

NOT YET APPROVED

ORDINANCE NO. _____

ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO AMENDING SECTION 16.47.030 (EXEMPTIONS) OF TITLE 16 (BUILDING REGULATIONS) OF THE PALO ALTO MUNICIPAL CODE TO REMOVE AN EXEMPTION FOR HOSPITALS FROM THE HOUSING IN-LIEU FEE

The Council of the City of Palo Alto does ORDAIN as follows:

SECTION 1. The Council hereby finds as follows:

(a) New non-residential development in the city generates additional employees, some of whom will earn low and moderate incomes. Those employees are most impacted by the lack of affordable housing. A Housing Linkage Analysis completed in September 2001 for the City revealed that new non-residential construction generates an affordable housing demand of 38 units for each 100,000 square feet of building area.

(b) The lack of affordable housing in Palo Alto forces many new employees to commute considerable distances, adding to the air pollution and traffic congestion in Palo Alto and adjacent communities.

(c) Large commercial and industrial developments that contribute to the jobs/housing imbalance and the concomitant increasing shortage of low- and moderate-income housing should be required as a condition of development to assist the community in alleviating the housing shortage.

(d) Hospitals in Palo Alto employ over 8,000 people, and over 3,000 of these employees are a result of hospital expansions performed since the initial adoption of the City's housing impact ordinance in 1984.

(e) Removing the fee exemption for hospitals will ensure that hospitals share in the cost of providing housing for the employees they generate.

SECTION 2. Section 16.47.030 (Exemptions) of Chapter 16.47 (Approval of Projects with Impacts on Housing) of Title 16 (Building Regulations) of the Palo Alto Municipal Code is hereby amended to read as follows:

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16.47.030 Exemptions.

The following uses, as defined in Title 18 of the Palo Alto Municipal code, are exempt from this chapter:

- (a) Residential uses;
- (b) Churches;
- (c) Colleges and universities;
- (d) Commercial recreations;
- ~~(e) Hospitals and Convalescent facilities;~~
- ~~(f)~~ (e) Private clubs, lodges, and fraternal organizations;
- ~~(g)~~ (f) Private education facilities;
- ~~(h)~~ (g) Public facilities;
- ~~(i)~~ (h) Retail service, eating and drinking service, personal service, or automotive services when the total additional square footage is 1,500 square feet or less. This exemption shall apply only when the additional square footage of new development does not exceed 1,500 square feet. New development that is larger than 1,500 square feet shall pay a fee for all square footage, including the first 1,500 square feet.

SECTION 3. This ordinance does not constitute a project having potential effects upon the environment and therefore does not require environmental review under the California Environmental Quality Act.

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SECTION 4. This ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Senior Deputy City Attorney

City Manager

Director of Planning and
Community Environment