



# Planning & Transportation Commission

## Staff Report (ID # 10716)

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<b>Report Type:</b>	Action Items	<b>Meeting Date:</b> 11/13/2019
<b>Summary Title:</b>	Consideration of New PDA and PCA Designation	
<b>Title:</b>	Consider and Recommend to Council a Proposal to Designate a New Priority Development Area in Downtown Palo Alto and Designating Priority Conservation Areas in the Foothills and Baylands	
<b>From:</b>	Jonathan Lait	

### Recommendation

Staff recommends the Planning and Transportation Commission (PTC) discuss and make a recommendation to Council on the designation of a new Priority Development Area (PDA) in Downtown Palo Alto and new Priority Conservation Areas (PCAs) for Foothills and the Baylands.

### Background

The purpose of this staff report is to provide information for a policy discussion. The topic is designation of a new Priority Development Area in the Downtown, and new Priority Conservation Areas on publicly-owned lands. The two PCA target areas are the Baylands and the Foothills. Staff will forward the PTC's input to the City Council for action.

#### Senate Bill 375

In 2008, the State passed Senate Bill 375 (SB 375), directing the California Air Resources Board to set regional targets for reducing greenhouse gas (GHG) emissions. SB 375 established and required the involvement of cities and counties in the development of regional plans to achieve the GHG reduction targets. SB 375 also identified the requirement to link land use planning to transportation planning. Finally, SB 375 connects the regional allocation of housing needs and regional transportation planning to meet the goals of reducing GHG emissions.

#### Sustainable Communities Strategy and Plan Bay Area

In response to the State requirements under SB 375, the local Council of Governments (COG) updates a Sustainable Communities Strategy (SCS) every four years. The SCS must be aligned with transportation investments for reducing GHG emissions. The local COGs for the San

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Francisco Bay Area are the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Government (ABAG). The formal name for the SCS for the region is Plan Bay Area. Plan Bay Area does not replace the Palo Alto Comprehensive Plan; instead it is a long-range plan for the entire region. Plan Bay Area forecasts development patterns based on four key issues: economy, environment, housing, and transportation. Plan Bay Area 2050 will project how the region can accommodate growth over the next three decades. PBA will strategize how growth and future investments can be made throughout the life of the plan. Plan Bay Area is updated every four years, with a major update due in 2021.

Plan Bay Area is a regional plan that establishes a long-range regional vision across multiple jurisdictions. In preparing for Plan Bay Area, MTC/ABAG prepares a regional growth framework. This growth framework integrates planning for land use, transportation and other infrastructure, resiliency, environment, and the economy. The three designations that would implement the priorities in Plan Bay Area's Regional Growth Framework are Priority Conservation Areas (PCAs), Priority Production Areas (PPAs), and Priority Development Areas (PDAs). The regional growth framework aims to focus housing and jobs in Priority Development Areas (PDAs) while preserving Priority Conservation Areas (PCAs). These designations are further described below.

**1. Priority Conservation Areas (PCAs) are:**

- Locations designated for the protection of natural habitats and the preservation of open space for long-term protection; and
- Categorized as natural landscapes, agricultural lands, urban green, or regional recreation.

**2. Priority Production Areas (PPAs) are:**

- A new addition to the Plan Bay Area process, piloted this cycle;
- Intended to support middle-wage job growth via selected industrial areas close to affordable housing;
- Intended to position these areas for future planning and investment;
- Areas zoned for industrial use or have high concentration of industrial activities; and
- More than ½ mile away from regional rail station and outside of a PDA.

**3. Priority Development Areas (PDAs) are:**

- Located within an existing community;
- Planned areas for future housing and job growth;
- Reduce greenhouse gas emissions by offering a various transportation options;
- Promote greater opportunities for all regardless of race or income;
- Within in a half-mile of frequent transit.

Designation of PDA, PPA and PCA: Purpose and Participation

The purpose of PDAs, PPAs and PCAs is to help guide growth while achieving preservation of diverse jobs (such as production jobs) and maintaining conservation areas. The designation of PDAs, PPAs, and PCAs is voluntary. Each city represented may identify areas for future growth that are near transit, demonstrating local priorities are consistent with regional goals. By statute, the designations are intended to be incentive based, and local jurisdictions would retain all zoning control. For local jurisdictions that elect to designate PDAs, PPA, or PCAs, funding is available through competitive grants to conduct planning or implementation activities within the boundaries of the areas.

The identified PDA, PCA and PPAs are intended to implement the goals from Plan Bay Area within the targeted priority areas. Within each PDA, the primary purpose is to support growth around transit facilities and provide opportunities to connect housing and jobs. A PPA's purpose is to conserve industrial zoning. A PCA's purpose is to conserve natural resources.

## Discussion

Staff propose the City of Palo Alto designate one (1) new Priority Development Area and two (2) new Priority Conservation Areas.

### Proposed University Avenue/Downtown PDA

The proposed University Avenue/Downtown PDA is approximately 206 acres, all within a half mile of the existing University Avenue Caltrain Station. Attachment A displays the boundaries of the proposed PDA. The proposed Downtown PDA's boundaries include parts of downtown, South of Forest Area (SOFA), and the Stanford Shopping Center which are all located within half a mile of the University Avenue Caltrain Station.

Designating this area as a Priority Development Area aligns with Council-adopted policies that seek to focus housing growth in the downtown and improve non-SOV connectivity to and through the Downtown area. For example, the Comprehensive Plan and zoning updates have identified El Camino Real, California Avenue, and Downtown Palo Alto as key areas for new residential and mixed-used development. By creating a new PDA designation, the City can take advantage of future funding opportunities to realize transportation, housing, or other improvements that have been discussed in policies documents including the Comprehensive Plan, the Housing Element, and elsewhere in the Palo Alto Municipal Code. Adding University Avenue/Downtown as a PDA will align with recently adopted City Council policies and enable the City to improve the existing area's transit via capital projects or connectivity and strategically plan for growth.

A goal of a PDA is to designate the area for future housing growth which has been identified by City policies. In the 2015-2023 Housing Element, on page 133, [Program 2.1.11](#) proposes a potential Pedestrian and Transit Oriented Development (PTOD) overlay for University Avenue downtown district to promote higher density multifamily housing development. In 2006, the Palo Alto Municipal Code (PAMC) Chapter 18.34 introduced the concept of, and process for,

implementing the PTOD Combining District for California Avenue. The code allowed applicants to submit proposals for development projects having greater residential density (40 dwelling units per acre). The sites enabled for such higher density housing were commercial, industrial, and multifamily parcels within walkable distance of the California Avenue Caltrain station.

The 2030 Comprehensive Plan described the idea of Transit-Oriented Residential (TOR) development, allowing a greater number of residential dwellings in the University Avenue/Downtown within walkable distance of the City's multi-modal transit station. The TOR area would have design standards to ensure developments would be cohesive with their context and minimize potential impacts. The housing density maximum would be 50 dwelling units per acre. Population densities would range up to 2.25 per persons per unit. Combined, the city policies and program identified in the Housing Element and Comprehensive Plan support increased density and focus growth near transit.

These policies illustrate the City's desire to increase residential opportunities and transportation options in the Downtown. If the University Avenue/Downtown PDA is successful in the application process, the City could use the funding to prepare the Downtown coordinated area plan (CAP). The CAP can incorporate programs identified in both the Housing Element and Comprehensive Plan. City Council has identified the goal of recommending staff to study a Downtown Coordinated Area Plan.

#### Proposed Priority Conservation Areas

Staff propose 2 Priority Conservation Areas: (1) the Foothills PCA and (2) the Baylands PCA. The proposed PCAs are publicly-owned and City designated open space lands. The proposed Foothills PCA is approximately 5,260 acres. The proposed Baylands PCA is approximately 2,629 acres.

Attachment B displays the boundaries of the proposed Baylands PCA. The Baylands stretch east of Highway 101 and East Bayshore Road between the southern City boundary and San Francisquito Creek. Attachment C displays the Foothills, located west of Highway 280.

Similar to the PDAs, these areas have already been identified for preservation as natural open spaces. The 2030 Comprehensive Plan identified each area in Policy N-1.1, which is to "preserve, protect, and enhance public and private open space and ecosystems of Palo Alto from the Foothills to the Baylands." Similarly, in Policy N-1.10, Program, N1.10.1, the program recommends using City funds and suggests seeking "additional sources of funding, including State and federal programs, to finance open space acquisition, maintenance, or conservation."

The PCA designation under Plan Bay Area would allow the designated areas in the Baylands and Foothills to become eligible for conservation funding, which can include funding to study and address the possible impacts of sea level rise and preservation of open space.

#### PPA Not Proposed

Currently, the City does not recommend designating any areas as Priority Production Areas. In order to designate an area as a PPA, the City would need to identify and zone the area for industrial use. There would be a high concentration of industrial activities such as production, advanced manufacturing, distribution or related activities. The PPA is also intended to link middle-wage job growth close to affordable housing. The areas zoned for industrial use (ROLM) in the City do not have surrounding areas zoned for residential development.

### **Next Steps**

#### Designation

The City Council is tentatively scheduled to review and act on the proposed PDA and PCAs in December. Designation of these areas would confirm policies and programs outlined in the 2030 Comprehensive Plan. As explained in Plan Bay Area, PDAs and PCAs are complementary. Promoting compact development in a designated urban area connected to high-quality transportation services allows less development pressure on the region's natural open space and agricultural lands, enabling preservation of these areas.

Regional and State funding has previously been allocated to projects that demonstrated alignment with regional and/or State priorities. Increasingly, the MTC has used Plan Bay Area to inform short-term and long-term transportation investment priorities. The MTC's previous report of the Plan Bay Area 2040 Investment Strategy provided metrics to identify investment principles. These principles included funding transit efficiency and expansion projects in PDAs. Over six years, the MTC has provided over \$630 million towards planning and infrastructure projects in PDAs. The MTC suggests increasing funding towards these areas by 5%.

#### On Commitments

These are voluntary designations, and do not take precedence over local control. Under Government Code 65080 (b)(2)(j), a sustainable communities strategy (Plan Bay Area) does not supersede land use authority to cities nor does it require the city land use policies and regulations including the comprehensive plan to be consistent with Plan Bay Area. In fact, jurisdictions may 'un-designate' these PDAs and PCAs at any point. There are no requirements to amend the City's policies, code, or Comprehensive Plan.

Staff has initiated the process to designate the PDA and PCAs by sending a Letter of Interest regarding the City's effort to explore the idea of designating the three areas. A resolution and approval by City Council is planned for December 16, 2019. A Resolution and Letter of Confirmation of the nominations will be due to the MTC by January 16, 2020. Therefore, staff requests the Planning and Transportation Commission provide feedback to City Council for its consideration of designating the new PDA and PCAs.

### **Environmental Review**

In accordance with the California Environmental Quality Act (CEQA), this subject is not a project.

**Report Author & Contact Information**

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**Attachments:**

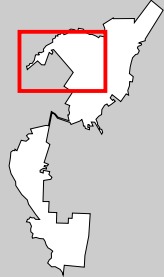
- Attachment A: Map of Proposed University/Downtown PDA (Including Existing CalAve PDA) (PDF)
- Attachment B: Proposed PCA in the Baylands (PDF)
- Attachment C: Proposed PCA in Foothills (PDF)

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<sup>1</sup> Emails may be sent directly to the PTC using the following address: [planning.commission@cityofpaloalto.org](mailto:planning.commission@cityofpaloalto.org)

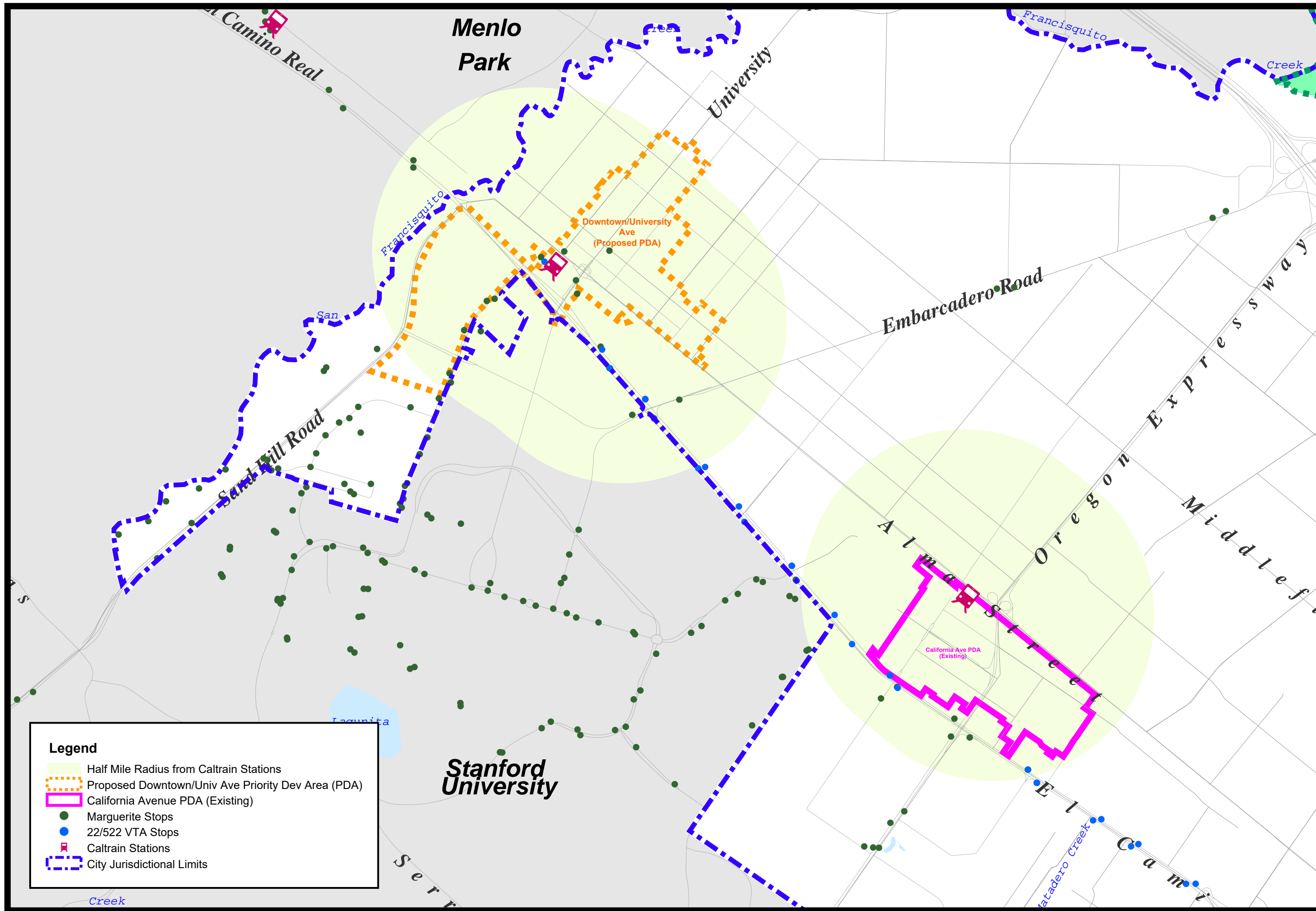


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Priority Development Area (PDA)  
Existing and Proposed

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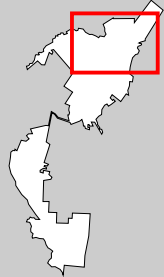
**Legend**

- Half Mile Radius from Caltrain Stations
- Proposed Downtown/Univ Ave Priority Dev Area (PDA)
- California Avenue PDA (Existing)
- Marguerite Stops
- 22/522 VTA Stops
- Caltrain Stations
- City Jurisdictional Limits



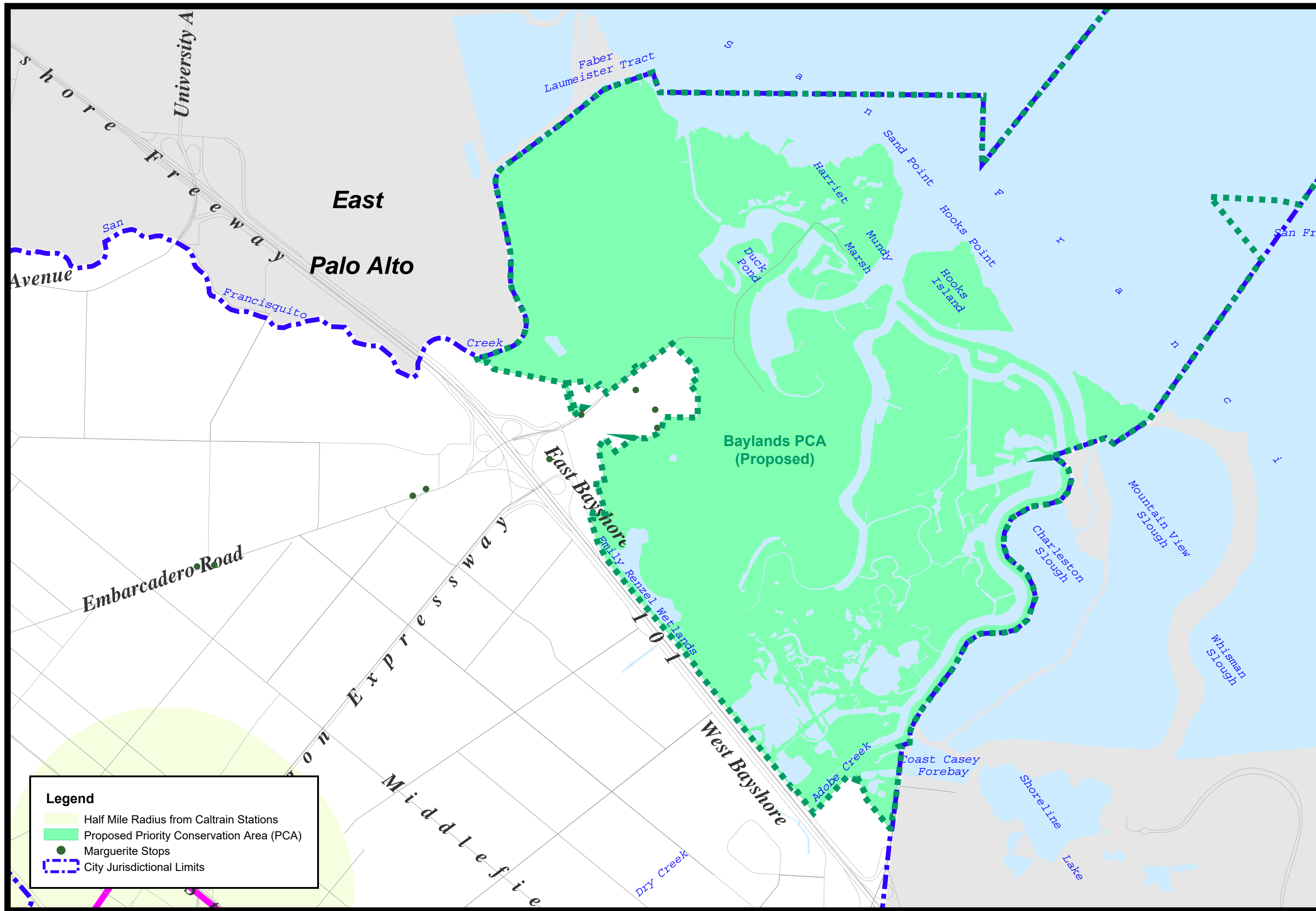


The City of Palo Alto



DRAFT Proposed Baylands Priority Conservation Area (PCA)

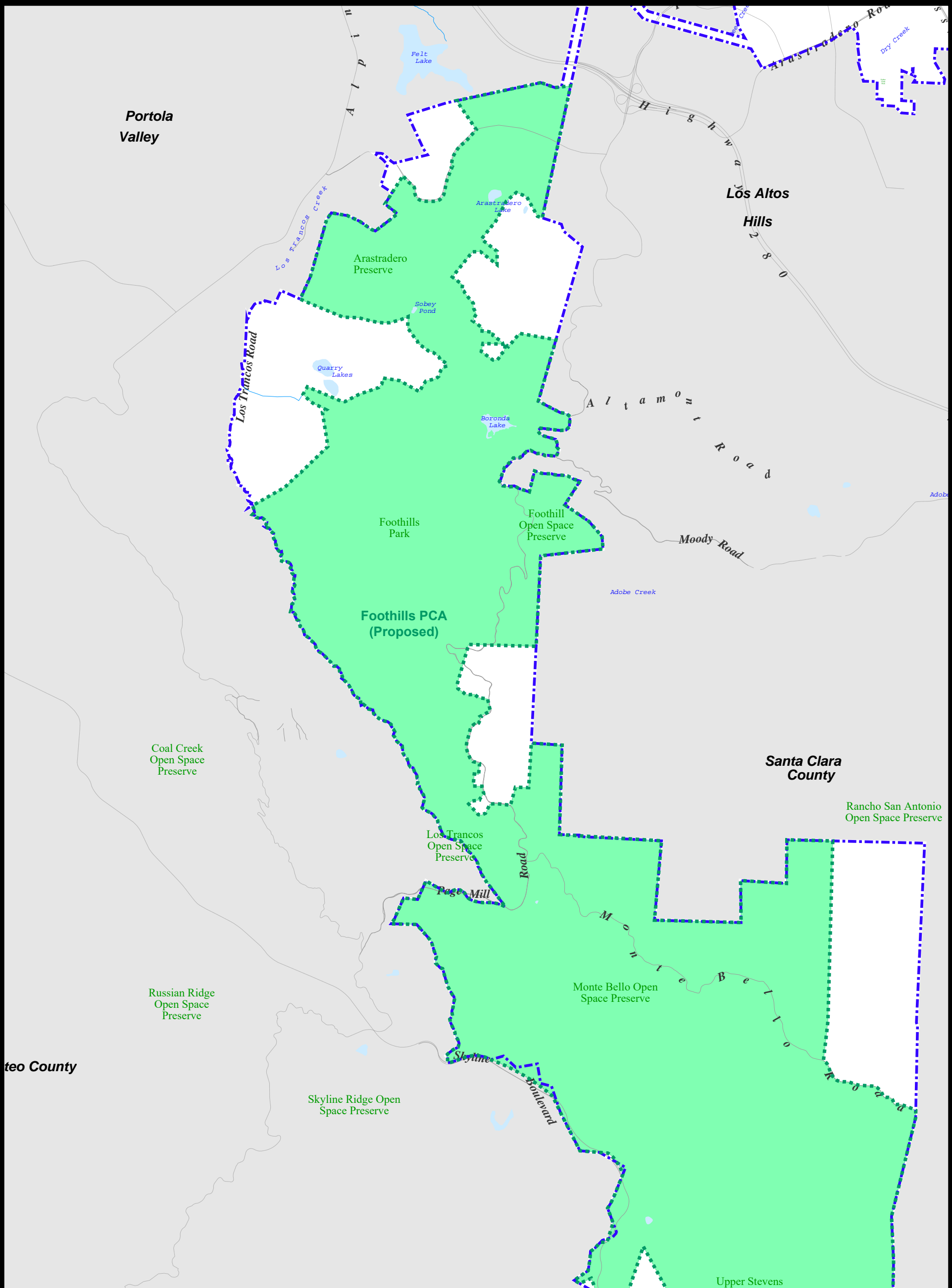
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**Legend**

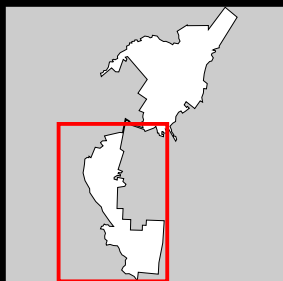
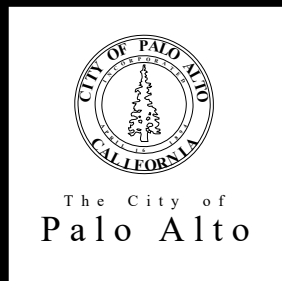
- Half Mile Radius from Caltrain Stations
- Proposed Priority Conservation Area (PCA)
- Marguerite Stops
- City Jurisdictional Limits





**Legend**

- Proposed Priority Conservation Area (PCA)
- City Jurisdictional Limits



**DRAFT**  
**Proposed Foothills Priority Conservation Area (PCA)**

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