



City of Palo Alto

City Council Staff Report

(ID # 8049)

Report Type: Study Session

Meeting Date: 8/28/2017

Summary Title: 3709 El Camino Real: Palo Alto Housing Prescreening

Title: 3709 El Camino Real [17PLN-00189]: Request by Palo Alto Housing for a Prescreening to Construct a Four-story Building With 61 Affordable Housing Units Including a Building Manager Unit, 2,412 Square Feet of Commercial Space, and Additional Amenity Space for use by the Tenants. The Proposal Would Require at Least one of the Following: Comprehensive Plan Amendment, Rezoning, and/or Zoning Text Amendment. Environmental Assessment: Prescreening is not a Project. The Formal Application Will be Subject to California Environmental Quality Act (CEQA) Review. Zoning District: CN (Neighborhood Commercial)

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

Staff recommends the City Council conduct a preliminary review (“prescreening”) and provide comments regarding the applicant’s proposal to develop the subject property at 3709 El Camino Real with affordable housing, as well as potential changes to local policy and regulations (Comprehensive Plan and Zoning) needed to implement the proposal. No formal Council action may be taken during a preliminary review, and comments provided in the course of a prescreening are not binding on the City or the applicant.

Executive Summary

The site consists of two adjoining parcels fronting on El Camino Real and contains two one-story buildings occupied by several retail establishments and surface parking lots. The applicant seeks to demolish the existing buildings and construct a new mixed use building containing 58 affordable studio housing units, 3 affordable one-bedroom units including a manager’s unit, 2,412 square feet of commercial space, and associated interior common and amenity space(s) for use by tenants.

As discussed in the Policy Implications and Options section below, the proposed use of the site would likely require amendments to at least one of the following: the Comprehensive Plan Land Use & Community Design Element, the Zoning District Map, and/or the text of the Zoning Ordinance. A prescreening provides an opportunity for the applicant to seek early input on a possible project and can help inform the design of the proposal and the form of any Comprehensive Plan/Zoning changes that will be proposed. A prescreening is required for legislative changes prior to the submittal of a formal application in accordance with Palo Alto Municipal Code (PAMC) Section 18.79.030(a). Prescreening(s) do not result in any formal action.

Background

The site is located at the northeast corner of El Camino Real and Wilton Avenue, and is zoned Neighborhood Commercial (CN). The site is currently used by several retail and personal service establishments, including a European grocery, a bridal shop, a coin and stamp store, and a barber shop. The existing site also includes a surface parking lot serving the businesses. The surrounding parcels located on the El Camino Real frontage are also located in the CN Zoning District, and include a mix of restaurants, shops, and personal service establishments. The alley at the rear of the site serves as the boundary of a RM-30 multiple-family zoning district. Surrounding uses to the rear include two-story apartments, with single family homes located further north along Wilton Avenue.

The site is located along El Camino Real, which is a major bus transit corridor served by the Valley Transportation Authority's 22 and 522 routes, as well as the Shopping Express branch of Stanford University's Marguerite Shuttle. The frequency of bus service is greater than the Caltrain service to downtown. The site is approximately 1.2 miles from the California Avenue Cal Train station, which Google Maps estimates at a 23 minute walk or 5 minute bike ride.

The project plans included in Attachment C provide a preliminary study of the program, interior layout, and building elevations of the proposed building and site. The proposal includes a four-story building forty-eight feet in height to the building's parapet wall. The ground level program would include 2,412 square feet of commercial space, as well as functional spaces to serve the both the commercial and residential tenants such as a lobby, storage area, mail room, mechanical and trash rooms, and internal circulation space. The ground level also includes a building-integrated parking area, and a below grade parking level, both of which would be accessed by an unnamed alley off of Wilton Avenue at the site rear.

The current plan shows 42 total parking spaces (23 parking spaces at grade, with an additional 19 spaces to be provided in a subterranean parking level). The second level includes 19 of the housing units, along with amenity space(s) including a community room and kitchen, laundry, and a fitness room. The second through fourth floors follow an L-shaped plan, with the majority

of the building mass stepped back from the alley incorporating a podium courtyard directly above the ground level parking structure. The upper floors would consist of the remaining 42 housing units. The fourth floor would also include a roof garden located at corner of Wilton Avenue and the alley.

Discussion

One purpose of a prescreening is for the applicant to assess whether there is sufficient Council interest to proceed with a formal application, and typically staff does not conduct a detailed review of prescreening applications for code compliance, knowing that the proposal is likely to evolve. Nonetheless, staff has identified a number of issues for Council's consideration and comment:

Affordable Housing

The Comprehensive Plan Housing Element includes a number of policies that are relevant to the subject application. Policy H2.1 seeks to "identify and implement strategies to increase housing density and diversity, including mixed-use development and a range of unit styles, near community services. Emphasize and encourage the development of affordable and mixed-income housing to support the City's fair share of the regional housing needs and to ensure that the City's population remains economically diverse." The current proposal includes 58 studio units 346-370 square feet in floor area each, and three one-bedroom units 656 square feet in floor area each. Both of the parcels constituting the subject site are listed as Housing Inventory Sites, and under current zoning, the Housing Element assumed a both a maximum and realistic capacity of 9 total units.

The site is located along the El Camino Real corridor, which contains a wide range of neighborhood and regionally-based services, restaurants, and shops, as well as a number of mixed use projects. While the target income demographics of prospective residents has not been finalized at this time (30 units are currently proposed to be set-aside for adults with developmental disabilities), 61 affordable units would contribute significantly to the City's fair share of the regional housing needs. Policy H2.1 includes several programs with which the proposed project would be consistent:

Housing Program H2.1.1: 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 area within one-half 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. [Note: The site is not located within ½ mile of a fixed rail station, but is located along a major bus thoroughfare on El Camino Real.]

Housing Program H2.1.2: Allow increased residential densities and mixed use

development only where adequate urban services and amenities, including roadway capacity, are available.

Housing Program H2.1.4: Amend the Zoning Code to create zoning incentives that encourage the development of smaller, more affordable units, including units for seniors, such as reduced parking requirements for units less than 900 square feet and other flexible development standards.

Housing Program H2.1.6: Consider density bonuses and/or concessions including allowing greater concessions for 100% affordable housing developments.

Housing Program H2.1.9: Amend the Zoning Code to create 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.

Policy H2.2 seeks to *“Continue to support the redevelopment of suitable lands for mixed uses containing housing to encourage compact, infill development. Optimize the use of existing urban services, and support transit use.”* The site is located along a major commercial thoroughfare with the full range of existing urban services, and the proposal is an infill project proposing a mix of housing and commercial uses.

Housing Program H2.2.8: 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.

Policy H3.1 seeks to *“Encourage, foster, and preserve diverse housing opportunities for very low-, low-, and moderate income households.”* As mentioned previously, target income demographics for future residents have not been finalized. However, it is readily foreseeable that the housing units would be developed for income-restricted households and adults with disabilities, and would access funds from County Measure A (adopted by the voters in November 2016).

Comprehensive Plan Land Use Element

The Comprehensive Plan designation for the site is CN (Neighborhood Commercial), which is characterized in the Land Use Element as *“Includ[ing] shopping centers with off-street parking or a cluster of streetfront stores that serve the immediate neighborhood. Examples include Alma Plaza, Charleston Center, Edgewood Center, and Midtown. Typical uses include*

supermarkets, bakeries, drugstores, variety stores, barber shops, restaurants, self-service laundries, dry cleaners, and hardware stores. In some locations, residential and mixed use projects may also locate in this category. Non-residential floor area ratios will range up to 0.4.”

The CN land use designation is categorized as primarily commercial in nature, and as a result does not set a residential population density. Instead, the CN designation sets a standard of land use intensity, expressed through the Floor Area Ratio. The subject application includes 61 residential units on a site area of 20,150 square feet (0.46 acres), yielding a residential density of 132 dwelling units per acre. While a density of this magnitude is not inconsistent with the CN land use designation due to the absence of a density standard, it would represent a density greater than that of the Transit-oriented Residential designation, which has the highest allowable density at 50 units per acre and thus a Comprehensive Plan amendment may be desirable.

Zoning Ordinance

While a full zoning analysis of the project cannot be performed given the initial stages of plan development, there are clearly a number of inconsistencies with current zoning standards that would have to be addressed through a zoning text amendment and possibly a zoning map amendment (rezoning). The necessary amendments are summarized briefly below:

1. PAMC 18.52: Required vehicle parking. The proposal provides 42 on-site parking spaces across two levels of garage parking. While parking adjustments are available for affordable housing in Palo Alto Municipal Code Section 18.52.050 and the State Density Bonus law (as implemented by Palo Alto Municipal Code Section 18.15.050), the number of spaces would likely be lower than required when including the commercial space.
2. PAMC 18.16.050: Restriction on conversion of ground floor retail. The proposal would replace approximately 6,700 square feet of existing retail establishments with 2,412 square feet of commercial space and other amenity uses, which is not in keeping with the intent of the Retail Preservation Ordinance.
3. PAMC 18.16.060 Table 4, Note 9: Maximum Residential Density. While the CN Comprehensive Land Use Designation does not provide a residential density standard, the corresponding CN Zoning District permits a maximum of 20 units per acre for housing inventory sites. The current proposal of 132 units per acre is in excess of the standard.
4. PAMC 18.16.060 Table 4: Maximum Mixed Use Intensity (FAR). CN-zoned sites proposing mixed-use projects on El Camino Real are limited to maximum residential and non-residential FAR limits of 0.5 and 0.5 respectively, for a 1.0 FAR total. The current proposal (estimated at 2.0 FAR) is in excess this standard.

5. PAMC 18.16.060 Table 4: Maximum Building Height. CN-zoned sites proposing mixed-use projects on El Camino Real are limited to a maximum building height of 40 feet. The current proposal has a maximum height of 48 feet, and is in excess of the standard.
6. PAMC 18.16.060 Table 4: Maximum Building Height Within 150 feet of a Residential Zone. CN-zoned sites proposing mixed-use projects are also limited to a maximum building height of 35 feet when a residential zoning district is within 150 feet of the site. The site is located immediately adjacent to a RM-30 zone and multi-family use across the rear alley. The adjacent apartment building is located 25 feet from the rear property line of the subject site.
7. PAMC 18.16.060 Table 4: Maximum Site Coverage. CN-zoned sites proposing mixed-use projects are limited to a maximum of 50% total site coverage and a minimum of 35% landscape/open space coverage. The current proposal includes approximately 82% site coverage, and approximately 7% landscaped coverage at the ground level. However, the proposal includes an additional 4,803 square feet (23% of the site area) of open space at the second floor podium courtyard and fourth floor roof deck.

Traffic Impacts and Environmental Review

The Transportation Planning Division estimates that a project of this size would likely generate between 30 and 50 net peak-hour vehicle trips, and as a result, a focused Transportation Impact Analysis will be required with the formal application submittal. This TIA will assess trip generation, access and circulation, and existing and proposed impacts to nearby traffic operations. Additionally, a Transportation Demand Management and Parking Management Plan would be required with the formal submittal in order to reduce single-occupancy vehicle trips associated with the site, and to encourage alternative modes of transportation. The TIA would inform a full analysis of environmental impacts under the California Environmental Quality Act (CEQA).

Relationship to the El Camino Guidelines

The 1979 El Camino Real Design Guidelines (ECR Guidelines) adopted by the City Council and the South El Camino Real Guidelines (South ECR Guidelines) recommended by ARB in 2002 are both applicable to this site.

South ECR Guidelines

The site is located in the Barron-Ventura pedestrian node sub-district, which extends along El Camino Real from Fernando Avenue to Los Robles Avenue and is characterized by moderately-dense development. The South ECR Guidelines establish a vision for the Barron-Ventura Area District of “reinforcing the area as a neighborhood-serving commercial node. Care should be taken to reinforce connections to the surrounding residential areas but also buffer the residential areas from the El Camino Real Development”. Regarding new buildings, the guidelines indicate new buildings “should front El Camino Real with a scale appropriate to a neighborhood commercial district. Street level facades should have numerous pedestrian

amenities. Street level facades should also be highly transparent from the sidewalk.” The Guidelines also provide direction on site planning for corner lots regarding setbacks, build-to lines, landscape and hardscape, and privacy of adjacent residential uses.

ECR Guidelines

The project is subject to the 1979 guidelines with respect to trees, signage, architecture and building colors. As this review is only a prescreening, limited information regarding trees and landscaping has been provided. Staff and the Architectural Review Board would assess the proposed project’s compatibility with the ECR Guidelines with respect to these features as part of architectural review if a development proposal is submitted.

Policy Implications and Options

As mentioned above, the proposal would require amendments to one or more of the following: the Comprehensive Plan Land Use & Community Design Element, the Zoning District Map, and/or the text of the Zoning Ordinance. The required changes to the Land Use Element are captured in the Draft Comprehensive Plan Update currently under review by the PTC.

The nature and specifics of zoning code changes needed to allow the proposed development have not been fully determined, however, there are three clear options for consideration. The first option listed below is staff’s preference because of Housing Element programs about providing incentives for 100% affordable projects (Housing Program H2.1.6 for example) and streamlining the entitlement process for those projects (Housing Program H2.1.9 for example):

Option #1: Develop a local alternative to the State Density Bonus Law that would allow an FAR of 2.0 with no maximum number of dwelling units for projects that propose 100% affordable housing with ground floor retail in transit-served areas. Use of a density bonus program would allow projects to access development concessions in Palo Alto Municipal Code Section 18.15. This option would require a text amendment to Section 18.15.

Option #2: Develop an affordable housing combining district (overlay zoning district) that provides flexible development standards for projects that propose 100% affordable housing in transit served areas. This option would require rezoning of the site (i.e. a zoning map change) in addition to a text amendment to Section 18.30 to create a new Combining District. Future projects would require zoning map amendments to utilize the overlay zone.

Option #3: Re-consider the current stay on Planning Community (PC) Zoning Districts, and re-zone the site to PC. Section 18.38 of the PAMC provides the process and standards for the consideration and establishment of PC districts. This option would

require a zoning amendment; however, the Council could consider an amendment to Section 18.38 to specifically limit application of the PC zone to specified uses, such as 100 percent affordable housing projects, concurrent with consideration of the project.

Next Steps

Following the prescreening review, the applicant will consider options and determine how they want to proceed. Formal applications and public hearings before the Architectural Review Board, Planning Commission and City Council would be required to advance the proposed conceptual project.

Environmental Review

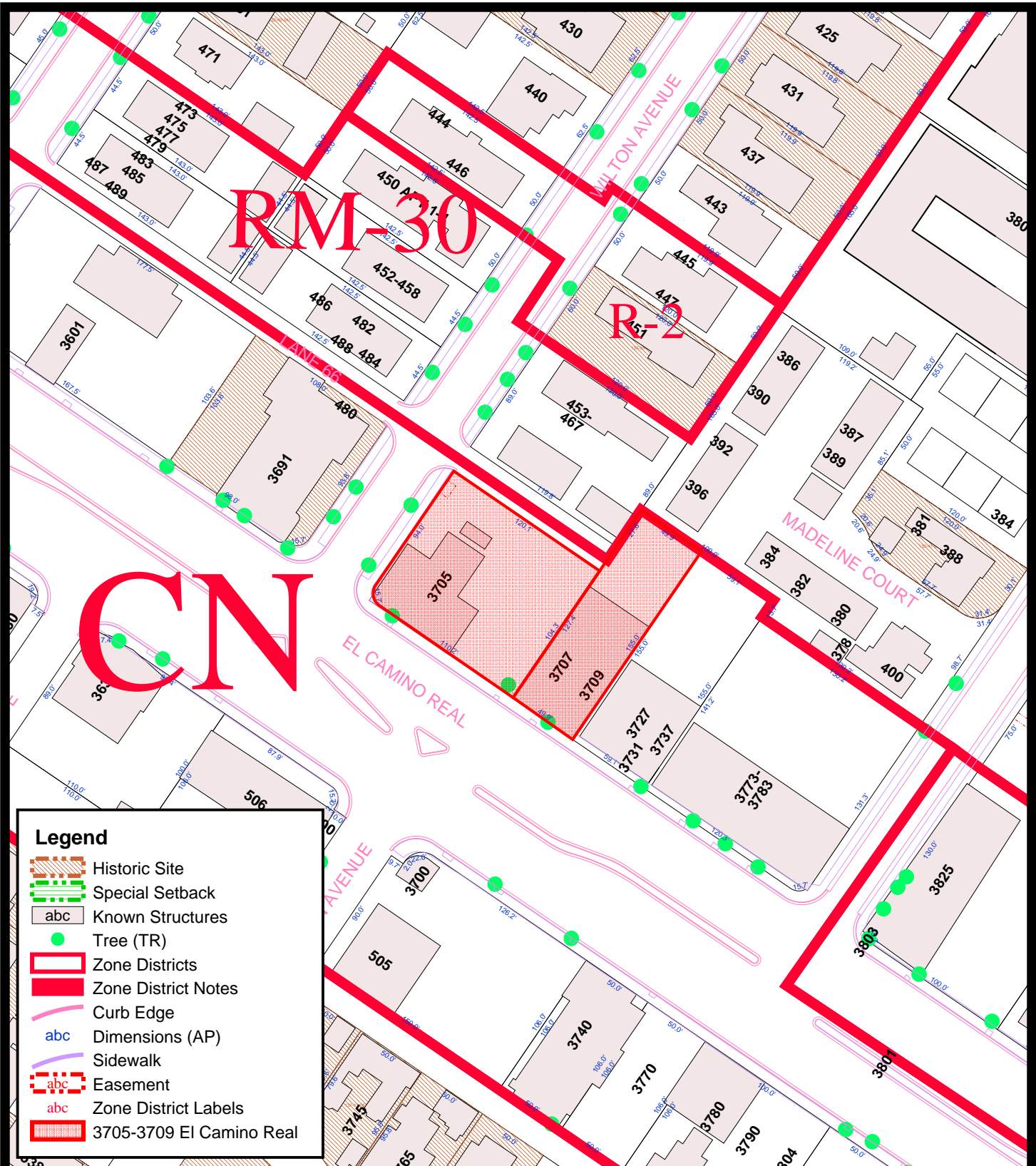
This prescreening is a preliminary review process in which Councilmembers may provide comment, but no formal action will be taken. Therefore, no review under the California Environmental Quality Act (CEQA) is required at this time. A formal review under CEQA would be initiated with the formal filing of a development application. Following submittal of a formal application, a Traffic Impact Analysis, Noise Study, Phase I and other technical reports, as needed to complete the environmental review, would be prepared.

Attachments:

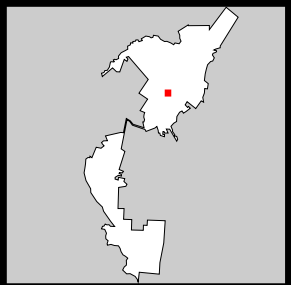
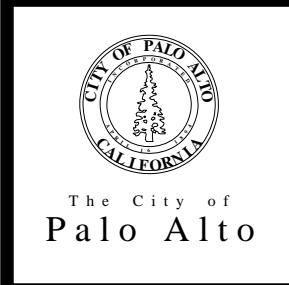
Attachment A: Location Map(PDF)

Attachment B: Applicant's Project Description (PDF)

Attachment C: Project Plans (DOCX)

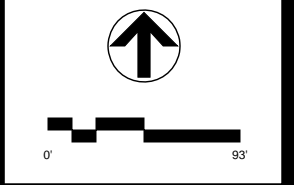


- Legend**
- Historic Site
 - Special Setback
 - Known Structures
 - Tree (TR)
 - Zone Districts
 - Zone District Notes
 - Curb Edge
 - Dimensions (AP)
 - Sidewalk
 - Easement
 - Zone District Labels
 - 3705-3709 El Camino Real



3705 - 3709
El Camino Real

This map is a product of the
City of Palo Alto GIS



Wilton Court Narrative

Palo Alto Housing (PAH) proposes to redevelop two parcels (20,150 sf total) along El Camino Real into a mixed-use property. The project would include 61 units (studios and one-bedrooms) of badly needed affordable housing, including 30 units set-aside for residents with developmental disabilities. The project would take advantage of tax credit, Measure A, and City of Palo Alto financing. The development would be located at 3703-3705 and 3707-3709 El Camino Real, and would be bound by Wilton Avenue to the West, a 20' wide alley to the North, interior lot lines to the South, and El Camino Real to the East. The proposed mixed use development would be a four-story wood frame (Type V-A) structure on a single story concrete (type I-A) podium.

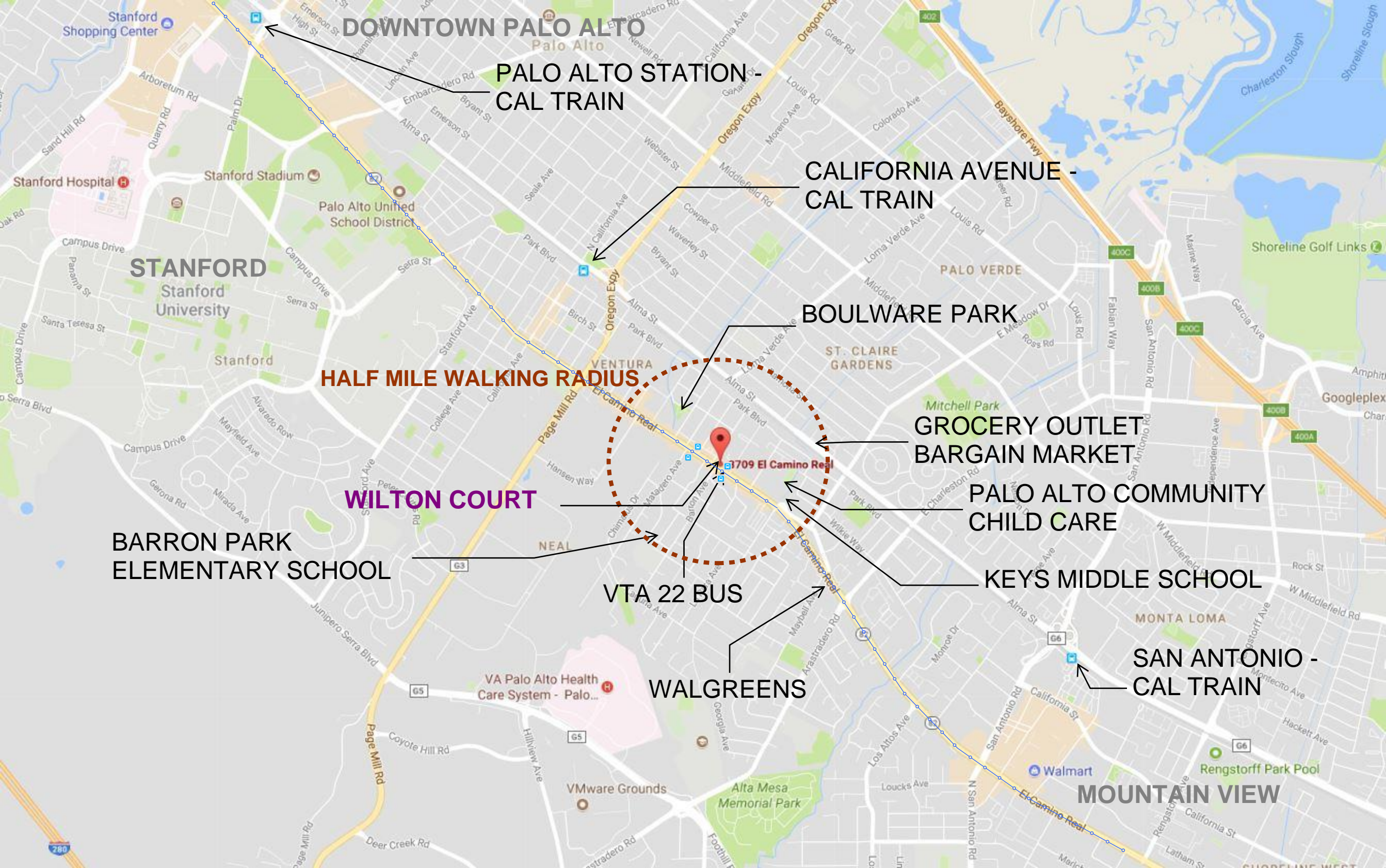
An approximately 2,400 sf commercial/retail space would activate the corner at the ground floor and shield the development from El Camino Real with a landscaping setback and prominent pedestrian entry feature. The remaining ground floor uses would be for the residential community above: management/leasing office, mailroom, bike storage and building – associated service spaces. One long term bike parking space is provided indoors for each apartment plus additional required for commercial/retail with short-term bike parking off sidewalks entering into the property. Vehicular parking would be provided in a split level garage. The above grade 24 spaces would house parking for retail, guests and staff. A subterranean garage would house 24 residential parking stalls, and building storage. The podium level would contain a community room, computer lab, gym and laundry facilities.

The residential floors as proposed would be organized into an L-shape, following the corner of El Camino Real and Wilton Avenue. The podium level and subsequent building massing responds to the surrounding neighborhood by concentrating the bulk of the building towards El Camino Real. The building's podium courtyard separate it from the two-story residential apartment complex at the rear. Additionally, four residential units have been removed from the fourth level, reducing the building's height to three stories at the building's northern corner adjacent to the alleyway shared by the neighboring apartment building.

The alleyway would terminate at the garage ramp down for residential parking via a two way ramp. The remaining backyard would be landscaped and would provide for groundwater recharge of site storm water. This landscaped area houses most of the site's existing mature trees, which would be preserved wherever feasible. The roof would be designed for the potential to include Solar Thermal and Photovoltaic panels for improved building energy performance.

The project requests the following concessions:

1. Zone change
2. Reduction in required open space
3. Residential parking ratio decrease (max. 0.5 space per unit with 0.3 for adults with developmental disability)
4. Commercial/Retail loading space striped along El Camino Real



DOWNTOWN PALO ALTO

PALO ALTO STATION - CAL TRAIN

CALIFORNIA AVENUE - CAL TRAIN

BOULWARE PARK

HALF MILE WALKING RADIUS

GROCERY OUTLET BARGAIN MARKET

PALO ALTO COMMUNITY CHILD CARE

KEYS MIDDLE SCHOOL

SAN ANTONIO - CAL TRAIN

MOUNTAIN VIEW

WALGREENS

VTA 22 BUS

WILTON COURT

BARRON PARK ELEMENTARY SCHOOL

STANFORD

VA Palo Alto Health Care System - Palo...

VMware Grounds

Alta Mesa Memorial Park

Walmart

Rengstorff Park Pool

Shoreline Golf Links

Googleplex

Stanford Shopping Center

Stanford Stadium

Palo Alto Unified School District

VENTURA

PALO VERDE

ST. CLAIRE GARDENS

MONTA LOMA

280

G5

G5

G6

G6

400C

400B

400C

400B

400A

Attachment C

Project Plans

Hardcopies of project plans are provided to Council Members. These plans are available to the public online and by visiting the Planning and Community Environmental Department on the 5th floor of City Hall at 250 Hamilton Avenue.

Directions to review Project plans online:

1. Go to: <https://paloalto.buildingeye.com/planning>
2. Search for "3709 El Camino Real" and open record by clicking on the green dot.
3. Review the record details and open the "more details" option.
4. Use the "Records Info" drop down menu and select "Attachments".
5. Open the attachment named "City Council Study Session".