



CITY OF  
**PALO  
ALTO**

## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: Planning and Development Services**

**Meeting Date: December 16, 2024**

Report #:2412-3848

### **TITLE**

REINTRODUCED FIRST READING: Adoption of an Ordinance Amending Palo Alto Municipal Code Title 18 (Zoning) and Title 21 (Subdivisions and Other Divisions of Land) to Clarify Existing Regulations and to Implement State Housing Laws Adopted in 2023 and Earlier. CEQA Status - Exempt Pursuant to CEQA Guidelines Section 15061(b)(3). (PREVIOUSLY INTRODUCED: November 12, 2024 PASSED 6-1, Kou no)

### **RECOMMENDATION**

Adopt the attached ordinance clarifying existing regulations and implementing state housing laws adopted in 2023 and earlier.

### **BACKGROUND**

On November 12, 2024, the City Council provided direction to staff on the implementation of AB 2097 and adopted an ordinance on first reading that amended the Palo Alto Municipal Code to incorporate a variety of state housing laws, including AB 2097.

The Council motion was, in pertinent part:

1. Require ADA / EVCS parking based on the full amount that would have been required if AB 2097 did not apply.
2. Adopt the attached ordinance implementing state law and other minor amendments to Titles 18 and 21 of the municipal code, except as modified by the prior motion on AB 2097

### **ANALYSIS**

The City Council direction on AB 2097 differed from the staff recommendation and the draft ordinance attached to the November 12 report. As a result, staff have revised the ordinance to reflect City Council direction (see page 5 of the attached ordinance).

As part of this effort, staff found it was necessary to better define the term “full amount” of parking used in the Council motion. Both local and state laws offer a variety of parking adjustments based on factors such as on-site amenities, transportation demand management plans, and the amount of affordable housing provided. Staff resolved this question in the

proposed ordinance by applying the maximum amount of parking adjustments in determining the “full amount” of parking. Because this is a substantive issue that was not previously discussed, staff is presenting the ordinance for a new first reading.

In addition, staff have added a provision to the ordinance clarifying that this change will not apply to projects that have been deemed complete for a planning entitlement prior to the effective date of the ordinance. This will avoid situations where an applicant has expended significant time and resources based on the staff’s prior interpretation of AB 2097, only to have the project scuttled at a late stage. One example of this issue is 640 Waverley. This mixed-use project with four dwelling units is proposing six parking spaces, of which one is an accessible space and four are EV-ready. Under the proposed ordinance, the project would need to provide nine spaces, including two van-accessible spaces, and seven EV-ready spaces. Given the physical constraints associated with this downtown site, the additional requirement would require a complete redesign of the project and would likely render it infeasible. Another example is the former Antonio’s Nut House project, which is currently designed with one accessible parking space and one other publicly available space. With the Council’s direction, both of those spaces would be required to be accessible spaces. This project, however, has already received a building permit and will not be subject to this requirement.

#### **POLICY IMPLICATIONS**

For properties within the Downtown parking district, applicants will have an opportunity to participate in the City’s in-lieu parking program for commercial development under the City’s current standards; residential projects would need to provide on-site ADA and EV parking in accordance with the Council’s direction. As illustrated above for the 640 Waverley project and documented in the prior staff report, this may make housing development on smaller lots unlikely.

For properties in the California Avenue area within one-half mile from the Caltrain station, the interchangeability of land uses, such as transitioning from retail to restaurant will be constrained for some sites. An intensification of land use typically requires additional parking, and the first parking spaces are dedicated to accessible parking. Many smaller lots in this area seeking to establish a restaurant or higher intensity land use may be impacted by this action until such time the City establishes a uniform parking requirement for retail and retail-like uses; tentatively scheduled to occur around June 2025.

In other areas not subject to AB 2097, staff will continue to impose an accessibility and electric vehicle parking requirement based on the amount of parking provided on-site as part of the development. An example of this is with the affordable housing project at 525 Charleston Avenue. This approach is consistent with local and state law requirements.

#### **FISCAL/RESOURCE IMPACT**

The recommendation in this report does not have any significant fiscal or resource impacts to the City.

**STAKEHOLDER ENGAGEMENT**

The City Council held a public hearing on this ordinance on November 12, 2024 and provided direction to staff to implement the subject ordinance.

**ENVIRONMENTAL REVIEW**

The recommendation in this report is exempt from environmental review in accordance with the California Environmental Quality Act Guidelines Section 15061(b)(3) in that it can be seen with certainty that the proposed action does not have an impact on the environment and continues the status quo.

**ATTACHMENTS**

Attachment A: Ordinance Amending Palo Alto Municipal Code Title 18 (Zoning) and Title 21 (Subdivisions and Other Divisions of Land) to Clarify Existing Regulations and to Implement Recent State Housing Laws

**APPROVED BY:**

Jonathan Lait, Planning and Development Services Director