

TO: HONORABLE CITY COUNCIL

**FROM: CITY MANAGER DEPARTMENT: PLANNING AND
COMMUNITY ENVIRONMENT**

CMR: 426:09

DATE: NOVEMBER 9, 2009

REPORT TYPE: PUBLIC HEARING

SUBJECT: Adoption of a Resolution Certifying a Final Environmental Impact Report, and Adopting the Mitigation Monitoring and Reporting Program and the Statement of Overriding Considerations and Approval of an Architectural Review Application for the Demolition of an Existing 9,740 sq. ft. Building and Construction of a Four-Story 50-Unit Affordable Housing Development in a Single 63,885 sq. ft. Building with one Level of Below Grade Parking and Associated Street Improvements, and Associated Record of Land Use Action for the Project at 801 and 841 Alma Street

EXECUTIVE SUMMARY

The hearing before the City Council is a request to certify a Final Environmental Impact Report (FEIR) and approve a Major Architectural Review application for the construction of a 50 unit affordable housing development within one four-story building on the site of A former electric substation and Ole's automobile repair facility, located on the corner of Alma Street and Homer Avenue, within the South of Forest Coordinated Plan Area Phase 2 (SOFA II CAP) in the RT-50 Residential Transition zoning district. This application is for development of a smaller project than the previously requested, and now withdrawn, Planned Community application for mixed use development in two buildings on the entire block face of Alma Street. The project would meet the majority of the development regulations of the RT-50 zoning district (allowing three concessions allowed per the State Density Bonus law, discussed below) and is only subject to environmental and architectural review approval. The Planning and Transportation Commission (PTC) held a hearing on the associated Draft Environmental Impact Report (DEIR) and the original proposal on April 1, 2009. On September 24, 2009, the Architectural Review Board (ARB) recommended approval of the revised 50 unit affordable housing project. The Director of Planning and Community Environment has referred the project to City Council for final approval.

RECOMMENDATION

Staff and the ARB recommend that the City Council:

1. Adopt the Resolution Certifying the Final Environmental Impact Report (EIR)

- (Attachment A), and
2. Approve the attached Record of Land Use Action for Architectural Review approval of the demolition of an existing building and development of a new four-story, 50-unit affordable housing development with one level of below grade parking and associated street improvements (Attachment B) at 801 and 841 Alma Street.

BACKGROUND AND PROJECT DESCRIPTION

The project is jointly proposed by Eden Housing and Community Housing Alliance for a 50 unit 100% family affordable housing rental development on two parcels having a combined land area of 26,250 square feet. The project site includes the former Palo Alto Utility substation site (841 Alma Street) and the former Ole's auto repair shop (801 Alma Street) both owned by the City. The substation was removed in preparation for redevelopment. The one story repair shop building was constructed between 1923-1924 and is not considered historic. The site is within the South of Forest Area (SOFA) Phase II Coordinated Area Plan and has a zoning designation of RT-50. The property is bounded to the northwest by Homer Avenue and across Homer Avenue is an automobile repair business. Lane 8 West alley and the 800 High Street condominiums are located to the northeast. An office building is located to the southeast. Alma Street and the railroad tracks are located to the southwest. The applicant has been under contract with the City of Palo Alto since the spring of 2003 to develop high density affordable housing at this site. The subject proposal is the latest iteration of a project that has been in discussion since the 2003 contract agreement. An Acquisition and Development Agreement (ADA) between the City of Palo Alto and the applicant was approved on August 6, 2007 by the City Council for the development of affordable family housing at 801 and 841 Alma Street. The provisions of the ADA anticipated either (1) a mixed use project with ground floor commercial/retail and 30 to 55 units of affordable multi-family rental housing or (2) 50-55 affordable multi-family rental units.

In 2008, the applicant had proposed a larger development for two mixed use commercial and affordable housing buildings that would occupy the entire four-parcel half block of Alma Street between Homer Avenue and Channing Avenue (801-875 Alma St.). To accommodate this original proposal, the applicant requested two Planned Community Zonings (PC) applications and an amendment to the SOFA II CAP to allow the mixed-use PC. Following two PC initiation hearings before the Planning and Transportation Commission (PTC), the applicant deleted the redevelopment of the Palo Alto Hardware store and office building at 853 and 875 Alma Street from the project and reduced the project from 96 units to 50 units.

Project Description

The project would consist of the following components:

- Demolition of the non-historic building at 801 Alma Street, totaling 9,740 sq. ft.;
- Construction of one four-story, affordable family rental apartment building, providing 50 housing units. Containing approximately 63,885 sq. ft. of floor area at a floor area ratio of 2.43:1, the building would also include a 1,074 sq. ft. community room, a 268 sq. ft. laundry facility, a 228 sq. ft. computer room, ground floor office space, 2,428 sq. ft. ground floor common open space and a 395 sq. ft. second floor common terrace.

- Provision of a below grade parking facility on one level providing 60 parking spaces, including one space for washing cars, which is a water quality requirement of the Municipal Code. Access to the parking lot would be provided through the adjacent 800 High Street Planned Community (PC) underground garage as had been anticipated with Council approval of the 800 High Street PC.
- Six on-site parking spaces at grade, accessed from the alley via Homer Avenue. A minor reconfiguration to the alley is proposed for the portion that is on the subject site, converting it to one-way operation with cars entering from Homer Avenue and exiting onto Channing Avenue to avoid conflicts with the proposed contra-flow bicycle lane on Homer Avenue. However, two-way traffic would continue at the back of 853 and 875 Alma Street as currently configured.
- Addition of a bike lane on Homer Avenue from Alma Street to High Street. This would require the elimination of on-street parking on the southeast side of Homer Avenue.
- Three concessions, pursuant to the State Density Bonus Law, to allow the project (1) to exceed the maximum allowable floor area ratio (FAR) of 1.5:1 by 0.93:1 (total FAR of 2.43:1), (2) to not include useable private open space, and (3) to encroach into the required 10 to 12 foot setbacks on all sides (the setbacks are collectively as one concession). No variance or design enhancement exception application is required to approve these concessions.
- Removal and replacement of four street trees, and maintenance of one street tree in place (in accordance with the Planning and Public Works arborists' determination).

The building would contain eight one-bedroom units, 26 two-bedroom units and 16 three-bedroom units. The units would range in size between 545 sq. ft. to 1,188 sq. ft, which would meet the SOFA II maximum average unit size of 1,250 sq. ft.

The building would have a range of setbacks: zero feet from Alma Street and the south property line, two feet from Homer Avenue, and eight to 53 feet from the alley/courtyard. A concession is requested for setback encroachments on all sides. The property lines of the two parcels extend to the centerline of the alley. The underground garage would be built up to the center line of the alley, similar to the underground garage of the 800 High Street development. Above ground, the building would be set back behind the alley, maintaining the current alley configuration.

The building's primary pedestrian entrance would be located at the corner of Alma Street and Homer Avenue with an approximately 850 sq. ft. front porch and plaza area. This entry would provide access to the main lobby, offices, computer room, and community room on the ground floor. The two common open space areas are a courtyard at the east side, adjacent to the alley, and a common terrace adjacent to the laundry room on the north side of the building. The building exterior treatment would include substantial glazing, masonry planters, shingle accents and concrete columns. Additionally, the building's mass would be broken up by narrow garden courts with landscaping along the Alma Street and alley frontages. These garden courts would not be accessible to tenants and would be restricted to emergency fire department access only. A green roof would treat stormwater runoff and provide for additional green building points. The project no longer includes the reconfiguration of High Street from one-way to two-way traffic.

DISCUSSION

The project is consistent with the majority of the development standards of the RT-50 SOFA II Coordinated Area Plan, given the application of three concessions allowable per the State Density Bonus Law for Floor Area Ratio (FAR), setback encroachments and private open space. No exceptions are requested for height, daylight plane encroachment or parking. The project is consistent with the City's requirements for height, the Homer daylight plane, common open space and parking. Because the project meets the RT-50 district standards and the amendment to SOFA II is no longer needed for a mix of uses, the project can be approved via the Architectural Review process. Major Architectural Review applications are generally approved by the Director of Planning following a favorable recommendation by the ARB. In this case, the Director referred the project to Council for action due to significant community interest in the project's scope and EIR.

Height

The building would be approximately 49 feet high, one foot lower than the maximum 50 foot height limit of the RT-50 zoning district. Palo Alto Municipal Code Chapter 18.40 Section 18.40.090 allows architectural and mechanical features, such as the elevator shaft and equipment tower, to extend up to 15 feet beyond the maximum height 50 ft. limit. The elevator shaft and equipment tower would extend a maximum of two feet above the 50 foot limit.

Daylight Plane

The building would be allowed a maximum height of 35 feet at the Homer Avenue setback line with a slope of 5:3 pursuant to SOFA II CAP Chapter 5.030 regulations. The building includes eaves that extend a maximum of three feet into the Homer daylight plane, which are allowed per SOFA II Chapter 5.030(g). Architectural features, such as cornices and eaves, are allowed to extend a maximum of three feet into the required daylight plane.

Common Open Space

SOFA II Chapter 5.050(i) states that the common open space shall be useable and suitable for a variety of user groups, including families with children. The applicant proposes two common open space areas in the form of a ground level courtyard and a second floor terrace or balcony. The 2,428 sq. ft. area on the ground floor would include 703 sq. ft. play area for children. It would be located away from both Alma Street and Homer Avenue, with direct access into the building. A 368 sq. ft. deck providing additional passive open space would also be located on the second floor. A landscaped area would be provided at the northeast corner of Homer Avenue and the alley. The entry courtyard also would provide additional open space area. Multiple benches would be placed in these areas to provide additional passive recreation opportunities.

Parking

One of the most discussed components of the project is the provision of parking spaces. The City's ordinance (PAMC Chapter 18.52 and SOFA II CAP Chapter 5.040) requires 1.5 parking spaces per each one-bedroom unit and two parking spaces per each two-bedroom or larger unit, with an approved Transportation Demand Management (TDM) plan. PAMC Chapter 18.52 allows parking reductions of 40% for extremely low income housing and 30% for very low income housing. The parking requirements for this project would be as follows:

Table 1 – Parking Analysis

	SOFA II with TDM Ratio	Total	Aff. Housing Reduction	Revised Total
Extremely Low Income Units			40%	
3 one-bedrooms	1.2/unit	3.6	1.44	2
17 two+ bedrooms	1.5/unit	25.5	10.2	15
Subtotal (20 units)				17
Very Low Income Units			30%	
5 one-bedrooms	1.2/unit	6	1.8	4
25 two+ bedrooms	1.5/unit	37.5	11.25	26
Subtotal (30 units)				30
Guest Spaces	1+10%	6		6
Total (50 units)				53 spaces
Proposed				60 garage/6 surface spaces Meets code

With the Director’s approval of a parking adjustment, the project would be required to provide 53 spaces. The applicant is proposing to provide 60 garage spaces and six surface spaces for a total of 66 parking spaces. The project would also provide the code-required 50 bicycle parking spaces. Bicycle parking would be located at the main entry area and within the garage.

The applicant has provided parking data in the FEIR that analyzes parking demand in eight similar affordable housing projects, including four in Palo Alto, that are already occupied. Those projects have parking ratios that range from 0.83 to 1.50 spaces a unit. The parking ratio for the subject project is approximately 1.3 spaces per unit overall. In a 2002 report, the California Department of Transportation has stated that auto ownership rates are highly correlated to household income and size. The FEIR analysis found that the parking ratio of parking spaces that were actually used per unit was at a maximum 1.26, which supports the statement that there is a lower rate of automobile ownership/use in affordable housing developments. The Palo Alto Comprehensive Plan Goal T-1 promotes less reliance on single-occupant vehicles. City support of a project that provides less parking than typically required at a transit proximate location is consistent with this goal. Based on the traffic analysis provided in the EIR, and given the project’s location near transit and the downtown, and the proposed ratio of 1.2 parking spaces per unit, along with a TDM program, staff has determined that the project would have sufficient parking facilities to meet the anticipated demand.

As discussed above, the applicant has provided a TDM program (Attachment K), as required by the SOFA CAP II and the PAMC. The proposed TDM program includes provisions to reduce parking demand, such as providing information on ride share opportunities and other transit options for residents, and providing eco passes or other similar transit passes to all residents.

Should a car share program be made available in the area, the applicant will be required to provide membership for each unit. Staff has reviewed the proposed TDM and determined that it meets the intent of the requirement.

High Street and Alley Alignment

The withdrawn PC project would have included converting High Street from one way to two way traffic and converting the alley from the effectively two-way to one way traffic. Staff had received negative feedback from area residents regarding these changes. Because this project is smaller and the impacts are reduced, the conversions are no longer proposed as part of this project. There will be a minor realignment of the alley behind 801 and 843 Alma Street to improve efficiency and safety and to accommodate parking. However, no changes are proposed to the circulation of the alley behind the hardware store and office building at 853 and 875 Alma Street.

Design Guidelines

The project was designed to meet the design guidelines of the SOFA II CAP and the Palo Alto Municipal Code. The reduced building setbacks and scale are similar to that of surrounding buildings. For example, the floor area ratio of the adjacent 800 High development is 2.22 and the height maximum is 50 feet, compared to the 2.43 floor area ratio and 49-foot overall height of the subject proposal. A detailed analysis of the project's consistency with these design guidelines is provided as Attachment D.

Public Outreach

Due to the high level of public interest, public outreach has been a priority for this project. Staff has kept regular contact with interested area residents and informed them of hearings and other important dates as early as possible. Public circulation periods of environmental documents have been extended beyond the required time period to ensure maximum review opportunities. In addition, the applicant has held multiple meetings with the applicant and maintained information on the project on their website (www.edenhousing.org). The applicant has provided a summary of all of the community meetings held to this point (Attachment F).

State Density Bonus Concessions

Because the project is a 100% affordable housing project, the applicant can request up to three "concessions" under the State density bonus law (Government Code § 65915). This law requires that cities "adopt an ordinance that specifies how compliance with [the law] will be implemented." Although the City has not yet done adopted an implementing ordinance, the "[f]ailure to adopt an ordinance shall not relieve a city . . . from complying with" the density bonus law. The state law sets the minimum level of density bonus and type of concessions that must be granted to a project providing affordable housing. Limits to density bonus area and concessions would be contained in the local ordinance. Because we have not yet adopted a local ordinance, our ability to regulate the size and type concessions granted pursuant to state law is limited. Staff will work with the City Attorney's Office to prepare an implementing ordinance for Council consideration early in 2010.

This density bonus law allows applicants to request and receive "concessions" as incentives for the construction of affordable housing. Incentives may involve exceptions to open space, height,

parking, FAR or similar standards. As indicated earlier in this report, the applicant is requesting concessions for maximum floor area, private open space, and setbacks. Otherwise, the project will meet all other applicable development standard requirements of the SOFA II CAP and the Palo Alto Municipal Code, including height, daylight plane and parking.

The City is required to grant the concessions under the density bonus law, unless the City Council adopts written findings that 1) the incentive is not required to provide for affordable housing, 2) the incentive would violate a written standard, policy or condition and such violation would result in a specific adverse health, safety or environmental impact or, 3) the incentive would violate state or federal law. Absent such a finding, the City must approve the concessions requested by the applicant.

No private open space is provided for each unit. However, high density buildings without private open space would not be atypical within an urban setting, such as the SOFA II CAP.

BOARD/COMMISSION REVIEW AND RECOMMENDATIONS

On April 1, 2009, the Planning and Transportation Commission (PTC) held a public hearing on originally proposed PC Zoning requests for two mixed use buildings and on the Draft Environmental Impact Report, which was circulated on February 6, 2009. A scoping session with the PTC in preparation of the DEIR had also been held on December 10, 2008. Because the PC zoning requests were later withdrawn, this discussion of the PTC review will focus on the DEIR component of the hearing.

The PTC and members of the public provided extensive comments on the DEIR. Thirty-five members of the public spoke on the project and provided comments on both the project and the DEIR, both in support and against the project. The majority of the public EIR comments were related to the following concerns:

- Lack of compatibility with the area due to size, height and density
- Parking Impacts and Access
- Safety of shared ramp to below grade parking
- Bicycle and Pedestrian Safety
- Safety of children's play area
- Consistency with the SOFA II Coordinated Area Plan
- Adequacy of project alternatives

The PTC comments on the DEIR included the following statements and requests:

- The DEIR did not address the SOFA II CAP adequately
- Provide more information on possible inconsistencies with policies
- Historic impact (Area of Potential Effect) is of concern
- Adequacy of project alternatives was not addressed
- More detailed analysis of reasons for height, far, and open space exception requests
- More detailed analysis on noise impacts
- Parking impacts

The detailed list of all comments, both written and verbal, are included along with comprehensive responses in the FEIR.

The project was reviewed by the Architectural Review Board at two public hearings. The first ARB hearing was a preliminary review on August 6, 2009. The ARB did not have major design concerns, but did provide comments on the ground floor open space and entry features. A formal ARB hearing on the project was held on September 24, 2009. Eight members of the public spoke both in support and against the project. The members of the public who were against the project expressed concerns over the size, parking impacts and the requested concessions. Due to the size of the project, they had also requested that the project be processed the same way as a Planned Community Zoning. The ARB was supportive of the project and offered minor design comments to be followed up as subcommittee items. The ARB found that the project was consistent with the design guidelines of both the SOFA II CAP and the Multi-family Design Context Guidelines of the Palo Alto Municipal Code. The ARB voted 5-0 to recommend that the City Council approve the project, subject to the following conditions.

1. Lower the planters and add more landscaping along Alma Street.
2. Add depth to the shingles and add an additional small bench so the bigger bench is in the deep landscaping area and the smaller bench is in the shallow landscaping area.
3. Install taller plants in the alley
4. Review exterior finish colors in the field
5. Minimize the height of the solar panels
6. Consider lowering the sill heights of the second and third floor windows.

Given that an Environmental Impact Report (EIR) was prepared per the California Environmental Quality Act (CEQA), the Director has determined that the City Council should consider certification of the EIR and a decision on the project to the Council for final action. The Director of Planning and Community Environment (Director) has received the ARB recommendation and has reviewed and considered the EIR and will recommend that the City Council certify the EIR and approve the project, subject to the ARB and staff recommended conditions of approval

RESOURCE IMPACT

The property in its current form generates no revenue for the City: 801 Alma, formerly the Ole's automotive shop, has been off the property tax rolls since its purchase by the applicant in 2008; the substation portion of the property also never generated property tax. Since the applicant's nonprofit status exempts it from property taxes and real property transfer taxes, only sales tax and Utility User tax revenues will be generated from the project. As a 100% affordable housing development, the project is exempt from all development impact fees. These additional revenues are estimated in the \$10,000 - \$20,000 range. The new residential units are still subject to school impact fees that would be collected by the Palo Alto Unified School District.

The City is currently temporarily leasing 801 Alma Street to the adjacent auto repair business (Bimmer BMW) for automobile storage until redevelopment of the site would commence. Revenue obtained from the lease would be deposited into the City's Residential Housing Fund

and then first be used to pay the City's direct property ownership expenses and then used for reimbursement of the developer's preconstruction expenses for the affordable housing project.

The City has also contributed to the subject project through the donation of 841 Alma Street and money from the City's housing funds. The appraised value of the 841 Alma Street is approximately \$1,968,750. The City has contributed approximately \$3,200,000 of the Commercial Housing Fund and \$300,000 from the Residential Housing Fund as a loan to the applicant into the acquisition of 801 Alma Street. In addition, the City has reserved funding of approximately \$5.6 million for the project, including \$1 million in state grant funding.

On the expenditure side, the project is expected to bring an additional 147 residents or a .23% increase in the City's population. This will create new demands for City services, such as Community Services, Planning, Police and Fire. Police and Fire services to these additional housing units would be paid by the General Fund, but will likely be absorbed within the current budget. As the City adds residents from prior and future projects such as this, however, the cost of services not covered by fees will rise.

POLICY IMPLICATIONS

The project is located in the South of Forest Area Phase II Coordinated Area Plan with a designation of RT-50. The SOFA II CAP implements the Comprehensive Plan by providing more detailed programs and policies for the area. The proposed use is compatible with the existing and potential uses on the adjoining sites or within the general vicinity. The site, specifically the former substation portion (801 Alma St.), is a designated Housing Opportunity site in the City's adopted Housing Element. The site was identified as being suitable for multi-family residential use due to the existing and planned mix of residential and commercial development in the area. It was anticipated that the 0.36 acre portion of the site could be developed with between 10-20 multi-family units. A multi-family residential use is consistent with the HOS designation and with multiple policies in the SOFA II plan. The project is supported by housing policies to develop affordable rental housing in the SOFA II Coordinated Plan Area. One of the primary goals of the SOFA II plan is to promote higher density housing and other development in a transit oriented mixed use area. The following are the SOFA II policies that are relevant to the subject application.

- **Policy L-1:** Promote varied residential development and neighborhood services while sustaining the character and vitality of the commercial and public facilities.
- **Policy L-2:** Enhance desirable characteristics and uses by using planning and development standards to create opportunities for neighborhood development. Encourage a compatible transition from the residential neighborhoods to the downtown. Emphasize the addition of new open spaces and planting that improve the tree canopy and other vegetation in the area.
- **Policy L-7:** Enhance the character of the South of Forest Area by ensuring that new residential development is compatible with existing residential areas and incorporates measures to minimize potential nuisance conflicts with existing commercial land uses.
- **Policy L-8:** Pursuant to the 1998-2010 Comprehensive Plan, encourage transit-oriented development by allowing greater housing density in areas located nearest to major transit routes providing access to housing and employment centers.

- **Policy H-1:** Within SOFA, Phases 1 and 2, provide for a total of 300 residential units and promote the retention of existing housing units and encourage the development of new housing units throughout the SOFA area.
- **Policy H-2:** Use SOFA 2 as a transition between the existing single-family uses to the South and the commercial uses in the downtown area to the north by providing opportunities for medium and high density multiple family housing within the area.
- **Policy H-3:** Provide for increased residential densities including additional lower cost ownership and rental housing within traditional historic housing types.
- **Policy H-5:** Allow a variety of housing types in SOFA 2, including, but not limited to, the following: units in a mixed-use configuration; apartments; townhouses; and studio units.
- **Policy H-6:** Housing types in SOFA 2 should be suitable for various ages, household sizes, lifestyles, and incomes.
- **Policy H-7:** Preserve existing affordable housing opportunities within the South of Forest Area and expand the supply of affordable housing units.
- **Policy T-1:** Reduce vehicle use in the Downtown and SOFA 2 area, where development patterns support transportation alternatives such as walking, biking and transit use.
- **Policy T-5:** Reduce impacts on residential areas adjacent to SOFA 2 area from the parking impacts of the downtown area and the Residential Transition Districts by encouraging shared parking facilities and below grade parking.
- **Policy T-6:** Decrease the adverse visual impacts of surface parking and street level parking garages by encouraging parking for mixed use and multi-family residential parking to be either underground or otherwise not visible from adjacent roadways through the use of landscape screening.

ENVIRONMENTAL IMPACTS

A Final EIR, with detailed responses to comments, was completed and circulated on September 10, 2009. The California Environmental Quality Act (CEQA) requires that a final EIR be circulated for a minimum of 10 days. Upon completion of the circulation period, the EIR must be certified and accepted by the decision making body before a decision can be made on the application the EIR was prepared for. In this case, the City Council must certify this EIR before taking a final action the project. The mitigation measures identified in the EIR have been incorporated into the recommended conditions of approval for the project.

The Draft EIR analyzed the original mixed use project that proposed two Planned Community Zonings to allow the construction of one affordable family and commercial mixed use building and one senior affordable housing and commercial mixed use building on four properties. Subsequent to the circulation of the Draft EIR, the applicant revised the project to one 100% all-family, affordable-housing building. Per CEQA Guidelines Section 15088.5, recirculation of the EIR prior to certification is required only if at least one of the following situations is found:

- A significant new environmental impact would result from the project or a new mitigation measure is proposed to be implemented.
- A substantial increase in the severity of an environmental impact would occur unless additional mitigation measures are adopted.

- A feasible project alternative or mitigation measure, considerably different from others previously analyzed, that would have lessened the environmental impacts of a project had not been included.
- The Draft EIR was fundamentally and basically inadequate and conclusory in nature.

In this case, the revised project was addressed in the DEIR as the Family Housing Only Alternative and identified an environmentally superior alternative. The FEIR incorporates responses to comments and text changes to clarify and expand on this previously described project alternative. Because the project would have a significantly reduced footprint and shorter construction period, the one significant unavoidable impact that was identified in the DEIR, construction impact, would be reduced but not to a less than significant level. The revised 100% family affordable housing project would not result in any new or more significant impacts. Therefore, recirculation of the DEIR is not required.

Following additional comments from an area resident and the Fire Department, an Amendment to the Final EIR was prepared. A copy of the amendment is attached to this report. The Amendment was prepared to: (1) clarify and respond to a project alternative that was proposed by an area resident and (2) to provide further clarification from the Fire Department regarding emergency vehicle access during construction. Circulation of the Amendment to the FEIR for public review and comment is not required because no new significant information is identified.

A Notice of Completion and Availability of the Draft Environment Impact Report (DEIR) was published, posted and mailed announcing that the DEIR was available for a 45-day comment period from February 6 to March 23, 2009. The EIR was prepared by David J. Powers and Associates, an environmental consulting firm. Because of extensive public interest in the project, the public comment period for the DEIR had been extended to April 15, 2009. Accordingly the circulation period for the FEIR prior to the ARB hearing was also extended from ten days to approximately three weeks.

A large number of EIR comments were received from the public. The majority of the comments centered on traffic and safety, size, consistency with SOFA II, adequacy of the alternatives discussion and parking. Many of these comments no longer apply because the project was changed to the family housing only alternative. Additionally, two major components, the realignment of High Street and changes to the entire length of the rear alley, were removed from the project. Comments that are still applicable to the proposed project were responded to as required by CEQA.

Key EIR Issues

The DEIR identifies potentially significant environmental effects of the Project in regard to Land Use and Planning; Transportation and Circulation; Air Quality; Noise; Geology and Soils; Hydrology; Biological Resources; Hazards and Hazardous Materials; Cultural and Historic Resources; Visual Resources and Aesthetics; Utilities; Public Facilities and Services; Energy; Cumulative Impacts; and Growth Inducing Impacts. In addition to these topics, the EIR also includes an analysis of alternatives to the proposed project. The alternatives studied, consistent with the requirements of CEQA, include the following:

- a no project alternative
- redevelopment under the existing zoning district
- a mixed use, reduced scale alternative
- all housing, reduced scale alternative
- a family-housing only alternative.
- phase II (senior housing) location alternative

The reduced scale alternatives would include buildings that are three to four stories only. As discussed above, the applicant has chosen to proceed with the family housing only alternative. Although none of the buildings on the project site are deemed historic, because of the project's proximity to the historic building located at 799 Alma Street, the project was sent to the State Historic Preservation Officer (SHPO) for additional review. The SHPO has not indicated that there were any concerns of potential impact.

The DEIR identified nine potentially significant impacts. Eight of those impacts can be reduced to a less than significant impact level with the implementation of mitigation measures. Six of those impacts are construction related. The only significant impact that cannot be reduced is construction noise impact, which would be temporary. Each of the Mitigation Measures summarized below is more fully described in the DEIR.

Impacts Mitigated to Less Than Significant Level

Construction Related Impacts

- **Transportation**
Impact Tran-1 concerns impacts during the construction of the project on insufficient emergency vehicle access and inadequate parking within the project site due to construction activities. These impacts would be mitigated to a less than significant level by Mitigation Measure Tran 1.1 and 1.2, (implementation of a Construction Logistics Plan and identification of a Construction Disturbance Coordinator to the satisfaction of the City of Palo Alto).
- **Air Quality**
Impact AQ-1 concerns construction air quality standard impacts. These impacts will be mitigated to a less than significant level by Mitigation Measure AQ-1.1, 1.2, and 1.3 (compliance with Bay Area Air Quality Management District basic dust control measures and implementation of construction Best Management Practices).
- **Hydrology**
Impact HYD-1 concerns impacts to the water quality of the San Francisquito Creek and the San Francisco Bay due to construction activities. These impacts will be mitigated to a less than significant level by Mitigation Measure HYD 1.1 (compliance the Regional Water Quality Control Board erosion and sediment control measures and implementation of construction Best Management Practices).

- Hazards and Hazardous Materials
Impact AM HAZ-1 concerns impacts related to the exposure of contaminated soil during the construction process. These impacts will be mitigated to a less than significant level by Mitigation Measures AM HAZ-1, -2 and -3 (preparation of a soil management plan and use of trained, qualified contractors in the removal and disposal of contaminated soil).

Post-Construction Related Impacts

- Hydrology
Impact HYD-2 concerns impacts to the water quality of the San Francisquito Creek and the San Francisco Bay due to stormwater runoff from the project. These impacts will be mitigated to a less than significant level by Mitigation Measure HYD 2.1 (compliance with Regional Water Quality Board Best Management Practices and City of Palo Alto requirements to ensure compliance with the National Pollutants Discharge Elimination permit for post-construction water quality impacts).
- Noise
Impact NOI-1 concerns exposure of future residents to significant noise impacts. These impacts will be mitigated to a less than significant level by Mitigation Measure NOI-1.1 (compliance with State and City requirements through the use of a detailed project-specific acoustical analysis at the building permit stage to determine specific measures such as sound insulation and STC rated windows).
- Cumulative Transportation Impacts
Impact C-TRAN-1 concerns a traffic impact at the Alma Street/Churchill Avenue intersection under cumulative conditions. This impact will be mitigated to a less than significant level by Mitigation Measure C-TRAN 1.1 (implementation of City monitoring of the intersection and lengthening the traffic signal cycle time when warranted).

Significant Impact Which Cannot Be Fully Mitigated

- Construction Noise Impact
Impact NOI-2 concerns exposure of the adjacent occupants to significant temporary noise impacts related to construction. Mitigation Measure NOI-2.1 will reduce the level of construction noise, via standard construction noise mitigation measures, such as limiting noise generation activities and installation of noise barriers. Although noise impacts would be reduced with a smaller project, because the project construction would be done over a period of 18-20 months, the impacts will be considered significant and unavoidable due to the extended period of construction. A statement of overriding considerations would be required to be adopted if the FEIR is certified by the Council. Such a statement is incorporated into the findings included in Attachment A, the resolution certifying the EIR.

Avoidance Measures for Less Than Significant Impacts

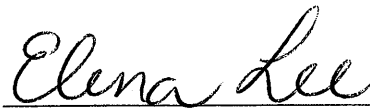
The DEIR also identified Avoidance Measures for Water Quality, Hazards and Hazardous Materials and Biological Resources. These were categorized as less than significant impacts

because the project includes these measures as conditions of approvals that will prevent them from rising to the level of being significant. Those include:

- **Hydrology and Water Quality**
Implementation of Avoidance Measure HYD 1.1 (water runoff control) will prevent significant impacts due to the increase of impervious surfaces on the site. The project will maintain existing peak runoff rates by detaining stormwater runoff on site.
- **Hazards and Hazardous Materials**
Implementation of Avoidance Measures HAZ-1, -3, -4 and -5 (compliance with BAAQMD, state and City regulations regarding asbestos containing materials and lead-based paint) will avoid significant impacts to future residents/occupants related to demolition.
- **Biological Resources**
Implementation of Avoidance Measures will avoid significant impacts related to the removal of eight to nine trees from the project site. The avoidance measures include limiting the removal of potential nesting habitat during non-nesting seasons (September 1 through March 1) and requiring preconstruction surveys to locate active nests. If active nests are found, a construction-free buffer zone would be established for the duration of the activity.

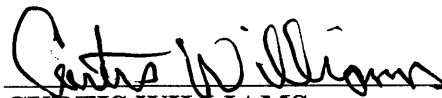
The attached California Environmental Quality Act (CEQA) Resolution (Attachment A) outlines the findings and action necessary for the Council to certify the Final EIR.

PREPARED BY:



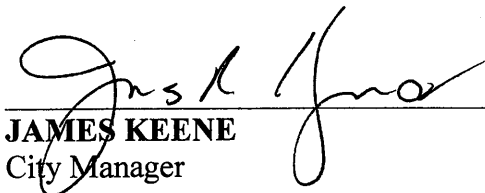
ELENA LEE
Senior Planner

DEPARTMENT HEAD:



CURTIS WILLIAMS
Director of Planning and Transportation Division

CITY MANAGER APPROVAL:



JAMES KEENE
City Manager

ATTACHMENTS:

- Attachment A: CEQA Resolution
- Attachment B: Record of Land Use Action
- Attachment C: Location Map
- Attachment D: SOFA II and Design Guidelines Compliance Tables

- Attachment E: Applicant's Project Description Letter
Attachment F: Applicant's Frequently Asked Questions, dated November 3, 2009
Attachment G: Letter from Applicant regarding State Density Bonus Law, dated August 28, 2009
Attachment H: Excerpts of 800 High Street Ordinance Regarding Garage Access Easement to Properties on Alma Street
Attachment I: 800 High Street Easement Agreement Granted to Provide Garage Access to Properties on Alma Street
Attachment J: Applicant's List of Community Meetings
Attachment K: Applicant's Transportation Demand Program
Attachment L: Applicant's Project Sustainability/Greenpoint Checklist
Attachment M: September 24, 2009 Architectural Review Board Staff Report (without attachments) and Minutes
Attachment N: April 1, 2009 Planning and Transportation Commission Staff Report (without attachments), Minutes and At Places Response to PTC questions
Attachment O: Amendment to the Final EIR
Attachment P: Plan Set (Councilmembers only)

COURTESY COPIES:

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NFSL2