



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Planning and Development Services**

**Meeting Date: January 22, 2024**

Report #:2312-2391

### **TITLE**

QUASI-JUDICIAL. 420 Acacia [23PLN-00059]: Request for Approval of a Vesting Tentative Map to Allow for a Condominium Subdivision to Create 16 Units on a Single 35,573 Square Foot Parcel. The Subdivision map Would Facilitate Construction of the Previously Approved 33,833 Square Foot Mixed-use Development Project (23PLN-00058). Environmental Assessment: Exempt from the Provisions of the California Environmental Quality Act in Accordance with CEQA Guidelines Section 15332 (In-fill Development) and 15315 (Minor land Divisions). Zoning District: Split Zoning Designation of RM-30 and R-1 (Multi-Family and Single-Family Residential).

### **RECOMMENDATION**

Staff recommends that the City Council take the following action(s):

1. Find the project exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Section 15332 (infill) and 15315 (Minor Land Divisions); and
2. Approve the Vesting Tentative Map based on findings and subject to conditions of approval in the Draft Record of Land Use Action (RLUA) in Attachment B.

### **EXECUTIVE SUMMARY**

The applicant requests approval of a Vesting Tentative Map to allow 16 residential condominium units on a single, existing, 35,573 square foot (sf) parcel located at 420 Acacia Avenue. Through a separate, Streamlined Housing Development entitlement process, the applicant proposed, and the Director of Planning and Development Services approved, construction of a 16-unit residential townhome project, two units of which would be provided at below market rate. This is the City's first approved Streamlined Housing Development entitlement.

The Vesting Tentative Map also includes the necessary utility easements and dedication of private streets, in accordance with the City's Municipal Code and City of Palo Alto Utilities standards, which would be formally accepted by the City as part of the Final Map process. The project also includes a request for a waiver in accordance with State Density Bonus Law to

reduce the private street width, as detailed further in this report. An identical waiver request was approved as part of the housing development entitlement.

A location map is included in Attachment A. The proposed Vesting Tentative Map is linked in Attachment C.

## **BACKGROUND**

On March 8, 2023, Acacia El Camino Investors, LLC filed a Vesting Tentative Map application concurrently with a Streamlined Housing Development review application. In accordance with the Vesting Tentative Map Code Sections 21.13, the map application was deferred until all other entitlements were approved. Here, the associated entitlements for the proposed improvements were previously approved on December 6, 2023 following a study session with the Architectural Review Board on October 5, 2023.

The project includes a request for approval of a Vesting Tentative Map to create 16 condominium units (on a single parcel totaling 35,573 sf [0.8 acres]). Approval of the map also includes acceptance of proposed utility easements on the parcel, which are required per City of Palo Alto Utility standards, as well as a request for a waiver in accordance with State Density Bonus Law to reduce the private street width, as detailed further in this report.

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 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 and Council review 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.

The PTC reviewed the proposed project on December 13, 2023 and recommended approval of the proposed project (6-0; Reckdahl absent). Commissioners requested clarity on specific aspects of the improvements during the hearing, which are summarized in the analysis below.

Following the completion of this Vesting Tentative Map, the applicant is required to file for a Vesting Final Map. This would be placed on the Council consent agenda and must be in substantial conformance with the Vesting Tentative Map.

## **ANALYSIS**

The proposed project and relevant discussion and findings herein reflect the Vesting Tentative Map. The Director of Planning and Development Services previously approved the proposed site improvements associated with this condominium subdivision.

### Neighborhood Setting and Character

The project is located within the North Ventura neighborhood within 0.5 mile of the California Avenue Caltrain Station and adjacent a high-quality transit corridor on El Camino Real. The site abuts single-family residences to the north along Olive Avenue and commercial uses (e.g. retail and commercial recreation (Equinox gym) across Acacia Avenue. To the east, the Sobrato property (200-404 Portage) has been approved for redevelopment in accordance with a recently approved Development Agreement. Under the Development Agreement the portion of the former cannery building adjacent to 420 Acacia, part of which is currently occupied by Playground Global, would remain and continue to be occupied with the existing R&D tenants on the site. A parking structure would be developed adjacent to 420 Acacia, the ramp to which would connect to the shared driveway access at the east end of the site. To the west, a 129-unit affordable housing project has been approved to replace the surface parking lot between the subject property and El Camino Real.

#### Consistency with the Comprehensive Plan, Area Plans, and Guidelines<sup>1</sup>

The proposed Vesting Tentative Map is consistent with the Comprehensive Plan, in that the site is designated primarily as “Multifamily” land use category and will be developed as a multifamily development on that portion of the site. The map facilitates the redevelopment of a parcel within the City’s urban service area which is consistent Policy L-1.2 of the Comprehensive Plan. The associated development to be constructed on the lot would add new residential units that contribute to the housing inventory including two affordable housing units, consistent with Goal 2 of the Housing Element, which states “assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs of all economic segments of the community.” A Consistency analysis with other Comprehensive Plan policies are included in Attachment B of this report.

#### Zoning Compliance<sup>2</sup>

The site is zoned primarily as RM-30 (multi-family residential) with a small portion of the parcel zoned as R-1 (single-family residential). The proposed units are all located within the area of the site zoned R-30, while private and common open space is located within the area zoned R-1. The proposed multi-family development is a permitted use within the RM-30 Zone. The size of the parcel would not change and is consistent with code requirements for the RM-30 Zone District, which has a minimum lot size of 8,500 sf and minimum dimensions of 70 feet in width by 100 feet in depth. Staff finds that the proposed Vesting Tentative Map complies with these code requirements for parcels.

#### *Private Street Width*

The proposed project includes new private streets that do not meet the minimum width of 32 feet set forth in PAMC 21.20.240. The applicant requested a waiver from this development standard in accordance with State Density Bonus Law to allow for a private street that is 22 feet in width. Approval of this waiver was granted as part of the approval of the proposed

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<sup>1</sup> The Palo Alto Comprehensive Plan is available online: [bit.ly/PACompPlan2030](https://bit.ly/PACompPlan2030)

<sup>2</sup> The Palo Alto Zoning Code is available online: [bit.ly/PAZoningCode](https://bit.ly/PAZoningCode)

development under the Streamlined Housing Development Project review. The waiver also applies to the subdivision map process. The proposed improvements, including the street width, were reviewed by all departments as part of the Streamlined Housing Development review process. Reviewers included, but were not limited to, City of Palo Alto Fire Department, Public Works Engineering, Office of Transportation and the Building Department. The proposed project, with the proposed 22-foot street width, meets all safety requirements, including, but not limited to, fire safety and traffic safety.

#### Findings for Approval

The necessary findings for approval of the Vesting Tentative Map are contained in State law and incorporated into Title 21 of the Municipal Code. Under the Subdivision Map Act, Council must make a series of “reverse” findings to justify approval. If the findings cannot be made, the subdivision must be approved. In particular, under Government Code Section 66474, Council shall recommend denying a Tentative Map if it makes any of the following findings:

- a) That the proposed map is not consistent with applicable general and specific plans.
- b) That the design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.
- c) That the site is not physically suitable for the type of development.
- d) That the site is not physically suitable for the proposed density of development.
- e) That the designs of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.
- f) That the design of the subdivision or type of improvements is likely to cause serious public health problems.
- g) That the design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.

A detailed review of the proposed project’s consistency with applicable Title 21/Subdivision Map Act findings is included in Attachment B.

#### **FISCAL/RESOURCE IMPACT**

The developer would be required to pay all applicable development impact fees, currently estimated to total \$1,093,305 for the subdivision and the proposed improvements, plus the applicable public art fees, as documented in Condition of Approval #6 in Attachment B and detailed further in Condition of Approval #15 in the Approval Letter for the Streamlined Housing Development Project Review Approval.

#### **STAKEHOLDER ENGAGEMENT**

The Palo Alto Municipal Code requires notice of this public hearing be published in a local paper and mailed to owners and occupants of property within 600 feet of the subject property at least ten days in advance. Notice of a public hearing for this project was published in the Daily

Post on January 12, 2023, which is 10 days in advance of the meeting. Postcard mailing occurred on January 9, 2023.

### Public Comments

One member of the public provided a comment during the PTC hearing. The resident, whose family owns several of the lots along Olive Avenue, expressed that the project generally fits into the neighborhood and they appreciated the developer's efforts to reach out to residents during the process.

Comments received on the proposed Streamlined Housing Review application are outlined in the Architectural Review staff report.<sup>3</sup> Key comments from nearby residents included:

- Concerns about the placement of the trash enclosure due to noise/smell
- Request from one resident to meet directly with the landscape architect to discuss plantings along the rear of the property
- Request to resolve the drainage issue on neighboring properties and to remove the soil berm along the rear of the property for drainage and security
- Request to extend the 8-foot-high concrete block wall from the Sobrato property along the rear of this property as well

Modifications were made based on feedback from the ARB as well as neighboring residents to improve the design and address these comments. The landscape architect made several attempts to connect with the adjacent resident who requested a meeting but did not receive a response. However, modifications to the final landscaping along the rear of the property were made in response to general feedback from adjacent residents in order to provide better screening of the trash enclosure. The soil berm is being removed as part of the proposed project and the drainage is designed to ensure that the historic drainage pattern is maintained.

### **ENVIRONMENTAL REVIEW**

The subject project has been 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. Specifically, the proposed Vesting Tentative Map is exempt from CEQA in accordance with CEQA Guidelines Section 15315 (Minor Lands Division) and 15332 (in-fill development). A link to the relevant documentation to support the findings for this exemption are included in Attachment C.

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<sup>3</sup> The staff report for the October 5, 2023 hearing is available online at:

<https://www.cityofpaloalto.org/files/assets/public/v/3/agendas-minutes-reports/agendas-minutes/architectural-review-board/2023/arb-10.05-public-agenda-2.pdf>

**ATTACHMENTS**

Attachment A: Location Map

Attachment B: Draft Record of Land Use Action

Attachment C: Project Plans and Environmental

**APPROVED BY:**

Jonathan Lait, Planning and Development Services Director