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## Planning & Transportation Commission Staff Report

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

**Meeting Date: May 14, 2025**  
**Report #: 2504-4493**

### **TITLE**

PUBLIC HEARING / QUASI-JUDICIAL. 3150 El Camino Real [24PLN-00231]: Recommendation on Applicant's Request for Approval of a Vesting Tentative Map to Merge Five Parcels Together to Create One 111,030-Square-Foot Parcel. The Subdivision Map Would Facilitate Construction of 368 New Residential Units in One Building (24PLN-00230). CEQA Status: The Project is Being Processed as a Streamlined CEQA Review Under Section 15183. Zoning District: CS (Service Commercial).

### **RECOMMENDATION**

Staff recommends the Planning and Transportation Commission (PTC) take the following actions:

1. Consider the CEQA Guidelines section 15183 checklist showing the project's consistency with the Comprehensive Plan and Comprehensive Plan EIR (Attachment C); and
2. Recommend approval of the Vesting Tentative Map to the City Council 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 368 residential apartment units on the proposed, 111,030-square-foot parcel located at 3128 and 3150-3160 El Camino Real. Through a separate, Streamlined Housing Development Review Entitlement Process, the applicant is proposing construction of a 368-unit residential townhome project. The proposed project includes 74 units at below market rate to be made affordable to low-income households (50-80% of Area Median Income).

### **BACKGROUND**

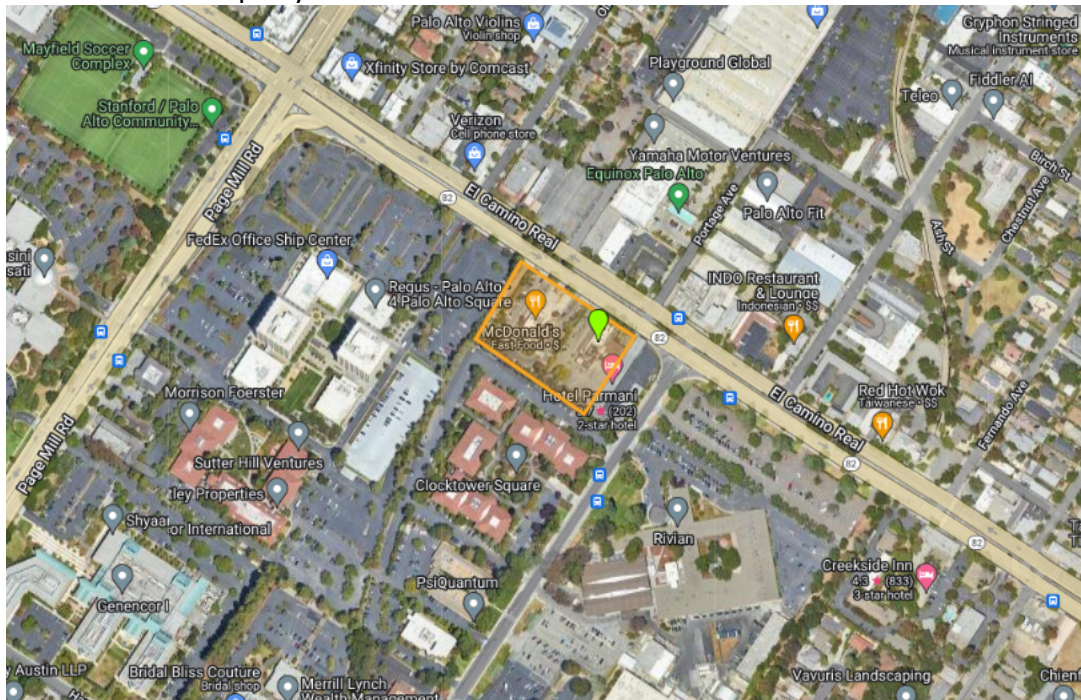
#### Project Information

Owner:	Acclaim Properties; Stanford University
Architect:	Studio T Square
Representative:	Gary Johnson; Mark Johnson
Legal Counsel:	Genna Yarkin; Holland & Knight

### Property Information

Address:	3128 and 3150-3160 El Camino Real
Neighborhood:	Stanford Research Park across from Ventura
Lot Dimensions & Area:	142-20-079: 30 feet wide by 275 feet long; 142-20-080: 18 feet wide by 275 feet long; 142-20-035: 190 feet wide by 275 feet long; 142-20-054: 99 feet wide by 275 feet long; 142-20-055: 67 feet wide by 275 feet long; Resulting Merged Parcel Size: 422 feet wide by 275 feet long (111,030 square feet; 2.55 acres)
Housing Inventory Site:	Yes; see further discussion below
Located w/in a Plume:	California-Olive-Emerson Plume
Protected/Heritage Trees:	None
Historic Resource(s):	Not Applicable
Existing Improvement(s):	16,124 square feet of eating and drinking facilities
Existing Land Use(s):	Eating and Drinking and Incidental Office
Adjacent Land Uses & Zoning:	North: Office/R&D (PC-4637) West: Office/R&D (RP) East: Personal Service (CS) South: Hotel (CS)

### Aerial View of Property:



Source: Google Maps

### Land Use Designation & Applicable Plans

Zoning Designation:	Service Commercial (CS)
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Comp. Plan Designation:	Service Commercial
Context-Based Design Criteria:	Not Applicable
Downtown Urban Design Guide:	Not Applicable
South of Forest Avenue Coordinated Area Plan:	Not Applicable
Baylands Master Plan:	Not Applicable
El Camino Real Design Guidelines (1976 / 2002):	Yes
Proximity to Residential Uses or Districts (150'):	Not Applicable
Located w/in the Airport Influence Area:	Not Applicable

#### Prior City Reviews & Action

The proposed subdivision map has not gone to any other boards or commissions for review. However, the proposed improvements associated with the map were reviewed by the Architectural Review Board (ARB) on November 7, 2024.<sup>1</sup>

#### **PROJECT DESCRIPTION**

The proposed project includes a request for approval of a Vesting Tentative Map to merge five parcels into one 111,030-square-foot parcel located at 3150 El Camino Real, to develop a 368-apartment unit building. Approval of the map also includes acceptance of proposed public utility easements which are required per City of Palo Alto Utility Department standards. A location map is included in Attachment A. A link to the proposed Vesting Tentative Map is included in Attachment C.

#### Requested Entitlements, Findings and Purview:

The following discretionary application is requested and subject to PTC 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 is outlined in PAMC Sections 21.12.010 and 21.13.020. The PTC reviews whether the amended subdivision is consistent with the Subdivision Map Act (in particular, Government Code 66474), Title 21 of the PAMC, the Palo Alto Comprehensive Plan, and other applicable provisions of the PAMC and State Law. The PTC's recommendation is forwarded to the City Council for final approval. All entitlements are required to be completed prior to approval of the Vesting Tentative Map. In compliance with this requirement, the Director intends to issue a decision on the applicant's request for Streamlined Housing Development Review prior to this map going to City Council.

<sup>1</sup> November 7, 2024 Staff Report: <https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=13926>  
Video: <https://www.youtube.com/watch?v=GxNKd9VWddc>

## ANALYSIS

The proposed project and relevant discussion and findings herein reflect the Vesting Tentative Map. The Director intends to approve the streamlined housing development review prior to this map going to City Council. The map also includes dedication of relevant public utility easements associated with the new site improvements.

### Neighborhood Setting and Character

This property is located adjacent to Palo Alto Square to the north; the Parmani Hotel and the entry to the Stanford Research Park on Hansen Way to the south; the Clocktower Square Office Park to the west; and a mix of commercial and proposed residential uses to the east within the North Ventura neighborhood across El Camino Real. Palo Alto Square is comprised of two 10-story towers with four two-story structures, while the adjacent Parmani Hotel and Clocktower Square Office Park properties are comprised of two-story structures. Across El Camino Real is a variety of one- and two-story personal service businesses (private gyms). A five-story affordable housing project has been approved across El Camino Real at 3001/3017 El Camino Real, but has not yet been constructed. City-wide, the character of El Camino Real is continuing to transition from commercial uses to multi-family residential and mixed uses and continues to be an appropriate location to place high density housing.

### Consistency with the Comprehensive Plan, Area Plans, and Guidelines<sup>2</sup>

Staff review finds that the proposed Vesting Tentative Map is consistent with the Comprehensive Plan, in that the site is designated as the “Commercial Service” land use designation, which allows for multi-family residential uses. The site is also identified as a Housing Inventory Site in the Housing Element; therefore, development of the site with multi-family residential use is appropriate and consistent with the Housing Element, as discussed further below. 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 74 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.” Consistencies with other Comprehensive Plan policies are included in Attachment B.

### *Housing Element*

All parcels included in this proposed lot merger are Housing Inventory Sites in the City’s adopted Housing Element. The five properties have a projected capacity of 29, 16, 179, 113, and 44, resulting in a consolidated capacity of 381 units for the site with a projected capacity of 77 low-income units. The 368-unit proposal with 74 inclusionary below market rate units (BMR) is 13 units below the anticipated capacity for the five sites combined and three below the anticipated capacity for low-income units. In preparing the Housing Element to meet the City’s required Regional Housing Needs Allocation (RHNA) of 6,086 units, the City planned for and

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<sup>2</sup> The Palo Alto Comprehensive Plan is available online: <https://www.paloalto.gov/Departments/Planning-Development-Services/Housing-Policies-Projects/2030-Comprehensive-Plan>

analyzed a buffer, meaning that in identifying Housing Inventory Sites, the City planned for an additional 727 units, including a buffer of an additional 261 low and very low income units because actual development of housing projects across the City are dependent on numerous factors. In addition, the City will be able to count all housing developments, even ones not included in the Housing Element, toward fulfillment of the required RHNA. Therefore, although the project does not build to the full identified capacity for the site, the project still proposes a housing development project on a Housing Inventory Site and includes 74 inclusionary below market rate units on site, consistent with the City's goals of providing housing, and particularly providing below market rate units. The difference in the number of units identified in the Housing Element and the units proposed in this project does not result in a Housing Element capacity below the required RHNA, therefore, re-designation of another Housing Inventory Site to accommodate this difference is not required.

### Zoning Compliance<sup>3</sup>

All of the subject parcels are zoned Service Commercial (CS). The project complies with the applicable development standards set forth in PAMC Chapter 18.14, except as modified in accordance with the El Camino Real Focus Area standards, and the Objective Design Standards in PAMC 18.24. The five parcels will be merged into one parcel and that final parcel is consistent with the code requirements for the zoning district, which has no minimum or maximum lot size requirements. Likewise, CS-zoned parcels have no maximum density, and therefore the proposed 144 du/ac is sufficient. Staff finds that the proposed Vesting Tentative Map complies with these code requirements for parcels.

### Multi-Modal Access

As part of the proposed map, the applicant is proposing to dedicate a public access easement along the frontage of the property on El Camino Real in order to provide an effective 12-foot foot sidewalk width from the curb to back of the sidewalk. No other access easements, private, or public streets are required for the proposed project.

The project includes two levels of below-grade parking which provides parking in excess of the code requirement as set forth in Chapter 18.14 for the El Camino Real focus area. Access to and from the site occurs at a single driveway off El Camino Real which is designed to be a right-in, right-out only driveway. Any vehicle queueing is expected to occur on the project site out of the public right-of-way. There are no existing bike lanes on El Camino Real in the vicinity of the project, however, the planned improvements by Caltrans on El Camino Real will add a bike lane on El Camino Real along the project frontage.

### Consistency with Application Findings

As detailed in Attachment B, staff finds that this project meets all required findings for a Vesting Tentative Map and facilitates development of a housing development project that is consistent with the City's regulations, goals, and policies.

## **FISCAL/RESOURCE IMPACT**

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<sup>3</sup> The Palo Alto Zoning Code is available online: <https://codelibrary.amlegal.com/codes/paloalto/latest/overview>

Processing of this application has limited fiscal impact. Applicants are responsible for staff and consultant costs of processing this application through payment of applicable fees per the City's deposit-based cost recovery program. The project could impact local tax revenues due to the minor decrease in total retail area at the site. Due to the confidential nature of sales tax revenues, staff cannot report on the exact current sales tax revenues from the site. However, the McDonalds generates a relatively small amount of sales tax for the City (in the tens of thousands) and the loss of this revenue is not significant to the overall budget, which is generally in the \$35-\$40 million range. The Fish Market ceased operations in 2023 and therefore is not currently generating sales tax revenue for the City. Historically this site generated sales tax in the same magnitude as the McDonalds site and was not a significant source of sales tax revenue for the City.

The proposed improvements is anticipated to increase the assessed value (AV) of the subject property), which will generate additional property tax for the City. Palo Alto receives approximately 9.4% of the additional property tax generated. The project would be required to pay Development Impact Fees, which are currently estimated at \$21,217,603.16 in addition to the public art in-lieu fee.

### **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 of the hearing. Notice of a public hearing for this project was published in the *Daily Post* on May 2, 2025, which is 12 days in advance of the meeting. Postcard mailing occurred on April 30, 2025, which is 14 days in advance of the meeting.

### **Public Comments**

The owners of the Parmani Hotel next door raised a concern regarding access to the existing utilities (a transformer and an electric meter) along the shared property line between these two sites. The current transformer straddles the property line and serves the Fish Market and Parmani Hotel properties. Although the neighboring property owners have stated their intent to propose modifications to their property that could resolve this issue, no project has yet been proposed. Instead, the applicant has proposed to replace the existing transformer on the 3150 El Camino Real property in their utility yard along El Camino Real. This will eliminate the existing non-conforming issue with the transformer straddling property line while ensuring the Parmani Hotel has continued access to City services.

### **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 has been reviewed under a streamlined CEQA review in accordance with CEQA Guidelines Section 15183. A link to the exemption documentation is available in Attachment C.

### **ALTERNATIVE ACTIONS**

Alternatively, the PTC may:

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

**ATTACHMENTS**

Attachment A: Location Map

Attachment B: Draft Record of Land Use Action

Attachment C: Project Plans & CEQA Document

**AUTHOR/TITLE:**

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