

Special Meeting  
May 12, 2010

The City Council of the City of Palo Alto met with the Planning & Transportation Commission on this date in the Council Chambers at 6:04 p.m.

Present: Council Members Burt, Holman, Klein, Price, Scharff, Schmid, Shepherd

Planning & Transportation Commission Members Fineberg, Garber, Keller, Lippert, Tanaka, Tuma

Absent: Council Members Espinosa, Yeh

Planning & Transportation Commission Member Martinez

#### STUDY SESSION

1. Joint City Council/Planning & Transportation Commission Review of the Comprehensive Plan Amendment and Housing Element Update.

A brief presentation was given by the Director of Planning and Community Environment, Curtis Williams who described the four main issues needing further direction from the City Council prior to Staff and the Planning and Transportation Commission (P&TC) moving forward with preparation of the Comprehensive Plan Amendment. These included: 1) Criteria for preparation of the Housing Element Housing Sites Inventory; 2) 2020 growth projections; 3) The extent of revisions to the Vision, policies and programs of the Comprehensive Plan; and 4) Additional work items outside the current Comprehensive Plan Amendment work plan scope. Each of the P&TC Commissioners gave a short four minute presentation describing their main concerns regarding the four key issues. After the Commissioners' presentation's, the Council asked individual Commissioner's questions in order to further understand their positions on the four topics. The discussion primarily focused on the Housing Element and preparation of the Housing

Sites Inventory. The criteria for site identification generated the most discussion and included the following observations:

- Explore mixed-use development in commercial areas
- Explore increasing the 50 foot height restriction under limited circumstances
- Employ a “bottoms up” approach that defines the parameters for accommodating housing
- Explore increasing densities for existing multifamily residential sites
- Locate high densities near transit stations
- Explore use of Transfer of Development Rights for increasing housing production
- Encourage small, high density units

Mayor Burt left the meeting at 6:50 p.m.

At the conclusion of the Study Session, the Planning and Transportation Commission (P&TC) members left the Dias.

Candice Gonzales, Palo Alto Housing Corporation, encouraged the completion of the Housing Element prior to the project being out of compliance. The Housing Corporation and Staff had been working together for more than a year and requested Council to direct Staff on the final phase. She noted being out of compliance limited the State funding available for affordable housing and infrastructure.

Bob Moss, 4010 Orme Street, noted over the past fifteen years the City had been eliminating retail establishments, hotels and restaurants in an effort to create space for more housing. By eliminating the above mentioned establishments the City was eliminating the walkable neighborhoods. He requested to discontinue the loss of commercial space.

Mayor Burt returned to the meeting at 7:30 p.m.

## ACTION

2. City Council Direction Regarding the Comprehensive Plan Amendment and Housing Element Update.

**MOTION:** Council Member Holman moved, seconded by Council Member Scharff to direct Staff and the Planning & Transportation Commission to not consider R-1, R-2, and RMD sites in the housing site criteria.

**MOTION PASSED:** 7-0 Espinosa, Yeh absent

**MOTION:** Council Member Scharff moved, seconded by Council Member Holman to direct Staff and the Planning & Transportation Commission to not allow rezoning of commercial to residential, but allow mixed use with no decrease of retail sites throughout the city.

Council Member Scharff spoke about the importance in protecting the economic viability of the City.

Council Member Price asked whether the Motion would preclude any serious examination of the Fry's Electronic site.

Director of Planning and Community Environment, Curtis Williams stated the Fry's site was not presently in play for the Housing Element since their lease expired in 2013.

Chief Planning & Transportation Officer, Julie Caporgno stated the Fry's site was zoned for residential uses, although it was currently being used for commercial.

Council Member Holman asked whether the intention of the Motion was not to increase the building envelope but to consider a multitude of mixed uses that would include housing.

Council Member Scharff stated his Motion had a broader direction in order to not limit the Council on future decisions of larger mixed uses.

Council Member Holman stated larger projects were subject to a Planned Community (PC) Zoning.

**MOTION PASSED:** 7-0 Espinosa, Yeh absent

Council Member Holman requested to retain the fifty foot height limit on buildings.

Council Member Price stated she supported the allowance of exploration of exceptions within a quarter mile of transit. She stated there needed to be flexibility within the Comprehensive Plan.

**MOTION:** Council Member Klein moved, seconded by Council Member XXXX to direct Staff and the Planning & Transportation Commission to consider that the height is generally not to exceed 50 feet.

**MOTION FAILED DUE TO LACK OF A SECOND**

**MOTION:** Council Member Scharff moved, seconded by Council Member Shepherd to direct Staff and the Planning & Transportation Commission to

consider that the height is generally not to exceed fifty feet, and Staff is to perhaps explore and return with exceptions within 1/4 mile of fixed rail transit stations.

Council Member Scharff stated there needed to be flexibility to look at the fifty foot height limit in the area of the fixed rail stations, which was a limited area.

Council Member Schmid asked for clarification on whether the exception was within a quarter mile of transit or transit stations.

Council Member Scharff stated transit stations.

Council Member Klein stated he did not support the Motion.

Council Member Scharff stated the intent of the Motion was for Staff to explore the options and return to Council for a decision on which direction would best suit the City.

Council Member Klein stated Staff came to Council for guidance and the Motion was without guidance.

Mayor Burt clarified asking Staff and the Planning & Transportation Commission (P&TC) to evaluate a process was guidance. He noted historically the fifty foot height limit was of concern for the community.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to delete the word "perhaps", and change "explore" to "evaluate", and include the wording "limited exceptions" after explore.

Council Member Holman stated she did not support the Motion. She stated once an exception was allowed there tended to be increasing slow progress towards extended exceptions. Compatibility was imperative moving forward.

Council Member Shepherd suggested expanding the study to include the High Speed Rail (HSR).

Council Member Price stated she supported the Motion with the incorporated language.

Council Member Klein stated if the Motion was adopted, the City was undercutting the use of the bottom-up argument on the Regional Housing Needs Allocation (RHNA) numbers.

Mayor Burt clarified there was no vote for altering the height limit, only to allow the consideration of altering the limit. He stated it would be inappropriate to not consider any height limitation in an effort to protect the R-1 and R-2 neighborhoods.

Council Member Holman stated she wanted to avoid over building using the allowed exception without consideration for the community goal.

**MOTION AS AMENDED PASSED:** 5-2 Holman, Klein no, Espinosa, Yeh absent

Mayor Burt stated the focus needed to be modifying the language of which portions of El Camino Real would be appropriate for housing sites.

Council Member Scharff stated he did not feel El Camino Real was the type of transit route that made sense for housing. He clarified the bus transit route was not adequate enough to be considered, although areas incorporated with fixed rail would be sufficient. He asked Staff for clarification on the variance between the quarter mile and the half mile distance.

Mr. Williams stated the Comprehensive Plan currently had a designation of Transit Oriented Residential which was 2,000 feet from a transit station. He clarified the number was modified to fit the circumstances with California Avenue Pedestrian Transportation Oriented Development (PTOD).

**MOTION:** Council Member Scharff moved, seconded by Council Member Schmid to direct Staff and the Planning & Transportation Commission to focus on sites within 1/2 mile of transit stations.

Council Member Scharff stated transit oriented development was an important direction.

Council Member Schmid stated the transit stations; fixed rail, Caltrain, and possibly High Speed Rail (HSR), granted a higher level of opportunity for housing development than that of El Camino Real.

Council Member Shepherd stated concern with whether the transit systems would continue their present routes in the future. She suggested starting the outreach process and connecting it to the developments making headway to see if the City could reach an agreement with the developers to secure transit pathways.

Council Member Price suggested the focus be on the area of El Camino Real that was sufficiently served by transit and not the distance of a quarter or half mile. She stated she did not support the Motion.

Mayor Burt stated the current El Camino Real bus route system had the heaviest usage in Santa Clara County.

Council Member Holman stated she supported the Motion.

Council Member Schmid stated the sites were not indiscriminant and there were other criteria that were important for identifying sites that were accessible as walkable options appropriate for the neighborhoods.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to have Staff and Planning & Transportation Commission evaluate sites within ¼ mile of El Camino Real if well served by transit or likely to be well served.

Council Member Scharff stated he had concerns with the El Camino Real bus system. The purpose of having housing near transit systems was to eliminate vehicle travel. He asked for clarification on where the El Camino bus system went in order for him to determine the viability of building housing near the bus system.

Mayor Burt stated there were projections by Valley Transportation Authority (VTA) on the trip ratio and destinations.

**MOTION AS AMENDED PASSED:** 6-1 Schmid no, Espinosa, Yeh absent

Mayor Burt stated Staff was asking direction on: 1) Should the City of Palo Alto draft a Housing Element with a primary goal of providing adequate sites to accommodate all of the City's RHNA allocations, or 2) Should the City use a "bottoms-up" approach to define what kind and amount of housing can best be accommodated, consistent with the principles of locating housing in areas close to support services and transit, regardless of whether it ultimately complies with the RHNA allocation.

**MOTION:** Council Member Holman moved, seconded by Council Member Scharff to direct Staff and the Planning & Transportation Commission to use a "bottoms-up" approach to define what kind and amount of housing can best be accommodated.

**MOTION PASSED:** 7-0 Espinosa, Yeh absent

Mayor Burt stated Staff was asking direction on: 3) What criteria should be used to identify sites to include in the housing inventory, e.g., housing type, size, location, existing zoning proximity to transit and pedestrian-oriented areas.

Council Member Scharff stated in meeting the Housing Element goal from a “bottom-up” perspective, areas that needed to be looked at were up zoning parcels of existing areas such as apartments, going from RM-15 to RM-40.

Council Member Schmid stated identification of sites needed to include key criteria of what the denser housing sites would have; accessibility of neighbors, walkable options and compatible access to schools.

Mayor Burt stated an alternative to directing Staff was not to provide an action for all of the recommendations. Council could provide Staff with a sense of their proposed directions, and Staff could return to Council with specific alternatives.

Council Member Price stated the potential for mixed-use developments within a housing site should be considered.

Council Member Holman stated a smaller unit size had less impact on schools. She was interested in whether there were community benefits in the up zoning.

Mayor Burt stated if there were areas like California Avenue or downtown with existing zoning he would be interested in the concept of overlay zones and of smaller units with a higher number of units per acre; not necessarily subsidized housing. He asked, with an added overlay, would it have a higher Floor Area Ratio (FAR).

Council Member Price asked for clarification on whether the comment was to consider the implementation of overlays at different sites. She asked whether Staff’s intention was in the size of the site or the size of the unit.

Mr. Williams stated the direction requested by Staff was for unit sizes not parcel sizes.

Mayor Burt stated for Association of Bay Area Government (ABAG) and RHNA a 600 square foot unit counted the same as a 6,000 square foot home.

Council Member Scharff stated smaller units were practical and more feasible for a community. He asked whether the concept of an overlay would be counted towards the RHNA numbers.

Mr. Williams stated if the project was in an overlay without constrictions then it could be counted towards the RHNA numbers.

Ms. Caporgno stated if there were an overlay zone with options of the underlying land use designation to be used and the project were in the overlay then it would be necessary to implement the overlay.

Council Member Scharff stated Council's responsibility was to ensure proper zoning.

Ms. Caporgno clarified if the site was placed in the housing inventory; there was an implied commitment that this site was going to be developed in a certain manner.

Mayor Burt asked for clarification on placing a site in the housing inventory.

**MOTION:** Council Member Schmid moved, seconded by Council Member Shepherd to direct Staff and the Planning & Transportation Commission that the criteria for sites should provide such things as access to services, accessibility to neighbors, compatibility to neighborhood, close to jobs and schools, accessible to transit.

Council Member Schmid stated with the creation of a list of criteria we would be able to check-off the developments that had the most likelihood of being built.

Mayor Burt asked whether all of the criteria mentioned would be required or the list would be the pallet.

Council Member Schmid stated the list of criteria would be a pallet to choose from.

Council Member Shepherd stated there needed to be a nexus between the services and the developments. Specific criteria of what types of services would be available was imperative.

Council Member Price asked whether the potential for mixed-use was still a part of the discussion.

Mayor Burt stated the Motion on the floor was in regards to criteria for development. The discussion of mixed-use was a part of a discussion however not specific to the vote.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add the wording to the Motion: the potential for mixed use development be a criteria for identifying sites.



**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to change the wording in the Motion “that the criteria for sites” to “that among the primary criteria for sites.”

Mayor Burt asked whether the term incentives in the Motion was meant as a preference for these sites intended for development.

Council Member Schmid stated the intent was one of guidance for there to be a list of services available for the intended residents as an incentive of a site that would be developed. Staff would be able to sort through the list of primary criteria in an effort to assist in the choices of sites to develop.

**MOTION:** Council Member Scharff moved, seconded by Council Member XXX to continue the remainder of this Agenda Item to a date uncertain.

**MOTION FAILED DUE TO LACK OF A SECOND**

**MOTION AS AMENDED PASSED:** 7-0 Espinosa, Yeh absent

**MOTION:** Mayor Burt moved, seconded by Council Member Scharff to direct Staff and the Planning & Transportation Commission that higher density, small unit overlays be evaluated particularly in our two Transit Oriented Districts.

**MOTION PASSED:** 7-0 Espinosa, Yeh absent

Council Member Shepherd was concerned that there were 26 days left before the Alternatives Analysis comments were due.

**MOTION:** Council Member Shepherd moved, seconded by Council Member XXXX to direct Staff and the Planning & Transportation Commission to add to the existing work program; 1) High Speed Rail land use scenarios, and 2) University Avenue/Downtown Area Concept Plan.

**MOTION FAILED FOR LACK OF SECOND**

**MOTION:** Council Member Holman moved, Council Member Schmid to direct Staff and the Planning & Transportation Commission to: 1) identify existing sites zoned for housing or mixed use in proximity to transit and services, 2) explore working with Stanford to reassign up to 600 units from the County to the City for housing sites allowed under Stanford’s Community Plan and General Use Permit, in conjunction with or following the Development Agreement for the Stanford University Medical Center expansion, 3) explore potential housing inventory sites using LEED-ND (LEED for Neighborhood Development) criteria as primary evaluation tool, particularly near transit and services (El Camino Real, Stanford, and

University Ave., and 4) emphasize smaller size units and minimize housing impacts on schools and other public facilities.

Council Member Price asked for clarification on the LEED-ND criteria as it related to the Housing Element.

Mr. Williams stated the LEED-ND criteria included virtually all of the evaluations of whether the site and the surrounding area created walkability that was accessible to public spaces and services.

Council Member Scharff stated he wanted to support the Motion although there needed to be focus on senior housing.

**AMENDMENT:** Council Member Scharff moved, seconded by Mayor Burt to include units for seniors.

Mayor Burt stated the presentation listed an emphasis on smaller units. Units for seniors minimized the housing impacts on schools and other public facilities.

Council Member Schmid supported the Amendment.

**AMENDMENT PASSED:** 7-0 Espinosa, Yeh absent

**MOTION AS AMENDED PASSED:** 7-0 Espinosa, Yeh absent

**MOTION:** Council Member Klein moved, seconded by Council Member Scharff to continue the remainder of this Agenda Item to a date uncertain.

Council Member Schmid asked what was being specifically extended within the Housing Element and will there be further discussion at a later date.

Mr. Williams stated the Housing Element would be returning to Council for discussion.

Council Member Schmid asked whether there would be site information provided at the continued meeting.

Mayor Burt stated the continued meeting would be to discuss the items in the CMR that were on the Council agenda for this evening.

Council Member Holman requested to add a topic for discussion to be heard tonight under the Housing Element.

Mayor Burt reiterated that the Housing Element was being continued for further discussion for the items which had not yet been discussed at this evenings meeting.

Council Member Shepherd asked when the discussion of the strategic planning for the corridor study would be occurring.

Mayor Burt clarified the discussion was currently addressing the Comprehensive Plan and the Housing Element although the question asked was on the Alternatives Analysis for the corridor study.

Council Member Scharff requested discussing the construction of affordable units this evening. He felt the issue needed minimal further discussion and could be resolved without waiting.

Council Member Price stated she understood the difference between the Alternatives Analysis and corridor study in short-term and long-term. She noted the item was time sensitive and there needed to be a clear understanding of when there would be discussion.

Mayor Burt explained the opportunity to discuss all items not covered during this evenings meeting would be at the upcoming special Council meeting before the end of June.

**MOTION PASSED:** 7-0 Espinosa, Yeh absent

#### ORAL COMMUNICATIONS

None

ADJOURNMENT: The meeting adjourned at 9:48 p.m.