

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending: Chapter 18.14
(Housing Incentives) of the Palo Alto Municipal Code to Implement Program 3.4E
of the 2023-2031 Housing Element to Expand and Revise Regulations for the El
Camino Real Focus Area; Making Conforming Amendments to Chapter 16.58
(Development Impact Fees)

SECTION 1. Findings and Declarations. The City Council finds and declares as follows:

- A. On May 8, 2023, the City Council adopted Resolution No. 10107, approving an Addendum to the Comprehensive Plan Environmental Impact Report (EIR), making various findings, and adopting the 2023-2031 Housing Element for the City of Palo Alto.
- B. On November 13, 2023, the City Council approved a Revised Addendum to the Comprehensive Plan EIR and introduced Ordinance No. 5608, rezoning sites in the 2023-2031 Housing Element Sites Inventory to accommodate the City's Regional Housing Needs Allocation.
- C. On April 15, 2024, the City Council adopted Resolution No. 10155, making various findings, adopting a Revised 2023-2031 Housing Element, and authorizing the Director of Planning and Development Services to take further actions necessary to achieve certification of the Housing Element by the California Department of Housing and Community Development (HCD).
- D. On August 19, 2024, HCD found that the Revised 2023-2031 Housing Element, as further modified on July 17, 2024, was substantially compliant with state law.
- E. Program 3.4E of the City's Revised 2023-2031 Housing Element directs the City to expand the geographic boundaries of the El Camino Focus Area to incentivize housing production in appropriate locations.
- F. On _____, 2025, the Planning and Transportation Commission considered and recommended that the City Council adopt this ordinance to implement the 2023-2031 Housing Element.

SECTION 2. Section 18.14.020 (Housing Element Opportunity Sites) of Chapter 18.14 (Housing Incentives) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended to read as follows (additions underlined; deletions ~~struck through~~; and unchanged text omitted with bracketed ellipses):

18.14.020 Housing Element Opportunity Sites and Focus Areas

This ~~sub~~section implements the rezoning required to meet the RHNA in the 2023-2031 Housing Element, pursuant to Appendix D. Regulations identified in Table 1 and Table 2 modify and replace development standards provided in base zoning district and applicable combining district

regulations. This section additionally provides regulations for Housing Focus Areas in portions of El Camino Real and in the GM/ROLM districts that further the goals of the Housing Element.

- (a) Applicability: This subsection applies to Housing Development Projects, as defined in Cal. Gov't Code § 65589.5, on Housing Element opportunity sites listed in Appendix D and on sites within the GM/ROLM and El Camino Real Focus Areas depicted in Figure 1 and Figure 3.

[...]

- (c) Development Standards: Refer to base zoning district and applicable combining districts for development standards except:

(i) Residential uses on R-1 zoned sites (faith-based institutions) shall be subject to the development standards for the RM-30 zoning district, pursuant to Chapter 18.13.040, except that Maximum FAR shall be 1.25 and minimum density shall be 20 units per acre.

(ii) RM-20, RM-30, RM-40, CN, CS, CC, CC(2), CD-C, and CD-N zoned sites as modified by Table 1.

(iii) GM, ROLM, and RP zoned sites as modified by Table 2.

(iv) PF zoned sites shall meet the following development standards:

(A) Downtown sites: CD-C standards, pursuant to Table 1 below.

(B) California Avenue sites: CC(2) standards, pursuant to Table 1 below.

(v) Specific Stanford University-owned sites and El Camino Real Focus Area sites may, as an alternative to State Density Bonus Law, meet base district regulations as modified by Table 3. Housing Development Projects that utilize State Density Bonus Law shall be subject to base district standards or standards provided in Tables 1 and 2, as applicable. Additionally, El Camino Real Focus Area sites shall:

(A) Complete Major Architectural Review pursuant to Section 18.77.020.

(B) Provide 20% of total units as on-site below-market rate housing affordable to households earning up to 80% of AMI. This requirement shall apply in place of the basic requirements set forth in Sections 16.65.030 and 16.65.040. The below-market rate units and/or their square footage shall be exempt from payment of development impact fees.

(vi) Combining district design and development standards shall not apply to exclusively residential projects on housing opportunity sites designated in Appendix D of the Housing Element to accommodate lower income households.

[...]

Table 3

Site- Specific Development Standards (Stanford-Owned Sites ~~& and~~ El Camino Real Focus Area)

Location	Pasteur Dr. & and 1100 Welch Rd. ⁽¹⁾⁽³⁾ (Figure 2)	El Camino Real Focus Area ⁽¹⁾ (Figure 3)
<u>Minimum Setbacks (feet)</u>		
Minimum Front Setback	15 feet	<u>0 – 10 feet to create a 12-foot effective sidewalk width</u> See base-district regulations
<u>Rear and Interior Side</u>	<u>See base district regulations: 18.13.040</u>	<u>Abutting low density residential (RE, R2, NV-R2, RMD), R1, or NV-R1 zone district: 20 feet</u>
		<u>Abutting other residential zone district: 10 feet</u>
		<u>Abutting non-residential zone district: 10 feet for residential use; none for non-residential use</u>
<u>Street Side</u>		<u>5 feet</u>
Maximum FAR	3.5 (Total)	<u>Lot size => 10,000 square feet: 4.0 (Total)</u> <u>Lot size < 10,000 square feet: 3.0 (Total)</u>
Maximum Site/ Landscape Coverage	(2)	(2)
Maximum Lot Coverage	60%	<u>Lot size => 10,000 square feet: 80%</u> <u>Lot size < 10,000 square feet: 70%</u>
Maximum Density (du/ac)	None	None
Maximum Height ⁽⁶⁾ (feet)	85	<u>Lot size => 10,000 square feet: 85</u> <u>Lot size < 10,000 square feet: 65</u>
<u>Daylight Plane</u>	Sand Hill Rd. frontage only: initial height 60 feet above grade at the Sand Hill Rd. setback line and a 45-degree angle	<u>For lot lines abutting an R1 or NV-R1 zoning district:</u> <u>Initial height: 16 feet, measured at the property line</u> <u>Slope: 45 degrees</u> <u>Other locations: See base district regulations</u> for standards for daylight planes
<u>Height Transitions</u>	n/a	Within 100 ft. of low density residential (RE, R2, or RMD) or R1 single family zone district property line: 35 ft. Between 100 and 150 ft. of low density or R1 zone district property line: 45 ft.

Upper Story Step Back	None	El Camino Real frontage above 55 feet in height: minimum <u>106</u> -foot step-back from lower facade, for a minimum 70% of the facade length; and average setback from the property line for the entire facade shall be 20 feet⁽⁷⁾. See Figure 4.
Open Space	100 sq. ft. <u>square feet</u> /unit (any combination of common and/or private)	100 sq. ft. <u>square feet</u> /unit (any combination of common and/or private)
Minimum Residential Parking ⁽⁵⁾	0.5 spaces/unit	1 space/unit (Per AB2097: <u>10</u> space/unit within ½ mile of Caltrain)
Other Development Standards	See base district regulations: <u>18.13.040</u>	See base district regulations
Design Criteria/Standards	Compliance with Objective Design Standards pursuant to <u>18.24</u> ⁽⁴⁾	Architectural Review and compliance with either Objective Design Standards pursuant to Chapter 18.24 or Context-Based Design Criteria pursuant to base district regulations ⁽⁴⁾ .
<p>Notes:</p> <p>[. . .]</p> <p>(7) Average setback from the property line may be calculated by taking the area between the property line and the upper facade. This area, in square feet, shall be greater than or equal to the facade length multiplied by 20. Example: 200-foot facade length x 20-foot average setback + minimum 4,000 sq. ft. area of setback per floor. For purposes of this calculation, portions of the upper facade with a setback greater than 40 feet shall be treated as if the facade is located at 40 feet from the property line. For purposes of this calculation, roof projections and eaves up to four feet in depth shall be excluded.</p> <p><u>For the purposes of this development standards table, the following definitions apply:</u></p> <p><u>“Abutting” refers to parcels that share a property line, exclusive of parcels with intersecting corners, parcels separated by a street, or parcels under common ownership.</u></p> <p><u>“Lot Size” refers to the total lot area of a proposed project, which may be composed of one or more parcels, generally under common ownership, which may include parcels developed in phases over time.</u></p>		

[. . .]

Figure 4: Upper Story Step Back (El Camino Real Focus Area)

portions of buildings more than 49 feet from the property line shall be counted as 40 feet

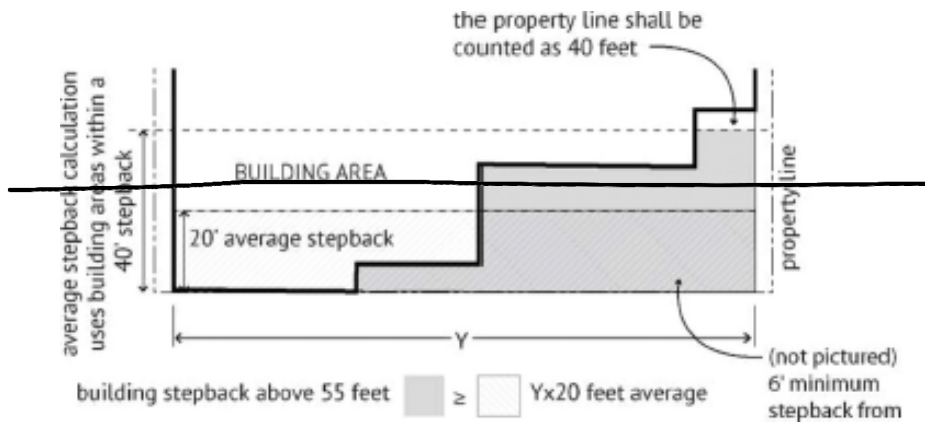
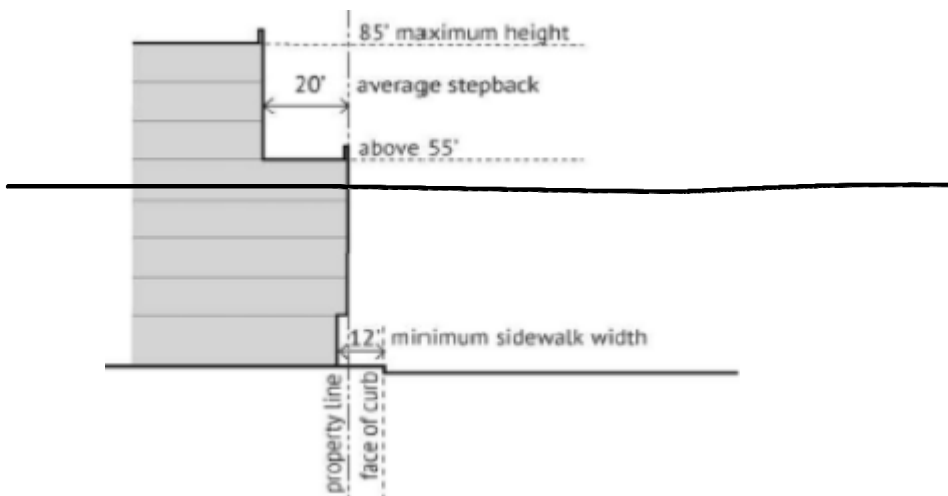


Figure 4b



SECTION 3. Section 16.58.030 (Exemptions) of Chapter 16.58 (Development Impact Fees) of Title 16 (Building Regulations) of the Palo Alto Municipal Code is hereby amended to read as follows (additions underlined):

16.58.030 Exemptions.

The provisions of this chapter shall not apply to the following:

- (a) City buildings or structures;
- (b) Public school buildings or structures;
- (c) Residential housing, either for sale or rental, which, by recordable means, is permanently obligated to be 100% affordable;
- (d) Retail service, eating and drinking service, personal service, or automotive service 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;

- (e) Day care centers used for child care, nursery school or preschool education;
- (f) Below market rate housing units above and beyond the minimum number required for projects subject to the City's Below Market Rate (BMR) Housing program. The additional units must be offered and constructed in a manner consistent with all requirements of the BMR program;
- (g) Accessory dwelling units (ADU) less than 750 square feet in size. Any impact fees to be charged for an accessory dwelling unit of 750 square feet or more shall be proportional to the square footage of the primary dwelling unit;
- (h) Junior accessory dwelling units (JADU);
- (i) Any residential subdivision for which land dedication or fees in lieu thereof are required pursuant to Chapter 21.50 of the Palo Alto Municipal Code. This exemption shall only apply to the park development fee described in Section 16.58.020(a).
- (j) Below market rate housing units constructed pursuant to the El Camino Focus Area standards set forth in Section 18.14.020 of the Palo Alto Municipal Code.

SECTION 4. If any section, subsection, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portion or sections of the Ordinance. The Council hereby declares that it should have adopted the Ordinance and each section, subsection, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid.

SECTION 5. In accordance with the California Environmental Quality Act (CEQA), the City prepared an Addendum to the 2017 Comprehensive Plan Environmental Impact Report (EIR), analyzing the potential environmental impacts of the 2023-2031 Housing Element. On May 8, 2023, the City Council adopted Resolution No. 10107, and on November 17, 2023, the City Council approved a Revised Addendum, finding that the Addendum, as revised, and the 2017 EIR adequately analyzed the environmental impacts of the Housing Element, including the Programs implemented by this ordinance.

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SECTION 12. This Ordinance shall be effective on the thirty-first day after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Assistant City Attorney

City Manager

Director of Planning and
Development Services