



# City of Palo Alto

## City Council Staff Report

(ID # 11994)

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**Report Type: Study Session**

**Meeting Date: 5/18/2021**

**Summary Title: 2239 Wellesley: PHZ Prescreening**

**Title: 2239 Wellesley (21PLN-00045): Request by Cato Investments, LLC for Prescreening of Their Proposal to Rezone the Properties at 2239 and 2241 Wellesley from R-1 (Single Family Residential) to Planned Community/Planned Home Zoning(PHZ) and to Redevelop the Site with a 24-unit Multi-Family Development. Environmental Assessment: Not a Project; any Subsequent Formal Application Would be Subject to CEQA Review.**

**From: City Manager**

**Lead Department: Planning and Development Services**

### **Recommendation**

Staff recommends that Council conduct a prescreening and provide comments regarding the applicant's proposal to rezone the subject parcel from R-1 to Planned Housing Zone/Planned Community (PHZ/PC). No formal Council action may be taken during a preliminary review, and comments provided during a prescreening are not binding on the City or the applicant.

### **Executive Summary**

This prescreening is a request to rezone the Single-family Residential (R-1) zoned properties at 2239 and 2241 Wellesley Street to "Planned Housing Zoning (PHZ)"<sup>1</sup> in accordance with Palo Alto Municipal Code (PAMC) Chapter 18.38 (Planned Community Zoning).

The parcels are surrounded by R-1 zoning and located near the College Terrace library. The proposal does not meet most of the R-1 Zone District development standards. Additionally, the proposal does not meet the special standards outlined in PAMC Chapter 18.38 for PC projects adjacent to certain residential uses or zone districts. The proposed density and use also conflict with the site's Comprehensive Plan land use designation (single-family) and would therefore

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

require a Land Use Map Amendment, in addition to the rezoning, to accommodate the proposed use.

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.

## **Background**

In accordance with Palo Alto Municipal Code (PAMC) Section 18.79.030(A), a prescreening review is required for legislative changes, including rezoning, before the submittal of a formal application. Prescreening applications 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 quasi-judicial application, Councilmembers should refrain from forming firm opinions supporting or opposing the project. Project related information is available online and as well as conceptual project plans at <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/2239-Wellesley-21PLN-00045> and <https://www.cityofpaloalto.org/files/assets/public/planning-amp-development-services/new-development-projects/2239-wellesley.pdf?TargetID=319>, respectively.

### City Council PHZ Program Refinements

On April 12, 2021, the City Council discussed and updated parameters it would consider for future PHZ applications.<sup>2</sup> While the multi-part motion included a number of future considerations, more immediately, the Council’s motion directed PHZ applications meet the following criteria:

- Clarify that the PHZ has been intended to only apply to housing incentive program (HIP) areas, other commercial districts and zone districts allowing higher density housing, excluding areas east of 101;
- Provide parameters for what is meant by “moderate adjustments to base zoning for PHZ projects”;
- Clarify that the PHZ must be predominantly housing and only a minority component of office development;
- PHZ is prohibited in R-1, R-2, and RE zoning, except for projects that have already been

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<sup>2</sup> Action Minutes for the April 12, 2021 Council hearing are available at: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2021/04-12-21-ccm-draft-action-minutes.pdf>

prescreened; and

- Allow PHZ in light industrial areas as long as it is not incompatible use;

At the time of this motion, the subject prescreening application was on file, but had not yet been prescreened by the City Council. The conceptual project does not appear to meet three of the five criteria principally due to its location in the R-1 district and the conceptual design exceeding many of the base district zoning standards. Since a PHZ application requires a legislative change to the City's zoning map, the City Council has broad discretion on whether to approve or not approve a future application, if filed. Even if the project does not meet the Council's stated qualifying criteria, an applicant could still choose to file an application and staff would process it in accordance with the City's regulations.

### Project Description

The owner, Cato Investments, LLC, requests a prescreening review for a conceptual residential project containing 24 dwelling units. A location map is included in Attachment A; the preliminary schematic drawings are included in Attachment C.

The applicant proposes to demolish the existing residential buildings on two existing properties (2239 and 2241 Wellesley) and merge the two parcels in order to develop a three-story multi-family residential building with podium (ground level) parking. The resulting lot area would be 14,875 square feet. The proposed floor area would be 20,508 square feet (excluding required parking area per Code Section 18.04.030(a)(65)(B)) resulting in a floor area ratio (FAR) of 1.38 to 1. The building would extend to approximately 36 feet, 10 inches in height above grade. There would be 13 studios and 11 one-bedroom units. The applicant proposes to provide five inclusionary units, two at very low-income levels (31-50% of AMI or below) and three at low-income levels (51-80% of AMI or below).

The plans appear to suggest that the project would utilize concessions under the state density bonus allowances. It is unclear, however, what the applicant's intent is in making this assertion. A PHZ application if filed and approved would set forth the development potential for a property and approve a specific development plan. The reference to the state density bonus with respect to the subject conceptual plan may reflect a misunderstanding about the state law or the local PHZ process.

### **Discussion**

As shown in the zoning comparison table in Attachment B, the project does not meet many of the requirements in the Planned Community special requirements section (PAMC 18.38.150). The project also conflicts with the Comprehensive Plan.

### Consistency with the Comprehensive Plan, Area Plans and Guidelines<sup>3</sup>

The Comprehensive Plan Land Use Designation for the site is single-family residential, which applies to “residential neighborhoods primarily characterized by detached single-family homes, typically with one dwelling unit on each lot. Private and public schools and churches are conditional uses requiring permits...The net density in single family areas will range from 1 to 7 units per acre but rises to a maximum of 14 units on parcels where second units or duplexes occur.”

The single-family residential land use does not allow for multi-family residential development. Therefore, the applicant would be required to apply for a Comprehensive Plan Land Use Map Amendment in order to accommodate the proposed project. The City’s Comprehensive Plan, particularly the Land Use and Housing Elements, include goals and policies that encourage housing development (Policy L-2.3 and L-3.3). However, the Comprehensive Plan also identifies programs and policies that speak to transitions in scale between developments (Policy L-1.3), discouraging abrupt changes in scale and density (Policy L-6.7 and Program L6.7.1) and that discourage reducing daylight plane requirements adjacent to single-family residential uses (Policy L-6.8).

### Zoning Compliance<sup>4</sup>

The PHZ application provides a path for home builders and the City Council to consider adjustments in zoning that stimulate more housing units. However, Council expressed in its motion on April 12, 2021 that it intends the PHZ to be used for modest changes to the existing zoning regulations of a property.

A review of the conceptual plans shows that the project would not meet the typical zoning requirements allowed by the R-1 zoning regulations, as shown in Attachment B. The project would need to vary from the base zoning in order to allow for the requested height, floor area, lot coverage, setbacks, daylight plane, lot size, and density. The proposed open space also appears to be less than what is required for most multi-family developments within the City and is not clearly shown on the plans. The proposed FAR is approximately four times the floor area ratio allowed within the R-1 zone and almost none of the special standards required for PHZ projects are met under the current design (e.g. setbacks, daylight plane, and height). These are significant differences between the base zoning and the proposed project; suggesting the project may not align with Council’s most recent policy direction regarding PHZs.

### *Special Standards*

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<sup>3</sup> The Palo Alto Comprehensive Plan is available online: <https://www.cityofpaloalto.org/Departments/Planning-Development-Services/Long-Range-Planning/2030-Comprehensive-Plan>

<sup>4</sup> The Palo Alto Zoning Code is available online: [http://www.amlegal.com/codes/client/palo-alto\\_ca](http://www.amlegal.com/codes/client/palo-alto_ca)

PAMC Section 18.38.050 sets forth special standards for projects looking to utilize the PC zoning district and that are adjacent to low density residential zone districts, including the R-1 zone district. These include special setbacks, daylight plane, and height requirements. The project does not meet any of the special standards set forth in the municipal code. Specifically, along the rear property line (abutting 2241 Wellesley) the project provides a 10-foot setback where a 20-foot setback is required. The project exceeds the daylight plane by an entire floor level and exceeds the height requirements by approximately two feet.

#### *Multi-Modal Access & Parking*

The applicant requests a 33% parking reduction from typical multi-family development standards. The plans seem to suggest that the applicant would be utilizing state density bonus concessions or allowances to achieve this reduction; however, as previously noted, this is not necessary for a PHZ application, as the PHZ itself may authorize the requested parking ratio.

### **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, Council has indicated in past motions that it would not support a legislative change to rezone R-1 properties to PHZ. Unless the Council has a change in perspective, it appears the subject conceptual plan does not qualify for PHZ consideration.

### **Resource Impact**

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 to a planned community zone would be subject to Planning and Transportation Commission (PTC), Architectural Review Board, and City Council review.

### **Stakeholder Engagement**

This item was published in the Daily Post on May 7, 2021, which is 11 days in advance of the meeting. Postcard mailing occurred on May 4, 2021, which is 14 days in advance of the meeting.

Many members of the public have corresponded regarding the proposed project. Some have expressed support for more housing, particularly affordable housing opportunities. Many have expressed concerns regarding the scale and massing of the proposed project in comparison to

the existing surrounding structures. Members of the public also raised concerns about traffic and parking. All written comments received on the project are included on the project website. A link to the project website is included in Attachment C.

### **Environmental Review**

The prescreening application involves no discretionary action and is therefore not subject to review pursuant to the California Environmental Quality Act (CEQA). Subsequent project applications will require project-specific environmental analysis.

#### **Attachments:**

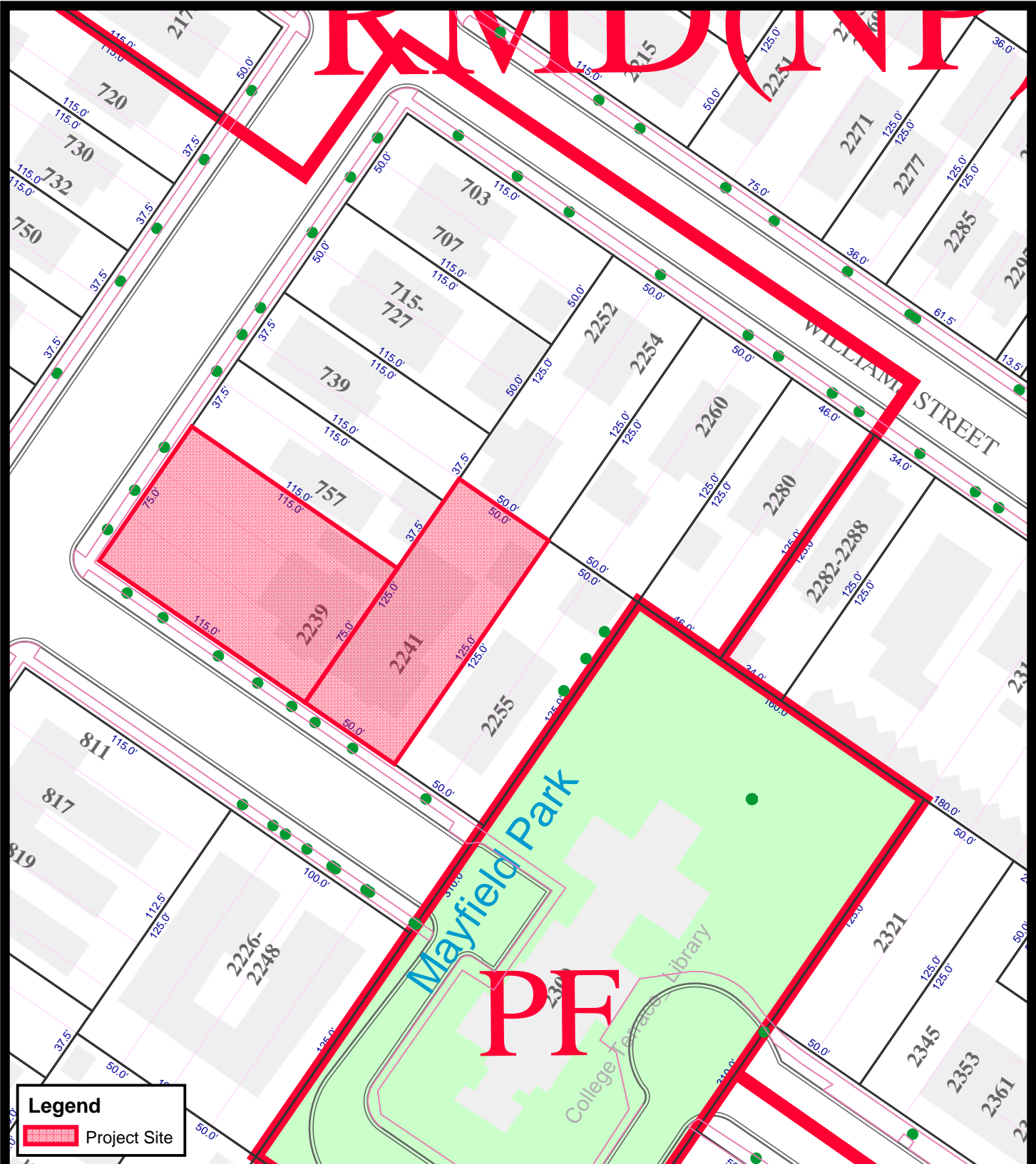
**Attachment A: Location Map(PDF)**

**Attachment B: Zoning Comparison Table (DOCX)**

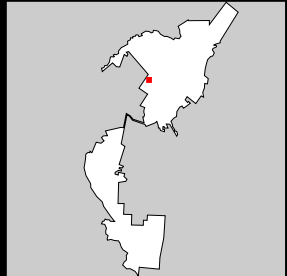
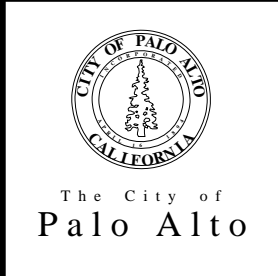
**Attachment C: Project Plans (DOCX)**

# KNOWLEDGE

# PF





**Legend**  
 Project Site



Location Map: 2239  
and 2241 Wellesley

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

**ATTACHMENT B**  
**ZONING COMPARISON TABLE**  
2239/2241 Wellesley, 21PLN-00045

**Table 1: COMPARISON WITH CHAPTER 18.12 (R-1 DISTRICT)**

**\*Bold indicates exceedance of special standards for Planned Community/PHZ projects**

| <b>Regulation</b>                          | <b>Required R-1</b>                                                                       | <b>Existing</b>                                                                                | <b>Proposed</b>                                                                                  |
|--------------------------------------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Minimum/Maximum Site Area, Width and Depth | 6,000-9,999 sf area,<br>60 foot width,<br>100 foot depth                                  | 2 lots<br><br>2239 Wellesley: 8,625<br>sf (75x115)<br><br>2241 Wellesley: 6,250<br>sf (50x125) | <b>1 lot: 14,875 sf<br/>(0.34 acre)</b>                                                          |
| Minimum/Contextual Front Yard              | 20 feet or the average<br>setback (18.12.040(e))                                          | 2239 Wellesley: 70 feet<br><br>2241 Wellesley: ~15<br>feet                                     | 20 feet<br>(20 feet required per PHZ<br>Special standards)                                       |
| Rear Yard                                  | 20 feet                                                                                   | 2239 Wellesley: 2.5<br>feet<br><br>2241 Wellesley: 34 feet                                     | <b>10 feet<br/>(16 feet required per PHZ<br/>Special standards)</b>                              |
| Interior Side Yard                         | 6 feet                                                                                    | 2239 Wellesley: 16 feet<br><br>2241 Wellesley: 11<br>feet; 0 feet                              | 8-10 feet<br>(6 feet required per PHZ<br>Special standards)                                      |
| Street Side Yard                           | 16 feet                                                                                   | 2239 Wellesley: 15.5<br>feet<br><br>2241 Wellesley: Not<br>applicable                          | 16 feet                                                                                          |
| Special Setback                            | 24 feet – see Chapter<br>20.08 & zoning maps                                              | Not applicable                                                                                 | Not applicable                                                                                   |
| Max. Building Height                       | 30 feet <sup>(3)</sup>                                                                    | Unknown                                                                                        | <b>38 feet, 10 inches<br/>(35 feet required per PHZ<br/>special standards)</b>                   |
| Side Yard Daylight Plane                   | 10 feet at interior side<br>lot line then 45 degree<br>angle <sup>(6)</sup>               | Unknown                                                                                        | <b>Exceeds<br/>(same daylight plane is<br/>required by PHZ special<br/>standards)</b>            |
| Rear Yard Daylight Plane                   | 16 feet at rear setback<br>line then 60 degree<br>angle <sup>(6)</sup>                    | Unknown                                                                                        | <b>Exceeds<br/>(not shown; same daylight<br/>plane is required by PHZ<br/>special standards)</b> |
| Max. Site Coverage                         | 35% with an additional<br>5% for covered patio/<br>overhangs (5,206.25 sf<br>plus 743.75) | Unknown                                                                                        | <b>~62% (~9,233 sf)</b>                                                                          |



|                             |                                                                                                       |                                                      |                                       |
|-----------------------------|-------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------------------------|
| Max. Total Floor Area Ratio | 45% for first 5,000 sf lot size and 30% for lot size in excess of 5,000 sf (3,312.5 sf; and 2,600 sf) | 2239 Wellesley: 1,040 sf<br>2241 Wellesley: 2,590 sf | <b>1.38:1 (20,508 sf)</b>             |
| Max. House Size             | 6,000 sf                                                                                              | 2,590 sf                                             | PHZ leaves this to Council discretion |
| Residential Density         | One unit, except as provided in 18.12.070                                                             | One unit for each lot                                | 24 units (70.5 DU/AC)                 |

(3) R-1 Floodzone Heights: Provided, in a special flood hazard area as defined in [Chapter 16.52](#), the maximum heights are increased by one-half of the increase in elevation required to reach base flood elevation, up to a maximum building height of 33 feet.

(6) R-1 Floodzone Daylight Plane: Provided, if the site is in a special flood hazard area and is entitled to an increase in the maximum height, the heights for the daylight planes shall be adjusted by the same amount.

**Table 2: CONFORMANCE WITH SECTION 18.12.060 and CHAPTER 18.52 (Off-Street Parking)  
for Multi-Family Residential Uses**

| Type            | Required                                                                | Existing | Proposed                       |
|-----------------|-------------------------------------------------------------------------|----------|--------------------------------|
| Vehicle Parking | 1 parking spaces per studio or one-bedroom unit<br>(24 spaces required) | Unknown  | <b>16 spaces (24 required)</b> |

## Attachment C

### **Project Plans**

Hardcopies of project plans are provided to Councilmembers. During Shelter-in-Place, project plans are only available online.

#### **Directions to review Project plans online:**

1. Go to: [bit.ly/PAPendingprojects](https://bit.ly/PAPendingprojects)
2. Scroll down to find “2239 Wellesley” 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-Articles/Planning-and-Development-Services/2239-Wellesley-21PLN-00045>