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Architectural Review Board Staff Report

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

Meeting Date: January 16, 2025
Report #: 2412-3940

TITLE

PUBLIC HEARING/QUASI-JUDICIAL. 640 Waverley Street [24PLN-00064]: Recommendation on Applicant's Request for Major Architectural Review to Allow the Demolition of Two Existing Buildings on a 5,277 Square Foot Lot and Redevelopment with a Proposed Four-Story, Approximately 11,050 Square Foot Mixed-Use Development with Ground Floor Office and Four Residential Units Above. Environmental Assessment: Initial Study/15183 Streamlined CEQA Review. Zoning District: CD-C(P). For More Information Contact the Project Planner Claire Raybould at Claire.Raybould@CityofPaloAlto.org

RECOMMENDATION

It is recommended that the Architectural Review Board (ARB) take the following action(s):

1. Consider the Environmental Analysis (Attachment F); and
2. Recommend Approval of the proposed project to the Director of Planning and Development Services based on the findings in Attachment B and subject to the conditions of approval in Attachment C.

EXECUTIVE SUMMARY

The applicant is requesting Major Architectural Review of the proposed redevelopment of a 5,277 square foot lot on the edge of the commercial downtown area. The project includes demolition of two existing office buildings and redevelopment with a proposed four-story, approximately 11,165 square foot mixed-use development comprised of ground floor office and three levels of residential (four residential units in total). The project also includes a below-grade parking garage for the residential units. A location map is included in Attachment A and the project plans are included in Attachment F.

The project qualifies as a Housing Development Project in accordance with the Housing Crisis Act (SB 330). However, the applicant is electing to follow the Major Architectural Review process and comply with the context-based design criteria in-lieu of the objective design standards set forth in Palo Alto Municipal Code (PAMC) Section 18.24.

The City, acting as the lead agency in accordance with the California Environmental Quality Act (CEQA), has prepared a streamlined environmental analysis in accordance with CEQA Guidelines Section 15183, which analyzes the project’s consistency with the comprehensive plan and associated Environmental Impact Report (EIR).

PROJECT DESCRIPTION

The applicant proposes to demolish the two existing single-story buildings that are currently used as offices and to construct a new 11,165 square foot, four-story mixed-use building. The ground floor would include 2,369 square feet of office and the upper levels would include four residential dwellings (8,796 square feet). A driveway provides access to a lift that would lower cars to an underground parking facility, which provides eight parking spaces. Parking spaces would be provided for the residential tenants only. Vehicular access would be provided from Waverley Street.

The property owner has not yet determined whether the units would be proposed for rental or ownership. The applicant has expressed their intent to subdivide the project for ownership; therefore, a Tentative Map and Final Map process would also be required as a condition of approval of the project if they applicant wishes to pursue ownership.

Requested Entitlements, Findings, and Purview:

The following discretionary application is being requested:

- **Architectural Review – Major (AR):** The process for evaluating this type of application is set forth in PAMC Section 18.77.070. AR applications are reviewed by the ARB and recommendations are forwarded to the Planning & Community Environment Director for action within five business days of the ARB’s recommendation. Action by the Director is appealable to the City Council if filed within 14 days of the decision. AR projects are evaluated against specific findings. All findings must be made in the affirmative to approve the project. Failure to make any one finding requires project redesign or denial. The findings to approve an AR application are provided in Attachment B

BACKGROUND

On June 20, 2024, the ARB held a first formal hearing to provide feedback on the proposed design. Comments from board members and the applicant’s responses are summarized in the following table.

ARB Comments/Direction	Applicant’s Response
Plant Maintenance. The ARB requested further details on long term maintenance of plants.	A memorandum prepared by SWA, the applicant’s landscape architect, has been provided in Attachment E. The memorandum summarizes how the plants will be maintained long-term.

ARB Comments/Direction	Applicant's Response
<p>Parking. The ARB requested a better diagram to understand the parking design as well as a visual for the lift in open and closed positions to clarify what this will look like from each level. Asked about the maneuverability of one of the parking spaces.</p>	<p>Photos and diagrams demonstrating car lift operation and accessibility have been added to sheet A0.10. Representative shop drawings for a similar car lift installation provided on A0.11.</p>
<p>Privacy Screening. Samples of the metal privacy screening and a better understanding of the screen to understand whether it was too open, if metal screens are necessary, etc.</p>	<p>Full scale mock-ups of building cladding and screen material will be provided at the hearing for board members and the public to view. Spacing between screen slats has been doubled and late width has been narrowed.</p>
<p>Connection with Neighbor. The ARB expressed concerns about the visual impact to the neighbor at 636 Waverley Street and asked whether the plans could be revised along that property line to provide more views into open space areas versus a wall.</p>	<p>The revised design reduces the proposed concrete along the shared property line with 636 Waverley Street in accordance with the ARB's comments. In particular, reductions have been made at the fourth-floor entry porch and first floor residential entry. Where necessary for privacy or fire rating, metal screens are used. See A3.02.</p>
<p>Planter Design. The ARB asked the applicant to consider fleshing out the planting areas more in terms of how the planters are designed (e.g. walkable vs raised). They noted that openings in-between the vine channels could improve the design of stair #2.</p>	<p>The third-floor terrace above the residentially entry has been reduced in size and no longer has planters. Planters in stair #2 are newly reflected in project plans. See A3.04 and landscape irrigation and planting plans.</p>

The ARB also provided preliminary feedback on a conceptual plan, filed under a preliminary review application (23PLN-00092) of the proposed project at a study session on June 1, 2023. The staff report from the June 20, 2024, hearing summarized board member's feedback from that study session and revisions made to the design to address those comments.

ANALYSIS

Staff has evaluated the proposed project for conformance with relevant plans, policies, guidelines and regulations and found the project to be consistent, as detailed in this analysis.

Consistency with the Comprehensive Plan, Area Plans, and Guidelines

The project is designated Community Commercial (CC). The community commercial land use designation allows for mixed-use projects and states that, "non-residential FARs range from 0.35 to 2.0." The proposed mixed-use project includes ground floor office and multi-family residential uses. The floor area of the commercial use is 0.45:1. Therefore, the project is consistent with this land use designation. Residential uses, especially as part of a mixed-use

development, are encouraged in proximity to major transit stops. Attachment B includes an analysis of the project's consistency with relevant policies in the Comprehensive Plan.

Zoning Compliance

Attachment D includes an analysis of the project's consistency with the zoning ordinance. The project is located within the Downtown Commercial Community Zone District (CD-C) as well as within the Pedestrian (P) Combining District. The project would be subject to the Objective Design Standards set forth in PAMC Chapter 18.24. However, the applicant has indicated their intent to forego compliance with PAMC Chapter 18.24 and instead comply with the context-based design criteria for the CD-C Zone District (set forth in PAMC Section 18.18.110) and the Major Architectural Review process, as is allowed per code.

Context-Based Design Criteria

An analysis of the project's consistency with the Context Based Design Criteria is included in the findings for approval in Attachment B. Overall the project is consistent with these criteria in that it provides a ground floor active use with attractive landscaping design along the frontage. It reinforces the façade at the frontage in a way that provides evidence of habitation with views into the balconies, but still provides privacy for residents.

Revisions Based on ARB Comments

In response to recommendations from board members during the preliminary review study session, the applicant made several revisions to the plans, mainly reducing the amount of proposed concrete and incorporating more natural materials and vegetation into the design to soften the look and feel of the building. The stair tower at the rear, design of the trash rooms, and design of the parking system and layout were also revised.

In response to the ARB's comments on June 20, 2024, on the formal application, the applicant made further revisions to address comments from board members. These included refinements to the design of the project as it related to the neighboring building at 636 Waverley Street (mainly reducing concrete), small refinements and clarity on the parking design, and revisions and clarity to landscape planting and its long-term maintenance.

Overall, the applicant was responsive to the ARBs comments and has made improvements to the design to address/reflect those comments.

Annual Office Limit

The proposed project would be subject to the annual office limit under PAMC Section 18.40.210 because the project includes over 2,000 net new square feet of office space, unless the applicant chooses to restrict the space to medical office or nonprofit office use. The annual office limit allows for up to 50,000 square feet per fiscal year and allows up to 100,000 square feet with a rollover from the previous year. Currently, there is 47,400 square feet of office space that was rolled over from the fiscal year 2024. Therefore, the threshold for this fiscal year is 97,400 square feet. The project proposes a net increase in 672 square feet of office space.

Therefore, the approval of the proposed project would not cause the City to exceed the annual office limit.

Parking and Circulation

The proposed project provides eight total parking spaces (six spaces, two of which are ADA spaces and therefore count twice in accordance with the Municipal Code). Under the City's zoning ordinance, the proposed uses would be required to provide 16 spaces. However, under State law enacted by Assembly Bill 2097, the City cannot impose minimum automobile parking requirements for residential uses and most commercial uses (including office) located within a one-half mile of a major transit stop. The site is located within 0.5 mile of the Palo Alto Caltrain Station, which qualifies as a major transit stop. Therefore, no automobile parking spaces are required under State law for the proposed project, but bicycle parking spaces are still required. Parking that is provided meets California Building Code requirements for EV and ADA based on the number of spaces provided. The project has been reviewed and is consistent with the building and green building code requirements. A transportation analysis has been prepared and is included in Attachment E. The analysis concludes that the project as designed would not impact existing transit facilities and includes appropriate circulation for the project site.

Housing Accountability Act and Senate Bill (SB) 330

The proposed project qualifies as a Housing Development in accordance with the Housing Accountability Act and SB 330 regulations because the project it is at least two-thirds residential. The applicant has not filed a pre-application in accordance with Senate Bill 330. However, regardless of whether a pre-application is filed for the formal project, SB 330 also includes no net loss of housing requirements as well as any tenant relocation requirements if the existing housing has been used as residential rental in the past five years. Records from submittals to the City's business registry show that the site has been utilized by the current office use for at least seven years, therefore no tenant relocation is required.

Citywide Affordable Housing Requirements

The project is proposing four residential units, which results in a fractional (0.6) below market rate unit that would be required in accordance with PAMC Section 16.65, which includes the Citywide Affordable Housing requirements. The applicant intends to pay housing in-lieu fees for the fractional unit. Payment of this fee is required as set forth in the conditions of approval. In accordance with SB 937, which allows payment of fees prior to occupancy for housing development projects.

Historic

The project site has been deemed ineligible for listing in the California Register of Historic Resources as detailed in the environmental analysis. The Historic Resources Evaluation for this site was previously reviewed by the City's Historic Resources Board (HRB) and the HRB agreed with the findings of the analysis. However, the project is located adjacent to a Category 2 historic single-family residence on the City's local inventory. The adjacent building, constructed in 1908, has been evaluated and found to be eligible for the National Register of Historic Places as well as the California Register of Historical Resources. As part of the environmental analysis, A/H/C evaluated whether the proposed project would impact the neighboring historic structure

in a manner that is inconsistent with the SOIS standards. The analysis concluded that the proposed project is compatible with the neighboring property.

STAKEHOLDER ENGAGEMENT

The Palo Alto Municipal Code requires notice of this public hearing be published in a local paper. Notice of a public hearing for this project was published in the Daily Post on December 27, 2024, which is 21 days in advance of the meeting. Postcard mailing occurred on January 2, 2025, which is 14 days in advance of the meeting.

Public Comments

The property owner of 1650 Waverley Street initially commented on the project and expressed concern about the project design, and more specifically how the location of the lift structure to the underground garage, would impact his property. The lift structure design was refined prior to the last hearing and the neighbor has since expressed his support of the project both at the previous hearing and in writing.

ENVIRONMENTAL REVIEW

The City, acting as the lead agency, has analyzed the project in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA). Specifically, 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. The 15183 exemption allows for streamlining of infill projects where the previous adopted EIR for a Comprehensive Plan has been adopted and adequately addresses the impacts of the proposed project. Plan level technical reports were prepared to confirm 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. A link to the analysis and attachments are included in Attachment F.

ALTERNATIVE ACTIONS

In addition to the recommended action, the Architectural Review Board may:

1. Recommend the project return to the ARB at a date (un)certain.
2. Recommend Denial based on revised findings.

ATTACHMENTS

Attachment A: Location map

Attachment B: Findings for Approval

Attachment C: Conditions of Approval

Attachment D: Zoning Consistency Analysis

Attachment E: SWA Memorandum

Attachment F: Project Plans and Environmental Analysis

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