

Ordinance No. _____

Ordinance of the Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Change the Classification of Property Located at 3265 El Camino Real from Service Commercial (CS) Zone to Planned Community Zone (PC) for the Construction of a 100 Percent Affordable Housing Project

The Council of the City of Palo Alto ORDAINS as follows:

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

(a) On January 10, 2024, Architect Isaiah Stackhouse, on behalf of Half Dome Capital, LLC (“Applicant”) submitted an application for Rezoning to Planned Community/Planned Home Zoning (PHZ) and Major Architectural Review to redevelop the 3265 El Camino Real site (the “Subject Property”) with a 100% affordable, five-story, 55 dwelling unit housing development with ground level lobby and parking garage (the “Project”).

(b) Following Staff Review, the Planning and Transportation Commission (Commission) reviewed the project on April 10, 2024 and recommended the project to the Architectural Review Board.

(c) The Architectural Review Board reviewed the project on April 18, 2024 and project revisions on November 21, 2024; and recommended approval of the project to the City Council.

(d) The Planning and Transportation Commission reviewed the project on January 15, 2025; and recommended approval of the project to the City Council.

(e) Approval of the Planned Community Project would constitute a project under the provisions of the California Environmental Quality Act of 1970, together with related state and local implementation guidelines promulgated thereunder (“CEQA”).

(f) The City is the Lead Agency pursuant to Public Resources Code section 21067 as it has the principal responsibility to approve and regulate the Planned Community Project.

(g) The City, in compliance with CEQA, determined that the project is eligible for streamlined review in accordance with CEQA Guidelines Section 15183. The City prepared an analysis of the project in accordance with CEQA Guidelines Section 15183, which evaluated the project’s consistency with the Comprehensive Plan and the Comprehensive Plan EIR, including relevant addenda. Plan level technical reports were prepared to confirm that the Comprehensive Plan EIR, including any mitigation required through that EIR, would adequately address the impacts of the proposed project.

(h) The Council is the decision-making body for approval of the Planned Community Project.

(i) The site is so situated, and the use or uses proposed for the site are of such characteristics that the application of general districts or combining districts will not provide sufficient flexibility to allow the proposed development. Specifically, the project includes a density of units that exceeds what would otherwise be permitted; in addition, the narrow and short size of the parcel precludes the site from reaching its proposed 55-unit capacity without exceeding the standards for the CS zone district.

(j) Development of the site under the provisions of the PC planned community district will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts, as set forth in Section 6 of this ordinance.

(k) The use or uses permitted, and the site development regulations applicable within the district are consistent with the Palo Alto Comprehensive plan and compatible with existing and potential uses on adjoining sites or within the general vicinity, as set forth in the Record of Land Use Action accompanying this ordinance.

SECTION 2. Amendment of Zoning Map.

Section 18.08.040 of the Palo Alto Municipal Code, the “Zoning Map,” is hereby amended by changing the zoning of Subject Property from Service Commercial (CS) to “Planned Community Zone (PC) _____”.

SECTION 3. Project Description.

The Project as a whole is described in the Development Plan, titled “3265 El Camino Real” and uploaded to the Palo Alto Online Permitting Services Citizen Portal on October 11, 2024. With respect to the Subject Property, the project comprises the uses included in this Ordinance, depicted on the Development Plans, incorporated by reference, including the following components:

(a) Redevelopment of an undeveloped site, as described in more detail in the Development Plan, to facilitate the construction of a five-story, 55-unit residential rental project with ground level lobby and parking garage. 100% of the apartment units would be deed-restricted, affordable units, with 14 units affordable to low income households and 41 units affordable to moderate income households.

SECTION 4. Land Uses.

(a) The following land uses shall be permitted:

(1) Multi-family residential, with 25% of units affordable to low income households and 75% affordable to moderate income households;

(2) Accessory Uses.

SECTION 5. Site Development Regulations and Development Schedule

(a) Development Standards:

Development standards for the Subject Property shall be those conforming to the Development Plans.

(b) Parking and Loading Requirements:

The Owner shall provide parking and loading as set forth in the Development Plan and Transportation Demand Management Plan, titled “3265 El Camino Real Residential Development Transportation Demand Management (TDM) Plan” and dated October 29, 2024.

(c) Modifications to the Development Plan, Land Uses and Site Development Regulations:

Once the project has been constructed consistent with the approved Development Plan, any modifications to the exterior design of the Development Plan or any new construction not specifically permitted by the Development Plan or the site development regulations contained in Section 5 (a) – (b) above shall require an amendment to this Planned Community zone. Any use not specifically permitted by this ordinance shall require an amendment to the PC ordinance, as required by Palo Alto Municipal Code 18.38.050.

(g) Development Schedule:

The project is required to include a Development Schedule pursuant to PAMC §18.38.100. The applicant has indicated that development is anticipated to begin in July 2025 and conclude in December 2026.

Notwithstanding the above, construction of the project shall commence within two years of the effective date of this ordinance. Prior to expiration of this timeline, the Owner may seek a one year extension from the Director of Planning and Development Services. All construction and development of the project shall be complete within 3 years of the start of construction.

SECTION 6. Public Benefits.

(a) Public Benefits

Development of the Project Site under the provisions of the PC Planned Community District will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts.

The public benefit provided by the Project is providing a 100 percent affordable housing project including 14 units restricted to rents affordable to households at 70% of area median income (AMI) and 41 units restricted to rents affordable to households at 110% of AMI.

(b) Monitoring of Conditions and Public Benefits:

Not later than three (3) years following issuance of a certificate of occupancy and at least every three (3) years thereafter, the Owner shall request that the City review the Project for compliance with the PC district regulations and the conditions of approval for the associated development. The applicant shall provide adequate funding to reimburse the City for these costs. If conditions or benefits are found deficient by staff, the applicant shall correct such conditions in not more than 90 days from notice by the City. If correction is not made within the prescribed timeframe, the Director of Planning and Development Services will schedule review of the project before the Planning and Transportation Commission and Council to determine appropriate remedies, fines or other actions.

SECTION 7. Environmental Review

The City prepared an analysis of the project in accordance with CEQA Guidelines Section 15183 and confirmed that the Comprehensive Plan EIR, including any mitigation that would be addressed as required through that EIR, would adequately address the impacts of the proposed project.

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SECTION 8. Effective Date

This ordinance shall be effective on the thirty-first day after the date of its adoption (second reading).

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

City Attorney or Designee

City Manager

Director of Planning and
Development Services

NOT YET APPROVED

Exhibit A: Subject Property Plat and Legal Description

Exhibit A Plat and Legal Description Forthcoming