



CITY OF
**PALO
ALTO**

City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Planning and Development Services

Meeting Date: September 23, 2024

Report #:2408-3421

TITLE

Approve a Revised Project Boundary for the Ongoing Downtown Housing Plan Project. CEQA Status: Exempt per 15061(b)(3)

RECOMMENDATION

The Housing Ad Hoc Committee and staff recommend that the City Council approve the revised boundary of the Downtown Housing Plan.

BACKGROUND

On January 13, 2020, the City Council designated the University Avenue/ Downtown area as a Priority Development Area (PDA). This designation, later approved by the Association of Bay Area Governments (ABAG), encompasses approximately 206 acres within a half-mile radius of the University Avenue Caltrain Station. The PDA was established to guide growth around transit facilities and connect housing to jobs and areas of interest, in alignment with the City's Comprehensive Plan, Housing Element, and the Sustainability and Climate Action Plan's goals.

The Metropolitan Transportation Commission (MTC) awarded the City of Palo Alto an \$800,000 grant for the preparation of the Downtown Housing Plan upon approval of the designated PDA. The Plan is intended to focus on increasing housing production, including affordable housing, in the downtown area, implementing policies of the City's Comprehensive Plan and the Housing Element through extensive community engagement, technical, design, and planning work by qualified consultants.

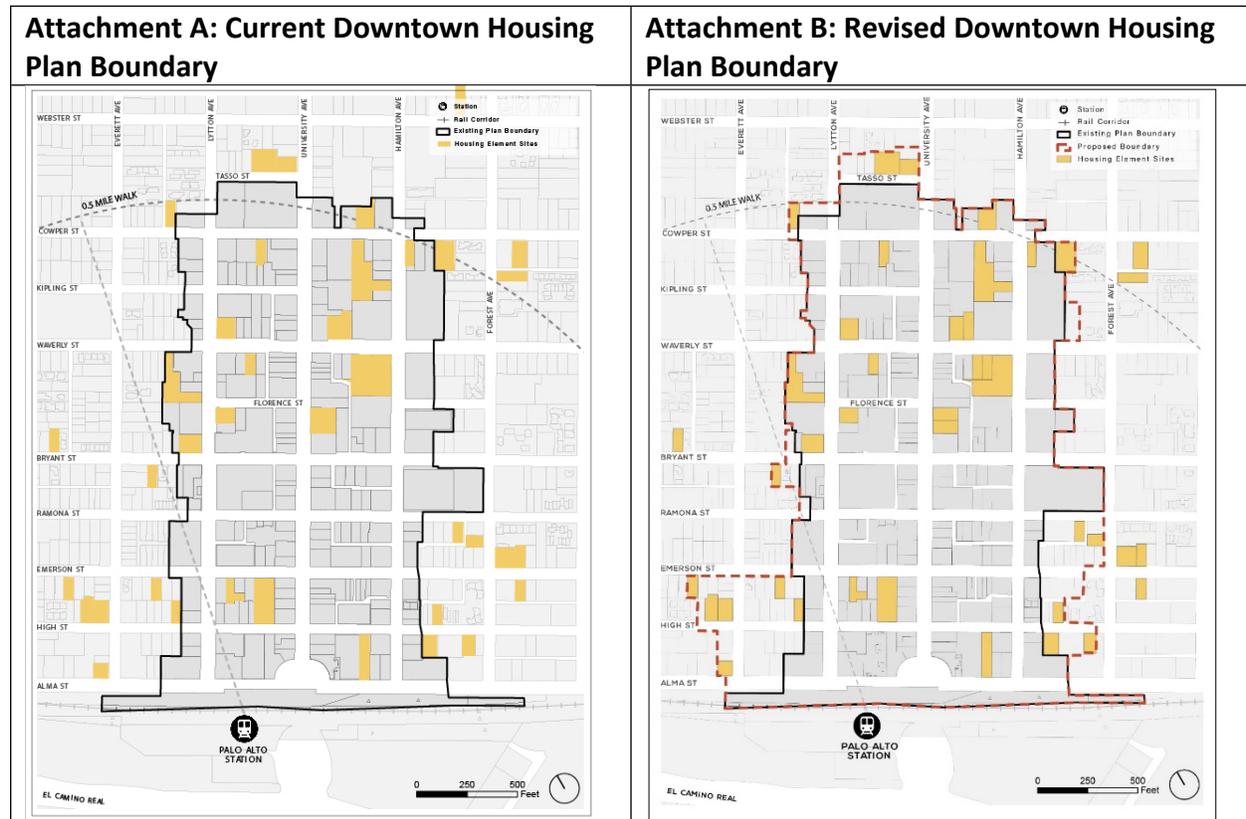
In March 2022, an RFP was issued outlining the scope of work for the Downtown Housing Plan, and the City Council approved Wallace Roberts and Todd as primary consultants to complete the Downtown Housing Plan in February 2024. The project team officially kicked-off the project in March 2024. Since the project start date, the consultant team has conducted research and documented existing conditions and regulations, held a site visit, and coordinated with the project Technical Advisory Group, which is comprised of interdepartmental City staff and partner agencies. Preliminary stakeholder interviews have been completed, and broader community outreach, including a Community Workshop and survey, will commence in Fall of 2024. The Community Advisory Group selection process is underway.

ANALYSIS

Current and Proposed Plan Boundaries

The current Downtown Housing Plan boundary (Attachment A) focuses on approximately 76 acres within the University Avenue/ Downtown PDA. The geographic focus includes:

- The area roughly bounded by the Caltrain tracks to the south, Tasso Street to the north, Lytton Avenue to the west, and Forest Avenue to the east; and
- 19 parcels designated as housing opportunity sites.



The revised Downtown Housing Plan boundary (Attachment B) would result in the inclusion of 16 additional sites that are designated opportunity sites in the Housing Element. The revised boundary will include expansions in the following areas:

- North: Additional areas to the north of Tasso Street between Lytton and University Avenues. Two additional housing opportunity sites northwest of the Lytton Avenue/Cowper Street intersection.
- East: Expansion to include one opportunity site on Cowper Street and five opportunity sites in an area bounded by High Street, Hamilton Avenue, Ramona Street, and Forest Avenue.

- West: Expansion to include one opportunity site on Cowper Street and one site on Bryant. Expansion in the general vicinity of Everett Avenue along Emerson Street, High Street, and Alma Street to include a total of five additional opportunity sites.
- South: No modification.

Purpose of Boundary Expansion

Staff has identified the following benefits in expanding the Plan boundary to include adjacent opportunity sites identified in the certified Housing Element.

This expansion aims to:

- Align with PDA and Comprehensive Plan goals: The expanded boundary will adhere to the PDA boundary approved by the City Council and MTC. The MTC has reviewed the boundary expansion and has indicated concurrence with staff's recommendation on expansion. The expanded boundary will also further the Comprehensive Plan policies of stimulating housing near transit (L-2.4) and creating opportunities for new mixed-use development consisting of housing and retail (L-2.6).
- Align with Housing Element Opportunity Sites: The Housing Element opportunity sites were not identified when the City Council approved the Downtown Housing Plan boundary in 2020, and the boundary expansion will achieve greater consistency with the Housing Element by incorporating nearby opportunity sites.
- Increase Housing Production: By including additional opportunity sites, the Plan can build upon the analysis completed in the Housing Element and evaluate a greater geographic area within walking distance from to the Palo Alto Caltrain Station, furthering the Housing Element's goal of increasing overall housing units in downtown. By including additional opportunity sites in the boundary, the Plan could also evaluate development strategies for the sites.

FISCAL/RESOURCE IMPACT

The change in boundary has no material effect on the project budget and requires no additional funding beyond what has been allocated for the project.

STAKEHOLDER ENGAGEMENT

The preparation of the Plan involves extensive community and stakeholder outreach, and the project team has tentatively scheduled the first community workshop on October 10, 2024, and a Community Advisory Group meeting will also be held in Fall of 2024. Finalization of the boundary is an important step to complete prior to the initiation of broad community outreach, as project messaging should be consistent throughout the duration of the project.

ENVIRONMENTAL REVIEW

The actions recommended in this report are exempt from review under 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 adjusting plan boundaries may have a significant impact on the environment. The City will prepare an environmental analysis for the Downtown Housing Plan when more project specifics have been identified.

ATTACHMENTS

Attachment A: Current Downtown Housing Plan Boundary

Attachment B: Revised Downtown Housing Plan Boundary

APPROVED BY:

Jonathan Lait, Planning and Development Services Director