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## **Architectural Review Board Staff Report**

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

**Meeting Date: March 7, 2024**  
**Report #: 2312-2392**

### **TITLE**

PUBLIC HEARING / QUASI-JUDICIAL. 800 San Antonio Road [23PLN-00010]: Recommendation on Applicant's Request for Approval of a Rezoning from Service Commercial to Planned Community/Planned Home Zoning and to allow construction of 75 residential ownership units, 16 of which would be below-market rate units (21% of the units). The proposed building is 5-stories with two levels of subterranean parking. The project also includes a subdivision map to merge two adjacent lots to create a resulting 0.88-acre parcel. Environmental Assessment: Addendum to the Housing Incentive Program Expansion and 788 San Antonio Mixed Use Project EIR (SCH # 2019090070). Zoning District: CS (Commercial Service). For More Information Contact the Project Planner Emily Kallas at [Emily.Kallas@CityofPaloAlto.org](mailto:Emily.Kallas@CityofPaloAlto.org).

### **RECOMMENDATION**

Staff recommends the Architectural Review Board (ARB) take the following action(s):

1. Recommend that Council approve the proposed project based on findings and subject to conditions of approval in Attachments B and C respectively.

### **EXECUTIVE SUMMARY**

The applicant requests approval to rezone two Commercial Service (CS) zoned parcels located at 800 and 808/814 San Antonio Road to "Planned Home Zone" (PHZ) in accordance with Palo Alto Municipal Code (PAMC) Chapter 18.38 (Planned Community Zoning). The parcels would be merged under a separate subdivision map application, and the resulting parcel would be redeveloped with a five-story, 75-unit for-sale, residential building. Sixteen of the units would be provided as below-market rate units (21%). This is comprised of seven units provided at a rate affordable to very-Low Income, five at a rate affordable to low Income, and four at a rate affordable to moderate Income units. Attachment A includes a map of the project location.

The ARB previously reviewed the project on August 17, 2023. This staff report includes extensive background information, project analysis and evaluation to City codes and policies (Attachment E).

The purpose of this report is to restate the comments made by the Board and detail the applicant's response to those comments. The analysis section below builds upon the information contained in the earlier report (Attachment E) and is modified to reflect recent project changes.

Following the ARB's recommendation, the project will return to the Planning and Transportation Commission for a formal recommendation. Both of these recommendations will be forwarded to Council for a final decision.

## BACKGROUND

On August 17, 2023 the ARB reviewed the project. A video recording of the Board's meeting is available online: [Video](#). The Board's comments and the applicant's response are summarized in the following table:

ARB Comments/Direction	Applicant Response
Boardmembers indicated that the design could use some refinement, with the inclusion of additional detail such as unit floor plans and elevations of the courtyard sides of the building.	<p>The project plan set has been updated to show the unit floor plans, additional elevations, building sections, lighting information, etc.</p> <p>The vertical fins, noted at the previous hearing as not being oriented properly for sun shading, are for privacy and decorative purposes and will not provide shade.</p>
Boardmembers recommended that the applicant increase the depth of the private balconies to meet the minimum code requirement for useable open space.	<p>The balconies and ground floor patios have been increased to a minimum 6-foot depth so that the balconies count toward the open space requirements, as recommended by Boardmembers. The average balcony size ranges from 77 to 96 sf.</p> <p>A 1,345 sf roof deck has been added to the southwest corner of the roof (closest to 788 San Antonio). Additional common open space is located in the approximately 3,260 sf courtyard.</p>
Boardmembers discouraged the project from encroaching into the special setback along San Antonio Road.	No change has been made to this aspect of the project. No portion of the building encroaches into the setback, though a

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Boardmembers indicated that the courtyard did not have sufficient light and recommended changes to provide more light to improve the usability of this common open space.

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Boardmembers recommended more privacy/separation between private porches and common open space in the courtyard. They noted that having the gym open to the courtyard may improve the design. Most boardmembers also recommended more buffer between the front yard landscape elements and the street-facing units.

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Most boardmembers noted that the project should provide the minimum required commercial/retail space to serve the residents within the HIP area.

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Boardmembers recommended improving circulation for loading, delivery, trash pick-up, ride share, and bikes on site.

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small portion of some units' private open spaces do.

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The upper floor on the southern (right-hand) side of the courtyard has been stepped back to allow for better light access. Further detail has also been provided to show how light may enter the courtyard through the two-story entrance lobby windows.

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The clubhouse and gym spaces have been redesigned to open onto the courtyard consistent with boardmember's recommendations. The new retail spaces faces the street, providing additional public space. Private open space for units adjacent the courtyard were also modified by moving them to the corners so that they are better shielded.

The overall unit count decreased by one unit, however two units now faces the public right-of-way. The buffer between the street and the units private open space include landscaping in the front setback and a 7ft decorative metal fence. Landscaping includes agave, breeze grass, and a Western Redbud tree.

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The project has been modified to add retail space. The project is now proposing 1,078 sf of retail space, where normally 1,500 sf of replacement retail is required, to adhere to the retail preservation ordinance with a partial exemption (18.40.180(c)(4))

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Per the recommendation of Zero Waste staff, trash pick-up has been moved to the curb. This "duck out" area will also serve ride share and occasional delivery loading. There is also a loading space in the garage.

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Some boardmembers recommended more stepback on upper floors while others did not. Generally, boardmembers agreed that more modulation might improve the design.

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The building shape is largely unchanged. The front façade has been modified to further enhance the two-story front entry, and provide a designated entry for the retail space.

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Materials need warmth. While the two-story entry is good, the rest of the building needs more ground-level human-scale texture.

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In addition to the three previously included gray equitone panel colors, beige “Autumn Dusk” and horizontal textured beige “Hessian” panels have been added to the front façade and inside the courtyard, to provide ground-level human-scale texture.

Perimeter fencing on site will be “rust brown” metal, and the roof material will be high albedo membrane roofing.

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## **ANALYSIS**

### *Design Changes*

The project design changes appear to overall address the ARB’s comments. Over 1,000 sf of retail was added, which will serve residents in this building and along the San Antonio corridor. The gym and clubhouse spaces have been re-oriented to the courtyard to make the space feel more communal. The rooftop garden will add increased landscaping and access to sunlight, as ARB expressed concern that the courtyard would be shaded most of the day. Other changes have been made to make functional aspects of the project, such as refuse collection, more manageable. Overall, this reduces the number of exceptions from the base zoning requested, which now comprise only on the height, lot coverage, and maximum floor area needed to provide this number of housing units, and a small reduction in the minimum retail space required. Please see Attachment D for the Zoning Analysis.

The changes to the materials increase warmth and add human-scale interest through texture. These changes are concentrated at the ground floor, but not incorporated throughout the full building. The addition of the commercial space will help provide services to the resident of this building, as well as the adjacent buildings proposed in the San Antonio Road Housing Incentive Program corridor.

PHZ projects are subject to the ARB Findings. Further information is available in the Draft ARB Findings (Attachment B).

### *Unit Affordability*

The project proposes to provide seven units at a rate affordable to very-low income, five units at a rate affordable to low income, and four units at a rate affordable to moderate Income. This 21% of the total 75 units.

In Council's motion on September 21, 2020,<sup>1</sup> Council endorsed a list of four options in which a developer could provide sufficient below market rate units to serve as the public benefit of the project. The applicant has selected Option 2, as provided in that Council staff report. This provides a weighted calculation to incentivize developers to provide very low and low-income units, rather than the minimum moderate units required. The Table below calculates weighted values for the BMR units provided, equivalent to almost 29%. This is in excess of the minimum 20% Council recommended for a PHZ project.

800 San Antonio Below Market Rate Unit Calculation						
	Income Level	Area Median Income	Weighted Value	Number of Units	% of Actual Units	Weighted %
Below Market Rate Units	Very-low Income	31-50%	1.9	7	9.3%	18%
	Low Income	51-80%	1.2	5	6.7%	8%
	Moderate Income	81-120%	0.6	4	5.3%	3%
Typical Units	Above Moderate & Market Rate	121% +	0	59	-	-
<b>Total</b>				75	21.3%	28.9%

Overall, this project will provide needed multi-family ownership housing units, especially lower-income ownership units. It will help the City achieve its RHNA housing goals and contribute to the San Antonio corridor as an up-and-coming neighborhood.

## ENVIRONMENTAL REVIEW

The subject project has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. Specifically, an Addendum to the previously adopted Housing Incentive Program Expansion and 788 San Antonio Road Mixed-Use Project Environmental Impact Report (SCH # 2019090070). The Addendum determined no additional significant environmental impacts will occur as a result of this project, and the project is subject to the previously adopted relevant mitigation measures. The Addendum is available in Attachment G.

## PUBLIC NOTIFICATION, OUTREACH & COMMENTS

The Palo Alto Municipal Code requires notice of this public hearing be published in a local paper and mailed to owners and occupants of property within 600 feet of the subject property at least ten days in advance. Notice of a public hearing for this project was published in the *Daily Post* on

<sup>1</sup> September 21, 2020 Council Staff Report - [bit.ly/PHZ-CouncilReport](https://bit.ly/PHZ-CouncilReport)

February 23, 2024, which is 12 days in advance of the meeting. Postcard mailing occurred on February 21, 2024, which is 14 in advance of the meeting.

### Public Comments

During the prescreening process for this project, members of the public encouraged more greenery and amenities that would continue to support the housing as it is built out. They also encouraged Council to further prioritize a Coordinated Area Plan for the development of this corridor, especially for the purposes of a holistic approach to improving multi-modal infrastructure.

At the August 17, 2023 hearing, three members of the public also provided comments. Their concerns are summarized as follows:

- This area lacks bus and bike infrastructure
- The building is too tall, too dense, and does not have stepbacks on the upper levels
- Concern about children safely walking and biking to school, it is unclear what school district the building is located in
- Open space is insufficient and should not include a roof deck
- Appreciation for below-market rate units
- Concerns about dewatering for below grade parking
- Desire to increase and improve landscaping to include more tree and native pollinator species

Public comments received by email since the August 17<sup>th</sup> hearing are included in Attachment F. Related to these comments, Planning staff is working with students from the California Polytechnic State University, San Luis Obispo to create a Concept Plan for the area. Transportation staff is also working with the Superintendents of both Palo Alto Unified and the Mountain View Whisman School Districts to finalize where students from this new neighborhood will go to school.

### **ALTERNATIVE ACTIONS**

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

1. Continue the project to a date (un)certain; or
2. Recommend project denial based on revised findings.

### **ATTACHMENTS**

Attachment A: Location Map

Attachment B: Draft ARB Findings

Attachment C: Draft Conditions of Approval

Attachment D: Zoning Comparison Table

Attachment E: August 17, 2023 ARB Staff Report

Attachment F: Public Comments

Attachment G: Project Plans and CEQA Documents Link

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