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Architectural Review Board Staff Report

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

Meeting Date: May 2, 2024
Report #: 2404-2901

TITLE

3980 El Camino Real [24PLN-00041]: Request for Streamlined Housing Development Review to Allow the Redevelopment of the Buena Vista Village Mobile Home Park into Two Parcels, Featuring a new 100% Affordable Housing Development. One Parcel Would Include a 61-Unit Multi-Family Apartment Building; the Other Parcel Would Include a 44-Unit, Occupant Owned Mobile Home Park. The proposed 61-Unit Development and Work within the City's Public ROW is Subject to the City's Review. Redevelopment of the Mobile Home Parcel is Subject to HCD Reriew. The Project Includes a Request for Concessions and Waivers Pursuant to State Density Bonus Law. Environmental Assessment: Exempt from the Provisions of the California Environmental Quality Act in Accordance with CEQA Guidelines Section 15332 (In-fill Development). Zoning District: RM-20.

RECOMMENDATION

Conduct a study session to provide feedback on whether minor adjustments to the application would result in closer adherence to the objective design standards contained in Palo Alto Municipal Code (PAMC) Chapter 18.24, Objective Standards, consistent with the streamlined review for housing development projects pursuant to 18.77.073.

EXECUTIVE SUMMARY

In December 2023, the Santa Clara County Housing Authority (SCCHA) submitted a compliant pre-application in accordance with Senate Bill (SB) 330 to effectively freeze development standards for the proposed redevelopment for 180 days. On February 15, 2024, the Santa Clara County Housing Authority (SCCHA) submitted a formal application for Streamlined Housing Development review. The proposed project includes an affordable 61-unit apartment development on a portion of the subject parcel located at 3980 El Camino Real (see Attachment A, Location Map). The applicant intends to file a separate Vesting Tentative Map Application with the City to subdivide the existing lot into two parcels.

The second parcel would be redeveloped with 44 mobile homes, which is processed through the State Department of Housing and Community Development (HCD). The total development

would be 105 units; 40% of units will be provided at a rate affordable to households earning 30% of Area Median Income (AMI), 40% of the units would be provided at a rate affordable to households earning 50% AMI and the remaining 20% would be provided at a rate affordable to households earning 80% AMI.

The project is a housing development project in accordance with the Housing Accountability Act and qualifies for a Density Bonus based on the percentage and income level restrictions on the provided units. The project is also eligible for four concessions as well as unlimited waivers, or changes to the objective development standards, to accommodate the development in accordance with the State Density Bonus allowances (California Government Code §65915) and PAMC Chapter 18.15.

The project plans are included in Attachment F. The City, acting as the lead agency in accordance with the California Environmental Quality Act, anticipates that the project will be exempt from CEQA in accordance with CEQA Guidelines Section 15332 (infill exemption). The documentation to support this exemption is currently being prepared and will be completed prior to a decision on the project.

BACKGROUND

Project Information

Owner:	Santa Clara County Housing Authority (SCCHA)
Architect:	Van Williams Meter Pollock (VMWP), Preeti Srinivasan
Representative:	Kris Adhikari, SCCHA
Legal Counsel:	Not Applicable

Property Information

Address:	3980 El Camino Real
Neighborhood:	Barron Park
Lot Dimensions & Area:	~219 (w) x ~338 (L), (1.692 acres)
Housing Inventory Site:	Not Applicable
Located w/in a Plume:	Not Applicable
Protected/Heritage Trees:	Protected trees, See discussion below
Historic Resource(s):	HRE currently being prepared

Existing Improvement(s):	79 residential units (30,414 sf); Single-story; constructed in 1970
Existing Land Use(s):	Mobile Home Park/RVs
Adjacent Land Uses & Zoning:	North: Single family residential (R-1) West: Multi-family Land Use (RM-30 Zoning) East: Commercial Land Use (CS Zoning); lot will be split such that RM-20 will be adjacent to the new apartment parcel South: Multi-family Land Use (PC 2930 Zoning)

Aerial View of Property:



Source: Google Satellite Maps

Land Use Designation & Applicable Plans

Comp. Plan Designation: Multi-family Residential

Zoning Designation: Low Density Multi-family Residential (RM-20)

	Yes		Yes		Yes
Baylands Master Plan/Guidelines (2008/2005)	<input type="checkbox"/>	El Camino Real Guidelines (1976)	<input type="checkbox"/>	Housing Development Project	<input type="checkbox"/>
Downtown Urban Design Guidelines (1993)	<input type="checkbox"/>	South El Camino Real Guidelines (2002)	<input type="checkbox"/>	Utilizes Chapter 18.24 - Objective Standards	<input checked="" type="checkbox"/>
Individual Review Guidelines (2005)	<input type="checkbox"/>	Within 150 feet of Residential Use or District	<input checked="" type="checkbox"/>	Context-Based Design Criteria applicable	<input type="checkbox"/>
SOFA Phase 1 (2000)	<input type="checkbox"/>	SOFA Phase 2 (2003)	<input type="checkbox"/>	Within Airport Influence Area	<input type="checkbox"/>

Prior City Reviews & Action

City Council:	Council held a study session on March 4, 2024 to provide feedback on the proposed project’s initial design and related actions, including modifications to the tri-party regulatory agreement for the site.
PTC:	None
HRB:	None
ARB:	None

In June 2016, Council approved a Memorandum of Understanding (MOU) between the SCCHA, the County of Santa Clara, and the City of Palo Alto to provide up to \$14.5 million in City affordable housing funds in support of the Housing Authority’s potential acquisition of the Buena Vista Mobile Home Park for deed restricted affordable housing. The SCCHA purchased the park in 2017 with the support of these funds. After an assessment of the park’s conditions, it was found that the park contained an array of hazards such as: failing utilities, many coaches near their end-of-life with structural and health issues, and lack of code-compliance. With the purchase, SCCHA agreed with the City and County to improve and protect the park as affordable housing through a tri-party regulatory agreement which focused on maintaining affordable housing, enhancing the habitability of the property, avoiding resident displacement, and investing in rehabilitation and improvements. The tri-party agreement includes an improvements timeline and some expected outcomes. Since the onset of the agreement, the Housing Authority has:

- Relocated Park residents as needed (e.g., to new mobile homes),
- Removed trash and abandoned cars,
- Conducted necessary home repairs,
- Installed new utilities,
- Replaced aged sewer and water lines,
- Replaced paving,
- Demolished abandoned coaches (i.e., mobile homes),
- Capped unused utilities for safety,
- Provided spaces for services and an afterschool program, and
- Worked to bring the Park into compliance with various laws.

Council held a study session on February 13, 2023 in which SCHAA provided an update on these ongoing efforts at the site.

Project Description

On February 15, 2024, the SCCHA submitted a formal application for Streamlined Housing Development review for a 61-unit apartment development on a portion of the site. Attachment C shows the project plans for this development. The SCCHA intends to submit a subsequent application for a Vesting Tentative Map to subdivide the existing parcel into two parcels and to redevelop one of the parcels with a 61-unit apartment complex and the other parcel with a 44-unit mobile home development.

Requested Entitlements, Findings and Purview:

The following discretionary applications are being requested and are subject to the ARB's purview:

- Streamlined Housing Development Review: The process for evaluating this type of application is set forth in PAMC 18.77.073. Streamlined Housing Development Review applications require a study session with the ARB and recommendations are forwarded to the Planning & Development Services Director for action following the review. Action by the Director is appealable to the City Council if filed within 14 days of the decision. Streamlined Housing Development projects are evaluated against specific findings. Both of the findings must be made in the affirmative to approve the project. Failure to make any one finding requires project redesign or denial. Draft findings for this project are provided in Attachment B.

SCCHA has not yet filed their application for a Tentative Map; however, a tentative map is required to subdivide the existing parcel into two parcels. Filing and processing of a Tentative Map and Final Map would be made a condition of approval of this project.

The ARB's purview of the formal application is limited by the following state law:

- Housing Accountability Act (Government Code 65589.5): The project constitutes a "housing development project" under the Housing Accountability Act. The Housing Accountability Act Section 65589.5(j) requires that when a proposed housing development project complies with applicable, objective general plan and zoning standards, a local agency may only deny or reduce the density the project or reduce its density if the agency first finds that (1) the development would have a specific adverse impact on public health or safety unless disapproved, or approved at a lower density; and (2) there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact, other than the disapproval, or approval at a lower density.

ANALYSIS

Staff from all relevant departments are reviewing the Streamlined Housing Development Review application for consistency with the municipal code and all other relevant state and federal regulations. As detailed in the executive summary, this site is unique in that the proposed Vesting Tentative Map and entitlement for the apartment complex will be processed through the City, but the mobile home redevelopment will be processed through HCD. This analysis reflects staff's review for work within the public right of way (ROW) and for the 61-unit apartment complex.

Comprehensive Plan and Design Guidelines

There are no specific plans or design guidelines that are relevant to the proposed project. Overall, the project site is consistent with the Comprehensive Plan, including the land use designation and applicable goals and policies. The project site has a multi-family land use designation. The Land Use and Community Design Element of the Comprehensive Plan states for this land use that: "The permitted number of housing units will vary by area, depending on

existing land use, proximity to major streets and public transit, distance to shopping and environmental problems. Net densities will range from 8 to 40 units and 8 to 90 persons per acre. Density should be on the lower end of the scale next to single-family residential areas. Densities higher than what is permitted may be allowed where measurable community benefits will be derived, services and facilities are available, and the net effect will be consistent with the Comprehensive Plan. Population densities will range up to 2.25 persons per unit by 2030.” The density of the proposed 61-unit development would be 36 dwelling units per acre (DU/AC) based on the proposed parcel boundaries in accordance with the planned subdivision map which complies with the Comprehensive Plan although it ranges toward the higher end of what is allowed. Staff notes that overall, the development across the two parcels would equate to a density of 23 DU/AC.

Zoning Compliance¹

A table summarizing the proposed project’s consistency with applicable RM-20 zoning standards is included in Attachment C. The proposed project complies with all applicable codes or is seeking, through the state density bonus provisions, permission to deviate from certain code standards in a manner that is consistent with the Zoning Ordinance and state density bonus law. Specifically, the applicant is seeking a density bonus, four concessions and four waivers:

- Density Bonus: 36 DU/AC, where 20 DU/AC is permitted. This is an 80% density bonus, which is permitted for a project providing the amount of deeply affordable units proposed.
- Concession 1: Height (36 feet where 30 feet is allowed)
- Concession 2: Façade breaks (less than 2 feet in depth)
- Concession 3: Unit Entries 18.24.020(b)(4)(E) (ground floor units not designed to face path or common open space)
- Concession 4: Percent of Frontage Dedicated to Utilities and Surface Parking 18.24.06(C)(7)(A)
- Waiver 1: Floor Area (0.99:1.0 where 0.5:1.0 is allowed)
- Waiver 2: Private Open Space-No Private Open Space provided where 50 sf per unit is required
- Waiver 3: Site Open Space of 24% where 35% is required
- Waiver 4: Parking lot shading requirement (future coverage of 33% where 50% is required)

The SCCHA has expressed that they are still exploring whether the project could be revised to comply with the façade break requirement, as discussed further below. Justification for this concession as well as unit entries has also not yet been provided to show that this concession is necessary to reduce costs. Modifications to the design to comply with the code or submittal of additional information related to these concessions would be required prior to approval.

Objective Design Standards

¹ The Palo Alto Zoning Code is available online: bit.ly/PAZoningCode

The project is subject to the Objective Design Standards set forth in PAMC Section 18.24. A summary of each standard and how the project complies with that standard is provided in Attachment D. The project does not appear to comply with the following standards, all of which are listed as requested concessions:

- Ground floor unit direct connection to path or common open space
- Façade breaks
- Percentage of frontage dedicated to utilities and parking

The ground floor units do not have a direct connection to the pathway or to the open space, and therefore does not comply with PAMC Section 18.24.040(b)(4)(E). It's unclear to staff, without more information. About whether this could be feasible. But it's also unclear whether this would be desirable in this circumstance as the units in this case are fronting a parking lot. Common open space would need to be reduced to allow for the few ground units that could open to the common open space, which may create noncompliance with the common open space requirements. Staff is seeking the ARB's feedback in particular on this requested concession.

The project does not appear to meet the façade break requirements for all facades facing residential uses. The applicant has requested a concession but is exploring options for how to bring the project into conformance with this requirement. Therefore, ARB's feedback is also requested, in particular, with respect to this requirement.

The project also does not comply with the percentage of frontage dedicated to utilities and parking. However, substantial redesign would be required to revise the circulation in order to bring the project into conformance while still meeting the utility requirements. The circulation as designed is also important to the flow of traffic as well as safety requirements.

Multi-Modal Access & Parking

The proposed project creates a secondary access point off of Los Robles for vehicles. While providing only one curb cut from Los Robles would be better from a bicyclist/pedestrian perspective, this addition ensures better circulation on site and reduces the volume of traffic traveling along the private road where residents are crossing to access shared amenities.

Parking is provided on site and meets the minimum requirements for standard parking spaces. However, a car loading space is required in accordance with the Zoning Code for projects of more than 50 units. The project exceeds the Code requirements for parking by two spaces; therefore, one of these spaces should be used. Currently many residents park along the frontage; therefore, the project improves the existing condition by providing more parking on site and utilizing the frontage to improve the pedestrian connection. An access easement over the sidewalk will be required as a condition of approval of the project and incorporated into the proposed tentative map. Bicycle parking is provided at grade and a pathway meeting the minimum requirements for pike/ped access is provided.

The project does not appear to comply with the parking lot shading requirements. As summarized in Attachment C most of the requirements have been met. However, the overall shading does

not meet the 50% requirement. Therefore, modifications to the project would be warranted to address this requirement.

Consistency with Application Findings

The project is still under review and modifications are needed to bring the project into conformance with the code. However, the findings for approval are provided in Attachment B.

Regulatory Agreement

There is an existing tri-party Regulatory Agreement recorded on the property from 2017. For consistency with the redevelopment plans, the Regulatory Agreement will need to be amended or replaced. The Housing Authority has expressed its commitment to delivering the same number of required housing units at the same affordability levels in the new agreements. City staff and Housing Authority staff will discuss the amendments and anticipate seeking Council approval to draft and/or execute agreements based on the revised terms approval.

FISCAL/RESOURCE IMPACT

In June 2016, Council authorized the expenditure of \$14.5 million in City affordable housing funds to support the Housing Authority's potential acquisition of the Buena Vista Mobile Home Park for deed restricted affordable housing. The money was utilized to acquire the site in 2017.

The redeveloped Buena Vista Community will have two separate development budgets: one for the mobile home park and one for the proposed apartments. With the State's award of nearly \$25 million in Manufactured Housing Opportunity and Revitalization funds, the mobile home park is fully funded. The Housing Authority is continuing to work on the financing plan and funding applications for the apartment building. Most immediately, the Housing Authority intends to apply to the State for funding under the Multifamily Finance Super NOFA (notice of funding availability). The application dates have not been released, but in previous funding rounds, the application is typically available in late May/early June and due in early July. The Housing Authority intends to apply for approximately \$10 million in State funding. If the application is successful, the Housing Authority would next apply for tax credits. If the application is not successful, the Housing Authority will work to identify an alternative financing source prior to applying for tax credits.

No additional funding is requested from the City at this time. The formal application is a cost recovery project and the SCCHA has paid the required deposit fee in accordance with the municipal fee schedule for processing of this application.

STAKEHOLDER ENGAGEMENT

Van Meter Williams Pollack (VMWP) on behalf of the Santa Clara County Housing Authority (SCCHA) began the community engagement process in early 2019 but was disrupted by the COVID pandemic. In the Fall of 2022, Santa Clara County Housing Authority (SCCHA), VMWP, and Associated Right of Way Services, Inc. (AR/WS) worked with Engage FORA to resume the community engagement process for the redevelopment of the Buena Vista Mobile Home Park (BVMHP). The engagement process included:

- 4 interactive workshops
- resident advisor 1-on-1s
- 3 property tours
- monthly newsletters
- on-site tours of a new coach
- frequent FAQs
- 3 resident education sessions
- website updates
- 3 community-building events

The Buena Vista residents value their community and want to preserve its affordability. From a development perspective, resident priorities included the questions of timeline, process, choices for their future homes, renter versus owner options, and costs associated. However, input from residents also influenced several aspects of the design, including:

- Colors, material, and architectural style
- Massing and orientation of the apartment building
- The size of the new mobile homes

Residents also stressed the importance of amenities like play areas, a place for a homework club with computers, indoor and outdoor community gathering and event spaces, a dog run, and garden beds.

At the Council Study session in March, a number of residents and local advocates for the mobile home park spoke about the project. Comments primarily focused on questions and comments about the relocation plan, which, at the time, had not yet been released. Some commenters more generally discussed transparency in the process, expressed the desire for larger units (primarily for the ownership units), and mentioned their interest in owning versus renting.

ENVIRONMENTAL REVIEW

The City will serve as the lead agency in accordance with the California Environmental Quality Act. The project is anticipated to be exempt from the provisions of CEQA in accordance with CEQA Guidelines Section 15332 (infill exemption). The CEQA analysis will assess the whole of the action, including the subdivision and the 44-unit mobile home development. The County Housing Authority is also seeking federal funding from Housing and Urban Development (HUD); therefore, HUD will serve as the lead agency for NEPA. The City will serve as the responsible entity preparing the Environmental Analysis in accordance with federal regulations.

ATTACHMENTS

Attachment A: Location Map

Attachment B: Streamlined Housing Development Findings

Attachment C: Zoning Consistency Analysis

Attachment D: Objective Design Standards Comparison Checklist

Attachment E: Applicant's Project Description and Requested Waivers and Concessions

Attachment F: Project Plans

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