TO: HONORABLE CITY COUNCIL

FROM: CITY MANAGER
DEPARTMENT: PLANNING & COMMUNITY ENVIRONMENT

DATE: MARCH 12, 2007 CMR: 167:07

SUBJECT: CONSIDER: 1) ADOPTION OF RESOLUTIONS AMENDING COMPREHENSIVE PLAN LAND USE DESIGNATIONS FROM MULTIPLE RESIDENTIAL TO SERVICE COMMERCIAL OR NEIGHBORHOOD COMMERCIAL, 2) ADOPTION OF ORDINANCES AMENDING ZONE DISTRICT DESIGNATIONS FROM MULTIPLE-FAMILY RESIDENTIAL (RM-15, RM-30, RM-40) TO SERVICE COMMERCIAL (CS) OR NEIGHBORHOOD COMMERCIAL (CN) FOR PROPERTIES AT 4329 EL CAMINO REAL, 3981 EL CAMINO REAL, 725 SAN ANTONIO AVENUE, AND 4151 MIDDLEFIELD ROAD; AND 3) APPROVAL OF NEGATIVE DECLARATIONS FOR EACH OF THE SITES.

RECOMMENDATION:
Staff and the Planning and Transportation Commission recommend the City Council:
1. Adopt the Negative Declaration for 4329 El Camino Real, redesignate and rezone the site to Service Commercial on 1.67 acres, retaining the Multiple Family Residential/RM-15 land use designation and zoning on 0.5 acres and initiate traffic calming studies for the Monroe Street/El Camino Real intersection;
2. Adopt the Negative Declaration for 3981 El Camino Real and redesignate and rezone the site to Service Commercial/CS;
3. Adopt the Negative Declaration for 725 San Antonio Avenue and redesignate and rezone the site to Neighborhood Commercial/CN; and
4. Retain designation and zoning of Multiple Family Residential/RM-15 for 4151 Middlefield Road.

BACKGROUND
On August 7, 2006, the City Council directed staff to initiate a rezoning process for four sites located at 4329 El Camino Real, 3981 El Camino Real, 725 San Antonio Road and 4151 Middlefield Road, currently zoned and planned for multiple family residential uses but developed with existing commercial uses. The City Council’s direction was intended to preserve these sites for commercial development and eliminate the potential for future site redevelopment with stand-alone housing. On October 26, staff conducted a community meeting in the Ventura neighborhood to inform the community of the potential land use changes and rezonings and to solicit community input. Staff met independently with property owners of all four sites and with
representatives from the Monroe Park Neighborhood Association to explain the Council direction, the possible land use changes and rezonings of the sites and the development review process for any redevelopment of the sites.

COMMISSION REVIEW AND RECOMMENDATIONS
The Planning and Transportation Commission reviewed the Comprehensive Plan changes and rezoning proposals for the four sites at two meetings, held on December 6, 2006 and January 10, 2007. In its deliberation for each of the sites, staff requested that the Commission determine: 1) if the site should be redesignated/rezoned to commercial use; 2) if the site should be designated Commercial Service or Neighborhood Commercial; and 3) if use of the property should be restricted to commercial/retail development or if mixed commercial/residential use should be allowed. The Commission’s discussion and recommendations for each site are summarized below. The minutes for both meetings are attached (Attachment E).

4329 EL CAMINO REAL (PALO ALTO BOWL)
The Palo Alto Bowl site was discussed at both the December 6, 2006 and January 10, 2007 Planning and Transportation Commission meetings. At both meetings, Monroe Park Neighborhood Association residents near the property expressed concerns regarding redevelopment of the site with either a big box retail use or mixed use. The main concerns raised by the neighborhood were that big box retail would be out of scale with the existing neighborhood and would create additional traffic and congestion and that a mixed use development would result in further students in the Los Altos School District as well as create additional area traffic and congestion. Although many residents supported a less intensive Neighborhood Commercial use of the property, the Commission recommended redesignating and rezoning the RM-30 portion of the property to Service Commercial (CS) since the Service Commercial use would be consistent with adjacent properties fronting El Camino Real. This rezoning would also enable parcel consolidation with the adjacent motel site and potential redevelopment of a larger site for retail or mixed use development. The Commission was particularly interested in hotel use on the expanded site and considered the site as having good potential for future hotel development that could result in significant additional tax revenue for the City. The Commission also recommended retaining the Multiple Family Residential/RM-15 on the rear portion of the site adjacent to existing single family development along the rear of the site as a buffer between any commercial development and the single family area. Given the public testimony regarding the existing concerns for safety of students walking to and from area schools, the Commission also recommended that the Council initiate traffic calming studies for the Monroe/El Camino intersection since the street is designated on the City’s Safe Routes to School network.

3981 EL CAMINO REAL (MAY FLOWER MOTEL)
At its December 6, 2006 meeting, the Commission discussed the potential for changing the land use and zoning of the Mayflower Motel site. The Commission supported the staff recommendation to change the land use designation from Multiple Family Residential to Service Commercial and rezone the site from RM-30 and RM-40 to CS. The Commission considered the Service Commercial use preferable to Neighborhood Commercial for the site because of the prevailing development pattern of commercial properties along El Camino in this area. Given the site’s limitations due to parcel configuration and limited access, the Commission did not
support restricting uses on the site to retail only. The Mayflower Motel owner supported the land use change and rezoning and indicated that the change would provide flexibility for future redevelopment and enable the site to be expanded and remodeled as a motel use or redeveloped as either a mixed use or retail development. The Commission considered the site a good location for a mixed use project or hotel. The Service Commercial land use provides options for development that could improve the area and benefit the community.

725 SAN ANTONIO AVENUE (SUMMERWINDS NURSERY)
On December 6, 2006, the Commission discussed the potential for changing the land use and zoning of the Summerwinds Nursery site located at 725 San Antonio Avenue. The Commission recommended that the site be redesignated in the Comprehensive Plan from Multiple Family Residential to Neighborhood Commercial and rezoned from RM-15 to CN. The property owner strongly objected to any change in land use or zoning on the site, indicating that her family’s vision for the property is development that provides multiple family residences without retail uses similar to the adjacent Greenhouse development. The property owner also indicated that the current zoning for the site provides housing that will contribute to satisfying the City’s State-imposed Regional Housing Needs Allocation. The Commission determined that retail use alone on the site was inappropriate given the adjacent Greenhouse development and the size and configuration of the site. The Commission recognized that the site should provide a buffer between the higher density housing at the Greenhouses and the commercial uses on San Antonio Avenue. The Commission also considered retaining the site with its current zoning pending a thorough evaluation of the San Antonio Avenue corridor through the Comprehensive Plan amendment process or recommending a change of the land use to Neighborhood Commercial. Given the two to three year timeframe for completion of the Comprehensive Plan, the Commission decided that changing the land use/zoning now would preclude possible redevelopment of the site for a stand alone housing project during that three year period. The Commission recommended the Neighborhood commercial use since it provides an appropriate transition from residential and office uses along Middlefield and at the Greenhouses to the more intense commercial uses along San Antonio Avenue. The Commission concluded that the Neighborhood Commercial use also accommodates the owner’s vision for housing in conjunction with the retail use.

4151 MIDDLEFIELD ROAD (OFFICE BUILDING)
The Commission discussed the 4151 Middlefield Road site on December 6, 2006. The Commission recommended that the 4151 Middlefield office site remain at its current Multiple Family Residential use and zoning of RM-15 at this time and deferred the potential rezoning of this site for consideration in the context of the upcoming Comprehensive Plan amendment. The Commission discussed the possibility of use of the site for neighborhood retail to serve the future Campus for Jewish Life project residents but considered that since the parcel does not have the same arterial frontage as the other three sites under consideration for redesignation and rezoning, a more comprehensive evaluation of the site should be undertaken. Staff acknowledged that it was unclear that the parcel was separate from the adjacent Summerwinds Nursery site fronting San Antonio Avenue, when the Council referred the site for rezoning initiation. After considerable discussion, the Commission decided that retaining the Multiple Family Residential/RM-15 designation and zoning until a more comprehensive study can be completed
for the area retains, in the interim, the existing buffer between the single family residential on Middlefield Road and the Service Commercial uses on San Antonio Avenue.

RETAIL ONLY ON COMMERCIAL SITES
The Council’s discussion on August 7, 2006 included direction to evaluate the potential for commercial/retail zoning on the four sites without allowing for mixed use (i.e., no housing component). During its discussion of the four rezonings, the Commission concurred with staff and did not favor an exclusively commercial zoning on the properties for the following reasons:

1. The sites tend to be long and narrow, and commercial development may only be feasible on the front portion of the site close to the major street frontage.
2. Currently CN or CS sites cannot be developed as stand-alone residential. The recent amendments to the zoning code now require a minimum of a 0.15 FAR for commercial/retail use in order to allow any residential development. This is the amount of retail development that is typically attainable if surface parking is used. In many cases, the addition of residential development can “subsidize” more intense commercial use as it may justify below-grade or structured parking.
3. Any mixed use development with more than four residential units would require Site and Design Review by the ARB, Planning and Transportation Commission, and City Council, so extensive scrutiny is provided to ensure the appropriate amount and location of commercial and residential uses.
4. To further restrict the zoning would conflict with the Comprehensive Plan designations for commercial uses, which indicate that some residential uses are permitted (allowing mixed use development). Also, new zoning categories would probably be required to avoid “spot zoning”.
5. The conversion of residentially-designated and zoned sites to prohibit residential use entirely may present constraints for the update of the City’s Housing Element by restricting sites that could accommodate a substantial number of potential housing units.

The Commission and staff have, therefore, recommended that where Comprehensive Plan and zoning designations are modified to Neighborhood Commercial or Service Commercial uses, mixed retail and residential use should be allowed.

ENVIRONMENTAL REVIEW:
An Environmental Impact Assessment (EIA) Initial Study (IS) checklist was prepared for each of the four sites, and Negative Declarations prepared since each EIA/IS concluded that no potentially significant adverse impacts would result from the proposed land use changes/rezonings of the properties. The Negative Declarations were available for public review from November 17, 2006 through December 5, 2006, and are attached to this staff report (Attachment F).

RESOURCE IMPACT
The proposed Comprehensive Plan amendments and rezonings recommended in this report are expected to have a positive resource impact on the City once the sites are developed. For those sites whose land use designation would change from multiple residential to service commercial, the City can expect additional transient occupancy or sales taxes. Maintaining commercial and
retail opportunities on a site currently generating such revenues maintains the City’s economic base and the opportunity to generate additional revenues. Allowing for construction of a new hotel on the Mayflower Motel site, for example, provides higher revenue prospects for the City. The amount of revenue generation would be dependent upon the intensity and type of retail development.

**POLICY IMPLICATION**
The proposed land use changes are consistent with the following Comprehensive Plan policies that support mixed use development and economic development.

Policy L-16 – Encourages siting neighborhood-serving retail in residential areas

Policy L-9 – Encourages creation of opportunities for new mixed use development

Policy H-3 – Supports re-designation of land for housing or mixed uses.

Policy H-4 – Encourages mixed use projects to promote diversity and neighborhood vitality

Policy B-17 – Encourages owners to upgrade commercial properties

Policy B-25 – Encourages strengthening of commercial vitality of businesses along El Camino Real

The proposed land uses changes conflict with one Comprehensive Plan policy, H-5, which discourages the conversion of lands designated as residential to non-residential uses.

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**ATTACHMENTS**
Attachment A: Resolutions for Approval of Comprehensive Plan Amendment
Attachment B: Ordinances for Approval of Rezonings
Attachment C: Location Maps
Attachment D: Planning and Transportation Commission (P&TC) staff reports dated December 6, 2006 and January 10, 2007 (without attachments).
Attachment E: Minutes of P&TC meeting of December 6, 2006 and January 10, 2007
Attachment F: Initial Studies, Negative Declarations

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