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Architectural Review Board Staff Report

From: Planning and Development Services Director
Lead Department: Planning and Development Services

Meeting Date: November 21, 2024
Report #: 2409-3512

TITLE

PUBLIC HEARING / QUASI-JUDICIAL. 824 San Antonio Road [23PLN-00181]: Consideration of a Major Architectural Review to Allow the Construction of a New Four-Story Mixed-Use Building with 28 Dwelling Units and 2,948 Square Feet of Retail Space. Fifteen Units will be Independent Senior Living, 12 will be Assisted Senior Living, and One Owner's Unit. On Site Amenities Include Common Outdoor Open Spaces, a Dining Facility, and Common Indoor Space. The Project Also Includes a Request for a Director's Adjustment to Provide 23 Spaces Where 29 Spaces Would be Required as well as a Housing Incentive Program (HIP) Waiver to Allow for 56% Lot Coverage Where 50% is Required. Environmental Assessment: The Project is Being Evaluated for Consistency with the Previously Certified Housing Incentive Program Expansion and 788 San Antonio Mixed Use Project Environmental Impact Report (SCH # 2019090070). Zoning District: CS (Commercial Services).

RECOMMENDATION

Staff recommends the Architectural Review Board (ARB) take the following action(s):

1. Consider the consistency evaluation of the project with the certified Housing Incentive Program (HIP) Expansion and 788 San Antonio Mixed Use Project Environmental Impact Report (Attachment G); and
2. Recommend approval of the Major Architectural Review application, Director's Parking Adjustment, and Director's HIP waiver of lot coverage to the Director of Planning and Development Services based on the findings in Attachment B and subject to the conditions of approval in Attachment C.

EXECUTIVE SUMMARY

The proposed Housing Incentive Program (HIP) project includes a new four-story mixed-use building with 28 dwelling units. Fifteen of the units will be independent senior living, and 12 will be assisted senior living, plus one owner's unit. Although residential rental projects typically pay housing impact fees as an alternative to providing inclusionary units, the project has been

refined through the process and now proposes four on-site below market rate units at a rate affordable to moderate income (80-120% of area median income).

The subject project was previously reviewed by the ARB. The December 21, 2023 ARB staff report includes background information, project analysis and evaluation to City codes and policies. The full report is available online.¹ A copy of the report without prior attachments is available in Attachment F.

The purpose of this report is to summarize key comments made by the ARB and detail the applicant's response to those comments. The analysis section below builds upon the information contained in the earlier report and has been modified to reflect recent project changes.

Staff finds that the proposed project is consistent with relevant plans, policies, and regulations and therefore recommends that the ARB recommend approval of the proposed project to the Director of Planning and Development Services. In accordance with the California Environmental Quality Act (CEQA) the City prepared an evaluation of consistency with the previously certified Housing Incentive Program Expansion and 788 San Antonio Mixed Use Project Environmental Impact Report to ensure compliance.

PROJECT DESCRIPTION

The proposed Housing Incentive Program project includes a new four-story mixed-use building with 28 dwelling units. Fifteen of the units will be independent senior living, and twelve will be assisted senior living, plus one owner's unit. Four units will be provided at Below Market Rate and rented at rates affordable to moderate income tenants (80-120% of Area Median Income). On site residential amenities include several common outdoor open spaces including a rooftop garden, dining facility, gym, and other indoor common space. The ground floor also has two retail spaces and a café space open to the public, for a total of 2,948 square feet of ground floor commercial space. The project provides twenty-three (23) parking spaces below-grade as well as one loading space at grade. This is a 20 percent reduction from the total required parking spaces. Therefore, the project also includes a proposed TDM plan.

BACKGROUND

On December 21, 2023, the ARB reviewed the project. A video recording of the Board's meeting is available online.² The Board's comments and the applicant's response are summarized in the following table.

ARB Comments/Direction	Applicant Response
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¹ The staff report for the December 21, 2023 Architectural Review Board hearing is available online at: <https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateld=12846>.

² A video of the December 21, 2023 Architectural Review Board hearing is available online at: <https://youtu.be/z74mlvVSJuw>

ARB Comments/Direction

Retail Preservation. The ARB asked if there were any options to reduce the required amount of retail/commercial space.

Security. Clarify the site security between the private/residential spaces and the public/shared spaces.

Relocate Units. Consider consolidating the units on the upper floors and providing community features on the ground floor.

Front Façade. Simplify the front façade by reducing the visual segments from 3 to 2.

Rear Façade. Consider removing the screen element from the rear façade.

Applicant Response

The zoning ordinance requires that the project include at least 0.15:1 (2,912 square feet) of commercial space. Therefore, the retail/commercial space has been provided. Council has directed staff to explore reducing the required amount of retail/commercial space for Housing Inventory Sites; however, because this site is not a housing inventory site, no code changes are currently forthcoming to modify the requirements that would apply to this site.

The ARB's concerns regarding security for residential spaces, particularly ground floor residential spaces, have been addressed by relocating the ground floor units to upper floors. There will be a frosted glass door between the public lobby and the shared/semi-public resident spaces including the "living room" and "dining room". The other entrances to the residential spaces (upper floors) will be monitored by the Reception Desk. See sheets PA7.2-PA7.5.

The dining room and one community room have been relocated to the ground floor, the 3rd and 4th floors continue to also have community amenities. All residential units have been relocated to the 2-4th floors, with the 2nd floor containing all of the Assisted Living units as well as an office for the Assisted Living staff. See sheets PA7.2-PA7.5.

This has been achieved by removing the metal fin material and using only the wood screen. See sheet PA5.1.

The screen element has been removed, though the projecting overhang element remains. Visual interest is also maintained by using vertical wood siding within the

ARB Comments/Direction	Applicant Response
Color. Consider a white color that is less bright/reflective than “Zurich White”	overhang area. See sheet PA5.2 and PA10.3
Drop-Off Location. Consider if the drop-off location can be relocated further from the main entrance.	The white paint color has been replaced with Sherwin Williams “Naturel” (LRV 54), see sheet PA10.4 (located at the end of the plan set, not between pages PA9.0 and PA11.1)
Balconies. Widen balconies from 5 ft to 6 ft, in keeping with the code requirements for Open Space.	The drop-off location is located directly adjacent to the driveway and cannot be relocated. The proposed location is safest, since it is located so close to the front entrance.
Front Setback. Consider the options for refuse pick up, transformer location, and other infrastructure, to reduce their visual impact on the front façade.	This comment was incorporated by the architect. See the 6ft balcony dimension on sheet PA7.8.
Bike Room. Expand access to ground floor bike storage.	Despite further consideration of design changes, the transformer, fire standpipe, trash pick-up zone, and other infrastructure cannot be moved.
	While it was not possible to change the location of the bike room, the door has been widened and will be equipped with an automatic door opener to improve access. The below grade garage bike room was also reduced in size, reducing the total number of bike spaces provided, though it still provides six more long-term spaces than required.

ANALYSIS

Overall, staff finds that the project is in conformance with all relevant plans, policies and regulations and therefore recommends that the ARB recommend approval of the proposed project.

Applicant’s Response to ARB Comments

The applicant has made thoughtful changes to the design of the project to thoroughly address the ARB’s comments. While the ARB’s comment to consider modifications within the front setback area have not been addressed, staff from various departments have met with the applicant extensively to evaluate possible alternatives to the design. While staff agrees that

modifications would be desirable, due to the site constraints, an improved design was not possible without significant redesign of the project. Minor changes are still under review to meet Water-Gas-Wastewater Utility requirements.

Consistency with the Comprehensive Plan, Area Plans, and Guidelines³

As detailed in the previous staff report (Attachment F) the project site has a land use designation of Commercial Services. The proposed mixed-use development is consistent with this land use designation. Specifically, this project is located on San Antonio Road where mixed-use projects are anticipated. There is 2,948 square feet of commercial space, or 0.15 Floor Area Ratio (FAR), which is consistent with the allowable FAR under this land use designation as well as the required minimums set forth in the zoning.

The project is consistent with the policies in the Comprehensive Plan and therefore fulfills the goals of the Comprehensive Plan as well. In particular, the Land Use Element and Housing Elements include Policy L-2.3 which encourages diverse housing types, including senior housing, as well as Policy 5.1, which encourages the creation of housing, especially for specific uses such as for seniors. A complete review of the project's consistency with the Comprehensive Plan is included in the findings in Attachment B.

Zoning Compliance⁴

Attachment D shows that the project meets the code requirements, as set forth in PAMC Section 18.16 or is otherwise requesting to deviate from the requirements in a manner consistent with the zoning ordinance. The project is proposed in accordance with the Housing Incentive Program standards set forth in PAMC Section 18.16.060(k), which allows for an increased floor area ratio of 2.0:1.0 and allows the director to waive lot coverage requirements. The project proposes a floor area ratio of 2.0:1.0 and 56% lot coverage where 50% lot coverage is allowed. Therefore, the project includes a request for a Director's waiver to provide the additional lot coverage proposed, consistent with the allowances set forth for housing projects proposed within the San Antonio HIP area.

The project plans currently show four units being provided at Below Market Rates, at the moderate income level. The City Council, through Ordinance No. 5623, established that reserving either 9% of the total units for Very Low Income households or 15% for Low Income households in a residential rental project shall be considered equivalent to the payment of housing impact fees. The affordability levels of the BMR units will need to be adjusted to reflect these standards.

Context-Based Design Criteria

This project has been proposed to comply with the context-based design criteria set forth in

³ The Palo Alto Comprehensive Plan is available online:

<http://www.cityofpaloalto.org/gov/topics/projects/landuse/compplan.asp>

⁴ The Palo Alto Zoning Code is available online: http://www.amlegal.com/codes/client/palo-alto_ca

18.16.090 in-lieu of the objective design standards set forth in Chapter 18.24, as allowed pursuant to Chapter 18.24. Therefore, this project is subject to the Architectural Review process set forth in PAMC Section 18.76.020. The applicant states that this decision was made primarily due to the daylight plane and upper floor setback requirements in the objective standards. The project is currently located adjacent to one-story commercial buildings, which would otherwise restrict the proposed design. Given the context of planned and anticipated redevelopment of this corridor in accordance with the existing housing incentive program, anticipated revisions to the housing incentive program in accordance with policies set forth in the Housing Element, and the preparation of a San Antonio Corridor Specific Plan, staff believes that the proposed design is appropriate to the site's context. An analysis of the project's consistency with the Context-based design criteria is included in Attachment E.

Multi-Modal Access and Parking

The project proposes 23 parking spaces where 29 parking spaces is required (22 parking spaces for the residential use and eight parking spaces for the retail use), which is a 20% reduction. The application therefore includes a request for a Director's adjustment under Transportation and Parking Alternatives, as set forth in PAMC Section 18.52.050, which allows for a 20% reduction with an approved Transit Demand Management Plan (TDM) plan. A TDM plan has been provided and will be approved by the Office of Transportation prior to approval. Adequate long-term bicycle parking is located in the below grade garage, and short-term bike parking is at street level near the building entrance.

The project has been designed to provide an eight-foot-wide pedestrian sidewalk and would not preclude a future bicycle path from being developed along this frontage. Although it would be desirable to obtain an easement along this frontage, similar to what was provided at the 800 San Antonio Road site, an easement is not required and is not proposed.

FISCAL/RESOURCE IMPACT

Processing of this application has no fiscal impact as applicants are responsible for staff and consultant costs through applicable fees through the deposit-based cost recovery program. This project is also subject to Development Impact Fees, currently estimated at \$1,311,046.54 plus the Public Art fee.

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, an Evaluation of Consistency with the Housing Incentive Program Expansion and 788 San Antonio Environmental Impact Report (SCH# 2019090070) has been prepared and is included in Attachment G. The project is consistent with the EIR, and will incorporate all applicable mitigation measures.

PUBLIC NOTIFICATION, OUTREACH & COMMENTS

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 November 8, 2024, which is 13 days in advance of the meeting. Postcard mailing occurred on November 6, 2024, which is 15 days in advance of the meeting.

Public Comments

As of the writing of this report, no project-related, public comments were received.

ALTERNATIVE ACTIONS

In addition to the recommended action, the Architectural Review Board may:

1. Recommend approval with modified findings or conditions;
2. Continue the project to a date (un)certain; or
3. Recommend project denial based on revised findings.

ATTACHMENTS

Attachment A: Location Map

Attachment B: Draft ARB Findings

Attachment C: Draft Conditions of Approval

Attachment D: Zoning Comparison Table

Attachment E: Context Based Design Criteria Analysis

Attachment F: First ARB Hearing Staff Report

Attachment G: Project Plans and Environmental

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⁵ Emails may be sent directly to the ARB using the following address: arb@cityofpaloalto.org