



CITY OF
**PALO
ALTO**

Architectural Review Board Staff Report

From: Jonathan Lait, Planning and Development Services Director
Lead Department: Planning and Development Services

Meeting Date: August 17, 2023
Report #: 2306-1723

TITLE

PUBLIC HEARING / QUASI-JUDICIAL. 800 San Antonio Road [23PLN-00010]: Consider the Applicant's Request for Approval of a Planned Home Zoning (PHZ) to Allow for a Rezoning to Planned Community/Planned Home Zoning. The project includes a request for approval of a subdivision map to merge two adjacent lots to create a resulting 0.88-acre parcel and to construct 76 residential ownership units, 16 of which would be below-market rate units (21% of the units). The proposed building is 5-stories with two levels of subterranean parking. Environmental Assessment: The City is preparing an Environmental Impact Report Addendum to the previously certified Housing Incentive Program Expansion and 788 San Antonio Mixed-Use Project EIR (SCH # 2019090070). Zoning District: CS (Commercial Service). For More Information Contact the Project Planner Emily Kallas at Emily.Kallas@CityofPaloAlto.org.

RECOMMENDATION

It is recommended that the Architectural Review Board (ARB) take the following action(s):

1. Staff recommends the Architectural Review Board (ARB) conduct a public hearing and provide feedback on the project design to staff and the applicant, then continue the hearing to a date uncertain.

EXECUTIVE SUMMARY

The applicant requests approval to rezone two Commercial Service (CS) zoned parcels located at 800 and 808/814 San Antonio Road to "Planned Home Zone" (PHZ)¹ in accordance with Palo Alto Municipal Code (PAMC) Chapter 18.38 (Planned Community Zoning). The parcels would be merged under a separate subdivision map application, and the resulting parcel would be redeveloped with a five-story, 76-unit for-sale, residential building. Sixteen of the inclusionary units would be provided as below-market rate units (21%).

¹ Referred to in this report as "Planned Home Zoning" 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

In accordance with the PC rezoning process set forth in PAMC Chapter 18.38, the ARB reviews the Development Plan following a prescreening with Council and initial review by the Planning and Transportation Commission (PTC), both of which have occurred, as discussed further in this report. Following the ARB's recommendation, the Development Plan and the Planned Community Ordinance would be reviewed by the PTC and Council for a formal recommendation and decision, respectively.

The application is subject to the California Environmental Quality Act (CEQA). The City is currently preparing an Addendum to the San Antonio Housing Incentive Program (HIP) Expansion and 788 San Antonio Mixed-Use Project EIR (SCH # 2019090070) to evaluate the project in accordance with CEQA.

Staff requests initial feedback from the ARB on the project as it relates to the ARB findings for approval. No formal recommendation is requested at this time. The project will return to the ARB for a formal recommendation following completion of the EIR addendum and staff review of the plans by all departments.

BACKGROUND

Project Information

Owner:	TS 800 SA LLC
Architect:	Jordan Rose, Lowney Architecture
Representative:	N/A
Legal Counsel:	N/A

Property Information

Addresses:	800 San Antonio Road (APN 147-03-038), 808-814 San Antonio Road (APN 147-03-043) Parcels to be merged.
Neighborhood:	South side of San Antonio Road; The Greenhouse residential neighborhood is on the north side of San Antonio Road
Lot Dimensions & Area:	Merged parcel is approximately 200 ft wide x 178-198 ft deep. Total area of 38,194 sf (0.88 ac)
Housing Inventory Site:	Yes, but only for the 808-814 San Antonio parcel with a capacity of 7 units
Located w/in a Plume:	No
Protected/Heritage Trees:	One 8" coast live oak street tree to be removed to accommodate the driveway access; 5 protected (15" or greater) proposed for removal
Historic Resource(s):	The City is currently evaluating the sites to determine whether any of the existing buildings are historic as part of the environmental analysis (see further discussion below).
Existing Improvement(s):	800 San Antonio: 6,000 sf, one-story, built 1956

808-814 San Antonio: Two approximately 2,480 and 2,880 sf one-story buildings, built 1956

Existing Land Use(s):

Car Rental, Personal Services, Office

Adjacent Land Uses &

North: Car Rental (CS)

Zoning:

West: Industrial use (City of Mountain View)

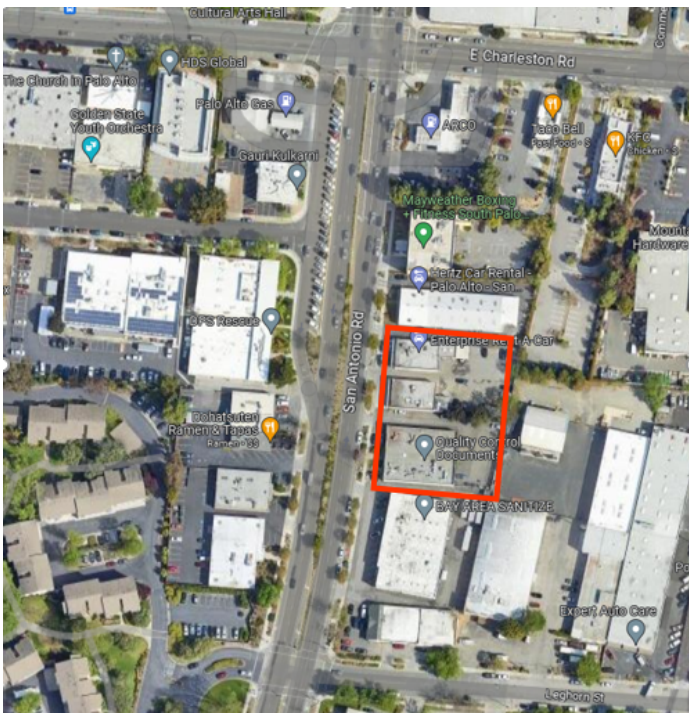
East: Office, Religious Use, Restaurant (GM)

South: Proposed 788 San Antonio Mixed-Use Project (CS)

Special Setbacks:

24 ft along San Antonio Road

Aerial View of Property:



Source: Google

Land Use Designation & Applicable Plans

Comp. Plan Designation:

Service Commercial (CS)

Zoning Designation:

Service Commercial (CS)

	Yes		Yes		Yes
Baylands Master Plan/Guidelines (2008/2005)	<input type="checkbox"/>	El Camino Real Guidelines (1976)	<input type="checkbox"/>	Housing Development Project	<input checked="" type="checkbox"/>
Downtown Urban Design Guidelines (1993)	<input type="checkbox"/>	South El Camino Real Guidelines (2002)	<input type="checkbox"/>	Utilizes Chapter 18.24 - Objective Standards	<input type="checkbox"/>
Individual Review Guidelines (2005)	<input type="checkbox"/>	Within 150 feet of Residential Use or District	<input type="checkbox"/>	Context-Based Design Criteria applicable	<input checked="" type="checkbox"/>
SOFA Phase 1 (2000)	<input type="checkbox"/>	Within Airport Influence Area	<input type="checkbox"/>	Annual Office Limit	<input type="checkbox"/>
SOFA Phase 2 (2003)	<input type="checkbox"/>	Housing Incentive Program	<input checked="" type="checkbox"/>		<input type="checkbox"/>

Prior City Reviews & Action

City Council:

Council held a prescreening on August 15, 2022.²

PTC:

The PTC held a hearing on June 14, 2023 and recommended to forward the plans to the ARB for review, with PTC comments for consideration.³

HRB:

None

ARB:

None

Council Prescreening

The Council provided feedback on a conceptual plan at the August 15, 2022 study session. The project is substantially similar to what was presented at prescreening, including but not limited to, the same height, floor area, and lot coverage. The project provides one more unit than what was originally proposed and has provided some of the units a deeper level of affordability (5 at very low and 4 at low income), consistent with Council's feedback.

- Council recognized there is a lack of transit and multi-modal options along this corridor and generally encouraged consideration of improvements to multi-modal transit (e.g. bike infrastructure) both from the applicant and more holistically from city staff
- Indicated concerns about trash pick-up and loading along the busy road

² The staff report for the Council study session held on August 15, 2022 is available online at: <https://bit.ly/3qxtgnO> . The Meeting minutes for this study session are available online at: <https://bit.ly/45OpNBj>

³ The staff report for the June 14, 2023 hearing on this item is available online at: <https://bit.ly/442fMyw>. The meeting minutes are available online at: <https://bit.ly/4446MZY>.

- One councilmember indicated a desire for more smaller units, though most councilmembers were supportive of the mix provided and opportunities for family units.
- There was mixed discussion on the increased height though most felt that the height seemed appropriate to accommodate the proposed density.
- Generally encouraged maintaining some amount of retail on site (min. 1500 sf consistent with the retail preservation ordinance requirements) stating that public facilities should continue to be provided to allow for amenities in the area that support the increased density
- Encouraged deeper affordability and/or increased number of affordable units beyond the minimum 20% that has been expressed as the minimum Council would consider for PHZ projects. Encouraged a tie between the amount of exceptions being requested to base zoning and to the amount of public benefit being provided (in the form of affordable units/affordability levels).

Initial PTC Review

Generally, commissioners expressed that that the requested exceptions to the code were minor and appropriate. They appreciated the larger size of units proposed. There was discussion regarding the affordability mix, with some feeling what is proposed seems reasonable and others wanting a higher level of affordability. Comments from commissioners encouraged the following:

- Additional greenery, particularly in the front setback, including street trees
- Additional attention toward bike infrastructure, both in on-site storage of bikes and potential to add a bike lane on San Antonio Road.
- A loading space provided on-site rather than on San Antonio Road.
- Provide a larger courtyard and better access to sunlight to better serve the residents
- More sustainability elements to the building, such as a cool roof

They also noted various points of inconsistency throughout the plan set, many of which have since been addressed.

PROJECT DESCRIPTION

The proposed project includes demolition of approximately 11,300 sf of commercial uses (office, retail and personal services) located at 800 and 808-814 San Antoni Road, a subdivision map to merge the two parcels, resulting 0.88 acre parcel, and redevelopment of resulting parcel with a five-story, exclusively residential building (for-sale) that includes two levels of subterranean parking. The project includes a total of 76 units, 16 of which would be provided at below market rate (21% of the units). Seven of these would be sold at prices that are affordable to very low income, five of these at low income, and four of these at median income to respective, qualifying households. The proposed development would include a common use interior courtyard, private balconies/patios for most units, and amenity spaces for residents. The project requires a rezoning in accordance with a PHZ/PC rezoning process to accommodate the following exceptions to the development standards:

- Height increase (60 ft where 50 feet is allowed)
- Floor area ratio (2.99: 1 where 0.6:1.0 is allowed)
- Lot coverage (65% where 50% is allowed)
- Open Space minimum dimensions (5'1" balconies where 6' minimum dimension is required)
- 6" encroachment into special setback
- No replacement of ground floor retail and retail-like uses

A location map is included in Attachment A. The Development Plan (Project Plans) are included in Attachment E. The Project Description is included in Attachment D.

Requested Entitlements, Findings, and Purview:

The following discretionary application is being requested and is subject to the ARB's purview:

- **Planned Community (PC/PHZ) Rezoning:** The process for evaluating this type of application is set forth in Palo Alto Municipal Code Section 18.38.065. Planned Community rezoning applications require review by the PTC and the Architectural Review Board, a final review of a development plan for review and recommendation by the PTC, and a decision by the Council. The findings under 18.38.060 must be made in the affirmative for project approval. The Architectural Review Board makes a recommendation on the development plan in accordance with the findings for architectural review in Section 18.76.020 pursuant to 18.38.065(b). These findings are included in Attachment B. For housing projects rezoning to PC (labeled "Planned Home Zoning") council expressed an expectation that projects provide at least 20% BMR)

The following discretionary application is requested that is not subject to the ARB's purview:

- **Vesting Tentative Map:** The process for evaluating this type of application is set forth in Title 21 of the Palo Alto Municipal Code (PAMC) and California Government Code 66474. The process for approval of a Vesting Tentative Map for a merger and condominium subdivision is outlined in PAMC Sections 21.12.010 and 21.13.020. Vesting Tentative maps require Planning and Transportation Commission (PTC) review. The PTC reviews whether the amended subdivision is consistent with the Subdivision Map Act (in particular Government Code 66474), Title 21 of the Palo Alto Municipal Code, the Palo Alto Comprehensive Plan, and other applicable provisions of the Palo Alto Municipal Code and State Law. The PTC's recommendation is forwarded to the City Council for final approval.

ANALYSIS

Staff has analyzed the project in accordance with applicable plans, goals, policies, regulations and adopted guidelines, as discussed further below. The project is still being evaluated in accordance with the California Environmental Quality Act and is still being reviewed by various City departments for consistency with the Municipal Code and other relevant standards and regulations. Therefore, this is an initial analysis and may be modified as the plans are revised through the public process.

Neighborhood Setting and Character

The proposed project site is located on the east side of San Antonio Road between Leghorn Road and East Charleston Road. The surrounding uses are mostly one- to two-story buildings with commercial/personal services, office use, and similar uses. The site is adjacent to an approved mixed use, 4-story building at 788 San Antonio which is currently in the building permit process. Council approved application of the Housing Incentive Program (HIP) to a portion of San Antonio Road between Middlefield Road and E. Charleston Road, including the subject property. The approved ordinance allowed for higher density residential uses along a portion of the San Antonio Road corridor and is anticipated to change the overall character of the neighborhood in this area from low-density commercial uses to high-density residential uses over time. The environmental analysis for the approved ordinance evaluated a total increase of up to 818 new units within this area. This is the second formal application received within the area evaluated as part of the HIP expansion.

Consistency with the Comprehensive Plan

Staff is still evaluating the proposed project for consistency with all of the relevant goals and policies of the Comprehensive Plan and will have a consistency analysis available when the project returns for a formal recommendation. But generally, this property's land use designation is Service Commercial (CS). The Service Commercial Designation is described in the Comprehensive Plan as:

"Facilities providing citywide and regional services and relying on customers arriving by car. These uses do not necessarily benefit from being in high volume pedestrian areas such as shopping centers or Downtown...In some locations, residential and mixed-use projects may be appropriate in this land use category. Examples of Service Commercial areas include San Antonio Road, El Camino Real, and Embarcadero Road northeast of the Bayshore Freeway. Non-residential FARs will range up to 0.4. Consistent with the Comprehensive Plan's encouragement of housing near transit centers, higher-density, multi-family housing may be allowed in specific locations."

The project includes high density housing along San Antonio Road, consistent with this land use designation. Additionally, one of the parcels (APN 147-03-043 at 808 San Antonio Road) is included in the 2023-2031 Housing Element Sites Inventory, with an expected capacity of 7 units. The proposed project merges parcels to allow for additional capacity. The proposed 76 units exceed the Housing Inventory expectations; this is beneficial for providing needed housing units. High-density housing on a housing inventory site is consistent with the Comprehensive Plan.

Zoning Compliance⁴

Staff has prepared a detailed review of the proposed project's consistency with applicable zoning standards (Attachment B). The proposed project complies with all applicable codes or is otherwise seeking to deviate from the standards through the PHZ process. Specifically, as

⁴ The Palo Alto Zoning Code is available online: bit.ly/PAZoningCode

discussed above the project description and detailed in Attachment C, the applicant is requesting to deviate from the code standards as follows:

In detail, the PHZ request includes the following changes from the based zoning:

- Proposed 60 ft in height where 50 ft is allowed
- Proposed 65% lot coverage where 50% is allowed
- Proposed 2.99 FAR where 0.6 is allowed (up to 2.0 under HIP)
- Open Space minimum dimensions (5'1" balconies where 6' minimum dimension is required)
- Balconies encroach 6" into special setback
- No replacement of ground floor retail and retail-like uses

The PC Special Requirements set forth in PAMC 18.38.150 do not apply because the project site is not within 150 feet of a residentially zoned property. No maximum density is stipulated for projects within the CS district along San Antonio Road between E. Charleston Road and Leghorn Road. Some of the balconies protrude 1 foot into a required setback as is allowed in accordance with the zoning code requirements.

Height

The proposed height of the building is 60 feet, as measured to the top of the parapet, which is above the maximum height in the CS zone of 50 feet. Mechanical equipment is generally allowed to be 15 feet above the height limit. The applicant is proposing mechanical equipment, screening, and access at seven feet above the roof surface (55 feet) for a height of 62 feet in total height. There is no daylight plane requirement for this project.

Floor Area and Lot Coverage

This project is proposing a lot coverage of 65% where 50% is allowed, and a FAR of 2.99:1 where 0.6:1 is allowed. The applicant has stated that approval of this increase would serve to accommodate more larger units, as 3-bedroom apartments can better serve families. Staff notes that as an alternative to the proposed rezoning, the Code allows for use of the Housing Incentive Program (PAMC 18.16.060(k)), which eliminates the lot coverage requirements, and allow for a floor area ratio of 2.0:1. However, the rezoning is requested because the FAR (among other requests that wouldn't be covered under the housing incentive program) exceeds that allowance.

Landscaping & Open Space

As shown on Sheet A0.11, the majority of the units have a balcony, with a median size of 72 sf. Four of the units along the rear do not have any private outdoor space because it would conflict with the onsite drainage bioswale. Additionally, the private balconies are only 5'1" in depth, which does not qualify as usable open space under the Zoning Code. The Zoning Code does allow balconies to protrude into the side and rear setbacks with certain limitations, which is not being utilized fully in the current plan. The applicant requests approval to reduce the required width of private balconies so that these private open spaces may qualify as open space. Staff recommends that the balconies be revised to meet the 6' minimum dimension requirement so that they may

count toward useable open space. This can be done while still meeting the setback requirements in the code.

The central courtyard is 1,927 sf and provides communal open space with landscaping and seating. The front yard setback, labeled as “open space” on Sheet A0.6 provides approximately 4,557 sf of landscaped space, though it would be planted with shrubs and therefore does not qualify as useable open space. The rear yard setback is less than 12 ft wide and is primarily a drainage swale, therefore it does not count towards usable open space.

Including balconies and the courtyard there is an average of approximately 125 sf of open space per unit, when 150 sf per unit would be required by the CS zone. Staff encourages the ARB to comment on how the frontage may be reprogrammed to qualify as useable open space.

Staff also notes that the plans do not currently provide sufficient information to show compliance with the City’s Tree Protection Ordinance and no net loss of canopy requirements. Urban Forestry has provided comments to this effect and will review revised plans for consistency with PAMC Section 8.10.

Setback

The balconies along the frontage encroach 6” into the special setback but also do not meet the minimum 6’ dimension requirement. Staff encourages the ARB to provide feedback on this design and whether the balconies should be designed to encourage the minimum necessary while still meeting the useable open space requirements or otherwise be revised to not encroach into the setback.

Ground Floor Commercial

The City’s ground floor retail preservation ordinance (PAMC Section 18.40.180) requires preservation of the 5,360 sf of ground floor retail and retail-like uses on the site. However, PAMC Section 18.40.180(c) does provide a partial waiver for high-density housing within the CS zone district on sites that do not have a retail or ground floor combining district. This partial waiver allows for only 1,500 sf of the retail or retail-like uses to be replaced. The site is not located within a ground floor or retail combining district and proposes a high-density residential use and is therefore eligible for this partial waiver. However, the applicant is proposing to not replace any retail on the site, an allowance typically reserved for affordable housing projects.

Architecture & Materials

Although it is not required, this project was analyzed for consistency with the Objective Design Standards set forth in PAMC Chapter 18.24. The project is substantially in compliance with the standards, with the following notable exceptions:

- No benches are proposed near the front entrance (18.24.020(b)(4)(B))
- Contextual stepbacks and daylight planes for the sides of the building, which are more than 20ft taller than the adjacent building, are not proposed (18.24.050(b)(1))
- The proposed balconies are approximately 5ft in depth where 6ft would be required (18.24.080(b)(1)(A))

- Sustainability practices have not yet been detailed (18.24.100)

No project is currently proposed at 816 San Antonio Road to the North; however, a building permit is currently under review for redevelopment of 788 San Antonio Road. Therefore, the site is anticipated to be redeveloped with a building that is much taller than the existing structure. Therefore, the ARB's input on whether contextual stepbacks would be appropriate based on the changing landscape is requested.

The proposed materials include fiber cement panels, perforated metal panels, metal trim, and glass balcony rails. The proposed colors include a creme-white body of the building, with a medium gray ground floor, and slate gray detail wall framing the front facade. Brown metal panels act as fences on the ground level, and blue metal panels act as an awning detail around some of the side-facing windows.

The materials and scale should be considered in context with 788 San Antonio. 788 San Antonio's materials include corten steel on the front façade, stucco walls, and wood siding used as a detail framing around banks of unit balconies. The proposed project is 1-2 stories higher, as 788 San Antonio varies from three to four stories. 788 San Antonio has a maximum height of 43'10" compared to the proposed project. The streetscape shown on plan sheet A0.4 is not accurate in terms of height.

Parkland Dedication

As a condominium project, the Parkland Dedication requirement applies. With 76 units, 27,816 sf of parkland would typically be required. The applicant is working with the Community Services Department (CSD) to consider in-lieu fee options, which would require Council approval. CSD generally prefers larger parcels (preferable 2-acres or greater) for public parks and Council has approved in-lieu payment in the past for projects. However, this request is still being reviewed, especially in the context of anticipated future development along this corridor to evaluate the best management of parkland dedication for this area of the City.

Multi-Modal Access & Parking

This project application does not include a request for a parking reduction; 144 parking spaces are proposed in conformance with PAMC 18.52.040. This is appropriate, because as noted in the Comprehensive Plan description of the area, public transportation options are limited. This project is not located along a Safe Route to School, though San Antonio Road south of Middlefield is a Safe Walking Route. Future residents could access E Charleston Street which is a Safe Route to School for Fairmeadow Elementary School, and Stanford Middle School. The site is also .6 miles from Greendell School (PAUSD Preschool). The HIP EIR also anticipates pedestrians accessing Mitchell Park and Mitchell Park Library.

A loading space is currently proposed along the sidewalk in the parking strip on San Antonio. The Office of Transportation is exploring options to add a bike lane along this portion of San Antonio Road, to serve the overall HIP expansion area.

STAKEHOLDER ENGAGEMENT

As required by the Palo Alto Municipal Code, notice of this public hearing was published in a local paper (*Daily Post*) on August 4, 2023 and mailed to owners and occupants of property within 600 feet of the subject property at least ten days in advance.

As of the writing of this report, no project-related public comments have been received on the formal application. However, comments received during the prescreening process included encouragement of more greenery and amenities that continue to support the housing as it is built out. They also encouraged Council to further prioritize a Coordinated Area Plan for the development of this corridor, especially for the purposes of a holistic approach to improving multi-modal infrastructure.

ENVIRONMENTAL REVIEW

The subject project is being assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. The City is preparing an Addendum to the Housing Incentive Program Expansion and 788 San Antonio Road Mixed-Use Project Environmental Impact Report (EIR). The certified EIR evaluated up to 94 units or 107 du/ac on this parcel. Therefore, the EIR addendum will provide clarifying information about the project proposed and is not anticipated to result in any new or more significant impacts than what was evaluated in the certified EIR because only 76 units are proposed. Staff will return for a formal recommendation following the completion of the environmental analysis. Historic review of existing structures is being analyzed as a requirement of EIR Mitigation CUL-1.

ATTACHMENTS

Attachment A: Location Map

Attachment B: ARB Findings for Approval

Attachment C: Zoning Consistency Analysis

Attachment D: Project Description

Attachment E: Project Plans

AUTHOR/TITLE:

Emily Kallas, Planner