



City of Palo Alto City Council Staff Report

(ID # 6142)

Report Type: Action Items

Meeting Date: 10/26/2015

Summary Title: Ordinance Amending Preliminary Screening Regulations

Title: PUBLIC HEARING: Adoption of an Ordinance to Amend Chapter 18.79 of the Palo Alto Municipal Code Related to Development Project Preliminary Review Procedures. Environmental Assessment: Exempt from the California Environmental Quality Act (CEQA) Pursuant to Section 15305 of the CEQA Guidelines (Continued from August 24, 2015) (CONTINUED FROM 10/19/15)

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends that the City Council adopt an ordinance (Attachment A) to implement changes to the Development Project Preliminary Review procedures by amending Title 18 (Zoning) of the Palo Alto Municipal Code.

Executive Summary

The attached ordinance would enact changes to Chapter 18.79, Development Project Preliminary Review Procedures (Pre-Screening), of the City's Zoning Ordinance. Revisions are based on comments received from the Planning and Transportation Commission (PTC), City Council, and the public. The proposed changes to the pre-screening regulations include a mandatory preliminary review for projects that have significant policy considerations. Concerns about the consistent application of this process to several controversial projects and findings in a grand jury report prompted the City Council to direct a review of the preliminary screening requirements. The City Council directed a review of these procedures and required the Policy and Services Committee review and make recommendations to modify the program.

On August 24, 2015 the City Council held a public hearing on the subject ordinance and proposed Planned Community amendments. The PC amendments were deferred until after completion of the comprehensive plan update and, due to time constraints, the preliminary screening amendments deferred to the next available meeting.

Background

Pre-screening is a process in the city's zoning code that allows for early input on development projects. This is currently a voluntary program available to projects that have substantial zoning regulations or district map changes and comprehensive plan amendments. Concerns about the consistent application of this process to several controversial projects and findings in a grand jury report prompted the City Council to direct a review of the preliminary screening requirements. The City Council directed a review of these procedures and required the Policy and Services Committee review and make recommendations to modify the program. On December 9, 2014 the Policy and Services Committee reviewed the procedures and offered some recommendations, which have been incorporated into the draft ordinance. Specifically, the modifications include:

- Establish a mandatory preliminary screening requirements for Planned Community zoning requests; Development Agreements; and General Plan, District Map and Zoning Text Amendments.
- Maintain a voluntary program for all other projects.

The Policy and Services Committee December 9, 2014 Staff report and excerpt minutes are included with this report as Attachment B. The Committee voted 2-1-1 to move the recommendations forward to the PTC and Council, with Vice Mayor Schmid dissenting.

Discussion

The proposed action includes a text amendment to Chapter 18.79, pre-screening regulations. The proposed changes clarify when a pre-screening is required and maintains flexibility for an applicant or the City Council to request a review of other projects that may not have the same degree of policy implications. The voluntary component remains unchanged and follows the same procedure that exists today, which sets forth when an application can be submitted and who may initiate a pre-screening request. Changes proposed to Section 18.79.030, Applicability and Initiation, would make it mandatory for development projects that include any of the following applications: 1) Planned Community; 2) Development Agreement; 3) Comprehensive Plan Amendment and Specific Plan; 4) District Map Amendment, and 5) Zoning text Amendment. There are some exemptions to this requirement (18.79.030(c)). For instance, projects requiring a hotel or automobile combining district that would not have significant policy implications would not be subject to preliminary screening. The voluntary component remains unchanged and follows the same procedure that exists today, which sets forth when an application can be submitted and who may initiate a pre-screening request.

The following provisions are incorporated into the draft ordinance:

Section 18.79.030 Applicability and initiation.

(a) ~~These procedures may be applied to the following types of development projects:~~
Preliminary screening is required for development projects that include any of the following applications:

- (1) Planned Community;**
- (2) Development Agreement**
- (3) General Plan Amendment and Specific Plans, including Specific Plan Amendments**
- (4) District Map Amendment**
- (5) Zoning Text Amendment**

- ~~(1) Substantial zoning regulation or district map change proposals;~~
- ~~(2) Comprehensive plan amendments, including specific plans;~~
- ~~(3) Any other development project, or permit or entitlement application, including a major alteration or expansion of existing use, which implicates major land use or other policy or planning concerns.~~

~~(b) Development project preliminary review may be initiated by motion of the city council, with the concurrence of the project proponent, or upon request of the city manager and project proponent with the concurrence of the city council, at any time after the city has received a development project application and before the development project is noticed for public hearing on the merits of the application, if any is required. **Preliminary screening is initiated by filing an application and payment of applicable fees. Preliminary screening applications shall be scheduled for a study session before the City Council. Notice of the study session and the opportunity for public participation shall be provided in the same manner as may be required by law for action on the underlying development project application. The City Council may include in the study session, or refer a preliminary screening application to, any board, commission or committee.**~~

~~(c) Development project preliminary review may also be initiated prior to the filing of an application, upon the request of the project proponent with the concurrence of the city council. The project proponent shall pay a preliminary review fee as set forth in the municipal fee schedule. If the project proponent wishes to proceed with the project after preliminary review, he or she must then file an application and pay a regular application fee. **Preliminary screening is not required for zoning text amendments under the following circumstances:**~~

- ~~**(1) The project does not include a request for an application in section (a) (1) through (a)(4) above, and**~~
- ~~**(2) The Director of Planning and Community Environment determines the requested amendment would not have significant policy implications.**~~

~~(a) **Preliminary screening may be initiated for any application not included in section (a) (1) through (a)(4) above that results in** Substantial zoning regulation or district map change proposals; Comprehensive plan amendments, including specific plans; The city may from time to time establish application forms, submittal requirements, fees, and such other requirements, guidelines and informal regulations as will aid in the efficient implementation of these procedures Any other development project, or permit or entitlement application, including a major alteration or expansion of an~~

existing use, which implicates major land use or other policy or planning concerns, subject to the following requirements:

~~(b)~~ (1) Development project preliminary review may be initiated by motion of the city council, with the concurrence of the project proponent, or upon request of the city manager and project proponent with the concurrence of the city council, at any time after the city has received a development project application and before the development project is noticed for public hearing on the merits of the application, if any is required.

~~(c)~~(2) Development project preliminary review may also be initiated prior to the filing of an application, upon the request of the project proponent with the concurrence of the city council. The project proponent shall pay a preliminary review fee as set forth in the municipal fee schedule. If the project proponent wishes to proceed with the project after preliminary review, he or she must then file an application and pay a regular application fee.

~~(2)~~(3) The noticed public study session will be conducted solely by the planning commission; or by the planning commission initially and then by the city council; or solely by the city council; or as a joint meeting of the city council and planning commission, or as a joint meeting of the city council and any other city boards, commissions or committees whose participation is deemed desirable by the city council. Unless directed otherwise by the city council, the planning commission shall conduct a study session on all preliminary review matters and forward its comments to the city council. Minutes of planning commission study sessions conducted pursuant to this section shall be produced in the same manner as minutes of regular meetings.

(4) Notice of the study session and the opportunity for public participation shall be provided in the same manner as may be required by law for action on the underlying development project application.

~~(d)~~-(e) The city may from time to time establish application forms, submittal requirements, fees, and such other requirements, guidelines and informal regulations as will aid in the efficient implementation of this section ~~these procedures~~.

(f) No formal action may be taken during preliminary review.

RESOURCE IMPACT

The activities to address PC reform have been included in the Planning Department's work plan. Staff analysis of rezone requests are typically cost-recovery projects. The application fees collected for each zone request represent a deposit, from which staff costs are recovered.

POLICY IMPLICATION

The recommended action creates a mandatory pre-screening process that enhances understanding of the potential policy implications for certain types of development. The types of development projects that would require a mandatory pre-screening under this ordinance can have a substantial change on the land-use in an area and should be elevated in their scrutiny.

The proposed draft ordinance conforms with and is related to the intent and policies of the Comprehensive Plan, in particular G-12 in the Governance Element. G-12 “assist{s} decision-makers, applicants, and residents with improved tools for understand planning regulations”; as the City’s Ordinance Code does not always provide a mechanism to understand the policy implications of certain types of development projects, implementing these changes to the pre-screening process provides an opportunity for understanding such implications.

TIMELINE

If approved, a second reading of the Ordinance is required not less than ten (10) days from the approval date. The ordinance would become effective thirty one (31) days from the second reading of the ordinance.

ENVIRONMENTAL REVIEW

The zoning code revision is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA guidelines Section 15305 (Minor Alternations in Land Use Limitations). Specifically, the proposed project establishes additional regulatory requirements that require additional public outreach (pre-screening), requires additional application requirements (economic analysis) and establishes a public process to review public benefits. Projects subject to the proposed regulatory changes will continue to require project-specific environmental analysis under CEQA.

Attachments:

- Attachment A: Ordinance Amending Chapter 18.79 Preliminary Review (PDF)
- Attachment B: Policy and Services Committee Minutes 12.9.14 (PDF)

NOT YET APPROVED

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Chapter 18.79 of Title
18 (Zoning) of the Palo Alto Municipal Code Regarding Development Project
Preliminary Review Procedures

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. Chapter 18.79 (Development Project Preliminary Review Procedures) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended to read as follows:

Chapter 18.79
DEVELOPMENT PROJECT PRELIMINARY REVIEW PROCEDURES

Sections:

- 18.79.010 Purposes.
- 18.79.020 Supplemental procedures.
- 18.79.030 Applicability and initiation.
- 18.79.040 ~~Reserved~~Preliminary review.
- 18.79.050 Preliminary review public study session procedure.
- 18.79.060 Voluntary compliance.
- 18.79.010 Purposes.

This chapter establishes procedures for preliminary screening of development projects ("prescreening"). This chapter is intended to achieve, and shall be implemented to accomplish, the following purposes:

- (a) To maximize opportunities for meaningful public discussion of development projects, at the earliest feasible time, for the guidance of the public, project proponents and city decision makers.
- (b) To focus public and environmental review of development projects on the issues of greatest significance to the community, including, but not limited to, planning concerns, neighborhood compatibility, Comprehensive Plan consistency, economics, social costs and benefits, fiscal costs and benefits, technological factors, and legal issues. These procedures are not intended to permit or foreclose debate on the merits of approval or disapproval of any given development project.
- (c) To provide members of the public with the opportunity to obtain early information about development projects in which they may have an interest.
- (d) To provide project proponents with the opportunity to obtain early, non-binding preliminary comments on development projects to encourage sound and efficient private

decisions about how to proceed.

- (e) To encourage early communication between elected and appointed public officials and staff with respect to the implementation of city policies, standards, and regulations on particular development projects.
- (f) To facilitate orderly and consistent implementation of the ~~city's~~ City's Comprehensive Plan and development regulations.

18.79.020 Supplemental procedures.

These procedures are supplemental to any other authority under state or local law which permits preliminary screening of development projects, including, but not limited to, the California Environmental Quality Act, Public Resources Code Section 21000, et seq., and the State Planning and Zoning Law, Government Code Section 65000, et seq.

18.79.030 Applicability and initiation.

- (a) ~~These procedures may be applied to the following types of development projects:~~
Preliminary screening is required for development projects that include any of the following applications:
 - (1) Planned Community (PC);
 - (2) Development Agreement
 - (3) General Plan Amendment and Specific Plans, including Specific Plan Amendments
 - (4) District Map Amendment
 - (5) Zoning Text Amendment, except as provided for in section (c) below.
 - ~~(1) Substantial zoning regulation or district map change proposals;~~
 - ~~(2) Comprehensive plan amendments, including specific plans;~~
 - ~~(3) Any other development project, or permit or entitlement application, including a major alteration or expansion of existing use, which implicates major land use or other policy or planning concerns.~~
- (b) ~~Development project preliminary review may be initiated by motion of the city council, with the concurrence of the project proponent, or upon request of the city manager and project proponent with the concurrence of the city council, at any time after the city has received a development project application and before the development project is noticed for public hearing on the merits of the application, if any is required.~~ Preliminary screening is initiated by filing an application and payment of applicable fees. Preliminary screening applications shall be scheduled for a study session before the City Council. Notice of the study session and the opportunity for public participation shall be provided in the same manner as may be required by law for action on the underlying development project application. The City Council may include in the study session, or refer a preliminary screening application to, any

board, commission or committee.

~~(c) Development project preliminary review may also be initiated prior to the filing of an application, upon the request of the project proponent with the concurrence of the city council. The project proponent shall pay a preliminary review fee as set forth in the municipal fee schedule. If the project proponent wishes to proceed with the project after preliminary review, he or she must then file an application and pay a regular application fee. Preliminary screening is not required for zoning text amendments under the following circumstances:~~

~~(1) The project does not include a request for an application in section (a) (1) through (a)(4) above, and~~

~~(2) The Director of Planning and Community Environment determines the requested amendment would not have significant policy implications. Such zoning amendments include, but are not limited to, projects requiring a hotel or automobile combining district.~~

~~(d) Preliminary screening may be initiated for any application not included in section (a) (1) through (a)(4) above that results in The city may from time to time establish application forms, submittal requirements, fees, and such other requirements, guidelines and informal regulations as will aid in the efficient implementation of these procedures. Any other development project, or permit or entitlement application, including a major alteration or expansion of an existing use, which implicates major land use or other policy or planning concerns, subject to the following requirements:~~

~~(1) Development project preliminary review may be initiated by motion of the City Council, with the concurrence of the project proponent, or upon request of the city manager and project proponent with the concurrence of the City Council, at any time after the City has received a development project application and before the development project is noticed for public hearing on the merits of the application, if any is required.~~

~~(2) Development project preliminary review may also be initiated prior to the filing of an application, upon the request of the project proponent with the concurrence of the City Council. The project proponent shall pay a preliminary review fee as set forth in the municipal fee schedule. If the project proponent wishes to proceed with the project after preliminary review, he or she must then file an application and pay a regular application fee.~~

~~(3) The noticed public study session will be conducted solely by the planning and transportation commission ("P&TC"); or by the P&TC initially and then by the City Council; or solely by the City Council; or as a joint meeting of the City Council and P&TC, or as a joint meeting of the City Council and any other city boards, commissions or committees whose participation is deemed desirable by the City Council. Unless directed otherwise by the City~~

Council, the P&TC shall conduct a study session on all preliminary review matters and forward its comments to the City Council. Minutes of P&TC study sessions conducted pursuant to this section shall be produced in the same manner as minutes of regular meetings.

(4) Notice of the study session and the opportunity for public participation shall be provided in the same manner as may be required by law for action on the underlying development project application.

(d) (e) The City may from time to time establish application forms, submittal requirements, fees, and such other requirements, guidelines and informal regulations as will aid in the efficient implementation of this section ~~these procedures.~~

(f) No formal action may be taken during preliminary review.

18.79.040 ReservedPreliminary review.

~~Upon initiation as provided in Section 18.79.030, one or more noticed public study sessions will be held to solicit comments which will aid in accomplishing the purposes of these procedures.~~

~~The noticed public study session will be conducted solely by the planning commission; or by the planning commission initially and then by the city council; or solely by the city council; or as a joint meeting of the city council and planning commission, or as a joint meeting of the city council and any other city boards, commissions or committees whose participation is deemed desirable by the city council. Unless directed otherwise by the city council, the planning commission shall conduct a study session on all preliminary review matters and forward its comments to the city council. Minutes of planning commission study sessions conducted pursuant to this section shall be produced in the same manner as minutes of regular meetings.~~

~~Notice of the study session and the opportunity for public participation shall be provided in the same manner as may be required by law for action on the underlying development project application.~~

~~No formal action may be taken during preliminary review.~~

18.79.050 Preliminary review public study session procedure.

(a) Preliminary review study sessions may be conducted in any manner deemed appropriate by the Ccity Council.

(b) City staff will prepare a summary outline of the proposed project which highlights any information relevant to the purposes identified in Section 18.79.010, including but not limited to any initial study prepared for the project. In addition, the project proponent or any interested person may provide oral or written comments consistent with the purposes of these procedures during a preliminary review study session. Subsequent city staff reports on development projects which have been subject to preliminary review should summarize any comments made during the process.

- (c) Preliminary review study sessions shall not be for the purpose of taking evidence with respect to a development project. Neither the ~~city~~ City Council, nor any ~~Ce~~ity board, commission, committee, or staff person may rely upon information obtained or comments made during the preliminary review process for any final decision, unless such information or comments are reintroduced during a subsequent noticed public hearing on the merits of the development project.

18.79.060 Voluntary compliance.

- (a) Compliance with any development project revisions, alterations, or conditions suggested during the preliminary review process shall be voluntary. Failure to comply with any such revisions, alterations, or conditions shall not affect consideration of the project by the ~~city~~ City.
- (b) Nothing in these procedures is intended, nor shall any provision be construed, to constitute, permit or result in any binding determination of the rights, interests, or entitlements of the ~~city~~ City, project proponent, or any interested person with respect to a development project upon which preliminary review is conducted.
- (c) Development project preliminary review shall be without prejudice to the ability of the ~~city~~ City, project proponent, or any interested person to proceed with a development project in any manner, notwithstanding any suggested revisions, alterations, or conditions.
- (d) When preliminary review has been initiated, a project proponent shall have the right to withdraw a development project application at any time before commencement of a public hearing on the first discretionary permit, license, or entitlement for the project. Such withdrawal shall be without prejudice to the project proponents ability to reapply for the same or a substantially similar development project at a future date, subject to the regulations, standards, and policies in effect upon reapplication. Upon such withdrawal, the ~~city~~ City shall refund any application processing deposits to the project proponent which have not yet been expended.

SECTION 2. Any provision of the Palo Alto Municipal Code inconsistent with the provisions of this chapter, to the extent of such inconsistencies and no further, is hereby repealed or modified to that extent necessary to effect the provisions of this chapter.

SECTION 3. If any section, subsection, sentence, clause, or phrase of this chapter 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 chapter. The City Council hereby declares that it would have adopted this chapter and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the chapter would be subsequently declared invalid or unconstitutional.

SECTION 4. The Council finds that the adoption of this chapter is exempt from the provisions of the California Environmental Quality Act pursuant to CEQA Guideline section

NOT YET APPROVED

15061 because it can be seen with certainty that there is no possibility that the project will have a significant effect on the environment in that the proposals make procedural modifications to an already existing zoning district.

SECTION 5. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Senior Assistant City Attorney

City Manager

2. Discussion of Process for City Council "Prescreening" of Projects Requiring Zone Changes.

Jonathan Lait, Assistant Director of Planning and Community Environment, expressed his desire for direction on the pre-screening process. The pre-screening process assisted the applicant and the developer because it began the framing route for development. There were not many pre-screening requests; over the past 5-years there were two confirmed projects and two withdrawn. He understood there had been criticisms of the process and his efforts were to eliminate the confusion to make a smoother process. The current program was voluntary so the question was whether Council preferred the voluntary method or desired the process to become mandatory. If the program was changed to mandatory what would the scope of projects that the Council was interested in capturing under a mandatory program. Once a mandatory program was implemented were there projects that would continue to be addressed under a voluntary basis. Depending on how those two questions were answered, there was a third option to discuss; how would those projects get before the hearing authority sooner and whether the authority would be with the Planning & Transportation Commission (P&TC) or the City Council.

Council Member Scharff felt strong support for making the process mandatory. He believed Staff captured most of the reasons for a mandatory process; 1) substantial zoning regulation or district map change proposals, 2) comprehensive plan amendments including specific plans, and 3) any other development project or permit or entitlement application including a major alteration or expansion of existing use.

Mr. Lait stated the projects that had the broadest impacts were the ones that challenged the zoning standard or the general plan the way it was drafted.

Council Member Scharff asked if the process became mandatory would all Planned Communities (PC's) Projects be covered under the process.

Mr. Lait stated yes but he felt the process should be clear.

Council Member Scharff asked where proposed development agreements fit into the process, would they be covered by the agreed upon universe.

Mr. Lait felt the proposed development agreements should be included to be specific.

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Council Member Scharff stated item 3 appeared to capture both PC's and development agreements.

Mr. Lait noted item 3 was so broad is captured everything.

Council Member Scharff was concerned item 3 was too broad and should be clarified.

Mr. Lait stated yes, it created ambiguity. The process should be clear on what projects qualified; PC's, Development Agreements, and any Zoning Code or Comprehensive Plan amendments that would affect key policy issues that would affect the community.

Council Member Scharff asked about the inclusion of Comprehensive Plan changes.

Mr. Lait said it was possible; although, there were some projects that may require a Comprehensive Plan amendment that did not have a large implication to the broader policy issues; a density change or a map change.

James Keene, City Manager, stated any project that required a Comprehensive Plan amendment would have to be approved by the Council. He asked the typical number of Comprehensive Plan amendments.

Mr. Lait stated not many and legally the City was only authorized to amend a certain number annually.

Council Member Scharff asked what a district map change entailed.

Mr. Lait clarified that was in reference to making a change to a basic zoning map such as your district boundary.

Council Member Scharff asked if any zoning change was a district map change.

Mr. Lait stated no, a district map contained the zoning boundary; for example if a facility wished to change from a PC to a Zone 2, that would be a district map change. There could be language changes to the code which would be a zoning change but not a district map change.

Council Member Scharff said substantial zoning regulations sounded different than an Applicant requesting a zone change. It sounded as if Staff was seeking approval for a change in the language.

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Mr. Lait agreed the current language was ambiguous.

Council Member Scharff asked what Staff was looking for from the Policy & Services Committee (Committee).

Mr. Lait noted Staff was requesting: 1) the Committee accept a change was warranted, 2) mandatory or voluntary; if mandatory what were the types of applications that qualified (PC, Development Agreement from a land use planning entitlement perspective, General Plan amendments, Zoning District Map changes). He said there could be further discussion as to whether Zoning Map changes qualified. He suggested the possibility of leaving open the request for a voluntary pre-screening; for example: There may be a confirming project on Maybell Avenue that met the zoning standards and the Comprehensive Plan but because of the history of controversy with the property, a Developer may be interested in a pre-screening.

Council Member Scharff stated his view was when there was a policy decision involved; Council should be the first step in the pre-screening to avoid unnecessary Staff time. He was torn because the Planning and Transportation Commission (P&TC) was the advisory board to the Council so essentially they needed to see it first to advise the Council. He believed if a Developer applied for a PC it should be under the mandatory category. If there was a host of possible benefits and because the P&TC reviewed them first; they select 3 but when the Council reviews the benefits they select a different 3 the P&TC thus had wasted their time on matters the Council did not desire. He clarified if it was a defined zoning change item with a specific request he felt the P&TC should be involved first. Although when it involved benefits to the City the Council should be the first line of approval.

Council Member Schmid felt Staff was before the Committee because of a few major property projects and the Grand Jury Report. There was an issue with the Comprehensive Plan. He asked if there was a decision possible prior to the completion of the updated Comprehensive Plan. He believed a change would be useful. He suggested an identification process be written into the mandatory pre-screening program of which projects were worth pre-screening; based on size and impact, in an effort to avoid Staff over work. The role of pre-screening was to have a general sense of what the project was and how it might affect the Comprehensive Plan. He agreed the pre-screening process should identify what was occurring and notify the public. The program should clearly state the positive and negative impacts a project would have on the community. He agreed items 1 and 2 of 18.79.030 Applicability and Initiation should be made mandatory: 1) Substantial zoning regulations or district map change proposals, and 2) Comprehensive Plan

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amendments, including specific plans. He wanted a structure put in place inside the mandatory system to recognize cumulative impacts.

Mr. Lait believed the discussion was a procedural effort that set forth a path for more community dialog that could have positive or negative impacts. While proceeding with the Comprehensive Plan update he did not feel the procedural aspects or what qualified would be largely impacted by decisions made by the Council about development caps or where the City wanted to focus the development. The thought process leading up to those decisions would inform the Council's feedback to a developer through the pre-screening process which he believed, particularly in an era of transition, would be valuable to a developer. There were existing Comprehensive Plans and zoning regulations that people were working under. If there was a thought that may change, with confirmation of codification or adoption, that knowledge provided the value of the pre-screening effort.

Council Member Schmid added a procedural issue might be to identify 4 or 5 major projects.

Mr. Lait stated the Architectural Review Board (ARB) did pre-screening. There was a provision in the Code which provided three opportunities before the ARB. He did not believe the volume was high enough for the City Council to be bogged down with pre-screening processes. He agreed the role of the pre-screening process needed to clearly state what was expected of the Applicant and the Council. He and Director Gitelman had discussions on how to tackle cumulative impacts.

Chair Price agreed the pre-screening issue was a process and procedural matter. She saw the pre-screening process as a similar but different track from the update to the Comprehensive Plan. If the pre-screening process was more understandable with procedures in place that made sense and was defensible she believed that helped all involved. She supported the mandatory options for PC's and the other projects mentioned earlier. She appreciated the voluntary option. The initial screening work involving environmental impacts would not have been completed during the pre-screening process; that language should be clearly stated. With respect to section 18.79.030.3 she believed having a well-articulated criterion was important. She was concerned with the impact on Staff and Council. The issue of the ongoing reform of the PC process which had no relationship with the pre-screening process. She asked if Staff had sufficient information and guidance from the Committee to move forward.

Mr. Lait stated yes. He explained the next meeting might entail fine tuning.

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Chair Price believed best practices from other cities could be modified to suit Palo Alto's needs. She asked Staff to see what other cities have recommended with this type of project.

Mr. Lait stated he would research what others have done.

Council Member Schmid stated in the current code there was discretion on who initiated the pre-screening process. In the change to a mandatory system there was no initiator.

Mr. Lait stated that was correct, the Applicant would have to file a pre-screening prior to filing an application.

James Keene, City Manager, explained the pre-screening process was to provide early feedback that could change the direction of a project. The idea of the pre-screening process was to save the Developers time and that of Council.

Council Member Schmid noted section 18.79 talked about a development project only begin with an application. He asked if a development project always started with an application. If the pre-screening process was approved would the process occur before the application or only after.

Mr. Keene stated it could be both, either before a formal application or after.

Mr. Lait stated the code had the option to submit before a filing or if there was a filing before a public hearing. If there was a mandatory component the pre-screening would occur prior to any filing.

Council Member Scharff believed the pre-screening process should only apply to projects not developments. Code 18.79.03 was the existing law for any other development projects which over time there had been no pre-screening.

Chair Price acknowledged the minimal usage of the current language in the law and noted it was vague.

Council Member Scharff said for a voluntary component submission requests did not overwhelm the system, but for a mandatory component the code was too broad. He believed 18.79.030 (a) (1) and (2) as applied to development projects better described the mandatory component. He asked for clarification on the substantial zoning regulation or district map change proposals as applied to projects with a zoning change which meant it was within the Comprehensive Plan but requesting a zoning change.

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Mr. Lait stated that was correct the change could be to the text or the map.

Council Member Scharff asked for clarification on a map change.

Mr. Lait clarified it was meant as a shift to a zoning boundary.

Council Member Scharff said basically it was changing the zoning on a property.

Mr. Lait stated that was correct.

Chair Price asked if that included a lot merge or separation.

Council Member Scharff asked why a lot boundary would go before Council.

Mr. Lait stated it would not.

Council Member Scharff asked for an example if there was a property that wanted to change from Residential Multifamily (RM)1 to RM15; that seemed as though it should go before Council.

Council Member Schmid recalled on the El Camino Corridor there were incentive programs to consolidate lots. In some cases those consolidations would be creating a zoning change. Would each one need a mandatory pre-screening.

Mr. Lait said it was possible to consolidate property and expand zoning boundaries but did not necessarily result in a map or code change. The consolidation of properties themselves, depending on their location, could have policy implications on the character of the neighborhood.

Council Member Scharff felt the mandatory pre-screening should be put into place with a voluntary option applied to projects and eliminate 18.79.030 (a) (3).

Chair Price believed there should be specific criteria added to the voluntary language not simply other projects.

Council Member Schmid thought Staff had requested Committee comments and they would return with a more specific report.

Council Member Scharff was concerned whether Staff needed to return to Committee or continue directly to the full Council. The current discussion

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was the mandatory component covered 18.79.030 (a) (1) and (2) plus PC projects and development agreements.

Chair Price noted there had been no discussion on 18.79.030 (b), (c) and (d). She asked if Staff desired comments on those sections. She agreed with the mandatory settings. She did not approve of the voluntary component being stated as any other development; it was too vague.

Council Member Scharff suggested leaving the language for the voluntary component of 18.79.030 as it allows the option for people to request a pre-screening if they felt it would be beneficial. The mandatory component needed to be narrowed to specifics; 1) zoning changes, 2) Comprehensive Plan amendments including specific plans, and 3) PC projects and development agreements which would go before Council.

Chair Price agreed.

Mr. Lait noted the language suggested was a change to the Zoning Code and thus needed the P&TC review and recommendation to the City Council for approval.

Council Member Scharff suggested the Committee move to send the language to the P&TC for review and approval.

Mr. Lait stated he had a clear understanding as to what the Committee was requesting. There was to be a mandatory component for the identified projects: Planned Communities, Development Agreements, General Plan Amendments, Zoning text amendments, and Zoning District Map amendments. The Code would retain a voluntary mechanism for projects that did not meet the mandatory criteria. Council would retain the authority to decline discussion of a voluntary pre-screening in an effort to eliminate unnecessary screenings.

Council Member Schmid asked if a cumulative impact such as parking issues in a specific neighborhood could be considered a voluntary pre-screening request.

Mr. Lait mentioned under the current Zoning Code Council could make a request of a perspective developer or Applicant to submit a pre-screening request. Cumulative impacts were evaluated by scale and character of neighborhoods, parking availabilities, transportation networks and air quality. Staff would inform a developer of their project being evaluated with other pending projects in the general vicinity thus informing them of the possibility of cumulative impacts.

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MOTION: Council Member Scharff moved, seconded by Council Member Price that the Policy & Services Committee direct Staff to draft an Ordinance 1) mandating prescreening review for projects that require Comprehensive Plan amendments, Planned Community, Development Agreement, General Plan Amendments, Zoning Text or Zoning Map Amendment applications and, 2) establish a voluntary prescreening process similar to the existing code provisions for all other projects.

Council Member Schmid requested language be added to the voluntary component notifying the developers or applicants of how they would be alerted to the possible cumulative impacts of their proposed project.

Mr. Lait felt alerting the developer or applicant of possible impacts was a worthy criterion for either the voluntary or mandatory components.

Council Member Scharff asked for clarification on the language.

Chair Price stated the Staff Report mentioned the typical noticing process would continue.

Mr. Lait stated yes, the current code stated the underlying notification process was mailers.

Chair Price confirmed the standard notification process would continue to be applied to pre-screening whether voluntary or mandatory.

Mr. Lait stated that was correct.

Chair Price asked if the community would be notified generically of the change in the process.

Mr. Lait stated yes, because the change effected the entire community there would be a newspaper notification and a posting on the website. The Planning and Community Environment Department was presently using the notification system Next Door so there would be a notice placed there as well.

Council Member Schmid believed Staff mentioned a different approach of awareness.

Mr. Lait apologized; he thought there was an interest in advising perspective applicants upfront regarding the pre-screening analysis. He believed when the Council and the P&TC reviewed an application they would be mindful of

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the fact there may be neighborhood specific issues that may be relevant to a particular project. That knowledge would inform the type of comments delivered to the applicant.

Council Member Scharff believed the concern was if there was a voluntary pre-screening the Council would not review the application.

Council Member Schmid provided an example of his concern. The City spent 9-months working on a downtown parking issue which had a surplus of 1,600 vehicles on the streets. That was a potential issue between the FAR and vehicle. If an individual single developer came in and wanted to use the exceptions and bonuses but did not reach the mandatory point for breaching the zoning change but if three or four developers came in over a period of time, the parking program would be blown apart. His desire was for the Planning Department to have the ability to put up an alert of the deficit in parking.

Council Member Scharff clarified if a developer had the as-of-right to build in downtown; as-of-right meant it was within the zoning rights and they were not seeking anything from the City, the procedure was they would not require a pre-screening but they would go to the Architectural Review Board (ARB) for design review. He did not feel it made sense to have an alert.

Council Member Schmid said the reason for pre-screening was to identify possible issues.

Council Member Scharff stated in an as-of-right development there was no choice, the City cannot say no. That was why the City was looking at down zoning.

Council Member Schmid wanted a cumulative assessment and currently there was not one in place.

Hillary Gitelman, Director of Planning and Community Environment, clarified Section 18.79.050 of the Ordinance as it was currently written and was not proposed to change spoke to City Staff preparing for the pre-screening and hearing by doing base analysis and providing the information at hand on environmental issues. In that context Staff had the ability to highlight the issue of concern.

Council Member Schmid asked if that applied to the voluntary pre-screening as well.

Ms. Gitelman stated the process would be for voluntary or mandatory.

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Council Member Schmid had concern with the voluntary component. If it was a mandatory issue all of the Ordinance pieces applied but if the developer requested a pre-screening there was no incentive to initiate a request.

Council Member Scharff clarified Council Member Schmid was concerned about the as-of-right developments not doing a pre-screening.

Council Member Schmid said that was correct. The as-of-right included bonuses and incentives but it also included something on the cumulative side of issues.

Ms. Gitelman stated there was an obligation under the California Environmental Quality Act (CEQA) to consider cumulative impacts. The downtown area square footage was capped and there was an analysis completed before the cap was created. The Comprehensive Plan update had a cumulative impacts refresher. The alterations to the Ordinance being discussed would allow both the City and the applicant a path to receive an early read on projects; it was intended for projects that had potential for controversy or rose above the ordinary or routine matters heard in the course of other Board and Commission reviews.

Council Member Schmid was skeptical of pushing ahead because of the annual monitoring report of the parking deficit which was continually worsening.

Mr. Keene stated there was a series of existing laws and regulations that covered the downtown area zoning, set-backs, height limits and development caps themselves.

MOTION PASSED: 2-1 Schmid no, Klein absent

■ [REDACTED]

[REDACTED]