



City Council Staff Report

From: City Manager

Report Type: **CONSENT CALENDAR**

Lead Department: Planning and Development Services

Meeting Date: **April 7, 2025**

Report #:2503-4352

TITLE

SECOND READING: Adoption of an Ordinance Amending Palo Alto Municipal Code (PAMC) Title 18 (Zoning) to Modify the Housing Incentive Program, Affordable Housing Incentive Program, and Retail Preservation Ordinance (Housing Element Programs 3.3A, B, and D; 3.4A-D; and 6.2A). (FIRST READING: March 3, 2025, PASSED 6-0-1, Lythcott-Haims absent)

RECOMMENDATION

Staff recommends the City Council adopt on second reading the attached housing element implementation ordinance to modify the Housing Incentive Program, Affordable Housing Incentive Program, and Retail Preservation Ordinance.

EXECUTIVE SUMMARY

On March 3, 2025, the City Council adopted, on first reading, an ordinance amending the zoning code to implement programs in the City's adopted Housing Element that modify the Housing Incentive Program, Affordable Housing Incentive Program, and Retail Preservation Ordinance. The City Council's motion and revisions in response to this motion are summarized below.

<i>March 3, 2025 City Council Motion</i>	<i>Revisions to Ordinance/Resolution</i>
1. Modify the retail node to extend along El Camino Real from Page Mill Road to the southern City boundary, and refer to the Planning & Transportation Commission for further discussion and recommendation to City Council	Revised PAMC Chapter 18.40.180(c)(4)(E) Figure 5. As shown in Attachment B, this map change creates an "interim" node, extending from Page Mill Road to the southern City boundary where the Retail Preservation Ordinance will continue to apply, until such time as the Planning and Transportation Commission recommends and the City Council determines refined node locations. Future changes to the map may be made by resolution or by administrative action of the Planning Director.

<p>2. Exclude auto dealerships (AD overlay) near El Camino Real and Charleston Road from the HIP Program</p>	<p>Revised Ch. 18.14.030(b), Housing Incentive Program applicability section, to exempt sites on El Camino Real subject to the auto dealership (AD) combining district regulations in Chapter 18.30(F) from eligibility from the HIP.</p>
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ATTACHMENTS

Attachment A: Amendments to Title 18 to Implement Housing Element Programs 3.3_3.4_6.2A

Attachment B: Retail Nodes on El Camino Real Subject to Retail Preservation

APPROVED BY:

Jonathan Lait, Planning and Development Services Director