

NOT YET APPROVED

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Various Chapters of Title 18 (Zoning) and Title 21 (Subdivisions and Other Divisions of Land) of the Palo Alto Municipal Code to Clarify Existing Regulations and to Implement Recent State Housing Laws

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

- A. On October 11, 2023, the Governor of the State of California signed Senate Bill 684, effective July 1, 2024. SB 684 requires the ministerial approval of certain subdivision maps, planning entitlements, and building permits for developments of up to 10 residential units.
- B. On October 11, 2023, the Governor signed Senate Bill 4, effective January 1, 2024. SB4 requires housing development projects to be "use by right" on land owned by independent higher education or religious institutions, given certain conditions.
- C. On October 11, 2023, the Governor signed Assembly Bill 894, effective January 1, 2024. AB 894 requires local agencies to approve shared parking agreements that meet criteria specified in the bill.
- D. On September 22, 2022, the Governor signed Assembly Bill 2097, effective January 1, 2023. AB 2097, subject to certain limited exceptions, prohibits public agencies from imposing or enforcing a minimum parking requirement on a residential, commercial, or other development project that is within one-half mile of defined "public transit"
- E. On October 8, 2021, the Governor signed Assembly Bill 970, effective as to Palo Alto on January 1, 2023. AB 970 limits the discretion of local agencies when reviewing applications to install electric vehicle charging stations.
- F. On September 25, 2018, the Governor signed Assembly Bill 2162, effective January 1, 2019. AB 2162 makes certain supportive housing projects a use by-right in all zones that permit multifamily residential uses. Although the City has been implementing this bill since 2019, Program 6.5(D) of the 2023-2031 Housing Element requires the City to incorporate the bill in the zoning code.
- G. Upon recommendation of City Staff and the Planning and Transportation Commission, the Council of the City of Palo Alto desires to adopt regulations responding to and implementing these state laws.
- H. Upon recommendation of City Staff and the Planning and Transportation Commission, the Council further desires to make non-substantive clarifications to existing provisions of the Palo Alto Municipal Code.

SECTION 2. Section 18.42.185 (Standards for Up to Ten Units on Lots Subdivided Pursuant to Senate Bill 684) of Chapter 18.42 (Standards for Special Uses) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby added as follows:

18.42.185 Standards for Up to Ten Units on Lots Subdivided Pursuant to Senate Bill 684

(a) Purpose and Applicability

This section implements California Government Code Sections 65852.28, 65913.4.5, and 66499.41 (Senate Bill 684, 2023) by establishing regulations for development of up to ten units on lots subdivided pursuant to Chapter 21.11.

(b) Review Qualifying Development Proposals

- (1) Housing development projects on a lot or lots subdivided pursuant to Chapter 21.11 and California Government Code Section 66499.41 shall be ministerially reviewed and processed through the City's Ministerial and By Right Review Process (set forth in PAMC Section 18.77.074), in accordance with Government Code Section 68582.28.
- (2) Building permits for such projects may be issued prior to recordation of a final map, in accordance with Government Code Section 65913.4.5.

(c) Development and Design Standards

- (1) Housing development projects shall be subject to the development standards set forth in the applicable zone district.
- (2) Proposed parcels containing up to two units shall comply with all objective standards for SB 9 projects, as adopted by the City Council, the Director of Planning and Development Services, or the Director of Public Works, except that no setback shall be required between units unless in accordance with the California Building Code, as locally amended.
- (3) Proposed parcels containing three or more residential units or mixed uses shall comply with Chapter 18.24 (Contextual Design Criteria and Objective Design Standards).

SECTION 3. Section 18.77.074 (Ministerial and By Right Review Process) of Chapter 18.77 (Processing of Permits and Approvals) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~; unchanged text omitted by bracketed ellipses):

18.77.074 Ministerial and By Right Review Process

(a) **Purpose and Applicability**

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(1) This section is intended to define a streamlined, ministerial review process for qualifying Housing Development Projects that are submitted pursuant to streamlining provisions of state law, such as ~~in~~ AB 2162 (2018), AB 1397 (2017), and SB 35 (2017). This section shall apply to multi-family residential projects that are subject to ministerial review or defined as a “use by right” in state law, including, but not limited to, Government Code sections 65651, 65583, 65583.2, and 65913.4. This section does not apply to the creation of an accessory dwelling unit and/or junior accessory dwelling unit.

(2) The review required by this section shall not involve the exercise of discretion in a manner that would constitute a “project” for purposes of the California Environmental Quality Act (CEQA). This section does not, however, excuse a project involving a subdivision from compliance with Title 21 and the subdivision map processes set forth therein, which may result in a “project” for purposes of CEQA.

[. . .]

SECTION 4. Chapter 21.11 (Streamlined Subdivisions Resulting in Ten or Fewer Parcels) of Title 21 (Subdivisions and Other Divisions of Land) of the Palo Alto Municipal Code is hereby added as follows:

21.11.010 Purpose

This chapter implements California Government Code Section 66499.41 (Senate Bill 684, 2023) by establishing regulations for the ministerial subdivision of up to ten lots.

21.11.020 Applicability

This chapter applies only to proposed subdivisions that meet all of the requirements of California Government Code Section 66499.41. A tentative map and final map shall be required for all subdivisions under this Chapter, regardless of the number of parcels created.

21.11.030 Review

Qualifying tentative map applications shall be reviewed and processed ministerially in accordance with California Government Code Section 66499.41. Final maps shall be reviewed and processed in accordance with Chapter 21.16, except that a final map under this section may be approved by the City Engineer and Director of Planning and Development Services.

21.11.040 Objective Subdivision Standards

The Director of Planning and Development Services may adopt administrative regulations to create objective subdivision standards or clarify existing standards that apply to subdivisions under this section.

SECTION 5. Section 18.14.060 (By Right Affordable Supportive Housing Projects) of Chapter 18.14 (Housing Incentives) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby added as follows:

18.14.060 By Right Affordable Housing and Supportive Housing Projects

(a) Affordable Housing on Higher Education and Religious Lands

- (1) Notwithstanding any conflicting provision of this Title 18 or the Comprehensive Plan, a qualifying housing development project under California Government Code Section 65913.16 shall be a use by right.
- (2) Housing development projects utilizing this section in the R-1 Single-Family Residential District and the Low Density Residential Districts shall be subject to the development standards for the RM-30 zoning district, except that maximum Floor Area Ratio (FAR) shall be 1.25.
- (3) All housing development projects utilizing this section shall comply with Chapter 18.24 (Contextual Design Criteria and Objective Design Standards).

(b) Supportive Housing in Multi-family and Mixed-use Zones

- (1) Supportive housing shall be a use by right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed housing development satisfies all of the requirements of California Government Code Sections 65650-65656.
- (2) All housing development projects utilizing this section shall comply with Chapter 18.24 (Contextual Design Criteria and Objective Design Standards).

(c) Provided they comply with the City's objective standards, by-right projects under this section shall not be subject to any discretionary review nor environmental review under the California Environmental Quality Act. By-right projects under this section shall be processed in accordance with Section 18.77.074.

SECTION 6. Sections 18.52.030 (Basic Parking Regulations), 18.52.040 (Off-Street Parking, Loading and Bicycle Facility Requirements), 18.52.045 (Adjustments to Existing Parking Facilities), 18.52.050 (Adjustments by the Director), and 18.52.070 (Parking Regulations for CD Assessment District) of Chapter 18.52 (Parking and Loading Requirements) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~, and unchanged text omitted by bracketed ellipses):

18.52.030 Basic Parking Regulations

[. . .]

(i) Transportation Demand Management Plan

(1) Requirement for TDM Plan: A Transportation Demand Management (TDM) Plan to reduce and manage the number of single-occupant motor vehicle trips generated by the project shall be prepared and submitted by the applicant in the following circumstances:

- A. For all projects that generate 50 or more net new weekday (AM or PM peak hour) or weekend peak hour trips;

B. For all projects claiming a reduction in net new trips due to proximity to public transit or the implementation of a TDM plan; and

C. For all projects requesting a parking reduction.

D. For all projects with reduced parking pursuant to California Government Code Section 65863.2 (AB 2097, 2022).

(2) The Director shall have the authority to adopt guidelines for preparing TDM plans and when applicable shall coordinate such guidelines with the Transportation Management Association.

18.52.040 Off-Street Parking, Loading and Bicycle Facility Requirements

(a) Parking Requirements

In each district, off-street parking, loading and bicycle facilities for each use shall be provided in accordance with Tables 1 and 2, shown in subsection (c) of this Section 18.52.040. For affordable housing developments qualifying for density bonuses under Chapter 18.15 of the Palo Alto Municipal Code, adjustments to parking requirements will be calculated in accordance with Chapter 18.15. For projects within one-half mile of public transit, as defined in California Government Code Section 65863.2, no automobile parking shall be required, but loading and bicycle parking facilities shall be provided in accordance with this Section. The requirement for any use not specifically listed shall be determined by the director on the basis of requirements for similar uses, and on the basis of evidence of actual demand created by similar uses in Palo Alto and elsewhere, and such other traffic engineering or planning data as may be available and appropriate to the establishment of a minimum requirement.

[. . .]

(d) Residential and mixed use structures with fifty (50) or more dwelling units shall provide at least one (1) on-site, short-term loading space for passenger vehicles, to be used by taxicabs and similar transportation and delivery services. Unless a loading adjustment is approved pursuant to Section 18.52.050, projects providing no automobile parking pursuant to California Government Code Section 65863.2 shall provide one (1) on-site, short-term loading space for passenger vehicles, to be used by taxicabs and similar transportation and delivery services.

18.52.045 Adjustments to Existing Parking Facilities

(a) The following minor adjustments may be made to existing parking facilities that are intended to remain in substantially the same form after restriping.

(1) Accessibility and EVSE-related equipment.

For sites with existing development, the number on-site parking spaces may be reduced to the minimum extent necessary to: (1) achieve state or federally mandated accessibility requirements or (2) permit installation of electric vehicle charging stations,

~~as defined in California Government Code Section 65850.7. electrical utility equipment required for EVSE. A maximum of 10% of the existing automobile parking stalls, or one stall, whichever is greater, may be removed to accommodate accessibility requirements pursuant to this section. ~~The loss of a parking space is not permitted to accommodate EVSE itself. To the extent reasonably feasible, e~~ Electrical equipment required for EVSE shall should be placed in a location that minimizes visibility from the public right-of-way.~~

[. . .]

18.52.050 Adjustments by the Director

Automobile parking and off-street loading requirements prescribed by this chapter may be adjusted by the director in the following instances and in accord with the prescribed limitations in Table 4, when in his/her opinion such adjustment will be consistent with the purposes of this chapter, will not create undue impact on existing or potential uses adjoining the site or in the general vicinity, and will be commensurate with the reduced parking demand created by the development, including for visitors and accessory facilities where appropriate. No reductions may be granted that would result in provision of less than ten (10) spaces on a site. The following are adjustments that apply to developments not located within a parking assessment district. Adjustments within the parking assessment districts are contained in Section 18.52.080. The decision of the regarding parking adjustments may be appealed as set forth in Chapter 18.78 (Appeals).

[. . .]

(e) Shared Parking Agreements

Notwithstanding the limitations set forth in Table 4, subdivision (a), and subdivision (c) of this Section, the Director shall approve a parking adjustment where the applicant meets all of the requirements of California Government Code Section 65683.1, including but not limited to, preparation of a parking analysis and a recorded shared parking agreement.

[. . .]

18.52.070 Parking Regulations for CD Assessment District

[. . .]

(f) Minor Adjustments to Existing Parking Facilities

The following minor adjustments may be made to existing parking facilities that are intended to remain in substantially the same form after restriping.

(1) Accessibility and EVSE-related equipment.

For sites with existing development, the number on-site parking spaces may be reduced to the minimum extent necessary to: (1) achieve state or federally mandated accessibility requirements or (2) permit installation of electric vehicle charging stations,

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as defined in California Government Code Section 65850.7. ~~electrical utility equipment required for EVSE.~~ A maximum of 10% of the existing automobile parking stalls, or one stall, whichever is greater, may be removed to accommodate accessibility requirements. ~~pursuant to this section. The loss of a parking space is not permitted to accommodate EVSE itself. To the extent reasonably feasible, e~~ lectrical equipment required for EVSE ~~shall~~ should be placed in a location that minimizes visibility from the public right-of-way.

[. . .]

SECTION 7. Footnote 3 to Table 3 of Section 18.18.060 (Development Standards) of Chapter 18.18 (Downtown Commercial (CD) District) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; unchanged text omitted by bracketed ellipses):

18.18.060 Development Standards

[. . .]

**TABLE 3
MIXED USE AND RESIDENTIAL DEVELOPMENT STANDARDS**

[. . .]

Footnotes:

[. . .]

(3) FAR may be increased with transfers of development, increased floor area for housing development projects with 3-10 residential units pursuant to 18.18.065, and/or bonuses for seismic and historic rehabilitation upgrades, not to exceed a total site FAR of 3.0:1 in the CD-C subdistrict or 2.0:1 in the CD-S or CD-N subdistrict.

[. . .]

SECTION 8. Chapter 18.30(F) (Automobile Dealership (AD) Combining District Regulations) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; unchanged text omitted by bracketed ellipses):

Chapter 18.30(F) AUTOMOBILE DEALERSHIP (AD)COMBINING DISTRICT REGULATIONS

[. . .]

18.30(F).040 Permitted Uses

The following uses shall be permitted in the (AD) combining district:

- (a) Automobile dealerships.

(b) All other uses permitted in the underlying district.

18.30(F).045 Conditional Uses

The following uses may be conditionally permitted in the (AD) district, subject to the issuance of a conditional use permit in accord with Chapter 18.76 (Permits and Approval):

(a) All other conditional uses allowed in the underlying district.

[. . .]

SECTION 9. Section 18.42.040 (Late Night Uses and Activities) of Chapter 18.42 (Standards for Special Uses) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~):

18.42.040 Late Night Uses and Activities

(a) Purpose

The purpose is to restrict retail or service commercial businesses abutting (either directly or across the street) or within 50 feet of residentially zoned properties or properties with existing residential uses located within nonresidential zones, with operations or activities between the hours of 10:00 p.m. and 6:00 a.m. Operations subject to this code may include, but are not limited to, deliveries, parking lot and sidewalk cleaning, and/or clean up or set up operations, but does not include garbage pick up.

(b) Requirements

(1) Retail (including restaurants) or service commercial businesses abutting or within 50 feet of residentially zoned properties or properties with existing residential uses located within nonresidential zones, that are open or with operations or activities between the hours of 10:00 p.m. and 6:00 a.m. shall be operated in a manner to protect residential properties from excessive noise, odors, lighting or other nuisances from any sources during those hours.

(2) Where planning or building permits are required or for a change in use that results in any such commercial business in the ~~CN₂ or CS~~, NV-MXM, and NV-MXH zone districts, operating or with activities between the hours of 10:00 p.m. and 6:00 a.m., a conditional use permit shall be obtained and conditions of approval shall be applied as deemed necessary to ensure the operation is compatible with the abutting (or within 50 feet of) residential property. Said use permit shall be limited to operations or activities occurring between 10:00 p.m. and 6:00 a.m.

SECTION 10. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard

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to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

SECTION 11. The Council finds that the Ordinance is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that updating the municipal code to incorporate existing changes in State Density Bonus Law will have a significant effect on the environment.

SECTION 12. This Ordinance shall be effective on the thirty-first date 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