



City of Palo Alto

City Council Staff Report

(ID # 11351)

Report Type: Study Session

Meeting Date: 6/22/2020

Summary Title: 3300 El Camino Real: Prescreening for PHZ

Title: 3300 El Camino Real (20PLN-00101): Request for Pre-screening of a Proposal to Rezone the Subject Property From Research Park (RP) to Planned Home Zoning (PHZ) and to Redevelop the Site With a Mixed-use Development That Includes Approximately 52,500 Square Feet (sf) of Office; 4,400 sf of Ground Floor Retail, and 187 Residential Units. Environmental Assessment: Not a Project; any Subsequent Formal Application Would be Subject to the California Environmental Quality Act (CEQA). Zoning District: RP (Research Park)

From: City Manager

Lead Department: Planning and Development Services

Recommendation

Staff recommends that Council conduct a prescreening and provide informal comments regarding the applicant's request to rezone the subject property from Research Park (RP) to a "Planned Home Zoning (PHZ)".¹ Comments provided during the prescreening process are not binding on the City or the applicant.

Background

In February 2020, the City Council identified housing as one of three key priorities for the year. A few days later the Council unanimously endorsed using planned home zoning (PHZ) for housing and mixed-use housing projects to help spur housing production. PHZs allow a home builder to share a plan for adding housing, but also includes one or more requests to modify local zoning standards. In exchange for deviation from certain standards, the project must include at least 20% of the housing units as deed restricted for lower income households. Moreover, the number of housing units must offset the number of net new commercial jobs

¹ Referred to in this report as "Planned Home Zone" to emphasize the focus on housing as the benefit to the community. Still, PAMC Section 18.38, which outlines the requirement and process for Planned Community (PC) Zoning, remains the underlying code supporting application of this policy.

that are generated by the project.

Since Council signaled its interest in using PHZs to stimulate housing, staff has meet with several property owners expressing interest in possible redevelopment, including the subject request for a possible PHZ for the property located at 3300 El Camino Real.

In accordance with Palo Alto Municipal Code (PAMC) Section 18.79.030(A), a prescreening review is required for legislative changes, including rezoning, prior to submittal of a formal application. Prescreenings are intended to solicit early feedback on proposed projects and, like all study sessions, cannot result in any formal action. Because this proposal may return to the City Council as a formal application, Councilmembers should refrain from forming firm opinions supporting or opposing the project.

Project Description

A location map of the proposed site is included in Attachment A. The preliminary schematic drawings included in Attachment C are conceptual, as is appropriate at this stage of project consideration. As shown in these schematic drawings, the applicant is proposing two buildings, including a five-story multi-family residential development with 187 units (approximately 180,000 sf) and a two-story office/retail development (approximately 55,000 sf). The floor area ratio (FAR) would be approximately 1.8 to 1. The office component floor area is consistent to the underlying zoning with contemplated increases being associated with the housing project and limited retail area. Five percent of the space is anticipated as amenity floor area to accommodate a gym or similar space for workers.

The buildings would have one-level of shared underground parking. The below-grade parking facilities show 352 spaces to accommodate the residential, office, and retail uses, which is within about 20 spaces of the required parking total for such uses. The height of the commercial building is shown to be 35 feet. The height of the multi-family residential building is 60 feet to the ridge of a sloped roof and some stair and elevator shafts extend to 67 feet.

Surrounding Uses

Adjacent zoning and uses include RP zoned parcels to the southwest, including the Communications and Power Industries (CPI site), and CS zoned parcels to the north across Hansen Way and El Camino Real. In addition, a mix of commercial and multi-family residential uses are established in the CS and RM-20 zones to the west. While these zones allow a height of up to 40 feet for RP, 50 feet for CS, and 40 feet for RM-20, the surrounding buildings generally range from one to two stories in height. Single-family residential uses are located further south of the site.

CPI Site

The project site is located adjacent to 607 Hansen Way and in close proximity to 811 Hansen

Way. These two properties constitute the CPI site, which contains Tier 1 and Tier 2 hazardous materials. The CPI site is subject to an amortization agreement to eliminate the use of Tier 2 materials from the property; however, Tier 2 materials are currently located in Building 2 on Parcel 2 (811 Hansen Way) of the property, as shown on the site survey in Sheet 4 of the concept plan. Palo Alto Municipal Code Section 18.20.040(C)(2) prohibits the construction of new residential uses within 300 feet of a building containing Tier 2 hazardous materials. This building is more than 650 feet from the multi-family residential use; therefore, the concept plan complies with this requirement.

Some of the buildings located on Parcel 1 (607 Hansen Way) contain Tier 1 Hazardous Materials, which includes common cleaning supplies. There is no restriction on the construction of residential uses within the proximity of sites containing Tier 1 hazardous materials.

Low-Density Residential

West of the project site is a 55 unit multi-family development that spans a property that has a split zoning designation of RM-20 and CS. There are no single-family residential uses immediately adjacent to the project site; however, these uses are located approximately 200 feet from the southwesternmost corner of the project site. The concept plans include a two-story office building toward the western portion of the site and the taller multi-family building further from the low-density residential uses.

Special Setbacks

There is a special setback of 50 feet along Hansen Way. The applicant's plans are conceptual, but generally show a setback of 50 feet. Therefore, an exception to this special setback is not anticipated. As previously noted, the 50 foot landscape buffer in the RP(L) zone at the rear of the property is also proposed to remain.

Utilities

There is an existing underground electrical transmission cable that runs diagonally through this property, as shown on the site survey in the project plans. In order to construct the residential structure in the location proposed, this transmission cable and associated easement would need to be relocated; it is not yet clear whether relocation is feasible. Further coordination with the City's Electrical Utilities Division would be necessary as part of any formal application. If the utility line cannot be relocated, modifications to the design would be necessary.

Discussion

A thorough analysis of the zoning and comprehensive plan compliance would be prepared upon submittal of a formal application, if filed. However, a review of the conceptual plans show that the office component of the project would appear to meet objective standards in the zoning code. The requested increases in height, floor area, lot coverage and reduction in parking are

principally associated with the housing project. The PHZ application provides an avenue to home builders and the City Council to consider adjustments in zoning that stimulate more housing units. As previously reported, the City continues to lag in housing units produced compared to the state's regional housing needs assessment, but also through local objectives set forth in the recently adopted comprehensive plan.

The subject prescreening application represents one response to the City Council's request to home builders to show what it would take to build more housing in Palo Alto. Different owners with different site constraints and expectations on their return on investment may present different responses, but as anticipated by authorizing PHZ applications, modifications to local zoning will be required to generate more housing. In exchange, the City gets more housing, including inclusionary housing while not aggravating the jobs/housing imbalance. It is staff's expectation that after several PHZ applications are reviewed and ultimately approved that it may result in clearer direction as to what development standards require adjustment to continue to support more housing and eventually reduce the need for PHZ applications.

On June 23, 2020 the City Council will have a discussion to provide further direction to staff on how best to satisfy the 20% inclusionary requirement associated with PHZ applications. The subject applicant is aware of and will be prepared to meet the requirement once further clarity is provided. As part of the June 23rd discussion, staff will also present a recommendation what ratio should be used to assess compliance with the jobs/housing requirement for PHZ projects. At this time, staff is unable to determine for the current proposal if the mix of office floor area and therefore jobs generated is less than the proposed number of housing units. However, staff has discussed this requirement with the applicant who understands the need to meet this requirement.

Because of some uncertainty associated with the 20% inclusionary requirement and the jobs/housing factor, which is anticipated to be resolved on June 23rd, and potentially unresolved complications associated with the utility easement on the property, it is anticipated that there may still be some adjustments to the conceptual drawings before formal submittal. Plan refinement to conceptual drawings is typical, but these added issues add further complications. Accordingly, a formal application may differ from the prescreening request and may include more or less requests to deviate from the code.

Policy Implications

Prescreenings are intended to solicit early feedback on proposed projects and, like all study sessions, cannot result in any formal action. Therefore, informal comments from Councilmembers would not have any policy implications. However, the proposed development is consistent with housing goals and would not generally worsen the job-housing imbalance.

As previously noted, staff has met with several owners and owner representatives regarding other housing projects: some more modest than the subject concept, some containing a larger number of units. While Council's informal discussion on the subject prescreening does not impart policy, it is anticipated there is great interest among other home builders and property owners to learn of the Council's initial reaction to the subject request, which may influence the filing of future prescreening requests.

Resource Impact

No formal action is requested. Comments provided during a prescreening are non-binding and would have no impact on City resources. Staff time processing this prescreening as well as any future application is subject to cost recovery.

Timeline

Following the prescreening review, the applicant will consider Council's comments and determine how they want to proceed. Any formal application to rezone the property would be subject to the Planning and Transportation Commission (PTC) and Council's review. Physical changes to the site are also anticipated to require a recommendation from the Architectural Review Board (ARB) as part of the Architectural Review process.

Stakeholder Engagement

Two members of the public provided comments on this prescreening application. Comments generally expressed that the massing of the project, particularly the height, is not in proportion with adjacent structures. Both commenters encouraged any formal application to consider multi-modal access, including bicycle amenities and sufficient sidewalk access, and one commenter expressed that he would like any formal application to provide ample vegetation along the street frontages. One commenter also asked about how the project would address the residual underground contamination for this site, which is located within a California-Olive-Emerson Plume. One member of the public also indicated that they believe that one of the adjacent buildings located at 607 Hansen Way may be historic.

The City would consider these comments when analyzing the design and in considering the appropriate level of environmental analysis to prepare as part of any formal application. There are no known historic buildings adjacent the proposed project and there is no evidence available to confirm that any buildings located on that site are historic; however, some of the buildings on the CPI site are more than 50-years old. Because these buildings are not planned for removal, these would not be required to be analyzed as part of any formal application for this project. However, the City would consider the scale of proposed building in the context of these existing buildings.

Environmental Review

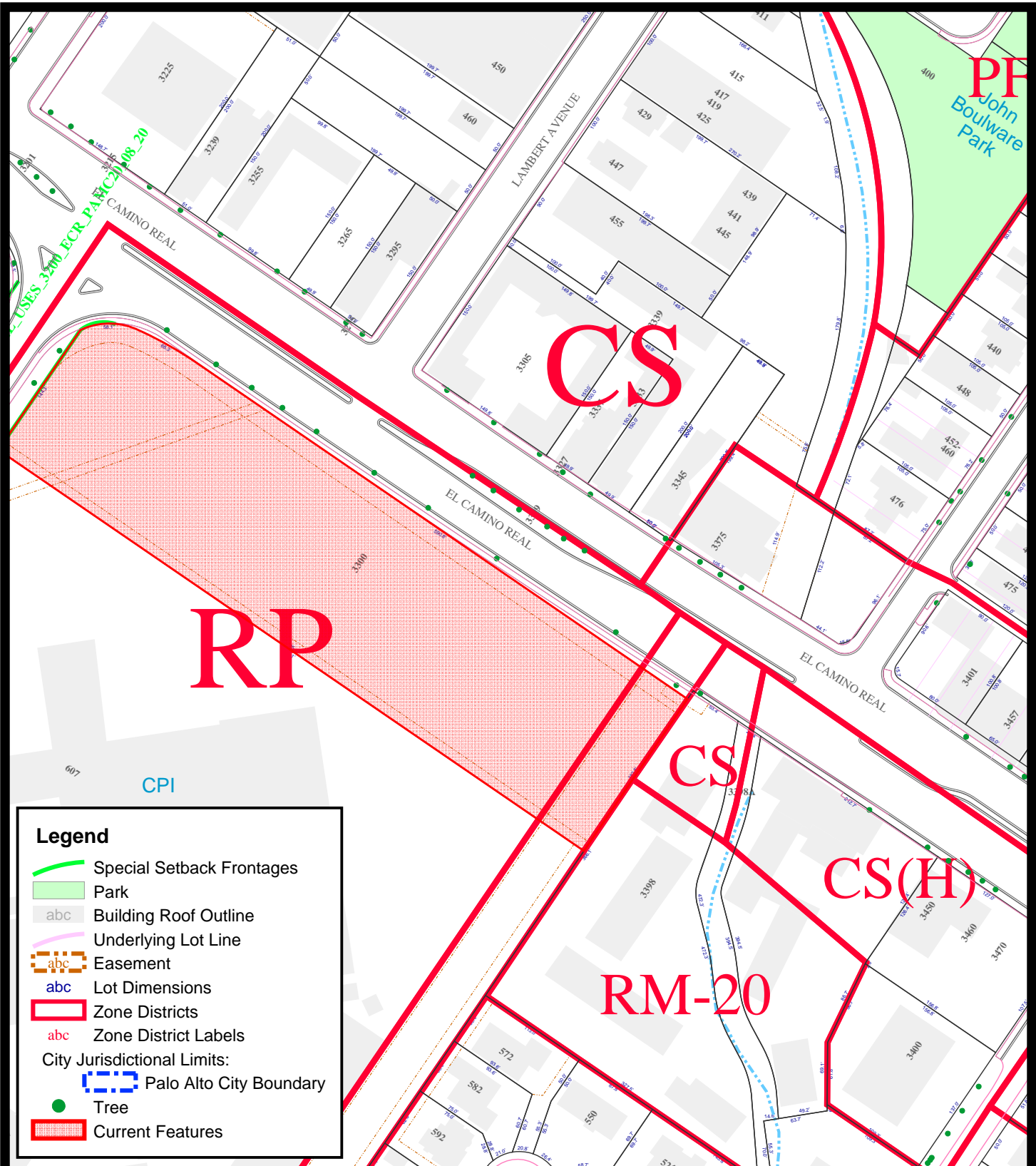
The prescreening is a preliminary review process in which Councilmembers may provide comment, but no formal action will be taken. Therefore, no review under the California Environmental Quality Action (CEQA) is required at this time. A full review in accordance with CEQA would be initiated with the formal filing of a development application.

Attachments:

Attachment A: Location Map

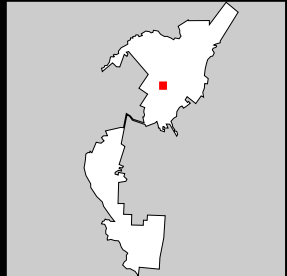
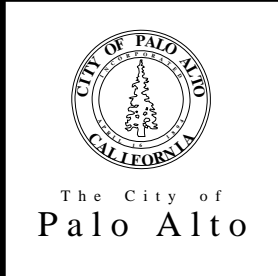
Attachment B: Zoning Comparison Table

Attachment C: Project Plans



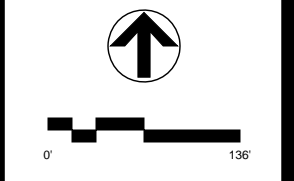
Legend

- Special Setback Frontages
- Park
- Building Roof Outline
- Underlying Lot Line
- Easement
- Lot Dimensions
- Zone Districts
- Zone District Labels
- City Jurisdictional Limits:
 - Palo Alto City Boundary
 - Tree
 - Current Features



3300 El Camino Real

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



ATTACHMENT B
ZONING COMPARISON TABLE
3300 El Camino Real, 20PLN-00101

Table 1: COMPARISON WITH CHAPTER 18.20 (RP DISTRICT)

Regulation	Required Under RP	Existing	Proposed Under PC
Minimum Site Area, width and depth	1 acre, 100 feet, and 150 feet	127,801 sf; 2.93 acres	131,317 sf; 3.01 acres (Certificate of Compliance to slightly adjust shared lot line between 607 Hansen Way and 3300 El Camino Real)
Minimum Front Yard	20 feet	N/A (Surface Parking Lot)	50 feet
Rear Yard	20 feet	N/A (Surface Parking Lot)	50 feet
Interior Side Yard	20 feet	N/A (Surface Parking Lot)	10 feet (deviates from RP zone)
Street Side Yard	20 feet	N/A (Surface Parking Lot)	20 feet
Min. yard for site lines abutting or opposite residential districts	20 feet (50 feet required on this site due to (RP)(L) Zoning)	50 feet	50 feet
Special Setback	50 feet – see Chapter 20.08 & zoning maps	Yes (Hansen Way)	50 feet
Max. Site Coverage	30% (39,395 sf)	N/A (surface parking lot)	46.95% (61,650 sf) (deviates from RP zone)
Max. Total Floor Area Ratio	0.4:1 (52,527 sf)	N/A (surface parking lot)	1.79:1 (179,890 sf residential; 4,400 sf retail; 48,127 sf office; 2,626 sf amenity space [not included in FAR]) (deviates from RP zone)
Max. Building Height ^{(4) (5)}	35 ft within 150 ft of a residential zone, 25 ft within 40 ft of a residential zone	N/A	35 feet for office/retail; 67 feet for residential building (deviates from RP zone)

(4) See subsection 18.20.040(e) below for exceptions to height and floor area limitations in the ROLM and RP zoning districts.

(5) Residential zones include R-1, R-2, RE, RMD, RM-15, RM-30, RM-40 and residential Planned Community (PC) zones.

**Table 2: CONFORMANCE WITH CHAPTER 18.52 (Off-Street Parking and Loading)
for Office, Retail and Multi-family Residential Uses**

Type	Required	Existing	Proposed
Vehicle Parking	Office: 1/300 sf of gross floor area for a total of 160 parking spaces* Retail: 1/200 sf of gross floor area for a total of 22 parking spaces Residential: 1 space per one bedroom unit or smaller; 2 per 2 bedroom unit for a total of 187 spaces Total: 369 spaces**	N/A (existing surface parking is not associated with any existing use)	352 The applicant may be eligible for parking reductions based on the shared use of the site or proximity to transit.
Bicycle Parking	Office: 1/3,000 sf (80% long term and 20% short term) = 16 spaces (12 LT, 4 ST) Retail: 1/2,000 sf (80% long term and 20% short term) = 2 spaces (1 LT, 1 ST) Residential: 1/unit = 187 LT Total: 200 LT; 5 ST spaces		Not Shown
Loading Space	Retail: 0-4,999 sf = zero Office: 10,000-99,999 sf = one loading space Total: one (1) loading space		Not Shown

* On-site employee amenity space is exempted from the parking requirements

**assumes all units are one bedroom units or smaller

Attachment C

Project Plans

During Shelter-in-Place, project plans are only available online.

Directions to review Project plans online:

1. Go to: bit.ly/PApendingprojects
2. Scroll down to find “3300 El Camino Real” and click the address link
3. On this project specific webpage you will find a link to the project plans and other important information

Direct Link to Project Webpage:

<https://www.cityofpaloalto.org/news/displaynews.asp?NewsID=4913&targetid=319>