

City of Palo Alto City Council Staff Report

(ID # 9921)

Report Type: Action Items Meeting Date: 3/11/2019

Summary Title: NVCAP Check In and Joint Meeting with Working Group

Title: Update on the North Ventura Coordinated Area Plan (NVCAP) Planning Process, Review of Next Steps, and Possible Council Direction to Staff on

Next Steps

From: City Manager

Lead Department: Planning and Community Environment

Recommendation

This joint meeting of the City Council and the Working Group (WG) for the North Ventura Coordinated Area Plan is intended to provide an update on the project, introduce the consultant team, Perkins+Will, review the direction of the project, and describe the next steps in the ongoing planning process. This meeting provides the City Council an opportunity to affirm project direction or articulate required changes.

Executive Summary

The City Council initiated the North Ventura Coordinated Area Plan (NVCAP) process on November 6, 2017. The NVCAP was a direct outcome of the Comprehensive Plan Update Program L4.10.1. The City was awarded a \$638,000 federal Priority Development Area grant for the preparation of the plan in September 2018 by the Santa Clara Valley Transportation Authority, the Association of Bay Area Governments, the Metropolitan Transportation Commission, and the State of California Department of Transportation (Caltrans). In accepting the grant, the City committed to completing the planning effort within two years.

Following the initial Council direction, a Working Group was appointed and a planning consultant, Perkins+Will, was selected by the City Council to work with staff on the development of the draft plan. Three Working Group meetings have been held since project initiation on November 6, 2017. A community workshop was held on February 5, 2019 at the Mitchell Park Community Center, which will inform future scenario planning. A second workshop on plan alternatives is expected to occur in late Spring followed by a Council hearing

in August to select a preferred alternative. The preferred alternative will be studied in accordance with the California Environmental Quality Act.

The consultant's draft existing conditions report is also being transmitted with this staff report and is anticipated to be included in the final NVCAP plan. An initial historic analysis is being prepared but is not included in the draft existing conditions report.

The City's consultant will make a presentation at the March 11 meeting that will summarize the planning effort to date and next steps.

Background

The approximately 60-acre NVCAP project area is roughly bounded by Page Mill Road, El Camino Real, Lambert Avenue and the Caltrain tracks and represents a rare opportunity within the City to plan proactively for a true transit-oriented mixed-use neighborhood. The project area includes one of the City's largest housing opportunity sites, currently occupied by Fry's Electronics. The plan area is developed with a mix of small and large businesses and single family residences.

The purpose of the North Ventura Coordinated Area Plan (NVCAP) is to capture the City's vision for this neighborhood into a regulatory document that will guide future development and include land use policies, development standards, and design guidelines. The NVCAP is intended to strengthen the neighborhood fabric and consider infrastructure needs, providing for a mix of land uses that take advantage of the proximity of the Caltrain station, the California Avenue area, and El Camino Real.

Project Initiation

The City Council initiated the NVCAP project on November 6, 2017, with the adoption of a resolution of local support with a commitment to complete the preparation of the coordinated area plan. The resolution was a requirement for a federal grant, which is discussed in detail below. On March 5, 2018, the City Council approved preliminary project goals, objectives, schedule and plan boundaries. The City Council also authorized the formation of a working group to advise the City on the development of the plan. Work began on the planning process in October 2018 after the consultant team was hired. The adopted objectives focused on a data-driven approach with meaningful community engagement for a feasible project that will consider community desires while addressing constraints. The complete list of objectives and goals, as well as the project map, is provided as Attachment A and can be found on the project website: www.paloaltonvcap.org. Goals were adopted for the following seven topics:

- 1. Housing and Land Use
- 2. Transit, Pedestrian and Bicycle Connections

City of Palo Alto

- Connected Street Grid
- 4. Community Facilities and Infrastructure
- 5. Balance of Community Interests
- 6. Urban Design, Design Guidelines and Neighborhood Fabric
- 7. Sustainability and the Environment

Project Grant

In 2017, in anticipation of the adoption of the Comprehensive Plan, the City applied for and received a federal grant from the Valley Transportation Agency (VTA), in coordination with multiple agencies, to fund the preparation of the NVCAP. For further details about the grant and history of the PDA and site area, please see the November 6, 2017 City Council staff report: http://www.cityofpaloalto.org/civicax/filebank/blobdload.aspx?BlobID=61631. The VTA Board of Directors voted on September 7, 2017 to award the City a \$638,000 grant. The PDA grant required a local funding match of at least 11.47% of the total project cost as a condition of grant award and acceptance, and prohibits the use of grant funds for environmental analysis. The Sobrato Organization, the owner of properties within the project site, including the one occupied by Fry's Electronics, has provided the required matching funds in the amount of \$112,000 and contributed an additional \$138,000 to pay for the environmental analysis that will be required for this project.

The Planning Process

The Comprehensive Plan calls for the use of coordinated area plans as an important implementation tool. The coordinated area plan is a local alternative to "specific plans" (in state law) or "precise plans" (in nearby communities). These plans are intended to provide an area-specific policy framework that implements the City's Comprehensive Plan, along with development standards, design guidelines and other implementing tools needed to achieve specific goals and objectives. There is currently one adopted coordinated area plan for the South of Forest Area.

Comprehensive Plan Land Use Element Policy L-1.7 states:

Use coordinated area plans to guide development, such as to create or enhance cohesive neighborhoods in areas of Palo Alto where change is foreseeable. Address both land use and transportation, define the desired character and urban design traits of the area, identify opportunities for public open space, parks and recreational opportunities, address connectivity to and compatibility with adjacent residential areas; and include broad community involvement in the planning process.

Program L4.10.1 of the Comprehensive Plan specifically affirms that a coordinated area plan should be developed for the North Ventura area:

Prepare a coordinated area plan for the North Ventura area and surrounding California Avenue area. The plan should describe a vision for the future of the North Ventura area as a walkable neighborhood with multi-family housing, ground floor retail, a public park, creek improvements and an interconnected street grid. It should guide the development of the California Avenue area as a well-designed mixed use district with diverse land uses and a network of pedestrian-oriented streets.

Palo Alto Municipal Code (PAMC) Title 19, Chapter 19.10 provides for the implementation of the coordinated area plan process. This chapter details the purpose of a coordinated area plan, the initiation process, procedures to create the plan, required contents, and regulatory procedures once adopted. The goals and objectives of a coordinated area plan are intended to supplement existing Comprehensive Plan policies.

Per the PAMC, the completed coordinated area plan process would include:

- Planning Objectives and Site Context
- Goals and Policies
- Site Plan and Land uses
- Development Standards and Criteria
- Transportation Connections and Improvements
- Capital Improvements and Implementation Measures.

Working Group

Consistent with Section 19.10.30, a 14 member Working Group, along with two alternates, was appointed by City Council on April 30, 2018 to be an advisory group to staff, the Architectural Review Board, the Planning and Transportation Commission, other boards/commissions and City Council. The Working Group members represent a broad range of interests such as residents, businesses and large property owners, including the owner of the Fry's Electronics site. The Working Group is intended to help to shepherd the project through the planning process and will take on the following roles:

- 1. Discuss plan vision and goals
- 2. Conduct walking tours/site visits to visualize key issues and proposed plan policies
- 3. Review and respond to baseline data, analysis, recommendations, and presentations by staff, consultants, and property owners
- Develop policy options consistent with the goals and objectives established by the City Council, refine land use and transportation options, and address key issues and tradeoffs

5. Serve as a conduit and resource for larger community input (i.e., workshops, online engagement)

Three Working Group meetings have been held so far. It is anticipated that the Working Group will meet monthly to every other month. Subsequent to the initial appointment, some minor changes have been made. One of the regular Working Group members, Cari Templeton, was appointed to the Planning and Transportation Commission and resigned from the Working Group. Lakiba Pittman, one of the two alternates, was then appointed to a regular Working Group member position.

Project Consultant

Perkins+Will was selected by the City as the project consultant on June 25, 2018 through a competitive RFP process. Perkins+Will is an award winning interdisciplinary research based architecture firm with architects, urban designers, landscape architects, consultants and environment experts who approach design from all scales and perspectives. The project team includes several subconsultants: Arup (Transportation and Parking), Plan to Place (Community Outreach and Engagement), Strategic Economics (Economics and Real Estate), BKF (Civil Engineering), and David J. Powers & Associates (Environmental). Additional information on Perkins+Will can be found on their website: https://perkinswill.com/). Perkins+Will has a strong team with experience from the policy planning level to the design of specific buildings and strong public outreach skills, and have demonstrated that they can translate ideas into implementable plans. The team proposes a data driven approach balanced with design principles that are consistent with Palo Alto's Comprehensive Plan.

Public Outreach

An important component of the NVCAP project is the public outreach. Staff has worked with the Working Group and other groups, such as the Ventura Neighborhood Association, to publicize meetings, including the community workshop and the town hall. The project team has established a project website at www.paloaltonvcap.org, which is serving as one of the primary outreach tools. The website provides background information, meeting materials and other resources. The website also provides contact information so that members of the public can reach out at any time with questions or comments. The public can also sign up on the webpage to receive email updates. Staff provides periodic updates and meeting announcements via email. Between January and February 2019, the webpage had over 475 unique visitors and 1410 page views. Approximately 190 members of the public have signed up for updates. Staff has also utilized social media and the City's website to publicize meetings.

Discussion

The NVCAP project is approximately five months into a two year process. The development of the plan could be viewed as a three part process. The initial step is data gathering, the second

step is development of options/alternatives, and the final step is refinement and selection of the preferred alternative. We are currently concluding the initial data gathering stage and have begun the development of plan options.

Since the project kickoff, three Working Group meetings were held in October 2018, November 2018 and January 2019. The Working Group meetings were used to help determine the direction and goals of the first Community Workshop held on March 5, 2019. A short summary is provided below. Detailed summaries of the Working Group meetings are provided as Attachment B to this report.

Working Group Meetings

Three Working Group meetings have been held so far. Working Group meetings are generally held in the evening on the third Wednesdays of the month in the Community Meeting room at City Hall. All of the Working Group meetings have been been publicly noticed and 20 to 30 members of the public have attended each of the meetings. Every Working Group meeting provides a public comment period. Working Group meeting #1 was held on October 17, 2018. The purpose of this meeting was to introduce the project and the project team, including Perkins+Will. Staff provided an overview of the project, the process and the goals/objectives adopted by Council. The Working Group members then expressed their initial hopes and concerns regarding the coordinated area plan process. Working Group members were then asked to take a self-guided tour of the project area, using a guide developed by the project team. The members were asked to report back on their findings at the second Working Group meeting.

Working Group meeting #2 was held on November 15, 2018. This meeting was a discussion of existing conditions, assets and opportunities. The Working Group members also reported back on their observations from their self guided walking tour. The project team provided a very high level report on existing conditions. The WG was informed that the project is subject to the California Environmental Quality Act and that a separate environmental analysis will be prepared on the draft plan.

The Working Group was then asked to identify potential models for the NVCAP and to explain the reasons for their choices at the January Working Group meeting.

The third Work Group meeting was held on January 16, 2019. At this meeting the Working Group reported back on possible models for the NVCAP area and discussed what makes a place vibrant. This meeting also included a break-out discussion where the Working Group members were asked to take the view point of a future resident with a "day in the life" exercise. The feedback from this meeting was used to help develop the community workshop.

Stakeholder Meetings

Several stakeholder meetings have been held by the project team over the past several months. Staff contacted various stakeholder groups, including area residents, property owners, and the school district for follow up. Stakeholder meetings were held with the Sobrato Organizations, residents, nonresidential property owners and businesses, and those with interests in housing or transportation issues. Summaries of those meetings are posted on the project website and are provided in Attachment C. Staff has also requested meetings with the Santa Clara Valley Water District, the Valley Transportation Agency, and Caltrain.

Community Workshop #1

The first of two community workshops to be held during the plan development process occurred on February 5, 2019 at the Mitchell Park Community Center. The purpose of this meeting was to provide an overview of the process and to solicit feedback from the public. Approximately 30-35 members of the public attended, including Working Group members. Following the project team's introduction to the project, attendees were asked to take an interactive survey with six questions. Attendees were able to discuss the survey questions in greater detail in small groups afterwards. Several key themes were expressed. Among them was the need for housing with a range of incomes, including affordable housing, an interest in naturalizing the creek as an open space amenity, a desire to improve bicycle and pedestrian connectivity instead of cars, and quality design to create an interconnected neighborhood with community spaces. A summary of the meeting is also provided in Attachment D.

Existing Conditions Memo

An existing conditions memo has been prepared by the consultants to provide context for the planning process. The draft existing conditions report is Attachment E. It addresses the following issues:

- Land Use and Surroundings
 - Comp Plan Land Use and Zoning Designations
 - Open Space/Creek
 - Recent Development Activity
- Mobility
 - Roadway Network
 - Pedestrian and Bicycle Network
 - Parking
 - o Public Transit
- Market Snapshot
 - Residential Opportunities and Constraints
 - Affordable Housing
 - Nonresidential Opportunities and Constraints
- Infrastructure
 - Storm Drainage

- Water
- Utilities
- California Olive Emerson Plume

Next Steps

The project is entering the next phase: development of plan options. Attachment F provides a project timeline and illustrates the project phases. The next Working Group meetings will focus on the development and refinement of project alternatives, providing for a range of options. Once options have been developed, the second community workshop will be held in late spring, 2019 to introduce and solicit feedback on the options from the public. The Working Group will then identify its preferred option (or options). The options and the Working Group's preferred option will be presented to the City Council in August, 2019 for Council comment and direction. As noted above, the Working Group meetings are also public meetings and members of the public can always participate.

Policy Implications

The NVCAP relates to a range of policies in the Comprehensive Plan Update that promote walkable mixed-use development close to transit. Specifically, this project would implement Comprehensive Plan Program L4.10.1 (see above), with a focus on the North Ventura area. The CAP will also have to consider other relevant plans, such as the Parks, Trails, and Open Space Master Plan, and the Bicycle & Pedestrian Implementation Plan.

Resource Impact

The City has been awarded a federal grant in the amount of \$638,000 for the NVCAP. In compliance with a grant requirement, the 11.47% local funding match requirement was achieved by a \$112,000 contribution by the Sobrato Organization. The Sobrato Organization has also provided an additional \$138,000 to fund the environmental review process. Grant money cannot be used for the environmental review process. No other City funds have been pledged, although additional funds may be required if the environmental review process is more complex than anticipated, if the planning process extends past the expected time frame, or if additional community outreach beyond what is anticipated in the current scope of work is desired.

Environmental Review

The actions recommended in this report are exempt from review under the California Environmental Quality Act (CEQA) in accordance with CEQA Guidelines Sections 15061(b)(3) and Section 15262 (Feasibility and Planning Studies). The purpose of this meeting is to provide an update on the process and to obtain general feedback. The actions would not be determinative of any specific outcome. The Coordinated Area Plan that would result from this effort will be subject to CEQA review prior to adoption.

Attachments:

Attachment A: NVCAP Preliminary Objectives, Goals, Timeline and Map (PDF)

Attachment B: NVCAP Working Group Summaries (PDF)

Attachment C: NVCAP Stakeholder Meeting Summaries (PDF)

Attachment D: NVCAP Feb 5 Community Workshop Summary (PDF)

Attachment E: Draft NVCAP Existing Conditions Memo (PDF)

Attachment F: NVCAP Schedule and Next Steps (PDF)

North Ventura Coordinated Area Plan Project Goals, Objectives, Milestones and Boundary March 5, 2018¹

The North Ventura area is roughly bounded by Page Mill Road, El Camino Real, Lambert Avenue and the Caltrain tracks in Palo Alto and represents a rare opportunity within the City to plan proactively for a true transit-oriented mixed-use neighborhood. The project area includes one of the City's largest housing opportunity sites, which is currently occupied by Fry's Electronics, as well as a mix of small and large businesses and single family residences. The purpose of the North Ventura Coordinated Area Plan (NVCAP) is to provide a vision for the future of this area. The group will address areas including policies, development standards, and design guidelines. The NVCAP should strengthen the neighborhood fabric and consider infrastructure needs, providing for a mix of land uses that take advantage of the proximity of the Caltrain station, the California Avenue area, and El Camino Real.

NVCAP Goals

1. Housing and Land Use

Add to the City's supply of multifamily housing, including market rate, affordable, "missing middle," and senior housing in a walkable, mixed use, transit-accessible neighborhood, with retail and commercial services and possibly start up space, open space, and possibly arts and entertainment uses.

2. Transit, Pedestrian and Bicycle Connections

Create and enhance well-defined connections to transit, pedestrian, and bicycle facilities, including connections to the Caltrain station, Park Boulevard and El Camino Real.

3. Connected Street Grid

Create a connected street grid, filling in sidewalk gaps and street connections to California Avenue, the Caltrain Station, and El Camino Real where appropriate.

4. Community Facilities and Infrastructure

Carefully align and integrate development of new community facilities and infrastructure with private development, recognizing both the community's needs and that such investments can increase the cost of housing.

5. <u>Balance of Community Interests</u>

Balance community-wide objectives with the interests of neighborhood residents and minimize displacement of existing residents and small businesses.

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¹ Approved by City Council on March 5, 2018

6. <u>Urban Design, Design Guidelines and Neighborhood Fabric</u>

Develop human-scale urban design strategies, and design guidelines that strengthen and support the neighborhood fabric. Infill development will respect the scale and character of the surrounding residential neighborhood. Include transition zones to surrounding neighborhoods.

7. Sustainability and the Environment

Protect and enhance the environment, while addressing the principles of sustainability.

NVCAP Objectives

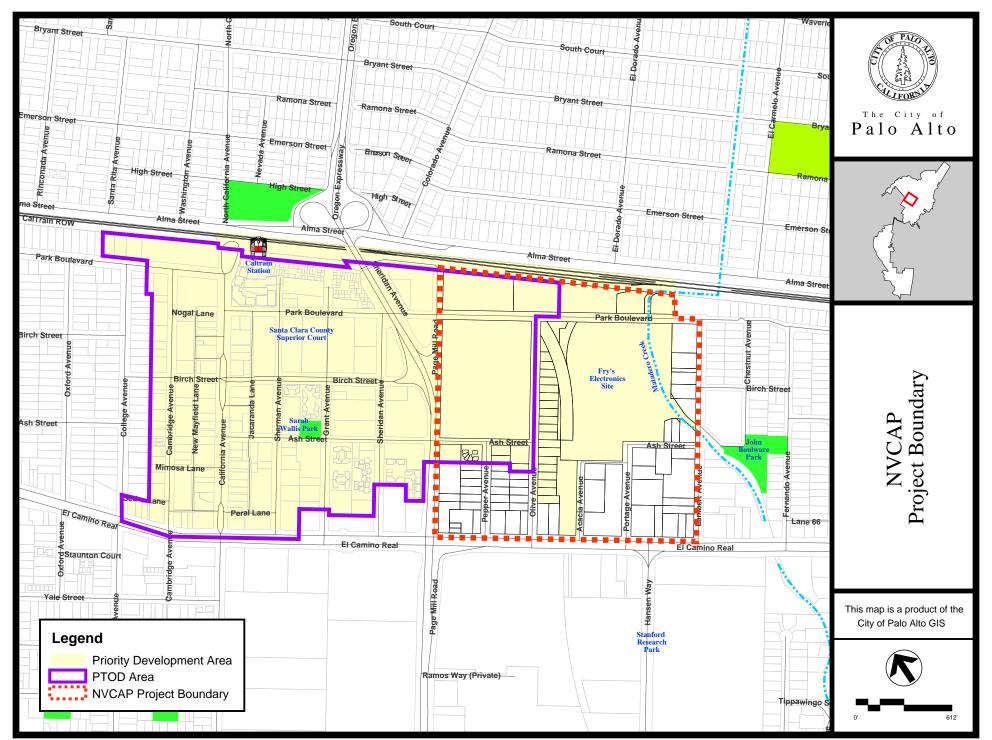
- 1. Data Driven Approach: Employ a data-driven approach that considers community desires, market conditions and forecasts, financial feasibility, existing uses and development patterns, development capacity, traffic and travel patterns, historic/cultural and natural resources, need for community facilities (e.g., schools), and other relevant data to inform plan policies.
- 2. Comprehensive User Friendly Document and Implementation: Create a comprehensive but user-friendly document that identifies the distribution, location and extent of land uses, planning policies, development regulations and design guidelines to enable development and needed infrastructure investments in the project area
- 3. Guide and Strategy for Staff and Decision Makers: Provide a guide and strategy for staff and decision-makers to bridge the gap between the goals and policies of the Comprehensive Plan and individual development projects in order to streamline future land use and transportation decisions.
- 4. Meaningful Community Engagement: Enable a process with meaningful opportunities for community engagement, within the defined timeline, and an outcome (the CAP document) that reflects the community's priorities.
- 5. Economic Feasibility: A determination of the economic and fiscal feasibility of the plan with specific analysis of market place factors and incentives and disincentives, as well as a cost-benefit analysis of public infrastructure investments and projected economic benefits to the City and community.
- 6. Environmental: A plan that is protective of public health and a process that complies with the requirements of the California Environmental Quality Act.

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Proposed NVCAP Project Milestones

| Milestone | Tentative Timeframe* | | |
|---|----------------------|--|--|
| City Staff submit PDA Planning Grant proposal to VTA | July 2017 | | |
| PDA Planning Grant Awarded by VTA Board of Directors | September 7, 2017 | | |
| Plan Initiation, Council resolution confirming grant | | | |
| support, and agreement with Sobrato Organization for | November 6, 2017 | | |
| matching funds | | | |
| Budget adjustments and | | | |
| Council approval of preliminary Project Boundaries and | March 5, 2018 | | |
| Goals/Objectives, and Project Schedule | | | |
| Solicit Applications for the Working Group | March 2018 | | |
| Issue RFP for Consultant Services | | | |
| Council Appointment of Working Group Members | April 2018 | | |
| Consultant Contract Award on Council Consent Agenda | May 2018 | | |
| Project Kickoff | May 2018 | | |
| First Working Group Meeting | June 2018 | | |
| Community Meetings and Check-in Meetings with PTC and Council | As Needed | | |
| Council to Review Draft Plan and Initiate Environmental | First Quarter 2019 | | |
| Review | | | |
| Project Substantially Complete (18 Months Following | December 2019 | | |
| Project Kickoff) | | | |
| Project Adoption | Mid 2020 | | |
| *All milestones and dates subject to modification. | | | |

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Working Group Meeting #1

NORTH VENTURA COORDINATED AREA PLAN

Date + Time October 16, 2018 | 5:30 pm – 7:30 pm **Location** Community Meeting Room, City Hall

Meeting Purpose and Outcomes:

- WG Orientation and Planning Process Overview
- Introduce Project Team
- Discuss WG roles, responsibilities and schedule
- Build relationships among WG members

Attendance/Meeting Facilitators:

City staff:

Jonathan Lait – *Interim Planning Director* Elena Lee – *Senior Planner* Chitra Moitra – *Planner* Robin Ellner – Administrative Associate III

Consultants:

Geeti Silwal - Principal (P+W)

Nivi Das – Project Manager (P+W) Kristen Hall – Lead Designer (P+W) Rachael Cleveland – Project Designer (P+W) Dave Javid – Engagement Principal (Plan to Place)

General public: 20-30





MEETING NOTES

AGENDA

- I. (5:30 pm) WELCOME AND INTRODUCTIONS
- II. (5:45 pm) PROJECT BACKGROUND AND PLANNING PROCESS OVERVIEW
- III. (6:15 pm) COMMUNITY WORKING GROUP ORIENTATION
- IV. (6:45 pm) GET TO KNOW YOUR COLLEAGUES
- V. (7:15) PUBLIC COMMENTS
- VI. (7:25) WRAP UP AND NEXT STEPS
- VII. (7:30 pm) ADJOURN

WG General Comments

- What are the ramifications of the CAP? Considering all of the parcels are privately owned how will this plan impact future efforts in the area? Are there examples documents that could be shared?
 - Jonathan explained that it will establish policy and zoning regulations much like a specific plan. Elena noted that we will share specific plan and other resources (eg SOFA). There was also a request to share a link to example specific plan and precise plan efforts that P+W has completed over the past 5 years.
- Questions about data and what kind will be available and how it will be collected. Particular note
 that data should include those that are gathered from residents and others interested in this
 effort.
- WG asked for confirmation that this planning effort will include collaboration/check in with the city council.
 - o It was noted that four study sessions with City Council and Planning Commission are planned.
- WG asked for a robust Community engagement effort with adequate marketing of activities to
 encourage all to attend. It was noted that we will have a project branding and dedicated website
 and other tools to create a transparent and inclusive process.

WG HOPES (for the Plan and Process)

- Encourage beautiful, artistic, bold and creative and inviting ideas areas that are very Palo Alto.
 Make the comprehensive plan a model that can be used elsewhere. (6 members noted something similar)
- Encourage parks and open space.(3 members noted something similar)
- The area encourages a very inviting and diverse community and encourages diversity and inclusion (3 members noted something similar)
- Create more housing (3 members noted something similar)





- Preserve historic fabric and character of the area and its historic buildings
- Plan is see as a benefit by the public and is still relevant a 100 years from now
- That the vision is feasible
- The process is timely and efficient
- The plan area includes a balance if services and uses that serve a diverse population
- The plan makes progress on large problems facing the city and the region (e.g., housing needs and impacts of climate change)
- Provide better connections through the area including between Ventura and California Avenue
- Balance the needs of the city as a whole
- Create a transit-oriented area with access for multiple modes

WG FEARS (for the Plan and Process)

- Project exacerbates the parking and traffic problems (5 members noted something similar)
- That the plan isn't supported by the community (4 members noted something similar)
- That the plan doesn't include the community's concerns (3 members noted something similar)
- The plan isn't supported by the nearby Neighbors (3 members noted something similar)
- That the area becomes to commercial
- That the plan isn't implemented
- That the plan doesn't encourage an attractive bold and creative environment
- The process drags on and isn't efficient
- There isn't enough data generated to support conclusions
- The plan gets it wrong
- The plan causes displacement in the area
- The plan results in vacancies and blight
- The vision isn't feasible and is unrealistic
- The plan leads to an unbalanced level of services for the area and lacks in diversity

PUBLIC COMMENT

- Consider bike and pedestrian safety
- Daylight the creek
- Consider ecology and sustainable design including rooftop gardens
- Support the idea for pop-up events but ensure they are where neighbors go
- Who area stakeholders meeting with? Who decides who to meet with and how will the meetings be held individually or as groups? Should include local business reps
- Understand the rich history of the site (e.g., asparagus farming)
- Understand the need for diversity and affordable housing and ecological diversity
- Look at previous efforts that had a plan for traffic in a beautiful way (e.g., previous landscape plan)
- Question whether there is enough community engagement planned workshops
- We need to do this plan without causing displacement or additional impacts on traffic and parking
- Plan for housing near transit and services that is affordable





- Understand that traffic is a result of excessive parking supply and consider areas where that are not car-centric and car free or car light
- Plan for bike and ped safety, and sustainable measures
- Consider using FAR as a measure to densify housing and create more open space

General thoughts after the meeting:

- It would be good to have a copy of the PowerPoint printed and available for the Working Group at all the meetings.
- Consider having general public during public comment section of agenda to set the right tone.









Working Group Meeting #2

NORTH VENTURA COORDINATED AREA PLAN

Date + Time November 15, 2018 | 5:30 pm – 7:30 pm **Location** Palo Alto Downtown Library – El Camino Room

Meeting Purpose and Outcomes:

- Self-guided tour report back
- Consultant findings on existing conditions
- Identify assets and opportunities in small groups
- Report back

Attendance/Meeting Facilitators:

City staff:

Jonathan Lait – Interim Planning Director Elena Lee – Senior Planner Chitra Moitra – Planner Robin Ellner – Administrative Associate III

Consultants:

Geeti Silwal – *Principal* (P+W) Nivi Das – Project Manager (P+W) Kristen Hall – Lead Designer (P+W)
Rachael Cleveland – Project Designer (P+W)
Dave Javid – Engagement Principal (Plan to
Place)
Leah Chambers – Outreach Specialist (Plan to
Place)

General public: 20





MEETING NOTES

AGENDA

Call to Order: 5:30 PM

Welcome and Round Table Introductions: 5:30 pm - 5:40 pm

Agenda Items: 5:40 pm - 7:15 pm

1. Self-Guided Site Tour Report Back

2. Consultants Findings on Existing Conditions

3. Assets and Opportunities Discussion

Oral Communication: 7:15 pm - 7:25 pm

Wrap Up and Homework:

Future Meeting:

Next Meeting: January 16, 2019

Location: Community Meeting Room, City Hall

Adjournment: 7:30 PM

Feedback on Project Goals

Housing and Land Use

- Include a variety of housing types: co-housing, micro-units, Kibbutz style cooperative living models
- Provide middle-income workforce housing (emphasis on firefighters, teachers etc.)
- Support small businesses
- Consider tall buildings so we can pay for art and open space (6 floors)
- Put parking underground
- Reduce surface parking
- Consider a Boutique hotel and neighborhood bar
- Provide lunchtime eating/shopping opportunities for workers (at Stanford Research Park and within the site)

Transit, Pedestrian and Bicycle Connections

- Enhance bike and pedestrian routes, "soften the relationship to the road using landscape as buffer," widen sidewalks
- Improve site connectivity
- Enhance the pedestrian experience on El Camino Real (ECR)
- Improve pedestrian and bike connections to California Avenue (Cal Ave)
- Create a significant and safe pedestrian connection across Ash Street
- Reduce number of curb cuts along Park Boulevard (Blvd), or some other way to increase bicycle safety for cars turning onto Park Blvd.

Connected Street Grid

- Connectivity to adjacent neighborhoods, Page Mill Road (PMR), ECR, and Caltrain tracks isolate the neighborhood
- Consider best locations for additional pedestrian/bike crossing at and Caltrain corridor





- Connect Portage Avenue to Park Blvd
- Control flow of cars from ECR and mitigate "rat-running" of traffic on Olive and Ash
- Limit vehicular access from ECR and PMR
- Charm and livability in residential neighborhood east of site is directly related to streets not connecting to ECR

Community Facilities and Infrastructure

- Relationship and sensitivity to site history (signs, architecture, museum): Gabled roof at Fry's Building and 3201
 Ash St
- Health clinic
- Community space
- Library
- Bookstore, or other place for teens to gather

Other Community Interests

- Provide authentic and robust community benefits: public plazas, community space
- Where publicly accessible open spaces are provided, ensure they look and feel public
- Support artists and art
- Create opportunities for art installations
- Consider Olive residents with respect to building heights
- Provide neighborhood- and commuter-serving retail

Urban Design, Design Guidelines and Neighborhood Fabric

- Architectural elements should reflect site history
- Create a welcoming impression for pedestrians and bicyclists
- Improve the pedestrian experience
- Draw on Grand Boulevard Initiative for strategies at ECR
- Step building heights down toward the single family homes
- Break-up rooflines
- Articulate building façades
- Mitigate noise from the Caltrain
- Create visual interest in the architecture
- Provide nodes of retail along ECR
- Re-purpose alleys behind businesses at ECR

Sustainability and the Environment

- Too much concrete!
- Landscape should be visually pleasing and expressive of ecological function
- Provide attractive stormwater management like that seen at Cal Ave
- Create more open space
- Support a city-wide connection from the Baylands to the Mountains
- Use landscape to soften and buffer street edges, be artistic with landscape
- Consider parklets
- Naturalize the creek, restore visual access
- Use the creek as an opportunity for education
- Add bike lanes along creek, align human and natural systems
- Include stormwater infrastructure on Olive
- Explore potential to extend Boulware Park to include AT&T parcel
- Increase building heights to allow for more open space

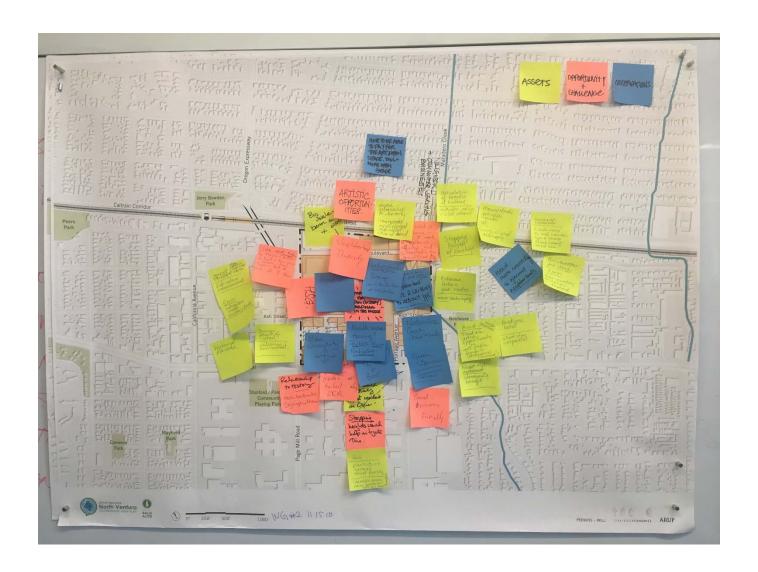
































Working Group Meeting #3

NORTH VENTURA COORDINATED AREA PLAN

Date + Time January 16, 2019 | 5:30 pm – 8:30 pm **Location** Community Meeting Room, City Hall

Meeting Purpose and Outcomes:

- Discuss WG precedents: why do you love this place?
- Discuss the relationship between qualitative and quantitative: how can we measure a successful place?
- Identify critical shared qualities among successful urban districts
- Introduce idea of vitality metrics
- Prototype "Day in the Life" exercise to envision a future NVCAP population

Attendance/Meeting Facilitators:

City staff:

Jonathan Lait – Interim Planning Director Elena Lee – Senior Planner Chitra Moitra – Planner Robin Ellner – Administrative Associate III

Consultants:

Geeti Silwal – *Principal* (P+W) Nivi Das – Project Manager (P+W) Kristen Hall – Lead Designer (P+W)

Rachael Cleveland – *Project Designer* (P+W) Dave Javid – *Engagement Principal* (Plan to Place)

Leah Chambers – Outreach Specialist (Plan to

Place)

General public: 20





MEETING NOTES

AGENDA

Call to Order: 5:30 PM

Welcome and Round Table Introductions: 5:30 pm - 5:40 pm

Agenda Items: 5:40 pm - 8:00 pm

4. Feedback on process to date

- 5. Working Group report back on places assignments
- 6. Consultant presentation What makes a place vibrant?
- 7. Break out discussion A day in the life

Oral Communication: 8:00 pm - 8:20 pm

Wrap Up: 8:20

Adjournment: 8:30 PM

Feedback and Questions on Process to Date

- Consider extending WG meetings to 3 hours
- Reiterate timeline for this project
- Request materials earlier to fully review, consultants to deliver Friday before WG meeting
- Potential for historic subcommittee? Adds significant time to process, is need justified?
- Existing conditions memo will be submitted for review
- Difference between WG and Comp Plan Group
 - o Comp Plan Group: Reviewed document and advise on policies and programs
 - Working Group: Identify opportunities and constraints, identify needs and act as liaison to explain private development goals with community

WG Present Precedents

Alex Lew: Emeryville, CA

Heather Rosen: Historic Scotland Keith Reckdahl: St. Anthony Main, MN Kirsten Flynn: Oak Park Arts District, IL

Siyi Zhang: Central Square, MA

Yunan Song: University Ave, Palo Alto, CA Angela Dellaporta: Various locations

Gail Price: Various locations

Terry Holzemer: The Barlow, Sebastopol, CA





EMERYVILLE

- · Industrial biuldings
- · Ped/bibe paths
- · terraces/balconies
- o come restaurants
- · Mix of peopl, walking
- · mix of uses
- · railroads -> quenump

St. ANTHONY MAIN

- · Mostly residential, mix of demographics
- · feels like a reighbor hood
- · outdoor places
- · Little out-floorigh traffic
- · bike traffic t walking trails
- · low-flow, coloblestone Streets

OLD TOWN BOINBURGH

- · reuse of old brildings/
- · activated, diversity of retail
- · large park + garthing spaces

OAK PARK Bistrict

- omix of bioldings, pkg in alleys behind
- o consistent Selback
- o reason for viable retail
- omix of eract densities

2





CENTRAL SQUARE cambridge

- · inclusive events
- · local establishments +unique
- · mixed use
- · dense housing
- · multi-authur

VARIOUS PLACES-Angela

- · reuse of industrial buildings
- · walkable, active
- emer Shared alleys
 With deliveries + peds
- · interesting rooflines
- · bike/ped Baths
- o Streets for heighborhood

DT PALO ALTO

- · close to railway station
- · mice, agrilet streets
- · mix of uses
- · ouddow plaza
- o preserved history
- & free canopy

VARIOUS PLACES - gail

- ornix of uses + densities
- oprefab units
- · quality+ useful ped.
- · edible gardens
- · Whimsy
- ·n-eighborhood-designed crosswarks
- · green walls
- o public aug





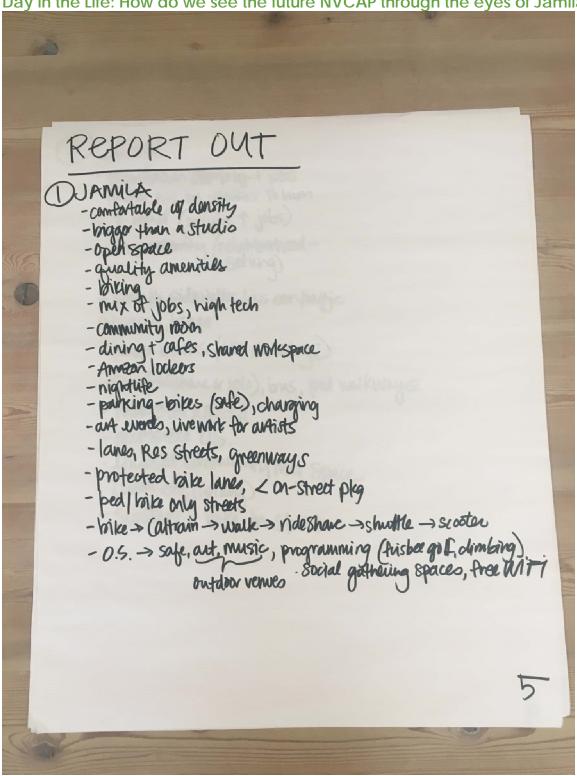


PARKER SEBASTOPOL ·walkable oformer cannery. ocitizen-duiven process · whimsy · public out · lots of housing · no office o mix of uses · Market, cafes - places to eat · Palo Atto character



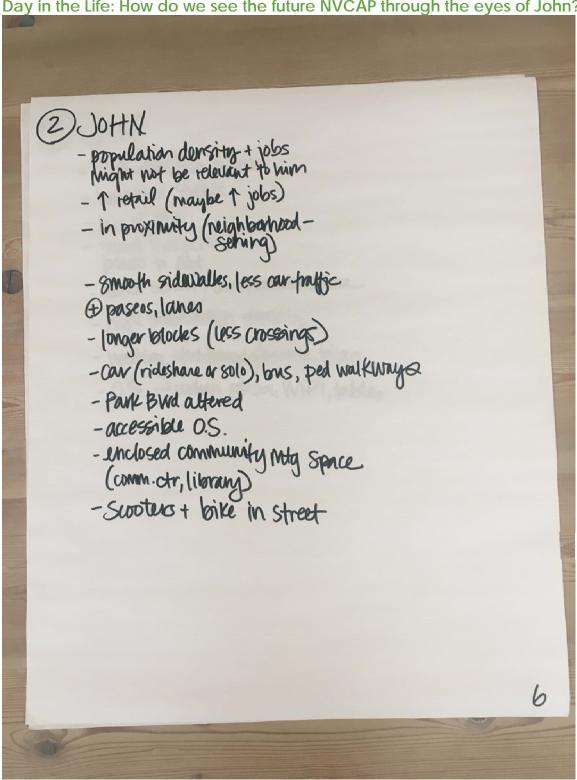


Day in the Life: How do we see the future NVCAP through the eyes of Jamila?

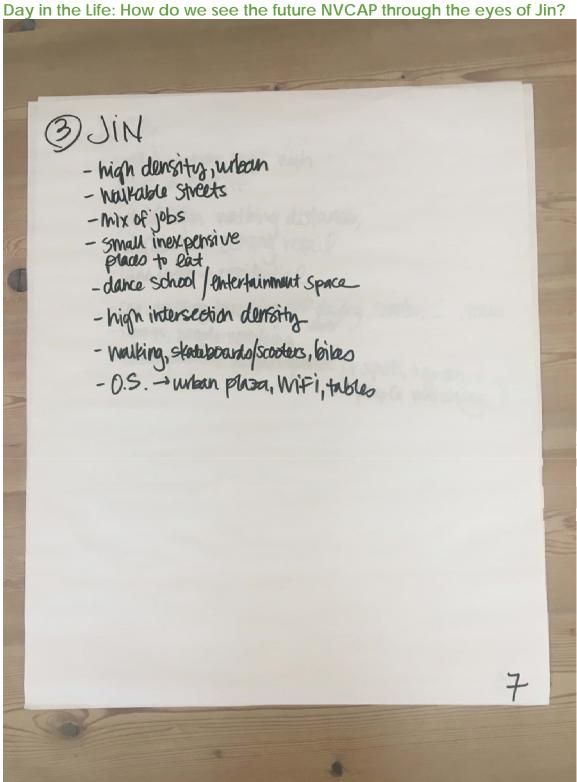




Day in the Life: How do we see the future NVCAP through the eyes of John?

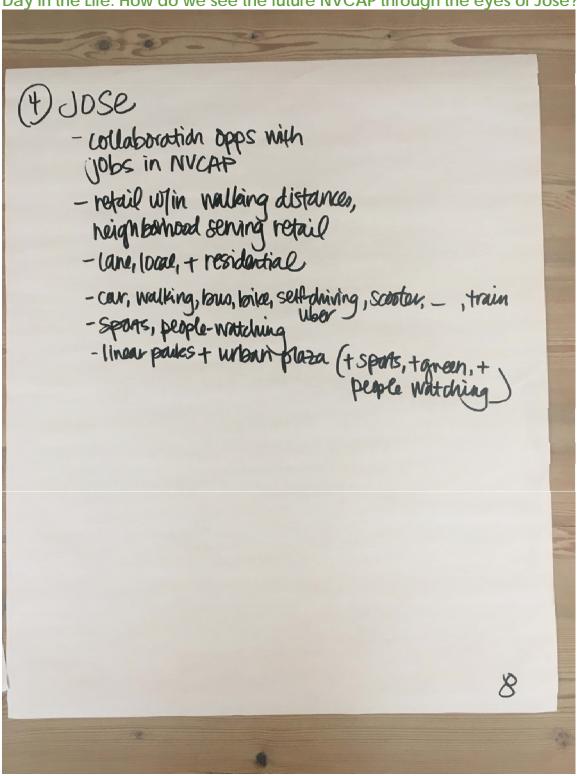








Day in the Life: How do we see the future NVCAP through the eyes of Jose?





Feedback, what worked, what could be improved?

What worked well?

- Fun and engaging
- Examples of future residents are good and necessary to get us to think beyond own experiences
- Precedents were interesting, but too much data

What could be improved?

- Clarify the maps so that we know exactly where neighborhood or district is and clarify that all at same scale
- Concern that the exercise is too complicated for the community workshop and won't allow the community to feel their input and opinion is being considered
- Suggestions were to give the public opportunity to expand characters or add a quality, or imagine their daughters or sons? Or allow public to select which personality
- Specific changes to characters: Jose wouldn't drive to Stanford; Jamila wouldn't take the train, need to add a family person, include someone with less financial means
- Consider other metrics
 - o Miles of separated bike trails and ped paths
 - o Retail in ped-friendly areas
 - o # of car trips in and out
 - # of street events

Public comment

- Liked the exercise, helpful to focus on non-design folks, good way to stretch our thinking
- Refine place selections so that they are clearly different
- Affordable housing should be a community concern
- SOFA working group had more diversity: representation on the committee from affordable housing, retail, childcare, open space, and historic experts





PERKINS+WILL

Stakeholder Meeting Notes

| By: | Kristen Hall (P+W) | Date: | February 6, 2019 |
|-------------------|-------------------------|-----------------|------------------|
| Meeting Date: | As noted below | Project Name: | Palo Alto NVCAP |
| Meeting Time: | | Project Number: | 491823 |
| Meeting Location: | Various, as noted below | Attendees: | As noted below |

Stakeholder Meeting: Sobrato Organization

Attendees: Tim Steele, Robert Tersini

Date: December 18, 2018

- Various land uses have been studied at a preliminary level for economic feasibility, all within existing zoning.
 - Some difficulty for housing to replace office, as office is doing well and housing would have to be significantly denser to be worth replacing.
 - Some types of housing become more feasible if existing office uses and businesses can remain, depending on height, density and developable land area.
- Existing incubator spaces doing well financially.
 - o Recently renovated bow-truss structure (nice architectural character).
 - Playground Global: privately funded incubator that supports startup companies until they
 get a larger headcount; Dining room for occupants serves over 400 meals a day (donate
 food not eaten give to nonprofits).
- Fry's is not a revenue-generating asset; business is not thriving.
 - o If Fry's leaves, retail is difficult to see working on the site in its current context.
 - o Internal block, poor visibility, access, size of space limits users of Fry's.
 - Retail replacement ordinance requires that existing square footage of retail be maintained on site.
- One planning scenario considered:
 - Stack parking along the rail corridor (north side of Fry's) and use southern parking lot for residential units, depending on height, size, density, parking and set developable area (creek).
 - Use Portage to separate the residential and the office uses.
 - Assume residential parking would be half-up/half-down (naturally ventilated).

The foregoing constitutes our understanding of matters discussed and conclusions reached. Other participants are requested to review these items and advise the originator in writing of any errors or omissions.

Matadero Creek:

- Civil engineers indicate that channel turns are difficult and have the potential to cause upstream flooding if naturalized.
- If the creek were naturalized, it would have to be significantly widened to provide sufficient freeboard and avoid flooding.
- Consider channel below Lambert which would remove two 90 degree bends.
- Plume: Regional board and EPA are addressing VOCs through vapor extraction. HP maintains monitoring wells on site.
- Sobrato owns 3250 Park Boulevard potential for this building to be repurposed depending on other site development schemes
- Office parking:
 - Currently parked at 3 spaces per 1,000 sf of office, but Sobrato would be interested in looking at more progressive parking policies along with creative approaches to parking management. (Example is North Bayshore which is down to .5 per bedroom, opportunity for future residential uses to share parking with office, etc.).
 - Caltrain is a big asset, and many people on site are using electric skateboards, bikes, etc. to get around (especially Playground Global which has launched a few of these alternative mobility companies).
 - Also want to be mindful to not go too low and miss out to competition that has enough parking.
 - Incubator space employment density is high, but parking lot is underutilized.

Stakeholder Meeting: Palo Alto Unified School District

Attendees: Robert Golton, James Novak

Date: December 20, 2018

- District coverage:
 - There is no school in the Ventura neighborhood.
 - Kids who live in this neighborhood go to El Carmelo Elementary (crossing CalTrain tracks), or Barron Park Elementary (crossing El Camino Real).
- "Neighborhood Schools" structure is unique to Palo Alto and important to the School district kids can walk/ride their bike to school.
 - Crossing major roadways is a big concern for students in the Ventura area.
 - Loma Verde crossing would really changes the dynamics of El Carmelo being available to Ventura Students.
- School capacity:
 - Today, El Carmelo is running a full capacity.

- Barron Park has capacity; 3 strand school, and generally the class sizes are small.
- Concern over Stanford adding housing, and what this will do for student generation rates throughout the district.
- Current distribution of students:
 - There are 179 elem students in the Ventura neighborhood.
 - Barron Park has 86 students from the Ventura neighborhood.
 - Hoover has 24 students from the Ventura Neighborhood (Spanish immersion); not a neighborhood school - more than half of the school's students drive in.
- The existing plume in the Plan Area may impact ability to locate a school here.
- Engagement in process:
 - Appreciate early engagement and want to be good partners to work with the City.
 - Want to understand the full range of impacts this might have on specific schools, and the district as a whole.
 - School District asked to be part of the Working Group but were not selected request that this be reassessed so they can have a seat at the table.
 - There are monthly, ongoing discussions about district needs between City and PAUSD.
- Follow up items:
 - If team can provide unit counts/sizes, school district can give an estimated school generation rate.
 - Affordable or rental (with 2+ bedroom) is 0.6 -1 student per unit depending on size of unit (Single-family generation rate is lower).
 - Fry's site has a multi-family zoning designation.
 - Determine a strategy to engage the school district moving forward so they can inform the plan. District won't know the other issues unless they come to the table. "Every step of the way - do what is needed to keep us in the loop."

Stakeholder Meeting: Non-residential Property Owners/ Tenants Perspective

Attendees: Jessica Von Borck (Director of Land Use Planning, Stanford University); Boyd Smith (WSJ Properties)

Date: January 16, 2019

- Most important 3 connections to the Plan Area for Stanford Research Park: Page Mill/ El Camino Real, Olive Street/ Park Blvd, along Matadero Creek connecting to Stanford - potential for continued non-vehicular connection opportunities?
- Stanford doesn't have any specific goal for commercial property within the NVCAP and would support thoughtful integration with the larger planning area including SRP.
- El Camino Real not likely to change in terms of traffic; May have potential for beautification and sidewalk improvements, but needs to remain focused on moving regional and city traffic.

(Example of Mountain View as setting a good example of what can happen along El Camino Real)

- Density along El Camino Real makes sense as it links to rest of region. Potential challenge is height limitation along El Camino Real. Consider how to incentivize beyond current zoning to help projects pencil out for developers. Use NVCAP as a prototype for densification in Palo Alto within a transit oriented development (TOD) area.
- El Camino Real should be used for art as a cool hub as a gateway.
- Building more housing near jobs also helps to reduce traffic with people living closer to work.
- Rents on Olive Avenue (for single family homes) are subsidized lower than market-rate by property owners.

Stakeholder Meeting: Residential Perspective

Attendees: David Adams, DiHuyen Ho, Linnea Wickstrom, Waldeck Kaczmarski

Date: January 16, 2019

- Plan Area Goals:
 - o Plan area should be a balanced, mixed-use, and inclusive community with a focus on increasing livability.
 - o Retail should focus on neighborhood services.
 - o For the area in general, office growth should be limited such that housing increases in a balance with employee growth. (Consider a target of one bedroom per employee).
 - Retain Olive Ave as R1.
 - Buildings on Fry's site set back to towards creek to respect single story, single family homes on
 - No new development on the Cloudera site adjacent to Olive. 0
 - Greenspace on Fry's site accessible from Park Blvd.
 - Ash St not extended through Olive Ave.
 - Substantial parking is underground.
 - Access to parking is from El Camino with no vehicle access to Park Blvd.
 - Center for community activities.
 - Olive and Pepper restricted to vehicular access from El Camino to prevent cut-through traffic.
 - Mature trees preserved on the Fry's site.
 - Consider heavy lunch time travel of workers in the area to Califronia Ave for lunch time
 - Create walkway along Matadero Creek to Park Blvd. 0

Concerns:

- Active planning projects moving forward without having to be subject to the plan 0
- New neighbors are welcome, but not increased traffic
- Concerns about displacement of owners and renters in single-family homes on Olive Ave (particularly where Ash Street connection is considered).
- Rezoning of Olive Ave is being considered.
- Transportation Improvements:
 - Consider local transit access for the centrally located Plan Area currently very poor: slow, infrequent, and inefficient.

- Prioritize protected bike lanes and sidewalks many people biking and walking in this neighborhood
- Consider extending signal timing at major perimeter roads to allow pedestrians to cross streets (Page Mill and El Camino Real).
- Traffic on Park Blvd has increased due to office users need to add protected bike lanes and reduce curb cuts
- Long stretches of Park Blvd should be subdivided with pedestrian destination points to enhance traveling experience
- On Park Blvd. prioritize bike lane over on-street parking
- Extending Ash Street through Olive Avenue is not a good idea worried about displacement of this house.
- New housing development should have pedestrian routs connecting to Park Blvd
- Create a special place along Park Boulevard that is bike and ped-friendly
- El Camino Real is currently much better for cars than pedestrians/bicyclists
- Consider creating rideshare spots, curb pick-up

Parking Strategies:

- Locate parking structures near El Camino Real
- Consider shared parking options instead of increasing parking

Additional comments

- Sidewalks along Park Blvd should be widened on one side to minimum 6'/8', on south-west side to allow larger groups of pedestrians to pass. People working in neighborhood are traveling frequently to California Ave for lunch, when residents of Ventura going for evening walk. We should build on that experience and bring in new neighbors
- Sidewalks should have greenery protection on both sides, with curb cuts limited to emergency access.
- The walkway should be extend along Matadero Creek to Park Blvd to provide nice destination points in opposite direction to California Ave for new neighbors
- Long stretches of Park Blvd should be subdivided with pedestrian destination points to enhance traveling experience
- Car access from new development to Park Blvd should be limited to emergency access and commercial delivery. All car access (residential and commercial parking) should be exclusively from El Camino and Oregon Expressway
- New housing development should provide pedestrian connections to Park Blvd

Stakeholder Meeting: Transportation Interests

Attendees: Maryanne Welton, Ken Joye

Date: January 16, 2019

Challenges:

- Projects under construction are disrupting walking and biking facilities, making it unsafe for pedestrians and cyclists (especially on Park Boulevard)
- Cut-through traffic in the plan area should be addressed
- Transition between commercial and residential needs to be sensitive
- Park Boulevard needs to enhance safety for bikes (specifically curb cuts and driveway exits, and portions where there are no bike lanes)
- Page Mill/ Ash Street crossing: may be a desirable pedestrian crossing, but it would be unsafe to add signal light (especially for westbound cars that are ascending from the underpass and may not see

pedestrians) - easier to walk along Park Blvd or El Camino Real to California Avenue and enhance those pedestrian crossings.

- Current conditions on El Camino Real are built to the property line and unfriendly to pedestrians consider wider building setback with landscaping; Caltrain surrounding areas warrant TOD guidelines
- Transit through the Plan Area may not be sufficient. Residents should be able to walk to the Cal Ave. Caltrain station.
- Connections through the site are not sufficient for example challenging to walk to the movie theater on Stanford Research Park.

Opportunities

- More housing should also bring more public amenities
- Retail needs to be complimentary to that on California Avenue: neighborhood-serving
- Struggle between job-housing balance don't need more office here, but need variety of housing
- Would like to see a brew-pub here
- Density near transit consider going above 50 feet with varied heights and with context sensitive transition from single-family housing
- Site is an opportunity to create affordable housing
- Consider time-limited right-turn restrictions from El Camino to Olive to reduce cut-through traffic but still allow residents to get to their houses
- Would be in favor of a street connection for Ash through the site, as it may be needed for new residents to access Highway 101.

Stakeholder Meeting: Housing Interests

Attendees: David Meyer (Silicon Valley at Home), Randy Tsuda (Palo Alto Housing), Don Barr

Date: January 16, 2019

- Sobrato Foundation supports housing for working families they would be a good developer for this site.
- Office versus Residential needs
 - Replacing existing office with housing needs to make financial sense difficult because office has 4 times more revenue-generating potential.
 - o Office with housing above has potential to protect residents from plume; also applies to underground parking.
 - Instead of "jobs-housing balance", consider "jobs-housing fit."
- Neighborhood leadership and ownership of the Plan is important, public benefits must be something the community is excited about
- To increase affordability, consider:
 - o Increasing height limits
 - Tax credit programs combined with a mix of income levels
 - Lower parking ratio expensive to build and large amounts of parking not needed, as the Plan Area is located close to Caltrain
 - City acquisition of site(s) as an option to increase affordability offer
- Mobility:
 - o Provide near-term parking but consider alternatives for future as car demand decreases
 - o Try to reduce cut-through traffic

From: Rebecca Sanders

Sent: Wednesday, January 16, 2019 5:15 PM

To: Lee, Elena <Elena.Lee@CityofPaloAlto.org>; Moitra, Chitra <Chitra.Moitra@CityofPaloAlto.org>

Cc: Furman, Sheri

Subject: PAN Comments for Stakeholders Meeting

Hi Ladies:

I was grateful to Elena for inviting PAN to send a rep today, but it turned out it wasn't a good time for any of our usual suspects including. me.

PAN's comments and perspective are very simple. As we primarily advocate on behalf of neighborhoods and residents, our preference would be for the Working Group and staff to respect and honor the interests of the existing residents living in and around the plan area, while designing a space to welcome new neighbors. Can the design have the look and feel both physically and emotionally of a new section of the Ventura neighborhood that integrates seamlessly with the rest of the community so that it's easy for walkers and bikers to enjoy and cut through the space and even linger as they go about on their errands? And that cuts both ways, residents of the NVCAP area can easily walk and bike out to the larger neighborhood and enjoy all of Ventura's amenities like the new expanded park at Boulware when we add the AT&T parcel. (Yes I know that's not in the bag yet).

Because I have deep knowledge of Ventura as well, I can add that we are against paving new roads which facilitate traffic incursions through the neighborhood.

Now if you could just snap your fingers, eh?

Thank you for incorporating this feedback into your notes and I regret that I could not join you physically today.

Best regards,

Becky Sanders Co-Chair PAN

Reasons to retain R1 zoning on Olive Ave

Dear Ms Lee.

At the 3/5/2018 CC meeting a statement was made by planning staff that Olive Ave is being included in the NVCAP zone to 'take advantage of an aggregate of housing'. As far as I am aware, there has never been a discussion between staff and the individual owner/residents on Olive of rezoning their properties so this document makes the case that Olive should not be rezoned.

- 1. Loss of about the most affordable single family homes in PA
 The most affordable homes are the ones we already have.
- 2. Diversity in housing drives diversity in people

Diversity is a good thing. Currently, within a few houses of our own home there are:

- An asian single lady
- A hispanic family of 4
- A single mother with 3 children
- An african american single lady
- A married couple of mixed race
- 3. An NVCAP goal, as stated by CC and included in the NVCAP documentation is to minimize the displacement of existing residents How can that be reconciled with rezoning?
- 4. Loss of community

There is a great sense of community on the street.

Loss of long established relationships that have been forged over the years to help each other by:

- Looking out for each other
- Borrowing stuff from time to time
- Having block parties
- 5. Loss of private gardens forever

Private gardens cannot be replaced by community gardens. They are easily accessible and allow kids to play unattended which cannot be said of community gardens. Is PA turning into a place where only the wealthy have access to private gardens? There is research to show that growing up with a garden provides kids with great benefits including building resilience.

6. Many of the houses on Olive are currently rented out at subsidised prices
This is already low income housing which is exactly what we want more of.

At 15% BMR we'd lose more affordable housing than we gained. Building anew to replace what already exists is a poor use of resources.

- 7. Many teachers and nurses currently live and have lived on the street over the years. This is exactly the type of people we want to provide housing for and Olive, without any changes, is a place where they can buy/rent housing.
- Gentrification of the area is a bad thing.
 It drives up prices and drives existing residents with limited resources out.
 Ventura may be the last remaining 'affordable' neighborhood in PA
- 9. Would put individuals with limited resources at the mercy of extremely well funded developers.
- 10. It is unclear if all the individual property owners would develop to RM20. This could lead to a very odd looking street which is not good planning.
- 11. Some people have been living in this community for over 25 years.

 Can you imaging what it would be like to lose the community you've been living in for that long? A lot of time, money and effort has gone into making houses and gardens the way we want without it becoming ostentatious.
- 12. Apartments are not always conducive to keeping pets

 Pets have been shown to contribute significantly to the health and wellbeing of children
 as well as adults. Many residents on the street love their pets.
- 13. Quality of life for residents remaining on the street will be impacted Ground water, sunlight, parking and noise will be some of the impacts.

In conclusion, I hope you agree that this would be a very bad thing not just for the residents but also the community at large. In a city where, sometimes, developers are given benefits at the expense of residents I would urge you strongly to listen to the residents on this. A city needs to grow in quality as well as quantity and that should apply to NVCAP as much as anything else.

Thank you for your consideration. If you have any questions or would like to schedule a meeting to discuss we are always available.

Regards David Adams DiHuyen Ho

Some elements of an NVCAP plan we would like to see as homeowner/occupiers of Olive Ave

Dear Ms Lee,

As owner/occupiers living on Olive Ave we will surely be impacted more than maybe anyone else by the NVCAP plan. We appreciate the ability to give our input as stakeholders and so here is a list, in order of importance, of elements of the plan that will help to minimize the impact on us in particular and other residents on Olive in general.

- Olive Ave retains R1 zoning.
 See separate document.
- 2. Buildings on Fry's site set back towards creek to respect single story, single family homes on Olive.

There has to be an adequate amount of greenspace for residents of the development to drop into to provide relief; especially for mothers with children. Boulware Park is too far away and too small to provide this amenity. It makes sense to locate this greenspace between Olive and the buildings, so providing a buffer.

- 3. No new development on the Cloudera site adjacent to Olive. New development would create a 'canyon' effect.
- 4. Greenspace on Fry's site accessible from Park Blvd and not enclosed within the development making it easily accessible to both Fry's site and neighborhood residents. We would hate to see a 'fortress' type development with buildings around the outside and community greenspace in the middle making it uninviting to the general public.
- 5. Ash St not extended through Olive Ave.
 Extending Ash would generate vehicle, and cut-through, traffic within the development which is exactly what we should be trying to prevent.
- Substantial parking is underground.
 This would maximize the area that can be used for greenspace/community use.
- Access to parking is from El Camino with no vehicle access to Park Blvd.This would avoid another dangerous entrance/exit onto the bike blvd
- 8. Low rise, general purpose community center including space for Mayfield clinic and maybe space for development residents to practice musical instruments given the proximity of Gryphon.
 - It is well documented that activities like learning a musical instrument can help build resilience in our kids.

- 9. Olive and Pepper restricted to vehicular access from El Camino to prevent cut-through traffic.
- 10. Mature trees preserved on the Fry's site.

Attached is a rough graphic representation.

Thank you for your consideration. If you have any questions or would like to schedule a meeting to discuss we are always available.

Regards David Adams DiHuyen Ho



Green space/park/community garden

Community center

Housing

To underground parking

Controlled access





Community Workshop #1 | MEETING NOTES

NORTH VENTURA COORDINATED AREA PLAN

COMMUNITY WORKSHOP AND SPECIAL MEETING OF THE NVCAP WORKING GROUP

Date + Time Tuesday, February 5, 2019 | 6 pm - 9 pm

Location Mitchell Park Library - El Palo Alto Room 600 E. Meadow Drive

Palo Alto, CA 94303

Agenda Items:

1. Open House

2. Welcome and Introductions

3. Project Background and Context

4. Interactive exercise and Discussion

5. Small Group Discussion and Report Out

6. Closing Remarks and Next Steps

Attendance/Meeting Facilitators:

City staff:

Jonathan Lait – Interim Planning Director
Elena Lee – Senior Planner
Chitra Moitra – Planner
Samuel Gutierrez - Associate Planner
Roland Rivera - Land Use Analyst
Sherry Nikzat - Sr. Management Analyst
Jodie Gerhardt - Planning Manager
Graham Owen - Planner
Margaret Monroe - Management Analyst
Claire Hodgkins – Planner
Robin Ellner – Administrative Associate III

Consultants:

Geeti Silwal – *Principal* (P+W)

Kristen Hall – *Lead Designer* (P+W)

Rachael Cleveland – *Project Designer* (P+W)

Dave Javid – *Engagement Principal* (Plan to Place)

Leah Chambers – *Outreach Specialist* (Plan to Place)

Working Group Member Volunteers (others WG members also in attendance): Kirsten Flynn, Angela Dellaporta, Gail Price

General public: approximately 30





MEETING NOTES

The following is a brief summary of participant feedback from the Q+A following the project background presentation, discussion during the interactive survey (or live balloting) exercise, and the small group discussion report out.

Project Background Q+A

- Noticing more cut through traffic through Ventura
- Safe bike and pedestrian crossings needed
- "Urban character" up for debate in Palo Alto
- Retail incentives should include affordable housing
- What does "urban features" mean
- NVCAP is a neighborhood in transition (need to plan for young kids)

Interactive Survey Discussion

Question 1

- Strongly agree logical as people want to stay
- · Somewhat agree unsure about retail and unsure about interconnected aspect if lose housing
- Disagree could be designed as unique neighborhood instead of typical

Question 2

- Support for affordable and work force housing
- Support for range of housing for multiple income levels

Question 3

- Some support for increase in height for housing
- Concern about character and impact on street (canyon effect)

Question 4

- Matadero Creek paired with Park, floodable in rain event, remove concrete channel
- Other space for teenagers to go

Question 5

- Fry's can come back
- Plan for bars?? and childcare

Question 6

- Consider a Park along the canal that stretches down to Park and Cal Avenues
- Considered community gardens and rooftop gardens





Small Group Report Back

- Enhance connectivity through the site for bikes and pedestrians 5 similar comments
 - Allow for alternative modes of transportation throughout the site
 - Widened sidewalks on Park Avenue and El Camino to allow for safer pedestrian access and separate bike Lanes - consider removing parking
 - Keep cars on the perimeter, no cut throughs for cars
 - Improve connectivity to Cal Ave
 - Safe routes to school and Stanford Residential Park
 - Enhanced/safe bike and ped paths along railroad and creek
 - Bike and ped expressway overapass
- Housing, Heights, Urban Design and Architecture (could be split into two groups) 5 similar comments
 - There is a need for affordable housing and retail spaces for small/local businesses
 Mix of income housing including very low income
 - Workforce Housing
 - Allow for more than 50-foot building heights to encourage affordable housing
 - Higher densities (taller buildings) located centrally on the site with upper floors stepping back from the street and surrounding lower buildings
 - Encourage a mix of building heights to allow for daylight and open architecture
 - Step back upper floors from the street and with quality architecture
 - Setbacks at the property line in addition to upper floor step-backs to reduce "canyon effect" and allow for generous public spaces and active outdoor spaces at the street
- Naturalize the creek, should be uses as a community amenity with access 4 similar comments
 - Revitalize Creek on both sides of El Camino
 - Integrate creek into a park
- Parks and Open Spaces 3 similar comments
 - Community gardens and a community center
 - Street trees
 - Community park through a green spine from the creek to Cal avenue with space for plazas and local retail
 - Community space activated throughout the day

Land Uses

- Keep Frys
- A Town Center
- Child Care
- Senior Care
- Homeless Services
- No office uses neighborhood retail only
- Connection of Ash would eliminate housing?
- Drone free area

COMMENT CARDS

The following is a transcription of the comment cards received from participants. Contact information was optional.





"Great job, I appreciate all the hard work that went into making the evening a success, lots of great ideas."

"Love the clicker exercise! - Quick read on participants desires

Don't use words like connectivity and incentivize or the iso-something drawing. - You're talking to lay people not other designers

Use times on your agendas, would have been helpful to know first 30 minutes was an open house."

- "1) how can we plan to incorporate the new businesses so that they recognize they are part of the community and can benefit from that and contribute to it?
- 2) Kristen "more in line with the urban features of other Palo Alto neighborhoods" what does that mean?
- 3) would love to see a "neighborhood museum" that shares history of Ventura and incorporate participation by new residence, maybe in the "pub" or interactive markers along the creek and Park boulevard?
- 4) are there any people of color or under 40 years old on the working group? How are we getting their input? (As they weren't here tonight either)
- 5) maybe some education for the working group / City council on culturally responsive landscape and architecture?"

"A well-run meeting and strong support from those who facilitated. Thank you!"

"My biggest concern is architecture. Please no modern ugly bear buildings. Palo Alto is famous for Craftsman style housing and Spanish style."

"Meeting - 6 p.m. doesn't work for working folks. Please have slide handouts available during meeting."

BOARDS

Restore the Creek (2)

Community Ownership and or profit/ tax income sharing model so residents share in generated wealth instead of getting pushed out by gentrification.

Widen Park Boulevard Sidewalks (2)

Enforce sufficient setbacks so we aren't living in an urban canyon.

Provide services for the homeless such as laundry and showers and a safe place for their things. Services assistance and outreach like counseling, job services and getting benefits.

I hope this project will emphasize housing, especially for teachers and average income people.





Lots of households can only afford to live here because they bought 25+ years ago. There should be an effort to include as much affordable housing in NVCAP as possible.

An additional pathway through the site would be a nice option so pedestrians don't have to use Park, where the sidewalks are too narrow or El Camino which is unpleasant.

Looking forward to a bike/ped connection across Caltrain ROW. (2)

Loma Verde Trail needs to be a part of the NVCAP

Also need to note Caltrain parcel with rail spur on info map.

Pedestrian distance from Lambert to California Ave Station is 10 minutes. Pedestrian circulation along the south end of Park Boulevard and Lambert is underestimated.

Planned bike/ped improvement at ECR & Hansen see Grand Boulevard Initiative Grant for safety with Transportation department.

SITE MAPS









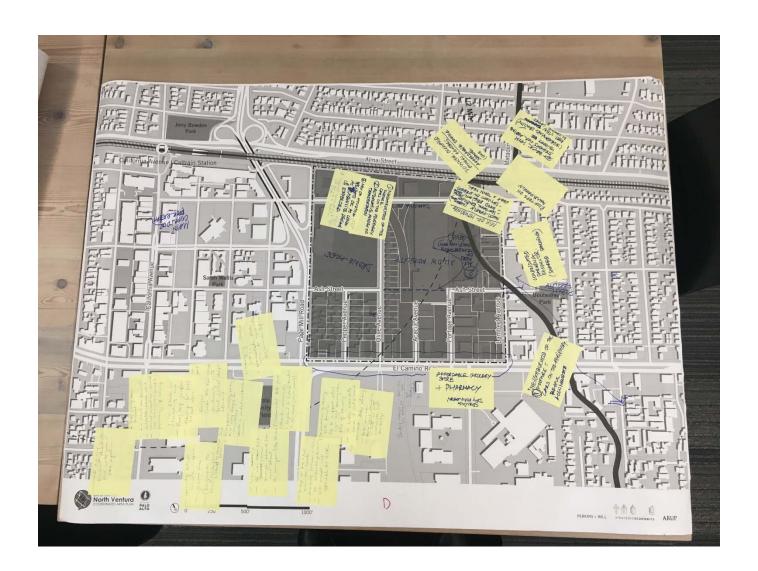






















Memo

| То: | Elena Lee |
|----------|---|
| From: | Kristen Hall and Rachael Cleveland |
| Date: | December 18, 2018 |
| Subject: | DRAFT - Existing Conditions and Analysis Memo |

This memo describes the existing site setting and context for the North Ventura Coordinated Area Plan (NVCAP) project, as well as preliminary analysis by the consultant team. The findings are guided in part by the City Council adopted NVCAP Project Goals and Objectives, the Palo Alto Municipal Code and the Palo Alto Comprehensive Plan. This document includes a table highlighting the opportunities and constraints for the area being studied by the NVCAP (henceforth, referred to as the Plan Area). The memo is organized in the following sections with detailed discussion:

- Land Use and Surroundings
- Mobility
- Market Snapshot
- Infrastructure

An appendix is provided with a letter memo from the environmental sub-consultant (David J. Powers) documenting the plume of groundwater contamination that has been identified below the site. At the time of this report, the historic significance of the Fry's building was still under further study. The historic analysis will be incorporated and made available for review once completed.

Summary of Findings

Below is a high-level summary of the findings of this study. For more detailed analysis, figures, and background information, see the body of the memo that follows this summary.

Land Use and Surroundings

- Existing uses of the site include single-family residential, multi-family residential, office, service and retail. A channelized portion of the Matadero Creek runs through the eastern portion of the site.
- The City of Palo Alto Comprehensive Plan 2030 (Comprehensive Plan) designates a mix of land uses for the Plan Area including Multi-Family Residential, Single-Family Residential, Service Commercial, Neighborhood Commercial, Research/Office Park, and Light Industrial. Policy L-4.10 of the Comprehensive Plan describes the vision for the Plan Area as a "walkable neighborhood with multi-family housing, ground floor retail, a public park, creek improvements and an interconnected street grid."
- Much of the Plan Area falls within the California Avenue Pedestrian and Transit Oriented Development Combining
 District and the Priority Development Area (PDA). The Plan Area is also in close proximity to a number of key
 destinations including the California Avenue Caltrain Station, California Avenue business district, and the Stanford
 Research Park (Figure 2).

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The largest parcel in the Plan Area is the Fry's site, which has a Multi-family Comp Plan land use designation and is currently zoned as RM-30, a multiresidential designation. The Fry's site constitutes about 20% of the Plan Area (Figure 7).

Mobility

Traffic volumes

- Heavy traffic volumes are concentrated along El Camino Real and Page Mill Road, which presents crossing difficulties for people walking and biking.
- Streets within the Plan Area generally have very low traffic volumes. Traffic surveys do not indicate that there are capacity issues on internal streets during the AM or PM peak hour study periods based on existing land uses and densities.
- Despite cut-through traffic in the Plan Area on routes such as Olive Avenue and Ash Street, most of the traffic volumes are from vehicles accessing businesses or residences within the project boundary.

Walking and Biking

- Olive Avenue and Park Boulevard are currently the only streets that provide direct connectivity through the plan area. This disconnected street network limits pedestrian/bike connectivity through the site and lengthens walking and biking distances.
- There are a high number of driveways along Park Boulevard which affect the safe progression of pedestrians and bikes along this bicycle boulevard.
- Despite no dedicated crossing on Page Mill Road at Ash Street, surveys conducted during the AM or PM peak hour study periods highlighted a noticeable amount of pedestrian demand at this location, most likely with an ultimate destination of California Avenue.

Transit

- Existing bus stops in the vicinity of the site serve a limited number of routes, which limits the reach of bus transit as a mode of transport to and from the site.
- The 2016 Census data shows that over half of the trips made by current residents of the Plan Area are in Single Occupancy Vehicles.

Parking

- Parking survey data shows a capacity for 500 cars in on-street parking spaces within the site and along perimeter roads, and approximately 2,400 spaces in off-street facilities belonging to businesses within the Plan Area.
- User survey results show that the average occupancy of off-street parking lots is approximately 16.5% outside of normal working hours, rising to a maximum occupancy of just under 41.3% during peak working hours. This indicates that there is off-street parking capacity available throughout the day. On-street parking reaches 63% at its peak utilization, indicating high levels of available on-street parking as well.
- Currently, bikers and pedestrians use off-street parking lots as convenient cut-through paths across the site, increasing the potential for bike and pedestrian conflicts with motorists looking for parking.

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Market Snapshot

Multifamily Residential

- About 70% of residences in the Plan Area are detached single family homes.
- In 2014, the City of Palo Alto adopted its Housing Element, covering the 2015-2023 horizon. From 2014 to 2022, the RHNA for Palo Alto is 1,988 units, or 3.4 percent of the total housing need in Santa Clara County. As of 2017, Palo Alto was on track to meet its target for Above Moderate-income households, however, Palo Alto has lagged in permitting units for Very Low-income (0-50% AMI), Low-income (51%-80% AMI), and Moderate-income (81%-120% AMI) households.
- The high rents and condominium sales prices seen in Palo Alto indicate a strong market for multifamily housing, and there have been recent multifamily housing projects in and near the Plan Area, including rental and for-sale products.
- Despite strong demand, new multi-family development is challenged by high construction costs and parking requirements. According to developers, increases in density and height in the plan area would lower costs and create economic incentives to develop more housing.

Affordable Housing

- North Ventura's proximity to transit makes it a strong candidate for a new affordable housing development.
- According to local affordable housing developers, a combination of high costs of land and construction, long approval timelines and declining federal sources of funds, together challenge the feasibility of new affordable projects in Palo Alto.

Office and R&D

- The office and R&D market in Silicon Valley remains strong, largely driven by expansions of major tech firms. Caltrain Station areas and downtowns are highly attractive to technology companies
- Palo Alto is also at the top of the market for office and R&D tenants, and North Ventura is already a strong location for those uses.
- City policy and zoning regulations limit the amount of office and R&D development that can be built in Palo Alto, including an annual limit in certain areas of the city.

Retail

- The retail industry in the US is growing, but much of this growth is happening online rather than in brick-and-mortar stores. Offering a unique consumer experience has become essential for retailers to compete with online shopping. In addition to their typical location requirements, experiential retailers are also sensitive to the quality of the pedestrian environment for shoppers.
- The North Ventura plan area is not a competitive location for large malls and shopping centers due to existing competitive supply, as the area is already well-served by regional malls and other large centers.
- The plan area is located in close proximity to the California Avenue business district and the Mollie Stone's/Palo Alto Central, which offer a variety of retail and services for existing and new residents.
- Given the existing supply of retail in the trade area, North Ventura could support up to 25,000 square feet of additional neighborhood-serving retail space to meet the needs of new households anticipated in the plan area. This new retail could be provided on the ground floor of new mixed-use developments.

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- A "big box" replacement to the Fry's store or suburban mall formats are unlikely to succeed in North Ventura. This is due in part to a general decline in demand for the big box retail format as well as a suboptimal site location for any major new retailer requiring good highway access and visibility.
- Area brokers and developers view the primary market opportunity for the Fry's site to be a redevelopment to residential or a conversion of the existing space to R&D or creative office. However, current zoning only allows continuation of existing land uses, but not expansion, and the site is zoned for housing.

Infrastructure

- As an area that is already developed, the Plan Area is serviced with existing utilities. However, new development may require some upgrades of aging infrastructure and/or new utilities to meet the needs of the increased population and development intensities. This specifically applies to storm drainage, sanitary sewer, and potable
- There will be future recycled water along Oregon Expressway, El Camino Real and Alma Street, however there is no current timeline for when these mains would be installed and when they would become available.
- The existing electrical utilities consist of both overhead and underground lines. As options are developed, additional analysis regarding the utility infrastructures will be provided.
- The majority of the existing electrical utilities, including a 60KV electric line and a fiber optic backbone line, run along Lambert Avenue and Park Boulevard to an existing substation, "Park Boulevard Substation" at the corner of Park Boulevard and Lambert Avenue. The Park Boulevard Substation is not within the Plan Area.
- A majority of the Plan Area is located within the California Olive Emerson regional plume of volatile organic compounds (VOC) affected groundwater, based on contamination from a source outside of the Plan Area. As options are developed, additional analysis by the Environmental consultant will be provided.

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Land Use and Surroundings

Land Use as per 2030 Comprehensive Plan

In 2008, the City designated the larger California Avenue area as a Priority Development Area (PDA) as part of a program established by the Association of Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC) to prioritize areas for transportation funding throughout the region. The Palo Alto PDA contains approximately 95 acres and is located roughly between El Camino Real and Alma Street, and College Avenue and Lambert Avenue (Figure 1).

The California Avenue area was selected as a PDA based on excellent access to transit, the proximity of the existing California Avenue Business District, and the availability of underutilized parcels of land. Palo Alto's 2030 Comprehensive Plan (Comprehensive Plan) adopted in November 2017 calls for the preparation of a Coordinated Area Plan (CAP) for the North Ventura area (Plan Area) within this PDA. Program L4.10.1 states:

Prepare a coordinated area plan for the North Ventura area and surrounding California Avenue area. The plan should describe a vision for the future of the North Ventura area as a walkable neighborhood with multifamily housing, ground floor retail, a public park, creek improvements and an interconnected street grid. It should guide the development of the California Avenue area as a well-designed mixed use district with diverse land uses and a network of pedestrian-oriented streets.

The Plan Area includes the large site currently occupied by Fry's Electronics and a portion of the Matadero Creek. The approximately 60-acre Plan Area is designated for a mix of land uses - including multi-family residential, service commercial, and research/office land use designations (See Figure 1). The Comprehensive Plan allows for net densities of 8 to 40 dwelling units per acre (du/ac) for Multi-Family Residential, with an allowance for higher densities where measurable community benefits are provided, and services and facilities are available.

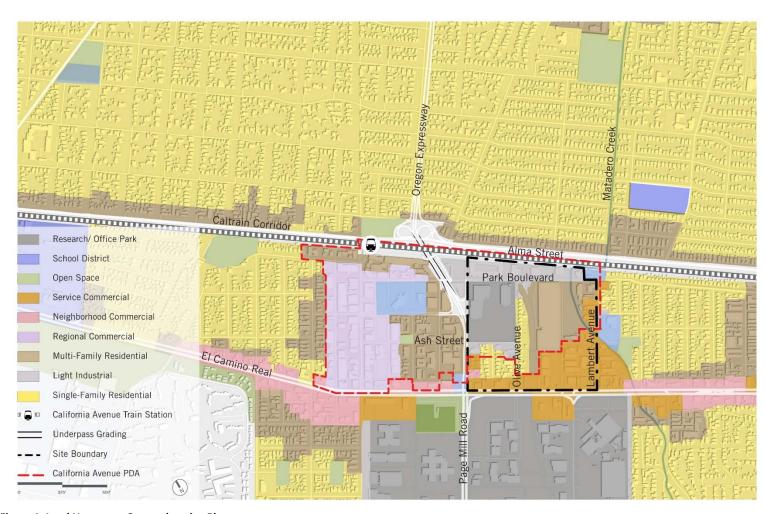


Figure 1: Land Use as per Comprehensive Plan

Zoning

Existing zoning in the Plan Area includes ROLM, RM-30, R-1, GM, CN, GM, PC 2952, and CS zones. Table 1, identifies the related zoning districts currently applicable to the Plan Area.

Table 1: Existing Zoning Designations

| Zoning Map Designation | District Name |
|------------------------|---|
| R-1 | Single -family Residence District |
| RM - 30 | Multiple -family Residence District |
| CS | Service Commercial District |
| ROLM | Research, Office and Limited Manufacturing district |
| GM | General Manufacturing district |
| CN | Neighborhood Commercial District |
| GM | General Manufacturing District |
| PC | Planned Community District |

Existing uses on the site include the retail and office uses in the Fry's building, service commercial uses along El Camino Real and Portage Avenue, single-family homes along Pepper Avenue and Olive Avenue, an apartment complex north of Park Boulevard, and the Cloudera Headquarters office along Page Mill Road (Figure 3).

The largest single-zoned parcel in the Plan Area is the Fry's site. Under the current zoning, the Fry's site is designated RM-30 and allows for permitted densities between 16 du/ac and 30 du/ac, maximum allowable height is 35 feet, and minimum 30 percent site open space requirement. The site's current zoning of RM-30 would permit approximately 360 dwelling units. The current nonresidential uses are permitted to remain as legal nonconforming uses.

As of the time of writing, the City Council approved zoning changes to help implement the Comprehensive Plan and the City Council's Housing Work Plan. It is anticipated that the recent code updates and on-going discussion will result in changes to the RM-30 district to include updated guidance on density/intensity standards (including a Housing Incentive Program), open space standards, parking standards, and use regulations. These code updates are scheduled to be effective in March 2019.

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Key Destinations and Connections

The Plan Area lies within the Ventura neighborhood. Surrounding the Plan Area are several residential neighborhoods, including the continuation of Ventura to the east, the Evergreen neighborhood to the west, the Midtown neighborhood to the north, and Barron Park to the south (Figure 2).

Two major city arterials, Page Mill Road and El Camino Real, border the northwest and southwest edge of the site, respectively, The Caltrain corridor, borders the northeast edge of the Plan Area, with the Caltrain Station underpass being the closest crossing point. Although the Plan Area is within walking distance to a number of existing services and amenities, these three boundary conditions are not easy to cross. This prohibits pedestrian and bicycle access to community destinations such as California Avenue, the Caltrain Station, and the open spaces and schools in the Midtown neighborhood to the north and the Barron Park neighborhood to the South. Figure 4 captures the existing walking times to some of these destinations.

The Caltrain Station is within a half mile of the site, and walking accessibility from the Plan Area to the Caltrain Station is primarily along Park Boulevard, a designated Bike Boulevard, and El Camino Real, with limited opportunities for pedestrians and bicyclists to safely cross Page Mill Road.

The Plan Area is also in close proximity to the California Avenue Business District, which the Comprehensive Plan identifies as a neighborhood business district with a mix of retail, office, and service tenants. The site also lies across El Camino Real from Stanford Research Park. From an employment perspective, California Avenue (3%) and Stanford Research Park (36%) account for almost 40% of the City's Employment Distribution.

The site is within a half mile walk of 3.5 acres of parkland, including Sarah Wallis Park, Boulware Park and J.Bowden Park.

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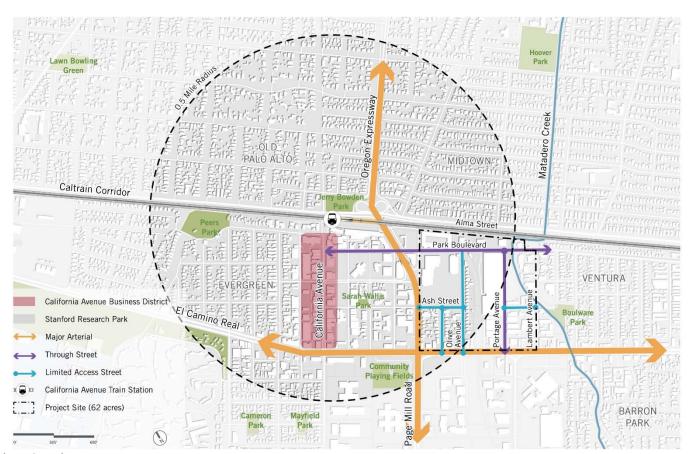


Figure 2: Project context

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Figure 3: Existing use

- - Plan Area

Single-Family Multi-Family Office Service

California Ave PDA

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Figure 4: Existing pedestrian connectivity to nearby destinations

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Open Space and Creek Corridor

The Plan Area is within a 10-minute walking distance of 7.7 acres of parkland distributed over the following facilities:

- Boulware Park 1.5 acres with open turf area, children's playground, picnic tables, benches and basketball court;
- Sarah Wallis Park 0.3 acres with benches and public art; and
- Stanford- Palo Alto Playing Fields 5.9 acres with two regulation-size soccer/rugby fields, restrooms and snack facility.

Policy L-8.1 of the Comprehensive Plan facilitates the creation of new parkland to serve Palo Alto's residential neighborhoods as consistent with the Parks, Trails, Open Space, and Recreation Master Plan. Policy 1B of the Palo Alto Parks Master Plan states:

Expand parkland inventory using the National Recreation and Park Association standard as a guide for park development in Palo Alto's Urban Service Area. New parkland should be added to meet and maintain the standard of 4 acres per 1,000 residents. Parkland should expand with population, be well distributed across the community and be of sufficient size to meet the varied needs of neighborhoods and the broader community. Maximum service area should be 1/2 mile.

Policy 1C of the Palo Alto Parks Master Plan further qualifies the preferred service area:

Ensure the maximum distance between residents' homes and the nearest public park or preserve is ½ mile, 1/4 mile preferred, that is evaluated using a walkshed methodology based on how people travel.

The Plan Area is falls within ½ mile of two neighborhood parks, which should be at least 2 acres in size: Boulware Park and Sarah Wallis Park. District parks should be at least 5 acres in size. Although the Stanford Community Playing Fields are sufficient in size to be considered a district park, the recreational program may not sufficiently serve community needs as it is primarily used for Stanford sports practice.

The City's Natural Open Space and Recreation Master Plan has identified the Plan Area as an urban canopy target area.

Located within the Matadero Watershed, a culverted portion of the Matadero Creek runs through the eastern portion of the site, continuing on through residential neighborhoods to the north and Boulware Park to the east. Within a regional context, the Matadero Creek connects the Plan Area to the local foothills and to the San Francisco Bay. The Santa Clara Water District maintains Matadero Creek to mitigate potential flooding.



Figure 5: Open space and creek corridor

Recent Development Activity

Figure 6 shows the recently developed and actively planned projects in the Plan Area. At the time of writing, there are at least seven development projects that have been recently constructed or are being actively planned in the Plan Area. Active planned and completed projects, as of October 2018, are included below. For more information on unit count and/or commercial square footage see Figure 43.

- 1: 195 Page Mill Road (Completed)
- 2: 3045 Park Boulevard
- 3: 3265 El Camino Real
- 4: 3225 El Camino Real
- 5: 3001 El Camino Real
- 6: 470 Olive Avenue
- 7: 441 Page Mill Road



Figure 6: Recently developed or active planning projects

About 70% of units in North Ventura are single-family detached homes, most built before 1950. Single-family homes occupy about 10 percent of the plan area, and are generally found along Olive and Pepper Avenues. As seen in Figure 7, a majority of the homes along Olive Avenue are owned by commercial entities, while individuals own a majority of the homes along Pepper Avenue. The site design will need to consider the influence of these recently built/active planning projects and existing single-family homes when applying policy guidance and design in the Plan Area. Also important are the project goals to strengthen the neighborhood fabric and to minimize displacement of existing residences.



Figure 7: Ownership of contiguous parcels

Mobility

Existing Road Network

The Plan Area is bounded to the northwest by Page Mill Road, to the northeast by Park Boulevard, to the southeast by Lambert Avenue and to the southwest by El Camino Real. Key streets accessing internal destinations and providing through routes include - Ash Street, Pepper Avenue, Olive Avenue, Acacia Avenue, and Portage Avenue.

Perimeter Roads

Page Mill Road is a four-lane Expressway along the northwest boundary of the site, as shown in Figure 8 below. This Expressway diverges away from the site boundary as the County controlled four lane Oregon Expressway to the north, and Page Mill Road continues as a lower capacity three lane collector road along the remainder of the site boundary, as shown in Figure 9.



Figure 8: Page Mill Road looking towards El Camino Real



Figure 9: Page Mill Road (right) and Oregon Expressway (left)

Park Boulevard is a two-lane collector road running along the northeast boundary of the Plan Area, as shown in Figure 10. The road is characterized by parallel parking along most of its length, in addition to heavily utilized bike lanes (discussed further in sections related to walking and biking). Although the only designated bike boulevard in the Plan Area, several

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business driveways are located along Park Boulevard (with more in construction as of the time of writing), which impede pedestrian and bicycle travel.



Figure 10: Park Boulevard

Lambert Avenue is a two-lane collector road running along the southeast boundary of the Plan Area, as shown in Figure 11. The road carries low traffic volumes and provides access to a mix of both residential and industrial land uses. Lambert Avenue accommodates parallel parking along both sides of the road, which were noted as being well-used during site visits.



Figure 11: Lambert Avenue

El Camino Real is a major arterial route on the southwest boundary of the Plan Area. This portion of El Camino Real is primarily a four lane route with localized widening to accommodate turning movements at intersections. El Camino Real carries significant volumes of traffic and significant queuing was observed in both peak and off-peak periods at the intersection of El Camino Real and Page Mill Road, as shown in Figure 12. This heavy traffic flow, coupled with a lack of

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crossing facilities away from the main intersections along El Camino Real, leads to the road being a major barrier to walking and cycling access to the Plan Area from the southern side of the road and beyond.

The Palo Alto Office of Transportation is actively planning for improvements to El Camino Real to foster better connectivity for this major arterial, in alignment with the Grand Boulevard Initiative. Figure 13, shows the planned transportation improvements in the Plan Area.



Figure 12: El Camino Real



Figure 13: Ventura Neighborhood Transportation Projects (Source: City of Palo Alto)

Internal Streets

Within the boundary of the Plan Area, internal streets provide access to single family homes (particularly on Olive Avenue and Pepper Avenue) and service-commercial sites (particularly on Ash Street, Acacia Avenue, and Portage Avenue). During site visits in September 2019, the team observed AM peak hours to compare between intersections and links. The consultant team observed that relatively low traffic volumes and significant availability of on-street parking characterize internal streets. Olive Avenue and Ash Street, which are adjacent to Page Mill Road, see significant levels of cut-through traffic caused by cars attempting to avoid delays around the intersection of El Camino Real and Page Mill Road. Examples of the internal streets within the NVCAP boundary are found in Figure 14 and Figure 15.





Figure 14: Internal Streets - Olive Avenue

Figure 15: Internal Streets - Acacia Avenue

The consultant team completed surveys of traffic volumes at key intersections. The AM peak hour volumes are illustrated in Figure 16.

Legend Vehicles

> 104 - 500 501 - 1,000

2,000 - 3,000

3,000 - 4,000

Caltrain Station

Site Boundary

250 500

>5,000

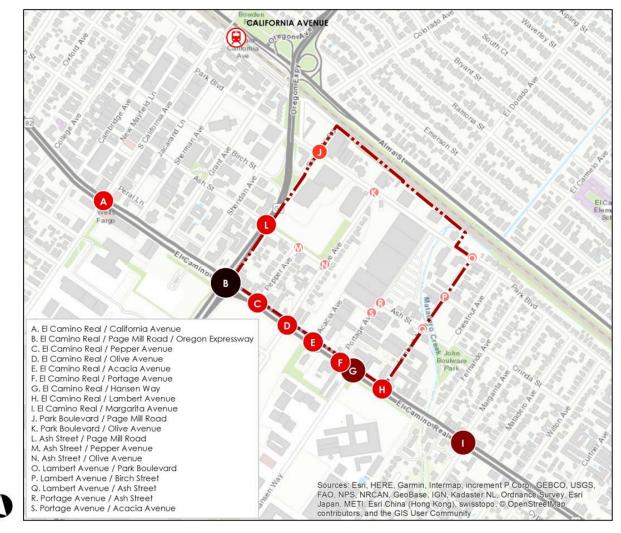


Figure 16: Intersection Traffic Volumes during AM Peak Hours (8:00-9:00 am)

Walking and Cycling

Walking and biking conditions vary in quality both within and around the NVCAP site. Internal roads generally have good pedestrian conditions with ample sidewalks and low levels of vehicle traffic. However, the disjointed street grid and a high number of driveways can make it difficult to walk and bike through the site. The site is also bordered by major roads such as El Camino Real and Page Mill Road, which have high levels of vehicle traffic and generally stressful conditions for pedestrians and bicyclists. The Caltrain tracks also act as a barrier to seamless pedestrian and bicycle travel. Current facilities for people walking and biking are summarized in sections below.

Walking

Internal streets within the Plan area generally have good pedestrian facilities. Most of these streets have sidewalks and low levels of vehicle traffic, which contribute to a safe and low-stress environment for people walking. The perimeter roads of Page Mill Road, Park Boulevard, Lambert Avenue and El Camino Real also have good pedestrian conditions, although they have heavy vehicular use.

Figure 17 shows a typical sidewalk in the Plan Area. There are two key challenges that impede pedestrian travel in and around the site. First, the prevalence of driveways is a key impediment to safe pedestrian travel, as it can be difficult for cars accessing these driveways to see pedestrians. Park Boulevard and El Camino Real have an especially high number of driveways.

Second, the disconnected street grid can make it difficult for people to navigate through the Plan Area. Olive Avenue is currently the only street that provides direct connectivity through the Plan Area. Apart from Olive Avenue, people walking must either cut through private off-street parking lots, such as the Fry's parking lot or use a perimeter road such as Park Boulevard or El Camino Real.



Figure 17: Typical sidewalk within the Plan Area

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To assess existing walkability within and around the site, Arup identified 5-, 10- and 15-minute walking distances from a point at the intersection of Olive Avenue and Ash Street, illustrated in Figure 18. This diagram demonstrates that the lack of continuation of Ash Street or the provision of any other connection to the south of Olive Avenue is a major barrier to permeability through the site for walking. The limited number of crossing points on roads such as Page Mill Road and El Camino Real, as well as across the railway track, limit the extent to which walking can be considered an attractive and efficient method of travel to access amenities such as the California Avenue Caltrain Station and California Avenue itself.

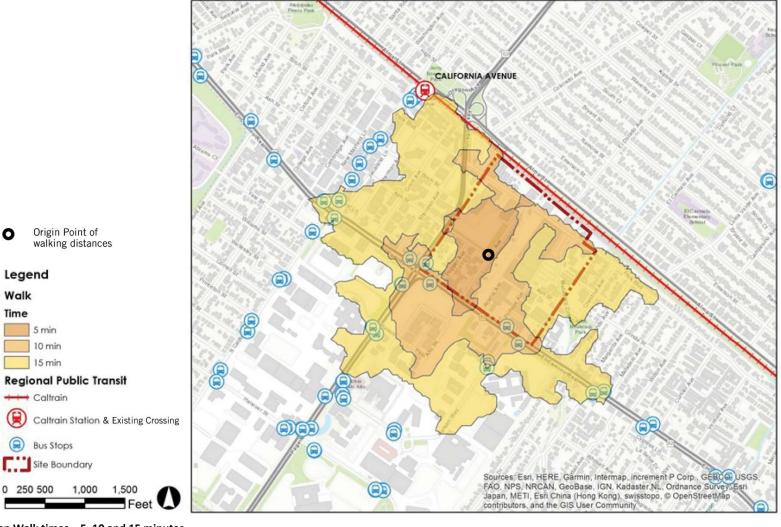


Figure 18: Pedestrian Walk times - 5, 10 and 15 minutes

Walk Time

Pedestrian volumes at key intersections were also recorded as part of the data collection exercise, illustrated in Figure 18. As shown in the figure, El Camino Real and Page Mill Road have the highest pedestrian volumes. Pedestrian volumes within the site are comparatively lower, which may reflect the disjointed street network that limits connectivity through the site.

The surveys highlighted a noticeable amount of pedestrian demand across Page Mill Road at Ash Street, even though there is no dedicated crossing point at this location. This desire line, most likely with an ultimate destination of California Avenue, is not supported by existing pedestrian facilities and is an opportunity to be considered for future improvements.

Legend
Pedestrians

11 - 50

Caltrain Station

Site Boundary

250 500



Figure 19: Pedestrian Volumes at Key Intersections – AM Peak

1,000

Existing Pedestrian Access to and within the Plan Area

Building on the pedestrian connectivity to key destinations map, Figure 20 outlines existing pedestrian access to the Plan Area from surrounding areas. A majority of the site is bound by roads with limited pedestrian crossing areas or uncontrolled (without a signal) crossings along Page Mill Road, El Camino Real Road, and Lambert Avenue. Currently, there are only four controlled intersections to enter the site on Page Mill/Park Boulevard, El Camino Real/ Portage Avenue, and Lambert Avenue/Park Boulevard. There is a plan for crossing enhancements at Olive Avenue and El Camino Real Road intersection scheduled to be constructed in 2019, and a study is underway of El Camino Real/Page Mill intersection improvements.

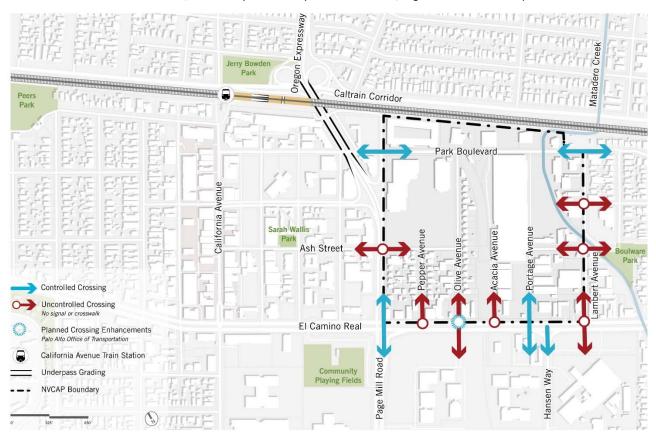


Figure 20: Existing pedestrian access to Plan Area

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Figure 21 shows the existing pedestrian access points to the site, combined with locations and extents of existing sidewalks. Olive Avenue is the only street that runs across the entire site in the north-south direction, and connects El Camino Real to Park Boulevard. Park Boulevard is the only street linking the entire site in the east-west direction, connecting Lambert Avenue to Page Mill Road. Most of the primary streets internal to the site including Pepper Avenue, Olive Avenue and Ash Street have complete sidewalks on both sides of the street. There are some incomplete sidewalks along Acacia Avenue and Portage Avenue.



Figure 21: Existing pedestrian connectivity within Plan Area

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Biking

The existing bike lane on Park Boulevard is the primary bike facility for the site and is designated as a Bicycle Boulevard in the Bike and Pedestrian Transportation Plan. To the northern end of Park Boulevard, the bike lanes are highly visible and crossing facilities at the intersection of Park Boulevard and Page Mill Road are well-marked (see Figure 22 and Figure 23). At the southern end of Park Boulevard, the bike lanes are less well defined and impacted by on-street vehicle parking and driveway access (see Figure 24).



Figure 22: Existing cycle lane along Park Boulevard at northern end of Plan Area

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Figure 23: Cycling provision at Page Mill Road/ Park Boulevard intersection

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Figure 24: Existing cycle lane along Park Boulevard at southern end of Plan Area

Park Boulevard is heavily used by cyclists. The project team conducted cycling surveys at the same locations as the pedestrian counts. On-site observations suggest that the vast majority of cyclists are through-users who are likely going to the Caltrain Station or other nearby destinations (the underpass at the Caltrain Station provides access to downtown Palo Alto and other areas). The bike volumes for the AM peak period are illustrated in Figure 25.

While bike volumes are comparatively high along Park Boulevard in comparison to the rest of the site, the volumes within the site are extremely low in comparison, potentially again reflecting the lack of effective permeability through the site for cycling.

Legend Bikes

<10

11 - 50

51 - 100

Caltrain Station

Site Boundary

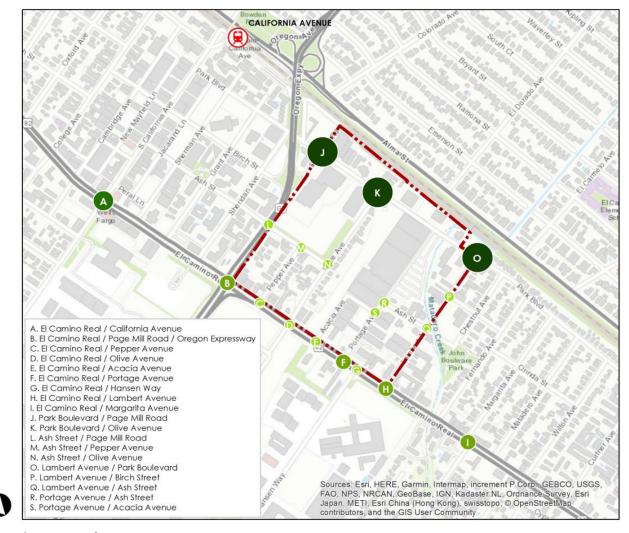


Figure 25: Cycling Volumes at Key Intersections - AM Peak

Arup established bike travel times from the intersection of Olive Avenue and Ash Street to ascertain the bike travel distances achievable in 5, 10 and 15 minutes, illustrated in Figure 26. Key destinations such as Downtown Palo Alto can be reached by bicycle in 15 minutes or less. As with pedestrian travel, however, key barriers such as the Caltrain tracks and disjointed street grid limit the number of destinations within a short bike ride of the site.

Travel Distances - Biking

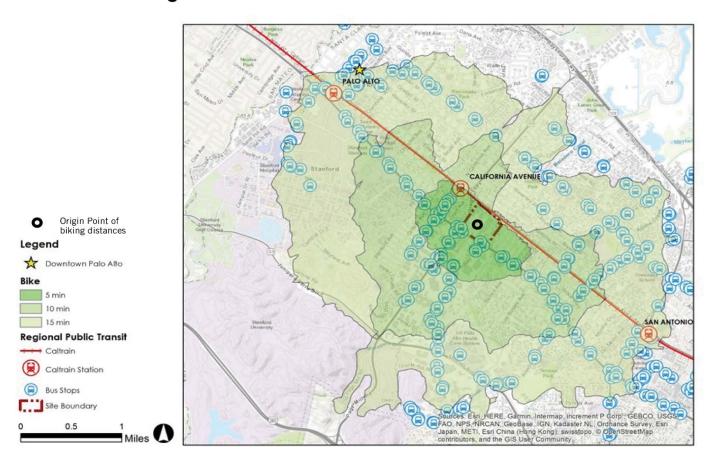


Figure 26: Cycling Travel Times – 5, 10 and 15 minutes

Public Transit

The site is served by a number of bus routes, and Caltrain can be accessed via the nearby California Avenue Station. Public transit routes and stops near the site are illustrated in Figure 27. Despite the high number of transit stops close to the site, especially to the north and south of the site on El Camino Real, there is no public transit service within the site itself. Moreover, the stops located on El Camino Real adjacent to the Plan Area at Portage Avenue and Hansen Way offer very limited service with only VTA Route 22 and the Stanford University Marguerite Shuttle Shopping Express Route stopping there. At the time of this writing, there are anticipated changes to VTA Route 22. The site is served by VTA, AC Transit and Stanford University Marguerite Shuttle service. Bus stops located adjacent to the Plan Area are outlined in Table 2.

Table 2: Bus Stops in Vicinity of Plan Area

| Stop Location | Direction | Routes Served | Services Per Day |
|-------------------------------|------------|--|---------------------|
| El Camino Real | | VTA Route 22 (Palo Alto Transit Center to Eastridge Transit Center); | |
| | | Stanford Marguerite Shuttle Route SE. | 8 |
| El Camino Real @ Hansen | Southbound | VTA Route 22 (Palo Alto Transit Center to Eastridge Transit Center); | 75 |
| Way | | Stanford Marguerite Shuttle Route SE. | 8 |
| El Camino Real @ Page Mill | Northbound | VTA Route 22 (Palo Alto Transit Center to Eastridge Transit Center); | 75 |
| Road | | VTA Route 182 (Palo Alto to IBM/Baily Ave); | 1 |
| | | Stanford Marguerite Shuttle Route SE; | 8 |
| | | Stanford Marguerite Shuttle Route RP. | 12 |
| El Camino Real @ Page Mill | Southbound | VTA Route 22 (Palo Alto Transit Center to Eastridge Transit Center); | 75 |
| Road | | VTA Route 101 (Camden & Highway 85 to Palo Alto); | 2 |
| | | VTA Route 102 (South San Jose to Palo Alto); | 7 |
| | | VTA Route 103 (Eastridge Transit Center to Palo Alto); | 4 |
| | | Stanford Marguerite Shuttle Route SE. | 8 |
| Page Mill Road | Westbound | VTA Route 101 (Camden & Highway 85 to Palo Alto); | 2 |
| @ El Camino Real | | VTA Route 102 (South San Jose to Palo Alto); | 7 |
| Real | | VTA Route 103 (Eastridge Transit Center to Palo Alto); | 4 |
| | | VTA Route 104 (Penitencia Creek Transit Center to Palo | |
| | | Alto); | 2 |
| | | Stanford Marguerite Shuttle Route RP; | 12 |
| | | AC Transit Route DB1 Dumbarton Express. | 26 |
| Page Mill Road @ El Camino | Eastbound | VTA Route 104 (Penitencia Creek Transit Center to Palo Alto); | 2 |
| Real | | AC Transit Route DB1 Dumbarton Express. | 23 |

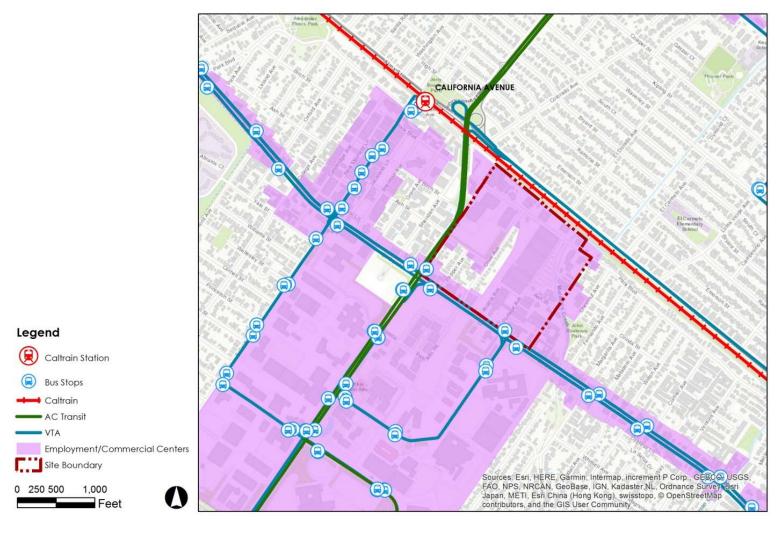


Figure 27: Public transit provision in the vicinity of the site

Caltrain

The California Avenue Caltrain Station is located approximately 0.5 miles from the intersection of Olive Avenue and Ash Street. Walking and biking links to the station need improvement. The lack of a coherent internal street grid within the Plan Area can make it difficult to access the station. Wayfinding directions, such as the signage observed in Figure 28 on Page Mill Road, make the station location clear to potential riders.



Figure 28: Caltrain Station wayfinding example

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Parking

There is substantial on-street and off-street parking in the Plan Area. Arup identified capacity for approximately 500 cars in on-street parking spaces within the site and on the perimeter roads of El Camino Real, Page Mill Road, Park Boulevard and Lambert Avenue. Approximately 2,400 off-street parking spaces were recorded, with most of these belonging to private businesses within the site, supported by enforcement against non-authorized vehicles (see example in Figure 29). The distribution of both on-street and off-street parking spaces within the site is illustrated in Figure 30.



Figure 29: Off-Street Parking Restrictions



Figure 30: Car Parking Provision

On-Street Parking

In order to ascertain the levels of parking demand in and around the site, 12 hour (07:00-19:00) parking occupancy surveys were undertaken for all on-street spaces within the site and on the perimeter roads. A count of all parked vehicles was undertaken every hour to ascertain how parking demand changes throughout the day. The results are illustrated in Figure 31. On-street parking capacity is marked in yellow at 444 in Figure 31, which is 85% of the total 500 spaces available, see Figure 30.

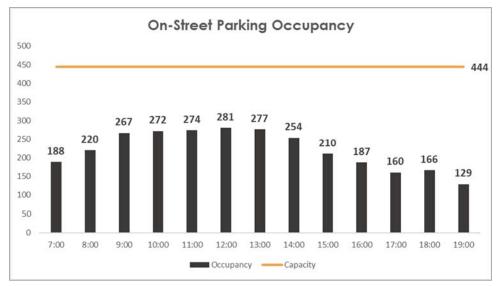


Figure 31: On-Street Parking Demand

Parking levels peak around the middle of the day. However, occupancy remains well below capacity (maximum 63.3% occupancy) throughout the day. Significant levels of on-street parking availability were recorded at 7am (42.3% occupied) and 7pm (29.1% occupied), which suggest that a significant number of on-street spaces are being used for residential purposes outside of working hours.

In addition to the parking occupancy surveys, vehicle license plate surveys (which recorded only the last four characters on each license plate) were also undertaken during the same 12-hour time period in order to ascertain the duration of stay characteristics of on-street parking demand in the area. The results of the duration of stay survey is illustrated in Figure 32.



Figure 32: On-Street Duration of Stay

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The results of the duration of stay surveys indicate that there is a high proportion of short stay parking actions in the area (less than 3 hours) which suggests high levels of retail or business visits. Long stay parking generally associated with commuter parking (6-9 hours) is relatively modest, which suggests that the vast majority of commuter parking is accommodated within the off-street car park provision within the site boundaries. Figure 33 illustrates the same information broken down by individual streets.

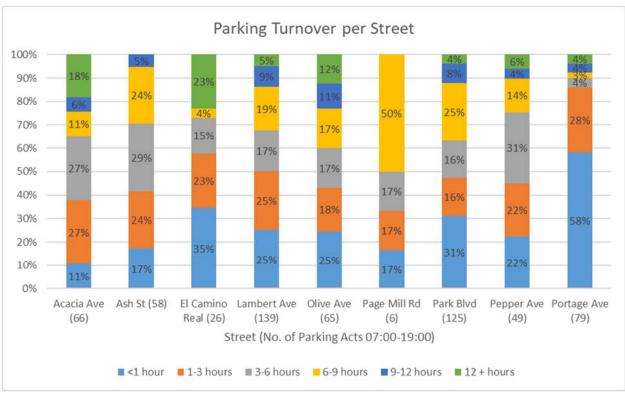


Figure 33: On-Street Duration of Stay per Street

It can be seen that the results are fairly typical across all streets, with the exception of Portage Avenue with almost 60% of parking acts staying for under 1 hour, which may be explained by the close proximity to Fry's Electronics. It can also be seen that 50% of parking acts on Page Mill Road are long stay (6-9 hours), although the total number of parking acts is extremely low (6).)

Off-Street Parking

To ascertain the levels of parking demand at off-street locations within the site, occupancy counts were undertaken during several key time periods throughout a typical weekday. Occupancy counts were undertaken before the working day was assumed to have started, after the working day was assumed to have finished, and during two periods when parking demand

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was expected to be high (e.g. around lunchtime). The results of the occupancy counts in the context of the overall off-street parking capacity is illustrated in Figure 34.

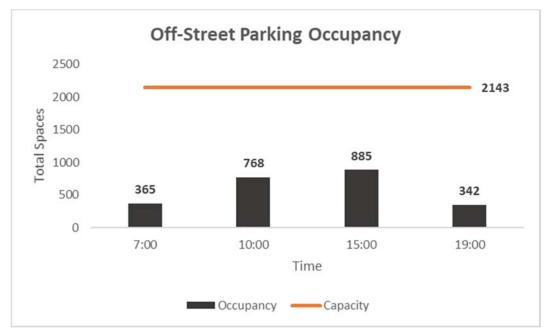


Figure 34: Off-Street Parking Demand

The survey results show that average occupancy outside of normal working hours is approximately 16.5%. This rises to a maximum occupancy of just under 41.3% during peak working hours. The results indicate that, although there are significant amounts of off-street parking provided within the site, there appears to be significant levels of spare capacity available throughout the day. For context, it is noted that a well-run parking program generally strives for around 85% occupancy. Therefore, it may be concluded that that the parking capacity is not constrained in the Plan Area.

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Travel Behavior

To better understand travel characteristics within the vicinity of the site, the study team analyzed data from the US Census Bureau on travel time to work (i.e. commute travel time) and mode of transportation to work. This data is from 2016 and was analyzed for the Census Block Group that encompasses the Plan Area (Figure 35 shows the Census Block Group boundary). Key findings for travel time and commute mode share are shown in Figure 36 and Figure 37, respectively.



Figure 35: Census Block Group Boundary

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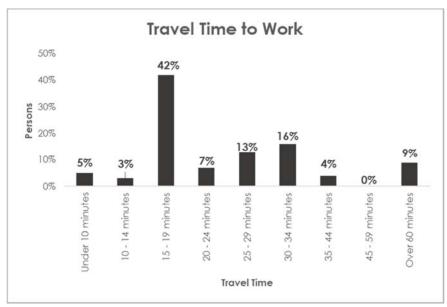


Figure 36: Travel Time to Work

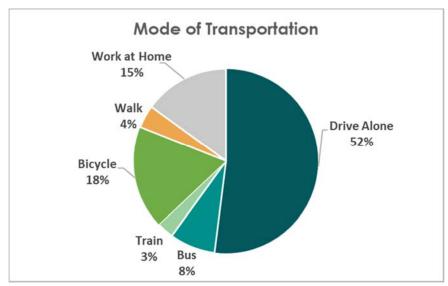


Figure 37: Mode of Transportation to Work

It can be seen from Figure 36 that the vast majority of trips to and from work are in the 15-19 minute range (42%), and 50% of all trips to work are 19 minutes or under. In comparison, for the entire Bay Area region, travel to work in the 15-19 minute range represents only 14% of all commutes, with 36% of Bay Area trips to and from work being 19 minutes or under.

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Figure 37 shows that the dominant travel mode remains single occupancy vehicles at 52% mode share. This proportion is lower, however, than the overall figure for Palo Alto which stands at 71% drive alone mode share, as well as the corresponding figure for the entire Bay Area, which stands at 75%. Biking (18%) has a relatively high mode share when compared with the overall biking mode share for Palo Alto, which stands at 10%.

Private car use is an extremely popular and well-established mode of travel and significant mode shift away from single occupancy vehicle use requires fundamental changes to established patterns of behavior. Integrated land use and transportation planning practices, whether by locating residential and employment land uses close to each other so that walking and cycling is an attractive mode of travel between the two, or considering links to transit and walking and cycling links when siting employment land uses – could help to decrease single-occupancy vehicle use on the site.

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Market Snapshot

Introduction and Purpose

This section provides an overview of market conditions for various types of development that could occur in the Plan Area. To develop the findings contained in this report, the consultant team reviewed available market data for Palo Alto and surrounding communities, analyzed employment and retail sales characteristics, and conducted ten interviews with real estate brokers and developers in Palo Alto.

Multifamily Residential

The cost of housing in Palo Alto is significantly higher than in most surrounding communities and the State of California generally. According to data from Zillow, which include single family homes, median home values in Palo Alto are more than double the countywide median and more than five times the statewide median. The average sales price for a condominium is currently \$1.4 million, or eighty percent higher than the countywide average (Figure 41). The average monthly rent for an apartment in Palo Alto is \$2,800, or about 17 percent higher than the countywide average (Figure 42). These high costs result from a range of factors, including a shortfall in housing production throughout the region. Like many neighboring communities, production of housing in the City of Palo Alto did not keep up with housing demand, with Palo Alto meeting only 37 percent of its housing need in the last RHNA planning cycle. The ongoing housing shortage has led to displacement and a high cost burden to moderate and lower income families in the area. In the current RHNA cycle, Palo Alto has accelerated the pace of market rate housing production, but the city continues to lag in the production of housing for moderate and lower income households.

This section describes economic conditions for new market-rate and affordable housing development in the North Ventura Plan Area. The analysis is focused on multifamily housing, because the Plan Area has been identified in the Comprehensive Plan as an opportunity to create a more walkable, mixed-use district with multifamily housing.

This section includes the following:

- A description of the current supply of housing in the Plan Area by type
- An overview of the Palo Alto Housing Element and the estimated capacity for new housing in the Plan Area based on existing zoning
- An assessment of the market for new multi-family housing development based on a review of comparable housing projects and interviews with local developers
- A summary of the opportunities and constraints for affordable housing in the Plan Area

Existing Housing Supply

Data for the existing housing supply are from the U.S. Census American Community Survey 5-Year Estimates, 2012 to 2016. Summary statistics for the Plan Area were approximated with Census Tract 5107 Block Group 1, which includes nearly all of the Plan Area plus a small portion of land outside the Plan Area.

Most housing units in North Ventura are older, single-family detached homes. As shown in Figure 37, 70 percent of housing units in the Plan Area are single-family homes. This is a slightly higher percentage of single-family homes than Palo Alto as a whole (63 percent). These units, mostly built before 1950, are generally located in the interior of the Plan Area along Olive and Pepper Avenues.

Over half the households in the Plan Area are renter households. According to Census data, 55 percent of housing units are renter-occupied, compared to 45 percent of households in Palo Alto as a whole.

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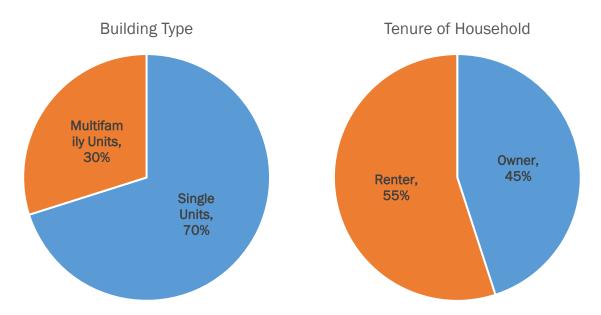


Figure 38: Building Type and Household Tenure, North Ventura Study Area

Note: Data are for Census Tract 5107, Block Group 1, approximating the North Ventura study area. Data do not include the recently completed Park Plaza development, which would represent 82 additional rental units to the current supply of housing.

Source: US Census, American Community Survey 5 Year Estimates, 2012-2016; Perkins + Will, 2018.

Palo Alto Housing Element

The State of California mandates that every city and county prepare a Housing Element as part of its Comprehensive Plan. The Housing Element is a document that is updated every eight years. The state requires that each local jurisdiction show how it will accommodate its "fair share" of the regional housing need, also known as the regional housing needs allocation (RHNA). Housing Elements must demonstrate that they have land use policies in place to accommodate the total projected housing need.

In 2014, the City of Palo Alto adopted its Housing Element, covering the 2015-2023 horizon. From 2014 to 2022, the RHNA for Palo Alto is 1,988 units, or 3.4 percent of the total housing need in Santa Clara County. This total projected housing need, broken down by category of household income, is shown in Figure 38. As shown in the figure, Palo Alto is on track to meet its RHNA for Above Moderate-income households. As of 2018, the City had permitted units constituting 52 percent of the allocation for that income category. However, Palo Alto has lagged in permitting units for Very Low-income households (six percent of the allocation), Low-income households (13 percent), and Moderate-income households (15 percent).¹

¹ Income categories are defined by household income as a percent of Area Median Income (AMI). Very Low Income is below 50 percent of AMI; Low Income is 51 to 80 percent of AMI; Moderate Income is 81 to 120 percent of AMI; and Above Moderate Income is over 120 percent of AMI.

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According to Palo Alto's Housing Element, North Ventura could accommodate at least 18 percent of the city's RHNA under current zoning. Strategic Economics considered the residential opportunity sites identified in the City's Housing Element (2015 to 2023) and summed the capacities of the sites in the Plan Area.² The identified sites, of which the Fry's site is the largest, summed to an estimated capacity of 364 units out of the total 1,988 units citywide. It is important to note this estimate is determined by current zoning designations and the fine-grained parcelization of many of the sites. The capacity of the Plan Area could be significantly increased with zoning modifications and/or site consolidation.

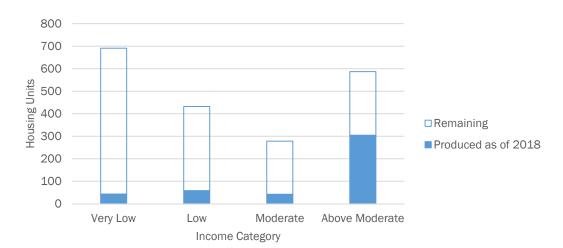


Figure 39: Progress Toward Meeting Palo Alto's Regional Housing Needs Allocation, 2014-2022, by Income Category

Source: City of Palo Alto Housing Element, 2015 to 2023; Annual Housing Element Progress Report, 2018; Strategic Economics, 2018.

Opportunities and Constraints for New Multifamily Housing

The following describes the opportunities and constraints for new market-rate multifamily housing development in the North Ventura Plan Area. Strategic Economics developed these conclusions by collecting data on recent development, reviewing area rents and condominium prices for new multifamily development, and interviewing local developers of multifamily housing.

Opportunities

The high rents and condominium sales prices seen in Palo Alto indicate a strong market for multifamily housing. Rents and sales prices for multifamily development in Palo Alto are positioned at a premium compared to the county and continue to trend upward (Figures 41 and 42). According to some developers, the rental rates in Palo Alto and surrounding communities have shown the first signs of a flattening.

² For each site, Strategic Economics used the "reasonable" capacity estimated by the City, rather than the theoretical maximum zoned capacity.

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Apartment rents in new buildings appear to be high enough to support new development. Strategic Economics surveyed potential product types and price points for North Ventura, based on its market position. As shown in Figure 39, the overall average rent for new apartments built in Palo Alto and Mountain View from 2013 to the present was \$4.92. This rent level was corroborated by developers interviewed for this study. They generally expected at least five dollars per square foot for new construction. Developers mentioned that it was easier to achieve a higher level of rent by reducing the unit sizes below what is commonly found in Palo Alto, or by building more studio and one-bedroom unit types.

New condominium and townhome projects could sell for between \$1,000 and \$1,200 per square foot. Based on comparable prices published by Redfin and Polaris Pacific, stacked condominiums and townhomes have been selling for over \$1,000 per square foot (Figure 43). Recent sales of some two-bedroom stacked units close to downtown Palo Alto pushed the recent average sales price of two-bedrooms to more than \$1,200 per square foot.

Palo Alto has attracted new multifamily housing in and near the Plan Area, including rental and for-sale products. A sampling of recently completed, approved, and proposed projects in Palo Alto are shown in Figure 44. Figure 45 maps those projects in the Plan Area. These developments have been a mix of condo and rental projects, sometimes with both condo and rental units offered in the same development. They are generally designed as townhome or low-rise stacked flats, typically ranging from approximately ten to thirty dwelling units per acre. Where permitted, higher density housing projects can move forward, such as 2755 El Camino Real, which has a much higher density of 127 units per acre.

Enhanced transit options can increase the competitiveness of North Ventura for multifamily housing. North Ventura is currently served by several transit systems: the California Avenue Caltrain Station offers local and limited-stop service (but not "Baby Bullet" service), and the Valley Transportation Agency (VTA) serves the area with five express bus routes and one local bus route. The area is also served by the Dumbarton Express operated by AC Transit. These transit options, and the adoption of "last mile" mobility solutions such as motorized scooters, lead developers to believe the market would support significantly lowered off-street parking ratios than what is currently required in the area. Some believed the market would support parking ratios as low as 1.0 per unit, and perhaps lower. Prospects for reducing parking in the area will be improved with more frequent and improved Caltrain and bus service.

Constraints/Barriers

Zoning controls only allow for lower density than is supported by the market. Developers interviewed for this study agree that but for City regulations, residential developments would be built taller and with more units than what is currently allowed. Consequently, multifamily developments in Palo Alto tend to be 30 units per acre or lower, even as neighboring communities such as Mountain View move toward higher density building types. Developers perceive a market in North Ventura for higher density building types containing smaller units, but it can be difficult to meet both the height restrictions and the parking standards for a higher density project. For example, a project at 2755 El Camino Real was able to attain a density of 127 dwelling units per acre only after a rezoning of the site.

Despite strong demand, new multi-family development is challenged by high construction costs and parking requirements. Developers report that steadily increasing construction costs, in combination with the City's parking requirements on new development, are making many projects difficult to pencil. To meet current parking standards, parking often must be provided underground, which significantly drives up development costs. The City Council has recently approved zoning code amendments to reduce parking requirements for multi-family residences as part of an overall update to encourage housing production consistent with the Comprehensive Plan Update. These updates are scheduled to be effective in March 2019.

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The City's retail preservation ordinance can also burden projects. Palo Alto recently made permanent an interim ordinance preserving the city's retail spaces. The ordinance prevents conversion or redevelopment of retail to other uses without including new retail space one-for-one in the new development. A large portion of housing opportunity sites in North Ventura, particularly along El Camino Real and Lambert Avenue, are commercially zoned sites with existing retail uses. The replacement retail spaces in these developments can be difficult to lease, especially in certain locations, and the rents supported are not sufficient to cover the cost of constructing the retail spaces and associated parking. Provisions have been approved with the zoning code update to encourage housing production to provide exceptions to this requirement, including 100% affordable developments.

According to developers, increases in density and height in the Plan Area would lower costs and create economic incentives to develop more housing. Five to seven story multifamily building types are the most efficient types of housing development in the Northern Silicon Valley, because parking can be accommodated in a concrete podium on the first floor and still allow for at least four floors of housing on top. Podium parking is much less expensive to build than underground parking, although some developers may still prefer to provide parking underground as a long-term investment in the architectural quality and aesthetics of the building. Five to seven story podium buildings represent much of the new development in neighboring communities like Redwood City, Mountain View, and Sunnyvale. Height restrictions in Palo Alto usually confine new proposals to no more than three stories, with additional floors requiring a bonus density allowance.

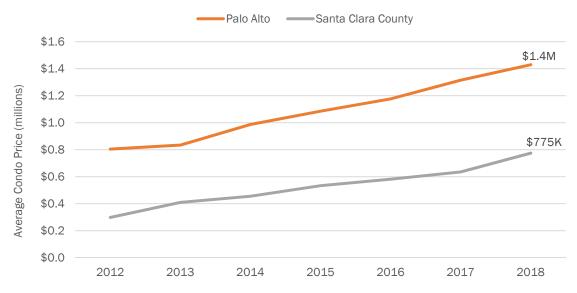


Figure 41: Average Condominium Sales Price, Palo Alto and Santa Clara County Source: Redfin, 2012-2018; Strategic Economics, 2018.

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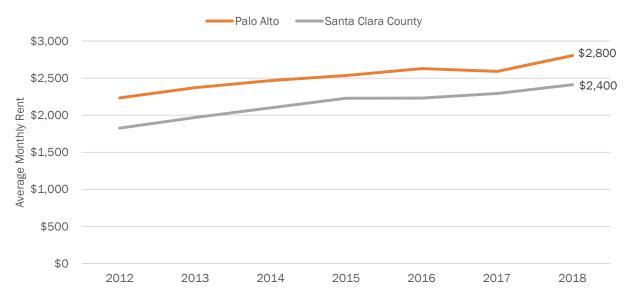


Figure 42: Average Monthly Rent, Palo Alto and Santa Clara County

Note: Monthly rents are averaged over all apartment unit types. The average unit size in is 806 square feet in Palo Alto and 838 square feet in Santa Clara County.

Source: CoStar, 2012-2018; Strategic Economics, 2018.

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Figure 43: Average Rents and Unit Sizes for New Multifamily Apartments, Palo Alto and Mountain View

| | Avg Monthly Rent (per unit) | Avg Unit Size (sf) | Avg Monthy Rent (per sf) |
|---------|--------------------------------|-----------------------|--------------------------|
| Studios | \$3,385 | 550 | \$6.16 |
| 1-BD | \$3,858 | 772 | \$5.00 |
| 2-BD | \$5,273 | 1163 | \$4.54 |
| 3-BD | \$5,888 | 1465 | \$4.02 |
| All | \$4,265 | 881 | \$4.92 |

Source: CoStar, 2018 Strategic Economics, 2018.

Average Sales Prices and Unit Sizes for New Stacked Condominiums and Townhomes, Palo Alto and Mountain View

| | Avg Sales | | |
|------|------------------|--------------------|-----------------------------|
| | Price (per unit) | Avg Unit Size (sf) | Avg Sales Price (per sf) |
| 1-BR | \$999,375 | 928 | \$1,077 |
| 2-BR | \$1,727,223 | 1,432 | \$1,206 |
| 3-BR | \$1,740,409 | 1,656 | \$1,051 |

Source: Redfin, 2018; Polaris Pacific, 2018; Strategic Economics, 2018.

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Figure 44: Market-Rate Multifamily Housing Developments Recently Completed, Planned, and Proposed in Palo Alto

| Name | Description | Number of Units (Unit Density) | Developer | Status | | |
|--|--|--------------------------------------|------------------------------------|------------------|--|--|
| | For-Sale | T | T | 1 | | |
| 2585 El Camino Real (Olive Garden) | 3-story mixed use building with 13 condos, office, and retail | 13 (14 d.u./ac) | ECRPA Inc. | Approved (2016) | | |
| 3877 El Camino Real (Compadres) | 3-story mixed use building with 6 condo flats and retail on 1st and 2nd floor; 11 townhomes | 17 (23 d.u./ac) | Zijin LLC | Approved (2017) | | |
| | Rental | | | | | |
| 2650 Birch St (Birch Plaza) | Townhome style apartments with office | 9 (20 d.u./ac) | Hohbach Realty | Completed (2015) | | |
| Park Plaza (195 Page Mill Road) | 3-story mixed use building with housing, retail, and office | 82 (33 d.u./ac) | Hohbach Realty | Completed (2016) | | |
| 3001 El Camino Real (Mike's Bikes) | 3- to 4-story rentals over ground floor retail; two-story townhomes | 44 (22 d.u./ac) | Sobrato | Approved (2017) | | |
| 2755 El Camino Real (Workforce units) | 4-story apartment building with studios and 1-BR; 12 units reserved for workforce housing | 57 (127 d.u./ac) | Windy Hill Property Ventures | Approved (2018) | | |
| 441 Page Mill | Three-story mixed use with apartments, office, and retail | 16 (26 d.u./ac) | Schwab | Proposed | | |
| Mixed For-Sale and Rental | | | | | | |
| 430 Forest Ave | Mix of townhomes and apartment flats | 13 (25 d.u./ac) | Prabhas Kejriwal | Completed (2018) | | |
| 3225 El Camino Real (Footlocker) | Four-story mixed-use building with rentals and condos; two-story building with retail and office | 8 (11 d.u/ac) | De Anza Properties | Proposed | | |
| 100% Affordable | | | | | | |
| 3705 El Camino Real (Wilton Court) | Three-story building with affordable studio and 1-bedroom units | 59 (134 d.u./ac) | Palo Alto Housing | Approved (2019) | | |

Source: City of Palo Alto, 2018; Strategic Economics, 2018.

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Recently Completed, Planned And Proposed Projects: Palo Alto NVCAP

Building Status

Completed

Planned / Proposed

■ NVCAP Boundary

Building Footprints

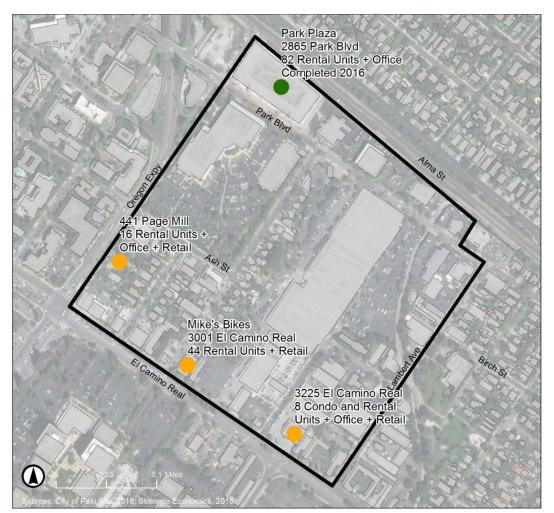




Figure 45: Recently Completed, Planned and Proposed Multifamily Projects, North Ventura Plan Area

Affordable Housing

Based on a review of the Housing Element and interviews with affordable housing developers, Strategic Economics identified the following issues for affordable housing development in the Plan Area.

There are currently 18 below market rate units in the Plan Area, all provided as part of the Park Plaza mixed use development project. Wilton Court is an additional 59-unit affordable development recently approved for a site several blocks south of the Plan Area. Wilton Court is a 100 percent affordable project targeted at households below 60 percent of area median income.

North Ventura's proximity to transit makes it a strong candidate for a new affordable housing development. Because the area is within a Caltrain Station walkshed and enjoys relatively frequent bus service along El Camino Real, a development site in North Ventura could be competitive for a variety of affordable housing funding sources, including the Affordable Housing and Sustainable Communities (AHSC) grants and the Low-Income Housing Tax Credits (LIHTC) program.

The financial feasibility of any new 100 percent affordable projects in Palo Alto likely will hinge on a streamlined approval process and significant zoning incentives. According to local affordable housing developers, a combination of high costs of land and construction, long approval timelines and declining federal sources of funds, together challenge the feasibility of new affordable projects in Palo Alto. Developers estimate that new affordable housing projects require a density of between 1.85 and 2.0 floor-area-ratio (FAR) or 120 units per acre to be viable in the city. According to Enterprise Community Partners, smaller projects (less than 100 units) in suburban locations tend to be less competitive for AHSC grants. Going forward, new projects will require faster approvals and higher density than what has been attempted in the past.

New state and county funding sources, coupled with City government's recent efforts to support affordable housing, represent an opportunity to add new subsidized units to North Ventura. New funding sources include those associated with SB2, state legislation enacted this year, and Measure A, a sales tax measure passed by Santa Clara County in November, which includes funding for affordable housing. The City's inclusionary zoning ordinance, Affordable Housing Overlay Ordinance, and local impact and in lieu fees should help produce new units at a faster pace than in the past, either through mixed income or 100 percent affordable projects.

Office and R&D

The City has recently taken steps to limit office development in Palo Alto. An amendment to the Comprehensive Plan, adopted in 2018, reduced the total cap for office and R&D development from 1.7 million square feet to 850,000 by 2030. A separate City ordinance was adopted to provide for 50,000 square feet annually in certain areas of the city as a pacing mechanism.

Even as growth in the Palo Alto's office inventory is limited, demand for new space remains strong. Rental rates for office and research and development (R&D) space in Palo Alto are at the top of the market in Northern Silicon Valley. At the same time, construction costs region-wide have been rising rapidly over the last several years, particularly for skilled labor and specialized subcontractors. Land costs have likewise increased in response to market conditions. Therefore, lower density developments often do not pencil in Palo Alto, despite strong demand. These circumstances create a hurdle to any kind of redevelopment at the Fry's site, which has the potential for a high level rent from an office or R&D use. (The property owner collects about seven dollars per square foot monthly for a current tech incubator tenant.) Because construction costs are currently very high, any new redevelopment is likely to need a sufficient level of density to economically justify forgoing the income potential of the existing buildings on the property.

This section assesses the market opportunities and constraints for office, R&D/ flex space in the Plan Area. Strategic Economics developed these findings from:

- Employment growth forecasts for the city and region
- Market data on office and R&D in Palo Alto and neighboring communities

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- A review of recent development activity for office and R&D in Palo Alto, and
- Interviews with local brokers and developers

Opportunities

According to the Comprehensive Plan, Palo Alto is projected to experience continued employment growth over the coming decades, creating ongoing demand for office space. As shown in Figure 46, Palo Alto's rate of job growth between 2020 and 2030 is estimated at 6.3 percent, slightly higher than the growth rate for Santa Clara County (5.1 percent).

Figure 46: Actual and Projected Employment in Palo Alto and Santa Clara County, 2000-2040

| | Actual | | Projected | | |
|------------------------|-----------|---------|-----------|-----------|-----------|
| | 2000 | 2010 | 2020 | 2030 | 2040 |
| Palo Alto | | | | | |
| Jobs | 86,960 | 89,370 | 104,470 | 111,091 | 119,030 |
| 10-Year Percent Change | | +2.8% | +16.9% | +6.3% | +7.1% |
| Santa Clara County | | - | | | |
| Jobs | 1,044,130 | 926,270 | 1,091,270 | 1,147,020 | 1,229,530 |
| 10-Year Percent Change | | -11.3% | +17.8% | +5.1% | +7.2% |
| | | | | | |

Source: ABAG 2013; City of Palo Alto Comprehensive Plan, 2017; Strategic Economics, 2018.

The office and R&D market in Silicon Valley remains strong, largely driven by expansions of major tech firms. Recent leasing activity has been largely driven by expansions of large, established firms, such as Google and Amazon's A9.com. These firms are often seeking spaces greater than 100,000 square feet and close to transit.

Caltrain Station areas and downtowns are highly attractive to technology companies. The developer community reports that office spaces in downtowns and Caltrain Station areas in the Silicon Valley are sought after by technology companies seeking convenient access and amenities for their employees. Mountain View, Sunnyvale, and Redwood City have increased the inventory of office space near their downtowns by 85 percent in the last ten years. Downtown Palo Alto's office inventory grew by 12 percent during the same period (Figure 47).

Palo Alto is a premier location for office tenants. Palo Alto offers many competitive advantages, including proximity to Stanford University and venture capital. These qualities, combined with a booming Silicon Valley economy and scarce supply, result in some of the highest rents in Silicon Valley. As shown in Figure 48, the average monthly asking rent in Palo Alto is currently the highest in the Northern Silicon Valley, at \$9.35 per square foot. Average rent for high-quality Class A space is \$10.34 per square foot. Vacancy in Palo Alto and most of its neighbors is under four percent, with Redwood City at eight percent.

Palo Alto is also at the top of the market for R&D tenants. As shown in Figure 49, the average rents for R&D space in Palo Alto is \$6.42, significantly higher than in neighboring communities. Vacancy in the market area is also low, ranging from 2.4 to 6.4 percent. Developers and brokers report that tenants seeking space in Palo Alto are generally technology and life sciences firms. Commonly, R&D space in Palo Alto is sought for special research projects within larger Silicon Valley companies such as Google. These larger companies tend to be far less price sensitive for space than smaller start-ups.

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There are a number of new office and R&D projects in Palo Alto concentrated along the Page Mill Road corridor extending to North Ventura. Figure 50 shows Palo Alto's pipeline of six projects either currently under construction or proposed, totaling approximately 750,000 square feet of new space. Four of these projects are on or just off Page Mill Road, within two miles of the Plan Area. 2747 Park Boulevard and 3045 Park Blvd are smaller office and R&D developments within or just outside the Plan Area.

North Ventura is already a strong location for office and R&D uses. As shown in Figure 51, the Palo Alto South submarket (containing North Ventura) commands rental rates that are competitive with other Silicon Valley station areas and downtowns. The Plan Area currently contains over 400,000 square feet of rentable building area for office, creative office, and R&D tenants. Current office tenants in North Ventura include a mixture of established technology firms and smaller startups. The largest tenants in the area are Cloudera Galactic and Groupon. The Fry's building leases spaces that have been adapted to several startups engaged in product development, research and design, as well as creative office firms.

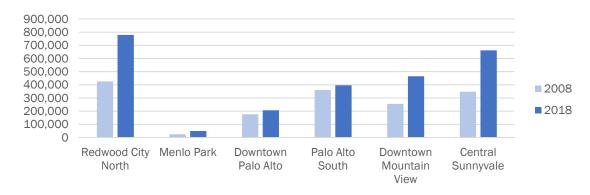
Developers view North Ventura as a very competitive location for new office and R&D development, due in part to the proximity to the California Avenue Caltrain Station. Potential tenants include firms researching and developing new products for life sciences and technology and could include a mix of startups and established companies pursuing specialized research and development initiatives. Many new development projects are built with flexible, open floorplans that can be easily converted to accommodate the needs of a conventional office, creative office, or R&D tenant. For example, 3045 Park Boulevard is a proposed project that has been designed to meet the needs of either a creative office or an R&D tenant.

According to brokers and developers, rents in North Ventura are likely to be at the top of the market. It is estimated that tenants would pay approximately \$8 to \$9 per square foot for Class A office and \$5 to \$7 per square foot for R&D space in the Plan Area. Parking needs for new office depend on the type of tenant, with many newer tech tenants settling for lower amounts of parking.

The transit accessibility of the Plan Area offers the opportunity to lower the parking requirements for new office and R&D development projects. Developers report that, while plentiful parking in office developments contributes to their marketability, office projects in Palo Alto's transit-rich areas may allow for a lower parking standard than the current requirement of 4.0 spaces per 1,000 square feet.

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Figure 47: Total Class A Office Rentable Building Area by Submarket*, 2008 and 2018



^{*} Submarkets are as defined by Costar and capture the downtown Caltrain Station areas of Redwood City, Menlo Park, Palo Alto, California Ave (including North Ventura and Page Mill Road), Mountain View (Castro Street area), and Sunnyvale.

Source: CoStar, 2018; Strategic Economics, 2018.

Figure 48: Average Monthly Office Rents* per Square Foot by Submarket



^{*} All rents are on a Full-Service Gross basis. Because of limited rental rate data availability for Class A, all classes of office are included in the calculation of the average.

Source: CoStar, 2018; Strategic Economics, 2018.

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Figure 49: Office Inventory, Average Monthly Rent, and Vacancy for Northern Silicon Valley Communities

| | Rentable Building Area (sf) | Vacancy (%) | Monthly Rent* (per sf) | Class A Monthly Rent (per sf) |
|---------------------------|-----------------------------------|----------------|------------------------------|--|
| Redwood City | 7,744,219 | 8.0% | \$6.06 | \$6.85 |
| Menlo Park | 4,811,522 | 4.3% | \$8.42 | \$11.00 |
| Palo Alto | 7,701,043 | 3.8% | \$9.35 | \$10.34 |
| Mountain View / Los Altos | 8,583,401 | 4.1% | \$7.94 | \$8.86 |
| Sunnyvale | 11,394,349 | 2.4% | \$5.95 | \$6.21 |

 $[\]ensuremath{^{\star}}$ All rents are on a Full-Service Gross basis. Source: CBRE, Q3 2018; Strategic Economics, 2018.

Figure 50: Research and Development Inventory, Average monthly Rent and Vacancy for Northern Silicon Valley **Communities**

| | Rentable Building Area (sf) | Vacancy (%) | Monthly Rent* (per sf) |
|---------------|-----------------------------------|-------------|---------------------------|
| Redwood City | 2,476,391 | 2.4% | \$3.05 |
| Menlo Park | 4,290,300 | 3.5% | \$4.40 |
| Palo Alto | 13,679,328 | 3.4% | \$6.42 |
| Mountain View | 14,041,570 | 6.4% | \$3.46 |
| Sunnyvale | 21,700,576 | 4.8% | \$2.85 |

^{*} All rents are on a Triple Net (NNN) basis. Source: Colliers, Q3 2018; Strategic Economics, 2018.

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Figure 51: Key Office and R&D Developments Under Construction or Proposed in Palo Alto

| Building Address | Use | Building Status | Scheduled Completion | Typical Floor Plate (sf) | Rentable Building Area (sf) |
|-------------------------|----------------|--------------------|-------------------------|-----------------------------|-----------------------------------|
| | | Within Plan Area | | | |
| 3045 Park Blvd | Flex | Proposed | 2019 | 15,677 | 30,000 |
| | | Outside Plan Area | | | |
| 3223 Hanover Dr | Office | Under Construction | 2019 | 59,850 | 120,000 |
| 1050 Page Mill Rd | Office | Under Construction | 2019 | 37,500 | 300,000 |
| 2747 Park Blvd | Office | Under Construction | 2019 | 12,000 | 36,120 |
| 3181 Porter Dr | Office | Under Construction | 2019 | 51,042 | 102,084 |
| 3380 Coyote Hill Rd | Office and R&D | Proposed | 2020 | 42,710 | 85,420 |
| Total Pipeline RBA (sf) | | | | | 758,642 |

Source: CoStar, 2018; Strategic Economics, 2018.

Constraints

Office developers and brokers report that a slowdown in venture capital funding has dampened the demand for office space from small start-ups. While Palo Alto continues to have a high concentration of start-ups, many growing companies are unable to remain in Palo Alto once their space needs exceed 100,000 square feet due to the lack of inventory in the City.

City regulations and policy limit the amount of office development that can be built in the Plan Area. Recent action by the City Council has effectively limited new office development to 50,000 square feet per year in downtown and along El Camino Real and California Avenue.

There are other Caltrain Station areas within the Silicon Valley that offer stronger transit access and have a greater availability of R&D and office spaces. As shown in Figure 48, the downtowns and station areas of Redwood City, Mountain View, and Sunnyvale have seen large increases in inventory and rental rates over the ten-year period.

Retail

In the Palo Alto Comprehensive Plan, the commercial areas around North Ventura, including California Avenue and South El Camino Real, are designated as "Multi-Neighborhood Centers," defined as "retail districts that serve more than one

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neighborhood with a diverse mix of uses including retail, office and residential." This section explores the types and quantities of retail development that could be supported in the Plan Area, and concludes that any new retail in North Ventura likely will remain limited to neighborhood-serving uses.

Demand for retail in the North Ventura Plan Area is affected by broader shifts in the global retail industry. Americans continue to shop, but where and how they shop have impacts on the performance and location of existing and future brickand-mortar businesses. Major trends that affect the demand for new retail space include the following:

- The retail industry is growing and reorganizing. In 2017, consumers' expenditures in the U.S. hit an all-time high. However, much of the growth is happening online rather than in brick-and-mortar stores. Nationwide, online sales account for an increasingly larger portion of total sales³ and e-commerce continues to expand. Products sold online are no longer limited to books and music, but now also encompass a wide array of soft and hard goods, including: electronics, sporting goods, office supplies, toys, and apparel.
- Offering a unique consumer experience has become essential, given the growing influence of online shopping. New retail centers are being designed with an "experiential" component that often includes well-designed common gathering areas, more eating and drinking establishments, and more interactive retail concepts. Existing shopping centers and malls, which are seeing an erosion in sales in department stores and conventional soft goods are retenanting their spaces and redeveloping their parking lots to add entertainment uses (bowling alleys, spas, salons) as well as adding restaurants, grocery stores, and brew pubs. Many shopping centers are also integrating housing and office spaces into their redevelopment plans.
- In addition to their typical location requirements, experiential retailers are also sensitive to the quality of the pedestrian environment for shoppers. The fundamental factors that retailers consider continue to be the demographic profile of the surrounding area, traffic patterns, and site/ characteristics (ease of access, visibility, etc.). However, to remain competitive, retailers are also interested in creating a high-quality pedestrian experience, including streetscape/urban design and other "placemaking" components.

Regional Context

Strategic Economics analyzed the regional context for retail in the Plan Area, assessing the existing supply and performance of retail centers in Palo Alto and surrounding communities. Within the region, there is a wide range in the existing supply of retail centers. The retail center categories are described in more detail below and summarized in Figure 52.

Large shopping centers, such as regional malls, power centers, and community centers, are regionally serving, drawing customers that live in trade areas of five miles or beyond. Figure 50 shows the location of malls, power centers, and community centers that serve the Plan Area.

- Malls are typically anchored by major department stores, and range in size from 400,000 to 800,000 square feet. The Stanford Shopping Center is an example of a regional mall that serves the Plan Area and beyond. The trade area for a regional mall can extend up to 15 miles in distance.
- Power centers (often known as "big box" centers) are characterized by several large anchor stores, such as discount department stores, and are usually between 250,000 to 600,000 square feet. San Antonio Center in Mountain View

³ According to a study conducted by Strategic Economics in 2018 for the City of San Francisco's Office of Economic and Workforce Development, while non-store retailers accounted for 12 percent of total national retail sales in 2016, they accounted for 40 percent of the growth in total sales between 2014 and 2016.

https://oewd.org/sites/default/files/Invest%20In%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Final%20Report.pdf

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- and Ravenswood Shopping Center in East Palo Alto are two power centers located close to the Plan Area. The trade area for a power center is between 5 to 10 miles.
- Community centers have trade areas of between 3 and 6 miles and are often anchored by grocery stores or "big box" stores. These centers are usually between 125,000 to 400,000 square feet in size. The Village at San Antonio and Charleston Plaza are two community centers located near the Plan Area.

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Figure 52: Typical U.S. Shopping Center Types and Characteristics

| Type of Shopping Center | Typical Size (sf) | Acres | Typical Anchors | Trade Area Size/ Drive-time | Examples |
|---|-----------------------|----------------|--|-----------------------------------|---|
| Regional and Super Regional Malls | 400,000 to 800,000 | 40 to 100 | General merchandise or fashion- oriented anchors, may include department stores, mass merchants, and/or fashion apparel | 5-15 miles/ 15-20 minutes | Westfield Valley Fair, Stanford Shopping Center |
| Power Centers | 250,000 to 600,000 | 25 to 80 | Category-dominant anchors, often in more than one freestanding structures, with only a few small tenants | 5-10 miles/ 15-20 minutes | San Antonio Center, Ravenswood Shopping Center |
| Community Center | 125,000 to 400,000 | 10 to 40 | General merchandise or convenience-oriented anchors, may include discount stores, grocery stores, drug stores, and/or large specialty stores (home improvement/ furnishings, sporting goods, etc.) | 3-6 miles/ 10-15 minutes | The Village at San Antonio, Charleston Plaza |
| Neighborhood Center | 30,000 to 125,000 | 3 to 5 | Convenience-oriented, typically anchored by a grocery and/or drug store | 3 miles/ 5-10 minutes | Palo Alto Central Center / Mollie Stone's |
| Strip or Convenience Center | Less than 30,000 | Less than 3 | Un-anchored, or anchored by a small convenience store (e.g. 7-Eleven) | <1 mile/ < 5 minutes | Various centers along El Camino Real |

Source: ICSC Research and CoStar Realty Information, Inc. (www.costar.com); Strategic Economics 2018.

Palo Alto is a major retail destination within the Silicon Valley region, and existing centers are performing well. Figure 54 shows the total retail inventory per square foot of Palo Alto and surrounding cities. Palo Alto has 59 square feet of retail per resident, higher than many of its neighbors. The vacancy rate is only two percent, and average retail asking rents in Palo Alto are higher than in surrounding communities at \$5.51 per square foot.

Because of the strength of its retail offerings, Palo Alto stores achieved higher taxable sales per household than the county overall in 2017 for nearly every category (Figure 55).

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The city's taxable sales breakdown is shown in Figure 56. Nearly a quarter of sales come from motor vehicles and parts, reflecting a concentration of auto dealers, mostly east of U.S. Highway 101. Another 23 percent of taxable sales are from food services and drinking places, and 17 percent are from clothing and accessories, again reflecting Palo Alto as a regional destination for shopping.

Malls, Power Centers and Community Centers

Center Type

- Community Center
- Power Center
- Regional and Super Regional Mall
- Super Regional Mall 5 Mile Trade Area
- Power Center 5 Mile Trade Area
- Pedestrian Oriented Retail Districts
- NVCAP Boundary

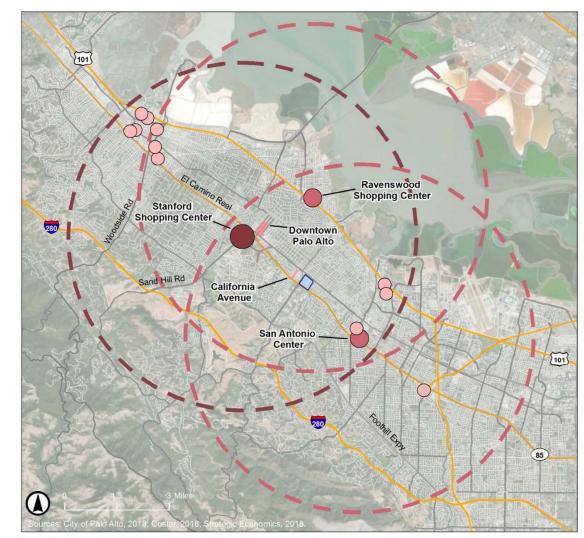




Figure 53: Regional Shopping Centers in the Trade Area

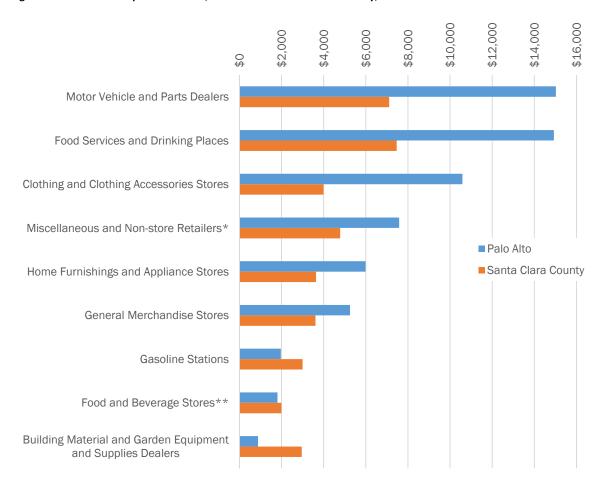
Figure 54: Retail Inventory, Vacancy, and Rent, Palo Alto and Surrounding Communities

| | Inventory (Buildings) | Inventory (SF) | Inventory SF Per Resident | Total Vacancy Percent | Monthly Asking Rent* (\$/sf) |
|----------------------|--------------------------|----------------|---------------------------------|-----------------------------|------------------------------------|
| Palo Alto | 397 | 3,915,124 | 59 | 2% | \$5.51 |
| Menlo Park | 191 | 1,194,457 | 36 | 2% | \$4.91 |
| Mountain View | 362 | 3,985,015 | 51 | 1% | \$3.60 |
| Los Altos | 191 | 1,208,496 | 40 | 2% | \$3.56 |
| Sunnyvale | 413 | 5,132,985 | 34 | 4% | \$2.87 |

^{*} Market data were not available for Stanford Shopping Center.

Source: U.S. Census American Community Survey 2012-2016; Costar, 2018; Strategic Economics, 2018.

Figure 55: Taxable Sales per Household, Palo Alto and Santa Clara County, 2016

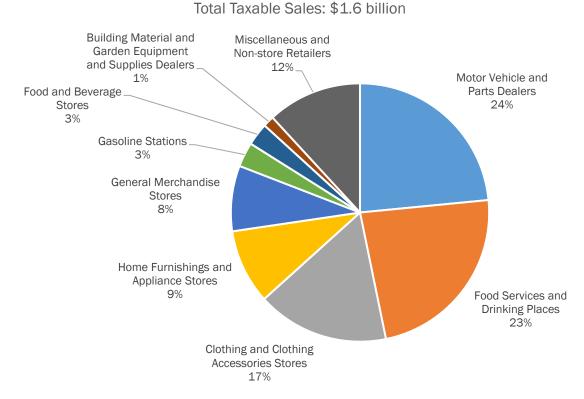


^{*} Miscellaneous retailers include gift and novelty stores, office supply stores, used merchandise stores, florists, and other miscellaneous categories of retail.

^{**} Note that the largest portion of sales in food and beverage stores are non-taxable. Sources: State Board of Equalization, 2016; U.S. Census American Community Survey, 2012-2016; Strategic Economics, 2018.

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Figure 56: Taxable Retail Sales in Palo Alto by Category, 2016



Miscellaneous retailers include gift and novelty stores, office supply stores, used merchandise stores, florists, and other miscellaneous categories of retail.

Sources: State Board of Equalization, 2016; U.S. Census American Community Survey, 2012-2016; Strategic Economics, 2018.

Palo Alto Retail

In addition to the Stanford shopping center, Palo Alto contains three other important retail clusters (Figure 57) within three miles of the Plan Area. Each cluster is described in more detail below:

- University Avenue, a downtown, pedestrian shopping district that features a range retail options, including soft goods and eating and drinking places. It is designated in the Comp Plan as a regional commercial center. As shown in Figure 657, University Avenue generated about \$360 million in taxable sales in 2017.
- Town and Country Village, a neighborhood center of 172,000 square feet, is located at the northern end of Palo Alto's El Camino Real corridor. Town and Country contains a small grocery store (Trader Joe's), a drugstore, and a mix of restaurants and smaller retail and service shops. This center generated about \$60 million in taxable sales in 2017 (Figure 57).

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California Avenue, a pedestrian shopping district and Palo Alto's "second downtown" is located within walking distance of the Plan Area. California Avenue caters to a more local customer base than either Stanford Shopping Center or University Avenue, featuring mostly restaurants and services such as banking and dry cleaning. A Mollie Stone's grocery store and the Palo Alto Central complex are also close to California Avenue and the Caltrain Station. In 2017, California Avenue generated approximately \$140 million in taxable sales (Figure 57).

University Avenue and Town and Country Village command higher average rents than the city overall, while rents in the California Avenue area are about equal to the average. Vacancy rates in all of these centers is four percent or lower (Figure 57).

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Shopping Centers within a Three-Mile Trade Area of **NVCAP**

Center Type

- Neighborhood Center
- Community Center
- **Power Center**
- Regional and Super Regional
- NVCAP 1 Mile Trade Area
- NVCAP 3 Mile Trade Area
- Pedestrian Oriented Retail Districts
- NVCAP Boundary

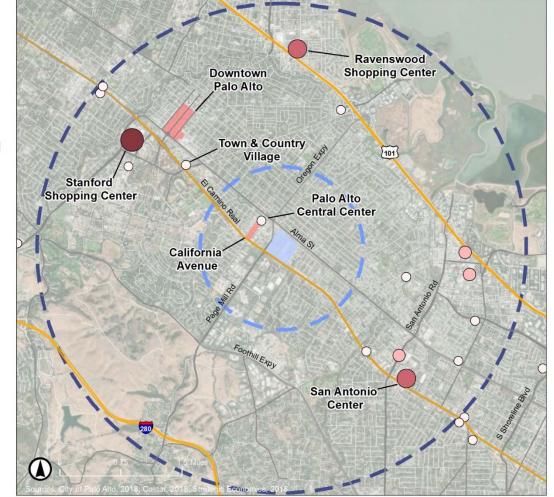
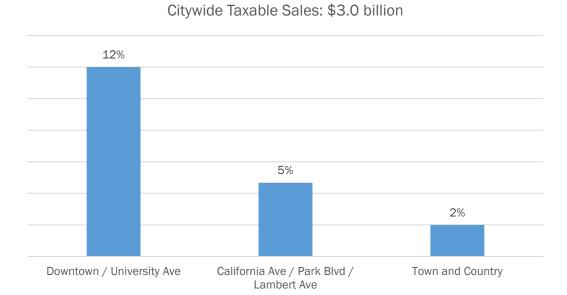




Figure 57: Shopping Centers within a Three-Mile Trade Area of North Ventura Plan Area

Figure 58: Taxable Sales as a Percent of Citywide Taxable Sales* by Retail Center, 2017



^{*} Sales include any taxable business-to-business sales as well as retail sales. Sources: City of Palo Alto, 2017; California Board of Equalization, 2017; Strategic Economics, 2018.

Figure 59: Retail Inventory, Vacancy, and Rent, Palo Alto Major Retail Clusters

| | Inventory (Buildings) | Inventory (SF) | Total Vacancy Percent | Monthly Asking Rent* (\$/sf) |
|-------------------|--------------------------|----------------|-----------------------------|------------------------------------|
| University Avenue | 110 | 777,658 | 4% | \$6.45 |
| California Avenue | 47 | 281,937 | 2% | \$5.45 |
| Town and Country | 5 | 172,360 | 3% | \$6.00 |

^{*} Rents are on a Triple Net (NNN) basis. Source: Costar, 2018; Strategic Economics, 2018.

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Neighborhood-serving Retail Demand Estimate

Because there are a number of existing regional retail and power centers in proximity to the Plan Area, Strategic Economics has concluded that North Ventura is not well positioned to attract a major new retail center. However, based on interviews with local brokers and developers, the Plan Area has strong potential to attract additional neighborhood-serving retail uses that would support new residents and employees in the Plan Area.

Strategic Economics developed an estimate for the additional demand for neighborhood-serving retail that would be supported with the addition of new multifamily housing in the Plan Area. For the purposes of this memo, neighborhood-serving retail is defined as businesses that provide goods and services that people would frequent at least weekly to take care of their personal and household needs. Examples include grocery stores, drug stores, eating and drinking establishments, dry cleaners, and hair salons.

Strategic Economics estimates the demand for new neighborhood-serving retail will be between 14,000 and 25,000 square feet of new retail space (Figure 60). This estimate is based on housing growth of 364 additional dwelling units in the Plan Area, a "realistic" capacity determined from Palo Alto's Housing Element, which considers identified housing opportunity sites and current zoning. Note that if the number of residential units in the Plan Area is above 364 units, the retail demand would increase proportionally with the additional households.

The demand estimate follows the approach below:

- 1. Strategic Economics collected estimates of per household annual spending on neighborhood-serving categories of retail for the City of Palo Alto. These estimates were assembled by Esri, a mapping software and data services provider. To represent neighborhood-serving uses, the following categories of spending were chosen: groceries, dining, alcoholic beverages, non-prescription and prescription drugs, housekeeping supplies, personal care, smoking products, and apparel products and services.
- 2. Next, the total annual spending associated with new household growth (estimated from the Housing Element at 364 units) was calculated.
- 3. Strategic Economics then divided the annual spending by a set of assumptions for average sales per square foot of retail space. Strategic Economics reviewed data published by Baker Tilly, the Food Marketing Institute, and news reports on retail performance to arrive at these estimates. Based on this review of the research, the expected sales per square foot of retail was estimated as a range. For example, restaurant sales generally ranged from \$250 to \$400 per square foot of sales depending on the type of restaurant. This range was used to estimate space needs for retail dining. For other categories of retail, a range of \$500 to \$1000 was used, reflecting the range of sales generated by grocery and general merchandise stores.
- 4. Annual spending was divided by annual sales per square foot for each use to estimate the retail space for each retail category. The high and low values for each category were summed to get total retail demand.

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Figure 60: Demand Estimate for Neighborhood-serving Retail

| Categories | Spending per Household | Total Spending for 364 Households | Sales per SF - Low Estimate | Sales per SF - High Estimate | Retail Demand (sf) - Low Estimate | Retail Demand (sf) - High Estimate |
|-------------------------------|---------------------------|---|-----------------------------------|------------------------------------|--|---|
| Food at Home | \$11,321 | \$4,120,902 | \$500 | \$1,000 | 4,121 | 8,242 |
| Food away from Home | \$8,420 | \$3,064,964 | \$250 | \$400 | 7,662 | 12,260 |
| Alcoholic Beverages | \$1,485 | \$540,362 | \$500 | \$1,000 | 540 | 1,081 |
| Nonprescription Drugs | \$288 | \$104,978 | \$500 | \$1,000 | 105 | 210 |
| Prescription Drugs | \$744 | \$270,732 | \$500 | \$1,000 | 271 | 541 |
| Housekeeping Supplies | \$1,587 | \$577,610 | \$500 | \$1,000 | 578 | 1,155 |
| Personal Care | \$1,145 | \$416,755 | \$500 | \$1,000 | 417 | 834 |
| Smoking Products | \$771 | \$280,546 | \$500 | \$1,000 | 281 | 561 |
| Apparel Products and Services | \$227 | \$82,785 | \$500 | \$1,000 | 83 | 166 |
| Total | \$25,988 | \$7,796,400 | | | 14,057 | 25,049 |

Sources: Retail Goods and Services Expenditures, ESRI, 2018; Baker Tilly, 2014; Food Marketing Institute, 2014; Business Insider, 2014; Strategic Economics, 2018.

Summary of Opportunities and Constraints

This section summarizes the opportunities and constraints associated with developing new retail in the North Ventura Plan Area.

- The North Ventura is not a competitive location for large malls and shopping centers. The map in Figure 57 shows that the trade areas for Stanford Shopping Center, Ravenwood and San Antonio Center all include the North Ventura Plan Area. In addition, the Plan Area is located in close proximity to the California Avenue district and the Mollie Stone's/Palo Alto Central Center, which offer a variety of retail and services for existing and new residents.
- Given the existing supply of retail in the trade area, as well as limited household growth in the Plan Area, North Ventura could support up to 25,000 square feet of additional neighborhood-serving retail. According to brokers and developers interviewed for this study, the retail opportunity in North Ventura is limited to neighborhood-serving retail, such as convenience goods, services, restaurants and cafes. The demand estimate shows potential for between 14,000 and 25,000 square feet of new retail in the Plan Area. The retail space could be provided on the ground floor of new mixed-use developments.
- A "big box" replacement to the Fry's store or suburban mall formats is unlikely to succeed in North Ventura. Nationally, retail is undergoing a transformation from largely "big box" and suburban mall formats to experiential and lifestyle retail. As sales of more consumer products shift online, "big box" and suburban mall retail formats across the country have struggled in recent years. As part of a national shift in retail, Fry's Electronics store likely will not be replaced by a similar large format store. Should Fry's eventually close its business location in North Ventura, retail brokers and developers expect that its current space will be converted to another use, such as R&D or office, or be redeveloped entirely.

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Infrastructure

As an area that is already fully developed, the Plan Area is completely serviced with existing utilities. However, new development may require some upgrades of aging infrastructure and/or new utilities to meet the needs of the increased population and development intensities. As options are developed, additional analysis regarding the utility infrastructure will be provided.

Storm Drainage

Storm drainage facilities in and around the North Ventura Coordinated Area Plan are owned and maintained by the City of Palo Alto's Department of Public Works. The Palo Alto models, provided as part of the City's Storm Drain Master Plan4, splits the storm drain system into three parts. The NVCAP is entirely contained within the Matadero watershed model, consisting of 55 linear miles of pipe (greater than 12-inches in diameter) and four pump stations.

The Matadero Creek Watershed drains to the San Francisco Bay. Figure 61 shows the watersheds in Palo Alto.

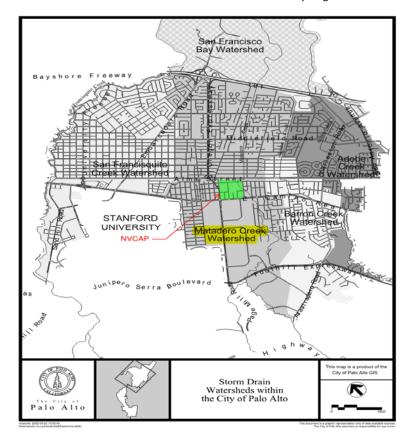


Figure 61: Palo Alto Watersheds

⁴ City of Palo Alto, Storm Drain Master Plan, Schaaf & Wheeler Consulting Civil Engineers, June 2015.

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The North Ventura Coordinated Area Plan falls within FEMA Flood Zone Map Number 06085C0017H, dated May 18, 2009. The majority of the NVCAP is within Flood Zone X (areas of 0.2% annual chance flood, areas of 1% annual chance flood with average depth of less than 1 foot or with drainage areas less than 1 square mile, and areas protected by levees from 1% annual chance flood). The Matadero Creek channel is within Flood Zone A (1% annual chance of flood discharge contained within channel). Figure 62 shows the FEMA Map 06085C0017H, and Figure 63 is the Plan Area within FEMA Map 06085C0017H.

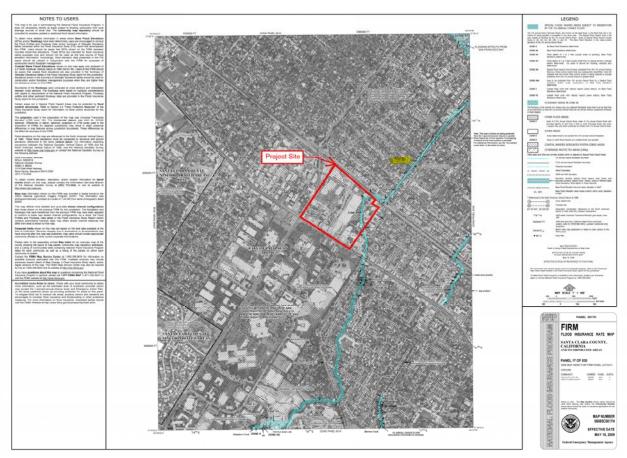


Figure 62: FEMA FIRM 06085C0017H

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Figure 63: FEMA FIRM 06085C0017H, Focused on NVCAP Project Site

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Matadero Creek Channel

The Matadero Creek Channel is maintained by the Santa Clara Valley Water District (SCVWD). The portion of Matadero Creek running through the North Ventura Coordinated Area Plan is contained within a concrete trapezoidal channel, which was built in 1990 from El Camino Real to the Caltrain tracks, see Figure 64.

Where the Matadero Creek channel runs through NVCAP, the existing site has several outfalls connected to the channel, with sizes varying from 12" storm drain inlet connections up to 60" storm drain mains, see Figure 65.

Future development in this area will need to be coordinated with the SCVWD to ensure adequate measures are implemented to reduce impact to the existing channel, and to ensure the plan meets SCVWD standards.

The channel is currently a concrete lined, engineered waterway, and the revised channel area would potentially be landscaped as a natural riparian corridor with native trees, shrubs and groundcovers, including erosion control measures (rip rap or other methods). Some members of the community have expressed a desire to naturalize it. It should be noted that work within the channel requires a permit and coordination with the Santa Clara Valley Water District. Permits will need to be obtained by the responsible party for this revision, if it is desired and permissible by the SCVWD.



Figure 64: Existing Matadero Creek Channel

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Figure 65: Storm Drain Outfalls to Matadero Creek Channel

Storm Drain Findings

The NVCAP consultants have provided the following summary based on the information made available by the City of Palo Alto. As NVCAP options are developed, additional analysis will be performed in order to determine the feasibility of serving the plan area. Per City of Palo Alto's records, the storm drain pipes around the Plan Area were installed between the 1950's and the 1960's, with the exception of the pipes running through the site (between Ash Street and Park Boulevard), which were built in the 1990's. All of the existing pipes are Reinforced Concrete Pipes (RCP). See Figure 66.

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An aspect of this existing conditions memo is to provide a summary of existing conditions within the NVCAP that could impact the future development. When more information has been determined regarding the individual parcels within the NVCAP (i.e. impervious/pervious areas, C.3 treatment provided, etc.), a more detailed analysis can be run with the City to determine whether the City's existing systems may handle the additional capacity. For the purposes of this report, the team has researched the City's reports and found that there are portions of the City's existing system which are currently deficient, which is critical information to start the evaluation once a development is proposed. See below for the list of capital projects to be undertaken by the City in the next few years.

The City of Palo Alto designs the public storm drain system to convey the runoff from a 10-year storm event; creeks and pump stations are designed to convey the runoff from a 100-year storm event. The City of Palo Alto Storm Drain Master Plan by Schaaf & Wheeler concluded the following about the drainage systems within the North Ventura Coordinated Area Plan:

The Matadero watershed analysis for a 10-year storm event shows flooding occurs at 693 of the 1,373 nodes. The model predicts less than 6 inches of flooding at 353 nodes; between 6 inches and 12 inches of flooding occur at 129 nodes; and more than 12 inches of flooding will occur at 212 nodes. A map of the 10-year flooding depths predicted by the analysis is provided in Figure 62.

The information provided above is a summary of the City's current evaluation of its storm drain system. Based on the City's study, it currently has several systems which do not meet the City's 10-year storm design requirements. To resolve this, the Storm Drain Master Plan recommended the following capital projects be performed near the North Ventura Coordinated Area Plan (Figures 69, 70, 71):

- Oregon Expressway Pump Station (Figure 69):
 - o Pump Station is experiencing maintenance issues and requires upgrade to ensure capacity during a 10-year
 - \$320,000 Capital Improvement Cost 0
 - o Existing Capacity: Unknown, Proposed Capacity: 5 CFS
 - City's Priority Level: Moderate
- Page Mill Road (Figure 70):
 - Existing pipes on Page Mill Road lack the capacity for a 10-year storm event
 - o \$1,800,000 Capital Improvement Cost
 - o 74 LF of existing 12" pipe to be upsized to 21"
 - 380 LF of existing 24" pipe to be upsized to 42" 0
 - o 1,407 LF of existing 30" pipe to be upsized to 42"
 - 96 LF of existing 36" pipe to be upsized to 48"
 - City's Priority Level: Moderate
- Portage Avenue (Figure 71):
 - Existing pipes on Portage Avenue lack the capacity for a 10-year storm event
 - o \$420,000 Capital Improvement Cost
 - 6 LF of existing 12" pipe to be upsized to 27"
 - o 556 LF of existing 15" pipe to be upsized to 27"
 - City's Priority Level: Low

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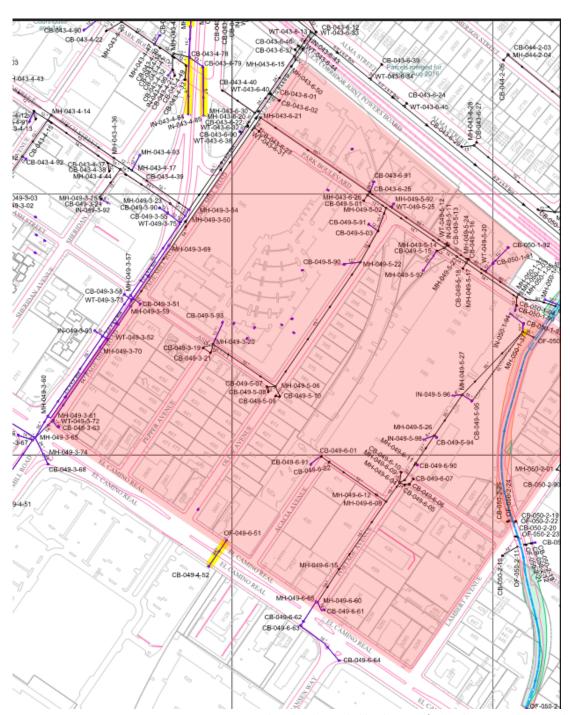


Figure 66: NVCAP Existing Storm Drain System. Produced and provided by the City of Palo Alto to BKF Engineers based on the City's GIS Data on 12/04/2018.

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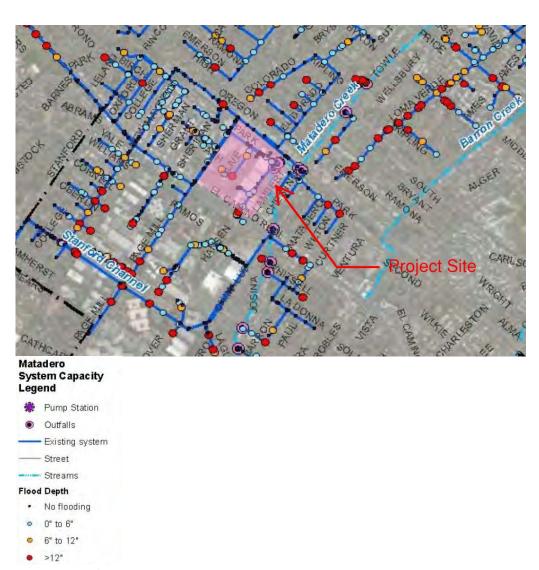


Figure 67: Matadero Area 10-Year System Capacity

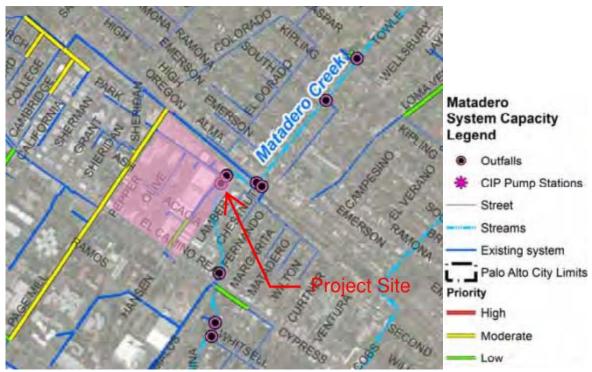


Figure 68: Matadero Area Recommended Improvements

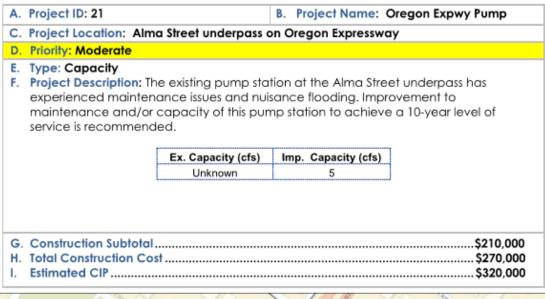




Figure 69: Recommended Oregon Expressway Pump

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A. Project ID: 22 B. Project Name: Page Mill & Alma C. Project Location: Page Mill Rd. between El Camino Real and Alma St. D. Priority: Moderate

- E. Type: Capacity
- F. Project Description: The existing pipes on Page Mill Rd. between El Camino and Alma St. lack the capacity required to convey 10-year storm runoff. Upsizing these pipes to achieve a 10 year level of service is recommended.

| Ex. Diameter (in) | Imp. Diameter (in) | Length (ft) |
|-------------------|--------------------|-------------|
| 12 | 21 | 74 |
| 24 | 42 | 380 |
| 30 | 42 | 1,407 |
| 36 | 48 | 96 |



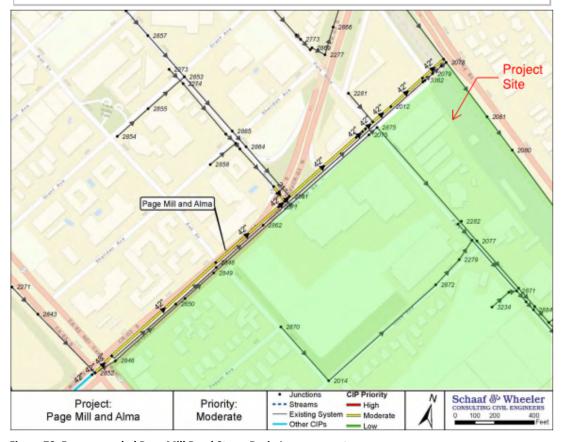
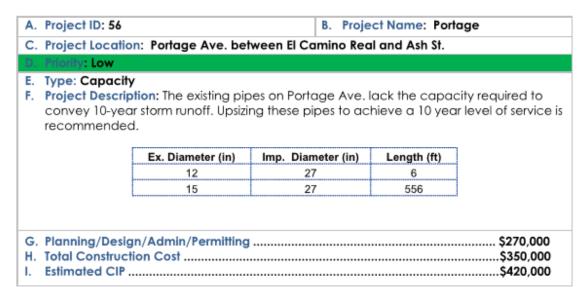


Figure 70: Recommended Page Mill Road Storm Drain Improvements



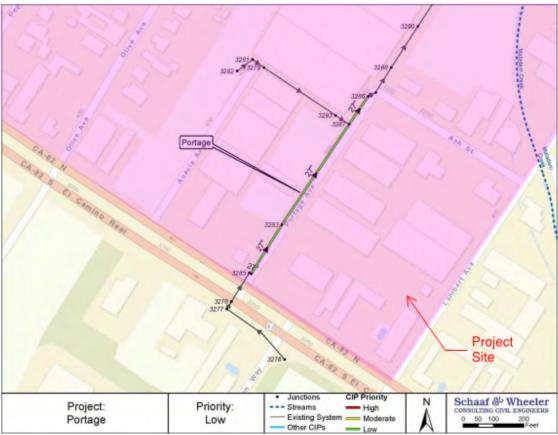


Figure 71: Recommended Portage Avenue Storm Drain Improvements

Re: DRAFT - Existing Conditions and Analysis Memo

A. Wastewater Treatment

The NVCAP consultants have provided the following summary based on the information made available by the City of Palo Alto. As options are developed, additional analysis will be performed to determine the feasibility of serving the future plan area. In future efforts within the NVCAP preparation, the development square footages and locations will be determined, and this information will be provided to the City to perform their analysis of the existing conditions capacity.

The City of Palo Alto owns and operates the existing sanitary sewer mains within and surrounding the North Ventura Coordinated Area Plan⁵. The plan's wastewater will be treated at the Regional Water Quality Control Plant that is operated by the City of Palo Alto in partnership with the City of Mountain View, City of Los Altos, East Palo Alto Sanitary Sewer District, Town of Los Altos Hills and Stanford University.

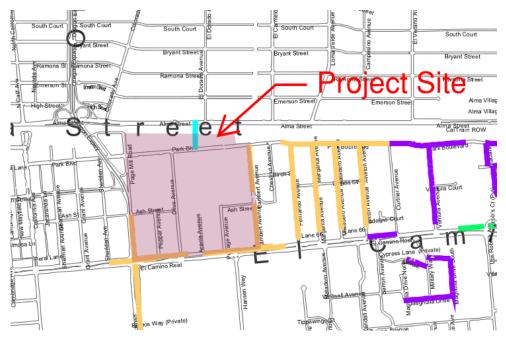
The North Ventura Coordinated Area Plan currently consists of sanitary sewer mains within each public road and between the dead end of Portage Avenue and Park Boulevard. These existing sewer mains vary in size from 6" to 15". There are also two parallel sewer mains in Olive Avenue, (one 15" and one 8"), which connect to two parallel sewer mains in Park Avenue (one 12" and one 15").

The team has researched the City's reports and has identified the existing mains where the system is currently deficient, which is critical information to start the evaluation once a development is proposed. The City of Palo Alto's Wastewater Map shows that there will be upgrades to existing sanitary sewer mains in El Camino Real, Page Mill Road and Lambert Avenue (Figure 72).

⁵ City of Palo Alto, Sanitary Sewer Management Plan, City of Palo Alto Wastewater Ops, 2016.

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Construction Fund

Wastewater CIP Project Plan 2016-2020:



Figure 72: City of Palo Alto Wastewater Main Improvements

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В. Potable Water

The NVCAP consultants have provided the following summary based on the information made available by the City of Palo Alto. As options are developed, additional analysis will be performed to determine the feasibility of serving the future plan area.

The City of Palo Alto's water comes from the City and County of San Francisco's Regional Water Supply System (RWS), operated by the San Francisco Public Utilities Commission (SFPUC)6. This water supply consists almost entirely of Sierra Nevada snowmelt delivered through the Hetch Hetchy aqueducts, but also includes treated water produced by the SFPUC from its local watersheds and facilities in Alameda and San Mateo Counties. As options are developed, additional analysis will be performed to determine fire flow and water pressure.

The water distribution system is operated by the City of Palo Alto Public Works. The North Ventura Coordinated Area Plan consists of existing water mains within the public streets (and between the dead end of Acacia Avenue and Park Boulevard), varying in size from 6" to 12". When additional detailed information is known for each parcel within the NVCAP (i.e. building type, construction type, floor areas, numbers of floors, hydrants required, etc.), then a more detailed fire flow and water analysis will be performed. The City will provide existing flow and pressure to each developer upon request, for use in the individual analysis of each development. Analysis depends on building size, construction type and fire hydrant and fire sprinkler systems, in addition to the existing flow and pressure in the system.

С. Recycled Water

No recycled water is currently available in the study area. Based on the City's Recycled Water Pipeline and Strategic Plan, there will be future recycled water along Oregon Expressway, El Camino Real and Alma Street, however there is no current timeline for when these mains would be installed and when they would become available to the NVCAP. The nearest active recycled water mains are located on the other side of Highway 101 and in Mountain View.

D. **Electrical Utilities**

Based on the Electrical and Fiber Optic Service Maps provided by the City of Palo Alto (Figures 73 and 74), there are existing electrical and fiber optic lines serving the North Ventura Coordinated Area Plan. The existing electrical utilities consist of both overhead and underground lines. There are overhead electric lines serving existing buildings on each road within the NVCAP boundaries. Based on the City of Palo Alto's 2019-2023 Capital Improvement Program, the NVCAP is not within an area that the City plans on undergrounding between now and 2023. However, as part of the NVCAP's conditions, the City and PG&E may require the NVCAP underground all overhead electric lines. Per PG&E Rule 20B, "Undergrounding within Rule 20B is done when the area...involves both sides of the street for at least 600 feet. Under rule 20B, the applicant is responsible for the installation of the conduit, substructures and boxes."

The majority of the existing electrical utilities, including a 60KV electric line and a fiber optic backbone line, run along Lambert Avenue and Park Boulevard to an existing substation, "Park Boulevard Substation" at the corner of Park Boulevard and Lambert Avenue. The Park Boulevard Substation is not within the North Ventura Coordinated Area Plan. When additional

⁶ City of Palo Alto, Urban Water Management Plan, City of Palo Alto Utilities, June 2016

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detailed information has been provided for each parcel within the NVCAP, the developers will work with the City and the parcel's joint trench consultant to determine whether the existing dry utilities serving the parcel will be sufficient, or whether improvements need to be made to the systems serving the parcel.



Figure 73: City of Palo Alto Existing Electrical Utilities Map

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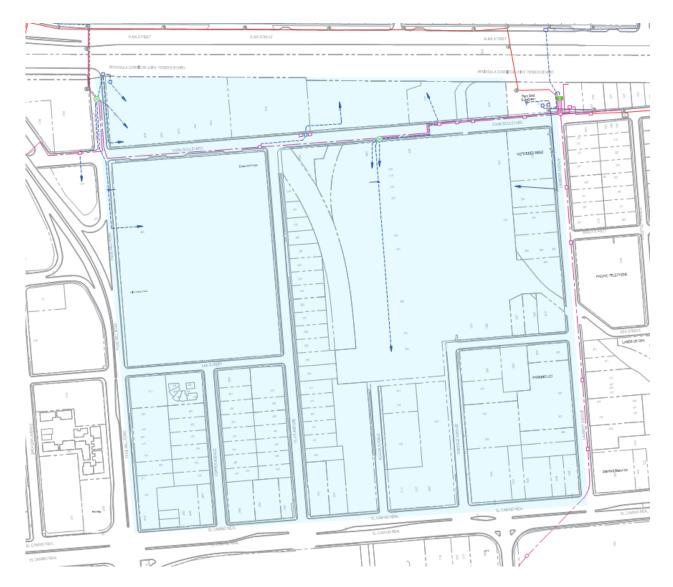


Figure 74: City of Palo Alto Existing Fiber Optic Utilities Map

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E. Gas

Based on the existing underground Map provided by the City of Palo Alto to BKF Engineers on October 29, 2018, there are multiple gas mains servicing the NVCAP Plan Area. The existing gas mains vary in size from 2" to 4", and run within every public street in the North Ventura Coordinated Area Plan. When additional detailed information has been provided for each parcel within the NVCAP, the developers will work with the City and the parcel's joint trench consultant to determine whether the existing gas serving the parcel will be sufficient, or whether improvements need to be made to the gas systems serving the parcel.

F. Soil & Groundwater

The North Ventura Coordinated Area Plan is located within the California Olive Emerson regional plume of volatile organic compounds (VOC) affected groundwater, based on off-site contamination. Chlorinated VOCs associated with this regional plume have been found in soil and/or groundwater samples, as well as vapor intrusion at low concentrations. Additional Environmental reports and design recommendations from the project's Environmental consultant will need to be performed prior to the commencement of design and construction.

References

- 1. City of Palo Alto, Storm Drain Master Plan, Schaaf & Wheeler Consulting Civil Engineers, June 2015.
- 2. City of Palo Alto, Sanitary Sewer Management Plan, City of Palo Alto Wastewater Ops, 2016.
- 3. City of Palo Alto, Urban Water Management Plan, City of Palo Alto Utilities, June 2016.

Project File cc:

[continue list of recipients]



November 30, 2018

Nibedita Das Perkins & Will 2 Bryant Street, Suite 300 San Francisco, CA 94105

RE: Existing Conditions Memo Regarding Hazardous Materials for the North Ventura Coordinated Plan Area

Ms. Das,

David J. Powers & Associates (DJP&A) was asked to provide a overview of the existing hazardous materials issues within the North Ventura Coordinated Plan Area (NVCPA). To assist with this effort, a Screening Level Phase I Environmental Site Assessment (ESA) was prepared by Cornerstone Earth Group in November 2018.

Based on the available information, the groundwater on-site and in the vicinity of the site has been impacted by the California Olive Emerson (COE) plume. The COE plume is a multi-source plume originating off-site from the Hewlett-Packard Company facilities at 395 and 640 Page Mill Road and the Varian Medical Systems, Inc. facility at 601 California Street. These facilities are located upgradient of the NVCPA and are considered open cases, meaning regulatory oversight and remediation are on-going. The Hewlett-Packard facility at 640 Page Mill Road is also on the National Priorities List, meaning it is classified as a Superfund site.

The San Francisco Bay Regional Water Quality Control Board (Water Board) is the lead agency for the COE soil and groundwater investigation and remediation (Order No. 94-130, issued September 21, 1994). In addition, the United Stated Environmental Protection Agency (USEPA) provides the Water Board with technical guidance and support for the Superfund site.

Hewlett-Packard and Varian have performed soil and groundwater remediation activities within the COE area since the 1980s. This has included hundreds of soil borings, cone penetration test borings, and installation of groundwater monitoring wells.

In addition to the COE area, records identified the Varian Study Area which is an approximately 70-acre area bounded by El Camino Real, Page Mill Road, and Hanover Street, within the Stanford Research Park (SRP). Varian previously had manufacturing operations in many of the 15 buildings in this area resulting in soil and groundwater contamination with VOC's. Separate from the COE, the Department of Toxic Substances Control (DTSC) is overseeing remediation and monitoring

activities at the Varian Study Area. Remediation activities within the Varian Study Area are similar to the activities in the COE area.

Based on recent groundwater monitoring data (Stantec, 2018), most of the parcels within the NVCPA are located within the impacted groundwater zone. Contaminants include trichloroethene (TCE) and tetrachloroethene (PCE) in concentrations that exceed the drinking water maximum contaminant level (MLC) of $5.0 \,\mu\text{g/L}$.

In June 2011, the Water Board required Hewlett-Packard and Varian to complete indoor air testing in buildings within the COE area. Multiple rounds of testing were completed in residential and commercial buildings where TCE concentrations in the groundwater exceeded 50 and 100 μ g/L, respectively. None of the air samples contained chemicals of concern attributable to vapor intrusion at levels in excess of long- and short-term screen levels or response action levels. Based on the findings, Stantec concluded that there is no unacceptable health risk to residential or commercial building occupants and the Water Board concurred with this conclusion in January 2015.

The USEPA and Water Board subsequently requested an assessment of indoor air within an expanded testing area (referred to as the Supplemental Assessment Area) which included commercial and residential properties with subsurface construction. During this assessment, none of the air samples contained chemicals of concern attributable to vapor intrusion at levels in excess of long-and short-term screen levels or response action levels. In October 2016, the Water Board approved the findings and stated that no further action on vapor intrusion in existing building in the study area is required.

In September 2015, the USEPA and the State of California completed the fourth Five-Year Review for the site. The Five-Year Review concluded that the cleanup remedy for the site currently protects human health and the environment because exposure to the contaminated groundwater is not currently possible and the vapor intrusion study did not find unacceptable vapor levels in currently occupied living or work spaces. The USEPA has determined that the source location is under control for human exposure but cannot state for certain that migration of contaminated groundwater has stabilized.

Deed restrictions attributable to the COE groundwater plume are in place for drinking water.

The ESA also identified 14 on-site facilities which were listed in the hazardous materials regulatory databases as outlined below.

| Facility Name/Address | Status |
|--------------------------------|--|
| | This site has been determined to be eligible for closure. Due to |
| Park Plaza: 195 Page Mill Road | VOCs at the property, a vapor mitigation system was installed |
| and 2825-2891 Park Boulevard | due to redevelopment of the site. The site has also been |
| | identified as a previous leaking underground storage tank |
| | (LUST) site. Residual petroleum hydrocarbons remain on-site. |

| Southern Pacific: 2901 Park Boulevard | This is an open but inactive case. Records from 1981 indicate a black oily material and elevated metal concentrations in a ditch along the boundary of the property. |
|--|--|
| 3045 Park Boulevard | Prior to redevelopment in the mid 1980's, this property was used as a railroad spur and turn-around point for the Southern Pacific Railroad. The property was then occupied by Stanford BMW/Lamborghini until 2008 and then by Akins Body Shop and Hertz Rental Car until 2015. Petroleum hydrocarbons and metals were detected in the soil above the Water Board's environmental screening levels and VOC's and petroleum hydrocarbons were found in the groundwater. VOC's in soil vapor was also identified. |
| | Redevelopment of the site is currently planned. The case is open and a vapor intrusion mitigation system is included in the design of the proposed building. |
| Lockheed Martin: 3101 Park Boulevard | Contaminants were found in the groundwater from the regional plume and were not attributed to Lockheed Martin. This case is closed. |
| | The site has also been identified as a previous LUST site. Residual petroleum hydrocarbons remain on-site. |
| 423, 433, 441, and 451 Page Mill | These parcels were historically residential properties, but elevated concentrations of pesticides were identified in the soil. Elevated lead concentrations were also identified as well as VOC's in soil vapor and groundwater. Redevelopment of the site is currently planned. The case is open and a site management plan and vapor mitigation plan |
| Stanford Cleaners 2875 El Camino Real | was approved by the Water Board in 2016. An underground storage tank was removed in 1986 and drycleaning equipment was removed in 2010. Soil containing PCE and Stoddard solvent was excavated in 2012 in accordance with the Water Board's approved Remedial Action Plan. Other measures included installation of a vapor intrusion mitigation system and installation of cut-off walls within utility trenches that cross portions of the property. This case is closed. The property has a deed restriction which precludes residential development on this parcel. |
| Sobrato 3001-3017 El Camino Real | This is an open case. Prior occupants included a plumbing supply company, a dry cleaner, a furniture store, a car dealership, an auto wrecking yard, and an automotive repair facility. A portion of the property was also in the railroad right of way. |

| | There are closed LUST cases at 3001 and 3017 El Camino Real, but residual petroleum hydrocarbons remain on-site in the soil and groundwater. Elevated metals have also been detected and VOCs were identified in the groundwater and soil vapor. Redevelopment of the site is currently planned. A Site |
|---|--|
| | Management and Contingency Plan was submitted to the Santa Clara County Department of Environmental Health in September 2018 and includes a vapor intrusion mitigation system. |
| Portage LLC 3111, 3127, and 3159 El | This is an open case. Subsurface investigations identified VOC's in the groundwater and soil vapor. The contaminants were not attributable to the property. |
| Camino Real, and 440 Portage | Redevelopment of the site is currently planned. A site mitigation plan was approved by the Water Board and USEPA in 2014. Agency comments indicate that additional evaluation of potential vapor intrusion concerns is required. |
| Mercer Processing 230 Portage | Mercer Processing, Inc. occupied the site from 1989 to 1999 and conducted freeze drying activities. TCE was used in these operations and impacted the soil on-site. Contaminated soils were removed under Water Board oversight in 2002. A no further action letter was issued, and the case is closed. |
| Bleibler Iron Works 411 Page Mill | |
| Jost Heating & Sheet Metal 412 Olive | |
| Carmean Trust 411 Acacia | These sites have been identified as previous LUST sites. These sites are closed, but residual petroleum hydrocarbons remain on-site. |
| Dura Bond Bearing Co. 3201 Ash | |
| El Camino Center 340 Portage | |

In addition to these site-specific recognized environmental conditions, the entire NVCPA has the potential for residential soil contamination from historic agricultural activities, as well as lead from lead-based paint and metals from the rail operations.

Recommendations to Consider in the EIR

- Preparation and implementation of a corrective action/risk management plan to protect the
 health and safety of future site occupants, and establishment of appropriate management
 practices for handling and monitoring of impacted soil, soil vapor, and groundwater that may
 be encountered during construction. As part of the corrective action/risk management plan, a
 health and safety plan (HAP) should also be prepared for construction workers and other onsite workers.
- Completion of vapor intrusion evaluations for all redevelopment projects within the NVCPA pursuant to the most recent guidance document from DTSC, the State Water Board, and the Regional Water Board. Please note that these agencies are in the process of preparing a supplemental vapor intrusion guidance document to supplement the existing DTSC 2011 Vapor Instruction Guidance and the Regional Water Board's 2014 Interim Framework.
- Preparation and implementation of a vapor intrusion mitigation plan as needed based on the vapor intrusion evaluations.
- Soil sampling be completed along the former railroad track alignments on-site to assess shallow soil contamination levels.

These recommendations are intended to address all recognized environmental conditions summarized in this memo from both off-site and on-site sources of contamination.

If you have any questions or comments on this existing conditions memo, please feel free to contact me at 408-454-3402.

Sincerely,

Shannon George

Principal Project Manager



