



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Planning and Development Services**

**Meeting Date: June 3, 2024**

Report #:2405-3033

### **TITLE**

CONSENT: Adoption of an Ordinance extending the Term of Ordinance No. 5517 by an Additional 12 Months from June 16, 2024 to June 30, 2025. Ordinance 5517 Amends Title 18 (Zoning) of the Palo Alto Municipal Code to Update Definitions, Broaden Permitted Uses and Provide Limits on Certain Uses through Updates to the Conditional Use Permit Thresholds. Environmental Review: CEQA Exemption 15061(b)(3)

### **RECOMMENDATION**

Staff recommend the City Council adopt the attached ordinance extending the existing temporary Ordinance 5517 to June 30, 2025.

### **BACKGROUND**

On December 12, 2022, the City Council extended Ordinance #5517 to June 16, 2024. The temporary ordinance was a response to Council direction for minor amendments to the definitions section of the zoning code and adjustments to the thresholds to determine when a conditional use permit (CUP) is required.

The purpose of the amendments was to promote retail activity and decrease commercial vacancies. Amendments were to the 'eating and drinking' establishments, 'personal service', 'retail services' and 'take-out service' definitions. The threshold for requiring a CUP increased for 'commercial recreation', 'medical office' and some 'personal services' uses in various commercial districts. The temporary ordinance includes the Council's additional amendments for exceptions to the thresholds for certain uses located along University Avenue, California Avenue and Town & Country Village Shopping Center. The changes were relatively minor and reserved more significant policy recommendations to future Planning and Transportation Commission (PTC) public hearings and analysis.

Between Fall 2023 and Spring 2024, the PTC held seven study sessions to discuss a Retail Study conducted by the City's consultant, Michael Baker International. The PTC also created an ad hoc committee that met with the consultant on four occasions. A final draft Retail Study Report was presented to the PTC on May 8, 2023, with the hope that the study's recommendations will inform permanent changes to the City's zoning code, modifying or replacing the provisions of

Ordinance 5517. Staff anticipate continuing work with the PTC, Council, and Council's Retail Ad Hoc Committee on steps following the Retail Study report in the coming months. Because the final draft Retail Study Report was only recently completed, neither the PTC nor City Council have provided direction on a replacement for Ordinance no. 5517, and it is necessary to further extend that ordinance.

The first reading of the attached ordinance on June 3, 2024 Council Consent agenda would be followed by a second reading of the ordinance June 18, 2024. Staff anticipates returning to the Council in June or August for further Council direction for short- and mid-term actions.

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

There is no fiscal impact associated with this action.

#### **STAKEHOLDER ENGAGEMENT**

The consultant retail study and June 18, 2024 staff report will contain information about outreach efforts and stakeholder recommendations.

#### **ENVIRONMENTAL REVIEW**

The project is exempt from the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines 15061(b)(3) in that it can be seen with certainty that ordinance will not have a significant impact on the environment. The ordinance extends an existing ordinance that made minor adjustments to land use definitions and modest changes to the thresholds for discretionary review.

#### **ATTACHMENTS**

Attachment A: Ordinance Temporarily Extending Ord 5517 Amending PAMC Ch 18.04 18.16 18.18 18.30

Attachment B: Ordinance 5517

#### **APPROVED BY:**

Jonathan Lait, Planning and Development Services Director