



City of Palo Alto

City Council Staff Report

(ID # 6593)

Report Type: Action Items

Meeting Date: 3/21/2016

Summary Title: Housing Sites and Programs

Title: Comprehensive Plan Update: Housing Sites and Programs

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff requests City Council guidance on housing issues and programs for consideration and implementation concurrent with the Comprehensive Plan Update. Potential issues for consideration include but are not limited to:

- a. potential replacement of housing inventory sites on San Antonio Road and South El Camino Real with either (i) increased densities at sites in Downtown and the California Avenue Area and/or (ii) new housing sites, potentially along the El Camino Real frontage of the Stanford Research Park and/or the Stanford Shopping Center;
- b. potential changes in zoning to replace non-retail commercial FAR with residential FAR in mixed-use areas like Downtown and the El Camino Real corridor;
- c. potential incentives to encourage the merger and development of small lots that are on the City's housing inventory, such as those along El Camino Real; and
- d. potential changes in zoning to encourage small units, "micro" units, accessory dwelling units, co-housing, live/work, affordable housing and other forms of housing.

Executive Summary

In November of 2014, the City adopted the current housing chapter or "Housing Element" of the City's Comprehensive Plan, which provides a list of sites, goals, policies, and implementation programs intended to address the City's projected housing needs for the period 2015-2023. Because State law provides a prescribed list of contents and a schedule for updating housing elements, this element was updated in advance of the rest of the Comprehensive Plan.

The Housing Element and all other elements of the Comprehensive Plan must remain internally consistent. Therefore the City has an obligation to review the Housing Element concurrent with the Comprehensive Plan Update, and to make modifications if necessary to ensure continued consistency between the elements. The ongoing Comprehensive Plan Update also provides an opportunity to advance Housing Element programs via complimentary and supporting policies

in the Land Use and Community Design Element. Tonight's City Council discussion is intended to secure the Council's direction regarding this opportunity.

One of the Housing Element programs (Program H2.2.5) obligated the City to consider exchanging housing sites along San Antonio Road and along portions of South El Camino Real that are outside of pedestrian "nodes" for other sites that are closer to transit and services. Scenario 3 in the Comprehensive Plan Update Draft EIR considers exchanging these sites for increased densities on other sites, and Scenario 4 considers exchanging these sites for new sites along El Camino Real. These suggestions are discussed in more detail below, along with other programs included in the Housing Element to encourage production of small units and programs to encourage the merger and development of small housing inventory sites.

Background

The City of Palo Alto, like the majority of the Bay Area, is experiencing increased housing costs and a shortage of available housing at all income levels. Recent estimates put the current jobs/housing balance in the City at 3.05 jobs per employed resident. This trend requires the City to import most of its workers to meet the needs of business and industry, indicating in a large unmet need for worker housing in the City. Since many of Palo Alto's workers cannot afford to live in the City, the imbalance creates negative impacts such as long commutes for workers both inside and outside the region, increased traffic congestion during peak commute periods, and increased air pollution and energy consumption.

Over the past year, City Councilmembers have expressed an interest in exploring alternatives to produce more housing opportunities at various City Council meetings. Among some of the ideas expressed were: co-housing, micro-units and second dwelling units. On October 19, 2015, Councilmembers Scharff, Schmid and Wolbach presented a Colleague's memo in support of secondary dwelling units, which was referred to the Planning & Transportation Commission for analysis. At the November 2, 2015 City Council meeting about the vision and goals for Land Use Element of the Comprehensive Plan, Council included language in the motion to encourage more housing. During the past year, the City Council has also approved a project (441 Page Mill Road) utilizing the State Density Bonus law, and adopted changes in local implementing regulations (in the "code clean-up" ordinance) to remain consistent with that law.

More background information about the City's Housing Element and the programs it contains is provided below.

The City's Housing Element

After a year of development and drafting, the 2015-2023 Housing Element for the City of Palo Alto was adopted on November 10, 2014, and subsequently certified by the California State Department of Housing and Community Development (HCD) on January 20, 2015. The entire text of the Housing Element can be found at <http://www.cityofpaloalto.org/civicax/filebank/documents/37935>.

A housing element covers an 8 year period and is a required component of a municipality's General Plan/Comprehensive Plan and must do the following:

- Evaluate existing housing needs
- Estimate projected housing needs
- Review previous Housing Element goals and programs that evaluates how well they achieved the City's objectives
- Inventory adequate sites with an analysis that assesses the jurisdiction's ability to accommodate its share of the regional housing need in light of environmental and infrastructure issues and conditions
- Identify governmental and non-governmental constraints to the production and maintenance of housing
- Propose specific ways to address identified needs, remove or reduce governmental constraints; and conserve and improve existing affordable housing
- Quantify objectives that estimate the maximum number of units by income level for construction, rehabilitation and conservation of housing during the planning period

Primary to the above list of State required components is utilizing ABAG-generated housing need projections for all income levels and providing zoning that can accommodate or is appropriate for these units and growth. Palo Alto's current Housing Element (Table 2-37) requires the zoning for 1,988 new housing units, broken down by income level as follows:

Table 1: City of Palo Alto New Construction Need by Household Income Level, 2014-2022

Income Level	% of Area Median	Number of Units	% of Total Need
Extremely Low Income	0-30%	345	17%
Very Low Income	31-50%	346	38%
Low Income	51-80%	432	22%
Moderate Income	81-120%	278	13%
Above Moderate Income	over 120%	587	30%
Total		1,988	100%

Source: ABAG Regional Housing Needs Allocation & City of Palo Alto Housing Element, 2014

The definition of income levels is based on a percentage of area median income (AMI), which is extremely high in our area. For example, "moderate income" housing is affordable to households earning up to 120% of the area median or approximately \$127,560 for a family of four.¹ In most other areas of the Country, this income level would be associated with "above moderate" or market rate housing, rather than affordable housing.

¹ This figure is based on the area median income of \$106,300 for a 4 –person household in Santa Clara County as of 4/15/15 as published by HCD.

It should be noted that the City's obligation to plan and zone for its Regional Housing Needs Allocation (RHNA), as presented in Table 1, above, is aimed at addressing Palo Alto's "fair share" of regional housing needs, as determined by the Association of Bay Area Governments (ABAG). RHNA numbers are not the same as projections of future housing growth, which are often lower because of the constraints on housing production discussed in the Housing Element.

The sites included in the inventory or "housing sites table" included as Appendix B in the Housing Element (see map in Attachment A) are described by providing the location, size, zoning, maximum density, and a "realistic capacity" for each site. Consistent with HCD's Guidelines, the City does not get "credit" for the maximum density of each site, but only a "realistic capacity" of about 80% of the total capacity allowed under existing zoning. According to HCD, this approach takes into account development trends, site constraints, and the potential for some non-residential uses (as a part of mixed-use development).

The policies and programs included in the City's Housing Element address a wide variety of housing issues, grouped under the following high-level goals:

- preservation of residential neighborhoods;
- supporting the construction of housing near schools, transit, parks, shopping, employment, and cultural institutions;
- meeting underserved housing needs;
- promoting an environment free of discrimination and barriers to housing choice; and
- reducing the environmental impact of new and existing housing.

A list of the implementation programs included in the Housing Element with their respective timeframes is included as Attachment B. Many of these programs are directly related to the issues before the Council this evening:

- Programs related to housing sites and densities include Programs H2.2.5, H2.1.1, H2.1.7, H2.1.10, H2.1.11, and H2.2.2
- Programs related to micro units, accessory dwelling units, cohousing, or other housing types include Programs H2.1.4, H3.3.5, H1.1.2, H3.1.7, H3.3.4)
- Programs related the merger and development of small lots include Programs 2.1.9 and 2.2.1

Importantly, Program 2.1.9 regarding incentives for merger of small housing inventory sites was of particular interest to housing advocates and HCD, and the City is *required* to adopt related code amendments this year.

Discussion: Housing Sites

Since the adoption of the current Housing Element, individual members of the City Council have expressed interest in revisiting the sites along San Antonio Road and South El Camino Real,

consistent with Housing Element Program 2.2.5:

“...continue to identify more transit-rich housing sites including in the downtown and the California Avenue area after HCD certification as part of the Comprehensive Plan Update process and consider exchanging sites along San Antonio and sites along South El Camino that are outside of identified “pedestrian nodes” for the more transit-rich identified sites.”

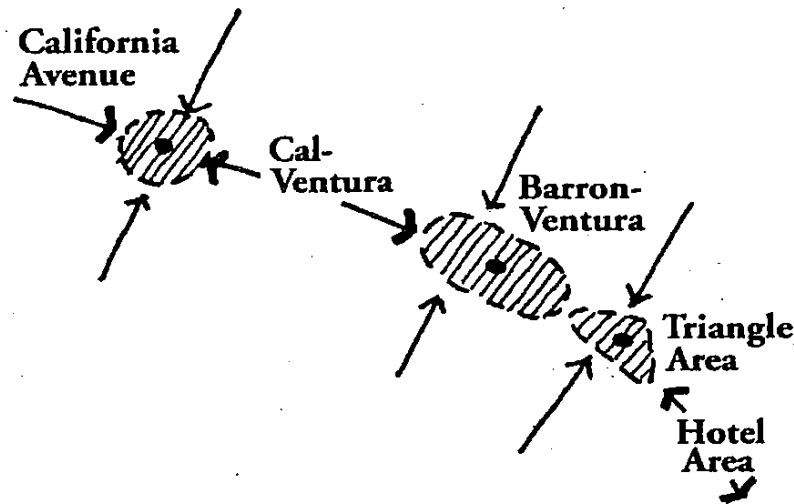
The Housing Element also contains Program 2.1.10 which references “pearls on a string” as a descriptor for pedestrian nodes along El Camino Real:

“As part of planning for the future of El Camino Real, explore the identification of pedestrian nodes (i.e. “pearls on a string”) consistent with the South El Camino Design Guidelines, with greater densities in these nodes than in other areas.”

The South El Camino Design Guidelines can be found here:

<http://www.cityofpaloalto.org/civicax/filebank/documents/19041> and contains the following simple diagram:

Figure 1. Diagram from the South El Camino Design Guidelines



Source: City of Palo Alto, Van Meter Williams Pollack, Kendall Planning and Design, 2002

The City of Mountain View has approved significant development at the southwestern end of San Antonio Road, bordering the City of Palo Alto that has added considerable numbers of housing units and retail sites, and this development continues. With increased traffic along San Antonio putting new pressures on the neighborhoods immediately to the northwest, and recognizing that sites identified in the Housing Element northeast of Middlefield Road and along southern El Camino Real are not as well served by transit or as accessible to neighborhood services as other sites, this location may not be suitable for the approximately 250 new units of realistic capacity attributed to these sites.

Scenario 3 in the Draft Environmental Impact Report (DEIR) for the Comprehensive Plan Update tests the idea of deleting these sites in South Palo Alto and replacing them by increasing the densities allowed on other, existing sites in Downtown and California Avenue area. (This was not a policy decision; instead it was done to illustrate what the potential impact would be). Under Scenarios 3, staff assumed that the Pedestrian and Transit Oriented Development (PTOD) overlay would be applied to a broader geographic area, including Downtown, and would be streamlined to incentivize its use. (The PTOD is effectively a local alternative to the State's density bonus law.)

If 15 out of a total of 46.5 acres of Downtown Commercial (CD) zoned land were redeveloped with residential mixed use space at a realistic yield of 30 dwelling units per acre, it would yield approximately 450 new units. (The 2015-2023 Housing Element assumed approximately 94 units realistic yield for all CD zoned parcels included in the inventory.) If the boundary of the PTOD area were extended to include the Fry's site in the California Avenue area, the site could redevelop at a higher maximum density of 40 dwelling units per acre (rather than 30 dwelling units per acre currently), yielding **600** units. (The 2015-2023 Housing Element assumed redevelopment with 221 units.) Applying a "realistic capacity" of 30 du/ac at the 15 acre Fry's site would yield 450 units or 229 more than assumed in the Housing Element. Together the changes tested in Scenario 3 could result in 900 units, or 585 more than the current Housing Element.

Scenario 4 in the Comprehensive Plan Update Draft EIR tests the idea of deleting the same sites in South Palo Alto and replacing them by not only increasing the densities allowed on other, existing sites in Downtown and California Avenue area, but by adding new sites in the El Camino Real corridor. Specifically, the scenario envisions that the City could identify new housing sites and potentially extend the PTOD zoning district to cover the northeastern portion of the Stanford Shopping Center and the Stanford Research Park fronting El Camino Real.

If the Palo Alto Square site at the corner of El Camino Real and Page Mill Road were rezoned from PC-2533 to RM-40, assuming mixed use, structured parking, & commercial/residential fronting El Camino Real, the 15 acre site could yield approximately 450 new housing units at a "realistic capacity" of 30 du/ac. (While the entire 15 acre lot would be rezoned to achieve the "realistic capacity" of 30 du/ac and 450 dwelling units, staff assumed the residential development would occur on the 5.5 acres fronting on ECR and surface parking would be replaced in a structure or underground.) If 12 acres fronting El Camino Real in the Stanford Shopping Center were redeveloped as mixed use commercial/residential at a realistic capacity of 35 dwelling units per acre, approximately 420 additional housing units could be accommodated. (35 du/ac was assumed as the "realistic capacity" if the Downtown PTOD extended to Stanford Shopping Center, although the maximum density would be higher. A new Development Agreement would be required per PAMC Section 18.16.060.) Together these two changes tested in Scenario 4 could result in 870 units more than the current Housing Element as both these sites are currently not in the Housing Inventory Sites list.

All of these concepts would require further development if the Council is interested in pursuing

them, and alternative approaches to replacing the San Antonio and South El Camino Real sites could also be considered in the context of the “Quality of Life” scenario that the Council has requested that staff define further. For example, Draft EIR Scenarios 2-4 advance the idea of somewhat reducing commercial FAR in the downtown and replacing it with residential FAR. This same approach could be used in mixed-use zones along the El Camino Real corridor and in the California Avenue area. If the Council is interested in this approach or an alternate approach, staff can quantify the potential unit yield for analysis in the “Quality of Life” scenario requested on February 22, 2016.

Discussion: Housing Programs

With the focus on housing sites, implementaton programs are often forgotten. However, as noted above, the City Council has expressed an interest in exploring policies and zoning changes to stimulate production of small units, consistent with some of the programs in the City’s Housing Element. Some of the suggestions advanced by Councilmembers and the public include the following:

1. Accessory Dwelling Units: Small, self-contained living units that have their own kitchen, bedroom(s), and bathroom space. ADUs are apartments that can be located within the walls of an existing or newly constructed single-family home or can be an addition to an existing home. They can also be freestanding cottages on the same lot as the principal dwelling unit.
2. Micro-units: Small apartments that can be as small as 200-300 square feet. These apartments often include a small living/bedroom area, a small bathroom, and a kitchenette. In some cases, bathrooms and kitchens are shared among residents on the same floor and the micro-units are primarily for sleeping and sitting. San Francisco recently passed legislation that allows for the construction of micro-units, with a minimum square footage of 220 square feet.
3. Co-housing: An intentional community of private homes clustered around shared space. Each attached or single family home has traditional amenities, including a private kitchen. Shared spaces typically feature a common house, which may include a large kitchen and dining area, laundry, and recreational spaces. Shared outdoor space may include parking, walkways, open space, and gardens. Neighbors also share resources like tools and lawnmowers.
4. Housing density: Set a threshold for the minimum number of housing units that need to be built on a site or, alternatively, let the maximum floor area ration (FAR) rather than dwelling unit density standards determine how many units can “fit” on a given site.

5. Non-Residential density: Lower the maximum FAR for non-retail commercial square footage in mixed use development and replace with increased residential FAR to encourage higher density housing.
6. “Unbundling” parking and/or removing parking requirements: This concept could be implemented along major commercial corridors well served by public transit and would serve younger families and/or seniors who do own cars.
7. Land assembly incentives – as noted above, the City’s Housing Element requires that we adopt some incentives for small lot consolidation focusing on small sites in the City’s housing inventory. Incentives can include but are not limited to additional height or density, and/or reduced parking or retail requirements.
8. Affordable Housing Overlay Zones (HOZ): Based on carrots rather than sticks, HOZs encourage production of affordable homes rather than requiring it. They permit owners to develop under base zoning or more lenient HOZ regulations. Rather than imposing restrictions, HOZ incentives may include increased density, relaxed height limits, reduced parking requirements, fast-tracked permitting, and exemptions from mixed-use requirements. In order to qualify for these incentives, developments must include a certain percentage of homes for lower income households, generally between 25% and 100% of the units. Menlo Park and Los Gatos have recently enacted HOZs.

There are certainly ideas other than these that can be considered, and the Housing Element programs listed in Attachment B cover these and more.

City Council direction is requested regarding those concepts that the Council would like to explore further and potentially consider for implementation concurrent with the Comprehensive Plan Update. Implementation could consist of inclusion of supporting policies and programs in the Land Use and Community Design Element of the Comprehensive Plan Update, amendment of the City’s adopted Housing Element (in consultation with HCD), and/or a consideration of zoning changes necessary to implement programs already identified in the Housing Element. Also, those concepts that the Council would like to explore further can be included for analysis as part of the “Quality of Life” scenario that the City Council requested in conjunction with the Comprehensive Plan Update Draft EIR on February 22, 2016.

Timeline

The Council’s direction this evening will inform ongoing work of the Citizens Advisory

Committee for the Comprehensive Plan Update as well as staff's work to define a potential "Quality of Life" scenario for analysis as part of the Comp Plan EIR process. The current schedule for the Comprehensive Plan Update is included as Attachment C and reflects changes since the Council's last discussion on February 22, 2016 based on the Council's input, the work of the CAC, and staff resources.

Resource Impact

The additional funding required to analyze a "Quality of Life" scenario and support staff work in completing the Comprehensive Plan Update will be addressed in an amendment to the Placeworks contract that will be proposed for adoption in May when the Council will have the opportunity to review components for inclusion in the scenario as discussed on February 22, 2016.

The requested direction this evening is expected to inform ongoing work as well as work products that would be funded by this contract amendment.

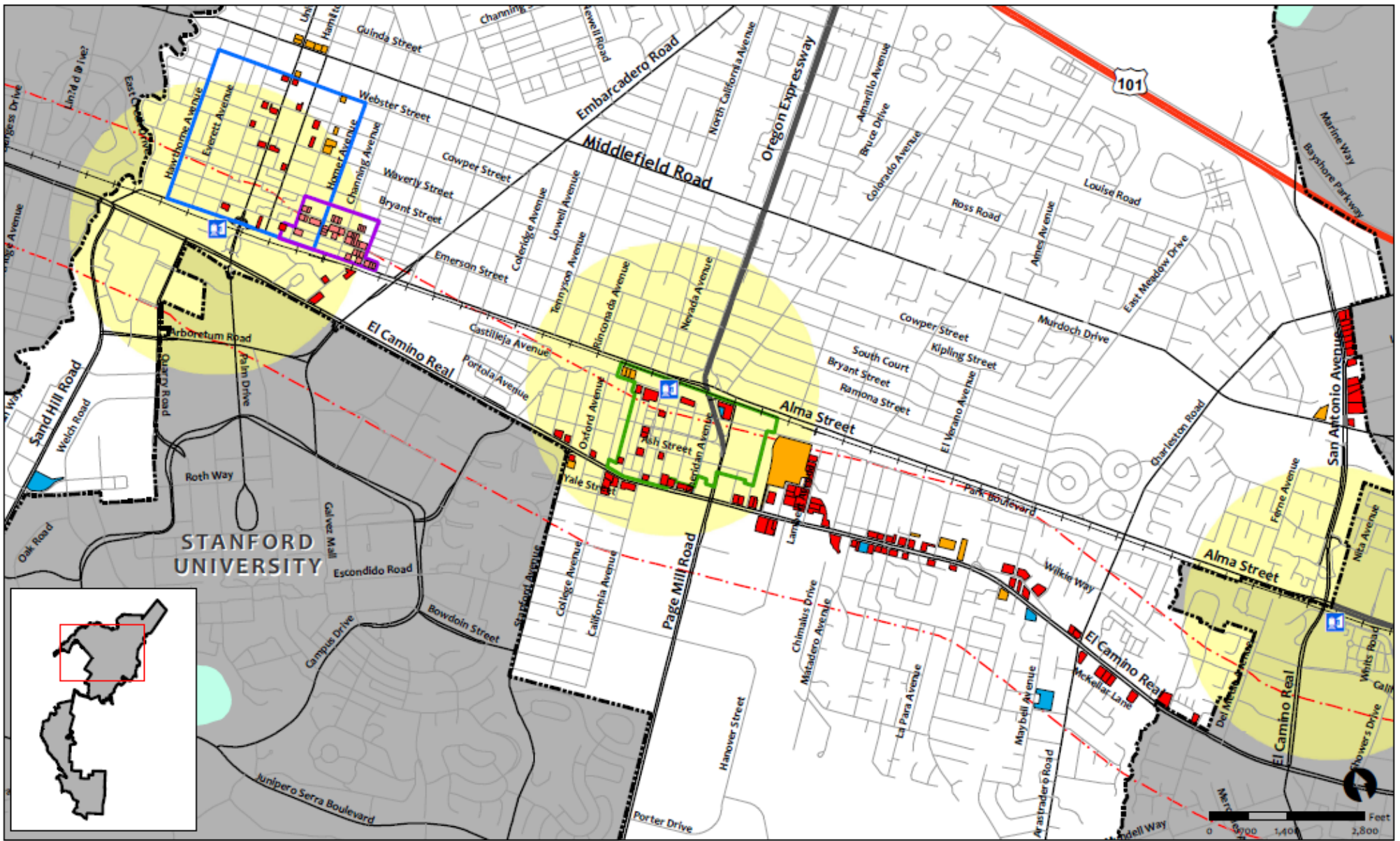
To the extent that the Council's direction involves policy or regulatory changes beyond those expected as part of the Comprehensive Plan Update, these may involve additional staff and consultant resources that will have to be assessed based on the specific direction provided.

Environmental Review

For purposes of the California Environmental Quality Act (CEQA), this evening's requested action is not a "project" requiring environmental review, although any policy and regulatory changes that the Council wishes to consider further will themselves require environmental review before a decision can be made related to their adoption and implementation.

Attachments:

- Attachment A: Housing Inventory Sites (PDF)
- Attachment B: 2015-2023 Housing Element Time Frame and Programs (DOCX)
- Attachment C: Comp. Plan Schedule (PDF)



Source: City of Palo Alto GIS, 2014



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Chapter 3 – Resources and Sites

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| | | | Housing Inventory Sites |
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**Figure 3-1:
HOUSING SITES**

Housing Element 2015-2023 Near Term Implementation Programs -- Time Frame

Implement within 2 years of adoption (by Dec. 2016)

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|--------|---------|--|
| H2.1.7 | PROGRAM | <p>Explore developing a Transfer of Development Rights (TDR) program to encourage higher-density housing in appropriate locations.</p> <p>Eight-Year Objective: Create opportunities for higher-density housing.
 Funding Source: City funds
 Responsible Agency: Planning & Community Environment
 Time Frame: Consider program within two years of Housing Element adoption
 Status: Not yet completed.</p> |
| H2.1.8 | PROGRAM | <p>Promote redevelopment of underutilized sites by providing information about potential housing sites on the City's website, including the Housing Sites identified to meet the RHNA and information about financial resources available through City housing programs.</p> <p>Eight-Year Objective: Provide information to developers about potential housing sites.
 Funding Source: City funds
 Responsible Agency: Planning & Community Environment
 Time Frame: Post information on website upon adoption of Housing Element
 Status: Completed.</p> |
| H2.1.9 | PROGRAM | <p>Amend the Zoning Code to create zoning incentives that encourage the consolidation of smaller lots identified as Housing Inventory Sites and developed with 100% affordable housing projects. Incentives may include development review streamlining, reduction in required parking for smaller units, or graduated density when consolidated lots are over one-half acre. Adopt amendments as appropriate. Provide information regarding zoning incentives to developers.</p> <p>Eight-Year Objective: Amend the Zoning Code to provide development incentives to meet the RHNA.
 Funding Source: City funds
 Responsible Agency: Planning & Community Environment
 Time Frame: Adopt amendments within two years of Housing Element adoption
 Status: Not yet completed.</p> |

H2.2.4 PROGRAM

As detailed in the Resources chapter of the Housing Element, the City of Palo Alto has committed to providing financial assistance towards the conversion of 23 multi-family units to very low-income (30-50% AMI) units for a period of 55 years, and is seeking to apply credits towards the City's RHNA (refer to Appendix C - Adequate Sites Program Alternative Checklist). The Palo Alto Housing Corporation (PAHC) approached the City for assistance in converting a portion of the 60 units at the Colorado Park Apartments, to be reserved for very low-income households. The committed assistance will ensure affordability of the units for at least 55 years, as required by law.

Eight-Year Objective: By the end of the second year of the housing element planning period, the City will enter into a legally enforceable agreement for \$200,000 in committed assistance to purchase affordability covenants on 23 units at the Colorado Park Apartments. The City will report to HCD on the status of purchasing affordability covenants no later than July 1, 2018, and to the extent an agreement is not in place, will amend the Housing Element as necessary to identify additional sites.

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing

Status: Completed.

H3.1.14 PROGRAM

Encourage and support the regional establishment of a coordinated effort to provide shared housing arrangement facilitation, similar to the HIP Housing Home Sharing Program in San Mateo County. Advocate among regional and nonprofit groups to establish the necessary framework.

Eight-Year Objective: Meet with regional groups and work to establish a Santa Clara Home Sharing Program

Funding Source: City Housing funds

Responsible Agency: Planning & Community Environment

Time Frame: Within two years of Housing Element adoption

Status: Not yet completed.

H3.5.2 PROGRAM

Amend the Zoning Code to clarify distancing requirements for emergency shelters, stating that "no more than one emergency shelter shall be permitted within a radius of 300 feet."

Eight-Year Objective: Amend the Zoning Code to clarify distancing requirements for emergency shelters.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Adopt amendments within one year of Housing Element adoption

Status: Completed.

H3.5.3 PROGRAM

Amend the Zoning Code to revise definitions of transitional and supportive housing to remove reference to multiple-family uses, and instead state that “transitional and supportive housing shall be considered a residential use of property and shall be subject only to those restrictions that apply to other residential dwellings of the same type in the same zone.”

Eight-Year Objective: Amend the Zoning Code to revise transitional and supportive housing definitions.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Adopt amendments within one year

Status: Completed.

H5.1.7 PROGRAM

In accordance with Government Code Section 65589.7, immediately following City Council adoption, the City will deliver to all public agencies or private entities that provide water or sewer services to properties within Palo Alto a copy of the 2015-2023 Housing Element.

Eight-Year Objective: Immediately following adoption, deliver the 2015-2023 Palo Alto Housing Element to all providers of sewer and water services within the City.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within one month of adoption of the Housing Element

Status: Completed.

Implement within 3 years of adoption (by Dec. 2017)

H1.1.2 PROGRAM

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.

Eight-Year Objective: Consider modifying the Zoning Code to provide for additional second units.

Funding Source: General Fund

Responsible Agency: Planning & Community Environment

Time Frame: Conduct a study within three years of adoption of Housing Element to assess the potential for additional second units with modifications to the development standards.

Status: Not yet Completed (Underway).

H1.1.3 PROGRAM

Provide incentives to developers such as reduced fees and flexible development standards to encourage the preservation of existing rental cottages and duplexes currently located in the R-1 and R-2 residential areas.

Five-Year Objective: Preserve 10 rental cottages and duplexes.
Funding Source: City Housing Fund
Responsible Agency: Planning and Community Environment
Time Frame: Explore incentives within three years of Housing Element adoption
Status: Not yet completed.

H2.1.1 PROGRAM

To allow for higher density residential development, consider amending the Zoning Code to permit high-density residential in mixed use or single use projects in commercial areas within one-half a mile of fixed rail stations and to allow limited exceptions to the 50-foot height limit for Housing Element Sites within one-quarter mile of fixed rail stations.

Eight-Year Objective: Provide opportunities for a diverse range of housing types near fixed rail stations.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Consider Zoning Code amendments within three years of Housing Element adoption

Status: Not yet completed.

H2.1.3 PROGRAM

Amend the zoning code to specify the minimum density of eight dwelling units per acre in all RM-15 districts. Consider amending the zoning code to specify minimum density for other multifamily zoning districts, consistent with the multi-family land use designation in the Comprehensive Plan.

Eight-Year Objective: To provide opportunities for up to 10 additional dwelling units on properties zoned RM-15

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Not yet Completed.

H2.1.4 PROGRAM

Amend the Zoning Code to create zoning incentives that encourage the development of smaller, more affordable housing units, including units for seniors, such as reduced parking requirements for units less than 900 square feet and other flexible development standards.

Eight-Year Objective: Provide opportunities for 75 smaller, more affordable housing units.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Not yet completed.

H2.2.1 PROGRAM

Implement an incentive program within three years of Housing Element

adoption for small properties identified as a Housing Element Site to encourage housing production on those sites. The incentive eliminates Site and Design Review if the project meets the following criteria:

- The project has 9 residential units or fewer
- A residential density of 20 dwelling units per acre or higher
- Maximum unit size of 900 square feet

Eight-Year Objective: Streamline processing for identified Housing Element Sites.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Adopt program within three years of Housing Element adoption

Status: Site and Design Review threshold has been increased to 9 units.

H2.2.2 PROGRAM

Work with Stanford University to identify sites suitable for housing that may be located in the Stanford Research Park and compatible with surrounding uses.

Eight-Year Objective: Identify sites suitable for housing to accommodate additional housing units.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Identify sites within three years of Housing Element adoption

Status: Not yet Completed (Underway)

H2.2.6 PROGRAM

On parcels zoned for mixed use, consider allowing exclusively residential use on extremely small parcels through the transfer of zoning requirements between adjacent parcels to create horizontal mixed use arrangements. If determined to be appropriate, adopt an ordinance to implement this program.

Eight-Year Objective: Consider transfer of zoning requirements to create horizontal mixed use.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Not yet completed (Can be accomplished with Program 2.1.9).

H3.1.1 PROGRAM

Amend the City's BMR ordinance to lower the BMR requirement threshold from projects of five or more units to three or more units, and to modify the BMR rental section to be consistent with case law related to inclusionary rental housing.

Eight-Year Objective: Provide opportunities for four additional BMR units.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Amend BMR Ordinance within three years of Housing Element adoption.

Status: Not yet completed. (Underway)

H3.1.12 PROGRAM

Amend the Zoning Code to provide additional incentives to developers who provide extremely low-income (ELI), very low-income, and low-income housing units, above and beyond what is required by the Below Market Rate program, such as reduced parking requirements for smaller units, reduced landscaping requirements, and reduced fees.

Eight-Year Objective: Provide incentives for development of housing for Extremely Low Income households.

Funding Source: City Housing funds

Responsible Agency: Planning & Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Not yet completed.

H3.3.4 PROGRAM

Support the development and preservation of group homes and supported living facilities for persons with special housing needs by assisting local agencies and nonprofit organizations in the construction or rehabilitation of new facilities for this population.

Eight-Year Objective: Regularly review existing development regulations, and amend the Zoning Code accordingly to reduce regulatory obstacles to this type of housing.

Funding Source: City & CDBG Funds

Responsible Agency: Planning & Community Environment

Time Frame: Amend Zoning Code within three years of Housing Element adoption.

Status: Not yet completed.

H3.4.4 PROGRAM

The City will work with affordable housing developers to pursue opportunities to acquire, rehabilitate, and convert existing multi-family developments to long-term affordable housing units to contribute to the City's fair share of the region's housing needs.

Eight-Year Objective: Identify potential sites for acquisition and conversion and provide this information to developers.

Funding Source: City funds

Responsible Agency: Planning and Community Environment

Time Frame: Within three years of Housing Element adoption

Status: Ongoing.

H4.2.1 PROGRAM

Ensure that the Zoning Code facilitates the construction of housing that provides services for special needs households and provides flexible development standards for special service housing that will allow such housing to be built with access to transit and community services while preserving the character of the neighborhoods in which they are proposed to be located.

Eight-Year Objective: Evaluate the Zoning Code and develop flexible development standards for special service housing.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Evaluate the Zoning Code within three years of adoption of the Housing Element.

Status: Not yet completed.

H4.2.2 PROGRAM

Work with the San Andreas Regional Center to implement an outreach program that informs families in Palo Alto about housing and services available for persons with developmental disabilities. The program could include the development of an informational brochure, including information on services on the City's website, and providing housing-related training for individuals/families through workshops.

Eight-year objective: Provide information regarding housing to families of persons with developmental disabilities.

Funding Source: General Fund

Responsibility: Planning and Community Environment

Time frame: Develop outreach program within three years of adoption of the Housing Element.

Status: Not yet completed.

Implement within 4 years of adoption (by Dec. 2018)

H3.1.7 PROGRAM

Ensure that the Zoning Code permits innovative housing types such as co-housing and provides flexible development standards that will allow such housing to be built, provided the character of the neighborhoods in which such housing is proposed to be located is maintained.

Eight-Year Objective: Review the Zoning Code and determine appropriate amendments to allow innovative housing types with flexible development standards.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Consider changes to the Zoning Code within four years of Housing Element adoption.

Status: Not yet completed.

H3.3.7 PROGRAM

Prepare a local parking demand database to determine parking standards

for different housing uses (i.e. market rate multifamily, multifamily affordable, senior affordable, emergency shelters etc.) with proximity to services as a consideration. Adopt revisions to standards as appropriate.

Eight-Year Objective: Determine parking standards for different residential uses.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within four years of Housing Element adoption

Status: Not yet completed. (The City Council has requested we prioritize this program due to changes in the State Density Bonus Law related to parking.)

H3.6.1 PROGRAM

Conduct a nexus study to evaluate the creation of workforce housing for City and school district employees.

Eight-Year Objective: Create the opportunity for up to five units of workforce housing.

Funding Source: City of Palo Alto Commercial Housing Fund

Responsible Agency: Planning & Community Environment

Time Frame: Conduct a study within four years of adoption of the Housing Element.

Status: Not yet completed.

Implement with Comprehensive Plan

H2.1.10 PROGRAM

As a part of planning for the future of El Camino Real, explore the identification of pedestrian nodes (i.e. “pearls on a string”) consistent with the South El Camino Design Guidelines, with greater densities in these nodes than in other areas.

Eight-Year Objective: Explore the identification of pedestrian nodes.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing in conjunction with the Comprehensive Plan update

Status: Not yet completed (Underway).

H2.1.11 PROGRAM

Consider implementing the Pedestrian and Transit Oriented Development (PTOD) Overlay for the University Avenue downtown district to promote higher density multifamily housing development in that area.

Eight-Year Objective: Consider PTOD for University Avenue.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Within four years of Housing Element adoption, in conjunction with the Comprehensive Plan update

Status: Not yet completed (Underway).

H2.1.12 PROGRAM

Evaluate developing specific or precise plans for the downtown, California Avenue, and El Camino Real areas to implement in the updated Comprehensive Plan. Adopt plans for these areas, as appropriate.

Eight-Year Objective: Evaluate developing plans for downtown, California Avenue, and El Camino Real.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing in conjunction with the Comprehensive Plan update

Status: Not yet completed. (Proposed for inclusion as an implementation program in the Comprehensive Plan Update)

H2.2.7 PROGRAM

Explore requiring minimum residential densities to encourage more housing instead of office space when mixed-use sites develop, and adopt standards as appropriate.

Eight-Year Objective: Explore requiring minimum densities in mixed use districts.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing in conjunction with the Comprehensive Plan update

Status: Not yet completed (Underway).

H2.2.8 PROGRAM

Assess the potential of removing maximum residential densities (i.e. dwelling units per acre) in mixed use zoning districts to encourage the creation of smaller housing units within the allowable Floor Area Ratio (FAR), and adopt standards as appropriate.

Eight-Year Objective: Assess removal of maximum densities in mixed use zoning districts.

Funding Source: City funds

Responsible Agency: Planning & Community Environment

Time Frame: Ongoing in conjunction with the Comprehensive Plan update

Status: Not yet completed (Underway).

Comprehensive Plan Update Revised Schedule – March 8, 2016 DRAFT*

Date*	Citizens Advisory Committee (CAC) Schedule of Meetings & Topics	Schedule of Other Events Related to the Comp Plan Update	City Council Schedule of Comp Plan Discussions
Mar 2		<ul style="list-style-type: none"> • CAC Community Services Subcommittee 	
Mar 9		<ul style="list-style-type: none"> • CAC Sustainability Subcommittee 	
Mar 15	<ul style="list-style-type: none"> • Land Use & Community Design Element Part II Policies & Programs (Discussion) 	<ul style="list-style-type: none"> • City Council Finance Committee: Draft Fiscal Study 	
Mar 21		<ul style="list-style-type: none"> • CAC Transportation Subcommittee 	<ul style="list-style-type: none"> • City Council Discussion of Housing Sites & Programs
TBD		<ul style="list-style-type: none"> • CAC Land Use Subcommittee 	
TBD		<ul style="list-style-type: none"> • CAC Sustainability Subcommittee 	
April 13		<ul style="list-style-type: none"> • PTC Draft EIR Hearing 	
April 18		<ul style="list-style-type: none"> • Earth Day/SCAP Report to the City Council (Chief Sustainability Officer) 	
April 19	<ul style="list-style-type: none"> • Land Use & Community Design Element Part III Policies & Programs (Discussion) • Recommendations on the Transportation Element & Community Services Element Considered on Consent 		
April 21		<ul style="list-style-type: none"> • ARB Draft EIR Hearing 	
April 25			<ul style="list-style-type: none"> • City Council Public Hearing on the Draft EIR
TBD		<ul style="list-style-type: none"> • CAC Land Use Subcommittee 	
April 28		<ul style="list-style-type: none"> • Library Commission Draft EIR Hearing 	
May 5		<ul style="list-style-type: none"> • End of the Draft EIR Comment Period 	
TBD		<ul style="list-style-type: none"> • CAC Sustainability Subcommittee 	
May 16			<ul style="list-style-type: none"> • City Council Review of CAC work on Transportation Element
May 17	<ul style="list-style-type: none"> • Natural Environment Element Policies and Programs (Discussion) 		
May 23			<ul style="list-style-type: none"> • City Council “Quality of Life” Scenario discussion & direction to staff; Placeworks contract modification
TBD		<ul style="list-style-type: none"> • CAC Natural Environment Subcommittee 	

*Modifications since January 30, 2016 version based on Feb 22, 2016 City Council input, staffing changes, and other factors. All dates and topics subject to change; additional meetings may be scheduled as needed.

Comprehensive Plan Update Revised Schedule – March 8, 2016 DRAFT*

Date*	Citizens Advisory Committee (CAC) Schedule of Meetings & Topics	Schedule of Other Events Related to the Comp Plan Update	City Council Schedule of Comp Plan Discussions
June 6			<ul style="list-style-type: none"> • City Council Review of CAC work on Land Use Element & Direction regarding Policy L-8
June 21	<ul style="list-style-type: none"> • Land Use & Community Design Draft Element Recommendations 		
TBD		<ul style="list-style-type: none"> • CAC Sustainability Subcommittee 	
July 19	<ul style="list-style-type: none"> • Safety Element Policies & Programs (Discussion) 		
TBD		<ul style="list-style-type: none"> • CAC Sustainability Subcommittee 	
TBD		<ul style="list-style-type: none"> • CAC Natural Environment Subcommittee 	
TBD		<ul style="list-style-type: none"> • CAC Safety Subcommittee 	
Aug 15			<ul style="list-style-type: none"> • City Council Discussion of Sustainability in the Comp Plan Update
Aug 16	<ul style="list-style-type: none"> • Natural Environment Draft Element Recommendations 		
Sep 20	<ul style="list-style-type: none"> • Business & Economics Element Policies & Programs (Discussion) 		
Oct 3		<ul style="list-style-type: none"> • Publish “Quality of Life” Scenario Results for 45-day public review period (supplement to the Draft EIR) 	<ul style="list-style-type: none"> • City Council Review of CAC work on Natural Environment & Safety
TBD		<ul style="list-style-type: none"> • CAC Business & Economics Subcommittee 	
Oct 18	<ul style="list-style-type: none"> • Safety Draft Element Recommendations 		
Nov 7			<ul style="list-style-type: none"> • City Council Discussion & Direction on Governance & Implementation
TBD	<ul style="list-style-type: none"> • SPECIAL MEETING – Governance Element Policies and Programs (Discussion) 		
Nov 9		<ul style="list-style-type: none"> • PTC Hearing on “Quality of Life” Scenario 	
Nov 14			<ul style="list-style-type: none"> • City Council Hearing on “Quality of Life” Scenario
TBD		<ul style="list-style-type: none"> • CAC Governance Subcommittee 	
Nov 15	<ul style="list-style-type: none"> • Business & Economics Element Recommendation 		
Dec 13	<ul style="list-style-type: none"> • Governance Element Recommendation • Implementation Plan 		

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Comprehensive Plan Update Revised Schedule – March 8, 2016 DRAFT*

Date*	Citizens Advisory Committee (CAC) Schedule of Meetings & Topics	Schedule of Other Events Related to the Comp Plan Update	City Council Schedule of Comp Plan Discussions
	<ul style="list-style-type: none"> Putting it all together/Final Thoughts and Recommendations 		
Dec 31		<ul style="list-style-type: none"> Revised Draft Comp Plan Update Disseminated for Public Review 	
Feb (2017)		<ul style="list-style-type: none"> PTC Review & Recommendation to the City Council (Multiple meetings) 	<ul style="list-style-type: none"> Final Review of Transportation Element
March			<ul style="list-style-type: none"> Final Review of Land Use Element
March			<ul style="list-style-type: none"> Final Review of Natural Environment and Safety Elements
April			<ul style="list-style-type: none"> Final Review of Business & Economics, Community Services & Facilities Elements
April			<ul style="list-style-type: none"> Review of Implementation Plan
May			<ul style="list-style-type: none"> Final Review of City Council's Changes & Errata
May		<ul style="list-style-type: none"> Publication of the Final EIR, Mitigation Monitoring Plan & Draft CEQA Findings 	
May			UPDATED COMP PLAN & FINAL EIR ADOPTED

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