



DATE: Thursday April 14, 2016
TO: Citizen Advisory Committee (CAC)
FROM: Elena Lee, Interim Advance Planning Manager, PCE
TITLE: Land Use and Community Design Element Discussion (PART 3 of 4)

This staff report provides suggestions to guide the detailed review of policies and programs in the Land Use and Community Design Element. The April 19 meeting is the second of two meetings devoted to a detailed discussion of policies and programs in the element. Your written comments and guidance provided at this meeting will provide direction to staff in developing a full preliminary draft of the Land Use and Community Design Element for review by the CAC on May 17, 2016.

We encourage CAC members to review the materials carefully and provide written comments on the Land Use & Community Design Element to staff before 10AM on the morning of the meeting if possible. Your input on all policies and programs is valuable to the process of updating the Element. Then oral comments at the meeting can focus on your top priorities and the written comments can be used to inform the work of the Land Use Subcommittee.

What to Expect At the Meeting

After roll call and oral communications, staff will introduce Elaine Costello, the new project manager for the Comp Plan Update, and provide a recap of discussion at City Council on March 21, when housing sites and programs were discussed. The CAC delegation that attended the March 21 meeting will also be invited to make a brief report on the discussion. Next, the Community Services and Facilities (CSF) subcommittee will provide an update on the status of the element, which is being revised in response to comments from City Council. The revised CSF Element will be distributed to the CAC for review following the April 19 meeting, and it will be on the consent calendar for the consideration by the CAC in May.

At the March 15 meeting, the CAC identified several key topics in need of further discussion and the LUE subcommittee considered these in detail on April 6, making some recommendations. Staff recommends that the CAC discuss these topics and the subcommittee recommendations (outlined below) at the April 19 meeting with a view to providing guidance to staff for preparation of the preliminary draft Land Use and Community Design Element scheduled for review by the CAC in May 2016. Additionally, comments submitted in writing by CAC members have informed updates to the policies and programs in the element, included as Attachment A

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in the packet. The original edits considered by the CAC in March are shown in track changes in Attachment A, while new modifications based on written comments are shown in yellow highlighting. The comment matrix listing all written comments from the CAC is included in the packet as Attachment B. Comments received from the community at large via the Digital Commenter are included as Attachment C. CAC members are urged to consider this input in preparing for the discussion on Tuesday.

At the outset of the discussion of land use policies and program, the LUE subcommittee will be invited to provide a brief recap of their discussion on April 6. Then each member of the CAC will be invited to share their thoughts on the updated draft policies and programs in Attachment A. Comments should indicate if there is support for the recommendations of the LUE subcommittee and should provide perspective on the open questions where input is still needed to guide preparation of the preliminary draft element. Time allotted for this first round of comments will be two minutes per CAC member. Following the first round of comments, the co-chairs will convene briefly to identify which topics still require additional focus in order to provide guidance for staff in preparing the preliminary draft element. Then CAC members will be invited to comment on those topics in a discussion round of comments on each of the topics identified. A time limit for each topic will be established and CAC members can turn their name card vertically to indicate they would like to participate in the discussion.

As a way to gauge support and help move toward consensus on a direction for the key topics, each CAC member will be provided with red, yellow, and green feedback cards. As you listen to the comments made at the meeting, please feel free to express your response to the opinions you hear shared. For example, if you support a member's comments on a given topic as they are speaking, raise your green card to let the group know. If you have a reservation about the idea being advanced, raise your yellow card. If you disagree, raise your red card. We hope that using the cards in this way will help provide a quick visual indication where the group as a whole seeks to go on the key issues, and even to identify majority/minority opinions, if needed, for the preliminary draft element. They are meant to provide qualitative indication of support (or not), without having to pause the discussion for a formal vote. We would like to try out the cards at the April meeting to see if they are a helpful tool for moving the discussion forward and we welcome your feedback at the end of the meeting or in writing later next week.



Key Issues and Subcommittee Recommendations

The following is a summary of key issues identified for further discussion at the March 15 CAC meeting and recommendations from the LUE subcommittee developed on April 6.

Height Limit:

A citywide height limit of 50 feet was established in the 1970s, and for context Dan Garber has prepared the attached memo (Attachment F) regarding circumstances and discussion at the time it was established. The CAC, at their March meeting, expressed a range of different opinions on the question of whether there are locations where raising it 55 or 60 feet might make sense, if the additional allowed space was used specifically only for additional housing units. One proposal made on March 15 that could help build consensus around height limits was to maintain the 50 foot height limit as a rule, but establish specific limited locations and/or conditions under which exceptions could be allowed. The LUE Subcommittee discussed this proposal but did not reach consensus on a recommended direction to bring back to the full CAC. Nevertheless, given prevailing real estate market conditions in Palo Alto, allowing height limit exceptions under certain conditions represents an opportunity to potentially incentivize desirable development and negotiate community benefits. Therefore, staff recommends that the CAC discuss the proposal to determine whether there is enough support to either update the policies/programs regarding height limits for the preliminary draft or to craft a minority opinion.

Coordinated Area Plans

The 1998 Comp Plan included a number of programs that called for developing coordinated area plans to guide change in key areas of the city, including SOFA, the University Avenue Multimodal Transit Station Area, the CalVentura area, and the South El Camino Real area. To date, however, only the SOFA area has received the benefit of this detailed planning process. While a coordinated area plan is a valuable tool for building a shared vision for the future, developing one is a time and resource intensive undertaking that requires extensive community outreach and dedication of considerable staff time to complete. For reference, the SOFA coordinated area plan, completed in two phases, took six years to complete, involving multiple working group, community and public hearing meetings. Given that intensive resources and time would be required for such an effort, it is generally only feasible to undertake one coordinated area plan at a time.

The LUE subcommittee discussed coordinated area plans on April 6 and agreed that they are useful tool for future planning in Palo Alto. Further, the LUE subcommittee recommended that the Fry's Site and South El Camino Real be prioritized for coordinated area plan processes as these locations represent the areas of greatest opportunity for positive impact. The LUE subcommittee also recommended including language in the Comp Plan that allows for additional sites to be identified in the future.



Based on the recommendations of the LUE subcommittee, staff suggests that the CAC consider and discuss replacing all policies and programs related to coordinated area plans currently in the draft element (and listed below for reference) with the following programs that could be incorporated under Policy L-11:

- *NEW PROGRAM: Prepare a coordinated area plan for the South El Camino corridor from Matadero Avenue to the southern city limit. The plan should establish South El Camino Real corridor as a well-designed complete streets corridor with a mix of uses and a range of elements and amenities to promote walking and bicycling.*
- *NEW PROGRAM: Prepare a coordinated area plan for the Fry's Site area, generally bounded by El Camino Real, Lambert Avenue, Park Boulevard, and Olive Avenue. The plan should foster mixed-use residential development; enhanced connections to El Camino Real and Park Boulevard; improvements to the bicycle and pedestrian environment, and context-sensitive design.*
- *NEW PROGRAM: Over the long term, evaluate the need for additional coordinated area plans for locations in need of detailed planning efforts to guide change in ways sensitive to the surrounding context.*

Excerpt of policies and programs related to coordinated area plans from the current draft element that would be replaced:

- *NEW PROGRAM: Identify and prioritize the Centers and/or Employment Districts that would benefit from a Coordinated Area Plan. Coordinated Area Plans shall address both land use and transportation at an equal level of detail. Coordinated Area Plans should also describe the desired character and urban design traits of the areas, identify opportunities for public open space and recreational opportunities, and address connectivity to and compatibility with adjacent residential areas. [L51]*
- *NEW POLICY: Coordinated Area Plans for the following Mixed Use Centers identified in the 2012 Rail Corridor Study should reflect that study's recommendations regarding circulation, connectivity, land uses, urban design, open space improvements, and historic resources:*
 - University Avenue/Downtown [Comp Plan Draft EIR Mitigation Measure AES-1]
 - California Avenue
 - South Palo Alto [L52]
- *PROGRAM L-25: Prepare a Coordinated Area Plan for the University Avenue Multi-modal Transit Station Area.[L65]*
- *PROGRAM L-30: Prepare a Coordinated Area Plan for the Cal-Ventura area. Use the land use diagram from the Community Design Workshop as the starting point for preparing this Plan. [Would be replaced with new program calling for a Coordinated Area Plan for the California Avenue area.] [L74]*
- *PROGRAM L-31: Establish the following unranked priorities for redevelopment within the Cal-Ventura area, consistent with the Rail Corridor Study:*
 - *Connect the Cal-Ventura area with the Multi-modal Transit Station and California Avenue. Provide new streets and pedestrian connections that complete the street grid and create a walkable neighborhood.*
 - *Fry's Electronics site (300 Portage): Continued retail activity is anticipated for this site until 2019. A program should be Develop a Coordinated Area Plan developed for the future use of the site for mixed density multi- family housing, with ground floor retail and*

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public a park or other open space, building from the recommendations in the California Avenue Concept Plan (Appendix X of this Comp Plan).

- *Hewlett-Packard: Uses that are compatible with the surrounding area and a site plan that facilitates pedestrian use of Park Boulevard.*
- *North of Sheridan Avenue: Development of one or more of the City-owned parking lots with primarily residential uses, provided that public parking spaces are replaced.*
- *Park Boulevard: Streetscape and bicycle boulevard improvements.[L75]*
- *PROGRAM L-32: Prepare a Coordinated Area Plan for the South El Camino Real area. Use the land use map from the Community Design Workshop Task Force recommendations from the Rail Corridor Study as a starting point for preparing this Plan. [L80]*
- *NEW POLICY: Enhance the pedestrian environment along South El Camino Real redesigning the street to provide wider sidewalks, increased building setbacks, safe pedestrian crossings at key intersections, trees, and streetscape improvements, consistent with the recommendations in the Rail Corridor Study and the Grand Boulevard Design Guidelines. [Former PROGRAM L-33 consistent with Comp Plan Draft EIR Mitigation Measure AES-1] [L81]*
- *POLICY L-36: Allow a mix of uses, including retail, residential and office uses on shallow parcels along South El Camino Real, subject to adequate buffering from adjacent residential uses. [L83]*

Parkland Acquisition:

Palo Altans have access to a rich array of natural open spaces for recreational and scenic enjoyment; however, much of this space is located outside of the urban service area. Parks are an important part of the exceptional quality of life in Palo Alto and several CAC members have suggested that the Comp Plan should plan for acquisition of land for new parks and not just collection of in lieu fees to fund construction of new parks. Currently the municipal code allows developers to either dedicate parkland or pay a fee in lieu thereof. With few large, undeveloped parcels available in the urban service area, creation of new parks is a challenge. The City is in process of preparing the Palo Alto Parks, Trails, Open Space and Recreation Master Plan that will provide specific guidance regarding future renovations and capital improvement needs for parks, trail, open space and recreation facilities. More information on this can be found at the following website: www.paloaltoparksplan.org.

On April 6, the LUE subcommittee discussed parkland acquisition and recognized there is a need for more quality parkland in the urban service area. The subcommittee considered a range of tools at the City's disposal to help address the need, including a requirement for new development over a certain square footage to dedicate publicly accessible parkland onsite; awarding a density bonus to incentivize creation of new parks in the urban service area; developing programs to solicit bequests of land in single-family neighborhoods; and pursuing linear parks over the Caltrain tracks in the event the tracks are moved below grade. Based on the recommendations of the LUE subcommittee, staff suggests that the CAC consider adding the following new policy and programs to the land use element:



- **NEW POLICY:** Facilitate creation of new parkland to serve Palo Alto's residential neighborhoods, as consistent with the Parks, Trails, Open Space and Recreation Master Plan.
- **NEW PROGRAM:** *Explore ways to encourage dedication of new land for parks, including regulations and incentives for new development and programs to solicit bequests of land in single-family neighborhoods.*
- **NEW PROGRAM:** *Pursue opportunities to create linear parks over the Caltrain tracks in the event the tracks are moved below grade.*
- **NEW PROGRAM:** *Explore ways to dedicate a proportion of in-lieu fees towards acquisition of parkland, not just improvements.*

Mixed Use Designation:

The 1998 Comp Plan includes a mixed use land use designation to foster live/work, retail/office, residential/retail, and residential/office development and encourage a mix of compatible uses in two areas of the city - East Charleston/Fabian Way and El Camino/Cambridge (see Land Use map). At the March CAC meeting, there was agreement that a new mixed use land use designation that does not include office is desirable, and the LUE subcommittee identified some potential locations for this designation, including on the Fry's site and in nodes along El Camino that are well-served by public transit and away from single family neighborhoods. Staff suggests that implementing this designation as a zoning overlay or combining district would allow the greatest degree of precision and flexibility to respond if market conditions change. An overlay retains the existing "base" or underlying designation while adding an additional set of stipulations that either add restrictions (such as in the single-story combining district)_or increase flexibility (such as in the Pedestrian and Transit Oriented Combining District).

Dynamic Growth Management Tools

Policy L-8 in the 1998 Comp Plan establishes an a cap on the total of non-residential square footage in the nine planning areas identified for monitoring in the Land Use and Transportation Study for the same period. Program L-8 further establishes a 350,000 square foot cap on non-residential development downtown. Total nonresidential development monitored under Policy L-8 is not close to reaching the 3.2M square foot cap set; however non-residential development in downtown may reach the cap established for that area within the next several years, necessitating reevaluation of this limit. To address this issue, City Council adopted an interim ordinance that put in place an annual limit on new development of office and research & development (R&D) space in the City's fastest changing commercial districts, Downtown, the California Avenue area (extending south roughly to Matadero Creek), and along El Camino Real south of Park Boulevard.

At the March 15 CAC meeting, there was discussion of using dynamic growth management tools as an alternative to quantitative caps. These tools would address the impacts of growth, establishing performance standards that must be monitored and met as a condition of approval

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for a given project. Stanford University's development agreement with Santa Clara County makes use of performance standards, establishing a condition of no net new trips resulting from development and requiring that comprehensive traffic counts be taken twice a year to confirm the condition is met. The City of Fremont also uses performance standards, albeit in a different way. In order to achieve a target for new housing units and employment in proximity to the Warm Springs BART station, targets were established for specific building sites based on site area and minimum standards for development intensity needed to achieve the overall area wide goal. These examples demonstrate that performance standards can involve a carrot or a stick approach.

The LUE subcommittee discussed potential metrics that could serve as a basis for developing performance standards. Many subcommittee members expressed concern for whether reliable data could be gathered to accurately gauge trips generated by a given project, and overall the subcommittee did not have a high degree of confidence that performance standards would be an effective growth management tool. Nevertheless, since the CAC expressed interest in exploring dynamic growth management tools at the March meeting, staff suggests that the full CAC continue this discussion to see if there is enough support for either updating the policies/programs regarding growth management for the preliminary draft or crafting a minority opinion. The goal of this discussion would not be to establish numerical standards, but only to identify potential metrics -- if any -- to inform subsequent development of a growth management tool.

Staff Requests

Please review your packet materials ahead of the April 19 meeting, paying particular attention to Attachment A, which contains the current adopted policy framework for the Land Use and Community Design Element, edited to reflect CAC comments from meetings in December and March. Your detailed input on the draft Element is valuable to us. As such, we also encourage your comments on all policies and programs, including details not included in this memo. As noted earlier, we would like to receive any written comments you have by 10AM on the day of the meeting so we can provide copies to the CAC.

Attachments:

- Attachment A - Updated Draft Land Use and Community Design Element policies and programs
- Attachment B - CAC Comment Matrix
- Attachment C - Digital Commenter Input on Land Use and Community Design Element policies and programs
- Attachment D - Verbatim transcript from the March 15, 2016 CAC meeting
- Attachment E - Action Minutes from the March 15, 2016 CAC meeting
- Attachment F - Memo from Dan Garber on Height Limit
- Attachment G – Comp Plan Schedule (March 2016)
- Attachment H –Summary of Land Use Subcommittee Discussion on April 6, 2016