



City of Palo Alto

(ID # 6277)

Planning & Transportation Commission Staff Report

Report Type:

Meeting Date: 10/28/2015

Summary Title: Colleagues Memo on ADUs

Title: Colleagues Memo Regarding Studying Policy to Increase Accessory Dwelling Units (ADU's)

From: Hillary Gitelman, Director

Lead Department: Planning and Community Environment

Recommendation

The attached Colleagues Memo regarding accessory dwelling units is being provided for the Commission's information and will be scheduled for discussion on an upcoming agenda.

Background

The City's adopted Housing Element calls for an investigation of ways to increase the supply of moderately priced rental housing by adding accessory dwelling units:

"Consider modifying development standards for second units, where consistent with maintaining the character of existing neighborhoods. The modifications should encourage the production of second units affordable to very low, low, or moderate income households." Palo Alto Housing Element Program H1.1.2

Discussion

On October 19, 2015, the City Council referred this matter to the Planning and Transportation Commission for analysis and recommendations. Staff will place the item on an upcoming agenda for discussion of data needed to inform the analysis, as well as the process for obtaining community input, conducting the analysis, and formulating recommendations.

Attachments:

- Attachment A: Colleagues Memo from the City Council Meeting of October 19, 2015 (PDF)



City of Palo Alto

COLLEAGUES MEMO

DATE: October 19, 2015

TO: City Council Members

FROM: Council Members Scharff, Schmid, and Wolbach

SUBJECT: COLLEAGUES MEMO REGARDING STUDYING POLICY TO INCREASE ACCESSORY DWELLING UNITS (ADU'S)

Goal

To find opportunities to make available additional housing in Palo Alto with minimal impact on community character. In keeping with our Comprehensive Plan and recently adopted Housing Element, expand opportunities for residents of single family homes by adding Accessory Dwelling Units (ADUs) – also known as Secondary Units or In-law Units.

Recommendation

We ask our Council Colleagues to refer this matter to the Planning and Transportation Commission, to consider, analyze and make recommendations to the City Council to update our city ordinances relating to ADUs, in order to: (1) facilitate ADU creation while minimizing impacts on community character, with sensitivity to neighborhood design standards; (2) consider steps to bring existing non-compliant ADUs into compliance; and (3) any other relevant recommendations.

Background and Discussion

Palo Alto's Housing element, adopted November 10, 2014, calls for looking at easing restrictions on ADUs, as did Palo Alto's prior comprehensive plan.

Program H1.1.2 of the 2014 Housing Element of the Comprehensive Plan states:

Consider modifying development standards for second units, where consistent with maintaining the character of existing neighborhoods. The modifications should encourage the production of second units affordable to very low, low, or moderate income households.

Palo Alto's housing crisis and aging population have led many residents to call for a renewed discussion of this topic and timely, appropriate action. Palo Alto has, by some reports, the highest median rent in the country. We have high demand for housing at a variety of income-levels, with limited supply. Particularly considering young adults returning from college or early

in their career, or professionals who work in Palo Alto, there are social, traffic, and environmental benefits to people residing here.

Palo Alto's aging population includes many "empty nesters" who live alone in a house meant for a large family. Many senior or disabled residents may prefer to remain in their home but require assistance. Many Palo Alto families would like to have multiple generations together.

Other communities such as Menlo Park (2013), Belmont (May of 2015), and the County of San Mateo are also working on this issue and ADUs as a source of affordable housing appear in many cities' Housing Elements.

ADUs may provide benefits for:

1. Aging In-Place: A resident requiring regular in-home assistance can use an ADU to provide greater privacy for a caregiver.
2. Family Ties: A multi-generational family preferring to stay together for familial ties and financial savings can enjoy greater privacy for different generations with an ADU.
3. Supplemental Income: A single resident or fixed-income retired resident or couple may enjoy additional income by offering their ADU as a much needed rental space to a professional or student.
4. Modest Income Residents, Workers, and Students: The resident of an ADU may work in Palo Alto or attend Stanford. By living locally, they will have greater options to bike, walk, or take public transportation locally, rather than drive daily and suffer a long commute (which is also less environmentally sustainable).
5. RHNA Obligation: ADUs can provide a mechanism to meet our required RHNA housing numbers with minimal impacts on our community.

ADUs present minimal impact to neighborhoods, retaining the physical character of a neighborhood while strengthening its social character. We have committed in our housing element to consider this issue and to have conducted a study of this issue no later than November 10, 2017. Given escalating rents and the current housing crisis, we should start this process now.

Resource Impact

The City Manager reports that this project will be an addition to the Planning and Attorney's staff work plans. We will keep Council informed on the schedule and progress on the project. (It is recognized, as the Colleague's Memo states, that this task has already been committed to by prior Council action).