's unit) from the Retail Preservation Ordinance, except in the GF and R combining districts. **1.c**

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contribute to the goals and purposes of the zoning district. Examples of such evidence include:

(A) A 10-year history of the site's occupancy and reasons for respective tenants vacating the site;

(B) A map that indicates all the existing surrounding uses, both residential and non-residential, within one City-block; include the corresponding zone district on the map;

(3) Any request under this section shall be submitted to the Director together with supporting documentation. The Director, in his or her sole discretion, may act on a request for waiver or refer the matter to the City Council.

(A) A decision by the Director shall be placed on the City Council's consent calendar within 45 days.

(B) Removal of the recommendation from the consent calendar shall require three votes, and shall result in a new public hearing before the City Council, following which the City Council shall take action on the waiver request.

(C) The decision of the Council is final.

(4) Exemptions. The provisions of this Chapter shall not apply to:

(A) A 100% affordable housing project not within the Ground Floor (GF) and/or Retail (R) combining districts or on a site abutting El Camino Real . A "100% affordable housing project" as used herein means a multiple-family housing project consisting entirely of affordable units, as defined in Section 16.65.020 of this code, available only to households with income levels at or below 120% of the area median income, as defined in Chapter 16.65, except for a building manager's unit.

...

SECTION 10. Chapter 18.40 (General Standards and Exceptions) of Title 18 (Zoning) of the PAMC is amended to add a new Section 18.40.190 (Rooftop Gardens) as follows:

Section 18.40.190 Rooftop Gardens

Where allowed under this Title, in order to qualify as usable open space, a rooftop garden shall meet the following standards:

(a) Permanent fixtures on the rooftop shall be placed so as not to exceed height limit for the applicable zoning district, except:

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(i) Elevators, stairs and guardrails may exceed the height limit to allow for access to the rooftop useable open space as and to the extent required to comply with the Americans With Disabilities Act (ADA). These fixtures shall be designed to the lowest height and size feasible.

(ii) Permanent fixtures associated with the useable open space, such as trellises, shade structures, furniture, and furnishings such as planters, lighting and heaters, may exceed the height limit by up to 12 feet.

(iii) For the height limit exceptions in (i) and (ii) above, all fixtures shall not intersect a plane measured at a forty-five degree angle from the edge of the building starting at the rooftop garden surface sloping upward and inward toward the center of the property.

(b) The rooftop garden may be located on the second or higher story or on a roof deck.

(c) The rooftop garden shall be accessible to all residents of dwelling units on the parcel, but not to commercial tenants of a residential mixed-use development.

(d) Structures or fixtures providing a means of access or egress (i.e., stairway, elevator) shall be located away from the building edge to the extent feasible or screened to minimize visibility from the public right-of-way and adjacent buildings and privacy impacts. These access structures or fixtures, when exceeding the height limit, shall be subject to the provisions of subsection (a)(iii) above.

(e) Any lighting shall have cutoff fixtures that cast downward-facing light or consist of low-level string lights. Lights shall be dimmable to control glare and placed on timers to turn off after 10:00 PM. Photometric diagrams must be submitted by the applicant to ensure there are no spillover impacts into windows or openings of adjacent properties.

(f) At least 15% but no more than 25% of the rooftop shall be landscaped with raised beds for gardening, C.3 stormwater planters, or other landscaping. All required landscaped areas shall be equipped with automatic irrigation systems and be properly drained.

(g) Rooftop equipment that emit noise and/or exhaust, including but not limited to vents, flues, generators, pumps, air conditioning compressors, and other protrusions through the roof, shall be directed away and screened from the useable open space areas.

(h) Rooftop open space noise levels shall not exceed exterior residential noise level as defined by Section 9.10.030(a) of this code.

(i) The use of sound amplifying equipment shall be prohibited. Signs shall be affixed adjacent to access elevators and stairs within the rooftop garden providing notice of this prohibition.

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SECTION 11. Table 1 (Minimum Off-Street Parking Requirements) and Table 2 (Minimum Off-Street Parking Requirements for Parking Assessment Districts) of subsection (c) of Section 18.52.040 (Off-Street Parking, Loading and Bicycle Facility Requirements) of **Chapter 18.52 (Parking and Loading Requirements)** of Title 18 (Zoning) of the PAMC are amended as follows:

Section 18.52.040 Off-Street Parking, Loading and Bicycle Facility Requirements

...

(c) Tables 1, 2 and 3: Parking, Bicycle, and Loading Requirements

Tables 1 and 2 below outline vehicle and bicycle parking requirements in general and for Parking Assessment Districts, respectively. Table 3 outlines loading requirements for each land use. For mixed-use projects, the requirements for each land use shall be applied and required for the overall project.

**Table 1
Minimum Off-Street Parking Requirements**

Use	Vehicle Parking Requirement (# of spaces)	Bicycle Parking Requirement	
		Spaces	Class ¹ Long Term (LT) and Short Term (ST)
RESIDENTIAL USES			
Multiple-Family Residential	<u>1 per micro unit</u> ⁽²⁾ 1-.25 per studio unit 1-.5 per 1-bedroom unit 2 per 2-bedroom or larger unit At least one space per unit must be covered Tandem parking allowed for any unit requiring two spaces (one tandem space per unit, associated directly with another parking space for the same unit, up to a maximum of 25% of total required spaces for any project with more than four (4) units)	1 per unit	100% - LT
Multiple-Family Residential Near Fixed Rail Station ⁽³⁾	<u>0.5 per micro unit</u> ⁽²⁾ <u>0.8 per studio unit</u>		

Commented [LS26]: The changes to the Residential Uses in this Section implement reduced parking requirements for multifamily residential projects generally, and convert the parking adjustments available for senior housing, housing near transit, and affordable housing into by-right reduced standards for senior housing, housing near a major fixed rail station and 100% affordable housing projects. **1.d**

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(2)	0.8 per 1-bedroom unit 1.6 per 2-bedroom or larger unit		
(a) Guest Parking	No additional guest parking required For projects exceeding 3 units; 1 space plus 10% of total number of units, provided that if more than one space per unit is assigned or secured parking, then guest spaces equal to 33% of all units is required.	1 space for each 10 units	100%-ST
100% Affordable Housing (4) (7)	a. 40% reduction in the applicable parking requirement for Extremely Low Income units b. 30% reduction for Very Low Income units c. 20% reduction for Low Income units	1 per unit	100% - LT
Senior Housing (5) (7)	0.75 per unit		
...			
RETAIL USES (6)			
Retail:			
(a) Intensive (retail not defined as extensive)	1 per 200 sq. ft. of gross floor area	1 per 2,000 sf	20% - LT 80%-ST
(b) Extensive (retail with more than 75% of gross floor area used for display, sales and related storage, with demonstrably low parking demand)	1 per 350 sq. ft. of gross floor area	1 per 3,500 sf	20% - LT 4080% - ST

Commented [LS27]:
Alternative option: 0.75 per unit consistent with the residential parking standard for the Affordable Housing (AH) combining district

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generation per square foot of gross floor area)			
(c) Open lot	1 space for each 500 square feet of sales, display, or storage site area	1 per 5,000 sf	100%-ST
Drive-up windows providing services to occupants in vehicles	Queue line for 5 cars, not blocking any parking spaces, in addition to other applicable requirements	None additional	
Eating and Drinking Services:			
(a) With drive-in or take-out facilities	3 per 100 sq. ft. of gross floor area	3 per 400 sf	40% - LT 60% - ST
(b) All others	1 space for each 60 gross sq. ft. of public service area, plus 1 space for each 200 gross sq. ft. for all other areas.	1 per 600 sf of public service area, plus 1 per 2,000 sf for other areas	
...			

(1) Long Term (LT) and Short Term (ST) bicycle spaces as described in Section 18.54.060.

(2) A “micro-unit” as used herein means a residential unit of 450 square feet or less.

(3) These standards apply to housing projects, other than 100% affordable housing projects, on parcels located within one-half mile radius of a major fixed rail transit station (as measured from the platform). Projects that qualify for and utilize this reduced parking requirement shall provide at least one annual transit pass (i.e., Caltrain go-pass) per unit to the unit occupant on an ongoing basis or implement an equally effective measure approved by the Director for the life of the project.

(4) Applies to 100% affordable housing projects and the residential component of 100% affordable housing mixed-use projects. “100% affordable housing” as used herein means a multiple-family housing project consisting entirely of affordable units, as defined in Section 16.65.020 of this code, available only to households with income levels at or below 120% of the area median income, as defined in Chapter 16.65, except for a building manager’s unit.

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(5) Senior housing for purposes of this provision means an independent living facility, not a convalescent or residential care facility.

(6) For residential mixed-use developments in the CD-C zone, CC(2) zone, and on CN and CS zoned sites abutting El Camino Real, the first 1,500 square feet of ground-floor retail uses shall not be counted toward the vehicle parking requirement.

(7) Because these parking standards are reduced from the standards otherwise applicable to multiple-family residential development, projects that utilize these reduced parking standards shall not be eligible for further parking reductions through adjustments under Section 18.52.050, Table 4.

Commented [LS28]: The changes to the Retail Uses in this Section would exempt the first 1500 sf of ground-floor retail from parking requirements citywide to relieve physical and financial constraints of providing retail. **3.c, 4.c, 5.c**

Table 2
Minimum Off-Street Parking Requirements for Parking Assessment Districts
(IF USE IS NOT LISTED, REFER TO TABLE 1 FOR REQUIREMENTS)

Use	Vehicle Parking Requirement (# of spaces)	Bicycle Parking Requirement	
		Class ¹	Spaces
For Downtown University Avenue Parking Assessment District:			
All uses (except residential) ²	1 per 250 square feet	1 per 2,500 square feet	40% - LT 60% - ST
For California Avenue Parking Assessment District:			
...			
Retail:²			
(a) Intensive	1 per 240 sf of gross floor area	1 per 2,400 sf	20% - LT 80% - ST
(b) Extensive	1 per 350 sf of gross floor area	1 per 3,500 sf	
(c) Open Lot	1 for each 500 square feet of sales, display, or storage site area.	1 per 5,000 sf	100% - LT
...			

1. Long Term (LT) and Short Term (ST) bicycle spaces as described in Section 18.54.060.

2. For residential mixed-use developments in the CD-C zone, CC(2) zone, and on CN and CS zoned sites abutting El Camino Real, the first 1,500 square feet of ground-floor retail uses shall not be counted toward the vehicle parking requirement.

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SECTION 12. Table 4 (Allowable Parking Adjustments) of Section 18.52.050 (Adjustments by the Director) of **Chapter 18.52 (Parking and Loading Requirements)** of Title 18 (Zoning) of the PAMC is amended as follows:

Commented [LS29]: These changes remove parking reductions available because these reductions will become by-right parking standards for the specific types of developments referenced. **1.d**

Section 18.52.050 Parking and Loading Requirements

Automobile parking requirements prescribed by this chapter may be adjusted by the director in the following instances and in accord with the prescribed limitations in Table 4, when in his/her opinion such adjustment will be consistent with the purposes of this chapter, will not create undue impact on existing or potential uses adjoining the site or in the general vicinity, and will be commensurate with the reduced parking demand created by the development, including for visitors and accessory facilities where appropriate. No reductions may be granted that would result in provision of less than ten (10) spaces on a site. The following are adjustments that apply to developments not located within a parking assessment district. Adjustments within the parking assessment districts are contained in Section 18.52.080. The decision of the regarding parking adjustments may be appealed as set forth in Chapter 18.78 (Appeals).

**Table 4
Allowable Parking Adjustments**

Purpose of Adjustment	Amount of Adjustment	Maximum Reduction ^{2a}
On-Site Employee Amenities	Square footage of commercial or industrial uses to be used for an on-site cafeteria, recreational facility, and/or day care facility, to be provided to employees or their children and not open to the general public, may be exempted from the parking requirements	100% of requirement for on-site employee amenities
Joint Use (Shared) Parking Facilities	For any site or sites with multiple uses where the application of this chapter requires a total of or more than ten (10) spaces, the total number of spaces otherwise required by application of Table 1 may be reduced when the joint facility will serve all existing, proposed, and potential uses as effectively and conveniently as would separate parking facilities for each use or site. In making such a determination, the director shall consider a parking analysis using criteria developed by the Urban Land Institute (ULI) or similar methodology to estimate	20% of total spaces required for the site

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Purpose of Adjustment	Amount of Adjustment	Maximum Reduction ^{2a}
	the shared parking characteristics of the proposed land uses. The analysis shall employ the city's parking ratios as the basis for the calculation of the base parking requirement and for the determination of parking requirements for individual land uses. The director may also require submittal and approval of a TDM program ¹ to further assure parking reductions are achieved.	
Housing for Seniors	The total number of spaces required may be reduced for housing facilities for seniors, commensurate with the reduced parking demand created by the housing facility, including for visitors and accessory facilities, and subject to submittal and approval of a parking analysis justifying the reduction proposed.	50% of the total spaces required for the site
Affordable Housing Units and Single Room Occupancy (SRO) Units ⁽³⁾	The total number of spaces required may be reduced for affordable housing and single room occupancy (SRO) units, commensurate with the reduced parking demand created by the housing facility, including for visitors and accessory facilities. The reduction shall consider proximity to transit and support services and the director may require traffic demand management measures ¹ in conjunction with any approval.	<ul style="list-style-type: none"> a. 40% for Extremely Low Income and SRO Units b. 30% for Very Low Income Units c. 20% for Low Income Units
Housing Near Transit Facilities ⁽³⁾	The total number of spaces required may be reduced for housing located within a designated Pedestrian/Transit Oriented area or elsewhere in immediate proximity to public transportation facilities serving a significant portion of residents, employees, or customers, when such reduction will be commensurate with the reduced parking demand created by the housing facility, including for visitors and accessory facilities, and subject to	20% of the total spaces required for the site.

Not Yet Approved

Purpose of Adjustment	Amount of Adjustment	Maximum Reduction ^{2a}
	submittal and approval of a TDM program. ¹	
Transportation and Parking Alternatives	Where effective alternatives to automobile access are provided, other than those listed above, parking requirements may be reduced to an extent commensurate with the permanence, effectiveness, and the demonstrated reduction of off-street parking demand effectuated by such alternative programs. Examples of such programs may include, but are not limited to, transportation demand management (TDM) programs or innovative parking pricing or design solutions. ¹ (note: landscape reserve requirement is deleted).	20% of the total spaces required for the site
Combined Parking Adjustments	Parking reductions may be granted for any combination of the above circumstances as prescribed by this chapter, subject to limitations on the combined total reduction allowed.	a. 30% reduction of the total parking demand otherwise required b. 40% reduction for affordable housing projects c. 50% reduction for senior housing projects
Modification to Off-Street Loading Requirements	The director may modify the quantity or dimensions of off-street loading requirements for non-residential development based on existing or proposed site conditions; availability of alternative means to address loading and unloading activity; and, upon finding that: 1) the off-street loading requirement may conflict with Comprehensive Plan goals and policies related to site design planning, circulation and access, or urban design principles; and 2) the use of shared on-street loading would not conflict with Comprehensive Plan goals and policies related to site design planning, circulation and access or urban design	One loading space may be waived

Not Yet Approved

Purpose of Adjustment	Amount of Adjustment	Maximum Reduction ^{2a}
	principles; maximum reduction in one loading space.	

1. See Section 18.52.050(d) below regarding requirements for TDM programs.
2. No parking reductions may be granted that would result in provision of less than ten (10) parking spaces on site.
3. No parking reductions may be granted for projects that are entitled to the reduced parking standards in Table 1 of Section 18.52.040 for multiple-family residential near a major fixed rail station, 100% affordable housing and senior housing.

(a) Combining Parking Adjustments

Parking reductions may be granted for any combination of circumstances, prescribed by this chapter, so long as in total no more than a 30% reduction of the total parking demand otherwise required occurs, or no less than a 40% reduction for affordable housing projects (including Single Room Occupancy (SRO) units), ~~or no less than 50% reduction for senior housing projects.~~

...

SECTION 13. Subsection (c) of Section 18.52.070 (Parking Regulations for CD Assessment District) of **Chapter 18.52 (Parking and Loading Requirements)** of Title 18 (Zoning) of the PAMC is amended as follows:

Section 18.52.070 Parking Regulations for CD Assessment District

...

(c) **In-lieu Parking Provisions**

Within the CD commercial downtown district, the provisions of Section 18.18.090(d) shall apply.

~~In connection with any expansion of the supply of public parking spaces within the CD commercial downtown district, the city shall allocate a number of spaces for use as "in-lieu parking" spaces to allow development to occur on sites which would otherwise be precluded from development due to parking constraints imposed by monetary contribution to the city to defray the cost of providing such parking. Contributions for each required parking space shall equal the incremental cost of providing a net new parking space in an assessment district project plus cost for the administration of the program, all as determined pursuant to Chapter 16.57 of Title 16 of this code, by the~~

Commented [LS30]: The changes to this subsection would incorporate the new restriction on the use of in-lieu parking for commercial uses above the ground floor in Chapter 18.18 above, and would remove the repetition of the in-lieu parking provisions in Chapter 18.52, instead simply referencing the provisions as previously stated in Chapter 18.18.

Even if the substantive change to Section 18.18.090(d) is not approved, staff recommends approval of the proposed change here as an administrative clean-up to remove unnecessary repetition of the in-lieu parking provisions.

Not Yet Approved

~~director of planning and community environment, whose decision shall be final. Only sites satisfying one or more of the following criteria, as determined by the director of planning and community environment, shall be eligible to participate in the in-lieu parking program:~~

- ~~(1) Construction of on-site parking would necessitate destruction or substantial demolition of a designated historic structure;~~
- ~~(2) The site area is less than 10,000 square feet, but of such an unusual configuration that it would not be physically feasible to provide the required on-site parking;~~
- ~~(3) The site is greater than 10,000 square feet, but of such an unusual configuration that it would not be physically feasible to provide the required on-site parking;~~
- ~~(4) The site is located in an area where city policy precludes curb cuts or otherwise prevents use of the site for on-site parking; or~~
- ~~(5) The site has other physical constraints, such as a high groundwater table, which preclude provision of on-site parking without extraordinary expense.~~

SECTION 14. 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 15. This Ordinance shall not apply to any project for which the application has been deemed complete as of the effective date of the Ordinance, for the last required discretionary approval for the project. However, the project applicant may elect to be subject to this Ordinance in which case the Ordinance in its entirety shall apply to the project.

SECTION 16. 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 17. The Council finds that the potential environmental impacts related to this Ordinance were analyzed in the Final EIR for the Comprehensive Plan Update, which was certified and adopted by the Council by Resolution No. 9720 on November 13, 2017. The Ordinance is consistent with and implements the program evaluated in the EIR.

Not Yet Approved

SECTION 18. 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:

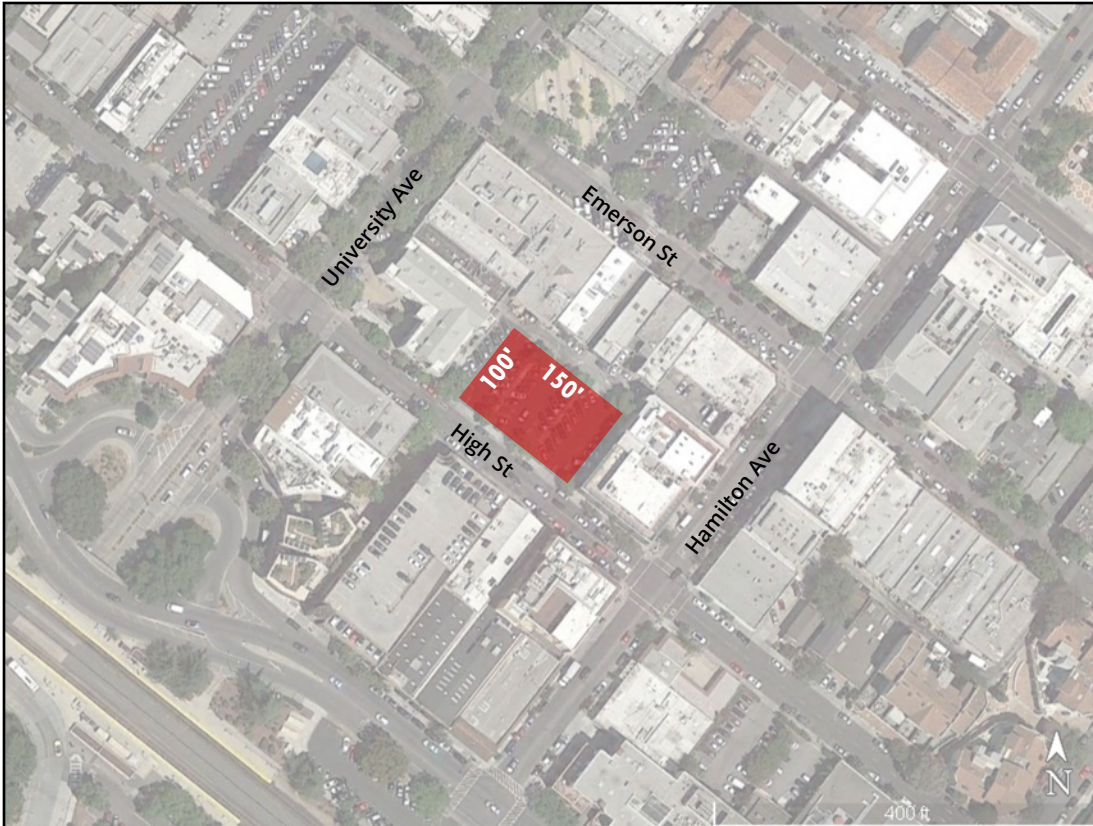
APPROVED:

Assistant City Attorney

City Manager

Director of Planning & Community
Environment

CD-C Downtown Zoning Analysis



Site Diagram

High/Hamilton Parking Lot

Parcel Size:

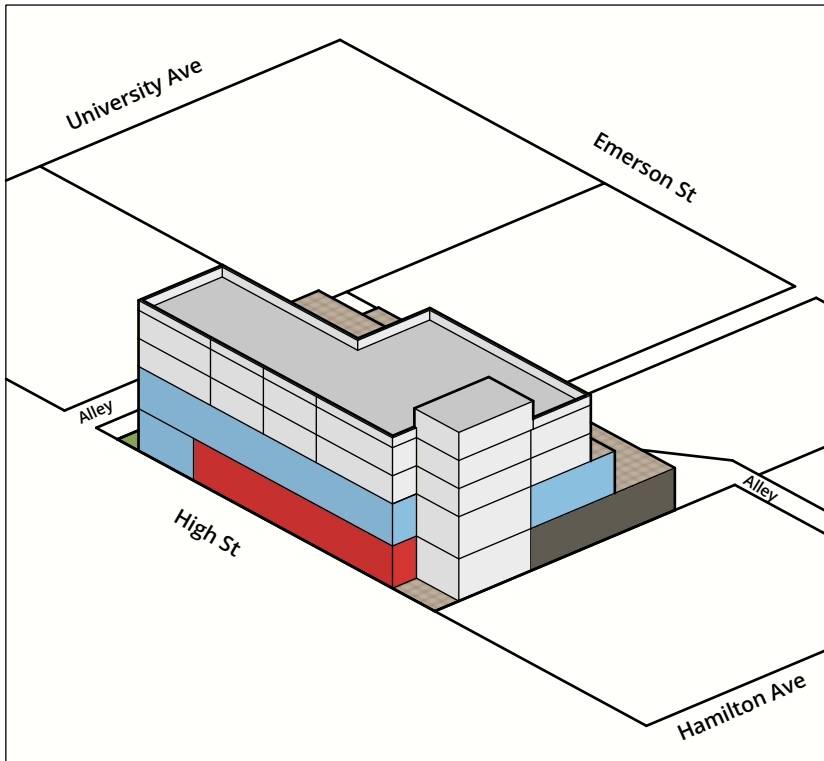
150' x 100' 15,000 sf 0.34 acres

Zoning Analysis Study

- 1) Existing Mixed-Use Zoning
- 2) Proposed 100% Residential, 50' Height, 3.0 FAR Max
- 3) Proposed 100% Affordable Residential, 60' Height, 4.0 FAR Max

CD-C Downtown Zoning Analysis

Existing Mixed-Use Zoning



Massing Diagram

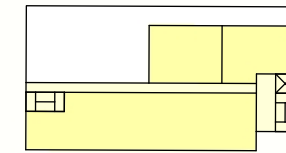
Existing Standards:

Height:	50 ft
Res FAR:	1.0
Com FAR:	1.0
FAR:	2.0 max

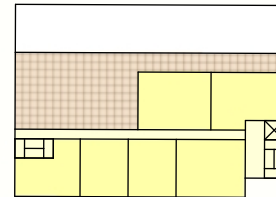
Statistics:

Height:	50 ft, 4 stories
Res FAR:	1.0
Comm. FAR:	1.0
Parking FAR:	0.34 (not counted in total FAR)
FAR:	2.0
Retail:	4,300 sf
Office:	10,700 sf
Residential:	10 units
Avg Unit:	1,116 sf
Density:	29 du/a
Res. Parking:	20 sp
Comm. Parking:	35 sp *

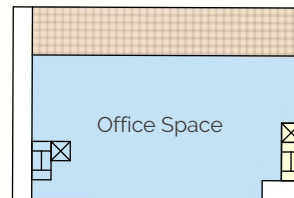
*55 required, 20 located offsite, \$70,000 in-lieu fee would be required per space



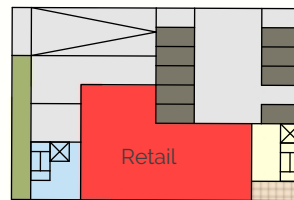
4th Floor



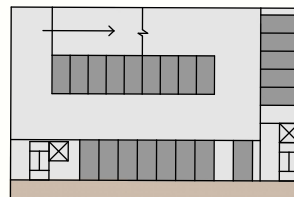
3rd Floor



2nd Floor

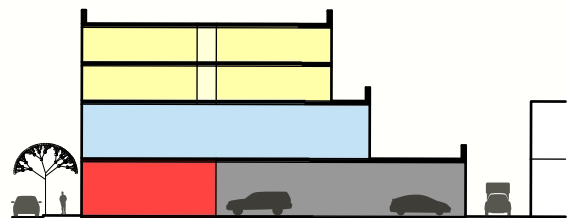


1st Floor



Basement Levels (B1 + B2)

Floor Plans



Building Section

CD-C Downtown Zoning Analysis

Existing Mixed-Use Zoning

Massing in Context:

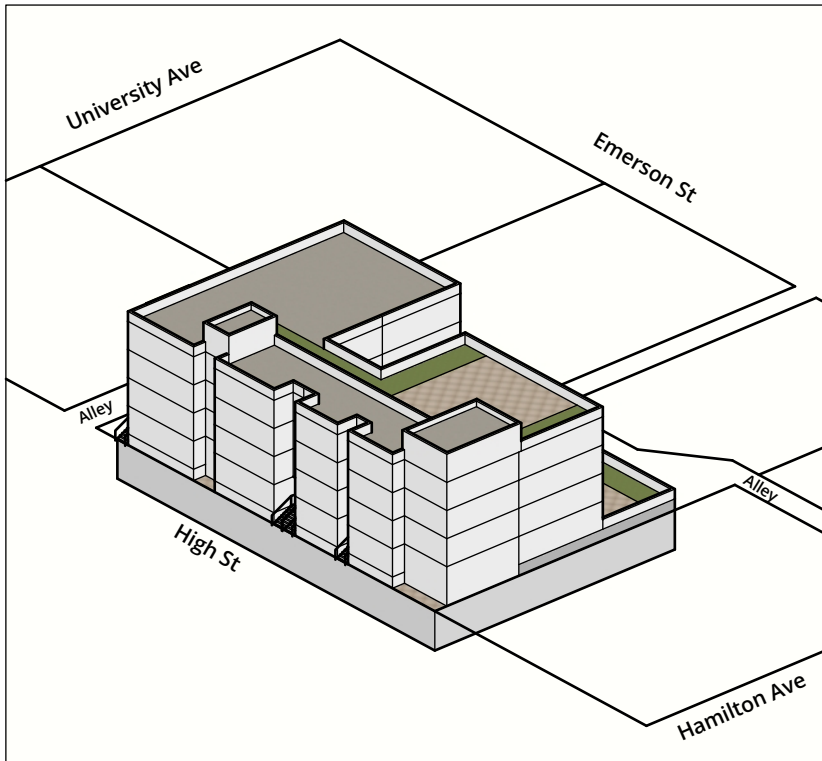


Statistics:

CD-C Downtown Zoning Analysis			Standards		20% Residential							Commercial	
Parcel	Gross Area	Acres	FAR	Max GSF	Landscape/OS	Parking	Studio	1 BR	2 BR	3 BR	Guest	Parking	Retail
Address	15,000.0 sf	0.34	2.0	30,000.0 sf	3,000.0 sf	20	1.25	1.5	2	2	10% + 1	60	250
Notes:													
Floor	Gross Area	Retail	Net Res	Circ/Common	Landscape	Open Space	Studio	1 BR	2 BR	3 BR	Total	Parking/Mech.	Spaces
5	0.0										0 units		
4	6,980.0		5,580.0 sf	1,400.0 sf							0 units		
3	6,980.0		5,580.0 sf	1,400.0 sf		3,320.0 sf		2	3		5 units		
2	10,300.0	10,000.0 sf		300.0 sf		3,500.0 sf		2	3		5 units		
1	10,850.0	5,000.0 sf		750.0 sf	750				0	0	0 units	5,100.0 sf	9
B1	13,675.0											13,675.0 sf	22
B2	13,675.0											13,675.0 sf	24
Totals	62,460 sf	15,000 sf	11,160 sf	3,850 sf	750 sf	6,820 sf	0	4	6	0	10 units	32,450.0 sf	55 sp
	Retail	4,300.0 sf					0%	40%	60%	0%			
	Office	10,700.0 sf					40%		60%				
Summary Stats													
FAR	2.0		Efficiency	74%		OS Standard	150 sf/unit						
DU/A	29.0					OS Req'd	1,500 sf						
Units	10 units		Parking	55 sp		Common Open Space	6,820 sf						
Avg Unit	1,116.0 sf		Parking Ratio	5.5		Private Open Space	TBD						
						Landscape/OS Req'd	3,000 sf	20%					
RES FAR	1.00		Parking FAR	0.34		Landscape/OS	7,570 sf						
COMM FAR	1.00												

CD-C Downtown Zoning Analysis

Proposed: 50' Height - 3.0 FAR - 100% Residential



Massing Diagram

Proposed Standards:

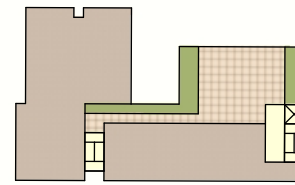
Height: 50 ft
 Res FAR: 3.0
 Tot FAR: 3.0 max

Statistics:

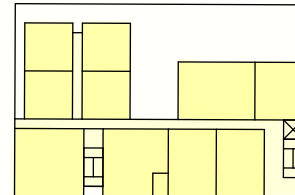
Height: 50 ft, 4.5 stories
 Res FAR: 2.82
 Parking FAR: 0.10 (not included in Total FAR)
 FAR: 2.82
 Residential: 36 units
 Avg Unit: 881 sf
 Density: 104 du/a
 Parking: 39 sp (1.08:1) *includes puzzle lifts

Project Qualifies for reduced parking standards due to proximity to fixed rail transit.

Caltrain Go Passes required for each unit.
 (\$285/user or \$23,940, whichever is greater)



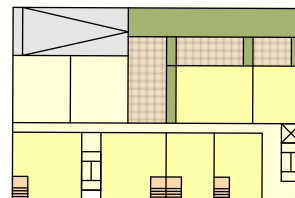
Roof



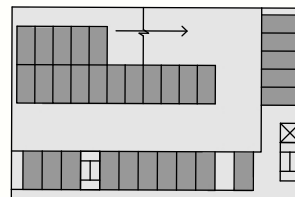
3rd/4th Floors



2nd Floor

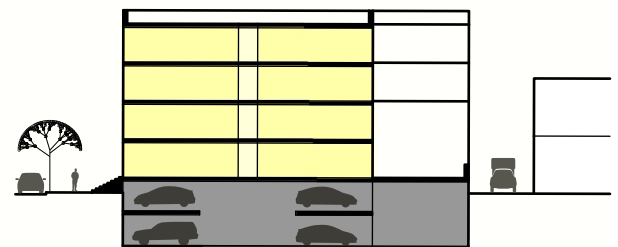


Ground Floor



Basement

Floor Plans



Building Section

CD-C Downtown Zoning Analysis

Proposed: 50' Height - 3.0 FAR - 100% Residential

Massing in Context:

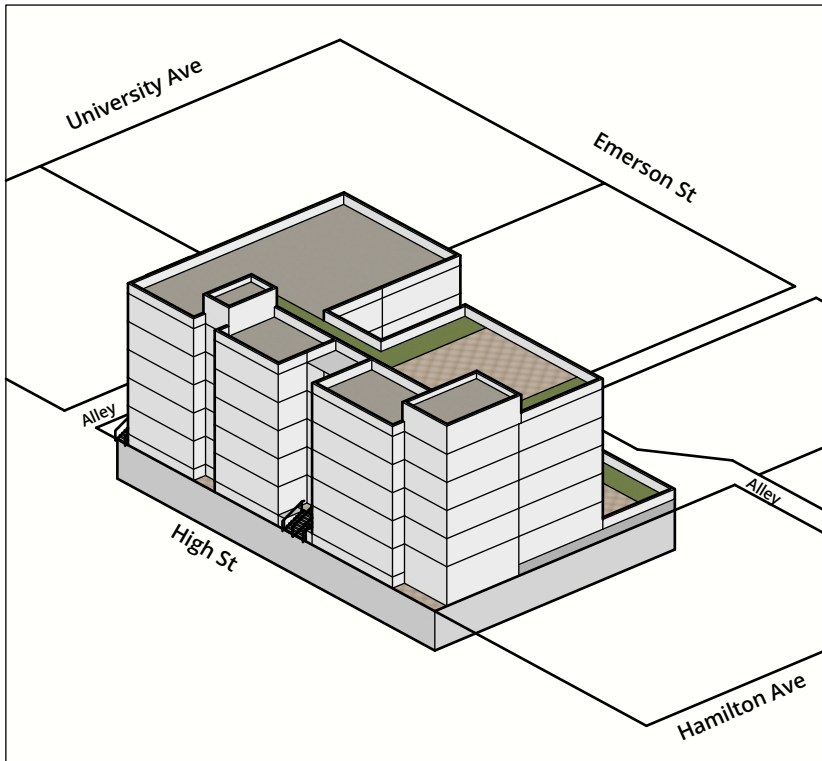


Statistics:

CD-C Downtown Zoning Analysis			Standards										Commercial	
Parcel	Gross Area	Acres	FAR	Max GSF	Landscape/OS	20% Residential	Parking	Studio	1 BR	2 BR	3 BR	Guest	Parking	Retail
Address	15,000.0 sf	0.34	3.0	45,000.0 sf	3,000.0 sf	38.4	0.8	0.8	1.6	1.6	0%			0
Notes:														
Floor	Gross Area	Retail	Net Res	Circ/Common	Landscape	Open Space	Studio	1 BR	2 BR	3 BR	Total	Parking/Mech.	Spaces	
Roof	800.0		800.0 sf	1,975.0 sf		1,848.0 sf					0 units			
4	10,625.0		8,650.0 sf	1,975.0 sf			0	7	2	1	10 units			
3	10,625.0		8,650.0 sf	1,975.0 sf		875.0 sf	0	7	2	1	10 units			
2	10,625.0		8,650.0 sf	1,975.0 sf		3,150.0 sf	0	7	2	1	10 units			
1	11,166.0		5,766.0 sf	3,900.0 sf			0	3	3	0	6 units	1,500.0 sf	0	
B1	15,000.0											15,000.0 sf	39	
Totals	58,841 sf	0 sf	31,716 sf	10,625 sf	0 sf	5,873 sf	0	24	9	3	36 units	16,500.0 sf	39 sp	
							0%	67%	25%	8%				
							67%		33%					
Summary Stats														
FAR	2.82		Efficiency	75%		OS Standard	150 sf/unit							
DU/A	104.5					OS Req'd	5,400 sf							
Units	36 units		Parking*	39 sp		Common Open Space	5,873 sf		*includes puzzle lifts					
Avg Unit	881.0 sf		Parking Ratio	1.08		Private Open Space	TBD**		** Remainder of OS to be provided in Balconies					
RES FAR	2.82		Parking FAR	0.10		Landscape/OS Req'd	3,000 sf		20%					
COMM FAR	0.00					Landscape/OS	5,873 sf							

CD-C Downtown Zoning Analysis

Proposed: 60' Height - 4.0 FAR - 100% Affordable Residential



Massing Diagram

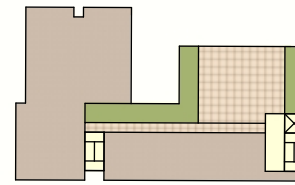
Proposed Standards:

Height: 60 ft
 Res FAR: 4.0
 Tot FAR: 4.0 max

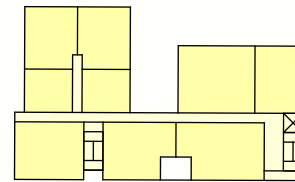
Statistics:

Height: 60 ft, 5.5 stories
 Res FAR: 3.41
 Parking FAR: 0.10 (not included in Total FAR)
 FAR: 3.41
 Residential: 41 units (affordable)
 Avg Unit: 971 sf
 Density: 119 du/a
 Parking: 52 sp (1.27:1)

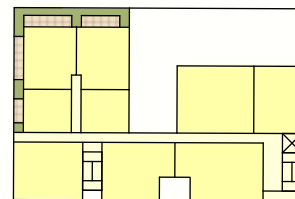
Project Qualifies for reduced parking standards due to proximity to fixed rail transit. A further reduction in parking standards is possible with a 100% affordable project.



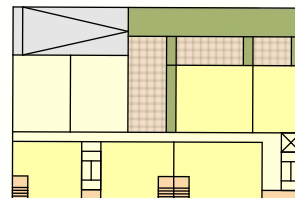
Roof



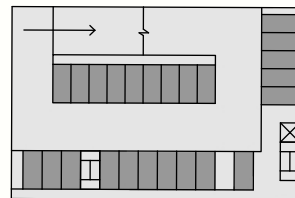
3rd/4th/5th Floors



2nd Floor

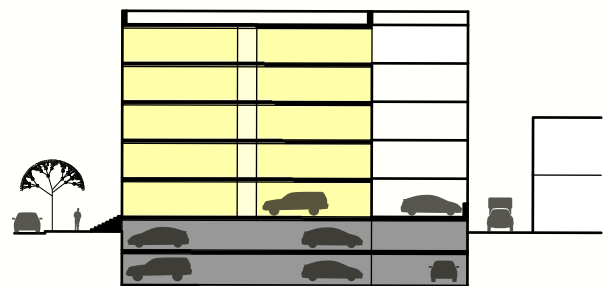


Ground Floor



Basement (B1 + B2)

Floor Plans



Building Section

CD-C Downtown Zoning Analysis

Proposed: 60' Height - 4.0 FAR - 100% Affordable Residential

Massing in Context:



Statistics:

CD-C Downtown Zoning Analysis			Standards		20% Residential		Commercial					Retail	
Parcel	Gross Area	Acres	FAR	Max GSF	Landscape/OS	Parking	Studio	1 BR	2 BR	3 BR	Guest	Parking	Retail
Address	15,000.0 sf	0.34	4.0	60,000.0 sf	3,000.0 sf	56	0.8	0.8	1.6	1.6	0%		0
Notes:													
Floor	Gross Area	Retail	Net Res	Circ/Common	Landscape	Open Space	Studio	1 BR	2 BR	3 BR	Total	Parking/Mech.	Spaces
Roof	800.0			800.0 sf		2,150.0 sf					0 units		
5	10,208.0		8,558.0 sf	1,650.0 sf			0	2	4	3	9 units		
4	10,208.0		8,558.0 sf	1,650.0 sf			0	3	4	2	9 units		
3	10,208.0		8,558.0 sf	1,650.0 sf			0	3	4	2	9 units		
2	10,208.0		8,558.0 sf	1,650.0 sf		875.0 sf	0	3	4	2	9 units		
1	10,987.0		5,587.0 sf	3,900.0 sf		3,575.0 sf	0	1	2	2	5 units	1,500.0 sf	0
B1	15,000.0											15,000.0 sf	24
B2	13,675.0											15,000.0 sf	28
Totals	81,294 sf	0 sf	39,819 sf	11,300 sf	0 sf	6,600 sf	0	12	18	11	41 units	31,500.0 sf	52 sp
							0%	29%	44%	26.83%			
								29%	71%				
Summary Stats													
FAR	3.41		Efficiency	78%		OS Standard	50 sf/unit						
DU/A	119.1					OS Req'd	2,050 sf						
Units	41 units		Parking	52 sp		Common Open Space	6,600 sf						
Avg Unit	971.2 sf		Parking Ratio	1.27		Private Open Space	TBD						
						Landscape/OS Req'd	3,000 sf		20%				
RES FAR	3.41		Parking FAR	0.10		Landscape/OS	6,600 sf						
COMM FAR	0.00												

CN ECR Zoning Analysis



Site Diagram

3720 El Camino Real, Palo Alto CA

Parcel Size:
150' x 106' 15,775.8 sf 0.362 acres

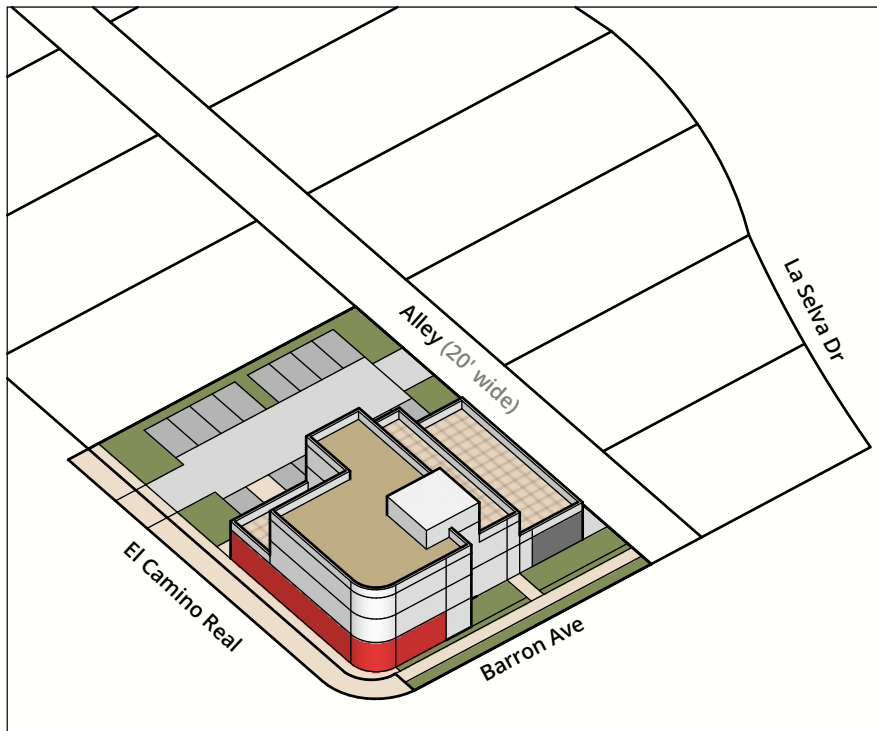
~3,100 sf Retail
0.2 FAR

Zoning Analysis Study

- 1) Existing Mixed-Use Zoning, 35' Height, 1.0 FAR (0.5 Res. Max)
- 2) Proposed Mixed-Use Zoning, 40' Height, 1.5 FAR (1.5 Res. Max)

CN ECR Zoning Analysis

Existing Mixed-Use Zoning (3720 ECR)



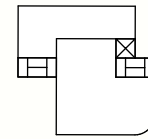
Massing Diagram

Existing Standards:

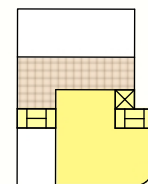
Height: 35 ft
 Res FAR: 0.5
 Com FAR: 0.15-0.5
 FAR: 1.0 max

Statistics:

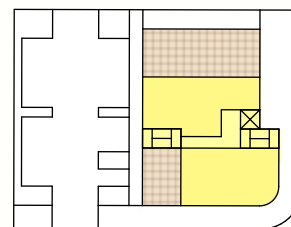
Height: 35 ft, 3 stories
 Res FAR: 0.5
 Com FAR: 0.2 (retail)
 FAR: 0.7
 Retail: 3,000 sf
 Residential: 3 units
 Avg Unit: 1722 sf
 Density: 8.3 du/a
 Res. Parking: 6 sp (2.0:1) + 2 sp (guest)
 Comm. Parking: 15 (1:200sf)



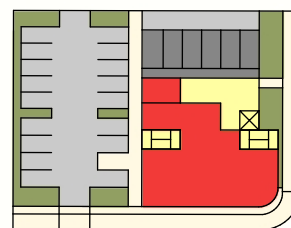
Roof



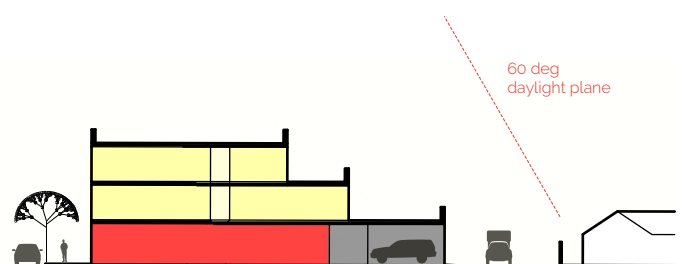
2nd Floor



1st Floor



Ground Floor
Floor Plans



Building Section

CN ECR Zoning Analysis

Existing Mixed-Use Zoning (3720 ECR)

Massing in Context:

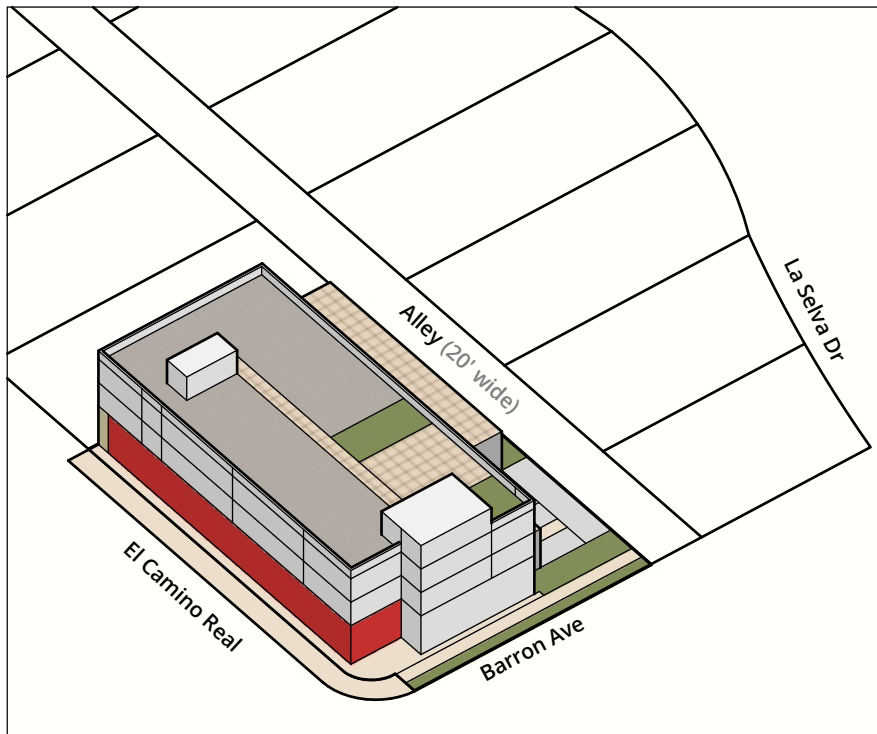


Statistics:

CN El Camino Real (ECR) Analysis			Standards		35% Residential							Commercial		
Parcel	Gross Area	Acres	FAR	Max GSF	Landscape	Parking	Studio	1 BR	2 BR	3 BR	Guest	Parking	Retail	
Address	15,755.8 sf	0.36	2.0	31,511.6 sf	5,514.5 sf	7.3	1.25	1.5	2	2	10% +1	15	200	
					Total	22.3								
Notes: Existing Retail: 3,100 sf														
Floor	Gross Area	Retail	Net Res	Circ/Common	Landscape	Open Space	Studio	1 BR	2 BR	3 BR	Total	Parking/Mech.	Spaces	
5	0.0										0 units			
Roof	0.0				700.0 sf						0 units			
3	2,628.0		2,128.0 sf	500.0 sf	805.0 sf	432.0 sf				1	1 units			
2	3,865.0		3,039.0 sf	826.0 sf	1,163.0 sf	961.0 sf	0	0	0	2	2 units			
1	5,740.0	3,000.0 sf		1,215.0 sf	2,860.0 sf				0	0	0 units	1,525.0 sf	23	
B1	0.0													
B2	0.0													
Totals	12,233 sf	3,000 sf	5,167 sf	2,541 sf	5,528 sf	1,393 sf	0	0	0	3	3 units	1,525.0 sf	23 sp	
							0%	0%	0%	100%		Residential	8	
							0%		100%			Commercial	15	
Summary Stats														
FAR	0.7	Efficiency		67%	OS Standard		20 sf/unit							
DU/A	8.3				OS Req'd		60 sf							
Units	3 units	Parking		8 sp	Common Usable OS		1,393 sf							
Avg Unit	1,722.3 sf	Parking Ratio		2.7	Private Open Space		TBD							
RES FAR	0.49	Parking FAR		0.10										
COMM FAR	0.19													

CN ECR Zoning Analysis

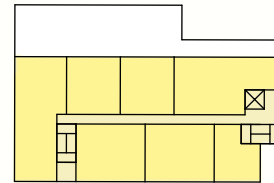
Proposed: 40' Height - 1.5 FAR (3720 ECR)



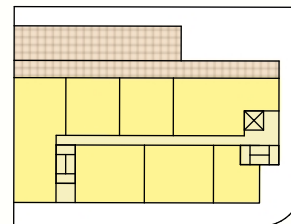
Massing Diagram



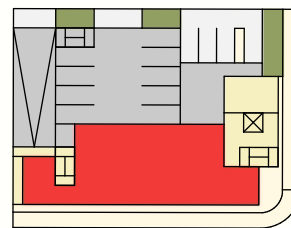
Roof



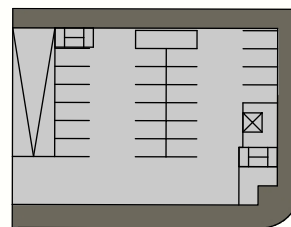
3rd Floor



2nd Floor



Ground Floor



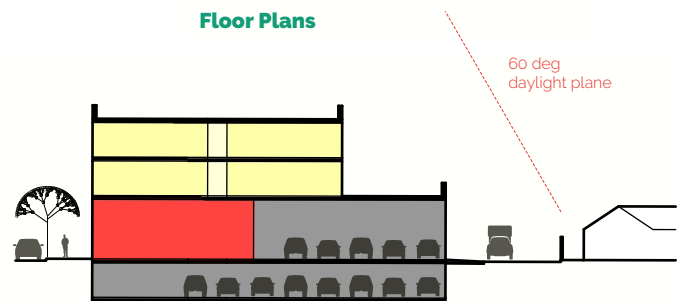
Basement
Floor Plans

Proposed Standards:

Height: 40 ft
 Res FAR: 1.5
 Tot FAR: 1.5 max

Statistics:

Height: 40 ft, 3 stories
 Res FAR: 1.25
 Comm. FAR: 0.25
 Parking FAR: 0.36 (Commercial Parking)
 FAR: 1.5
 Retail: 4,000 sf
 Residential: 14 units
 Avg Unit: 1,065 sf
 Density: 39 du/a
 Res. Parking: 22 sp (1.6:1)
 Comm. Parking: 13 (1:200sf, first 1,500 sf exempt)



Building Section

CN ECR Zoning Analysis

Proposed: 40' Height - 1.5 FAR (3720 ECR)

Massing in Context:



Statistics:

CN El Camino Real (ECR) Analysis			Standards		35% Residential							Commercial	
Parcel	Gross Area	Acres	FAR	Max GSF	Landscape	Parking	Studio	1 BR	2 BR	3 BR	Guest	Parking	Retail^
Address	15,755.8 sf	0.36	2.0	31,511.6 sf	5,514.5 sf	22	1	1	2	2	0%	12.5	200
					Total	35						^first 1,500 exempt	
Notes: Existing Retail: 3,100 sf													
Floor	Gross Area	Retail	Net Res	Circ/Common	Open Space	Studio	1 BR	2 BR	3 BR	Total	Parking/Mech.	Spaces	
Roof	724.0			724.0 sf	2,750.0 sf	1,130.0 sf				0 units			
3	8,670.0		7,456.0 sf	1,214.0 sf	0.0 sf		3	3	1	7 units			
2	8,670.0		7,456.0 sf	1,214.0 sf	1,566.0 sf	1,242.0 sf	0	3	3	7 units			
1	11,362.0	4,000.0 sf		1,760.0 sf	1,217.0 sf					0 units	5,602.0 sf	13	
B1	13,810.0										13,810.0 sf	22	
B2	0.0												
Totals	43,236 sf	4,000 sf	14,912 sf	4,912 sf	5,533 sf	2,372 sf	0	6	6	2	14 units	19,412.0 sf	35 sp
							0%	43%	43%	14%			
							43%	57%			Residential	22	
										Commercial	12		
Summary Stats													
FAR	1.5	Efficiency		75%			OS Standard		150 sf/unit				
DU/A	38.7						OS Req'd		2,100 sf				
Units	14 units	Parking		22 sp			Common Usable OS		2,372 sf				
Avg Unit	1,065.1 sf	Parking Ratio		1.6			Private Open Space		TBD				
RES FAR	1.26	Parking FAR		0.36									
COMM FAR	0.25												