



**COMPREHENSIVE PLAN UPDATE
CITIZENS ADVISORY COMMITTEE
LAND USE AND COMMUNITY DESIGN ELEMENT**

Tuesday, August 16, 2016

Rinconada Library, Embarcadero Room

5:30 – 8:30 pm

DATE: Tuesday, August 16, 2016
TO: Citizen Advisory Committee (CAC)
FROM: Elena Lee, Interim Planning Manager, Planning & Community Environment Department
TITLE: Land Use and Community Design Discussion

CAC Schedule

The CAC has been working for one year. The CAC and the Transportation and Land Use subcommittees have been very active over the past few months discussing and revising the Transportation and Land Use Elements. For example, the Land Use Subcommittee has met 6 times to work on the Land Use Element and the CAC has discussed the Land Use Element at 4 meetings in 2016.

In this time, the CAC and the subcommittees have been able to frame and resolve key issues and options, and on many issues, the CAC has been able to build consensus. For example, the CAC voted to forward the draft Transportation Element to the Council unanimously. On controversial land use issues, like building height and growth management, the Land Use subcommittee and the CAC have been able to identify the key policy options for the Council's consideration.

These CAC and Subcommittee deliberations on the draft Transportation and Land Use Elements took longer than originally anticipated. CAC members originally expected their work to take one year. As currently scheduled, the CAC will not complete their work until May 2017. Staff recognizes that it is hard for CAC members to continue to commit this kind of time. One goal of the proposed review schedule is to establish a realistic and predictable schedule so that CAC members know how much more time they need to reserve and can continue to participate actively in the Comp Plan review until it is completed.

This is a summary of the revisions to the schedule:

- Adds time to the schedule to reflect the additional subcommittee and CAC meetings on the draft Land Use and Transportation Elements. Adds more time than was originally scheduled for the review of the Natural Resources and Safety Elements.

- Streamlines the CAC’s review process by having the CAC complete their review of all the Comp Plan Elements and send recommended drafts to the City Council before the CAC responds to the Council comments on individual draft Elements.
- Has subcommittees meet jointly on future elements so that the review of upcoming Elements is less time consuming and the subcommittees have an easier time building consensus.

Land Use and Community Design Element Background

To date, the CAC has had five meetings to discuss the Land Use and Community Design Element, and the subcommittee has met six times. In addition, the Sustainability subcommittee has met twice to discuss the Land Use Element. On July 19, the full CAC met to discuss the Policy Framework. The CAC reviewed the progress to date and previous points of consensus on Goals L-1 through L-3, reviewed Goals L-4 through L-10, and discussed a range of potential growth management options developed through subcommittee discussion. Following the July 19 CAC meeting, the Land Use and Sustainability subcommittees each met once to dive deeper into specific land use and growth management topics and to refine the work of the full committee. Based on CAC feedback, with the further careful thought and contributions of the subcommittees, staff and the consultant have assembled the attached Draft Land Use Element that adds narratives and maps to the policy framework the CAC has reviewed to date.

The purpose of this meeting will be to:

- Complete discussion of the refined growth management (Goal L-1) options from the subcommittees
- Review the narratives and maps in the Draft Element
- Review the policies and programs under all Goals
- Recommend forwarding the Draft Land Use Element to the City Council for review and feedback

Following the meeting, staff and the consultants will refine the Draft Element in response to CAC recommendations in preparation for review by the City Council in September, tentatively scheduled for September 19.

The Draft Element incorporates recommendations on the key issues received from the full CAC at the May 17 and July 19 meetings, the Land Use and Sustainability subcommittee meetings that followed, and written comments submitted by CAC members. For clarity, Attachment A shows the current version of policy and program language without displaying previous edits;

Attachment B presents the original text of the policies and programs with all the edits made to date.

- Attachment A - Draft Land Use and Community Design Element (August 2016) - Clean
- Attachment B - Draft Land Use and Community Design Element (August 2016) – Tracked

Note that new, sequential unique identifiers have been added to all new policies or programs. The unique identifiers, noted in square brackets at the end of each policy or program (ex [T1]), are meant to help CAC members refer quickly to policies and programs and also to help track the disposition of policies and programs from the 1998 Comp Plan, as well as new ideas recommended for inclusion in the update. The unique identifiers will be removed from the final version of the element, as they are utilized as a reference tool to quickly identify policies and programs during CAC discussion.

Update from the Sustainability Subcommittee

The Sustainability subcommittee met on July 26 (packet [here](#)) and significantly expanded the list of both development performance measures and community performance measures to ensure that both “sustainability” and “quality of life” were addressed. Subcommittee discussion revealed substantial overlap between these categories – most measures were relevant to both. The subcommittee also noted that measurement of the metrics should be more tailored and taken more often than every 10 years; some metrics may need to be measured more frequently, particularly those that could be a “leading indicator” of a mounting problem.

Staff received a number of comments from CAC members and Sustainability subcommittee members on the importance of school impacts to the community. The Sustainability subcommittee added school impacts to the list of community performance measures, and Policy C-1.14 and associated Program C-1.14.1 have been reinstated in the Schools section of the Community Services and Facilities Element. The Policy and Program direct the City to assist PAUSD with anticipating and addressing land development-related school enrollment impacts from development projects.

Update from the Land Use Subcommittee

The Land Use subcommittee met on August 1 (packet [here](#)) and focused first on a discussion of appropriate numerical caps for each growth management, annual limit, and Downtown cap policy option, providing staff with direction on the numbers or options to include in the draft policy and program language. Subcommittee input on numerical caps is included in the attached Draft Element and summarized in Table 3.

The subcommittee also reviewed a revised list of development performance measures and community performance measures, based on the Sustainability subcommittee’s work, and suggested that the development performance measures should help the City be “better, faster, stronger” at protecting and enhancing Palo Alto’s livability. As at the Sustainability subcommittee, Land Use subcommittee members discussed the potential need for, and challenges of, social and economic measures that encourage and measure diversity. Members recommended that the list of community performance measures be short, clear, and quantifiable and requested that staff clarify the distinction between existing development standards already in place and new, additive performance measures. Finally, the subcommittee recommended new terminology for these tools, as explained in the Performance Measures section of this staff report.

The Land Use subcommittee also spent time reviewing the Land Use Element policy framework, as revised to reflect CAC input from July 19. Their substantive changes are described in the Key Issues section of this staff report.

What to Expect At the Meeting

After roll call and oral communications, staff will give a brief overview of the key issues remaining for discussion in the Draft Element. The Land Use Element subcommittee will give a brief presentation on the outcomes of the August 1 subcommittee meeting. A focus of discussion at this meeting will be the refined Growth Management and performance measure options discussed below. The CAC will then be invited to comment on the Draft Land Use Element, with the objective of approving the edits and recommending that the Draft Element be forwarded to Council for review and feedback.

Staff will clarify the topics we would like the CAC to vote on in advance of the meeting.

Key Issues to Address on August 16

Growth Management (Goal L-1)

Staff has continued to work with both the Sustainability and the Land Use subcommittees to refine the various options in the new Cumulative Growth Management section for the CAC and the City Council’s consideration.

The Growth Management options have been discussed in three major components:

1. Overall cumulative growth management policy options – presented in Table 1, below
2. Performance measures – presented in Table 2, below
3. Numerical caps – presented in Table 3, below

Overall Growth Management Policy Options

The overall growth management policy and program options were discussed by the CAC at length. The summary diagram of options and choices in Table 1 below will be familiar from the July 19 meeting and has been revised to reflect changes, clarifications, and agreements that emerged from that discussion. Since the July 19 full CAC discussion:

- The Sustainability subcommittee added detail and refinement to the suite of performance measures the City would impose on new projects and measure Citywide, and
- The Land Use subcommittee has had a robust discussion of appropriate numbers to assign to each cumulative growth cap, annual limit, and Downtown cap policy option. These specific numbers are now included for CAC discussion. They also further refined the performance measures.

There were some CAC members who preferred using performance measures only to promote sustainability, others who preferred an “all of the above” approach to monitoring and growth management strategies, and still others who suggested using an annual limit plus performance measures would be the right way to go (i.e. no cap). There was general agreement, however, that any growth management or monitoring system should use 2015 as the baseline (even if there is a cap that derives from the 1989 land use study and the current cap), and majority support for applying any cap or limit to office/R&D and possibly hotel uses, rather than all non-residential uses.

There was also general agreement that the caps should be re-evaluated regularly. As currently drafted, the programs regarding the cumulative cap and Downtown cap both suggest re-evaluating the caps when development reaches 67 percent of the allowed square footage. At that time, the Council could consider adjustment or removal of the caps, based on the effectiveness of both the development performance measures and the community performance measures.

Exemptions

The current non-residential growth cap (Policy L-8 of the existing Comp Plan) exempts medical, governmental and other institutional areas including SUMC, the Veterans Administration Hospital, Palo Alto Medical Foundation, Stanford Cancer Research Center. These areas are either subject to inter-jurisdictional agreements (such as federal property), or are subject to approved Development Agreements or previous planning entitlements. Therefore, these exemptions would continue under any modification to Policy L-8. A policy stating these exemptions has been added to the Draft Element.

Table 1: Diagram of Cumulative Growth Management Options and Choices (For Non-Residential Growth)

	Monitoring Development	Cumulative Cap (Amount of Development) *Numbers subject to future CAC discussion	Annual Limit (Pace of Development)	Downtown Cap (Amount of Development)	New Performance Measures (Impacts of Development)
	KEY: ✓ = Consensus reached • = Option will be carried forward strike through = Option will not be carried forward or text changed per CAC input				
Desired Approach ➔	✓ Monitor non-residential development	<ul style="list-style-type: none"> • Implement a cumulative cap • Don't implement a cumulative cap (Use performance measures instead) 	<ul style="list-style-type: none"> • Implement an annual limit • Don't implement an annual limit 	<ul style="list-style-type: none"> • Maintain a downtown cap • Don't maintain a downtown cap 	<ul style="list-style-type: none"> ✓ Establish <u>new</u> performance measures to promote sustainability for new development projects ✓ Establish <u>community performance measures to evaluate the city as a whole over time</u>
Applicable Area ➔	✓ Citywide	<ul style="list-style-type: none"> • Apply citywide • Apply to the nine monitored areas on Map L-6 ✓ Apply Citywide minus SUMC 	<ul style="list-style-type: none"> • Apply citywide <u>minus SUMC (3 votes)</u> • Apply to the areas in the interim ordinance • Apply citywide minus SRP and SUMC <u>(12 votes)</u> 		✓ Apply citywide
Uses Affected ➔	✓ Use categories monitored for the CMP	<ul style="list-style-type: none"> • Apply to all non-residential development • Apply to office/R&D <u>(13 votes)</u> • Apply to office/R&D plus hotel <u>(6 votes)</u> 	✓ Apply to office/R&D	<ul style="list-style-type: none"> • Apply to all non-residential development • Apply to office/R&D • Apply to office/R&D plus hotel 	<ul style="list-style-type: none"> • Apply to all non-residential development ✓ Apply <u>development performance measures</u> to all non-residential development plus market rate housing ✓ Evaluate the city as a whole <u>with existing development with community performance measures</u>
Baseline ➔	✓ Use CMP data set	✓ Build on the 1989 land use study but use 2015 as the baseline and update it for current situation		✓ Build on the current cap, but use 2015 as the baseline and update it for the current situation	

	Monitoring Development	Cumulative Cap (Amount of Development) *Numbers subject to future CAC discussion	Annual Limit (Pace of Development)	Downtown Cap (Amount of Development)	New Performance Measures (Impacts of Development)
KEY: ✓ = Consensus reached • = Option will be carried forward strikethrough = Option will not be carried forward or text changed per CAC input					
Re-evaluation ➔		<ul style="list-style-type: none"> ✓ Reevaluate regularly; After 10 years When development reaches 67% of allowed sf, the cap could be eliminated or go up or down depending on <u>the success of the performance/sustainable community measures</u> 		<ul style="list-style-type: none"> ✓ Reevaluate regularly; After 10 years When development reaches 67% of allowed sf, the cap could be eliminated or go up or down depending on <u>sustainable community the success of the performance measures</u> 	<ul style="list-style-type: none"> ✓ Re-evaluate the effectiveness of performance measures after 10 years regularly and adjust as necessary
Other ➔		<ul style="list-style-type: none"> ✓ Address what should happen when cap gets close ✓ Address zoned development potential ✓ <u>Continue to exempt public facilities</u> 	<ul style="list-style-type: none"> ✓ <u>Continue exemptions from the interim ordinance (offices <5K sf, medical offices ,2k sf, city offices, accessory offices, and "self-mitigating projects")</u> 	<ul style="list-style-type: none"> • Exempt small offices (< 5k sf) • Eliminate TDRs or use them for residential square footage only ✓ Address what should happen when cap gets close ✓ Address zoned development potential 	<ul style="list-style-type: none"> ✓ Topics addressed by <u>development performance measures (applied to new development) should be expanded to make sure they address address-traffic, parking, canopy/open space, water, energy, displacement, and glare-noise shade/affordable housing, and the natural environment.</u> ✓ <u>Topics addressed by community performance measures (evaluating the city as a whole) should address key indicators of livability, GHG, VMT, jobs/housing balance, affordable housing, schools, and parks.</u>

Triggers vs. Caps

Some CAC members have suggested that the growth management options refer to “triggers” rather than “caps.” A “cap” implies that only a certain amount of development will be allowed, within a given timeframe and/or unless certain citywide targets are met. A “trigger” would imply that as development reaches the number identified, Council and the community consider whether or how much development should be allowed to continue, and would be perceived by the development community as less firm than a “cap.” The current draft of the policies and programs continues the term “cap” but adds a trigger for reevaluating the numerical cap when development reaches 67 percent of the allowed square footage.

Performance Measures

On July 19, the CAC discussed two related tools called “performance measures,” requirements to be placed on new development projects, and “community sustainability metrics,” issues that would be monitored over time to evaluate how Palo Alto is doing as a whole. During the CAC discussion and subsequent subcommittee meetings, members expressed that these terms were unclear and confusing. To attempt to resolve that confusion, the current terms, arrived at with input from the Land Use subcommittee, are ***development performance measures*** and ***community performance measures***. These are different in the following ways:

- Development Performance Measures:
 - Are imposed on new development at the time of approval (whether through changes to the zoning ordinance or standard conditions of approval).
 - Enhance and strengthen existing development standards required of all new development.
 - Are not applied to existing development.
- Community Performance Measures:
 - Evaluate the community as a whole, including existing and new development, existing and new residents and employees
 - Reflect the outcomes of changes in behavior, new technologies, etc., over the planning period, not only the outcomes of new construction.
 - Are not about achieving a specific end point, but about taking a snapshot, or check-up, to measure progress over time, recognize successes, and tailor efforts to areas where improvement is still needed.

The current “performance measure” terms do not include the words “sustainability” nor “quality of life.” Although these concepts are very important to CAC members as well as to Councilmembers, as the discussion of these terms has evolved, it has become clear both terms “push buttons” and mean different things to different people. Subcommittee members described both terms as “amorphous” and “loaded.” Therefore, the current incarnation avoids these terms and focuses instead on the content of the performance measures themselves. To

be clear, the performance measures have been expanded to encompass what have previously been referred to as “quality of life” components such as schools, parks, and traffic congestion.

Based on the July 19 CAC discussion and subsequent subcommittee meetings, it appears that there is broad support for including both development performance measures and community performance measures in the suite of policies and programs that is ultimately forwarded to the City Council.

Consistent with Land Use subcommittee suggestions, both development performance measures and community performance measures will be most effective if they are focused on a concise list of key indicators and are based on readily available (and reliable) data.

Table 2: New Development Performance Measures and Community Performance Measures

Development Performance Measures (Measures applied to new development)	Community Performance Measures (Measures that evaluate key livability outcomes from both existing and future development)
<ul style="list-style-type: none"> a. Trip reduction: a specific percentage reduction from typical SOV commuter trips b. Preserving Affordable Housing: no net loss of affordable dwelling units and discouraging loss of smaller homes such as cottages c. Facilitating Affordable Housing: Allow flexible height limits to facilitate a mix of multi-family housing, including affordable units, micro-units and housing for seniors and people with special needs d. Urban forest, open space, and habitat: preserving or increasing canopy cover or a percent vegetated/open space areas 	<ul style="list-style-type: none"> 1. Greenhouse gas emissions & progress towards the SCAP goal (80% below 1990 emissions by 2030) 2. Vehicle Miles Traveled (VMT) per capita 3. % of commute trips to employment centers by SOV 4. Jobs/housing balance (expressed as a ratio of jobs to employed residents) 5. Housing Cost Burden (percent of income that households must spend on housing costs) 6. Affordable housing stock (numbers of units affordable to moderate-, low- and very-low-income householders) 7. Community diversity (household income) 8. School Quality- PAUSD spending per student and PAUSD class size 9. Park acreage per capita

The City already regulates many aspects of development. Per subcommittee feedback, the list of development performance measures was shortened to focus on new measures that would be added to existing development requirements to enhance and reinforce the City’s commitment to achieving the highest quality development with the least impacts. The City will review existing regulations to ensure they are consistent with the ultimate suite of growth management tools and objectives. Those existing development requirements include:

1. Green Building Requirements – The City has a mandatory green building ordinance that applies to all residential and non-residential development. It covers the following topics:
 - a. Energy
 - i. Energy Efficiency Reach Code
 - ii. Solar-Ready Buildings
 - iii. Energy Conservation
 - iv. Energy Efficiency
 - v. On-site Renewable Energy
 - b. Materials And Waste
 - i. Construction Waste, Reduction, Disposal And Recycling
 - ii. Green Building Materials
 - iii. Light Pollution Reduction
 - c. Emissions
 - i. Electric Vehicle Charging
 - ii. Bicycle Parking
 - iii. Designated parking for fuel-efficient vehicles
 - d. Water Efficiency
 - i. Impermeable Surface Area For Groundwater Recharge
 - ii. Native, Drought-Tolerant Planting
 - iii. Water Conservation And Reuse
 - iv. Landscape Water Efficiency
 - v. Recycled Water
 - e. Indoor Air Quality
2. Parking Requirements
 - a. Vehicle Parking
 - b. Bike Parking
3. Parks and Open Space Requirements
 - a. Provision of parkland or payment of fees
 - b. Private open space
4. Landscaping and Amenity Requirements
 - a. Tree protection and retention
 - b. Landscape water efficiency ordinance
 - c. Public Art
5. Neighborhood impacts
 - a. Glare
 - b. Noise
 - c. Shade
 - d. Utility undergrounding

Both the Sustainability subcommittee and the Land Use subcommittee requested additional detail on what community performance measures would be measured and wanted to ensure that measurement and evaluation would happen more frequently than every 10 years. Staff has developed the following matrix to provide additional detail. This level of detail would not be included in the Comp Plan itself and is not in the attached Draft Element, but would be part of the implementation of the performance measures.

Table 2A: New Community Performance Measures

Measure	TARGET	data source	monitoring frequency
1. Greenhouse gas emissions	REDUCE to 80% below 1990 emissions by 2030 (S/CAP goal)	City GHG model	Annually
2. Vehicle Miles Traveled (VMT) per capita	REDUCE by 5% per year	City/VMT traffic model	Every four years
3. % of commute trips to employment centers by SOV	REDUCE to 40 percent below ITE standards for Downtown and 30 percent below ITW standards for SRP.	Annual surveys of Downtown and Stanford Research Park workers	Annually
4. Jobs/housing balance (expressed as a ratio of jobs to employed residents)	IMPROVE existing ratio to decrease existing jobs/housing imbalance	US Census ACS data (employed residents), ABAG? For jobs – Roland should weigh in.	Every four years
5. Housing Cost Burden	REDUCE percentage of owners and renters paying more than 50 percent of household income for housing	Housing Element – US Census three-year ACS data	Every four years, consistent with State required Housing Element cycle
6. Affordable housing stock	INCREASE supply of housing affordable to moderate-income, low-income, and very-low-income households	City database: total number of existing units total number of new units constructed total number of units demolished number of new affordable housing units	

7. Community diversity	MAINTAIN similar proportions as the levels documented in 2015 [see Fig. 2-3 in adopted 2015 HE]	Household income by Census block group (US Census Current Population Survey or American Community Survey)	Every four years, consistent with State required Housing Element cycle
8. PAUSD spending per student	MAINTAIN or IMPROVE 2015-2016 levels	PAUSD	Annually
9. PAUSD class size	MAINTAIN or IMPROVE 2015-2016 class size	PAUSD	Annually
10. Park acreage per capita	MAINTAIN or IMPROVE existing ratio	City land use and housing database	Every four years

Numerical Caps

The Land Use Subcommittee discussed appropriate numerical caps on August 1; a detailed explanation of the background for each number is provided in the [August 1 subcommittee staff report](#). Numerical cap options are summarized in Table 3.

Cumulative Cap Options

The Council will receive options to continue a cumulative cap on some types of non-residential development and to eliminate the cap in favor of performance measures and community metrics. (If the cap is continued, it will not apply to Stanford University Medical Center [SUMC], which is an approved project subject to a Development Agreement. This Agreement allows 1.3 million square feet of development and regulates and mitigates the impacts of development on the site through TDM requirements and other conditions.)

The City’s current cumulative current cap is established in the existing Comprehensive Plan as Policy L-8, which set a limit of 3,257,900 square feet of new non-residential development for nine planning areas. Currently, about 1.4 million square feet of development subject to this cap has been built, and 1.7 million square feet of remain available.

The current cumulative cap does not count conversions from one non-residential land use to another, but simply lumps all non-residential uses together and only counts new square footage constructed. Under any of the options the CAC is currently considering, the new citywide cumulative cap would count conversions, because it would apply to only one or two uses. Therefore, this updated cap could constrain new development more severely than the current cap because the remaining allowed capacity, or square footage, could be consumed through a conversion from other existing, non-residential uses to Office/R&D and/or hotel uses, in addition to new construction.

Apply to Office/R&D

The subcommittee supported staff's proposal to **carry the remaining 1.7 million square feet forward** as the new cumulative cap on Office/R&D development. This number is reasonable based on the existing cumulative cap, the City's historic track record of development, and existing zoning capacity in place today.

Apply to Office/R&D and Hotel

If new hotel development is also subject to the cap, staff proposed a total cumulative cap of 1.7 million square feet of Office/R&D development and 500,000 square feet of hotel development. That figure is based on the past 15 years of development history and would accommodate two current active hotel proposals plus one more full service hotel within the City. However, the Land Use subcommittee could not come to agreement on an appropriate hotel cap number and directed that instead **the Comp Plan should include a program to conduct a study to consider a hotel cap in more detail and set an appropriate cap if needed.**

Annual Limit Options

The annual limit addresses the pace of development. Currently, the pace of development is regulated through an interim ordinance adopted by the City Council in 2015. The interim ordinance establishes an annual limit of 50,000 square feet per fiscal year of new Office/R&D development in three commercial districts: Downtown, California Avenue, and El Camino Real south of Park Boulevard. Neither the SUMC nor Stanford Research Park developments are included in the annual limit. There is currently about 800,000 square feet of unbuilt development capacity within the Stanford Research Park, based on existing zoning. SUMC has been approved for 1.3 million square feet of development. The interim ordinance limit is based on the City's track record of development over the past 15 years.

Apply Citywide

If the annual limit is applied citywide, the subcommittee recommended a limit of **50,000 square feet Citywide, plus an additional cap on annual development in the Stanford Research Park.** However, the subcommittee did not come to agreement on a specific square footage cap for Stanford Research Park and instead suggested that the annual limit number for Stanford Research Park be left blank. They did discuss a limit of 50,000 square feet with the ability to rollover unused square footage to future years. SUMC would continue to be excluded from the annual limit because it is subject to an approved development agreement that includes measures to reduce the impacts of development on the site.

Exclude Stanford Research Park

For Stanford Research Park, the other option was that there would not be an annual limit, on the condition that a trip cap is applied to the Research Park. If the annual limit excludes Stanford Research Park, the subcommittee agreed with staff's suggestion of a limit of **50,000 square feet per year Citywide.** This is based on continuation of the Council-adopted interim ordinance. SUMC would continue to be excluded from the annual limit because it is subject to an approved development agreement that includes measures to reduce the impacts of development on the site.

Downtown Cap Options

The existing Downtown cap is established in Program L-8 of the current Comprehensive Plan, which established a cap of 350,000 square feet of net new non-residential development Downtown. Based on past development history, non-residential development in the Downtown area may reach this cap within the next several years. Therefore, the City Council will consider a revised Downtown cap.

Similar to the citywide cumulative cap discussed above, the existing Downtown cap does not count conversions from one non-residential land use to another. The new Downtown cap would count conversions, because it would apply to only one or two uses. Therefore, this updated Downtown cap could constrain new development more severely than the current cap.

Apply to Office/R&D Only (with or without small office exemption)

If the Downtown cap applies to Office/R&D uses only, the subcommittee agreed with staff’s suggestion to retain the existing remaining capacity of the existing cap, meaning the new cap would be an additional **45,619 square feet** above what is currently exists today, assuming all active Office/R&D pipeline projects are approved as proposed. This amount may be applied to all Office/R&D uses or may exempt small offices of 5,000 square feet or less in an effort to support smaller local businesses. In either option, the cap would remain the same.

Apply to Office/R&D and Hotel

If the Downtown cap applies to Office/R&D uses and hotel, the subcommittee recommended retaining the existing remaining capacity of **45,619 square feet for Office/R&D** and allowing an **additional 50,000 square feet of hotel** development above what exists today.

Based on CAC feedback, a new program was added under the policy option for performance measures only. This program would create a trigger for evaluation of the performance measures by City staff.

Table 3: Proposed Numerical Caps

Growth Management Options	Possible Cap (Square Feet)
Cumulative Cap	
<ul style="list-style-type: none"> Citywide minus SUMC; Apply to Office/R&D 	1.7 million
<ul style="list-style-type: none"> Citywide minus SUMC; Apply to Office/R&D and Hotel 	1.7 million + hotel cap[TBD through future study
Annual Limit	
<ul style="list-style-type: none"> Citywide including Stanford Research Park, minus SUMC; Apply to Office/R&D 	50,000 Citywide + _____ for Stanford Research Park . Allow Stanford Research Park to rollover unused square footage to future years.
<ul style="list-style-type: none"> Citywide minus Stanford Research Park and SUMC; Apply to Office/R&D 	50,000 with a trip cap applied to the Stanford Research Park
Downtown Cap	
<ul style="list-style-type: none"> Apply to Office/R&D 	45,619
<ul style="list-style-type: none"> Apply to Office/R&D and Hotel 	45,619 + 50,000

Other Land Use Element Policy Issues

At the July 19 CAC meeting, CAC members commented on several policy issues that were not resolved during the meeting. For most of the issues below, staff has either heard individual comments in opposition to previously-proposed policy wording without discussion by the larger group, or staff has heard CAC comments both in favor of and opposed to a given policy approach. The Land Use Subcommittee discussed these topics and either suggested a consensus view or formulated multiple policy options for CAC discussion on August 16.

- **Single Family Residential Definition:** Some CAC members objected to the existing single-family residential definition, which allows the density maximum to increase to 14 units per acre in areas where second units are allowed. However, upon reviewing this language in the existing Comprehensive Plan, staff believes this maximum is appropriate. Given the basic single-family residential definition allows for seven units per acre, it is reasonable to allow up to 14 units per acre if seven units per acre is allowed by the existing zoning regulations in a given neighborhood. The subcommittee suggested that the wording be changed to replace “in areas where” with “on parcels where” to specify that this is a targeted density allowance reflective of current second unit policies, rather than an across-the-board density increase: *The net density in single-family areas will range from 1 to 7 units per acre, but ~~may rise~~ to a maximum of 14 units ~~in areas~~ on parcels where second units or duplexes are allowed. Population densities will range from 1 to 30 persons per acre.*
- **Neighborhood Commercial Definition:** Allowing child care centers to be located in Neighborhood Commercial centers, which include Charleston Center, Edgewood Center, and Midtown. This is currently allowed by zoning. Past CAC proposals would modify the wording of the Neighborhood Commercial designation to mention “child care” in the list of “typical uses” in this designation. There was no consensus on this item. There was concern raised about a shortage of daycare and childcare and the desirability of having childcare within walking distance of neighborhoods, while there was also concern that childcare uses could push out other small, local retail uses that the community wants to support. The subcommittee concluded that this is, ultimately, a zoning issue, and formulated two options for the Comp Plan: one that leaves child care in the list of typical uses, and another that omits child care.
- **Allowing convenience retail in residential areas:** This concept was previously expressed in a policy under Goal L-3 to “[e]ncourage small-scale neighborhood-serving retail facilities such as coffee shops and corner stores at appropriate locations in residential areas.” ([L39] in the July 19 draft.) There was no consensus on this item. Although this would provide retail services and daily needs nearby neighborhoods, retail facilities could potentially cause impacts such as traffic, parking and noise. The subcommittee recommended replacing Policy [L39] with a program to “explore potential locations and appropriateness of small-scale neighborhood-serving retail facilities... in residential areas.” See Program [L39] in the August 16 draft (It is a coincidence that the revised program has the same identifier as the previous policy). As a program, this has been moved to be linked to Policy [L38] regarding “enhanced connections between commercial and mixed use centers and the surrounding residential neighborhoods” by promoting “a diverse range of retail and services that caters to the daily needs of residents.”

- **Basements.** In addition, the CAC has received detailed public comments on the issue of basements. The Save Palo Alto Groundwater memo offers several detailed suggestions for new policies and programs. Most of these suggestions are likely to be most appropriately located in the Natural Environment Element where the topic of water quality is addressed, or in the Safety Element, where the topic of flooding is addressed. Currently, the Land Use and Community Design Element addresses the topic of basements in terms of their potential neighborhood impacts (Policy [L53]) and proposes a program to consider basements during the calculation of gross floor area (Program [L54]). The subcommittee did not offer any further changes to the new policy and program in the Land Use Element but expressed strong interest in addressing this topic further in both the Natural Environment and Safety Elements.
- **Restrooms.** Some CAC comments suggested eliminating references to restrooms in Policies [L63] and [L65] under Goal L-4. However, staff feels that restrooms are an important public amenity and will become increasingly important as alternative transportation, including walking and bicycling, is encouraged by new Policies and Programs in the Comprehensive Plan. Upon further subcommittee discussion, it became clear that the primary concern was that small mom-and-pop businesses in Neighborhood Centers would bear the cost of providing restrooms. Therefore, the language of Policy [L63] was revised to refer specifically to Regional Centers and Multi-neighborhood centers, to clarify that Neighborhood Centers would not necessarily have to include restrooms.
- **Palo Alto Airport (Goal L-10).** The Palo Alto Airport is addressed in Goal L-10 of the Land Use Element. In response to CAC comments, Program [L184] regarding preparation of an Airport Master Plan has been revised to specify that the Master Plan should address hours of operation. Policy [L186], regarding minimizing environmental impacts of PAO, has been revised to add noise impacts to the list of environmental impacts, and to specifically reference noise regulations in the forthcoming Natural Environment Element.
- **Cubberley.** On July 19, a CAC member requested the addition of a policy or program addressing the Cubberley Compact under Goal L-8, which covers civic and cultural facilities. Staff has provided the CAC with the recently-signed “Cubberley Compact” between the City and PAUSD, which outlines a framework for collaborative planning. A program to plan for Cubberley’s future is already located in the Community Service and Facilities (CSF) Element under Goal C-4. Goal C-4 is to “Plan for a future in which our parks, open spaces, libraries, public art, and community facilities thrive and adapt to the growth and change of Palo Alto.” The relevant program states that the City will “Use Cubberley Community Center as a critical and vital part of the City’s service delivery system while also planning for its future.” Staff suggests this location in the CSF Element is more appropriate than the Land Use Element.

Next Steps

The draft Land Use Element will be revised based on final CAC’s recommendations. If the CAC recommends to forward the draft Element, it will be forwarded to the City Council for review and discussion following the August 16 CAC meeting. The Council meeting is tentatively scheduled for September 19.