



**CITY OF PALO ALTO  
CITY COUNCIL  
Special Meeting  
Tuesday, January 21, 2025  
Council Chambers & Hybrid  
5:30 PM**

<b>Agenda Item</b>
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8. **FIRST READING:** Adoption of an Ordinance Amending Title 18: Zoning Ordinance of the Palo Alto Municipal Code (PAMC) to Implement Programs 1.5A (Stanford University Lands), 3.6D (Expedited Project Review), 4.1A (Replacement Housing), and 6.5C-G (Alternate Housing) of the Housing Element 2023-2031, and Title 21: Subdivision and Other Divisions of Land to Incorporate Changes as Directed by Housing and Community Development (HCD). CEQA Status – Revised Addendum to Comprehensive Plan EIR approved November 2023 (SCH 2014052101). *Title Updated, Staff Presentation*



## City Council Staff Report

**From: City Manager**

**Report Type: ACTION ITEMS**

**Lead Department: Planning and Development Services**

**Meeting Date: January 21, 2025**

Report #:2411-3793

### **TITLE**

FIRST READING: Adoption of an Ordinance Amending Title 18: Zoning Ordinance of the Palo Alto Municipal Code (PAMC) to Implement Programs 1.5A (Stanford University Lands), 3.6D (Expedited Project Review), 4.1A (Replacement Housing), and 6.5C-G (Alternate Housing) of the Housing Element 2023-2031, and Title 21: Subdivision and Other Divisions of Land to Incorporate Changes as Directed by Housing and Community Development (HCD). Environmental Assessment: Impacts Revised Addendum to the Comprehensive Plan EIR, approved November 2023 (SCH 2014052101).

### **RECOMMENDATION**

Staff recommends the City Council adopt an ordinance amending PAMC Title 18 (Zoning Ordinance) to implement components of the Housing Element Programs 1.5A (Stanford University Lands), 3.6D (Expedited Project Review), 4.1A (Replacement Housing), and 6.5C-G (Alternate Housing), and amending Title 21 (Subdivision and Other Divisions of Land) to incorporate changes as directed by Housing and Community Development (HCD) related to Senate Bill 9 implementation.

### **EXECUTIVE SUMMARY**

The 2023-2031 Housing Element (Housing Element), adopted by the City Council on April 15, 2024, and certified by the California Department of Housing and Community Development (HCD) on August 20, 2024, includes implementation programs requiring amendments to the Palo Alto Municipal Code (PAMC). These amendments were City Council Priority Objectives for 2024. The programs support the development of affordable housing, supportive housing, and other multi-family housing opportunities.

The attached Draft Ordinance (Attachment A) amends PAMC Title 18 (Zoning) Sections:

- 18.14.060 By Right Housing Projects (Neighborhood Commercial (NC), Community Commercial (CC), Service Commercial (CS), Downtown Commercial (CD), Research, Office, and Limited Manufacturing (ROLM), Research Park (RP), General Manufacturing (GM), Public Facilities (PF), and Pedestrian and Transit Oriented Development (PTOD) Districts.

- 18.20.030 Land Uses (Research Park (RP and RP (5) Districts),
- 18.20.040 Site Development Standards (Research, Office, and Limited Manufacturing (ROLM) District),
- 18.28.020 Definitions,
- 18.28.040 Land Uses (Open Space (OS) and Agricultural Conservation (AC) Districts,
- 18.28.070 Additional Open Space (OS) District Regulations,
- 18.28.080 Additional Agricultural Conservation (AC) District Design Requirements,
- 18.40.160 Replacement Project or Discretionary Review Required, and
- 18.77.070 Architectural Review Process.

The amendments are shown in underline/strikethrough. In aggregate, the amendments implement the requirements of the Housing Element Programs listed in Attachment B: 1.5A (Stanford University Lands), 3.6D (Expedited Project Review), 4.1A (Replacement Housing), and 6.5C-G (Alternate Housing).

The Draft Ordinance also includes amendments to Title 21 (Subdivisions and Other Divisions of Land), Section 21.10.040 General Requirements and Chapter 18.24 (Standards for Special Uses), to incorporate changes as directed by HCD to address an inconsistency within the City's Senate Bill (SB) 9 regulations.

The Housing Element implementation timeframe for all program components included in the proposed ordinance is January 2025, except Housing Element Program 6.5C Alternate Housing, is required by the end of June 2025.

## **BACKGROUND**

The State requires jurisdictions to prepare Housing Elements to include programs that would encourage housing production and eliminate constraints to housing to meet the Regional Housing Needs Allocation (RHNA).

On May 8, 2023, the City Council adopted Resolution No. 10107, approving an addendum to the Comprehensive Plan Environmental Impact Report (EIR), making various findings, and adopting the 2023-2031 Housing Element for the City of Palo Alto. The City Council approved a Revised Addendum to the Comprehensive Plan EIR and adopted Ordinance No. 5608 on December 18, 2023, rezoning sites in the 2023-2031 Housing Element Sites Inventory to accommodate the City's RHNA.

On April 15, 2024, The City Council adopted a Revised Housing Element (Resolution No. 10155) and authorized the Director of Planning and Development Services to take further actions necessary to achieve certification of the Housing Element by HCD. HCD found that the Revised 2023-2031 Housing Element, as further modified on July 17, 2024, was substantially compliant with the State law, certifying it on August 20, 2024.

The Housing Element includes several programs outlined in Attachment B that require updates to the municipal code. These include components of the following Housing Elements Programs: 1.5 (Stanford University Lands), 3.6 (Expedited Project Review), 4.1 (Replacement Housing), and 6.5 (Alternate Housing).

The Planning and Transportation Commission (PTC) reviewed the proposed changes to the PAMC Titles 18 (Zoning Ordinance) and 21 (Subdivision and Other Divisions of Land) on November 13, 2024<sup>1</sup>, and unanimously recommended the proposed changes to the City Council for adoption.

## **ANALYSIS**

The Housing Element programs are organized into various categories based on their goals and broader housing objectives and reflect on the City's commitment to increasing housing supply, enhancing housing affordability, and addressing housing needs comprehensively.

The amendments included in the Draft Ordinance (Attachment A) and outlined in this staff report are intended to implement Housing Element Programs (Attachment B) that require specific code amendments by January 2025. This is not an exhaustive list of ongoing Housing Element implementation programs or those requiring amendments throughout the 2023-2031 period.

**Housing Element Program 1.5: Stanford University Lands:** Housing Element Program 1.5 aims to establish a long-term policy framework for identifying additional housing sites on Stanford-owned lands. Components 1.5B and 1.5C encourages the City to engage with Stanford University, Simon Properties, and other stakeholders and identify additional housing opportunities by December 31, 2025. The draft amendment to the PAMC would implement Housing Element Program 1.5A.

Draft Zoning Text Amendment: The Conditional Use Permit restriction on multi-family residential in the RP and RP (5) zones has been removed as directed by the Housing Element Program 1.5A for most areas of the Research Park. The proposed change to the municipal code does not include sites subject to the City's Hazardous Materials Ordinance (PAMC Section 18.42.200) and continues a Conditional Use Permit requirement when housing is proposed within 600 feet of a Tier 2<sup>2</sup> Hazardous Facility. Continuing with existing regulations, no housing is allowed within 300 feet of a Tier 2 Hazardous Materials facility.

**Housing Element Program 3.6: Expedited Project Review:** Housing Element Program 3.6 outlines four implementation components to expedite the project review time. Components 3.6A (amending municipal code to exempt housing projects from ARB review to the extent they

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<sup>1</sup> <https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=13751>

<sup>2</sup> Uses with quantities of Toxic or Highly Toxic hazardous materials that are both above the threshold quantities in Health and Safety Code Division 20, Chapter 6.95 and below the Title 19 thresholds of the California Code of Regulations.

comply with the City's objective design standards) and 3.6C (formalizing the procedure to offer no-cost pre-application consultation services for housing projects) have already been completed and 3.6B (early ARB review) is underway. The draft amendment to the PAMC would implement Housing Element Program 3.6D, which limits the number of hearings before the Architectural Review Board for housing development projects, as defined in the Housing Accountability Act.

Draft Zoning Text Amendment: The municipal code currently has a maximum of three hearing limit unless additional reviews are requested by the applicant. The amendments to PAMC Section 18.77.070 (c) and (d) (Architectural Review Process) limit the number of hearings for housing projects before the Architectural Review Board (ARB) to a maximum of two meetings unless additional meetings are requested by the applicant.

**Housing Element Program 4.1: Replacement Housing:** Development on non-vacant sites with existing residential units must comply with specific State law(s) related to replacement requirements. The City is currently enforcing these mandates, and the amendment to PAMC codifies this practice and would implement Housing Element Program 4.1A.

Draft Zoning Text Amendment: PAMC Section 18.40.160 (Replacement Project or Discretionary Review Required) has been amended to include new subsection (a)(3) to meet and exceed the requirements of State law contained in the Housing Crisis Act of 2019 as amended by Assembly Bill (AB) 1218. The proposed zoning amendment further reduces the potential for displacement by requiring commercial project to replace all housing units demolished, even if they would not be considered "protected units" under State law.

**Housing Element Program 6.5: Alternate Housing:** The purpose of Program 6.5 is to promote alternative housing types such as large family units, single-room occupancy (SRO) units, supportive and transitional housing, and managed living units or "micro-units" to serve extremely-low-income households. Amendments to the PAMC would implement Housing Element Programs 6.5 (C: Group Homes, D: Supportive Housing, E: Low Barrier Navigation Centers, F: Emergency Shelters, and G: Farmworker Housing). Policy analysis on other alternative housing types (Program 6.5 B) is anticipated to begin in 2025.

Draft Zoning Text Amendments:

Housing Element Programs 6.5 (C, D, and E)

- PAMC Section 18.14.060 (By Right Housing Projects) is added to allow the following types of alternative housing:
  - *Group homes* are housing units that are shared by unrelated persons with disabilities that provide peer and other support for their residents' disability related needs and in which residents share cooking, dining, and living areas. Group homes are required by the State to be treated as a by-right land use in residential zones.

- *Low Barrier Navigation Centers* are housing first, low barrier, temporary, service-enriched shelters that help homeless individuals and families to quickly obtain permanent housing. Low barrier navigation centers are required by the State to be treated as a by-right use in zones where multi-family and mixed uses are permitted, including nonresidential zones permitting multi-family uses, provided the proposed project satisfies all the requirements of State law.
- The proposed ordinance now also adds subsections (a) and (b), which implement SB 4 (2023 – Affordable Housing on Religious and Educational Institution Lands) and AB 2162 (2018 – Supportive Housing). These subsections had been included in a separate state-law implementation ordinance but have been shifted to this ordinance based on timing considerations. Implementation of AB 2162 (subsection (b)) is also included in Housing Element Program 6.5D.

#### Housing Element Program 6.5 (F)

- PAMC Section 18.20.030 (d) (Land Uses Table 1 Industrial/ Manufacturing District Land Uses) has been amended to ensure any proposed emergency shelter in the ROLM(E) district is reviewed ministerially without a discretionary review.
- PAMC Section 18.20.040(i) (Site Development Standards for Emergency Shelters for the Homeless) has been amended to comply with the State’s parking requirements and the building and site development standards for homeless and emergency shelters that includes providing interior waiting space, office areas for staff, and screening refuse area from view.

#### Housing Element Program 6.5 (G)

- PAMC Sections 18.28.020 (Definitions), 18.28.040 (Land Uses), 18.28.070 (Additional Open Space (OS) District Regulations), and 18.28.080 (Additional Agricultural Conservation (AC) District Design Requirements) are proposed for amendment to implement Housing Element Program 6.5G. As a requirement of the Program, no discretionary permit will be required for farmworker housing of up to 36 beds or 12 units in the AC or OS zones unless such a permit is required for agricultural use. Additionally, farmworker housing for six or fewer people in the OS zone will be treated as a single-family use and will not require a discretionary permit unless a discretionary permit is required for a single-family dwelling of the same type.

#### **Senate Bill (SB) 9 Zoning Text Amendments**

During the review of the Housing Element, leading up to certification, HCD informed staff that modifications were required to the City’s SB 9 regulations for compliance with State law based on the most recent HCD guidance.

Draft Zoning Text Amendment: To address the issues identified by HCD, minor amendments to Section 21.10.040(d) have been made to allow for urban lot splits even in instances where existing structures or lot lines would otherwise prohibit a lot split. “Newly created lot lines shall

not render an existing structure noncomplying in any respect (e.g., floor area ratio, lot coverage, parking, nor increase the degree of noncompliance of an existing non-compliant structure)”; identified as too restrictive by HCD<sup>3</sup> has been removed.

### **FISCAL/RESOURCE IMPACT**

There are no fiscal or resource impacts associated with the action.

### **POLICY IMPLICATIONS**

The Housing Element is an integral component of the Comprehensive Plan of the City. The policies and implementation programs of the City’s adopted Housing Element remove the constraints to housing production. As part of the implementation of Program 3.2 (Monitor Constraints to Housing) of the Housing Element, the City is required to prepare an analysis in staff reports for initiatives proposing new regulations. This analysis should detail how the regulations may impact housing production, if at all, and recommend solutions to address any adverse impacts.

Amendments to the municipal code to implement Housing Element Programs 1.5A (Stanford University Lands), 3.6D (Expedited Project Review), 4.1A (Replacement Housing), and 6.5C-G (Alternate Housing), and amending Title 21 (Subdivision and Other Divisions of Land) to incorporate changes as directed by Housing and Community Development (HCD) related to Senate Bill 9 implementation advance the development of affordable housing, supportive housing, and other multi-family housing opportunities in the City.

### **STAKEHOLDER ENGAGEMENT**

Preparation of the Housing Element included a range of community outreach methods, including surveys, Working Group meetings, community workshops, public review comment periods on draft documents, and public hearings. The community provided feedback on the programs as a part of the Housing Element update process. Additionally, the Planning and Transportation Commission meeting held on November 13, 2024, to discuss the amendments to the municipal code were agendized, noticed, and open to public. Staff received written comments from Palo Alto Forward and one public comment from Palo Alto Forward at the Planning and Transportation Commission meeting. The comments received were all in support of the changes made to the Ordinance language. The proposed amendments to the PAMC Titles 18 (Zoning) and 21 (Subdivisions and Other Divisions of Land) implement the 2023- 2031 Housing Element Programs adopted by the City Council and certified by HCD. Other minor amendments are included as required by HCD related to SB 9 implementation.

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<sup>3</sup> Earlier versions of the ordinance included a provision amending Section 18.42.180 to implement Housing Element Program 6.3A by increasing floor area limitation for some SB 9 projects from 800 square feet to 1,200 square feet. This change has been rendered moot by SB 450 (2024), which precludes the imposition of development standards on SB 9 projects that do not apply uniformly in the zone district. On December 16, 2024, the City Council adopted an ordinance amending the City’s SB 9 ordinance to implement SB 450.

**ENVIRONMENTAL REVIEW**

The Revised Addendum to the Comprehensive Plan EIR analyzes the impacts of the City of Palo Alto 2023-2031 Housing Element, including the programs implemented by ordinance. Therefore, no additional environmental analysis is required at this time.

**ATTACHMENTS**

Attachment A: Draft Ordinance Amending Sections of PAMC Title 18 (Zoning) and Title 21 (General Requirements).

Attachment B: Housing Element Programs

**APPROVED BY:**

Jonathan Lait, Planning and Development Services Director



Ordinance No. \_\_\_\_\_

Ordinance of the Council of the City of Palo Alto Amending Various Chapters of  
Title 18 (Zoning) of the Palo Alto Municipal Code to Implement the 2023-2031  
Housing Element

**SECTION 1.** Findings and Declarations. The City Council finds and declares as follows:

- A. On May 8, 2023, the City Council adopted Resolution No. 10107, approving an Addendum to the Comprehensive Plan Environmental Impact Report (EIR), making various findings, and adopting the 2023-2031 Housing Element for the City of Palo Alto.
- B. On December 18, 2023, the City Council approved a Revised Addendum to the Comprehensive Plan EIR and adopted Ordinance No. 5608, rezoning sites in the 2023-2031 Housing Element Sites Inventory to accommodate the City's Regional Housing Needs Allocation.
- C. On April 15, 2024, the City Council adopted Resolution No. 10155, making various findings, adopting a Revised 2023-2031 Housing Element, and authorizing the Director of Planning and Development Services to take further actions necessary to achieve certification of the Housing Element by the California Department of Housing and Community Development (HCD).
- D. On August 19, 2024, HCD found that the Revised 2023-2031 Housing Element, as further modified on July 17, 2024, was substantially compliant with state law.
- E. The City's Revised 2023-2031 Housing Element includes several programs that require updates to the Palo Alto Municipal Code in Fiscal Year 2025. These include parts of programs 1.5 (Stanford University Lands), 3.6 (Expedited Project Review), 4.1 (Replacement Housing), and 6.5 (Alternative Housing).
- F. On November 13, 2024, the Planning and Transportation Commission considered and recommended that the City Council adopt this ordinance to implement the 2023-2031 Housing Element.

**SECTION 2.** Sections 18.20.030 (Land Uses) and 18.20.040 (Site Development Standards) of Chapter 18.20 (Office, Research, and Manufacturing (MOR, ROLM, RP and GM) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~; unchanged text omitted by bracketed ellipses):

**18.20.030 Land Uses**

- (a) Permitted and Conditionally Permitted Land Uses

Table 1 lists the land uses permitted or conditionally permitted in the industrial and manufacturing districts.

**Table 1**

**Industrial/Manufacturing District Land Uses**

[P = Permitted Use CUP = Conditional Use Permit Required]

	MOR	ROLM ROLM(E)	RP RP(5)	GM	Subject to Regulations in Chapter:
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
<b>RESIDENTIAL USES</b>					
Single-Family					18.20.040(b)
Two-Family					18.20.040(b)
Multiple-Family (Housing Element Opportunity Site)		P	P	P	18.14.020
Multiple-Family	CUP	CUP <sup>(1)</sup>	<del>CUP</del> P <sup>(2)</sup>	CUP <sup>(1)</sup>	18.14.020, <u>18.42.200</u>
Residential Care Homes	P	CUP	CUP	CUP	<del>18.23.100(B)</del> <u>18.42.200(B)</u>
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
<b>Notes:</b> (1) Adjacent to Bayshore Freeway and generally bounded by East Charleston Road and Loma Verde Avenue (see Figure 1), subject to CUP. (2) <u>A CUP is required for residential development proposed on sites within 600 feet of a facility in which Tier 2 Hazardous Materials are manufactured, stored, used, or handled. In no event shall residential development be permitted on a site within 300 feet of a facility in which Tier 2 Hazardous Materials are manufactured, stored, used, or handled. This footnote shall be interpreted in a manner consistent with Section 18.42.200.</u>					

[. . .]

(d) Emergency Shelters for the Homeless

Emergency shelters for the homeless may be allowed as a permitted use in the ROLM(E) district on properties located east of Highway 101, subject to the following performance and design standards. An emergency shelter in the ROLM(E) district shall be reviewed ministerially, without discretionary review.

~~Performance and Design Standards for Emergency Shelters for the Homeless.~~

~~An emergency shelter for the homeless shall conform to all site development standards and performance criteria of the ROLM(E) zone district except as modified by the following performance and design standards:~~

(1) The construction of and/or renovation of a building for use as an emergency shelter shall conform to all applicable building and fire code standards.

~~(2) There shall be provided one parking space for each three (3) beds in the emergency shelter.~~

~~(3) Shelters shall have designated smoking areas that are not visible from the street and which are in compliance with all other laws and regulations.~~

~~(4) There shall be no space for outdoor congregating in front of the building adjacent to the street and no outdoor public telephones.~~

~~(5) There shall be a refuse area screened from view.~~

(6-2) Maximum number of persons/beds. The emergency shelter for the homeless shall contain no more than 40 beds.

~~(7) Size and location of exterior and interior on-site waiting and client intake areas. Shelters shall provide 10 square feet of interior waiting and client intake space per bed. In addition, there shall be two office areas provided for shelter staff. Waiting and intake areas may be used for other purposes as needed during operations of the shelter.~~

(8 3) On-site management and security. On-site management and on-site security shall be provided during hours when the emergency shelter is in operation.

(9 4) The emergency shelter provider shall submit an operations plan that addresses the standards for operation contained in the Palo Alto Quality Assurance Standards for Emergency Shelters for the Homeless Santa Clara Countywide Quality Assurance Standards for Homeless Housing & Service Programs.

~~(10) Distance to other facilities. The shelter must be more than 300 feet from any other shelters for the homeless.~~

(11 5) Length of stay. Temporary shelter shall be available to residents for no more than ~~60~~120 days. Extensions up to a total stay of 180 days may be provided if no alternative housing is available.

(12 6) Outdoor lighting shall be sufficient to provide illumination and clear visibility to all outdoor areas, with minimal shadows or light leaving the property. The lighting shall be stationary and directed away from adjacent properties and public rights-of-way.

[. . .]

#### **18.20.040 Site Development Standards**

[. . .]

##### **(i) ~~(Reserved)~~ Emergency Shelters for the Homeless**

An emergency shelter for the homeless shall conform to all site development standards and performance criteria of the ROLM(E) zone district except as modified by the following standards:

- (1) Sufficient on-site parking shall be provided to accommodate all staff working in the emergency shelter.
- (2) Shelters shall provide 10 square feet of interior waiting and client intake space per bed. In addition, there shall be two office areas provided for shelter staff. Any outdoor waiting area shall be in a location not adjacent to the street. Waiting and intake areas may be used for other purposes as needed during the operations of the shelter.
- (3) There shall be a refuse area screened from view.

[. . .]

**SECTION 3.** Table 1 (Minimum Off-Street Parking Requirements) of Section 18.52.040 (Off-Street Parking, Loading, and Bicycle Facility Requirements) of Chapter 18.52 (Parking and Loading Requirements) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended as follows (additions underlined; unchanged text omitted by bracketed ellipses):

Use	Vehicle Parking Requirement (# of spaces)	Bicycle Parking Requirement	
		Spaces	Class <sup>1</sup> Long-Term (LT) and Short-Term (ST)
[. . .]	[. . .]	[. . .]	
<b>SERVICES USES</b>			
[. . .]	[. . .]	[. . .]	
Day Care Homes, Family (Large)	2 per dwelling unit, one of which shall be covered, plus one for each employee not residing at the home	None	
<u>Emergency Shelters for the Homeless</u>	<u>1 per employee not residing at the shelter.</u>	<u>None</u>	
[. . .]	[. . .]	[. . .]	

**SECTION 4.** Section 18.77.070 (Architectural Review Process) of Chapter 18.77 (Processing of Permits and Approvals) of Title 18 (Zoning) of the Palo Alto Municipal Code is amended as follows (additions underlined; deletions ~~struck through~~; unchanged text omitted by bracketed ellipses):

#### **18.77.070 Architectural Review Process**

[. . .]

(c) Hearing and Recommendation for Major Projects, and for Minor Projects Upon Request

- (1) Upon receipt of a completed application for a major project (as defined in Section 18.76.020(b)(2)), or upon receipt of a timely request for a hearing for a minor project (as defined in Section 18.76.020(b)(3)), the architectural review board shall set a hearing date to review the application.
- (2) Notice of the hearing shall be given at least 10 days prior to the hearing by publication in a local newspaper, by posting in a public place, and by mailing to the applicant, the hearing requestor, if applicable, and all residents and owners of property within 600 feet of the project. Notice shall include the address of the property, a brief description of the proposed project, and the date and time of the hearing.
- (3) Following the hearing, the architectural review board shall make a recommendation on the application, which shall be forwarded to the director.
- (4) A housing development project that is subject to major Architectural Review under Section 18.76.020 shall be limited to two meetings before the Architectural Review Board, unless the applicant requests additional hearings.

(d) Decision by the Director

Upon receipt of a recommendation of the architectural review board:

- (1) Within 5 working days, the director shall prepare a written decision to approve the application, approve it with conditions, or deny it.
- (2) Notice of the director's decision shall be given by mailing to owners and residents of property within 600 feet of the property, and by posting in a public place. Notice shall include the address of the property, a brief description of the proposed project, a brief description of the action to be taken, the date the decision will be final, and a description of how to request a hearing.
- (3) The director's decision shall become final 14 days after the date notice is mailed unless an appeal is filed. The director may, for good cause, specify in writing a longer period for requesting a hearing at the time he or she issues the proposed decision.
- (4) If the architectural review board continues a minor project or housing development project more than once, or a major project more than twice, the director may make a decision on the application prior to receiving the final recommendation of the board.

[. . .]

**SECTION 5.** Section 18.14.060 (By Right Housing Projects) of Chapter 18.14 (Housing Incentives) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby added as follows:

**18.14.060 By Right Housing Projects**

- (a) Affordable Housing on Higher Education and Religious Lands

- (1) Notwithstanding any conflicting provision of this Title 18 or the Comprehensive Plan, a qualifying housing development project under California Government Code Section 65913.16 shall be a use by right.
  - (2) Housing development projects utilizing this section in the R-1 Single-Family Residential District and the Low-Density Residential Districts shall be subject to the development standards for the RM-30 zoning district, except that the maximum Floor Area Ratio (FAR) shall be 1.25.
  - (3) All housing development projects utilizing this section shall comply with Chapter 18.24 (Contextual Design Criteria and Objective Design Standards).
- (b) Supportive Housing in Multi-family and Mixed-use Zones
- (1) Supportive housing shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed housing development satisfies all of the requirements of California Government Code Sections 65650-65656.
  - (2) All housing development projects utilizing this section shall comply with Chapter 18.24 (Contextual Design Criteria and Objective Design Standards).
- (c) Low Barrier Navigations Centers in Multi-family and Mixed-use Zones
- (1) Low barrier navigation centers shall be a use by-right in zones where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses, if the proposed project satisfies all of the requirements of California Government Code Sections 65660-65658.
- (d) Group Homes in Residential Zones
- (1) As used in this Section, “group home” means housing shared by unrelated persons with disabilities that provide peer and other support for their residents’ disability-related needs and in which residents share cooking, dining, and living areas. Group home includes Residential Care Home, as defined in Section 18.04.030.
  - (2) Group homes that do not provide services requiring licenses under state law and Residential Care Homes shall be uses by-right in residential zones, subject only to those standards and requirements applicable to residential uses.
- (e) Provided they comply with the City’s objective standards, by-right projects under this section shall not be subject to any discretionary review nor environmental review under the California Environmental Quality Act. By-right projects under this section shall be processed in accordance with Section 18.77.074.

**SECTION 6.** Section 18.40.160 (Replacement Project or Discretionary Review Required) of Chapter 18.40 (General Standards and Exceptions) of Title 18 (Zoning) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~):

**18.40.160 Replacement Project or Discretionary Review Required**

- (a) Except where necessary for health and safety purposes (as determined by the City's Building Official), ~~no~~ permit required under Title 2 (Administrative Code), Title 12 (Public Works and Utilities), or Title 16 (Building Regulations) shall be issued:
- (1) For demolition or deconstruction of a single-family residence or duplex in the Low-Density Residential District (Chapter 18.10) or Single-Family Residential District (Chapter 18.12), ~~except where necessary for health and safety purposes (as determined by the City's Building Official)~~, unless building permit plans for a replacement project have been approved. This subsection shall also apply to the demolition of a single-family residence or duplex in the Multiple Family Residential District (Chapter 18.13) when the replacement project does not require discretionary review.
- ~~(b) No permit required under Title 2 (Administrative Code), Title 12 (Public Works and Utilities), or Title 16 (Building Regulations) shall be issued~~
- (2) For any project requiring discretionary review under Title 18 or Title 21, unless the application for discretionary review has been approved.
- (3) For demolition or deconstruction of a residential unit, unless a replacement project has been approved that contains at least as many residential dwelling units as will be demolished.
- (A) If the proposed development project is not a housing development project, the replacement housing units may be located on a site other than the project site but shall be located within Palo Alto and shall be developed prior to or concurrently with the proposed development project.
- (B) If the existing residential unit(s) is a nonconforming use, it shall be replaced in a manner consistent with the current zone district regulations.
- (C) Replacement of Protected Units, as those terms are defined in California Government Code Section 66300.5, shall be subject to the additional requirements of California Government Code Section 66300.6.

**SECTION 7.** Sections 18.28.020 (Definitions) 18.28.040 (Land Uses), 18.28.070 (Additional OS District Regulations), and 18.28.080 (Additional AC District Regulations) of Chapter 18.28 (Special Purpose (PF, OS, and AC) Districts) of Title 18 (Zoning) of the Palo Alto Municipal Code are hereby amended as follows (additions underlined; unchanged text omitted by bracketed ellipses):

#### **18.28.020 Definitions**

As used in this chapter, unless otherwise apparent from the context, the following definitions shall apply:

- (a) "Conservation or natural resource land" means land which possesses or encompasses conservation or natural resources.
- (b) "Conservation or natural resource" includes, but is not necessarily limited to, streams, watersheds, groundwater recharge, soils, wildlife habitat, as defined in this section, special landforms, and natural vegetation.

(c) "Farmworker housing" means employee housing, as that term is defined in California Health and Safety Code Section 17008, for agricultural employees, as that term is defined in California Labor Code Section 1104.4.

(e d) "Open space land" means any parcel or area of land essentially unimproved or in its natural state, and devoted to an open space use as defined in this section, and which is designated in the open space element for an open space use.

(d e) "Open space district" means any area of land or water designated "OS" and subject to all of the terms and regulations of this chapter.

(e f) "Open space use" means the use of land for:

- (1) Public recreation;
- (2) Enjoyment of scenic beauty;
- (3) Conservation or use of natural resources;
- (4) Production of food or fiber;
- (5) Protection of persons and their artifacts (buildings, property, etc.);
- (6) Containment and structuring of urban development.

(f g) "Recreation land" means any area of land or water susceptible to recreational uses.

(g h) "Scenic land" means any area of land or water that possesses scenic qualities worthy of preservation.

(h i) "Wildlife habitat" means any area of land or water valuable or necessary to the preservation or enhancement of wildlife resources.

[. . .]

#### 18.28.040 Land Uses

Table 1 shows the permitted (P) and conditionally permitted (CUP) land uses for the Special Purpose Districts.

**Table 1**  
**Land Uses**

	PF	OS	AC	Subject to Regulations in Chapter:
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
AGRICULTURAL AND OPEN SPACE USES				
Agricultural Uses, including animal husbandry, crops,		P	P	



dairying, horticulture, nurseries, livestock farming, tree farming, viticulture, and similar uses not inconsistent with the intent and purpose of this chapter, <u>including farmworker housing<sup>(3)</sup> in accordance with the California Health and Safety Code</u>				
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]
RESIDENTIAL USES				
Single-family dwellings		P <sup>(3)</sup>		
Manufactured housing (including mobile homes on permanent foundations)		P		<del>18.40.</del> <u>18.42.100</u>
[. . .]	[. . .]	[. . .]	[. . .]	[. . .]

Footnotes:

(1) Provided such use is conducted on property owned by the City of Palo Alto, the County of Santa Clara, the State of California, the government of the United States, the Palo Alto Unified School District, or any other governmental agency, and leased for said uses.

(2) An accessory dwelling unit or a Junior Accessory Dwelling Unit associated with a single-family residence on a lot in the OS District is permitted, subject to the provisions of Section 18.42.040, and such that no more than two total units result on the lot.

(3) In accordance with California Health and Safety Code Section 17021.5, employee housing for six (6) or fewer employees shall be deemed a single-family structure. In accordance with Health and Safety Code Section 17021.6, qualifying farmworker housing shall be considered an agricultural use.

[. . .]

### 18.28.070 Additional OS District Regulations

The following additional regulations shall apply in the OS district:

(a) Accessory Dwelling Units and Junior Accessory Dwelling Units

Accessory Dwelling Units and Junior Accessory Dwelling Units are subject to the regulations set forth in Section 18.42.040.

(b) Site and Design Approval

All sites in the OS district shall be subject to the Site Design and Review Combining District (D) as provided in Chapter 18.30(G) of the Zoning Ordinance, subject to the following modifications:

- (1) Minor Site and Design Review: For minor projects (e.g., fences, landscape changes to an approved project, trash enclosures, accessory buildings 200 square feet or less, etc.), the

review process shall follow the Minor Architectural Review (staff level) procedures as outlined in Section 18.77.070. To qualify as a minor project, the project shall have less than 10 cubic yards of excavation and or grading and be Categorically Exempt from the California Environmental Quality Act (CEQA).

- (2) Major Site and Design Review: For all other projects not reviewed as Minor Site and Design Review, the project will be forwarded to the Planning and Transportation Commission for review and recommendation and then placed on the Council Consent agenda for final action, as prescribed for staff actions outlined in Section 18.77.060 (Standard Staff Review Process). Provided, however, that the following projects may be forwarded directly to the City Council Consent agenda by staff, without review by the Planning and Transportation Commission, where all of the following conditions apply:

- a. The project is not a second dwelling unit; and
- b. The project would comprise less than 1,000 square feet of floor area, less than 1,000 square feet of impervious cover, and less than 100 cubic yards of excavation and/or grading; and
- c. The proposed floor area or impervious cover would not exceed 50% of the allowable for the site; and
- d. The project and any prior projects within the prior five years would not cumulatively exceed these thresholds.

- (3) Farmworker housing may be entitled to streamlined review pursuant to California Health and Safety Code Section 17021.8.

[...]

#### **18.28.080 Additional AC District Design Requirements**

The following additional regulations shall apply in the AC district:

(a) Site and Design Approval

All sites in the AC district shall be subject to the Site Design and Review Combining District (D) regulations as provided in Chapter 18.30(G), except that farmworker housing may be entitled to streamlined review pursuant to California Health and Safety Code Section 17021.8.

(b) Location of Agricultural Facilities

Barns, stables, sheds, chicken houses, and other similar facilities for the shelter and feeding of animals, exclusive of domestic household pets, shall be located a minimum of 40 feet from any site line.

**SECTION 8.** Section 21.10.040 (General Requirements) of Chapter 21.10 (Parcel Maps for Urban Lot Splits in Single-Family Zones) of Title 21 (Subdivisions and Other Divisions of Land) of the Palo Alto Municipal Code is hereby amended as follows (additions underlined; deletions ~~struck through~~):

21.10.040 General requirements.

- (a) The minimum size for a parcel created by an Urban Lot Split is 1,200 square feet.
- (b) The lots created by an Urban Lot Split must be of approximately equal area, such that no resulting parcel shall be smaller than 40 percent of the lot area of the original parcel proposed for subdivision.
- (c) Where existing dwelling units on the property are to remain, no lot line may be created under this Chapter in a manner that would bisect any structure or that would result in more than two dwelling units on any resulting parcel.
- (d) ~~Newly created lot lines shall not render an existing structure noncomplying in any respect (e.g. floor area ratio, lot coverage, parking), nor increase the degree of noncompliance of an existing noncompliant structure.~~ Reserved.
- (e) Each parcel shall comply with any objective lot design standards for Urban Lot Splits adopted by the City Council.
- (f) Utility easements shall be shown on the parcel map and recorded prior to, or concurrent with the final parcel map recordation.
- (g) A covenant necessary for the maintenance of stormwater treatment facilities shall be recorded prior to, or concurrent with final map recordation.
- (h) Existing driveways to be demolished shall follow the procedure(s) in 12.08.090 Elimination of abandoned driveway.
- (i) A maintenance agreement shall be recorded to ensure shared maintenance of any shared access easements, stormwater treatment, landscaping, and private utilities, prior to final parcel map recordation.

**SECTION 9.** If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed this Ordinance and each and every section, subsection, sentence, clause, or phrase not declared invalid or unconstitutional without regard to whether any portion of the Ordinance would be subsequently declared invalid or unconstitutional.

**SECTION 10.** In accordance with the California Environmental Quality Act (CEQA), the City prepared an Addendum to the 2017 Comprehensive Plan Environmental Impact Report (EIR), analyzing the potential environmental impacts of the 2023-2031 Housing Element. On May 8, 2023, the City Council adopted Resolution No. 10107, and on December 18, 2023, the City Council approved a Revised Addendum, finding that the Addendum, as revised, and the 2017 EIR

adequately analyzed the environmental impacts of the Housing Element, including the Programs implemented by this ordinance.

**SECTION 11.** This Ordinance shall be effective on the thirty-first date after the date of its adoption.

INTRODUCED:

PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM:

APPROVED:

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Director of Planning and  
Development Services

## Attachment B: Housing Element Programs

1.5A: Stanford University Lands, 3.6D: Expedited Project Review, 4.1A: Replacement Housing),  
6.5 (C-G): Alternate Housing.

### Housing Element Program 1.5: Stanford University Lands

***A. Permitting Multiple Family in RP Zones:** Remove the Conditional Use requirement for residential uses in the Research Park zone district, which is specific to the Stanford Research Park, except for properties subject to or impacted by the City's hazardous materials ordinance. Sites included in Appendix D will have the Conditional Use requirement removed under Program 1.1.*

### Housing Element Program 3.6: Expedited Project Review

***D. Limiting ARB Hearings:** For housing projects subject to the City's Architectural Review Board, limit the number of hearings before the ARB to a maximum of two meetings.*

### Housing Element Program 4.1: Replacement Housing

***A. Replacement Housing:** Enforce replacement housing requirements as required by State law. Amend the City's municipal code to require all sites listed in the housing element, all projects utilizing density bonuses, and all projects demolishing residential dwelling units to meet the replacement housing requirements of State law contained in housing element law, density bonus law, the Housing Crisis Act of 2019 as amended by AB 1218.*

### Housing Element Program 6.5: Alternate Housing

***C. Group Homes:** Amend the PAMC to include group homes by right in all residential zones. Include a set of objective standards to provide certainty to applicants through the permitting process.*

***D. Supportive Housing:** Amend the PAMC to be consistent with Government Code Sections 65650 et seq., which require that Supportive Housing meeting the standards in the statute be treated as a by-right use where multifamily and mixed uses are permitted, including nonresidential zones permitting multifamily uses. Amendments will also be made to allow transitional and supportive housing, as defined in Government Code Section 65582, to be permitted as a residential use in all zones allowing residential uses and only subject to those restrictions that apply to other residential dwellings of the same type in the same zone.*

***E. Low Barrier Navigation Centers:** Amend the PAMC to be consistent with Government Code sections 65660 et seq., which require a Low Barrier Navigation center to be a use by-*

*right in areas zoned for mixed-use and nonresidential zones permitting multifamily uses, provided specific requirements of the law are met.*

***F. Homeless and Emergency Shelters and Navigation Centers:*** Amend the PAMC parking regulations for Homeless and Emergency Shelters and Navigation Centers to comply with Government Code section 65583, subdivision (a)(4)(A). Allow emergency shelters in the ROLM(E) zone to be approved ministerially, without discretionary action, remove distance requirements, adjust the length of stay requirements, and ensure that the development standards for shelters are in compliance with statutory requirements.

***G. Farmworker Housing:*** Amend the PAMC zoning code to ensure compliance with the Employee Housing Act (including California Health and Safety Code sections 17021.5, 17021.6, and 17021.8) to State that farmworker housing up to 36 beds or 12 units are to be permitted as an agricultural use and therefore “by right” in the AC and OS zones and no discretionary permit would be required of employee housing providing accommodation for six or fewer employees if discretionary permits are not required of a family dwelling of the same type in the same zone.