



City of Palo Alto City Council Staff Report

(ID # 14929)

Meeting Date: 11/14/2022

Report Type: Action Items

Title: PUBLIC HEARING: Staff Recommend the City Council Review the North Ventura Coordinated Area Plan (NVCAP) Refined Preferred Alternative, Take Public Comment, and Endorse the Refined Preferred Alternative Plan.

From: City Manager

Lead Department: Planning and Development Services

This Memorandum provides responses to Council inquiries from the October 24, 2022 City Council meeting.

As a reminder – Council previously gave staff direction on the preparation of a preferred NVCAP plan – the purpose of this report is to ensure the plan as represented is consistent with the Council’s vision before continuing with costly and time intensive technical analysis and regulatory standards. Staff also identified four discrete topics it was seeking Council direction on, including:

- Height transitions
 - Confirming Architectural Review Board (ARB) approach to support a one-story transition in height;
- Approach towards negative effects of employment density
 - Confirming the use of Transportation Demand Management (TDM);
- Parking regulations considering the passage of Assembly Bill (AB) 2097
 - Confirming implementation of AB 2097 and using parking maximums instead of parking minimums; and,
- Height for future affordable housing site near Matadero Creek (Sobrato/City DA)
 - Confirming height up to seven stories to allow for ground floor commercial and/or at and above grade parking.

After hearing the presentation, the Council received public testimony and provided staff with questions to be answered at a subsequent meeting. The Council continued the item to November 14, 2022. This memo provides responses to those questions.

City Council Questions

1. *Describe an enforceable Transportation Demand Management (TDM) program.*

TDMs are described in the Palo Alto Municipal Code (PAMC) Chapter 18.52.050(d). Initial monitoring reports are due within the first two years of implementation and annually thereafter. Reports are reviewed by staff to ensure compliance with targets. The enforceability of TDM depends on establishing clear and readily verifiable performance measures and staff resources. Where the monitoring reports indicate that performance measures are not met, the director in collaboration with the City's Chief Transportation Official may require program modifications and may impose administrative penalties if identified deficiencies are not addressed within six months.

2. Describe how additional height may be applied to the properties between Park Boulevard and the train tracks.

Height limits could be increased in that area for residential and residential mixed-use development. Staff did not receive direction from the Council regarding any additional increases in residential density for the overall NVCAP buildout. Residential was not contemplated in that area for the preferred alternative since few properties would be available for redevelopment and they were not considered opportunity development sites.

If the Council desires, the height limit for residential development could be set between 55-60 feet to accommodate a five-story all residential building or taller for a five-story residential above one or two levels of commercial development.

3. Estimate the job creation versus housing impact for NVCAP Alternative 3B.

Alternative 3B anticipated 1,490 new dwelling units. Alternative 3B needed 580 dwelling units to support the plan's proposed new jobs.

4. What would be the job generation impact of implementing Metropolitan Transportation Commission (MTC) Transit Oriented Communities (TOC) 2.0 to 4.0 Floor Area Ratio (FAR) for office?

Implementing the TOC policies on GM, CS and CN properties within the NVCAP and assuming that all new square footage would be office equates between 2,952 and 6,674 new jobs. The preferred plan does not assume job growth because loss of office square footage will support new residential and park space.

5. What is the status of the MTC TOC proposed policies and should we participate in the final formation of that if it is not codified?

The MTC adopted the TOC policies on September 28, 2022. MTC anticipates a few years to implement the policies to tie to their future grant funding programs.

6. *Legally are we able to have affordable standards that would favor greater social and economic diversity for previously disenfranchised communities?*

Staff is continuing to research this issue and anticipates being able to provide an update at the meeting.

7. *Provide a summary of Assembly Bill (AB) 2097.*

AB 2097 prohibits a city from imposing parking requirements on developments that are within 1/2 mile of a major public transit stop, as defined in state law. The bill includes limited exceptions in the event a city can make certain findings, supported by a preponderance of the evidence. To take advantage of these exceptions, the City would have to develop evidence to support findings that the absence of parking requirements would have a substantially negative impact on:

- 1) the City's ability to meet its share of RHNA for lower income households;
- 2) the City's ability to meet special housing needs identified in its housing element for the elderly or persons with disabilities; or
- 3) existing residential or commercial parking within one-half mile of the housing development project.

Of these three options, the third appears to have the broadest applicability; however, it only speaks to housing development projects. In other words, this would not be a basis for imposing parking requirements on commercial projects under AB 2097. In addition, where housing projects are concerned, AB 2097 provides several exceptions to these exceptions. For housing projects, a city may not use these findings to impose parking requirements if: 1) the project reserves at least 20 percent of its units for moderate income households, students, elderly persons, or persons with disabilities; 2) the project contains fewer than 20 units; or 3) the project is subject to other state laws that permit reduced parking. In short, there is only a very limited class of projects for which the City could utilize findings to impose parking requirements: large housing projects that do not provide at least 20 percent of units for moderate income households, students, elderly persons or persons with disabilities.

8. *What are the Electric Vehicle (EV) charging requirements for the NVCAP?*

Projects will comply with the PAMC and the applicable California Building Code. The following will be required with the adoption of the upcoming Building Code for new projects:

One/Two/Townhouse dwellings:

The property owner shall provide One Level 2 electrical vehicle supply equipment (EVSE) or one EV ready space for each residence (except for accessory dwelling unit (ADU)).

Multi-family dwellings:

The property owner shall provide at least one Level 2 EVSE or one Level 2 EV Ready space for each residential unit in the structure.

Other Non-Residential:

For building with 10 to 20 parking spaces, the property owner shall provide at least 20% EV Capable or EVSE-Ready space, and at least 20% Level 2 EVSE installed of the total parking spaces. For building with over 20 parking spaces, the property owner shall provide at least 15% EV Capable or EVSE-Ready space, and at least 15% EVSE installed for of the total parking spaces.

9. Provide summary of California History Registry.

The building at 200 Portage Avenue, also known as 340 Portage Avenue, is eligible for listing in the California Registry of Historic Resources (CRHR) under Criterion 1 (Events) at the local level. The significance of the building is related to its association with Palo Alto's fruit and vegetable canning and is a rare surviving example of Palo Alto and Santa Clara County's agricultural past. It therefore is a historical resource pursuant to Section 15064.5(a) of the CEQA Guidelines.

10. What are the heights of Park Plaza apartment building and the other project on Park Boulevard?

Park Plaza is 38' to 43' with a 60' tower element. The other adjacent site (3045 Park Boulevard) is 31' (37' to elevator and 41' to equipment screen).

11. What are the impacts to housing for the R1 to multi-family housing transition if we did not implement?

If the code does not change, then the height limit would remain 35 feet for the affected El Camino Real properties. Because of the daylight plane, shorter buildings may be placed closer to the R-1 property. Development on these properties may result in a three-story building. If staff's recommendation is followed, then the building would be allowed an additional story, but upper stories will be placed farther away from the R-1 property because of implementing the daylight plane.

12. How does the future below market rate (BMR) project site affect the historic aspect of the cannery building?

To some extent the conceptual project referenced in the question has been studied as an alternative project in the draft environmental impact report for the Sobrato/City development agreement and accessible online.¹ However, a further environmental review may be needed when an actual project is prepared to potential impacts to cultural resources in the area.

13. Regarding Slides 13 and 14, is the 65-foot height recommended by staff the same or different than what was presented previously?

¹ DEIR 200 Portage Townhome Project: https://www.cityofpaloalto.org/files/assets/public/planning-amp-development-services/new-development-projects/200-portage/200-portage-ave-townhome-project_draft-eir.pdf

The Council previously endorsed heights for 100% affordable housing projects with five-story all residential or six-story residential-mixed use. A five-story residential building can be accomplished within 55 feet and a six-story residential mixed-use building can be accomplished within 65-70 feet. Staff is seeking clarification as to whether additional height flexibility should be incorporated for this specific site to accommodate additional parking in a one or two level at and above grade parking structure to support the affordable housing project and potentially some additional public parking or tall ceiling retail space. Accordingly, staff seeks Council guidance to consider heights up to 75-80 feet at this specific location. Should the Council prefer to allow the greater height flexibility now it may eliminate the need to amend the NVCAP shortly after adoption later next year – if greater height is ultimately desired.

14. Has anyone built above these parking maximums and how this has worked elsewhere - why would we adopt it?

The following cities have implemented parking maximums within the Bay Area: Sunnyvale, Redwood City, Berkeley, Gilroy, Alameda, Novato, Oakland, and San Francisco. The following are reasons supporting a parking maximum strategy and provided for on the MTC website:

- Limits the amount of excess parking built, particularly in areas where walking and multimodal mobility are most viable as alternatives to driving.
- Reduces traffic congestion and vehicle miles travelled (VMT) by reducing parking activity.
- Reduces housing costs by reducing the cost of constructing parking and increasing the potential number of units that can be developed.
- Emphasizes the expectation of reduced parking needs in key development areas.

The Fehr & Peers 2018 Multi-family Rental Residential Development parking rate study prepared for the NVCAP supported minimums endorsed by the Council because higher parking rates are expected to lead to oversupply. Establishing a parking maximum approach would be consistent with the NVCAP goals but this strategy is not required and the Council may decline this staff recommendation.

Notwithstanding the answers to the above questions, staff again is only seeking minor discrete refinements to affirm direction of the NVCAP plan. Should Council wish to provide direction in other areas of the plan, staff may need to assess the workload and other resources required. Substantive changes in direction is expected to further delay this effort and may jeopardize the City's ability to recover costs for plan preparation, calling into question the value of proceeding with this planning effort.