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universityandbay.com

November 19, 2020

CITY OF EAST PALO ALTO

NOV 19 2020

PLANNING DIVISION

Jaime Fontes, City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303

Re: Application Submission for University and Bay / "Four Corners"

Dear Mr. Fontes,

Sand Hill Property Company is proud to submit an application for the "Four Corners" site at University and Bay, announced in November 2019. We engaged in a pre-application process from January to August 2020, including robust outreach, several community meetings, and public hearings with Planning Commission and City Council.

This proposal celebrates the vision and goals of the city's previous planning processes and proposes a vibrant, mixed-use "downtown" on a long-vacant site in the heart of East Palo Alto. The proposal includes up to 40,000 square feet of retail, restaurants, and community space, 180 units of mixed-income housing, and 500,000 square feet of life science/laboratory space. We propose a beautiful community building as a centerpiece of the project, with the potential to be a new EPA library.

We are deeply appreciative of the community for their engagement and input on the project. Their contributions helped us understand community priorities, and we have made extensive efforts to address these in our proposal.

The plans reflect community-centered amenities inspired by this input, including a **public "Town Square" in the center of the site**, surrounded on three sides by community-serving restaurants and retail, and on the fourth side by the **community building and potential EPA library**. To honor the unique historic and cultural legacy of East Palo Alto, we have included a conceptual **"Civic Landmark Tower" at the heart of the site** to be a beacon of pride for the community, visible to all who pass on University or Bay. We have also added a **Community/Library Plaza directly across from City Hall** to be a vibrant public space connecting existing civic uses to new community spaces.

The site will be pedestrian-friendly, bike-friendly, and easily and safely accessible by all modes of transportation, and will create a robust TDM program to improve mobility and getting around. The buildings and site layout have been designed deliberately in consideration of the neighborhood. Finally, the project will have a significant positive fiscal impact on the City, **generating over \$65 million in City revenue over the next 20 years**.

Please know our continued commitment to our five community-based core principles for this project:

1. **Respect what came before us**
2. **Create and catalyze a vibrant, mixed-use "Main Street"**
3. **Create places to live and gather**
4. **Improve mobility and access**
5. **Create jobs and local revenue**

Thank you for receiving our application and we look forward to continuing our engagement with the City, our neighbors, and the broader EPA community, and helping realize the community's vision for this long-vacant site.

Sincerely,

Mike Kramer
Sand Hill Property Company

Application for University and Bay / “Four Corners”

November 2020

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View of Public “Town Square” looking towards University and Bay intersection
Pedestrian-friendly slow street in foreground with Civic Landmark Tower and Town Square beyond; housing with ground floor restaurants and retail on left and community building (potential library) on right



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1. University and Bay / “Four Corners” Overview and Project Description

November 2020

Overview

Sand Hill Property Company is pleased to present this application for the “Four Corners” site at University Avenue and Bay Road in East Palo Alto, which we acquired in November 2019.

We intend to develop this site in fulfillment of the vision articulated by the East Palo Alto community. There have been many community processes and public meetings to discuss the future of this site and its neighborhood, most notably and recently the 2017 East Palo Alto General Plan and before that the 2013 Ravenswood / Four Corners TOD Specific Plan. We respect those processes and have built upon them with a robust community engagement and outreach process to hear directly from elected officials, commission members, City staff, neighborhood residents, and the broader East Palo Alto community. We held four community meetings to gather input and seek feedback. Roughly 800 East Palo Alto stakeholders attended and nearly 300 have provided input. We also had two public hearings, with the Planning Commission and City Council.

The General Plan and the Specific Plan call for the creation of a thriving district in the Four Corners area, which we also heard strongly in our community engagement. This includes multi-story mixed-use buildings with retail and community uses on the ground floor, together with housing and employment uses above. The plans call for development to “foster the creation of a ‘main street,’ centered on University Avenue and along Bay Road to enhance the City’s image and identity.” Regarding our Four Corners site, the General Plan specifically seeks to “prioritize the development of the vacant parcel at the intersection of Bay Road and University Avenue as a catalyst project for the City” (p. 4-35). Our community-informed plan for the site complies with the General Plan and responds to community input about specific needs and desires for the neighborhood and site.

About Us

Sand Hill Property Company is a local, family-owned builder, which focuses its work in San Mateo County and Santa Clara County. Founded in 1988, we are headquartered in Palo Alto, with local offices on the west side of East Palo Alto. We have a long-term approach and specialize in community-oriented mixed-use infill development. We have been active in the East Palo Alto community since 2016, as the owner of the Woodland Park Apartments west of Highway 101.

Background¹

This “Four Corners” site at University and Bay has been vacant for over 30 years. We decided to purchase the property after hearing many community members lament, “when will anything ever be built here?” As a property owner and housing provider in East Palo Alto, we have been deeply invested in the city for the past several years, we understand the importance of this site to the community, and we want to help realize the City’s vision for itself.

More than fifty years ago, the University Village Shopping Center was built on this site to serve the neighboring subdivision of the same name. University Village operated for several years with a wide range of tenants, including a local market, cleaners, liquor store, and the East Palo Alto branch of the San Mateo County Library.

The shopping center gradually declined during the 1960s and 1970s. Its name was changed to Nairobi Village in the early 1970s to suggest a new attitude of community spirit, as part of the “Nairobi” movement in East Palo Alto. Unfortunately, stores continued to vacate the shopping center. By 1982, only two businesses remained, a liquor store and a laundromat, and crime became a challenge. Responding to mounting pressure, San Mateo County officials moved to condemn the area in 1982 in preparation for demolition, which occurred in 1989.

Since that time, there have been several owners, and many different proposals for what should be built at the site. However, none of the prior plans have been able to proceed.

Looking ahead, we will partner with the community, in compliance with the General Plan, to create a mixed-use center that serves East Palo Alto.

Community-Based Plans

East Palo Alto has undergone several major planning processes that looked at the University and Bay site, sought community input, and created guidance for future owners. The first planning effort was the Ravenswood / Four Corners TOD Specific Plan, completed in 2013, and it was followed by the East Palo Alto General Plan “Vista 2035,” completed in 2017.

The Ravenswood / Four Corners TOD Specific Plan was developed with the goal of creating a thriving neighborhood and a new “downtown.” It included a section focused on the “Four Corners” subarea near University and Bay, which includes this site as well as several parcels that are adjacent and across the street. It was finalized in March 2013.

The East Palo Alto General Plan, also known as “Vista 2035,” was launched in mid-2013. This was a community-based plan, which included outreach to 71 organizations, and had substantial outreach involving 18 advisory committee meetings, 8 public town-hall meetings, 3 neighborhood

¹ Portions of the local history were adapted from the City of East Palo Alto Historic Resources Inventory Report prepared in 1994 by the San Mateo County Historical Association.

workshops, focus groups, and direct outreach. Its goal was to create “a vision for East Palo Alto for the next 20 to 30 years.” The General Plan was unanimously approved by City Council in October 2016 and finalized in March 2017.

Both the Specific Plan and General Plan provided guidance regarding the University and Bay site and the surrounding neighborhood. The Specific Plan was aspirational, saying “by the year 2035, Ravenswood and Four Corners will become the pride of East Palo Alto. At Four Corners and along Bay Road, new mixed-use development with ground-floor shops will enliven the street and create a ‘downtown’ feeling for pedestrians. Attractive, well-designed buildings and landscaping will also contribute to a sense of pedestrian safety and comfort.”

The General Plan also has a clear and ambitious vision for the area, seeking to “foster the creation of a ‘main street,’ centered on University Avenue and along Bay Road to enhance the City’s image and identity.” Major General Plan strategies include “Create a ‘main street’ on Bay Road” and “Revitalize University Avenue.”

The Specific Plan provided early development parameters for the University and Bay site, which were updated and improved in the subsequent and more comprehensive General Plan. This site is designated *Mixed-Use High* (MUH), which is one of the highest-density designations in the City. It allows 2.5 FAR commercial and 86 units/acre residential, with a maximum height of 8 stories or 100 feet, whichever is greater. As we will discuss shortly, this proposal is significantly below the maximum density, proposing 2.0 FAR commercial and 30 units/acre residential.

There are a wide range of allowable uses in the MUH zone, consistent with the desire for a mixed-use neighborhood. Some of the allowable uses include multiple-family dwellings (apartments), research and development, cultural institutions, park/plaza/open space, public assembly/meeting facilities, retail sales, and eating and drinking establishments.

In 2020, after we acquired this site, the City began discussions about updating certain elements of the Specific Plan, to better reflect new development proposals, consider improving local infrastructure, and to create consistency with the General Plan. As of the submission of this application, this Specific Plan update has not yet begun. We intend to work with the City, as appropriate, regarding the Specific Plan update process.

The following proposal honors the direction from the previous planning processes and responds to community input about specific needs and desires. We conducted a robust community outreach process through most of 2020, and our plans are subject to additional input from the community. We have conducted four community meetings, one in person in February, and three “virtually” in April, June, and August/September and received input from almost 300 EPA stakeholders. During these meetings, we sought to better understand the land use priorities and programming the community envisions for the property and sought input into how to best honor local history and celebrate the diverse cultures of EPA.

Core Principles

Over the past year, we worked closely with residents, community groups, city staff, and local officials to get to know the neighborhood and better understand the community. The knowledge gained from our experiences and interactions, as well as from the prior community-based planning processes like the Specific Plan and General Plan, led us to develop the following "Core Principles" for this project:

1. **Respect what came before us** – Honor and respect the previous engagement processes, planning principles, and the General Plan; recognize and respect local history
2. **Create and catalyze a vibrant, mixed-use "Main Street"** – Combine a wide range of uses in an inviting and complementary way, like retail, restaurant, housing, employment, community-serving uses, and public open space; create conditions to support other local businesses to grow and thrive
3. **Create places to live and gather** – Build a place that can be both a "home" and a "destination;" create mixed-income housing and community gathering places for all of EPA, like a new public "town square," central public plaza, and neighborhood amenities
4. **Improve mobility and access** – Create a safe walkable, bikeable, transit-friendly destination that is easy to move through and around, is connected to the neighborhood, and improves this "heart" of the City for all East Palo Alto residents to access and enjoy
5. **Create jobs and local revenue** – Create an employment and economic engine that provides opportunities for small businesses, employment within the community, and tax revenue for the City and schools

Working from these Core Principles, we created a preliminary site plan, as shown on page 8. Our General Plan-compliant proposal includes approximately 30,000-40,000 square feet of retail, restaurants, and community space, 180 units of housing plus related amenities, and 500,000 square feet of employment uses. Based on our community meetings and stakeholder discussions, we have heard a desire for us to include mixed-income housing that can serve a diverse range of income levels, from affordable to workforce to market-rate. We also heard a preference for employment uses that can provide some job opportunities that are accessible to EPA residents. Therefore, we are proposing the R&D uses of science/laboratory, which contain a wide range of job opportunities across a diverse range of experience and education levels.

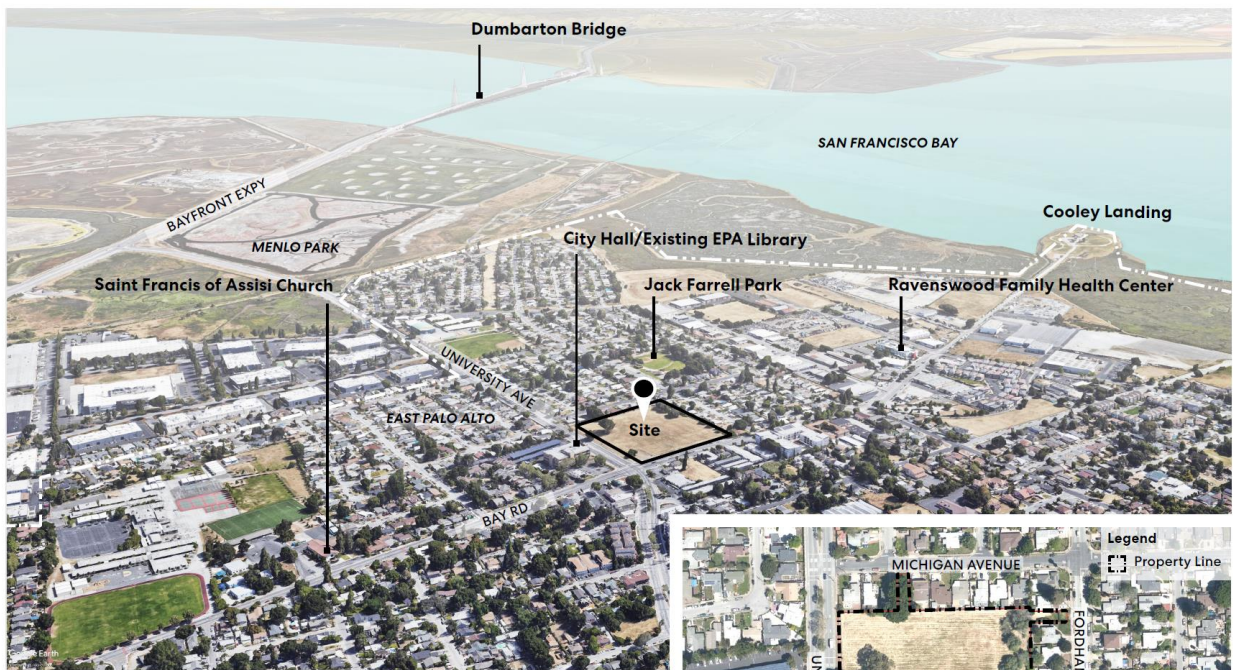
Another desire expressed for the site was for community-serving uses, and we believe that this project has the potential to address a particular current need within the city. During the March 3, 2020 City Council meeting, there was a presentation by the San Mateo County Libraries about the need for a new library branch in East Palo Alto to replace the outgrown facility at City Hall. City

Council directed staff to pursue an already identified site as well as explore alternative sites and prepare a funding plan. After careful deliberation and favorable input from community members, we expressed our interest to City staff to consider a new EPA library at University and Bay.

During the pre-application process, we spoke further with City staff and discussed the library proposal with City Council during the June 30, 2020 study session. We understand that due to challenges with the originally proposed site, this location and proposal may be viable for further consideration. If the City is interested, we may build the core and shell of the building and offer the library a long-term, low- or no-cost subsidized lease. We are open to a range of approaches, and welcome discussions with the City and the County library staff to collaborate on a new library.

This proposal can accommodate a community building for a 20,000 square foot library on two floors or it can accommodate 10,000 of other community, retail, or restaurant uses.

Site Location and Existing Conditions



Site Location



Existing Conditions

The site at University and Bay is approximately 6.1 acres in size. The official address is 1675 Bay Road, with APN 063-111-250. It is vacant except for vegetation and fencing.

Proposed Plans

Consistent with the prior planning processes and the community input we received, we plan to create a vibrant, mixed-use "downtown" at University and Bay. The proposal includes approximately 30,000-40,000 square feet of retail, restaurants, and community space, 180 units of mixed-income housing, and 500,000 square feet of employment uses. At the heart of the plan is a new public "town square" and a central public plaza surrounded by ground-floor retail, restaurants, and community uses. We believe a beautiful community building can be a centerpiece of the project, directly across from City Hall, enhancing the "main street" feeling and building on the existing culture of strong civic use at the heart of town. This has the potential to be a new EPA Library, with similar amenities to those imagined during the recent library visioning process, and we welcome discussions and collaboration with the City and County library staff.

Site Plan



Community Space, Retail, and Restaurants

The previous planning processes and the community input received so far both asked for public space and community amenities for East Palo Alto residents. We believe the new public “town square” and plaza area, alongside the community building (potentially a new EPA library) and across from City Hall, fulfill the vision of many residents as they’ve considered the possibilities of this vacant site for all these years. The public open space will be beautifully landscaped with trees, flowers, greenery, and seating to create welcoming and safe community gathering places. Our pre-application originally discussed partnering with the City on improving city-owned land at the corner of University and Bay. Based on feedback received from the City, we have not included it as part of this proposal at this time, but we are open to further discussion.

The community building is designed to support a new library, which was identified as the most desired community use on the site. We received input about other potential uses during our pre-application process, and if the site is not chosen for the library, we will work with the community to determine another appropriate community-oriented use. This proposal can accommodate a 20,000 square foot library on two floors or, if the site is not chosen for the library, it can accommodate 10,000 of other community, retail, or restaurant uses.



View of Community/Library Plaza across University Avenue from City Hall

Community/Library Plaza in foreground; life science/laboratory space with ground floor retail and community uses on left, community building (potential library) in center, and housing in background

In addition to the community space described above, the proposal also includes up to 20,000 square feet of retail / restaurant uses which supports the creation a new "main street" with ground-floor retail fronting Bay Road, open to the community. Community members suggested uses that would service the needs of the EPA community and draw people to the site, like a sit-down restaurant, pharmacy, café, bank, coffee shop, or convenience store. In response to the community's desire to leverage the site for local EPA businesses, we also plan to include a local and small business marketplace to serve as an "incubator" for East Palo Alto entrepreneurs and small businesses from around the region to get their start or expand to a more permanent and visible space. Based on feedback received in the pre-application process, the proposal also includes vibrant community / retail / restaurant retail space fronting University Avenue, including a public community/library plaza across from City Hall.



Open Space and Public Realm

The previous planning processes called for public open space for East Palo Alto residents. During our community meetings, we heard a desire for places that would bring people together and provide a respite from the urban setting. Participants also expressed a desire for an inclusive, safe, and family-friendly space for people to get together and celebrate EPA’s diverse community.



View of Public “Town Square” looking towards University and Bay intersection

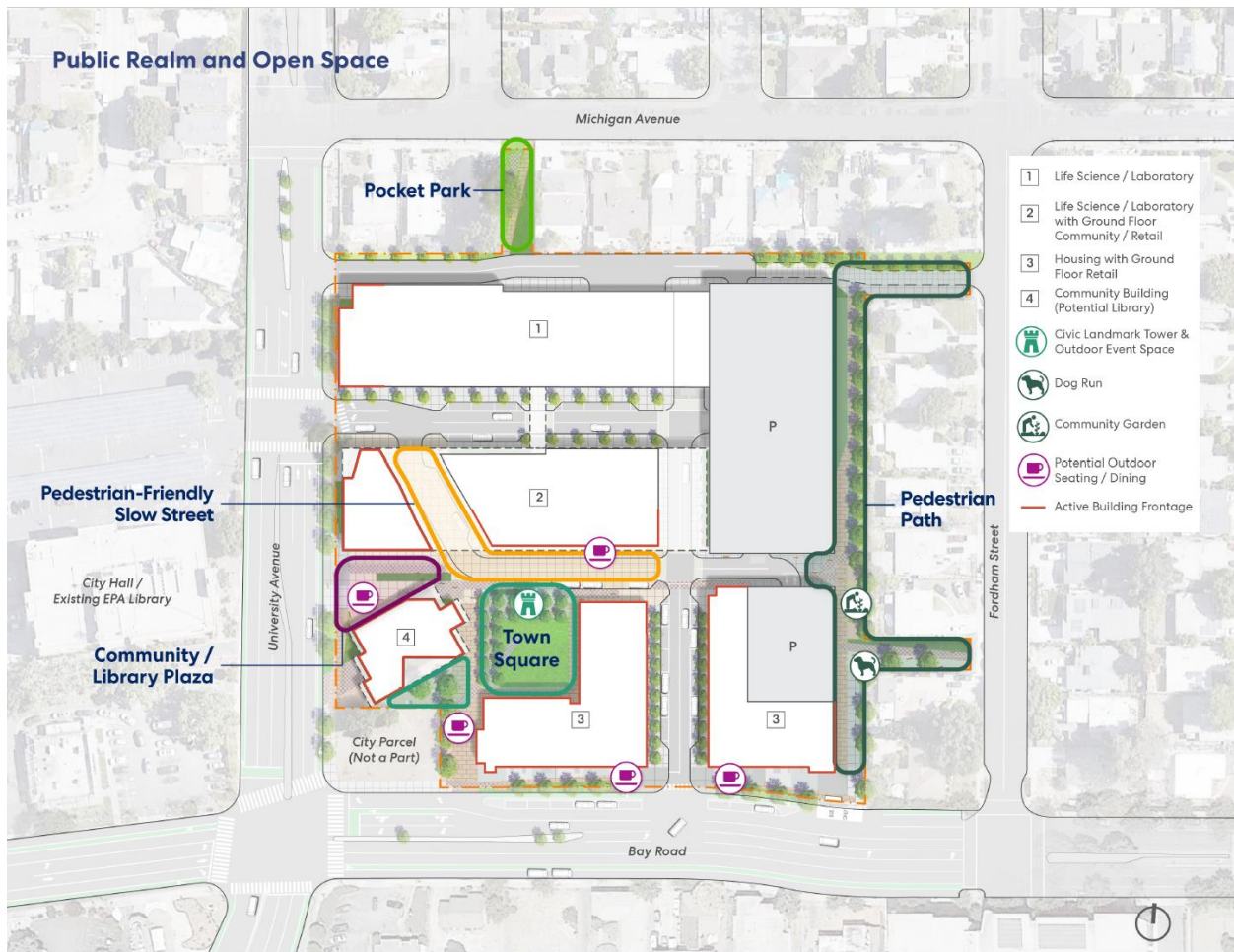
Pedestrian-friendly slow street in foreground with Civic Landmark Tower and Town Square beyond; housing with ground floor restaurants and retail on left and community building (potential library) on right

In response to this, we’ve created a public “town square” in the center of the site, surrounded on three sides by community-serving restaurants and retail, and on the fourth side by the community building and potential EPA library. The Town Square will be beautifully landscaped with native plantings, trees, flowers, greenery, and seating. It will be surrounded by outdoor dining and outdoor community programming, ensuring a vibrant space throughout the day. It will be adjacent to the pedestrian-friendly slow street, making it easily accessible to the entire community.

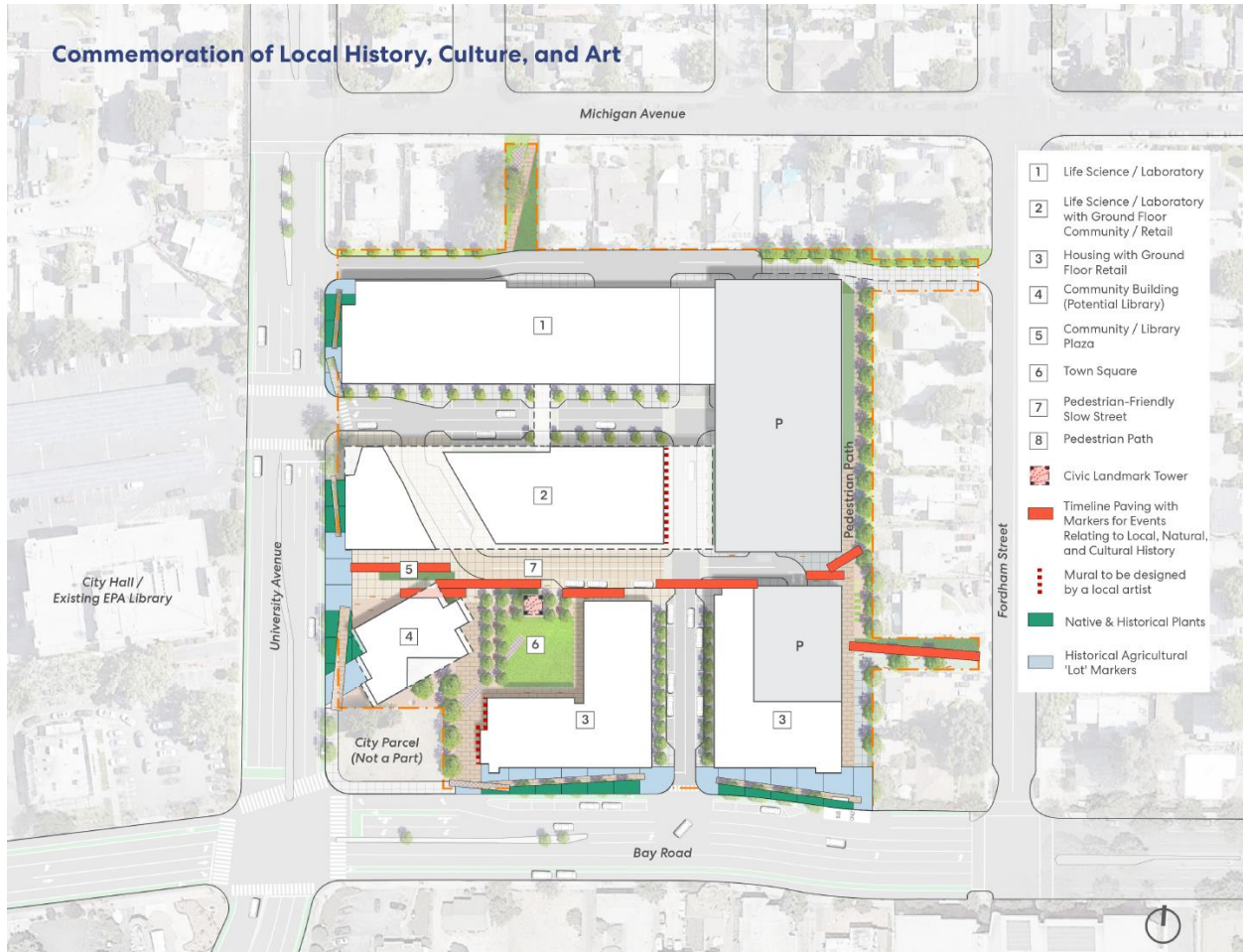
Since submitting the pre-application, we have also added a new public plaza in between the community building and potential library and the ground floor retail and community space on the ground floor of the south life science/lab building. This Community/Library Plaza is directly across from City Hall and can be a vibrant public space connecting existing civic uses to the new community building and potential library.

The community input included a desire for a place that the community can be proud of, which celebrates EPA and represents the sense of community pride they already feel for EPA. Various narratives and authentic voices should be heard and represented to honor the historical significance of the site, including the stories of existing EPA residents and artists. While much of this is still to be designed in collaboration with the community, we have included a conceptual "Civic Landmark Tower" as a placeholder at the heart of the site to be a beacon of pride for the community, visible to all who pass on University Avenue or Bay Road. This signature feature will be created through a community-informed process, and the images shown in this proposal are simply placeholders.

Finally, we will be making significant improvements to the public realm surrounding the site. This includes vibrant new streetscapes and sidewalks on both University Avenue and Bay Road, serving new retail, restaurants, community uses, and site amenities. The eastern portion of the site, facing the University Village neighborhood, will have a landscaped buffer and a pedestrian pathway connecting the site to Fordham Avenue and onward to Jack Farrell Park.



We will also provide opportunities to celebrate local history and local artists throughout the open spaces and the public realm. We are working with Hood Design Studio – an Oakland-based landscape architecture firm with significant experience in East Palo Alto – to help guide the process. Using murals, artistic commemorative elements, lighting, colors, and textures, programming, and green features, we will focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity.



Housing

The community expressed a desire to include housing, and the proposal has 180 apartments of mixed-income housing in two buildings, with ground-floor retail and amenity spaces. These will include a mix of studio, one-bedroom, and two-bedroom apartments. The housing is currently planned as rental apartments, but we are also evaluating the potential of for-sale condos.

The housing is located along Bay Road, across the street from several existing apartment buildings. Increasing housing in this location will help connect it to the surrounding neighborhood and ensure

a vibrant, thriving “main street” feel for the new Bay Road retail and restaurant uses, and the public town square in the center of the site. The housing and its ground-floor retail and restaurants front two sides of the new town square, across from the community building and potential library. Having a critical mass of residents on site, alongside the daytime employment uses, will create a lively environment in the evenings and on weekends.



View from Bay Road looking towards University Avenue

Bay Road pedestrian experience in foreground; mixed-income housing with ground floor “Main Street” restaurants, retail, and residential amenities on right

We are considering several potential approaches to inclusionary affordable housing, to provide housing to a wide range of East Palo Alto residents. Details of the inclusionary housing plan can be found in Section 7.

Life Science / Laboratory

Employment uses, including life science/laboratory space, with ground-floor retail and/or community space, will be along University Avenue. The range of lab and research employment opportunities at all levels will create opportunity for East Palo Alto residents, many of whom have worked in similar roles at Stanford University, Stanford Health Care, or the many local life science companies in the region.

The previous planning processes had a vision “to transform the area into a vibrant, walkable, mixed-use destination with a significant increase in employment.” However, in our community engagement, we heard a desire for something other than office space for large technology companies, with the aim of providing job opportunities for East Palo Alto residents.

Sand Hill Property Company has substantial expertise in life science, and is one of the largest providers of life science and laboratory space in Palo Alto. In light of recent workplace changes due to the COVID-19 pandemic, and an increased demand for vaccine and treatment research, the Peninsula has become a growth area for life science employment at all levels.

During our community outreach and public hearings, we heard from several EPA residents who have had successful careers in life science. They often benefitted from in-house training and internal career progression, even if they did not already have life science experience. This reflects data showing that there are many life science jobs that do not require a college degree, and employees can be successful with a high school diploma or equivalent. We’ve spoken with JobTrain and local community college administrators about the potential for job training and educational programs related to life sciences, and several organizations are eager to serve the EPA community.

Additionally, the layout and use of life science and lab space creates less demand for parking than other employment uses, like high-tech office.

Being a good neighbor

The property will be a good neighbor and a valuable addition to the neighborhood. We made a special effort to reach out to and get input from the surrounding University Village neighborhood and especially our immediate neighbors, including several mailings from us and from the City. We received input during the pre-application process, and held a community meeting in August and September to get further suggestions on how the project can best be a good neighbor.

The buildings are set back at or beyond the code-required distance from single-family homes. The setback area will contain trees and vegetation to create an appropriate buffer, and buildings will have attractive architecture and screening to present a pleasant façade to the neighborhood.

Based on feedback during the pre-application process, we have added “green” vegetative screening to several building facades, including the garage. We have also removed the residential driveway connecting to Fordham Street and replaced it with a bike- and pedestrian-only neighborhood connector, to reduce vehicular traffic on local streets. Finally, based on feedback from the City, we have reworked the design of the buildings to be more sensitive to their neighbors, including varying facades, stepped-back upper floors, and changes in massing.



View from the University Village neighborhood (corner of Fordham Street and Bay Road)
Fordham Street and existing homes in foreground; mixed-income housing with ground floor restaurants/retail beyond, “green” landscaped parking garage adjacent

Mobility, Access, and Circulation

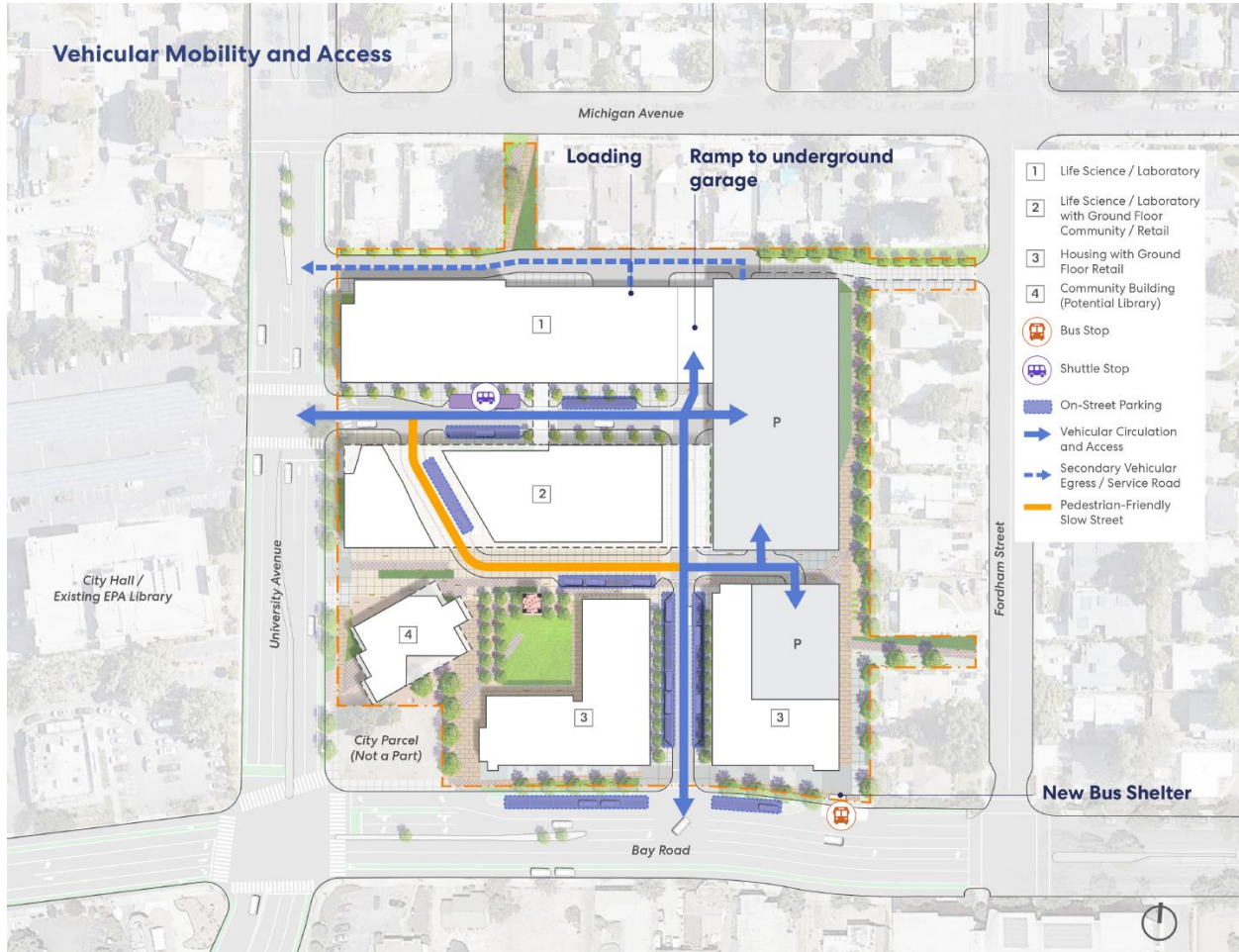
The site will be pedestrian-friendly, bike-friendly, and easily and safely accessible by all modes of transportation. It will provide beautiful public open space, community uses, and convenient retail and restaurant options all within a few blocks from many apartment communities, single-family neighborhoods, nearby businesses, and community institutions. The site will be a quick walk or bike ride from the many surrounding neighborhoods, most local schools, and only a short walk from Jack Farrell Park.

All vehicles will enter the site from either Bay Road or a newly signalized intersection on University Avenue, aligned with City Hall. There are three pedestrian and bike-only neighborhood connectors on Michigan Avenue and Fordham Avenue. We expect to complete a full traffic study as part of the City’s environmental review, and will implement any mitigation measures the City requires.

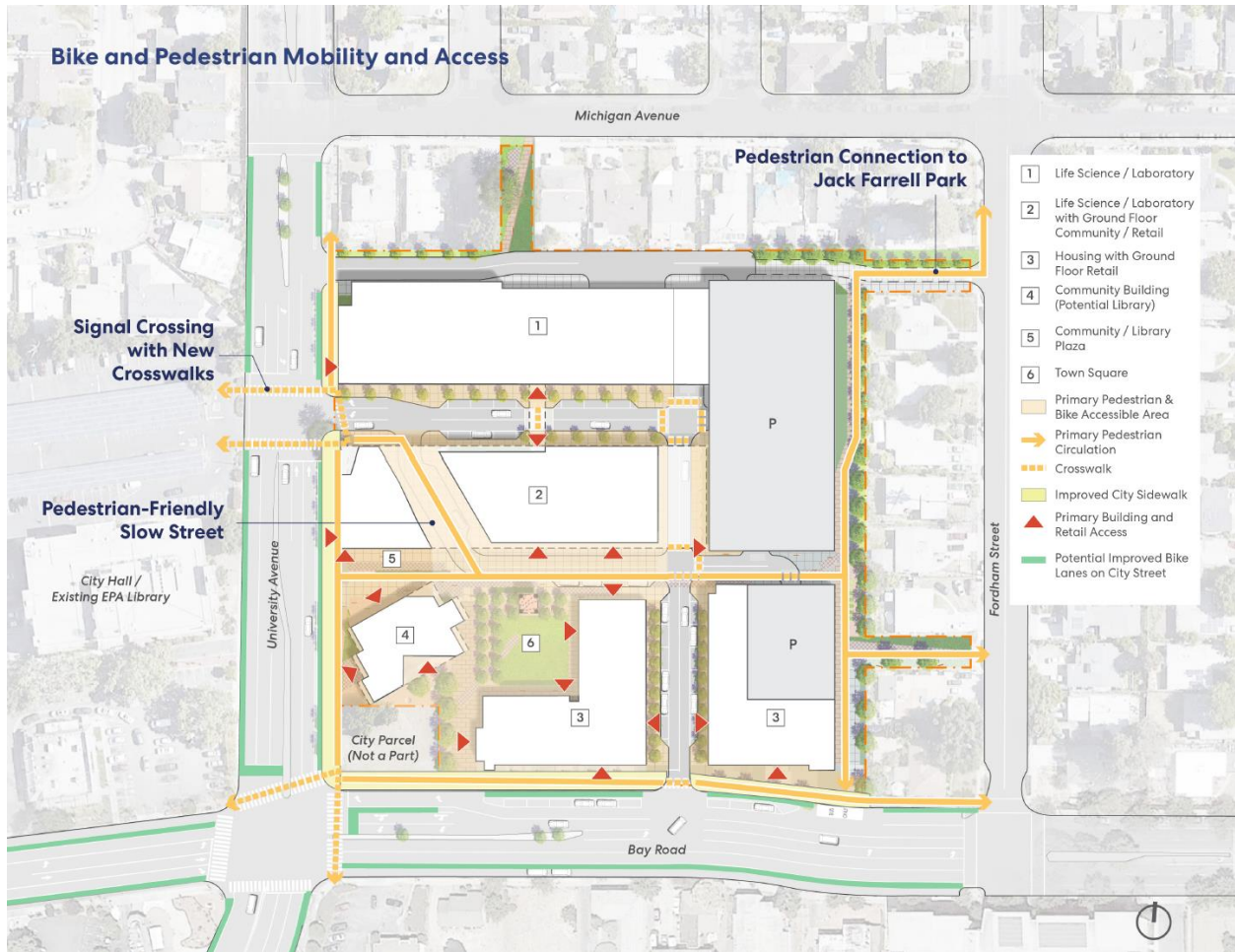
Inside the site, it will also be easy to move through and around on a series of internal streets and paths. There are two main internal streets for bike and vehicular access – an east-west street connecting to the new signalized intersection on University Avenue, and a north-south street connecting to Bay Road. There is also a pedestrian-friendly slow street through the center of the site, which will bring foot-, bike-, and slow car traffic into the Town Square area, surrounded by

ground-floor retail, outdoor dining, community uses, and a vibrant public open space. There will be several designated curbside ride-share pick-up and drop-off locations to facilitate fewer single-occupancy vehicle trips.

The site will also be transit friendly, with measures to reduce vehicle trips. We are planning for locations to accommodate local transit or commuter shuttles for the on-site employees and will be building an updated bus stop on Bay Road, in coordination with SamTrans.



The central location of the site makes it easily bikeable from most EPA neighborhoods, and we will work with the city to improve local roads to increase or improve bike lanes around the site. There will be significant amounts of secure bike storage throughout, and locations for self-bike repair.



Parking

Sufficient parking will be provided at grade on internal surface streets, in a parking structure at the northeast corner, and through one level of underground parking across the site.

Since this is a mixed-use site, it is possible to share some spaces since peak demand timing for each use varies. For example, housing parking is in higher demand in the evenings and weekends, but laboratory parking is in higher demand during the weekday workday. Regardless, we intend to provide more spaces than are required by the East Palo Alto Development Code, without any reduction for sharing. Therefore, space sharing will increase the surplus parking.

See the table below for a comparison of the code required parking amount vs. this proposal:

Land Use	Size ¹	Required Ratio <small>Dev. Code §18.30.050</small>	Required Spaces	Proposed Spaces ²	Compliant?
Life Science/ Laboratory	394,800 s.f.	1 / 500 s.f.	790	880	Yes
Housing	180 units		300	300	Yes
Studio	45 units	1 / unit	45		
One Bedroom	80 units	1.5 / unit	120		
Two Bedroom	55 units	1.8 / unit	99		
Guests	180 units	0.2 / unit	36		
Retail/Community (Multiple-tenant center)	22,500 – 30,000 s.f.	1 / 250 s.f.	90 - 120	120	Yes
Total			1,180 - 1,210	1,300	Yes

¹Floor area excludes service and non-public areas per 18.30.050
²Some may be undesignated or available for more than one use, since mixed-use peak demand timing may vary (lab vs housing vs retail); includes surface parking in site interior, parking structures, and underground garage.

Community Engagement and Next Steps

Sand Hill prioritizes community engagement. We know that community engagement is more than just one-time or short-term community outreach. We have assembled a bilingual community engagement team so that we can communicate more effectively. We are committed to creating long-term partnerships with neighbors, residents, and community members to ensure meaningful improvements to the quality of life in the neighborhood. This commitment is not just for the sake of this proposal; it is something we prioritize in all our work in East Palo Alto. Our team is working to communicate openly, learn about the neighborhood’s needs, create opportunities to strengthen community, and build relationships with residents and community stakeholders.

In the past year, we have held four community meetings (one in-person, three online) and participated in two public hearings, with East Palo Alto Planning Commission and City Council. Our community meetings had roughly 800 attendees, and we received input from nearly 300 respondents. Section 2 provides an overview of each community meeting, and detailed reports about each community meeting can be found at universityandbay.com/community-input/.

We have also created a website (universityandbay.com) to advertise these public meetings, receive questions and comments, and share information about the project.

We will continue to communicate about the proposal and hold community meetings as appropriate, including one planned for early 2021. We continue to seek input and feedback from the East Palo Alto community – this proposal will be subject to change based on what we hear and learn. Finally, we will work closely with city staff, local agencies, and public officials regarding the processing and review of this application.

Transparency and Documentation

Part of our commitment to community engagement is providing transparency and ample documentation about everything we discuss. Every community meeting has been thoroughly documented (see Section 2) and we provide handouts whenever possible, so residents and neighbors can take something home to discuss and think about.

As such, this application is a large document. Our preference is to err on the side of including thorough information and explanation. The remainder of this document includes:

- An overview of our community engagement strategy and efforts
- Fiscal impact analysis about net positive financial impacts to the City
- Analysis of our compliance with planning principles and development standards, and technical legal information about required approvals and entitlement mechanisms
- An inclusionary affordable housing strategy
- Reports and documentation as required as part of the application process
- Responses to city and community feedback during the pre-application process
- Details of compliance with the General Plan and Specific Plan principles

This narrative document provides context for two other application documents, submitted separately:

- City of East Palo Alto Universal Planning Application and Checklist
- Application Plans prepared by our architects, landscape architects, and engineers

A copy of these documents and a high-resolution version of this document can be found here:

<https://www.dropbox.com/sh/p8yw40lgmymbdpz/AAAeCBqXvwEed6gn2XIO-gFwa?dl=0>

Conclusion

We are pleased to present this application for a vibrant new mixed-use "downtown" at University and Bay. We look forward to working with the City on the review of this proposal, and continuing our engagement with neighbors, community members, and other stakeholders about the "Four Corners" site.

2. Community Engagement Strategy

Date: November 2020

To: Mike Kramer (Sand Hill Property Company)

From: Liz Ogbu (Studio O) and Emily Weinstein (Emily Weinstein Consulting)

Subject: University and Bay / “Four Corners” Stakeholder Outreach and Community Engagement

Introduction

Sand Hill Property Company (SHPC) has a deep understanding of the history of the Four Corners site and the importance of this project to the residents of East Palo Alto. In keeping with that and the company’s commitment to creating community centered processes in its East Palo Alto work, an integral component to the Four Corners project is the involvement of the East Palo Alto community throughout the project’s life, from predevelopment to development to its ultimate ongoing usage, operations and programming.

With over 5 years in the community, providing housing on the West side and building relationships throughout East Palo Alto, Sand Hill Property Company is invested in the long-term success and culture of East Palo Alto. Working with Studio O and Emily Weinstein Consulting (detailed information about the team can be found at the end of this section), there has been a commitment to listening and responding to the community and City’s hopes for this project. The stakeholder outreach and community engagement process for Four Corners is grounded in the idea that SHPC and its consultant team must first and foremost honor the City’s previously held processes and public meetings to discuss the future of this site and its neighborhood, most notably the 2013 Ravenswood / Four Corners TOD Specific Plan and the 2017 East Palo Alto General Plan. The goals of the Four Corners’ community engagement process to date have been to build upon the community preferences articulated in those previous engagement processes and dive deeper into the community’s aspirations for this site by soliciting input on the design, programming, land uses, public spaces, project character, and placemaking/placekeeping elements. All of this has laid the foundation for the current project proposal.

This report details our approach to stakeholder outreach and community engagement and the highlights from this process. In the past year, we have held four community meetings (one in-person, three online) and participated in two public hearings, with East Palo Alto Planning Commission and City Council. Our community meetings had roughly 800 attendees, and we received input from nearly 300 respondents. This section presents a summary of the outreach that has been conducted for the community meetings, and an overview of the input and feedback received at each community meeting. More detailed reports from each community meeting, along with the meeting videos and materials, can be found at the project website’s community input page: universityandbay.com/community-input/.

Stakeholder Outreach

Since SHPC purchased the property, we have worked with them to connect with city residents, community groups, city staff, and local officials, including four community meetings (one in person and three virtual due to COVID-19) to seek input on community priorities, site uses and design, programming, and public space elements. We also worked with SHPC to create a website (universityandbay.com) to advertise these public meetings, receive questions and comments, and share information about the project.

To ensure broad stakeholder participation in the community meetings, we conducted a variety of outreach efforts in English, Spanish, and Samoan. The goal of this outreach was two-fold:

1. To keep the community in the loop on the project, and
2. To solicit input on the project both on- and off-line.

Given the in-person restrictions of COVID-19, we also created a way for community members that were not comfortable with technology to call our Community Engagement staff to learn more about the project and provide feedback.

Outreach methods included:

Meetings

- In person and virtual community meetings
- City staff and City Council meetings
- Targeted outreach to underrepresented communities including Pacific Islander and Westside residents
- Stakeholder and key leader meetings

Communication

- Hard copy and digital postcard invitations for community meetings
- Mailings to all neighbors within 300 feet of the site
- E-mail invitations to distribution lists
- Letters to site-adjacent neighbors
- Posts on social media
- Project website
- Announcements during public comment at public hearings
- Paid newspaper advertisement
- Announcements in the weekly City newsletter

Selected Stakeholder Outreach Examples

Digital postcard invitations

Newspaper advertisement

E-mail invitation

Letter to neighbors

Project website

Community Engagement Meetings

Community meetings have been an integral part of the Four Corners project’s robust community engagement process. Below is a list of the public community meetings (one in person and three on-line) held to date and an overview of the meeting’s purpose. A full summary of each meeting and the overarching trends and takeaways that emerged from the interactive activities and online surveys for each meeting can be found at universityandbay.com/community-input/.

1. Community Meeting #1

ENVISION THE FUTURE!

Join us for a
COMMUNITY MEETING
to discuss the future of the
"Four Corners" site
at University and Bay!

February 11th from 6:30-8:30pm
East Palo Alto Senior Center
560 Bell Street, East Palo Alto


Light refreshments and Spanish
interpretation will be provided

Questions?
Contact us at universityandbay.com

Sand Hill Property Company recently purchased the long-vacant
land at the corner of University Avenue and Bay Road.

This important location was designated by the community in the
Specific Plan and EPA General Plan to become a vibrant mixed-use
neighborhood.

Please come to the public meeting on Tuesday, February 11th to
share your ideas and learn more about the design and planning
process for this exciting project.

 SAND HILL PROPERTY COMPANY

¡VISIÓN AL FUTURO!

¡Acompañanos a
UNA JUNTA COMUNITARIA
para hablar del futuro del sitio
"Las Cuatro Esquinas"
en University y Bay!

EL 11 de febrero de 6:30-8:30pm
East Palo Alto Senior Center
560 Bell Street, East Palo Alto


Refrigerio ligero
se ofrecerá interpretación en español

¿Preguntas?
Contáctenos a universityandbay.com

Sand Hill Property Company recientemente adquirio este sitio de
mucho tiempo vacante en la esquina de University Avenue y Bay Road.

Este importante lugar fué designado por la comunidad en el Plan
Especifico de EPA para llegar a ser un lugar vibrante y de multiusos en
este vecindario.

Por favor venga a la reunión pública el martes 11 de febrero para
compartir sus ideas y aprender acerca del diseño y proceso del plan de
este excitante proyecto.

 SAND HILL PROPERTY COMPANY

Overview of Community Meeting #1

This meeting was held in person on February 11, 2020 at the East Palo Alto Senior Center. The meeting included an introduction to the project team and an acknowledgment of the site’s important history and previous planning efforts. In this meeting, the community was asked about their desires for the site, the historical significance of the site and how best to create a downtown experience.

Community Meeting #1 Participation Data

- Approximately 80 participants from the community:
 - Approximately 30 people from neighborhood around University & Bay intersection
 - Approximately 15 people from the Westside
 - Approximately 15 people from other neighborhoods within EPA
 - Approximately 10 people from outside of EPA
- Approximately 25 people work in EPA
- Approximately 10 people work West of EPA
- Approximately 10 people work North of EPA
- Approximately 7 people work South of EPA



Community Meeting #1 Themes and Takeaways

- **Acknowledgement of History:** The majority of participant’s memory of the site is from the period between 1970’s-1980’s. There is a nostalgia for some of the small businesses, the family environment and the venues that were there. Other notable stories that others wanted to see included acknowledging the Native American history of the area, the site’s agriculture past, and the Latino experience in East Palo Alto.
- **A Place to “Take my Wife”:** The land use that participants most want to have is a café/restaurant and the experience that participants most want to have in the heart of EPA is to eat. Many participants followed up their vote with comments about wanting a nice place where they can have a sit-down meal, where they can enjoy a glass of wine, and where they can go for special occasions that still feels like their community.
- **Bringing People Together:** The second most popular experience that participants want in the heart of EPA is a place to gather. The image related to this experience was of people playing music in a public plaza which many people noted was something missing from EPA now—a place that brings the diversity of EPA together where music and culture can be shared.

- **Housing Diversity:** The second most popular land use that participants wanted was “Housing.” Notes and conversations related to housing demonstrated a desire for a variety of housing types from affordable housing, workforce housing, missing-middle housing, to market-rate housing.
- **Bringing Jobs to EPA:** Many participants want to see job opportunities incorporated into the project. Some participants expressed a desire for uses like offices or labs to be connected to local employment opportunities.
- **Quality of Life Resources:** Parking, retail and a community use were all land uses that participants also noted as important features for the future site. Participants are looking to the project to provide resources to improve their day-to-day quality of life.
- **A Desire for a Park & Open Space:** Many participants took the opportunity to provide additional notes about the desire for a park and open spaces, particularly places that would bring people together and provide a respite from the urban setting.



2. Community Meeting #2



Four Corners Community Meeting #2

In November 2019, Sand Hill Property Company purchased the Four Corners site located at the intersection of University and Bay. This important site in the center of East Palo Alto has sat vacant for over 30 years. Now, following the guidance of the community-based Specific Plan and General Plan, we are conducting a series of community meetings to help design and plan for a mixed-use neighborhood to meet the needs of the East Palo Alto community and fulfill the vision set out by the previous planning processes.

Our original plan was to hold Community Meeting #2 in person. However, given concerns about COVID-19 and the county health orders, we have created a "virtual" community meeting online. Our online meeting includes a video presentation and a community input survey. Thank you for joining us for Four Corners Community Meeting #2!

If you haven't watched the presentation, please watch the video here first before taking the survey. If you've already watched the presentation, please continue to the next page to begin the survey.



At the Four Corners site we want to build a mixed-use neighborhood that meets the needs of the East Palo Alto community and fulfills the vision of the Specific Plan and General Plan for a mix of uses in the heart of the City. Below is an image that shows how a mixed-use development could look in East Palo Alto.



WHAT TYPES OF PLACES DO YOU WANT?

From Community Meeting #1 we understand that community members desire places to eat, gather, shop, socialize, learn and live. Below are some ways that we can provide those places. Please select all the images that you like.

A PLACE TO EAT



Restaurant



Food Trucks

ENVISION THE FUTURE!

We want your input!
Help us continue the Four Corners conversation
by joining us for an online community meeting #2.

PLEASE JOIN THE CONVERSATION...

Visit the website:
www.universityandbay.com
between April 16th-April 30th
to learn more about the project
and provide your input

The online meeting will include:

1. A recap of the input received from Community Meeting #1
2. An update on the Four Corners project and timeline
3. An opportunity to provide feedback on how we honor the history of the site, build a project that is an asset to the community, create open space for the community .

If you'd prefer to discuss the project by phone, or are not comfortable with technology, please contact Teresa Morales at 650-690-6199
Please feel free to contact us with any questions, concerns or comments.

¡VISIÓN AL FUTURO!

ÚNASE A ESTA CONVERSACIÓN...

Visite el sitio web:
www.universityandbay.com
del 16 de abril al 30 de abril
para saber más del proyecto y para
continuar ofreciendo sus ideas.

¡Queremos sus ideas!
Ayúdenos a continuar la conversación
de Four Corners uniéndose
a la reunión comunitaria #2 online.

La reunión por computadora online incluirá:

1. Repaso de la información recibida de la Reunión Comunitaria #1
2. Lo más reciente en el Proyecto Four Corners y las fechas para cada paso en el proceso.
3. Una oportunidad para proveer información y opinión de como se debe honrar la historia del lugar, construir un proyecto que es de beneficio a la comunidad, y crear un espacio al aire libre para la comunidad.

Si usted prefiere conversar acerca de este proyecto por teléfono, y prefiere evitar la reunión de tecnología online,
llámenos a Teresa Morales al 650-690-6199
Por favor llámenos con confianza y comparta cualquier pregunta, preocupación o comentario.

SPP SAND HILL PROPERTY COMPANY



Reunión Comunitaria #2 de Four Corners

Overview of Community Meeting #2

Due to health and safety concerns related to COVID-19, community meeting #2 was done through an online format. The virtual community meeting included a video presentation, online resources and project content, and an interactive survey. The meeting was made available to the public for a two-week period between April 16-30th. In this meeting, the community was asked to provide input on programming, historical commemoration, and open space character.

Community Meeting #2 Participation Data

- 68 survey responses (64 in English; 4 in Spanish)
- 223 unique visitors
- 75% of survey participants live in EPA
- 51% of survey participants work in EPA

Community Meeting #2 Themes and Takeaways

Based on an analysis of the online survey results, the following themes and takeaways emerged as the most significant feedback from Community Meeting #2. This information will help guide future programming, design, and planning decisions for the Four Corners project.

- **A hyper-local focus:** Participants are very focused on ensuring that the project is designed and programmed to benefit current EPA residents and the City of EPA. Not only do participants think that the retail, housing and jobs should be designed to serve the existing community, they also want to leverage the project to keep EPA resident's money within and provide greater revenue and tax base for the City of EPA.
- **Keep it close:** Participants are tired of having to go outside of EPA to eat, work and play. The Four Corners project provides an opportunity to provide diverse eating, shopping and gathering space that can not only build a sense of community but can also increase tax revenue for the City and opportunities for EPA residents.
- **Centering community pride:** Participants want a place they can be proud of that represents the sense of community pride they already feel for their community and EPA. Many participants noted that there is not an inclusive, safe space where diverse groups and families can come together in EPA. Creating spaces that promote community building will entice people to the project and allow for programming that celebrates the existing culture of EPA and can leverage the pride that is already there.
- **Opportunity for authentic artists & placemaking:** Participants made it clear that various narratives and authentic voices need to be heard and represented in order to honor the historical significance of the site. Respondents want to leverage the stories of existing EPA residents and artists to bring these stories to life through open space programming, landscaping, community spaces, and art, particularly murals.

- **The importance of a restaurant:** 90% of participants selected the image of a restaurant as their preferred type of place to eat. Several responses also noted the importance of a restaurant to provide a more diverse, special, family-friendly eating experience that is not currently available in EPA.
- **Gathering & social spaces:** The most preferred gathering space selected by survey participants is a public event space. Many comments expressed the need in EPA for an inclusive, safe, and family-friendly space for larger groups of people to congregate, have musical performances and celebrate EPA's diverse community. Participants also requested spaces that encourage social interaction and community building such as a community garden, outdoor meeting rooms and family play spaces.
- **Fresh foods:** Survey participants noted the need for retail for a variety of reasons, including to support local businesses, create employment opportunities, and help meet their shopping needs within EPA. The most popular type of retail selected (nearly 90% of participants) was a place to buy food.
- **Library very popular; can serve multiple purposes:** Over 80% of participants selected a library as the type of learning space they prefer. Participants also noted how a library can help provide resources to the community, be a gathering place for families, draw people to the site and help celebrate the rich history of EPA.
- **Outdoor eating spaces = Pedestrian Friendly:** Participants overwhelmingly selected outdoor eating areas as the feature that would most motivate them to walk to the site. This aligns with the many comments that said a local, destination restaurant that would attract them to the site.

3. Community Meeting #3

Overview of Community Meeting #3

Due to health and safety concerns related to COVID-19, Community Meeting #3 was done through an online format. The virtual community meeting included a video presentation, online resources and project content, and an interactive survey. The meeting was made available to the public for a two-week period between June 5-19th. In this meeting, the community was asked to provide input on the project principles, the design elements and characteristics of the Town Square, Public Plaza and Local Small Business Marketplace. This meeting was also advertised in the Palo Alto Daily Post and a mailing was sent to all neighbors within 300 feet of the site.

Community Meeting #3 Participation Data

- 77 survey responses (73 in English; 4 in Spanish)
- 292 unique visitors
- Over 80% of survey participants live in EPA
- Approximately 50% of survey participants work in EPA

ENVISION THE FUTURE!

We want your input! Help us continue the Four Corners conversation by joining us for an online community meeting #3.

NOTICE OF COMMUNITY MEETING

Visit the website:
www.universityandbay.com
between
JUNE 5TH-JUNE 19TH
to learn more about the project and provide your input

The online meeting will include:

1. A recap of the input received from previous community meetings
2. An update on the proposed project and timeline
3. An opportunity to provide feedback on the project principals and proposals

If you'd prefer to discuss the project by phone, or are not comfortable with technology, please contact Teresa Morales at 650-690-6199. Please feel free to contact us with any questions, concerns or comments.

¡VISIÓN AL FUTURO!

AVISO DE REUNIÓN COMUNITARIA

Queremos sus ideas! Ayúdenos a continuar la conversación de Four Corners uniéndose a la reunión comunitaria #3 online.

Visite el sitio web:
www.universityandbay.com
DEL 5 DE JUNIO AL 19 DE JUNIO
para saber más del proyecto y para continuar ofreciendo sus ideas.

Esta reunión por internet incluirá:

1. Un repaso de los aportes y opiniones recibidos durante reuniones comunitarias anteriores.
2. Una actualización sobre el proyecto y el cronograma propuestos.
3. Una oportunidad para que comparta sus opiniones sobre los principios del proyecto y la propuesta.

Si usted prefiere conversar acerca de este proyecto por teléfono, y prefiere evitar la reunión de tecnología online, lláme a Teresa Morales al 650-690-6199.
Por favor llámenos con confianza y comparta cualquier pregunta, preocupación o comentario.

SAND HILL PROPERTY COMPANY



Four Corners Community Meeting #3

INTRODUCTION
We know that these are challenging times, from the coronavirus epidemic and the lockdown to the senseless killing of George Floyd and the tremendous outpouring of grief and anger in its aftermath. On behalf of the Sand Hill team, we want to express our solidarity with all of you, and we have made explicit commitments to reforms, which you can read at universityandbay.com. We hope you and your families are keeping safe during these challenging times. We appreciate that in the midst of all that you're navigating right now, you're taking time to participate in shaping the future of your community. We really value your input, and are excited about creating a vision for this site with you.

PROJECT BACKGROUND
In November 2019, Sand Hill Property Company, a local family-owned real estate firm, purchased the "Four Corners" site located at the intersection of Bay and University. This important site, at the center of East Palo Alto, has sat empty for over 30 years. Now, with guidance from previous community-informed planning processes, including the East Palo Alto General Plan, we are conducting a series of community meetings to help design and plan for a mixed-use development that will meet the needs of the East Palo Alto community and fulfill the vision set out in previous planning and community engagement processes.

Our community meeting process began in February when we held a meeting in which we introduced ourselves, discussed our intentions, and got input from community members about potential uses for the site. In April, we held a second community meeting in which we shared what we learned in Meeting 1, gathered more feedback on potential uses and continued discussing the future of the Four Corners site. Thank you to the over 200 people who joined us online and almost 70 who completed the survey.

In this meeting #3, we will discuss the project's guiding principles and the proposed site design, and seek further community input with a focus on the public ground floor spaces.

If you haven't already, **CLICK BELOW** to hear about the project's guiding principles and project proposal, as well as the feedback that we heard from Community Meeting #2.



PROJECT PRINCIPLES

PROJECT PRINCIPLES
Based on a review of previous planning processes and feedback that we've heard from the community to date, we have created five Core Principles that articulate the community's priorities and will guide design decisions moving forward. The Core Principles are:

1. RESPECT WHAT CAME BEFORE US
2. CREATE A VIBRANT, MIXED-USE "MAIN STREET"
3. CREATE PLACES TO LIVE AND GATHER
4. IMPROVE MOBILITY AND ACCESS
5. CREATE JOBS AND LOCAL REVENUE

Project Principle Survey Questions
Below are the five guiding principles. Based on the descriptions above, please rank them on a scale of 1 to 5 from not important to extremely important, by clicking on the number that responds to your answer

1. RESPECT WHAT CAME BEFORE US: Honor and respect the previous engagement processes, planning principles, and the General Plan; recognize and respect local history.

1 2 3 4 5
Not Important ○ ○ ○ ○ ○ Extremely Important

2. CREATE A VIBRANT, MIXED-USE "MAIN STREET": Combine a wide range of uses in an inviting and complimentary way, including retail, restaurant, housing, employment, community-serving uses, and public open space; create conditions to support other local businesses to grow and thrive.

1 2 3 4 5
Not Important ○ ○ ○ ○ ○ Extremely Important

PROJECT PROPOSAL

Building on the Core Principles, Sand Hill Property Company developed a proposal for a vibrant, mixed-use "openness" at University and Bay that will include retail, restaurants, and community space, mixed-income housing plus related amenities, and employment uses.

Below is the proposed site plan for the site.

Project Proposal

- Public space and community amenities that can be enjoyed by all East Palo Alto residents, such as a new public town square, public plaza / courtyard, and community space, such as a new East Palo Alto library
- Mixed income housing that can serve a diversity of income levels, from affordable to workforce to market rate
- New mixed-income housing with a "main street" of ground-floor retail along Bay Road, addressing a desire for retail, restaurants, and neighborhood-serving services
- Employment uses, including life science and laboratory space, which can provide a diversity of employment opportunities for East Palo Alto residents
- A design that is pedestrian-friendly, bike-friendly, and easily and safely accessible by all modes of transportation
- Amenities like public open space and neighborhood amenities within a few blocks of nearby housing, businesses and community institutions
- Buildings that respect their neighbors and the neighborhood through a combination of setbacks, trees and vegetation, and attractive architecture and screening
- Sufficient parking at grade on internal surface streets, in a parking structure, and through one level of underground parking

Below are two renderings of the project proposal that help provide you a sense of how it will feel to be at the site.

What kind of ARTS & OBJECTS would make this place a landmark?

Interactive Public Art

Fountains

Murals

What ways of COMMEMORATING THE SITE'S HISTORY would make this place a landmark?

Timeline

Interactive Signage

Monuments

Community Meeting #3 Themes and Takeaways

Based on an analysis of the online survey results, the following themes and takeaways emerged as the most significant feedback from Community Meeting #3. This information will help guide future programming, design, and planning decisions for the Four Corners project.

- **Main Street Destination:** Consistent with the Specific and General Plans, participants are excited by the idea of having a distinctive project that will draw people to the site and create a sense of “there there” in EPA.
- **Address traffic impacts and accessibility:** There were some concerns around too much visible parking and the impacts of traffic on University on the ground floor programming. Participants want the space to be oriented to pedestrians while not increasing traffic impacts in the surrounding area.
- **A project for EPA residents:** In all aspects of the survey, participants noted the importance of ensuring that the project elements are designed for and benefit EPA residents. This includes jobs for EPA residents, retail spaces for EPA businesses and entrepreneurs, and housing that is affordable and prioritized for EPA families
- **Architecture that is “EPA not Palo Alto”:** Participants are hopeful that the project will be a true EPA landmark, setting it apart from other areas on the peninsula. There is a concern that the architecture will not be distinctive enough and will look like other places.
- **Placemaking and Placekeeping-Create A Unique EPA Place:** Using murals, artistic commemorative elements, lighting, colors and textures, programming and green features, survey participants want the project to focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity.
- **Greening Features:** Throughout the survey, participants provided comments about the desire to have more planting, green spaces, and trees to reflect the biodiversity of the area and bring “nature into the project.”

4. Community Meeting #4

Overview of Community Meeting #4

Due to health and safety concerns related to COVID-19, Community Meeting #4 was done through an online format. The virtual community meeting included a video presentation, online resources and project content, and an interactive survey. The meeting was originally made available to the public for a two-week period between August 18 – 31, and then was extended for two weeks until September 14th due to its overlap with the start of the school year. In this meeting, the community was asked to provide input on the project’s community uses, the experience along University Avenue, the interface with the surrounding neighbors and connection to neighborhood amenities.

ENVISION THE FUTURE!

We want your input! Join the online meeting and help us continue the Four Corners conversation


NOTICE OF COMMUNITY MEETING #4

Visit Community Meeting #4 Here: www.universityandbay.com between **AUGUST 18TH-SEPTEMBER 14TH** for a project update and to provide your feedback

If you'd prefer to discuss the project by phone, or are not comfortable with technology, please contact Teresa Morales at 650-690-6199. Please feel free to contact us with any questions, concerns or comments.

The online meeting will include:

1. A recap of input from community meeting #3
2. A summary of the project's Core Principles and draft site plan
3. An opportunity to provide your vision for the project's community spaces and how the project design relates to the neighborhood surroundings



¡VISIÓN AL FUTURO!

Queremos su opinión! Únase a la reunión en línea y ayúdenos a continuar la Conversación de Four Corners


AVISO DE LA REUNIÓN DE LA COMUNIDAD #4

Visite la Reunión Comunitaria #4 aquí: www.universityandbay.com **DEL 18 AGOSTO AL 14 SEPTIEMBRE** para una actualización del proyecto y para continuar ofreciendo sus ideas

La reunión en línea incluirá:

1. Un resumen de los aportes de la Reunión Comunitaria #3
2. Un resumen de los Principios Fundamentales del proyecto y el borrador del plan del sitio
3. Una oportunidad para proveer su visión de los espacios comunitarios del proyecto y cómo el diseño del proyecto se relaciona con los alrededores del vecindario

Si prefiere hablar sobre el proyecto por teléfono en lugar de la reunión en línea, por favor contacte a Teresa Morales at 650-690-6199. No dude en contactarnos con cualquier pregunta, inquietud o comentario.

 SAND HILL PROPERTY COMPANY



Four Corners Community Meeting #4

In November 2019, Sand Hill Property Company, a local family-owned real estate firm, purchased the "Four Corners" site located at the intersection of Bay and University. This important site, at the center of East Palo Alto, has sat empty for over 30 years. Now, with guidance from previous community-informed planning processes, including the East Palo Alto General Plan, we are conducting a series of community meetings to help design and plan for a mixed-use development that will meet the needs of the East Palo Alto community and fulfill the vision set out in previous planning and community engagement processes.

We held Community Meeting #1 in February at the EPA Senior Center, but given concerns about COVID-19 and in consideration of the health of the community, we are currently conducting community meetings online. We held Community Meeting #2 in April and Community Meeting #3 in June. In these meetings, we discussed takeaways from previous meetings and gathered input on different aspects of the design. The combined participation in these meetings has been over 580 people and we've received input from over 220 community members. We have also been in conversation with the City, holding study sessions in June with the Planning Commission and City Council.


In this meeting #4, we will review the project's guiding principles and the proposed site design and takeaways from Meeting #3. We'll also gather input on the parts of the design related to feedback that we've received from the City.

Thank you for joining Community Meeting #4 and we look forward to your input.


Learn more about the proposal. [CLICK BELOW](#) to hear about the project's guiding principles and proposed site plan, as well as the feedback that we heard Community Meeting #3.




How could we make the entrances to our buildings on University Avenue more inviting? (Choose all that apply)




Comfortable seating



Stepped back from the street




Awnings or shade structures




Unique materials or shapes


What types of building features do you like for the parking garage? (Choose all that apply)




Planted facade




Green screen wall



Texture



Pattern




Lighting

Are there any additional thoughts you want to share about the images you've selected?

Your answer: _____

CONNECTING TO NEIGHBORHOOD AMENITIES

Below is the proposed site plan highlighting the connection to neighborhood amenities



One of the project's core principles is to "improve mobility and access." In response, the design is pedestrian-friendly, bike-friendly, and easily and safely accessible. Our proposal not only connects the neighborhood to Four Corners, but also adds internal streets that make it easier to move through the site to connect to other existing neighborhood amenities, like Jack Farrell Park and City Hall. In previous meetings, we've asked you about what features would make it more inviting to walk to the site. Now we're asking for your input about the current design and what would make the streets that move through the site more welcoming.

Do you think the current design does a good job of connecting to existing neighborhood amenities?

1 2 3 4 5

Strongly Disagree ○ ○ ○ ○ ○ Strongly Agree

Community Meeting #4 Participation Data

- 64 survey responses (61 in English; 3 in Spanish)
- 197 unique visitors
- Over 86% of survey participants live in EPA
- Approximately 70% of survey participants work in EPA

Community Meeting #4 Themes and Takeaways

Based on an analysis of the online survey results, the following themes and takeaways emerged as the most significant feedback from Community Meeting #4 and reinforce many of the themes that emerged from the previous community meetings. These themes will help guide future programming, design, and planning decisions for the Four Corners project.

- **Community Use Flexibility:** Though we have heard in past meetings a preference for a library, this survey demonstrated a flexibility for other community uses and an openness for a community market, an exhibit space and a gathering space, which were selected by between 62%-68% of participants. There were also many comments about having flexible spaces that could serve multiple purposes and incorporate community uses.
- **Greening:** Throughout the survey, as in the previous surveys, participants expressed their desire for more planting and green features such as native planting and green screen walls, to accomplish a variety of purposes including as a way to make the buildings more inviting, as a way to buffer pedestrians from the traffic along University Ave., and as a way to make the project a better neighbor to the surrounding community.
- **Accessible and Inviting:** Survey participants emphasized the need for the project to be accessible to a variety of EPA users and inviting to the EPA community. In addition to including community oriented land uses, the project should incorporate design features such as floor to ceiling windows on the buildings, inviting entrances, wide sidewalks, landscape buffers and lighting along the internal streets, to invite the EPA community into the site. Also, survey participants want to make sure that the project benefits the current EPA community by ensuring that the spaces and programming are designed for the EPA community.
- **Connected to EPA:** The survey responses reinforced the importance of the project principle to be a good neighbor. Similar to the idea of making sure the project is accessible and inviting, responses to the survey noted the importance of integrating the project into the existing EPA community by minimizing the visual impacts on the surrounding neighbors, designing better and safer linkages to the existing neighborhood amenities and incorporating authentic EPA culture into the design, space uses and programming.

- **Placemaking and Placekeeping:** As in the previous surveys, participants want to use art (murals, signage, etc.) to create a space that is uniquely EPA and reflects its history, community, and diversity. Survey participants believe that artistic design elements and having space and programming that promotes artistic expression will draw people to the site and make it more inviting to the surrounding EPA community.

Responding to Input

The result of the community engagement efforts to date has been a deeper understanding of the community's vision for the Four Corners site and a greater understanding of how to leverage this project to improve the quality of life for EPA residents in way that is community-centered. Specifically, it has resulted in a project vision for:

- Five co-created project principles
- Public spaces such as a new dynamic town square at the heart of the project and active plaza off University Avenue as well as a community building and potential new EPA library on University Avenue
- Opportunities for local retail, including a restaurant
- Land uses like life science and laboratory that have a diversity of employment opportunities for EPA residents
- A landscape design that introduces trees and vegetation throughout the site from an improved street experience on University Avenue to a town square lined with natural elements to a green façade on the parking garage
- Opportunities for historical commemoration woven throughout the design including the proposed Civic Landmark Tower on the edge of the Town Square

Please see Appendix A for details of the specific responses to City and community input received during the pre-application process.

Conclusion and Moving Forward

As noted earlier, Sand Hill Property Company views ongoing proactive and deep community engagement as fundamental part of existing in the EPA community as well as recognizing the previous public processes that were conducted for this site and neighborhood. Looking forward, Studio O, Emily Weinstein Consulting, and the Community Engagement team will continue to conduct outreach and engage the community in the project process. There will be additional community design meetings to inform and get additional input on specific elements of the design and development process. The project team will also continue to participate in relevant public hearings, and stakeholder meetings with key community, city, and regional stakeholders. Data and analysis from all engagements will continue to be captured and shared as needed.

About the Social Impact Consultants

Studio O is a design and strategy consultancy working at the intersection of racial and spatial injustice. Founded in 2012 and based in Oakland, the practice builds on over 15 years’ experience in the design and social impact sector of its founder and principal, Liz Ogbu. It collaborates with multidisciplinary teams to work on projects with/in historically marginalized communities around the world. With a mission to create or improve systems, services, and places that can heal conditions of injustice, Studio O leverages a combination of community-centered research; dynamic forms of engagement and prototyping; spatially just architecture and planning; and tools to build participatory power and community-centered systems. In addition to her projects, Ogbu is speaks nationally and internationally on issues of spatial justice, including a widely viewed TED Talk on gentrification and spatial justice.

Emily Weinstein Consulting is a strategic consultant and leader in housing, community development and public engagement. For the past 20 years Emily Weinstein has worked on large scale affordable housing and community development initiatives to transform some of the most economically distressed and underserved neighborhoods in California. Emily Weinstein Consulting works with developers, public agencies, community organizations and design teams to achieve greater economic, social and health impacts by applying a wide set of community-centered strategies throughout the real estate development process. Emily’s passion for marrying real estate and social impact stems from a belief that the built environment has the power to transform lives, and that developers have a responsibility to create equitable, healthy places where people can thrive and children can meet their full potential. Emily Weinstein also served two terms as a Planning Commissioner for the City of Oakland from 2013-2018 and is the pioneer of the Trauma Informed Community Building model.

3. Fiscal Impact Analysis

Overview

The University and Bay proposal at the Four Corners site will improve the fiscal health of the City. Sand Hill Property Company is including a Fiscal Impact Analysis conducted by Economic and Planning Systems, Inc. as part of the application package. This analysis shows that the proposed project will have a net positive fiscal and economic impact on the city, thereby improving the fiscal health of the city.

According to the analysis, the proposed project will result in a net fiscal benefit to the city's general fund of \$17.4 million up front, and about \$2.36 million per year, increasing to about \$2.49 million per year in the future. Over a 20-year time horizon, the University and Bay project is expected to generate a cumulative net positive fiscal impact of over \$65 million. As part of this, the one-time development impact fees paid by Sand Hill Property Company total over \$17.4 million to the City of East Palo Alto and local special districts including Menlo Park Fire Protection District, Ravenswood City School District, and Sequoia Union High School District.

Finally, construction of the project will directly and indirectly support almost 3,000 job years in the local economy, creating direct and indirect local investment of nearly \$575 million. The property operations will support new jobs and generate local economic demand creating \$700 million in net new spending per year.

For additional details, the full report is attached, starting on the next page.

About Economic and Planning Systems, Inc.

Economic & Planning Systems, Inc. (EPS) is a land economics consulting firm experienced in the full spectrum of services related to real estate development, financing public infrastructure and government services, land use and conservation planning, and government organization.

Since 1983, EPS has provided consulting services to hundreds of public- and private-sector clients in California and throughout the United States, including cities, counties, special districts, multi-jurisdictional authorities, property owners, developers, financial institutions, and land use attorneys.

EPS was founded on the principle that real estate development and land use-related public policy should be built on realistic assessment of market forces and economic trends, feasible implementation measures, and recognition of public policy objectives, including provisions for required public facilities and services.

MEMORANDUM

To: Four Corners EPA Property Owner, LLC
c/o Sand Hill Property Company

From: Economic & Planning Systems, Inc.

Subject: Fiscal and Economic Analysis of the Proposed University
and Bay / "Four Corners" Project; EPS #201102

Date: November 19, 2020

The Economics of Land Use



Four Corners EPA Property Owner, LLC ("Project Sponsor") retained Economic & Planning Systems, Inc. (EPS) to prepare a fiscal and economic impact analysis of the proposed "Four Corners" project in the City of East Palo Alto. The proposed project seeks to improve a vacant 6.1-acre parcel with a mixed-use development including 180 residential units, up to 40,000 square feet of retail/restaurant/community space, and 500,000 square feet of life science/laboratory space.

This EPS analysis considers the likely effects of the proposed project on the City of East Palo Alto General Fund and the local economy. Specifically, the fiscal analysis identifies whether the proposed project will generate adequate City revenues to cover the costs of providing ongoing services to new residents and employees. In addition, the economic impact analysis evaluates the potential effect of the project on employment, labor income, and sales (i.e., economic output). All impact estimates are presented in constant 2020 dollars

All findings are preliminary and subject to change as additional data and information from the City and other stakeholders are made available. The Project Sponsor has not yet definitively determined tenure for the residential units; this analysis assumes rental tenure for all units. This analysis further assumes compliance with the Inclusionary Housing Ordinance via on-site construction of Below Market Rate (BMR) units. As explained in the application, this would require cross-subsidization of BMR units by the commercial uses, which may not be feasible within existing financing constraints.

The following **Summary of Findings** highlights EPS estimates of the project's net positive fiscal and economic impacts at project stabilization. Actual fiscal and economic impacts will depend on a number of factors that cannot be predicted with certainty, including the market performance of the project, future changes in City or State budgeting

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practices, the efficiency of various City departments in providing services, and other factors. Critical analytical inputs relied upon by the analysis include assumptions provided by the Project Sponsor, City and County documents, and EPS industry knowledge, among other sources. EPS has not conducted an independent audit of the City’s budget, performed in-depth interviews with service-providing City departments, or conducted detailed market analysis.

Summary of Findings

- 1. The proposed mixed-use project will result in a net fiscal benefit to the City of East Palo Alto General Fund of about \$2.39 million per year, increasing to \$2.49 million in the future, a total of nearly \$48 million over 20 years.***

This analysis estimates that the net annual fiscal impact of the proposed project on the City’s General Fund is positive and significant at project stabilization, as shown in **Table 1**. This impact estimate reflects net new General Fund revenues of \$2.83 million and net new City General Fund expenditures of \$0.44 million. Net new revenues increase to \$2.92 million at year 11 when Measure O requirements apply. The estimated \$2.39 million net new City funds at project stabilization and \$2.49 million at year 11 will be available to support a range of potential City services. Over a 20-year time horizon, the project is expected to generate a cumulative net positive fiscal impact of about \$47.65 million.

Table 1 Fiscal Impact Summary at Project Stabilization and Year 11

Revenue / Expense Category	Impact at Stabilization ¹	Impact at Year 11
Total General Fund Revenues	\$2,833,000	\$2,924,000
Total General Fund Expenditures	\$436,000	\$436,000
Net Annual Impact on City General Fund	\$2,397,000	\$2,488,000

[1] The fiscal analysis assumes project stabilization in Year 2. Additional revenues as a result of Measure O start Year 11; see Table 11 for yearly fiscal impact schedule.

Sources: City of East Palo Alto and Economic & Planning Systems

- 2. At project buildout, Property Tax will account for the largest revenue source to the City.***

The proposed project is projected to generate \$1.55 million in annual property tax revenue (excluding property tax in lieu of Vehicle License Fee) accruing to the City’s General Fund. The growth in property tax revenue is attributable to the anticipated \$541 million increase in the assessed value of the project parcels, from about \$42 million today to nearly \$583 million after the project is delivered.

- 3. The proposed project’s most significant cost to the City’s General Fund is likely to be borne by the Police Department.***

Based on the City’s current profile of police staffing and services, new police expenditures will make up 53 percent of the proposed Project’s cost impact on the General Fund. The analysis

estimates a cost of approximately \$230,000 each year after Project buildout. However, as cities reconsider their approach to community well-being and rethink the reach and role of the police departments, it is possible that the City’s current General Fund police expenditures may be reduced in the coming years. As such, this analysis is conservative in the sense that it potentially overstates police utilization.

4. One-time development impact fees paid by the project developer could total roughly \$17.4 million.

The City of East Palo Alto currently charges development impact fees including a (1) Parks and Trails fee, (2) Public Facilities fee, (3) Transportation Infrastructure fee, (4) Storm Drainage fee, (5) Water Capacity Fee, and (6) Commercial Linkage fee. Based on the City’s most recent fee schedule (effective July 2019), the total development impact fees are \$15,500 per dwelling unit and \$28 per square foot for commercial uses. Assuming that Four Corners includes on-site BMR units and does not pay in-lieu inclusionary housing fees, roughly \$17.4 million would be generated for City capital improvement programs. If providing the required BMR units on site is not feasible, in-lieu fee funding for affordable housing would increase the total one-time revenue generated for the City.

5. Construction of the Four Corners project will cost an estimated \$446 million and directly support roughly 2,400 job years in the local economy.

Assuming the project is constructed over a two-year period, an average of 1,200 full-time and part-time jobs will be supported throughout the development period. This direct employment and associated spending in the local economy is anticipated to stimulate an additional \$128 million in economic “ripple” effects in the local economy, with the total economic significance of the investment resulting in a one-time benefit that approaches \$575 million in San Mateo County. **Table 1** summarizes estimated one-time impacts from construction.

Table 1 One-Time Economic Impact from Construction

Impact ¹	Job Years	Labor Income	Value Added	Output
<i>Constant Dollars (2020\$) in Millions</i>				
Direct	2,404	\$259	\$305	\$446
Indirect	219	\$23	\$34	\$55
Induced	<u>370</u>	<u>\$28</u>	<u>\$52</u>	<u>\$73</u>
Total	2,993	\$311	\$391	\$574

[1] Results presented for total construction investment. Annual economic impact depends on the construction timeline (e.g., annual impact for three year project is 1/3rd of the estimates provided above).

Sources: Sand Hill Property Co., IMPLAN, and Economic & Planning Systems, Inc.

6. The proposed project’s operations will support new jobs and generate demand for goods and services in the economy, creating roughly \$700 million in net new spending annually in the local economy.

In addition to tax revenue for the City and construction period benefits, the project will generate new ongoing employment and spending in East Palo Alto as well as additional economic activity created by the project’s “ripple effect” in the local economy (within San Mateo County). EPS estimates that the project will directly support about 1,070 jobs and \$511 million in spending in the local economy. These part-time and full-time jobs result primarily from the life sciences/laboratory industry jobs, but also include employment from operations and maintenance of the project and household spending on retail purchases in the local economy. Including the ripple effect, the project will support an estimated \$700 million in spending per year. The economic activity will support an estimated 1,900 net new jobs countywide. **Table 2** summarizes estimated recurring annual impacts from project operations.

Table 2 Recurring Economic Impact from Operations

Impact	Jobs	Labor Income	Value Added	Output
Direct	1,070	\$259	\$379	\$511
Indirect	476	\$59	\$87	\$125
Induced	<u>357</u>	<u>\$28</u>	<u>\$51</u>	<u>\$72</u>
Total	1,903	\$346	\$517	\$707

Sources: Sand Hill Property Co., IMPLAN, and Economic & Planning Systems, Inc.

7. The proposed project will create new employment opportunities in life sciences and other industries, with jobs that span a wide spectrum of educational and professional requirements.

By adding life science/laboratory space, new housing stock, and local retail, the proposed project supports growth in various economic sectors. Most significantly, new life science/laboratory space is anticipated to attract nanotechnology and biotechnology research and development, potentially in chemical, environmental, health, medical, industrial, and/or physical science fields. The local and regional economy is well equipped to expand in these areas of research and development, and will be positively impacted by new employment in an array of occupations that require a diversity of employee qualifications. For example, the life science/laboratory space likely will support jobs for scientists with advanced degrees, specialists and managers with bachelor’s degrees, and clerical and support staff with high school degrees, among many other occupations.

Fiscal Impact on the General Fund

This section describes the methodology and key assumptions used to estimate the fiscal impacts of the proposed project. The analysis is based on information from:

- development applicant;
- City and County documents; and
- existing EPS industry knowledge.

EPS has developed a fiscal impact framework based on its in-house methodology and East Palo Alto-specific factors obtained from the sources above. EPS has not conducted an independent audit of the City's budget, performed in-depth interviews with service-providing City departments, or conducted detailed market analysis.

Project Description

The Project Sponsor proposes to improve 6.1 acres of vacant land with 180 residential units, along with 500,000 square feet of life sciences/laboratory space, and up to 40,000 square feet of retail/restaurant/community space. Error! Reference source not found. details the proposed development program. The table also presents EPS assumptions concerning the population and employment that would be on site at the project. A variety of revenues and costs included in this fiscal analysis are based on the anticipated "service population" shown in Error! Reference source not found., which weights a local employee's service burden at one third of a resident's burden.

Table 3 Development Program and Service Population

Land Use		Resident or Worker Density Assumptions ¹	Employment	Residents	Service Population ²
Commercial					
Retail	20,000 SF	400 SF/Employee	50	0	17
Community Space ³	10-20,000 SF				
Life Science/Laboratory ⁴	500,000 SF	500 SF/Employee	1,000	0	333
Commercial Total	540,000 SF		1,050	0	350
Residential Apartments⁵					
Market Rate Units	144 DU	2 Residents/Unit	0	278	278
<i>Studio</i>	36 DU				
<i>1 Bedroom</i>	64 DU				
<i>2 Bedroom</i>	44 DU				
Below Market Rate Units ⁶	36 DU	2 Residents/Unit	0	72	72
<i>Studio</i>	9 DU				
<i>1 Bedroom</i>	16 DU				
<i>2 Bedroom</i>	11 DU				
Residential Total	180 DU	2 Residents/Unit	0	350	350
Project Total			1,050	350	700

[1] Life Science/Laboratory, retail, and residential employment densities reflect typical conditions. Density may vary based on actual tenancing and real estate formats.

[2] Service population is the sum of total residential population and 1/3rd of total employment. It represents a measure of public service demand in which an employee generates one third the demand of a resident.

[3] Potential employment and service population associated with community space is not considered by this analysis. Total commercial space assumes high end of possible range, 20,000 square feet.

[4] Life science/laboratory space has a lower employment density than typical commercial office space.

[5] The residents per unit assumption is based on the Countywide average household size for renters in multifamily buildings, according to the 2014-2018 5-year American Community Survey estimates, verified by Greystar Real Estate Services, which supports the leasing of recently built multifamily product for the Project Sponsor in San Mateo and Santa Clara Counties.

[6] This assumes compliance with the Inclusionary Housing Ordinance via on-site construction of BMR units. As explained in the application, this would require cross-subsidization of BMR units by the commercial uses, which may not be feasible within existing financing constraints.

Sources: Sand Hill Property Company; Greystar Real Estate Services; Census Bureau American Community Survey 2018 5-year Estimates; Economic & Planning Systems, Inc.

General Fund Revenues

New General Fund tax proceeds attributable to the proposed development will include sales tax, property tax, property tax in lieu of vehicle license fee (VLF), sales tax, franchise fee, utility users' tax, and licenses, fees, and permits. For General Fund revenues this analysis relies on the East Palo Alto Adopted General Fund revenue budget for Fiscal Year 2019-2020. The per-service population approach estimates average revenues according to the City's current service population and applies that average revenue to the Project's proposed service population. Although revenues are based on the City's most recently adopted budget, the City advised that expense estimates rely on the City's as yet unadopted "baseline" pre-COVID-19 budget for Fiscal Year 2020-21. While this presents a slight inconsistency in projections, we believe it is conservative in that it slightly understates revenues relative to expenses, which both grow with inflation. Additionally, in both cases the analysis uses non-Covid-19 budget data, which EPS believes is more representative of long-term conditions.

Property Tax Revenue

Property taxes are calculated based on the net increase in assessed value, that is, the anticipated assessed value of land and Project improvements relative to the existing assessed value of the Project site, including the existing structures. The planned development of life sciences/laboratory space will improve the site's value to more than \$582 million at buildout, as seen in **Table 4**. The commercial component of the new development is assumed to generate assessed value of approximately \$670 per square foot for retail space and \$1,000 per square foot for life science space, an estimate based on the value of recently completed comparable projects in San Mateo County. The weighted average value of a residential unit is about \$620,000, which accounts for 36 new units that this analysis assumes will be rented at below market rates and 144 units that will be rented at market rates. This analysis estimates the secured value only for all land use types.

Table 4 Assessed Value of the Proposed Project

Category of Assessed Value	Valuation Assumptions ¹	Total Value Estimate
Non-Residential Space		
Retail	\$670 per square foot	\$13,400,000
Community Space ²	\$0 per square foot	\$0
Life Science/Laboratory	\$1,000 per square foot	<u>\$500,000,000</u>
<i>Total Non-Residential Assessed Value</i>		<i>\$513,400,000</i>
Residential Units		
Market Rate		
Studio	\$540,000 per unit	\$19,440,000
1 Bedroom	\$660,000 per unit	\$42,240,000
2 Bedroom	\$860,000 per unit	<u>\$37,840,000</u>
<i>Total Market Rate Assessed Value</i>		<i>\$99,520,000</i>
Below Market Rate (BMR) ³		
35% of AMI	\$240,000 per unit	\$2,160,000
50% of AMI	\$340,000 per unit	\$6,120,000
60% of AMI	\$410,000 per unit	<u>\$3,690,000</u>
<i>Total BMR Assessed Value</i>		<i>\$11,970,000</i>
Existing Assessed Value ⁴		-\$42,000,000
Total Incremental Assessed Value		\$582,890,000

[1] Assumptions reflect valuation of land and improvements. Commercial values are based on preliminary development cost estimates, including hard costs, soft costs and land. These valuations are comparable to market values achieved by newly-built commercial properties in San Mateo County. Residential values reflect market research conducted by The Concord Group and the capitalized value of BMR housing products.

[2] Assumes the public use component of the project is tax exempt. The analysis omits the community space for valuation and fiscal impact purposes. This is conservative in that the inclusion of community space would provide other, potentially fiscal, benefits to the City.

[3] This assumes compliance with the Inclusionary Housing Ordinance via on-site construction of BMR units. As explained in the application, this would require cross-subsidization of BMR units by the commercial uses, which may not be feasible within existing financing constraints. If the project complies with the Inclusionary Housing Ordinance in another manner, the valuation of these units would be at the market rates, yielding additional positive fiscal impacts for the City.

[4] Current AV per County of San Mateo Assessor and Tax Collector, based on 2020 assessment.

Sources: County of San Mateo Tax Collector; The Concord Group; City of East Palo Alto, and Economic & Planning Systems

Consistent with Proposition 13, the County currently collects property tax based on 1.0 percent of the assessed value of a property and the proposed project is located in Tax Rate Area (TRA) 021-024, where East Palo Alto receives 31.7 percent of the property tax revenue generated. However; because this site is part of the former Redevelopment Area, an administrative fee is charged in addition to the state Educational Revenue Augmentation Fund (ERAF) contributions. As a result, only 26.7 percent of the property tax revenue generated accrues to the General Fund. This share is assumed fixed going forward. This results in estimated property tax revenue from the Project of over \$1.55 million annually, as shown in **Table 6**.

Property Tax In-Lieu of Vehicle License Fees

In 2004, the State of California adjusted the method for sharing vehicle license fees (VLF) with local jurisdictions. More recently, State budget changes replaced the VLF with property tax, which grows proportionately with increases in assessed value of the City. The proposed project will add nearly 18 percent to the current assessed value in East Palo Alto (assuming no other assessed value growth for simplification purposes) and will generate a proportional increase in in-lieu VLF revenues. The estimated property tax in lieu of VLF associated with the proposed project is approximately \$900,000 annually, as shown in **Table 7**.

Table 5 Property Tax and Property Tax In Lieu of VLF Revenue

Property Tax and Estimating Factors	Assumption / Estimating Factor	Formula	Estimates
Property Tax			
Net New Assessed Value	see Table 5	<i>a</i>	\$582,890,000
Property Tax	1.0% Base Property Tax Rate		\$5,828,900
General Fund Property Tax Revenue¹	26.7% Allocation to General Fund		\$1,554,586
Property Tax In Lieu of VLF			
Existing Citywide Property Tax in Lieu of VLF ²		<i>b</i>	\$5,086,457
Citywide Assessed Value ³		<i>c</i>	\$3,289,212,822
Percentage Increase in Citywide Assessed Value		$d = a / c$	17.72%
New General Fund Property Tax In Lieu of VLF		$e = d * b$	\$901,384

[1] Tax allocation factor for TRA 021-042, adjusted to reflect state ERAF contributions and 3.0% percent administrative fee in the Ravenswood Project Area.

[2] City of East Palo Alto Finance Department (2018 Budget). EPS-escalated estimate for FY2019/20.

[3] San Mateo County Assessor's Annual Report (FY 2018-2019). Includes secured and unsecured assessed value.

Retail Sales Tax Revenue

The proposed project is expected to generate retail sales tax revenue accruing to the City of East Palo Alto, both from project households' retail spending and additional on-site retail sales. Project household spending estimates are reflective of retail sales for specific income brackets. Additional on-site retail sales are based on expected business activity within the estimated 20,000 square feet of retail in the project program. The local sales tax rate is 1.45 percent of taxable retail sales, including the base sales tax rate and additional sales tax generated by a voter-approved measure. **Table 7** summarizes sales tax revenue projections at project stabilization.

Taxable Household Spending

This fiscal analysis relies on data from the U.S. Bureau of Labor Statistic Consumer Expenditure Survey to establish the retail spending pattern of households. The spending patterns reflect household consumer behavior observed nationally for households with specific levels of annual income. This analysis uses anticipated residential rents to estimate household income for households in market rate units, as shown in **Table 6**.

Table 6 Annual Household Income Estimates

Residential Unit Type	Total Units	Occupied Units¹	Monthly Rent per Unit²	Annual Rent	Average Household Income³	Total Household Income
Market Rate Units	144	137	\$3,300	\$39,600	\$101,538	\$13,890,462
<u>Below Market Rate Units⁴</u>						
Units @ 35% AMI	9	9	\$1,117	\$13,403	\$44,677	\$381,987
Units @ 50% AMI	18	17	\$1,623	\$19,481	\$64,936	\$1,110,398
Units @ 60% AMI	9	9	\$1,961	\$23,532	\$78,441	\$670,673
Total	180	171	\$2,808	\$33,701		\$16,053,520

[1] Assumes countywide average vacancy rate of 5 percent for all units.

[2] Weighted average rent for studio, 1-bedroom, and 2-bedroom units. Market rate rents provided by The Concord Group.

[3] Assumes that rental costs are 39 percent of total household income for market rate units (Bay Area Burden, ULI). Incomes for BMR units assumes 30 percent cost burden, consistent with affordable housing income eligibility standards.

[4] This assumes compliance with the Inclusionary Housing Ordinance via on-site construction of BMR units. As explained in the application, this would require cross-subsidization of BMR units by the commercial uses, which may not be feasible within existing financing constraints.

Sources: The Concord Group; City of East Palo Alto; CA Department of Finance, HCD Income Limits; and Economic & Planning Systems

To identify taxable retail expenditures made by project households, the analysis identifies and isolates taxable retail spending from total household spending. The analysis estimates that for

market-rate units, households spend approximately 23 percent of gross household income on taxable retail purchases. Households in the below market rate units spend an estimated 26 to 34

percent of gross income on taxable retail purchases. To account for East Palo Alto’s capture of these taxable sales, the analysis estimates that 5 percent of that spending occurs within the City. Per-household taxable spending in East Palo Alto is multiplied by occupied project units to determine average annual taxable sales.

On-Site Retail Sales

On-site retail sales are based on a taxable sales factor of \$350 per square foot of retail space. To avoid double counting, EPS assumes that 20 percent of resident spending on taxable retail in East Palo Alto occurs at the on-site retail. After netting out this resident spending (already counted) from the on-site sales total, the additional on-site taxable retail sales are estimated at over \$7 million, as shown in **Table 7**.

Table 7 Retail Sales Tax Revenue

Sales Tax Sources and Estimating Factors	Estimating Factors	Estimates
Market Rate Units - Household Retail Spending		
Average Household Income ¹	\$101,538 per household	
Household Expenditure on Taxable Sales ²	\$23,217 per household	
Occupied Residential Units	137 units	
Market Rate Units - Household Retail Spending		\$3,176,062
Retail Sales in East Palo Alto ³	5.0% City capture rate	\$158,803
BMR Units - Household Retail Spending		
Average Household Income ¹	\$63,247 per household	
Household Expenditure on Taxable Sales ²	\$17,165 per household	
Occupied Residential Units	36 units	
BMR Household Retail Spending		\$617,927
Retail Sales in East Palo Alto ³	5.0% City capture rate	\$30,896
On-Site Retail Sales		
New Retail Space	20,000 square feet	
Taxable Retail Sales	\$350 per sq. ft.	\$7,000,000
(Less) Project Resident and Employee Expenditures ⁴		-\$37,940
Net Additional Taxable Sales from Project Retail		\$6,962,060
Total Taxable Retail Sales		\$7,151,760
General Fund Sales Tax Revenue	1.45% of taxable sales ⁵	\$103,701

[1] See Table 7 for household income calculations.

[2] Based on Bureau of Labor Statistics Consumer Expenditure Survey (2019) for respective income groups.

[3] EPS Assumption.

[4] EPS Assumption (20 percent of resident spending captured on local taxable spending estimates above).

[5] The Sales Tax of 1.45 percent is made up of (1) the Bradley-Burns sales tax and (2) a 0.5-percent voter-approved (Measure P) tax factor that accrues to the City’s General Fund.

Other General Fund Revenues

In addition to the revenues described above, other taxes and fees are estimated to be generated by the project. This analysis uses an average revenue approach derived from City budget documents to forecast new franchise fee revenues generated by commercial activity and utility users tax revenues generated for charges for services on increased resident and employee utility usage. **Table 8** presents forecasting assumptions and revenue estimates.

The project will also generate revenues through licenses, fees, and permits. The City of East Palo Alto charges a business license fee on all entities doing business in the City, including landlords, based on the City's Annual License Fee Schedule. Furthermore, the City collects fees through Measure O to help fund programs for affordable housing and alleviate displacement and homelessness. Under Measure O, landlords with five or more residential rental units are subject to a 1.5 percent tax on gross rental receipts. The tax is levied beginning ten years after issuance of a certificate of occupancy for the units (CoO). **Table 8** shows the revenues at project stabilization (year 2), when the project would still be exempt from Measure O. In year 11, ten years after certificate of occupancy is granted, the annual amount for Measure O is estimated to be about \$91,000.

Table 8 Revenue from Other Taxes and Fees

Other Revenue Sources	Estimating Factor	Estimate at Year 2	Estimate at Year 11
Franchise Fees	\$32.33 per service population	\$22,618	\$22,618
Utility Users Tax	\$48.34 per service population	\$33,819	\$33,819
Licenses, Fees, and Permits			
<i>Business License</i> ¹	case study per Annual License Fee Schedule	\$160,633	\$160,633
<i>Measure O</i> ²	1.5% gross rental receipts	\$0	\$90,993
Total		\$217,069	\$308,062

[1] Assumes real estate and on-site commercial entities gross receipts over \$500,000 per annum. The Business License estimate reflects (1) real estate revenues, (2) on-site retail revenues, and (3) a life sciences enterprise occupying 500,000 square feet of office/R&D space. Gross receipts attributable to the life sciences enterprise are assumed to be \$320M per year based on industry-specific labor income derived from IMPLAN for San Mateo County.

[2] Measure O (2016) is a 1.5 percent Business License Tax on Gross Receipts on owners of five or more residential units after 10 years from issuance of certificate of occupancy.

Sources: City of East Palo Alto, IMPLAN, and Economic & Planning Systems

General Fund Expenditures

This fiscal analysis estimates the costs attributable to population and employment growth by characterizing how expenses will change for each City department. For some departments, population and employment growth in the City will not dramatically alter operations. For example, administrative functions in the City are not likely to scale up significantly to accommodate new projects. Alternatively, departments that provide services directly to residents and businesses likely will increase their operations and associated costs to accommodate new population.

It is important to note that a range of external factors may influence City responses to growth and cost effects in the future. Examples of factors that are beyond the control of the City and its departments that may act to magnify or reduce department costs over time include:

- regional growth;
- technology;
- state and federal policies; and
- environmental factors.

This study does not speculate regarding the potential effects of such exogenous influences on the General Fund expense budget. The analysis focuses only on those factors attributable directly to the population growth, employment growth, and land use changes generated by the proposed project.

The fiscal analysis model relies on a categorization of the likely budgetary response to population and employment growth for each department. The anticipated response to growth is expressed for fiscal modeling purposes in terms of "fixed expenses" and "variable expenses" within the department budget.

The fixed expenses are the portion of a City department's budget which is not affected by population and employment growth. Even a department which is anticipated to grow largely in step with the City's service population likely would have some fixed cost. For example, in most cases each department has only one director position, which is a fixed expense for the department. While the department may increase staffing to accommodate growth, the department will not add another director.

The variable expenses of a department are those that do increase with growth. As the City's populations expand, increased demand for services requires some departments to scale up their operations to meet new demand. In consultation with the City's Department of Finance, EPS has identified the portion of a department's budget that scales up as the variable share of the budget.

EPS uses a per-capita cost approach to estimate department costs attributable to new residents and workers. The variable portion of each department budget is used to determine the per-capita cost, as shown in

Table 9. To determine the new General Fund expenditures attributable to the proposed project, the per-capita factors are multiplied by the projected increase in service population or resident population of the project, as appropriate. The proposed project is not expected to generate capital and technology, overhead, debt service, and other non-departmental expenditures.

Table 9 FY 2020-2021 Expenditure Budget Summary and Fiscal Impact Estimating Factors

General Fund Expenditures	FY 2020-21 Baseline (Non-COVID) Budget¹	Percent Variable²	Per Capita Estimating Factors³	General Fund Expense Estimates
City Council	\$182,265	34%	\$1.90	\$1,332
City Attorney	\$871,310	50%	\$13.29	\$9,301
City Clerk	\$331,105	39%	\$3.99	\$2,790
City Manager	\$1,617,565	44%	\$22.12	\$15,479
Administrative Services	\$1,931,730	62%	\$37.14	\$25,985
Finance	\$1,448,640	62%	\$27.80	\$19,450
Community and Economic Dev.	\$5,257,315	33%	\$52.86	\$36,980
Police	\$12,989,075	82%	\$328.15	\$229,571
Public Works	\$4,859,425	78%	\$116.28	\$81,347
Non-Departmental				
Capital/Technology	\$1,225,000	100%	\$37.72	\$26,387
Other Non-Departmental	\$589,200	50%	\$9.00	\$6,294
Overhead Allocation	-\$860,280	100%	-\$26.49	-\$18,531
Total General Fund Expenditures	\$30,442,350		\$624	\$436,386

[1] Includes General Fund expenditures, including General Fund transfers, Reserve Fund costs directly attributable to division operation, and Reserve Fund costs indirectly attributable to division operations.

[2] Percent variable reflects City GF costs anticipated to increase with new residents and workers.

[3] Service population for East Palo Alto reflects population and employment estimates from California Department of Finance (2020); US Census/ESRI 2020 estimates.

Sources: City of East Palo Alto Department of Finance and Economic & Planning Systems

Net Fiscal Impact

The Four Corners project will result in an annual net fiscal benefit to the City of East Palo Alto General Fund beginning in year 1. This analysis estimates that the net annual fiscal impact of the proposed project on the City's General Fund is approximately \$2.39 million at project stabilization (year 2). After Measure O revenue commences in year 11, the project's estimated net fiscal impact increases to \$2.49 million per year, as shown in **Table 11**. The cumulative net impact of the project is estimated at \$3.60 million in year two, \$25.26 million in year 11, and over \$47.65 million in year 20, as shown in **Table 13**.

Table 10 Fiscal Impact of Proposed Uses

Revenue/ Expense Category	Proposed Project at Stabilization	Proposed Project at Year 11
General Fund Revenues		
Property Tax	\$1,555,000	\$1,555,000
Property Tax In-Lieu of VLF	\$901,000	\$901,000
Sales Tax	\$104,000	\$104,000
Franchise Fees	\$23,000	\$23,000
Utility Users Tax	\$34,000	\$34,000
Licenses, Fees, and Permits ¹	\$217,000	\$308,000
Total Revenues	\$2,833,000	\$2,924,000
General Fund Expenditures		
General Government	\$74,000	\$74,000
Community Development	\$37,000	\$37,000
Public Works	\$81,000	\$81,000
Police	\$230,000	\$230,000
Other	\$14,000	\$14,000
Total Expenditures	\$436,000	\$436,000
NET ANNUAL FISCAL IMPACT ON GENERAL FUND	\$2,397,000	\$2,488,000

[1] Licenses, Fees, and Permits revenue excludes Measure O revenue for the Project at stabilization. Measure O tax applies starting 10 years from issuance of certificate of occupancy.

Sources: City of East Palo Alto and Economic & Planning Systems

Other Fiscal Benefits

One-time development impact fees paid by the project developer could total roughly \$17.4 million. The City of East Palo Alto currently charges development impact fees including a (1) Parks and Trails fee, (2) Public Facilities fee, (3) Transportation Infrastructure fee, (4) Storm Drainage fee, (5) Water Capacity Fee, and (6) Commercial Linkage fee. Based on the City's most recent fee schedule (effective July 2019). Including Special District fees for the Ravenswood School District, the Sequoia Union High School District, the Menlo Park Fire Protection District, and the East Palo Alto Sanitary District, the total development impact fees are estimated at

\$15,500 per unit and about \$28 per square foot for commercial uses. Assuming that Four Corners does not pay impact fees on the new affordable units delivered by the project, roughly \$17.4 million would be generated for City capital improvement programs, as itemized in **Table 12**.

Table 11 Preliminary Estimated Impact Fee Burden

Impact Fee	Assumptions	Total
East Palo Alto Impact Fees		
Parks and Trails		
Residential	\$2,847 per DU	\$512,460
Office/R&D	\$1.15 per sf	\$575,000
Retail	\$0.77 per sf	\$15,400
Public Facilities		
Residential	\$4,993 per DU	\$898,740
Office/R&D	\$2.01 per sf	\$1,005,000
Retail	\$1.34 per sf	\$26,800
Storm Drainage		
Residential	\$121,000 per acre	\$158,271
Office/R&D	\$121,000 per sf	\$426,224
Retail	\$121,000 per sf	\$33,655
Transportation Infrastructure		
Residential	\$1,775 per DU	\$319,500
Office/R&D	\$7.33 per sf	\$3,665,000
Retail	\$7.33 per sf	\$146,600
Water Capacity		
Residential	\$5,014 per DU	\$902,520
Office/R&D	\$31.33 per GPD ²	\$2,788,370
Retail	\$31.33 per GPD ²	\$112,788
Impact Fees for Affordable Housing¹		
Residential	\$0 per DU	\$0
Office/R&D	\$11.14 per sf	\$5,570,000
Retail	\$11.14 per sf	\$222,800
Total Residential Impact Fees	\$15,508 per DU	\$2,791,491
Total Office/R&D Impact Fees	\$28.06 per sf	\$14,029,594
Total Retail Impact Fees	\$27.90 per sf	\$558,043
Total Fee Burden		\$17,379,128

[1] For non-residential uses, this reflects the City's Commercial Linkage Fee.

Table 12 Net Fiscal Impact Schedule Years 1-20

Year	<i>Percent Stabilized¹</i>	Fiscal Impact	w/ Measure O Revenues	Total Fiscal Impact	Cumulative
1	50%	\$1,198,500	\$0	\$1,198,500	\$1,198,500
2	100%	\$2,397,000	\$0	\$2,397,000	\$3,595,500
3	100%	\$2,397,000	\$0	\$2,397,000	\$5,992,500
4	100%	\$2,397,000	\$0	\$2,397,000	\$8,389,500
5	100%	\$2,397,000	\$0	\$2,397,000	\$10,786,500
6	100%	\$2,397,000	\$0	\$2,397,000	\$13,183,500
7	100%	\$2,397,000	\$0	\$2,397,000	\$15,580,500
8	100%	\$2,397,000	\$0	\$2,397,000	\$17,977,500
9	100%	\$2,397,000	\$0	\$2,397,000	\$20,374,500
10	100%	\$2,397,000	\$0	\$2,397,000	\$22,771,500
11	100%	\$2,397,000	\$90,993	\$2,487,993	\$25,259,493
12	100%	\$2,397,000	\$90,993	\$2,487,993	\$27,747,486
13	100%	\$2,397,000	\$90,993	\$2,487,993	\$30,235,479
14	100%	\$2,397,000	\$90,993	\$2,487,993	\$32,723,472
15	100%	\$2,397,000	\$90,993	\$2,487,993	\$35,211,465
16	100%	\$2,397,000	\$90,993	\$2,487,993	\$37,699,458
17	100%	\$2,397,000	\$90,993	\$2,487,993	\$40,187,451
18	100%	\$2,397,000	\$90,993	\$2,487,993	\$42,675,444
19	100%	\$2,397,000	\$90,993	\$2,487,993	\$45,163,437
20	100%	\$2,397,000	\$90,993	\$2,487,993	\$47,651,430

[1] Net fiscal impact accounts for 5% residential vacancy.

Source: Economic & Planning Systems

Economic Impact Analysis

This section evaluates the proposed project's ongoing economic impact in the local economy using project data and the IMPLAN "Input/Output" (I/O) model of the local economy.² The economic impacts calculated here are those that can be directly linked to proposed project operational expenditures and retail sales attributable to the proposed project. Using IMPLAN, local expenditures are analyzed to determine associated economic metrics such as direct employment, labor income, and value added (a metric comparable to GDP) supported by the project. The economic impact analysis also evaluates indirect and induced economic impacts, which are "multiplier" or "ripple" effects in the local economy.

Framework and Approach

I/O analysis is premised on the concept that industries in a geographic region are interdependent and thus the total contribution of any one establishment's activity is larger than its individual (direct) output and/or employment. Consequently, an establishment's economic activity has a "multiplier" effect that generates successive rounds of spending and output in other economic sectors within a particular region. For example, consider the implications of operating expenditures made by a property manager. Building operations stimulate purchases of goods and services, who in turn purchase raw materials from suppliers. Thus, an increase/decrease in the demand for these goods and services will generate an increase/decrease in output and employment in the interdependent secondary industries.

Regional economic impact analysis and I/O models in particular provide a means to quantify economic effects stemming from a particular industry or economic activity. Specifically, I/O models produce quantitative estimates of the magnitude of regional economic activity resulting from some initial activity, in this case spending on life science/laboratory and apartment management activities and retail. I/O models rely on economic multipliers that mathematically represent the relationship between this initial change in one sector of the economy and the effect of that change on economic output, employment, and income in other industries. These economic data provide a quantitative estimate of the magnitude of shifts in jobs and revenues within a regional or state economy.

The initial revenue injections into the economy from the project are referred to as the direct effect. The I/O model quantifies the impacts associated with the ripple or multiplier effects that result from this initial round of spending. The ripple effects are categorized as indirect or induced effects. Indirect effects represent economic impacts on suppliers while induced effects represent economic impacts on household income and spending. In this report, direct, indirect, and induced effects are defined as follows:

² IMPLAN is an Input-Output modeling system (software and data) developed by the Minnesota IMPLAN Group, and is widely used in the U.S. for estimating economic impacts across a wide array of industries and economic settings. IMPLAN draws upon data collected from several state and federal sources, including the Bureau of Economic Analysis, Bureau of Labor Statistics, and the Census Bureau. For the purposes of this economic impact analysis the "local" economy is defined as San Mateo County.

- The **Direct Effect** is a measure of the economic value of the initial injection of spending into the economy, including one-time construction spending and recurring expenditures to operate the project.
- The **Indirect Effect** is a measure of the economic value of "upstream" industry-to-industry transactions that supply inputs to the production of goods and services consumed by the new project.
- The **Induced Effect** is a measure of the economic value of labor income that re-circulates in the economy as a result of the initial revenue made by the project. This would relate to the spending of the project's employees.
- The **Total Impact** is the sum of the direct, indirect, and induced effects. The total impact measures the overall impact of the project's activities on the economy.

This report measures economic significance using common economic metrics, including employment, labor income, output, and value added, as defined below.

- **Employment** is equivalent to jobs, a headcount that includes part-time and full-time workers.
- **Labor Income** represents payments to labor in the form of both income and fringe benefits paid by the employer (e.g., health, retirement), as well as proprietor income.
- **Value Added** represents a contribution to gross regional product and equals the market value of the final goods and services produced within a particular region. Value added is equal to economic output less the value of intermediate goods and services.
- **Economic Output** represents a measure of economic activity, calculated as production value including intermediate inputs (i.e., the goods and services used in the production of final products). Output includes spending on labor income as well as the production value of each intermediate input, such as equipment, supplies, insurance, rents, utilities, communication

One-Time Economic Impacts from Project Construction

The construction of the proposed project will directly support approximately 1,200 job-years of employment with average labor income (including benefits) of nearly \$108,000 per year. The average number of jobs supported by the project each year depends on the construction timeline. If the entire project is developed in a two-year period, the project would support direct employment that averages about 1,200 jobs during each of the years of construction activity.

Total economic impacts reflect an input/output analysis based on current San Mateo County economic data. The total one-time economic impact of project construction, including direct effects and indirect/induced multiplier effects, is estimated at about \$574 million. The project could support roughly 3,000 job-years in San Mateo County during the construction period.

Table 13 One-Time Economic Impact for Construction Activity

Impact ¹	Job Years	Labor Income	Value Added	Output
		<i>Constant Dollars (2020\$) in Millions</i>		
Direct	2,404	\$259	\$305	\$446
Indirect	219	\$23	\$34	\$55
Induced	<u>370</u>	<u>\$28</u>	<u>\$52</u>	<u>\$73</u>
Total	2,993	\$311	\$391	\$574

[1] Results presented for total construction investment. Annual economic impact depends on the construction timeline (e.g., annual impact for three year project is 1/3rd of the estimates provided above).

Sources: Sand Hill Property Co., IMPLAN, and Economic & Planning Systems, Inc.

Recurring Economic Impacts from Project Operations

The project is anticipated to support ongoing life science industry employment onsite. The analysis assumes that about 1,000 jobs will be based in the 500,000 square feet of life science/laboratory space. In addition, onsite retail and building maintenance activities support the local economy, along with additional project-related spending in the City. In total, this analysis estimates the direct, recurring economic impact of the Four Corners project at over \$500 million per year, and 1,070 direct jobs locally. Including indirect and induced effects, the project will support over \$700 million in net new economic activity annually, with over 1,900 jobs added in the county economy. **Table 15** presents estimated recurring annual economic impacts attributable to the proposed project.

Table 14 Annual Economic Impact at Project Buildout

Impact	Jobs	Labor Income	Value Added	Output
		<i>Constant Dollars (2020\$) in Millions</i>		
Direct	1,070	\$259	\$379	\$511
Indirect	476	\$59	\$87	\$125
Induced	<u>357</u>	<u>\$28</u>	<u>\$51</u>	<u>\$72</u>
Total	1,903	\$346	\$517	\$707

Sources: Sand Hill Property Co., IMPLAN, and Economic & Planning Systems, Inc.

4. Planning Compliance Analysis and Entitlement Mechanisms

The proposed project complies with the General Plan and the MUH Zoning that implements the General Plan. The following analysis details the University and Bay compliance with the applicable standards in the General Plan and Development Code. Because the Specific Plan is not consistent with the General Plan, the General Plan is determinative for this site. This section of the application also describes the approvals we seek to entitle the project, including architectural supervision, conditional use permits, possible clean-up changes to the Specific Plan, and a vesting tentative tract map.

General Plan

The General Plan specifies the land use designation for the Four Corners site as “Mixed Use High (MUH).” See following page. This section describes how the proposed project is compliant with the MUH designation and specifies where in the application specific information can be found. The General Plan policies are in **bold** and the analysis is in plain text below.

This designation is meant to support new enlivened, thriving districts for East Palo Alto, by accommodating multi-story mixed use buildings.

We are proposing a new vibrant destination at the Four Corners site. There will be a variety of multi-story buildings ranging from the 2-story community space (potential library) adjacent to a community plaza and University Avenue to 7- and 8-story housing buildings with retail uses and tenant amenities on the ground floor to 8-story life science/laboratory buildings, also adjacent to a community plaza and containing ground-floor retail uses.

Further information can be found in Section 1 – Overview and Project Description.

This designation provides for vertical and horizontal mixed-use development at key locations within the City, including the Ravenswood 101 Shopping Center, and 4 Corners/Bay Road specific plan area.

The proposed project includes both vertical and horizontal mixed-use development in the 4 Corners/Bay Road specific plan area, and more particularly at the key Four Corners intersection. Horizontally, the proposed project mixes active spaces along the ground floor like community space (potential library), a community plaza, slow streets, pedestrian walkways, retail, and tenant amenities. Vertically, these vibrant ground-floor uses are topped with housing and life science/laboratory uses.

Further information can be found in Section 1 – Overview and Project Description.

Residential only projects are not allowed however there may be a horizontal mix of residential and non-residential uses within a single project.

This is a mixed-use project, not a residential-only project.

Further information can be found in Section 1 – Overview and Project Description.

Description of Land Use Designation from General Plan

Mixed Use High (MUH)

Description: This designation is meant to support new enlivened, thriving districts for East Palo Alto, by accommodating multi-story mixed-use buildings. This designation provides for vertical and horizontal mixed use development at key locations within the City, including the Ravenswood 101 Shopping Center, and 4 Corners/Bay Road specific plan area. Residential only projects are not allowed however there may be a horizontal mix of residential and non-residential uses within a single project. At least 35% of the ground floor space of building shall be retail space in those areas. In areas where retail is removed for the construction of new buildings, the new retail space shall be greater than 85% of the previously existing retail space.

Allowed Land Uses: Multi-family residential, attached single family residential, retail, services, office, and R&D.

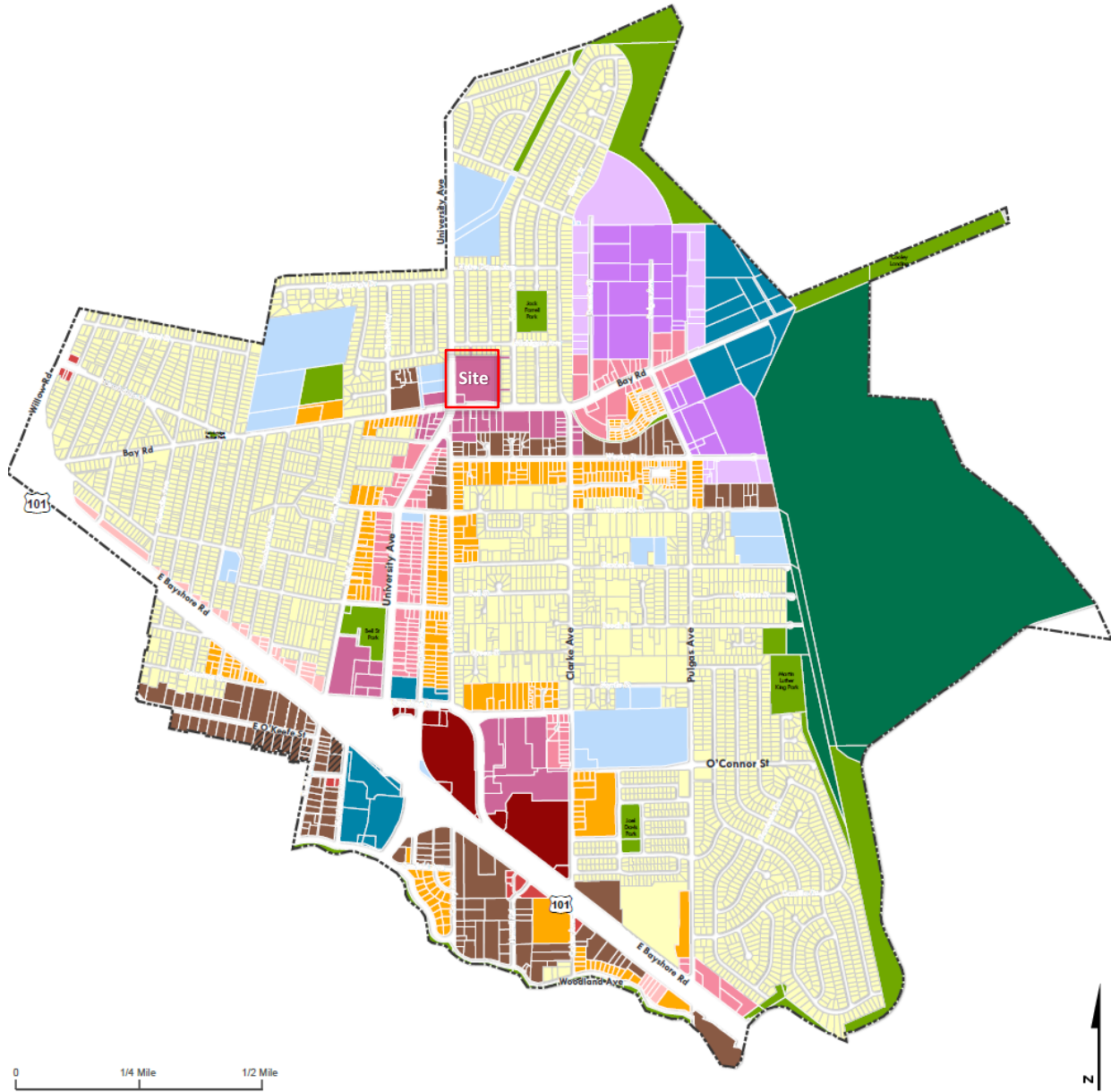
Density/Intensity: Up to 86 units/acre. Up to 2.5 FAR. Maximum of 8 stories or 100 feet, whichever is greater. Up to 260 persons/acre.



Mixed Use High is intended to promote 4 to 8 story office or residential buildings over retail, services, or other active spaces.

Land Use Designation Map from General Plan

General Plan Land Use Designations



- | | | |
|----------------------------|-------------------------|-------------------------------|
| Low Density Residential | Mixed Use Low | General Industrial |
| Medium Density Residential | Mixed Use Corridor | Industrial Buffer |
| High Density Residential | Mixed Use High | Resource Management |
| Urban Residential | General Commercial | Parks/Recreation/Conservation |
| | Neighborhood Commercial | Public/Institutional |
| | Office | |



At least 35% of the ground floor space of buildings shall be retail space in those areas. In areas where retail is removed for the construction of new buildings, the new retail space shall be greater than 85% of the previously existing retail space.

The proposed project includes 30,000-40,000 square feet of community space, retail, and restaurant space plus additional active space in the residential buildings for lobbies and tenant amenities. No retail is being removed for the construction of new buildings. The enclosed, non-parking ground floor space across all buildings is roughly 80,000 square feet. Therefore, our proposal would have between 37.5% and 50% of ground floor space as retail, restaurant, and community use.

Allowed land uses: Multi-family residential, attached single family residential, retail, services, office, and R&D.

The proposed project includes most of these uses: it incorporates multi-family residential uses, retail, tenant amenities, services (eating and drinking establishments) and R&D.

Density/Intensity: Up to 86 units/acre. Up to 2.5 FAR. Maximum of 8 stories or 100 feet, whichever is greater. Up to 260 persons/acre.

The proposed project includes 180 multi-family dwelling units. The residential density is approximately 30 dwelling units per acre across the site. The non-residential density is 2.03 FAR. There are no buildings taller than the maximum of 8 stories.

Commercial requirements. Require development projects in non-residential and mixed use areas to provide for enhanced pedestrian activity and viable commercial spaces through the following techniques: minimizing vehicle intrusions across the sidewalk; locating the majority of a building's frontages in close proximity to the sidewalk edge; requiring that the first level of the building occupy a majority of the lot's frontage, with exceptions for vehicle access; requiring that the first level of building where retail uses are allowed have a minimum 15 feet floor to floor height for non-residential uses; allowing for the development of outdoor plazas and dining areas; requiring that the majority of the linear ground floor retail frontage (where it occurs) be visually and physically penetrable, incorporating windows and other design treatments to create an attractive street frontage; discouraging new surface parking lots; locating parking (surface or structured) behind buildings, wherever feasible.

The proposed project provides for enhanced pedestrian activity and viable commercial spaces through several techniques, as suggested by the General Plan, as follows:

- The design minimizes the vehicular intrusions across the sidewalk, consolidating the entry and exits from the site into three driveways, one to and from Bay Road and the others to and from University Avenue. This design maintains lengthy sidewalk stretches to enhance the pedestrian experience.
- The proposed project includes buildings in close proximity to the sidewalk edge, creating a lively and active street front and pedestrian area.
- Nearly all the lot’s frontage is occupied by the buildings at ground level, with the exception of the City Parcel, which is not part of the proposed project.
- The first floor of each building would have at least a 20-foot floor-to-floor height.
- The proposed project includes outdoor plazas and dining areas, including a community plaza with civic landmark tower at the center. The retail spaces may be filled by restaurants, including with dining open to the outdoors.
- The ground-floors are proposed to be physically penetrable, with floor to ceiling windows facing the public space. The community building will be open and transparent. This creates an attractive and inviting street frontage.
- There will be a few surface parking spaces, but no surface parking lot. The parking will be located predominantly underground and in a parking structure behind the life science/laboratory buildings and in a structured garage on the first level of one of the housing buildings.

Further information can be found in Section 1 – Overview and Project Description.

Mixed Use High Development Code Standards and Required Approvals

The proposed project is also in compliance with the Mixed Use High Development Code Standards. Section 18.12.010 indicates that the purpose of MUH is to implement the MUH designation from the General Plan:

“MUH - Mixed Use High Zone. This zone is intended to support new enlivened, thriving districts by accommodating multiple-story mixed use structures. This zone provides for vertical and horizontal mixed use development at key locations. Residential only developments are not allowed; however, a horizontal mix of residential and non-residential uses within a single development is allowed. Appropriate land uses include multiple-family residential, attached single-family residential, office, research and development, retail, and service uses. This zone implements the Mixed Use High (MUH) land use designation in the General Plan.”

Section 18.12.020 (D) further clarifies the MUH standards:

“MUH - Mixed Use High Zone. In the MUH Zone residential only developments are not allowed; however, there may be a horizontal mix of residential and non-residential uses within a single development. At least 35 percent of the ground floor space of each structure shall be retail space. In areas where retail is removed for the construction of new structures, the new retail space shall be greater than 85 percent of existing retail space.”

Table 2-3 Specifies the Allowed Uses and Permit Requirements in the MUH. The following uses are relevant to the proposed project:

- Research and Development (for the life science/laboratory uses): CUP
- Cultural Institutions: CUP
- Park/Plaza/Open Space: CUP
- Public Assembly/Meeting Facilities: CUP
- Multiple-Family Dwellings: P (above 1st floor)
- Retail Sales: P
- Eating and Drinking Establishments: P or CUP

In accordance with Table 2-3, the applicant has applied for a Conditional Use Permit to permit the conditionally approved uses in the proposed project.

Development Code section 18.88.060(A) requires that several findings must be made for the City to approve a CUP. The following table indicates that the required findings can be made for the proposed conditional uses.

CUP Required Findings	
<i>Required Finding</i>	<i>Analysis of Proposed Uses</i>
The proposed use is consistent with the General Plan and any applicable specific plan	The analysis above demonstrates that the proposed uses, including R&D, cultural institutions, park/plaza/open space, public assembly/meeting facilities, and eating & drinking establishments are consistent with the General Plan and the applicable provisions of the Specific Plan.
The proposed use is allowed within the subject zone and complies with all other applicable provisions of the Development Code and the Municipal Code	The analysis above demonstrates that the proposed uses, including R&D, cultural institutions, park/plaza/open space, public assembly/meeting facilities, and eating & drinking establishments are consistent with the Development Code provisions applicable in the MUH zone. These are the applicable

CUP Required Findings	
<i>Required Finding</i>	<i>Analysis of Proposed Uses</i>
	provisions because they implement the General Plan designation.
The design, location, size, and operating characteristics of the proposed use are compatible with the allowed uses in the vicinity, as detailed in the General Plan or any applicable Specific Plan	The analysis above demonstrates that the design, location, size, and operating characteristics of the proposed uses are compatible with the allowed uses in the vicinity, as detailed in the General Plan. Indeed, all the proposed uses are allowed in the General Plan.
Operation of the use at the location proposed would not be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed use	Operation of the uses at the location would comply with all applicable standards in the Development Code to ensure that they would not be detrimental to the harmonious and orderly growth of the City, or endanger, jeopardize, or otherwise constitute a hazard to the public. Rather, the proposed project would implement the City’s vision for a “main street” at the site.
<p>The subject site is:</p> <ul style="list-style-type: none"> a. Physically suitable in terms of design, location, operating characteristics, shape, size, topography, and the provision of public and emergency vehicle (e.g., fire and medical) access and public services and utilities; and b. Served by highways and streets adequate in width and improvement to carry the kind and quantity of traffic the proposed use would likely generate. 	<ul style="list-style-type: none"> a. The University and Bay site is physically suitable for the proposed uses, as shown in the entitlement submission plans. The design of the proposed project facilitates a vibrant mixed-use site that will serve the needs of the residents of the on-site housing, the broader community through retail and community spaces, and the employees of the life science/laboratory uses. The site provides adequate public and emergency vehicle access and is served by public services and utilities at the center of the community. b. The site is also served with a transportation network adequate to carry the kind and quantity of traffic that the proposed uses would likely generate, as shown in the circulation plan located in Section 1.

The following table shows the development standards within the Mixed Use High zone and demonstrates how the project complies with the standards.

Development Standards for Mixed Use High (Table 2-3)		
<i>Development Feature</i>	<i>Development Standard</i>	<i>Proposed Project</i>
Density (residential)	86 du/acre max	30 du/acre
Density (non-residential)	2.5 FAR	2.03 FAR
Setbacks		
Front	None required, but shall not exceed 10 ft.	
Side, Each	5 ft.	n/a
Side, adjoining a residential district	20 ft.	31 ft.
Rear	5 ft.	n/a
Rear, adjoining a residential district	20 ft.	30 ft.
Height	8 stories or 100 ft., whichever is greater	8 stories
Open Space	Minimum sq. ft. of open space required for each dwelling unit within the mixed use development. See Table 2-2 for details of common and private open space requirements. All open space areas shall be landscaped in compliance with Chapter 18.28. Table 2-2 allows open space to be aggregated.	Proposed project aggregates private and common open space
Common Open Space	50 sq. ft.	74.64 sf/unit
Private Open Space		
Ground Floor Units	50 sq. ft.	40.9 sf/unit
Upper Floor Units	50 sq. ft.	
TOTAL Common + Private Open Space	100 sq. ft/unit	115.5 sf/unit

The proposed project is also compliant with the applicable parking standards. The table below summarizes the required parking ratio that the Development Code requires for each proposed use and indicates the number of parking spaces that are being proposed to satisfy the requirement. In all, the project is proposing approximately 50 “extra” parking spaces beyond the number required for compliance with the standards.

Off Street Parking Standards (Table 3-1)

Land Use	Size ¹	Required Ratio <small>Dev. Code §18.30.050</small>	Required Spaces	Proposed Spaces ²	Compliant?
Life Science/ Laboratory	394,800 s.f.	1 / 500 s.f.	790	880	Yes
Housing	180 units		300	300	Yes
Studio	45 units	1 / unit	45		
One Bedroom	80 units	1.5 / unit	120		
Two Bedroom	55 units	1.8 / unit	99		
Guests	180 units	0.2 / unit	36		
Retail/Community (Multiple-tenant center)	22,500 – 30,000 s.f.	1 / 250 s.f.	90 - 120	120	Yes
Total			1,180 - 1,210	1,300	Yes

¹Floor area excludes service and non-public areas per 18.30.050
²Some may be undesignated or available for more than one use, since mixed-use peak demand timing may vary (lab vs housing vs retail); includes surface parking in site interior, parking structures, and underground garage.

The Development Code requires Site Plan and Design Review for new construction. Development Code section 18.86.050 requires that several findings must be made for the City to approve the Site Plan and Design Review. The following table indicates that the required findings can be made for the University and Bay proposal.

Site Plan and Design Review Required Findings	
<i>Required Finding</i>	<i>Analysis of Proposed Uses</i>
The proposed development is consistent with the General Plan and any applicable specific plan and is in compliance with all applicable provisions of the Development Code and all other City ordinances and regulations	The analysis above demonstrates that the proposed project is consistent with the General Plan and the applicable provisions of the Specific Plan. The proposed project has been designed to comply with all applicable provisions of the Development Code and all other City ordinances and regulations.
The proposed development is to be constructed on a suitable site, adequate in shape, size, topography, and other circumstances to accommodate the proposed development	The proposed development is to be constructed on a relatively flat, vacant 6.1-acre site. There is no unusual topography of the site that would require accommodation. University and Bay has been designed to utilize the unusual "fingers" that project out from the main rectangular parcel to connect to Michigan and Fordham Avenues. These access points will facilitate pedestrian access to and from the adjacent neighborhood to promote interconnectivity. In all, the proposed project is intended to enliven and enhance a key intersection at the "heart" of the City.
The proposed development complies with the applicable standards of review	The analysis above demonstrates that the proposed project is consistent with the development standards in the MUH zone.
The proposed development is designed and arranged to provide adequate consideration to ensure the public health, safety, and general welfare, and to prevent	The entitlement plans package demonstrates that the proposed project has been designed and arranged to ensure the public health, safety, and general welfare and to prevent adverse effects on neighboring property. More particularly, University and Bay has been designed to enable appropriate life/safety

Site Plan and Design Review Required Findings	
Required Finding	Analysis of Proposed Uses
adverse effects on neighboring property.	access and improve the interconnectivity of the neighborhood. Ample setbacks and accommodations have been made along the edges of the site abutting residential neighborhoods to prevent adverse effects on neighboring property. The project has been designed to increase neighborhood amenities through improved pedestrian connectivity, welcoming outdoor spaces to gather, community spaces, and retail options.

Specific Plan Designation: Not Applicable

Although the site is included in the Ravenswood/4 Corners TOD Specific Plan, the land use designation and associated development standards contained in that Specific Plan have been superseded by the later-adopted standards in the General Plan and Development Code. Therefore, the Specific Plan designations are not applicable to the proposed project, as described in more detail below.

In October 2016, the City of East Palo Alto adopted a new General Plan. The new General Plan designates the Four Corners site as MUH. MUH has a density of up to 86 dwelling units per acre for residential uses and 2.5 FAR for commercial uses. See General Plan pages 4-8, 4-13. There is a maximum of 8 stories or 100 feet, whichever is greater. *Id.* These development standards were purposefully applied within the specific plan area: “[t]his designation provides for vertical and horizontal mixed use development at key locations within the City, including.... 4 Corners/Bay Road specific plan area.” See General Plan page 4-8.

In 2018, the City adopted a new Development Code as the zoning to implement the General Plan. However, there are inconsistencies between the new zoning and the General Plan. The new zoning map purported to adopt a different land use designation for the Four Corners site, calling it “4C” rather than MUH. The Development Code attempts to incorporate the specific plan as governing the land uses and development standards in each designated specific plan area. However, those specific plan policies applicable to the 4C designation conflict with the General Plan land uses and development standards associated with the MUH designation. For instance, they allow different uses at different densities.

Pursuant to Government Code 65860, zoning ordinances must “be consistent with the general plan of the county or city.” The California Supreme Court has determined that “[t]his provision renders invalid any change to the zoning ordinance that would make it inconsistent with the general plan.” *City of Morgan Hill v. Bushey* (2018) 5 Cal.5th 1068, 1075 (citing *Leshar Communications, Inc., v. City of Walnut Creek* (1990) 52 Cal.3d 531). The court in *Leshar* explained, “[t]he general plan stands. A zoning ordinance that is inconsistent with the general plan is invalid when passed... The Planning and Zoning Law does not contemplate that general plans will be

amended to conform to zoning ordinances. The tail does not wag the dog. The general plan is the charter to which the ordinance must conform." *Leshner*, 52 Cal.3d at 541 (citations to *deBottari v. City Council* (1985) 171 Cal.App.3d 1204, 1212 and *Sierra Club v. Board of Supervisors* (1981) 126 Cal.App.3d 698, 704 omitted). Specific plans must also be consistent with the General Plan. See Government Code sections 65454 & 65359, *Napa Citizens for Honest Government v. Napa County Bd. Of Supervisors* (2001) 91 Cal.App.4th 342, 386.

The City's zoning ordinance and specific plan are invalid where they conflict with the General Plan. The General Plan is in accord: "[w]here the documents differ, the General Plan takes precedence." See page 4-5. A difference occurs where the zoning map conflicts with the General Plan land use designation. The zoning map's inconsistent zoning for the Four Corners site is invalid and the General Plan designation is the controlling standard. Another difference occurs between the permissible uses and development standards of the controlling MUH designation (as implemented by the Development Code) and the specific plan. In both areas of inconsistency, the General Plan must govern.

When the City adopted the General Plan, the City received public comments explaining that certain General Plan provisions were inconsistent with the existing Specific Plan. The public comments suggested that the City specify that in the case of an inconsistency, the Specific Plan would govern. The City expressly rejected this notion. Staff explained in an "errata sheet" dated as of October 4, 2016 and adopted by City Council that "General Plans supersede Specific Plans so this language cannot be added." See page 31, line 328. In other words, the City knew when the General Plan was adopted that there were inconsistencies between the General Plan and the Specific Plan, and it determined that in those circumstances, the General Plan would control.

That is the situation at the Four Corners site. The General Plan applies the MUH designation, which is inconsistent with the Specific Plan and Development Code designations of "4C." Because of this inconsistency, the Specific Plan and Development Code designations have been superseded and do not apply. Therefore, the proposed project has been designed to comply with the MUH General Plan designation and the MUH development standards in the Development Code that implement the General Plan designation.

Possible Specific Plan Clean-Up Amendment

Rather than determine that the Specific Plan has been amended and superseded by operation of law (as described above), the City may decide to formally resolve the inconsistency described above by amending the Specific Plan. We believe that any of the following options would resolve the issue. Option 2 would be the most straightforward for the proposed project.

Option 1: Conforming Action to Amend Maps. Amend the Specific Plan Map and Zoning Map, applying the MUH designation for all of the area designated as "Four Corners," except for County Center.

Option 2: Targeted Conforming Action to Amend Maps. Amend the Specific Plan Map and Zoning Map as in #1, but do so only for the University and Bay site.

Option 3: Remove the Four Corners area from Specific Plan Area. Amend the Specific Plan Map to remove the area designated as "Four Corners" from the Specific Plan Area. Apply the MUH zoning to the area on the Zoning Map.

Option 4: Targeted Removal from Specific Plan Area. Amend the Specific Plan Map as in #3, but remove only the University and Bay site. Apply MUH zoning to the site on the Zoning Map.

We understand that the City is commencing a process to update the Specific Plan. We believe that it would be most straightforward to process one of the above-listed options rather than include the site in the Specific Plan Update process. However, these options could be implemented instead through the Specific Plan amendment process. In either case, the designation of the site must be compliant with the General Plan.

If the Specific Plan is updated on a project-specific basis, such change would be analyzed through the environmental review process for the University and Bay project as a whole. Otherwise, if the update is included in the Specific Plan Update process, then it would be analyzed as part of the environmental clearance for the Specific Plan Update.³

Vesting Tentative Tract Map

University and Bay is proposed to be subdivided into 8 parcels, as detailed on the Vesting Tentative Tract Map. There will also be condominiums and/or air space parcels carved out of certain parcels for the purpose of accommodating retail, community, and parking uses. These spaces have not yet been designed, so the exact number and configuration within each building is still to be determined. There will also be reciprocal access easements across the site for the benefit of the users. A common interest development association will have an interest in common areas and will ensure the ongoing funding, maintenance, and operation of such common areas. This plan allows the applicant to finance the component parts of the project while ensuring the ongoing maintenance in a first-class manner. Please see the Application Plans, Sheet TM-2, for details.

³ It is important to correct a misconception regarding "development caps" and the Specific Plan. The Specific Plan itself does not "cap" development at any particular level. Rather, the Environmental Impact Report ("EIR") for the Specific Plan analyzed a portion of the development contemplated by the Specific Plan, but did not analyze full build-out of the Specific Plan. Additional development beyond the quantity analyzed in the EIR would need to be analyzed under the California Environmental Quality Act ("CEQA"), but does not require a new Specific Plan. Project-by-project of development projects within the Specific Plan area could satisfy the requirements pursuant to CEQA; a full Specific Plan update is not required.

5. Inclusionary Housing Plan

We take seriously our role as a housing provider in East Palo Alto and have years of experience owning and operating rental housing, much of which serves low-income families in the community. We have heard from the community and stakeholders that the City seeks new housing at all income levels to ensure that families seeking housing in East Palo Alto can find it at a price they can afford.

The proposed project has been designed to comply with the City’s Inclusionary Housing Ordinance (“IHO”). However, we have significant concerns about the financial feasibility of the IHO. We therefore programmed our proposal so that the life-science/laboratory uses are sized to subsidize the inclusionary housing (as well as the community spaces and retail uses).

At this time, we are proposing the “Preferred Alternative” described below, but we have also outlined two additional alternatives for complying with the IHO. We must ensure that our affordable housing commitments are feasible: that is, before we can commit to a single model, we need to make sure that the model to which we’re committing can be constructed and operated. We do not yet have enough information about the market conditions, financing constraints, or entitlement limitations to commit to a single path. Committing to an infeasible option would have the unfortunate consequence of providing no new inclusionary or market-rate housing.

As we have repeatedly explained, the high percentage of inclusionary housing required by the IHO, in combination with the deep affordability requirements, pose particular feasibility challenges. We have asked the City to conduct a feasibility analysis, but the City has not yet done so. We continue to encourage that the City complete that work to ensure that its IHO will work toward the goal of creating new housing at all income levels within East Palo Alto.

In the absence of a City study, we retained Economic & Planning Systems, Inc. (“EPS”) to explore the issue more thoroughly by conducting a financial feasibility assessment of new multifamily residential development in the City. The study has been provided to staff and City Council during consideration of the IHO Guidelines. A copy of the study is attached to the application following this section. The EPS study tiers off the financial feasibility study that the City conducted when considering development impact fees in 2019. EPS finds that using the City’s development prototype and assumptions, adding the new inclusionary housing requirement renders new multifamily housing in East Palo Alto infeasible.

Our preliminary estimates indicate that the following options may be feasible ways to comply with the IHO:

Preferred Alternative: Compliance with On-Site Residential Rental IHO Requirement Through Cross-Subsidy from Life Science/Laboratory Buildings

Under the Preferred Alternative, the proposed project would meet the requirement of 20% inclusionary units. 25% of these would be at an affordable rent to 35% AMI income households;

50% would be at an affordable rent to very low-income households, and 25% would be at an affordable rent to low-income households.

The Preferred Alternative would require cross-subsidization from the life science/laboratory buildings. That is, the feasibility analysis has shown that a stand-alone residential building cannot afford to include the overall percentage of inclusionary units at the depth of affordability that the City seeks. The construction and operating costs would render such a project too expensive to build and operate. Cross-subsidization could theoretically solve that problem by providing a subsidy from the life-science/laboratory uses to the residential uses to cover the difference between the construction and operating costs and the eventual revenue stream.

However, we have not identified a lender that would support cross-subsidization. The proposed project will require financing for construction. Typically, construction loans are made on a per-use basis: the residential portion of the project would be financed separately from the life-science/laboratory portion of the project. The lender must ensure that the loan is repayable based on the revenues from the single use. That is, if the lender were to foreclose on the residential portion of the project, could that project be feasibly completed and operated? The answer is no for stand-alone residential buildings because the IHO requirements impose a significant ongoing operational cost.

If we can find a lender that will support cross-subsidization, then at the current sizes of the buildings, it would be feasible for the life-science/laboratory buildings to subsidize the costs of constructing and operating the IHO units.

It is important to note that the overall size of the life-science/laboratory buildings is significant to this calculation. If the square footage of those buildings were to be reduced through the entitlement process, it would jeopardize the possibility that those uses could cross-subsidize the IHO compliance units. There would not be enough revenue from the life-science/laboratory buildings to cover the operational subsidy for the IHO units.

Alternative 2: Compliance with Alternative On-Site IHO Requirement (Consistent with On-Site IHO Residential Ownership Requirement).

Under Alternative 2, the proposed project would meet the requirement of 20% inclusionary units. 50% of these would be available at an affordable price to low-income households and 50% would be affordable to moderate-income households. These units would be subsidized by the market rate units. This could better serve "missing middle" families in EPA that currently have little to no affordable rental housing options designated for households earning 60% to 120% of AMI.

Alternative 3: Alternative Compliance Through an Off-Site Development or In-Lieu Payment.

Under Alternative 3: Sand Hill would propose an off-site development or the payment of in lieu fees to satisfy the IHO in a manner that is feasible to preserve the viability of the overall project. The details of such alternative compliance have not been established to date.

MEMORANDUM

To: Sand Hill Property Company
From: Economic & Planning Systems, Inc.
Subject: Fiscal Analysis of East Palo Alto Inclusionary Housing Requirements; EPS #181057
Date: October 9, 2020

The Economics of Land Use



Sand Hill Property Company retained Economic & Planning Systems, Inc. (EPS) to prepare a financial feasibility assessment of new multifamily residential development in East Palo Alto (City), focused on the financial impact of the City's inclusionary housing requirement. The financial analysis presented here tiers off of a financial feasibility analysis prepared for the City and published in 2019 as part of an effort to evaluate a number of local development impact fees.

In November 2019, the City of East Palo Alto adopted revisions to the City's inclusionary housing requirement, pursuant to Municipal Code Chapter 18.37. The new requirement increased the legislated public policy burden on all new multifamily housing. In light of the new inclusionary policy, the objective of the EPS analysis is to evaluate whether the City's inclusionary housing requirements are financially feasible for new multifamily residential development projects. The analysis relies on a generic "prototype" project.

Earlier in 2019, before updating the inclusionary housing ordinance, the City Council adopted Chapter 13.28 and an accompanying Fee Resolution to collect one-time impact fees from development projects to fund four categories of infrastructure improvements: 1) parks and trails; 2) public facilities; 3) storm drainage and 4) transportation infrastructure, effective July 2, 2019. As a part of this fee update, staff approved and the City Council unanimously adopted a Development Impact Fee Program Nexus Study and an accompanying Development Impact Fee Program Financial Feasibility Study (both dated February 28, 2019). AECOM, a consultant to the City, prepared both documents, which are publicly available on the City's website.

The AECOM Development Impact Fee Financial Feasibility Study evaluates ten residential and commercial development prototypes through pro forma financial analyses to determine residual land value, and thereby financial feasibility. EPS uses the Study's analysis of

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"Prototype R3 Urban Residential / Mid- or High-Rise Building" as a baseline for further testing of financial feasibility. Using the published information, EPS replicated the AECOM analysis and prepared a "live" spreadsheet model that supports evaluation of new policies, fees, and other development factors. It is important that construction costs have escalated since the completion of the AECOM analysis.⁴ EPS also notes that the AECOM model does not account for real estate sale costs or include a cost contingency as is typical. Acknowledging these shortcomings, the model provides a reasonable basis for ongoing feasibility analysis.

Using AECOM's R3 80-unit prototype and all assumptions in the final 2019 study as a starting point, EPS (1) establishes baseline feasibility and (2) tests the feasibility of the City's recently adopted inclusionary housing requirement, including when units are provided on site and when an in-lieu fee is paid.

The AECOM study indicates that "The analysis assumes that if a residual land value is negative, the project is not feasible. However, low land values indicate a low feasibility for a project. Staff estimate that land values below \$25 per square foot (psf) indicate a low feasibility and low probability of completion for the prototype developments." EPS results presented below can be interpreted similarly, though it is likely that the \$25 value understates actual land cost in the market. EPS analytical scenarios are described below, and **Figure 1** summarizes results.

- **Scenario 1 - February 2019 EPA Baseline:** The AECOM prototype assumes a 1-acre site with 80 market rate units. Cost assumptions include the City's existing and proposed fees at the time of the study, including the City's former inclusionary housing fee. Scenario 1 establishes the baseline for the analysis, with no changes to the AECOM assumptions, and results that match those presented in the final study. Scenario 1 is deemed feasible, achieving \$40 per square foot land value (\$15 above the feasibility threshold established for the analysis).
- **Scenario 2 - November 2019 Inclusionary Housing Ordinance:** The Housing Impact In-Lieu Fee used in the AECOM analysis is removed and replaced with the current 2020 inclusionary requirement, which is satisfied either by building income-restricted units on site or paying an in-lieu fee, in line with the current Municipal Code Chapter 18.37, "Inclusionary Housing." In the on-site affordable housing Scenario 2a, 16 of the 80 units in the prototype project are valued based on allowable rents for Extremely Low Income, Very Low Income, and Low-Income households, as required. In the in-lieu fee Scenario 2b, a \$250,000 fee is paid for each affordable unit not constructed on site, with the requirement shifting up to 25 percent of total units (20 affordable units in this case). The financial analysis reveals Scenario 2 is infeasible, yielding a negative residual land value of -\$42 (2a) and -\$43 (2b) per square foot.

⁴ The AECOM cost estimates in 2019 are lower than the current construction cost estimates in the April 27, 2020 DRA Memorandum to the City regarding the Inclusionary Housing In Lieu Fee Update. Using updated construction costs figures in the feasibility analysis would make all multi-family housing development more financially challenging than the findings presented here.

Figure 1 Summary of Feasibility Results

Feasibility Scenario	Scenario 1: February 2019 EPA Baseline	Scenario 2a: November 2019 Inclusionary Housing Ordinance	Scenario 2b: November 2019 IHO with In-Lieu Fee
Total Units	80	80	80
Market Rate Units	80	64	80
Income-Restricted Units	-	16	-
Replacement RSO Units	-	-	-
Fees per Unit	\$37,598	\$15,417	\$77,917
Fee Burdened Units	80	80	80
Developer Return on Investment	12%	12%	12%
Residual Land Value	\$1,754,285	-\$1,825,450	-\$1,858,225
<i>per square foot</i>	<i>\$40</i>	<i>-\$42</i>	<i>-\$43</i>
Feasibility	Feasible	Not Feasible	Not Feasible

A pro forma analysis for each scenario and additional detail supporting the assumptions used are provided in the tables that follow.

Scenario 1: February 2019 EPA Baseline

This model recreates the Prototype R3 Pro Forma published in the City's Development Impact Fee Program Financial Feasibility Technical Memorandum, submitted by AECOM, dated February 28, 2019.

See supporting tables for additional detail.

DEVELOPMENT PROGRAM ASSUMPTIONS	ASSUMPTION/FACTOR		
Development Site (Square Feet)	1	Acres	43,560
Dwelling Units	80	DU / Acre	80
Gross Building Area (Square Feet)	875	GBA / DU	70,000
Net Rentable Square Feet	80%	Efficiency Factor	56,000
Total Parking Spaces	1.7	Spaces / DU	136
Surface Parking Spaces	15%	of total parking	20
Structured Parking Spaces	85%	of total parking	116

BUILDING INCOME AND VALUE	ASSUMPTION/FACTOR		REFERENCE	PER GBA	TOTAL
Gross Potential Rent	\$4.16	per SF/Month	<i>see Detail Table 1</i>	\$40	\$2,795,520
Gross Potential Parking Income	\$0	per Space/Month		\$0	\$0
Losses to Vacancy	5.0%	of Gross Income		<u>-\$2</u>	<u>-\$139,776</u>
<i>Gross Residential Revenue</i>				\$38	\$2,655,744
Basic Operating Expenses	25%	Gross Potential Rent		-\$10	-\$698,880
Additional Operating Expense (TDM) ¹	\$0	per Year		<u>\$0</u>	<u>\$0</u>
<i>Total Operating Expenses</i>				-\$10	-\$698,880
Net Operating Income (NOI)				27.9552	\$1,956,864
Project Market Value	4.25%	Cap Rate		\$658	\$46,043,859
Project Sale Cost ¹	0.0%	Value		<u>\$0</u>	<u>\$0</u>
Net Project Value				\$658	\$46,043,859

PROJECT DEVELOPMENT COSTS	ASSUMPTION/FACTOR		REFERENCE	PER GBA	TOTAL
Construction Cost					
On-Site Infrastructure	\$35	per SF (development site)		\$22	\$1,524,600
Building Direct Cost	\$330	Cost/SF (GBA)		\$330	\$23,081,750
Surface Parking Direct Cost	\$10,000	per Space		\$3	\$200,000
Structured Parking Direct Cost	\$31,000	per Space		<u>\$51</u>	<u>\$3,596,000</u>
<i>Total Construction Cost</i>				\$406	\$28,402,350
Soft Cost					
Permits and Fees	\$37,598	per DU	<i>see Detail Table 3</i>	\$43	\$3,007,865
Financing	5.0%	of Construction Cost (incl. site)		\$20	\$1,414,610
Other Soft Costs	25%	of Construction Cost (excl. site)		<u>\$96</u>	<u>\$6,719,438</u>
<i>Total Soft Costs</i>				\$159	\$11,141,913
Other Project Costs					
Development Contingency ¹	0.0%	of Construction & Soft Costs		\$0	\$0
Developer Return on Investment	12%	of Construction and Soft Costs		\$68	\$4,745,312
Residual Land Value	Model Output / Supportable Land Cost			<u>\$25</u>	<u>\$1,754,285</u>
<i>Total Other Costs</i>				\$93	\$6,499,596
Total Project Cost (including land)				\$658	\$46,043,859

Residual Land Value					\$1,754,285
				<i>per sf development site</i>	\$40

[1] Expense not accounted for in prototype modeled by AECOM in 2018 Development Impact Fee Financial Feasibility Technical Memorandum, dated February 28, 2019.

Scenario 2a: November 2019 Inclusionary Housing Ordinance with On-Site BMR Housing

This model uses the same Prototype R3 Pro Forma published in the City's Development Impact Fee Program Financial Feasibility Technical Memorandum, submitted by AECOM, dated February 28, 2019. Two changes have been made: (1) the former Housing Impact In-Lieu Fee used by AECOM has been removed and (2) the inclusionary requirement is met by building income-restricted units on site, in line with the current Municipal Code Chapter 18.37, "Inclusionary Housing."

Figures highlighted in blue have been adjusted from the City's 2019 Feasibility Study, all other figures are directly taken from previously-approved study. See supporting tables for additional detail.

DEVELOPMENT PROGRAM ASSUMPTIONS	ASSUMPTION/FACTOR		
Development Site (Square Feet)	1	Acres	43,560
Dwelling Units	80	DU / Acre	80
Gross Building Area (Square Feet)	875	GBA / DU	70,000
Net Rentable Square Feet	80%	Efficiency Factor	56,000
Total Parking Spaces	1.7	Spaces / DU	136
Surface Parking Spaces	15%	of total parking	20
Structured Parking Spaces	85%	of total parking	116
Income-Restricted Units	20%	of net new DU count	16

BUILDING INCOME AND VALUE	ASSUMPTION/FACTOR	REFERENCE	PER GBA	TOTAL
Gross Potential Rent (inc. BMR units)	\$3.79 per SF/Month	see Detail Tables 2 and 4	\$36	\$2,546,460
Gross Potential Parking Income	\$0 per Space/Month		\$0	\$0
Losses to Vacancy	5.0% of Gross Income		-\$2	-\$127,323
Gross Residential Revenue			\$35	\$2,419,137
Basic Operating Expenses	\$8,736 per DU		-\$10	-\$698,880
Additional Operating Expense (TDM)	\$0 per Year		\$0	\$0
Total Operating Expenses			-\$10	-\$698,880
Net Operating Income (NOI)			\$25	\$1,720,257
Project Market Value	4.25% Cap Rate		\$578	\$40,476,633
Project Sale Cost	0.0% Value		\$0	\$0
Net Project Value			\$578	\$40,476,633

PROJECT DEVELOPMENT COSTS	ASSUMPTION/FACTOR	REFERENCE	PER GBA	TOTAL
Construction Cost				
On-Site Infrastructure	\$35 per SF (development site)		\$22	\$1,524,600
Building Direct Cost	\$330 Cost/SF (GBA)		\$330	\$23,081,750
Surface Parking Direct Cost	\$10,000 per Space		\$3	\$200,000
Structured Parking Direct Cost	\$31,000 per Space		\$51	\$3,596,000
Total Construction Cost			\$406	\$28,402,350
Soft Cost				
Permits and Fees	\$15,417 per DU	see Detail Table 3	\$18	\$1,233,320
Financing	5.0% of Construction Cost (incl. site)		\$20	\$1,414,610
Other Soft Costs	25% of Construction Cost (excl. site)		\$96	\$6,719,438
Total Soft Costs			\$134	\$9,367,368
Other Project Costs				
Development Contingency	0.0% of Construction & Soft Costs		\$0	\$0
Developer Return on Investment	12% of Construction and Soft Costs		\$65	\$4,532,366
Residual Land Value	Model Output / Supportable Land Cost		-\$26	-\$1,825,450
Total Other Costs			\$39	\$2,706,916
Total Project Cost (including land)			\$578	\$40,476,633

Residual Land Value				-\$1,825,450
			per sf development site	-\$42

Scenario 2b: November 2019 Inclusionary Housing Ordinance with BMR Housing In-Lieu Fee

This model uses the same Prototype R3 Pro Forma published in the City's Development Impact Fee Program Financial Feasibility Technical Memorandum, submitted by AECOM, dated February 28, 2019. The former Housing Impact In-Lieu Fee assumption used by AECOM has been removed and replaced with the City's current affordable housing in-lieu fee, consistent with the Municipal Code Chapter 18.37, "Inclusionary Housing."

Figures highlighted in blue have been adjusted from the City's 2019 Feasibility Study, all other figures are directly taken from previously-approved study. See supporting tables for additional detail.

DEVELOPMENT PROGRAM ASSUMPTIONS	ASSUMPTION/FACTOR		
Development Site (Square Feet)	1	Acres	43,560
Dwelling Units	80	DU / Acre	80
Gross Building Area (Square Feet)	875	GBA / DU	70,000
Net Rentable Square Feet	80%	Efficiency Factor	56,000
Total Parking Spaces	1.7	Spaces / DU	136
Surface Parking Spaces	15%	of total parking	20
Structured Parking Spaces	85%	of total parking	116

BUILDING INCOME AND VALUE	ASSUMPTION/FACTOR	REFERENCE	PER GBA	TOTAL
Gross Potential Rent (inc. BMR units)	\$4.16 per SF/Month	see Detail Table 1	\$40	\$2,795,520
Gross Potential Parking Income	\$0 per Space/Month		\$0	\$0
Losses to Vacancy	5.0% of Gross Income		-\$2	-\$139,776
<i>Gross Residential Revenue</i>			\$38	\$2,655,744
Basic Operating Expenses	\$8,736 per DU		-\$10	-\$698,880
Additional Operating Expense (TDM)	\$0 per Year		\$0	\$0
<i>Total Operating Expenses</i>			-\$10	-\$698,880
Net Operating Income (NOI)			\$28	\$1,956,864
Project Market Value	4.25% Cap Rate		\$658	\$46,043,859
Project Sale Cost	0.0% Value		\$0	\$0
Net Project Value			\$658	\$46,043,859

PROJECT DEVELOPMENT COSTS	ASSUMPTION/FACTOR	REFERENCE	PER GBA	TOTAL
Construction Cost				
On-Site Infrastructure	\$35 per SF (development site)		\$22	\$1,524,600
Building Direct Cost	\$330 Cost/SF (GBA)		\$330	\$23,081,750
Surface Parking Direct Cost	\$10,000 per Space		\$3	\$200,000
Structured Parking Direct Cost	\$31,000 per Space		\$51	\$3,596,000
<i>Total Construction Cost</i>			\$406	\$28,402,350
Soft Cost				
Permits and Fees	\$77,917 per DU	see Detail Table 3	\$89	\$6,233,320
Financing	5.0% of Construction Cost (incl. site)		\$20	\$1,414,610
Other Soft Costs	25% of Construction Cost (excl. site)		\$96	\$6,719,438
<i>Total Soft Costs</i>			\$205	\$14,367,368
Other Project Costs				
Development Contingency	0.0% of Construction & Soft Costs		\$0	\$0
Developer Return on Investment	12% of Construction and Soft Costs		\$73	\$5,132,366
Residual Land Value	Model Output / Supportable Land Cost		-\$27	-\$1,858,225
<i>Total Other Costs</i>			\$47	\$3,274,141
Total Project Cost (including land)			\$658	\$46,043,859

Residual Land Value				-\$1,858,225
			per sf development site	-\$43

Detail Table 1
Weighted Average Rent Calculation - Scenario 1

	Scenario 1			
	Units		Average Rent	
	Number	% Total	Monthly	per Square Foot
Total Units	80			
Market ¹	80	100%	\$2,912	\$4.16
Income-Restricted	-	-	-	-
Restricted at 35% AMI	-	-	-	-
Restricted at 50% AMI	-	-	-	-
Restricted at 60% AMI	-	-	-	-
Replacement RSO	-	-	-	-
Weighted Average Rent			\$2,912	\$4.16

[1] Market rent is based on the City of East Palo Alto's Development Impact Fee Program Financial Feasibility Technical Memorandum, dated February 28, 2019.

Sources: City of East Palo Alto; San Mateo County; Housing Authority of San Mateo County; Economic & Planning Systems, Inc.

Detail Table 2
Weighted Average Rent Calculation - Scenario 2

	Scenario 2			
	Units		Average Rent	
	Number	% Total	Monthly	per Square Foot
Total Units	80			
Market ¹	64	80%	\$2,912	\$4.16
Income-Restricted ²	16	20%		
Restricted at 35% AMI	4	5%	\$1,140	\$1.63
Restricted at 50% AMI	8	10%	\$1,658	\$2.37
Restricted at 60% AMI	4	5%	\$2,003	\$2.86
Replacement RSO	-	-	-	-
Weighted Average Rent			\$2,653	\$3.79

[1] Market rent is based on the City of East Palo Alto's Development Impact Fee Program Financial Feasibility Technical Memorandum, dated February 28, 2019.

[2] Income-restricted rents are based on EPS application of 2020 San Mateo County Income Limits, incorporating the November 2019 Utility Allowance Schedule published by the Housing Authority of San Mateo County. EPS assumes landlord pays for water and trash collection.

Sources: City of East Palo Alto; San Mateo County; Housing Authority of San Mateo County; Economic & Planning Systems, Inc.

**Detail Table 3
 Impact Fee Burden**

Fee	Project-wide	Per Unit
AECOM Estimated Fee		
Housing Impact In-Lieu Fee	\$1,774,500	\$22,181
Other Fees	<u>\$1,233,320</u>	<u>\$15,417</u>
Total Fee Burden	\$3,007,820	\$37,598
AECOM Estimate Excluding Housing Impact Fee		
Housing Impact In-Lieu Fee	-	\$0
Other Fees	<u>\$1,233,320</u>	<u>\$15,417</u>
Total Fee Burden	\$1,233,320	\$15,417
Current Conditions		
Housing Impact In-Lieu Fee ¹	\$5,000,000	\$62,500
Other Fees	<u>\$1,233,320</u>	<u>\$15,417</u>
Total Fee Burden	\$6,233,320	\$77,917

[1] Inclusionary ordinance in-lieu fee assumed to be \$250,000 per inclusionary unit, with the requirement shifting up to 25 percent of total units (20 affordable units in this case)."

Sources: City of East Palo Alto's Development Impact Fee Program Financial Feasibility Technical Memorandum, February 28, 2019; Economic & Planning Systems, Inc.

**Detail Table 4
 Below Market Weighted Average Rent**

Unit Type	Unit Distribution	Extremely Low Income Units (35% AMI)			Very Low Income Units (50% AMI)			Low Income Units (60% AMI)		
		Housing Cost Limit ¹	Utilities Allowance ²	Rent Potential	Housing Cost Limit ¹	Utilities Allowance ²	Rent Potential	Housing Cost Limit ¹	Utilities Allowance ²	Rent Potential
Studio	30%	\$1,065	-\$75	\$990	\$1,522	-\$75	\$1,447	\$1,827	-\$75	\$1,752
1-Bed	31%	\$1,142	-\$85	\$1,057	\$1,631	-\$85	\$1,546	\$1,957	-\$85	\$1,872
2-Bed	39%	\$1,370	-\$107	<u>\$1,263</u>	\$1,957	-\$107	<u>\$1,850</u>	\$2,349	-\$107	<u>\$2,242</u>
Weighted Average per unit				\$1,117			\$1,635			\$1,980
				\$1.60			\$2.34			\$2.83

[1] Based on 2020 San Mateo County Income Limits as analyzed by EPS.

[2] U.S. Department of Housing and Urban Development, "Utility Allowance Schedule: Housing Authority of San Mateo County," November 2019. Assumes landlord pays for water and trash collection.

Sources: City of East Palo Alto; San Mateo County; Housing Authority of San Mateo County; Economic & Planning Systems, Inc.

6. Title Report, Grant Deed, Geotechnical Study, Stormwater Checklist

Title Report – Pro Forma Policy in the form of the American Land Title Association:

https://www.dropbox.com/sh/obyiehhbqplulkx/AAD6mTAIXjQIm_-ebZ8Cgi0ta?dl=0

Grant Deed – as recorded by San Mateo County:

<https://www.dropbox.com/sh/7x20rtoqngmtg8m/AAA6uliOW1NEeL1f7YAdmva?dl=0>

Geotechnical Engineering Study – prepared by Geosphere Consultants, Inc.:

https://www.dropbox.com/sh/zzqhcn78cwqosmt/AACZm8jPLce1W9_WLiDJ9h-Va?dl=0

County Water Pollution Prevention Program – C.3 and C.6 Development Review Checklist:

<https://www.dropbox.com/sh/gbhwdx95kxa4l6p/AAC3TcY2rKODDeP5U7bwjQgwa?dl=0>

Appendix A: Detailed Response to City and Community Input

We have been working closely with staff across several city departments and other relevant local agencies to present our initial pre-application, receive and discuss their feedback, and respond to and address each comment. The comments we have received since submitting the pre-application were detailed in a comprehensive letter from the City of East Palo Alto dated August 10th, 2020. These contain comments from the City of East Palo Alto Planning Division, Public Works Department, Building Division, Housing Division, Engineering Division, and Environmental Services, as well as the Menlo Park Fire Protection District and the East Palo Alto Sanitary District. The City’s letter also contained feedback given by the Planning Commission during a June 8, 2020 Study Session and by the City Council during a June 30, 2020 Study Session, as well as Community Feedback received during the pre-application process.

Comment	Response / How we have addressed
<i>Planning Division</i>	
<p>1. <u>Ravenswood Specific Plan Updates</u>. As of today, accounting for entitled projects and others in the pipeline the original projected development capacity in the Specific Plan would be nearly exhausted. The initial Plan is in need of an update if any additional development is to move forward in this area of the City. On June 2, 2020, City Council directed the City Manager to return with a contract with Raimi and Associates for the purposes of analyzing a potential update to the Ravenswood Business District Plan; and the Good City Company to serve as the City’s project manager for development projects located in the Ravenswood Business District. The approval of this project will be pending the approval of the Ravenswood Specific Plan update.</p>	<p>The Specific Plan itself does not “cap” development at any particular level. Rather, the Environmental Impact Report (“EIR”) for the Specific Plan analyzed a portion of the development contemplated by the Specific Plan, but did not analyze full build-out of the Specific Plan. Additional development beyond the quantity analyzed in the EIR would need to be analyzed under the California Environmental Quality Act (“CEQA”), but does not require a new Specific Plan. Project-by-project environmental review of development projects within the Specific Plan area could satisfy the requirements pursuant to CEQA; a full Specific Plan update is not required. See Section 4 for more details.</p>
<p>2. <u>Project Development Standards and Review Procedure</u>. The subject project is in conformance with the General Plan but not fully compliant with the current Ravenswood Specific Plan. Staff has acknowledged the differences between the current Specific Plan and the General Plan; and the Specific Plan is in process of being evaluated and potentially updated, as mentioned above. The appropriate development standards and review procedure for the project will be explored further and discussed among City Council. It is anticipated that such conversation will start at the September 15th, 2020 City Council Meeting when Ravenswood Specific Plan Updates returns</p>	<p>The proposed project complies with the General Plan and the MUH Zoning that implements the General Plan. Although the site is included in the Ravenswood/4 Corners TOD Specific Plan, the land use designation and associated development standards contained in that Specific Plan have been superseded by the later-adopted standards in the General Plan and Development Code. Therefore, the Specific Plan designations are not applicable to the proposed project. Please see Section 4 for more details.</p>

<p>to the Council for discussion.</p>	
<p>3. <u>Development Reimbursement Agreement (DRA)</u>. Applicant shall work with the City to constitute a DRA for the project entitlement review process. Applicant will be subject to the payment based on the executed DRA in the future. After this preliminary application process is complete, project management will transfer to the Good City Company and billed under the DRA.</p>	<p>Applicant will work with the City to execute a DRA for the project entitlement review process. The applicant has been discussing the DRA with City staff, has reviewed a draft DRA, and has accepted the form DRA. Applicant is awaiting final signature copy of the DRA for submission in late November or December.</p>
<p>4. <u>California Environmental Quality Act (CEQA)</u>. Per the PRE20-001 project scope, the subject project will be likely be subject to a full Environmental Impact Report review process. The Development Reimbursement Agreement, as noted in Comment 2, will include the service scope from a selected consultant.</p>	<p>Applicant will work with the City on the appropriate environmental impact review process, compliant with CEQA.</p>
<p>5. <u>Building Orientation</u>. Per the Ravenswood/ Four Corners Specific Plan, Appendix A. Design Standards, the mixed-use buildings should be oriented towards the street. The proposed office buildings, at the northside of the site are orientated to internal paths of travel and access, which conflicts with the design standard. The main entrances of the buildings should face onto University to encourage an active streetscape.</p>	<p>The design has been reworked based on this comment, and all the buildings have active frontages and entrances along University Avenue and Bay Road. See Section 1 – Overview and Project Description for more detail.</p>
<p>6. <u>Vibrant Uses for Creating Thriving Streets</u>. Per the Specific Plan, the intent of the 4 Corners land use designation is to support an enlightened and thriving “downtown”. Enhancement along University Avenue and Bay Road should include more vibrant uses such as retail, restaurant, outdoor seating, etc. Incorporate these features into the design. Retail and restaurant entrance locations will need to be designed so that they are fronting the street. A majority of the retail is facing inward to the site surrounding the plaza located at the southwest corner of the site. The location of the proposed retail uses is not typical for successful retail uses: this could be overcome by creative programming of the proposed plaza. However, successful retail uses usually require street frontage. This comment was also</p>	<p>The proposal contains active ground floor uses, including retail, restaurants, community uses, a potential library, active residential amenity spaces, and active life science employee amenity spaces.</p> <p>Every building adjacent to either University Avenue or Bay Road has a ground floor entrance on the respective street, including retail and restaurant locations. Retail and restaurant locations will also have the option to provide outdoor seating, outdoor dining, and outdoor shopping, as appropriate, in the sidewalk areas.</p> <p>The streetscape design is intended to be vibrant and welcoming, and significantly enhance the current sidewalk and streetscape condition.</p> <p>See Section 1 – Overview and Project Description for more detail.</p>

<p>mentioned in the City Council Study Session Feedback (#65).</p>	
<p>7. <u>Building Massing and Impact</u>. The proposed office building and parking structure will be located next to the existing single-family residential neighborhood with a maximum height of eight stories. Significant impact to the nearby residents is anticipated. The applicant will need to further refine the building plans and massing to mitigate the height impact. Reduce the mass of the buildings adjoining the existing single-family residential neighborhoods. Examples of mitigations include but not limited to further setback and buffer, building stepbacks to decrease the perceived height of building, and recessing and projecting elements to avoid flat monotonous facades.</p>	<p>After receiving this feedback, we specifically asked for more input during Community Meeting #4 in August and September. We received constructive suggestions from community members.</p> <p>The building plans and massing have been refined to mitigate height and mass impacts. The building articulation has been changed to reduce visual impacts from the neighborhood.</p> <p>The building design has been reworked to be more sensitive to their neighbors, including varying facades, stepped-back upper floors, and changes in massing. “Green” vegetative screening has been added to several building facades, including the garage.</p> <p>The buildings are set back at or beyond the code-required distance from single-family homes. The setback area will contain trees and vegetation to create an appropriate buffer.</p>
<p>8. <u>Access</u>. The three proposed access points to Michigan Avenue and Fordham Avenue will need to be further reviewed to mitigate potential traffic issues with the surrounding neighborhood. This was also mentioned in the Planning Commission Study Session Feedback (#59).</p>	<p>We have removed the residential driveway connecting to Fordham Street and replaced it with a bike- and pedestrian-only neighborhood connector, to reduce vehicular traffic on local streets. No vehicular traffic from the site is directed to Michigan or Fordham, except for emergency vehicle access. Only pedestrian access is allowed in the three access points to enhance walkability.</p>
<p>9. <u>History Memorialization</u>. The subject site retains a rich history including a local family-oriented commercial plaza and the “Nairobi” movement during 1970s and 1980s. Further design should consider mechanisms to memorialize the history or incorporate design features into the project. This was also mentioned in the Community Feedback (#46) and the Planning Commission Study Session Feedback (#57).</p>	<p>We agree that the community’s narratives and authentic voices should be heard and represented to honor the historical significance of the site, including the stories of existing EPA residents and artists. While much of this is still to be designed in in collaboration with the community, the proposal includes a conceptual “Civic Landmark Tower” as a placeholder at the heart of the site to be a beacon of pride for the community, visible to all who pass on University Avenue or Bay Road.</p> <p>We will also provide opportunities to celebrate local history and local artists throughout the open spaces and the public realm. We are working with Hood Design Studio – an Oakland-based landscape architecture firm with significant experience in East</p>

	<p>Palo Alto – to help guide the process. Using murals, artistic commemorative elements, lighting, colors, and textures, programming and green features, we will focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity.</p>
<p>10. <u>Tree Preservation</u>. There is an existing significant tree located on the site. It is located approximately at the main entrance off University. Future designs shall consider preservation or relocation of this significant tree. This was also mentioned in the City Council Study Session Feedback (#78).</p>	<p>An independent arborist has conducted an assessment of existing trees and proposed protection strategies where feasible.</p> <p>The specific tree discussed is a Blue Gum Eucalyptus, which is a non-native and invasive species. This specific tree was assessed by the arborist to be over mature and it has moderate crown dieback. The design team has considered preservation, but that would conflict with the project’s underground parking, which is important to meet the community’s well-established desire for adequate parking. The tree also conflicts with a life science building and the ingress/egress through that building for the whole site. The design team considered alternative site designs and building orientation, but no feasible design was identified that could preserve the tree. The life science building creates jobs, which are another well-established community goal, and it also economically supports the library/community space and retail spaces within the site.</p> <p>Please see Sheet L1-01 of the Application Plan Set for the Tree Protection Plan. Any trees removed from the site are planned to be replaced above an 8:1 ratio in the current plans.</p>
<p>11. <u>TDM Strategies</u>. Further discussion shall be pursued for traffic demand management (TDM) strategies for the proposed office, retail, and residential uses.</p>	<p>Applicant will hire an independent expert to develop a transportation demand management (TDM) plan for the site, which will be submitted to the City in the future. As a clarification, the proposal includes life science/laboratory use, not office use.</p>
<p>12. <u>Clarifications on Community Benefits</u>. The 20,000-square foot community space for the City of East Palo Alto Library is proposed as a community benefit from the project. Detailed information shall be provided in the formal planning application to clarify Applicant’s role</p>	<p>This proposal has been modified to include a community building that can house a 20,000 square foot library on two floors or, if the site is not chosen for the library, 10,000 of other community, retail, or restaurant uses. If a library is pursued as part of the project, we intend to build the core and</p>

and responsibility for constructing this community benefit. This was also mentioned in the City Council Study Session Feedback (#66).	shell of the building, retain ownership, and offer the library a long-term, low- or no-cost lease. We are open to a range of approaches, and welcome discussions with the City and the County library staff to collaborate.
Menlo Park Fire District	
13. The applicant shall contact Menlo Park Fire District to work on project fundamentals including but not limited to fire access and water.	We have contacted Menlo Park Fire District and spoken with the Fire Marshal in advance of this submission. We will submit this application to the District for plan check and have included a preliminary fire access plan (Sheet C3.0). We will continue to work with them on project fundamentals, including fire access and water.
14. For buildings exceeding three stories or 30 feet in height above natural grade, the required fire apparatus access roadway shall be a minimum of 26 feet in width, and shall be positioned parallel to at least one entire side of the building, and the fire lane shall be located within a minimum of 15 feet and a maximum of 30 feet from the building.	We have included appropriate fire apparatus access roadways, as illustrated in Sheet C3.0 in the application plan set.
15. The applicant to provide fire flow information through a separate Engineer Analysis Modeling Report and engineered plan showing how this is to be achieved (storage, fire pump, etc.). This document shall be submitted to Menlo Park Fire Protection District for review and approval prior to issuance of grading and building permits. Provide fire flow calculation for new construction. Fire flow to meet CFC Section 507 and Appendix B. Fire flow reduction allowed no less than 50% for fire sprinklered buildings (with Fire Marshal approval).	We will provide fire flow information through a separate Engineer Analysis Modeling Report and engineered plan showing how this is to be achieved, for review and approval prior to issuance of grading and building permits.
16. Please note that the proposed Life Science/Laboratory Use with a library and multi-family residential use is a concern with Fire Prevention for its compatibility of occupancies.	We have updated the site design to separate the community/library building and the south life science/laboratory building. We will be mindful of these concerns and will consult with the Fire District about appropriate safety measures.
17. The formal application shall meet California Fire Code at time of submittal.	The formal application will meet California Fire Code at time of submittal for building permits.
East Palo Alto Sanitary District	

<p>18. Please be advised that Sanitary District does not have the capacity for the subject project. The applicant shall apply for a permit with fees to Sanitary District to perform a hydraulic modelling to determine the upgrade needed to accommodate this project.</p>	<p>We will submit a copy of this application to the Sanitary District and request hydraulic modelling to determine what is needed to accommodate this project.</p>
<p>Engineering Division</p>	
<p>19. Frontage improvements must conform to the City's General Plan Update.</p>	<p>Frontage improvements conform to the City's General Plan. Please see Appendix B for details regarding General Plan compliance.</p>
<p>20. Has underground parking been explored? De-watering in this area is possible. This could help increase the quantity of usable buildings.</p>	<p>Yes, the proposal contains one level of underground parking throughout the site. Based on the geotechnical analysis, anything deeper than one level underground is expected to be cost-prohibitive.</p>
<p>21. Traffic and site circulation studies will be critical due to the location.</p>	<p>Applicant will work with the City on the appropriate environmental impact review process, compliant with CEQA. This is expected to include a full transportation study.</p>
<p>22. Street parking must be maintained on Bay Road.</p>	<p>Street parking will be maintained on Bay Road. Please see the "Vehicular Mobility and Access" illustration in Section 1.</p>
<p>23. A list of estimated fees can be provided upon request.</p>	<p>Applicant will work with the City to request a list of estimated fees.</p>
<p>Environmental Services</p>	
<p>24. Please find the comments provided from Environmental Services in Attachment 1 and respond accordingly.</p>	<p>Applicant has reviewed the Preliminary Project Review Comments provided and will follow up directly with Environmental Services prior to planning approval, as appropriate.</p>
<p>Housing Division</p>	
<p>25. Please find the required documents from Housing Division: Application for Inclusionary Housing Plan and Unit Mix Worksheet that shall be provided in the formal planning application in Attachment 2.</p>	<p>Please see Section 5 – Inclusionary Housing Plan for details about affordable inclusionary housing.</p>
<p>Building Division</p>	
<p>AT PERMIT SUBMITTAL</p>	

<p>26. A digital copy of the plans must be submitted for building review; to include the digital submittal of all relevant supporting documents; structural calculations, energy compliance forms, soils reports etc.</p>	<p>A digital copy of the plans will be submitted for building review at submittal for the building permits.</p>
<p>27. Prior to the issuance of building permits, the applicant/developer shall submit a Construction and Demolition Application to the Building and Safety Division. The link to access application: http://www.ci.east-palo-alto.ca.us/ArchiveCenter/ViewFile/Item/486.</p>	<p>Prior to the issuance of building permits, the applicant/developer will submit a Construction and Demolition Application to the Building and Safety Division.</p>
<p>28. This project must be designed to the new 2019 California Building Codes.</p>	<p>This project will be designed to meet or exceed the 2019 California Building Codes.</p>
<p>29. Properly complete and submit the EPA Special Inspection form for any proposed work requiring special inspections as per CBC 1705. Link to access form: http://www.ci.east-palo-alto.ca.us/ArchiveCenter/ViewFile/Item/458.</p>	<p>Applicant will complete and submit the EPA Special Inspection form for any proposed work requiring special inspections as per CBC 1705.</p>
<p>30. Long-term and short-term bicycle parking is required per Cal Green 5.106.4.1.1 & 5.106.4.1.2.</p>	<p>Long-term and short-term bicycle parking will be provided per code requirements.</p>
<p>31. Designated parking for clean air vehicles shall be provided per Cal Green Table 5.106.5.2.</p>	<p>Designated parking for clean air vehicles will be provided per code requirements.</p>
<p>32. There shall be an Electric Vehicle charging space (EV ready), one of which shall be Accessible, as per Cal Green Table 5.106.5.3.3 and CBC Table 11B-228.3.2.1.</p>	<p>Electric Vehicle charging spaces and EV ready spaces will be provided per code requirements.</p>
<p>33. Prior to the permit issuance a Commissioning Plan shall be completed to document how the project will be commissioned. The commissioning plan shall include the following:</p> <ol style="list-style-type: none"> a. General Project Information b. Commissioning Goals c. Systems to be commissioned. Plans to test systems and components shall include: <ol style="list-style-type: none"> i. An explanation of the original design intent. ii. Equipment and system to be tested, including the extent of tests. iii. Functions to be tested. iv. Conditions under which the test shall be performed. 	<p>Prior to the permit issuance a Commissioning Plan will be completed to document how the project will be commissioned, with the appropriate information as requested.</p>

<ul style="list-style-type: none"> v. Measurable criteria for acceptable performance. vi. Commissioning team information. vii. Commissioning process activities, schedules and responsibilities. Plans for the completion of commissioning shall be included. 	
<p>34. Please imprint the Conditions of Approval on the plans submitted for building permits.</p>	<p>Applicant will imprint the Conditions of Approval on the plans submitted for building permits.</p>
<p>35. A soils investigation report shall be submitted containing design recommendations. Additionally, submit a letter from the Geotechnical Engineer or Civil Engineer who prepared the soil investigation stating the following (signed and stamped):</p> <ul style="list-style-type: none"> a. The plans and specifications substantially conform to the recommendations in the soil investigation. b. The Geotechnical Engineer or Civil Engineer who prepare the soil investigation has been retained to provide soil site observation and provide periodic and final reports to the City of East Palo Alto. <p>Prior to final inspection for any building or structure, the Geotechnical Engineer or Civil Engineer who prepared the soil investigation shall issue a final report stating the completed pad, foundation, finish grading and associated site work substantially conform to the approved plans, specifications and investigations.</p>	<p>A geotechnical investigation and analysis, including a soils investigation report, was performed during the acquisition of the property.</p> <p>A link to the geotechnical and soils report can be found in Section 6.</p>
<p>36. In accordance with Government Code Section 4469.5., please Imprint the Disability Access Requirements and Resources notice to commercial building permits, link to access notice: https://www.dgs.ca.gov/DSA/Resources/Page-Content/Resources-List-Folder/AB-3002.</p>	<p>Applicant will meet the Disability Access Requirements, as required.</p>
<p>37. Please imprint, on the submitted plans, the Construction Best Management Practices. To</p>	<p>Applicant will imprint, on the submitted building permit plans, the Construction Best Management Practices.</p>

<p>access the standard plan, please visit: http://www.flowstobay.org/construction.</p>	
<p>38. The applicant shall properly complete and incorporate, on plans, the 2019 CAL Green Non-Residential Mandatory Measures on the plans submitted for building permits. The link to access the form: http://www.ci.east-palo-alto.ca.us/ArchiveCenter/ViewFile/Item/441.</p>	<p>The applicant will complete and incorporate, on plans, the 2019 CAL Green Non-Residential Mandatory Measures on the plans submitted for building permits.</p>
<p>39. Please note on plan: The City of East Palo Alto Municipal Code Section 15.04.125 limits construction activity to the following hours: Monday through Friday: 7:00 AM to 6:00 PM Saturday: 9:00 AM to 5:00 PM Sundays and national holidays: No activity allowed</p>	<p>Applicant will make the appropriate construction activity schedule note on the plans submitted for building permits.</p>
<p><i>PRIOR TO THE ISSUANCE OF THE PERMIT</i></p>	
<p>40. Applicable Development Impact Fees must be paid prior to the permit issuance. Please refer to Engineering Division for applicable Impact Fees.</p>	<p>Applicant will work with the Engineering Division regarding applicable Impact Fees.</p>
<p>41. The installation of site construction trailers will require a separate building permit issued by the Building Division. Plans and specifications must be submitted for review and approval prior to the installation of such structures. Please contact the Building Division for additional information.</p>	<p>Applicant will seek appropriate approval and permits for the installation of site construction trailers.</p>
<p>42. Approval of this Project does not relieve the Applicant from the applicable requirements of subsequent permits and approvals, including but not limited to the following as may be applicable:</p> <ul style="list-style-type: none"> a. Grading Permit and Improvement Plan b. Building Permit and Certificate of Occupancy c. Fire Permit d. School District Development Impact fee requirements 	<p>Applicant will meet the applicable requirements of subsequent permits and approvals.</p>
<p><i>PRIOR TO THE FIRST INSPECTION</i></p>	

<p>43. A pre-construction conference shall be held at a time and location agreed upon by the City and applicant for the purpose of reviewing Conditions of Approval and construction-site procedures. The building owner/developer shall be represented by the design and construction staffs, which include any sub-contractors. Departments having conditions of approval for the project will represent the City (BUILDING, PUBLIC WORKS, PLANNING, MENLO FIRE).</p>	<p>Applicant will work with the City regarding appropriate meetings prior to the first inspection.</p>
<p><i>PRIOR TO THE ISSUANCE OF THE PERMIT</i></p>	
<p>44. A minimum of 10 Days prior to anticipated occupancy, the applicant shall have scheduled final inspections by all Departments requiring conditions of approval.</p>	<p>Applicant will work with the City to schedule final inspections.</p>
<p><i>Community Feedback</i></p>	<p>Please see Section 2 for information about the Community Engagement Strategy</p>
<p>45. <u>Desired Land Use</u>. The most desired land use on the subject site is a decent restaurant/café with outdoor seating to provide a more diverse, special, family-friendly eating experience, where the residents can have a sit-down meal with a glass of wine and still feel they are in their community.</p>	<p>The proposal contains a significant amount of retail and restaurant space with adjacent outdoor, plaza, and sidewalk suitable for outdoor seating.</p> <p>The proposal is intended to create a diverse, special atmosphere that reflects and welcomes the EPA community.</p>
<p>46. <u>A Place for Gathering and Promoting Community Pride</u>. Participants also emphasized that they want to have a place for gathering that brings the diversified culture of East Palo Alto together, such as a public plaza to promote music performances, a community garden, outdoor meeting rooms and family play spaces. It is also anticipated that the construction of such a physical place will further promote community pride.</p>	<p>The proposal includes a public “town square” in the center of the site, surrounded on three sides by community-serving restaurants and retail, and on the fourth side by the community building and potential EPA library. The Town Square will be beautifully landscaped with trees, flowers, greenery, and seating. It will be surrounded by outdoor dining and outdoor community programming, ensuring a vibrant space throughout the day. It will be adjacent to a pedestrian-friendly slow street, making it easily accessible to the entire community.</p> <p>The proposal also contains a public plaza in between the community building and potential library and the ground floor retail and community space on the ground floor of the south life science/lab building. This Community/Library Plaza is directly across from City Hall and can be a vibrant</p>

	<p>public space connecting existing civic uses to the new community building and potential library.</p> <p>The programming and activities for these spaces have not yet been determined and will be developed in collaboration with the community.</p>
<p>47. <u>Historical Memorialization</u>. An acknowledgement of the historical significance of the site through open space programming, landscaping, community spaces, and art (particularly murals) was raised in the meetings.</p>	<p>The proposal contains opportunities to celebrate local history and local artists throughout the open spaces and the public realm. We are working with Hood Design Studio – an Oakland-based landscape architecture firm with significant experience in East Palo Alto – to help guide the process. Using murals, artistic commemorative elements, lighting, colors, and textures, programming and green features, we will focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity.</p>
<p>48. <u>Quality of Life</u>. Diversified and vibrant land uses including retail to provide fresh food, restaurant/café, community space, etc. were desired to provide resources to improve day-to-day quality of life.</p>	<p>The proposal contains a significant amount of retail and restaurant space intended to create a diversified and vibrant place. These spaces are intended to include food, restaurants, café, and community space.</p>
<p>49. <u>Housing Diversity</u>. The second most popular land use was “Housing.” A variety of housing types is desired from affordable housing, workforce housing, missing middle income housing, to market-rate housing.</p>	<p>The proposal has 180 apartments of mixed-income housing in two buildings, with ground-floor retail and amenity spaces. These will include a mix of studio, one-bedroom, and two-bedroom apartments. See Section 5 for more details about the affordable inclusionary housing plan.</p>
<p>50. <u>Park and Open Space</u>. A park and open spaces are desired as an opportunity through the project development.</p>	<p>The proposal includes a public “town square” in the center of the site, surrounded on three sides by community-serving restaurants and retail, and on the fourth side by the community building and potential EPA library. The Town Square will be beautifully landscaped with trees, flowers, greenery, and seating. It will be surrounded by outdoor dining and outdoor community programming, ensuring a vibrant space throughout the day. It will be adjacent to a pedestrian-friendly slow street, making it easily accessible to the entire community.</p> <p>The proposal also contains a public plaza in between the community building and potential library and the ground floor retail and community</p>

	<p>space on the ground floor of the south life science/lab building. This Community/Library Plaza is directly across from City Hall and can be a vibrant public space connecting existing civic uses to the new community building and potential library.</p>
<p>51. <u>Community Space</u>. 80% of the votes from participants went to the library as the selected on-site community space. The Library is considered a resource for the community, a gathering place for families, a facility to draw people to the site, and help celebrate the rich history of the City.</p>	<p>The proposal includes a community building designed to support a new library. During the pre-application process, we spoke further with City staff and discussed the library proposal with City Council during the June 30, 2020 study session. We understand that due to challenges with the originally proposed site, this location and proposal may be viable for further consideration. We welcome discussions with the City and the County library staff to collaborate on a new library.</p> <p>We received input about other potential uses during our pre-application process, and if the site is not chosen for the library, we will work with the community to determine another appropriate community-oriented use. This proposal can accommodate a 20,000 square foot library on two floors or, if the site is not chosen for the library, it can accommodate 10,000 of other community, retail, or restaurant uses.</p>
<p>52. <u>Jobs and Tax Revenues</u>. Participants were very focused on ensuring that the project is designed and programmed to benefit current, local residents and the City. Job opportunities are anticipated through the project development; however, participants also want to leverage the project to keep local residents' money within the city and provide greater revenue and tax base for the City.</p>	<p>Employment uses, including life science/laboratory space, are included in the proposal. The range of lab and research employment opportunities at all levels will create opportunity for East Palo Alto residents, many of whom have worked in similar roles at Stanford University, Stanford Health Care, or the many local life science companies in the region.</p> <p>During our community outreach and public hearings, we heard from several EPA residents who have had successful careers in life science. They often benefitted from in-house training and internal career progression, even if they did not already have life science experience. This reflects data showing that there are many life science jobs that do not require a college degree, and employees can be successful with a high school diploma or equivalent. We have spoken with JobTrain and local community college administrators about the potential for job training</p>

	<p>and educational programs related to life sciences, and several organizations are eager to serve the EPA community.</p> <p>There will also be jobs in the retail and residential portions of the site.</p> <p>The proposal will provide significant tax revenues to the City and will have a positive net fiscal impact. See Section 3 – Fiscal Impact Analysis.</p>
<p>53. <u>Traffic impact and accessibility</u>. There were concerns about visible parking on the ground floor and the traffic impact on University Avenue. Participants envisioned the space to be oriented to pedestrians while not increasing traffic impact to the surrounding area.</p>	<p>Visible parking on the ground floor will be limited, and most parking will be in an on-site parking structure and a one-level underground garage.</p> <p>We expect to complete a full traffic study as part of the City’s environmental review, and will implement any mitigation measures the City requires.</p> <p>The site will be pedestrian-friendly, bike-friendly, and easily and safely accessible by all modes of transportation. A mixed-use site can avoid potential traffic impacts by providing multiple services and amenities in the same place that someone lives or works. See Section 1 – Overview and Project Description for more details.</p>
<p>54. <u>Architecture that is East Palo Alto</u>. Participants were hopeful that the project would be a true EPA landmark, setting it apart from other areas on the peninsula. There was a concern that the architecture would not be distinctive enough from other places.</p>	<p>The proposal contains a distinctive, unique architectural style that will make it a one-of-a-kind destination. We hired local architects and landscape architects that are familiar with EPA or have previously designed projects in EPA to better understand the unique character of the community.</p> <p>While much is still to be designed in in collaboration with the community, we have included a conceptual “Civic Landmark Tower” as a placeholder at the heart of the site to be a beacon of pride for the community, visible to all who pass on University Avenue or Bay Road. This unique, signature feature will be created through a community-informed process, and the images shown in this proposal are simply placeholders.</p>
<p>55. <u>Greening Features</u>. Throughout the survey, participants provided comments about the desire to have more green spaces and trees to</p>	<p>The site contains a significant amount of green spaces and trees, and will be beautifully landscaped with trees, flowers, and greenery. “Green”</p>

<p>reflect the biodiversity of the area and bring "nature into the project."</p>	<p>vegetative screening has been added to several building facades, including the garage.</p> <p>Any trees removed from the site are planned to be replaced above an 8:1 ratio in the current plans.</p>
<p>Planning Commission Study Session Feedback</p>	
<p>56. <u>Life Science/Laboratory Use Discussions</u>. Distinct opinions were raised about the proposed life science/laboratory office use. Some Commissioners who have the background of such use supported it due to the wide range of job opportunities. However, questions were also raised by other Planning Commissioners if these types of job opportunities are actually suitable and tangible for the local community. It was recommended that applicant bring back the more data and statistics to make this use justification.</p>	<p>The range of lab and research employment opportunities at all levels will create opportunity for East Palo Alto residents, many of whom have worked in similar roles at Stanford University, Stanford Health Care, or the many local life science companies in the region.</p> <p>During our community outreach and public hearings, we heard from several EPA residents who have had successful careers in life science. They often benefitted from in-house training and internal career progression, even if they did not already have life science experience. This reflects data showing that there are many life science jobs that do not require a college degree, and employees can be successful with a high school diploma or equivalent. We have spoken with JobTrain and local community college administrators about the potential for job training and educational programs related to life sciences, and several organizations are eager to serve the EPA community.</p>
<p>57. <u>Building Massing Impact and City Owned Property</u>. Planning Commissioners expressed concern about the building mass of eight stories and its impact to the surrounding neighborhood. It was also pointed out that if development of the corner property owned by the City along with the subject project could potentially resituate the office buildings and reduce the impact to the existing neighborhood.</p>	<p>After receiving this feedback, we specifically asked for more input during Community Meeting #4 in August and September. We received constructive suggestions from community members.</p> <p>The building plans and massing have been refined to mitigate height and mass impacts. The building articulation has been changed to reduce visual impacts from the neighborhood.</p> <p>The building design has been reworked to be more sensitive to their neighbors, including varying facades, stepped-back upper floors, and changes in massing. "Green" vegetative screening has been added to several building facades, including the garage.</p> <p>The buildings are set back at or beyond the code-required distance from single-family homes. The</p>

	<p>setback area will contain trees and vegetation to create an appropriate buffer.</p> <p>The pre-application originally discussed partnering with the City on improving city-owned land at the corner of University and Bay. Based on feedback received from the City, we have not included it as part of this proposal at this time, but we are open to further discussion.</p>
<p>58. <u>Historical Acknowledgement with Intention.</u> It was emphasized by Planning Commissioners that historical acknowledgement should focus on the subject site’s history. An art sculpture to reflect the site’s history was raised as an example. Another idea was a financial scholarship to be dedicated to students to honor the city’s history.</p>	<p>The proposal contains opportunities to celebrate local history and local artists throughout the open spaces and the public realm. We are working with Hood Design Studio – an Oakland-based landscape architecture firm with significant experience in East Palo Alto – to help guide the process. Using murals, artistic commemorative elements, lighting, colors, and textures, programming and green features, we will focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity.</p>
<p>59. <u>Narrow Outreach Access.</u> Some Planning Commissioners expressed the concern with the narrow scope of the community outreach since it was conducted through online format.</p>	<p>The community outreach was conducted with both in-person meetings and online meetings. Roughly 800 East Palo Alto stakeholders attended and nearly 300 have provided input. We also had two public hearings, with the Planning Commission and City Council. All neighbors within 300’ of the site received mailings inviting them to the public hearings. We also sent a letter to all the site neighbors to provide additional feedback.</p> <p>Please see Section 2 for details of the Community Engagement Strategy.</p>
<p>60. <u>Access Points through Existing Residential Neighborhood.</u> Some Planning Commissioners also raised the concern about the existing three access points to Michigan Avenue and Fordham Avenue. They accepted staff’s comments that further examination and limitations placed on the access points are needed.</p>	<p>We have removed the residential driveway connecting to Fordham Street and replaced it with a bike- and pedestrian-only neighborhood connector, to reduce vehicular traffic on local streets, but retain connections within the neighborhood. No vehicular traffic from the site is directed to Michigan or Fordham. Only pedestrian access is allowed in the three access points to enhance walkability between the site and its surroundings.</p>
<p>61. <u>Specific Plan Updates.</u> Pertaining to the upcoming Ravenswood Specific Plan updates,</p>	<p>As of the submission of this application, this Specific Plan update has not yet begun. We intend</p>

<p>some Commissioners were curious how the proposed project would be aligned with the Specific Plan updates.</p>	<p>to work with the City, as appropriate, regarding the Specific Plan update process.</p>
<p>62. <u>Walkability and Sidewalk Improvements</u>. Planning Commissioners questioned if the sidewalk along University Avenue and Bay Road would be improved. Additionally, the importance of increasing the walkability through the project design was highlighted.</p>	<p>Yes, the sidewalks along University Avenue and Bay Road will be improved. In addition, the site will be pedestrian-friendly, bike-friendly, and easily and safely accessible by all modes of transportation. It will provide beautiful public open space, community uses, and convenient retail and restaurant options all within a few blocks from many apartment communities, single-family neighborhoods, nearby businesses, and community institutions. The site will be a quick walk or bike ride from the many surrounding neighborhoods, most local schools, and only a short walk from Jack Farrell Park.</p> <p>See Section 1 – Overview and Project Description for details about Mobility, Access, and Circulation.</p>
<p><i>City Council Study Session Feedback</i></p>	
<p>63. <u>City Owned Property</u>. The City Council agreed that the City will need to have a separate discussion to determine the future land use plan for the property that is owned by the City.</p>	<p>The pre-application originally discussed partnering with the City on improving city-owned land at the corner of University and Bay. Based on feedback received from the City, we have not included it as part of this proposal at this time, but we are open to further discussion.</p>
<p>64. <u>Proposed Library</u>. The proposed library currently is an undefined community benefit for the City Council to understand. Further information shall be provided from the applicant to specify what the proposed library is meant for the City. Also, the proposal shall have further discussions with the joint powers authority (JPA) to make a final decision.</p>	<p>The updated proposal includes a community building which could support a new library. During the pre-application process, we spoke further with City staff and discussed the library proposal with City Council during the June 30, 2020 study session. We understand that due to challenges with the originally proposed site, this location and proposal may be viable for further consideration.</p> <p>If a library is pursued as part of this project, we intend to build the core and shell of the building, retain ownership, and offer the library a long-term, low- or no-cost lease. We are open to a wide range of options, and welcome discussions with the City and the County library staff to collaborate on a new library.</p> <p>We received input about other potential uses during our pre-application process, and if the site is not chosen for the library, we will work with the</p>

	<p>community to determine another appropriate community-oriented use. This proposal can accommodate a 20,000 square foot library on two floors or, if the site is not chosen for the library, it can accommodate 10,000 of other community, retail, or restaurant uses.</p>
<p>65. <u>Market Analysis Report</u>. A market analysis report was requested by the Council to determine if the proposed uses can be successful in proximity to other developments.</p>	<p>We will work with City staff to understand the appropriate market analysis to conduct during the planning review process.</p>
<p>66. <u>Activation on City Streets</u>. It was commented that more active uses fronting University Avenue and Bay Road shall be incorporated with potentially 10,000 to 20,000 more square feet of retail, restaurant, and other active uses. It is also recommended that some discounts/subsidies should be provided to local business owners.</p>	<p>The proposal contains active ground floor uses, including retail, restaurants, community uses, a potential library, active residential amenity spaces, and active life science employee amenity spaces.</p> <p>Every building adjacent to either University Avenue or Bay Road has a ground floor entrance on the respective street, including retail and restaurant locations. Retail and restaurant locations will also have the option to provide outdoor seating, outdoor dining, and outdoor shopping, as appropriate, in the sidewalk areas.</p> <p>The streetscape design is intended to be vibrant and welcoming, and significantly enhance the current sidewalk and streetscape condition.</p> <p>The retail is intended to accommodate local business owners, including within a “Local & Small Business Marketplace.”</p> <p>See Section 1 – Overview and Project Description for more detail.</p>
<p>67. <u>Community Benefits</u>. One Council Member expressed that the project will go through a discretionary planning process. Based on the project scope, the applicant should provide community benefits for such intensities.</p>	<p>While the proposed project complies with the General Plan and the MUH Zoning that implements the General Plan, the applicant is open to discussing community benefits with the City.</p>
<p>68. <u>Connectivity Enhancement</u>. It was pointed out that connectivity shall be enhanced from the existing residential neighborhood including but not limited to the Jack Farrell Park, located in the northeast side. The connection such as pathways was raised as an example to improve the walkability for the community.</p>	<p>The site will be pedestrian-friendly, bike-friendly, and easily and safely accessible by all modes of transportation. It will provide beautiful public open space, community uses, and convenient retail and restaurant options all within a few blocks from many apartment communities, single-family neighborhoods, nearby businesses, and community institutions. The site will be a quick walk or bike</p>

	<p>ride from the many surrounding neighborhoods, most local schools, and only a short walk from Jack Farrell Park.</p> <p>See Section 1 – Overview and Project Description for details about Mobility, Access, and Circulation.</p>
<p>69. <u>Signage Plan</u>. It was suggested that some signage plan such as a billboard shall be considered and incorporated as part of the development to attract customers for the project’s success.</p>	<p>A signage plan will be developed later in the process and incorporated as part of the development to attract customers and present an appealing identity to the neighborhood.</p>
<p>70. <u>Pet Friendly Complex</u>. A pet friendly complex was preferred as discussed in the Study Session.</p>	<p>The proposal is intended to be pet friendly and is intended to include amenities such as a dog run and dog washing stations for residents.</p>
<p>71. <u>Park and Open Space</u>. One Council Member was wondering if the proposed park and open space would be family and pet friendly such as the pop-up park constructed by Sand Hill Property Company in the Woodland Park Neighborhood.</p>	<p>Yes, the proposed open spaces will be family and pet friendly, similar to the Boom Pop Park and Bridge Pop Park on the westside of EPA.</p> <p>The proposal includes a public “town square” in the center of the site, surrounded on three sides by community-serving restaurants and retail, and on the fourth side by the community building and potential EPA library. The Town Square will be beautifully landscaped with trees, flowers, greenery, and seating. It will be surrounded by outdoor dining and outdoor community programming, ensuring a vibrant space throughout the day. It will be adjacent to a pedestrian-friendly slow street, making it easily accessible to the entire community.</p> <p>The proposal also contains a public plaza in between the community building and potential library and the ground floor retail and community space on the ground floor of the south life science/laboratory building. This Community/Library Plaza is directly across from City Hall and can be a vibrant public space connecting existing civic uses to the new community building and potential library.</p> <p>The programming and activities for these spaces have not yet been determined and will be developed in collaboration with the community.</p>

<p>72. <u>Local Grocery Store</u>. One Council Member expressed the memory of a local family-oriented business and would like to have this community feel back. A cooperative grocery was raised as a preferred type of commercial.</p>	<p>We are considering a range of food options including restaurants, cafes, small food & beverage retail, and/or an outdoor farmers market.</p> <p>We would be open to a grocery use, although the grocery business is difficult in the current retail environment and several previous grocery proposals for this site have failed in the past.</p>
<p>73. <u>Building Massing Impact</u>. Concern was expressed for the building massing impact from the proposed life science/laboratory office use. It was also pointed out the fact that no residents would like to have a multi-story building to be oriented to their backyard. The applicant shall take the existing single-family residential neighborhood into consideration.</p>	<p>The building plans and massing have been refined to mitigate height and mass impacts on the existing single-family residential neighborhood. The building articulation has been changed to reduce visual impacts from the neighborhood.</p> <p>The building design has been reworked to be more sensitive to neighbors, including varying facades, stepped-back upper floors, and changes in massing. "Green" vegetative screening has been added to several building facades, including the garage.</p> <p>The buildings are set back at or beyond the code-required distance from single-family homes. The setback area will contain trees and vegetation to create an appropriate buffer.</p>
<p>74. <u>Ownership Housing</u>. One Council Member was curious whether an ownership housing project such as condominium is still an option It is recommended the applicant consider an ownership housing project for the community to own homes rather than renting.</p>	<p>The proposal has 180 apartments of mixed-income housing in two buildings, with ground-floor retail and amenity spaces. These will include a mix of studio, one-bedroom, and two-bedroom apartments. The housing is currently planned as rental apartments, but we are also evaluating the potential of for-sale condos.</p>
<p>75. <u>Life Science/Laboratory Use</u>. Questions were raised about how the proposed life science/laboratory use would be distinct with regular office use. Also, one Council Member was wondering how this life science/laboratory use can meet the skill sets of the community.</p>	<p>Life science/laboratory use is different than traditional high-tech and professional office, as it is more focused on research and development than traditional administrative and desk-based tasks. Life science/laboratory tenants are usually large scientific, medical, and pharmaceutical companies that are developing treatments, vaccines, diagnostics, and devices for life science applications. Typically, life science space contains both laboratory space and traditional workspaces. Generally, the nature of lab work is such that there is more space per employee, and there are fewer employees than would be in a similar space for traditional office. This also results in significantly</p>

	<p>less parking demand and less generated vehicle trips impacting local streets and traffic.</p> <p>Additionally, the range of lab and research employment opportunities at all levels will create opportunity for East Palo Alto residents, many of whom have worked in similar roles at Stanford University, Stanford Health Care, or the many local life science companies in the region.</p> <p>During our community outreach and public hearings, we heard from several EPA residents who have had successful careers in life science. They often benefitted from in-house training and internal career progression, even if they did not already have life science experience. This reflects data showing that there are many life science jobs that do not require a college degree, and employees can be successful with a high school diploma or equivalent.</p>
<p>76. <u>Parking Structure</u>. One of the Council Members had questions with parking and if there is any way to reduce the parking structure that is located adjacent to the existing single-family residential neighborhood.</p>	<p>Based on feedback during the pre-application process, the design team reworked the design of the parking structure to reduce the visual impact on the existing single-family neighborhood, including adding a “green” landscaped façade. We have repeatedly heard that the community prioritizes an adequate supply of parking. Further reducing the size of the parking structure would eliminate parking spaces.</p> <p>Please see Section 1 – Overview and Project Description for a rendering of the view from the University Village neighborhood.</p>
<p>77. <u>Job Training Program</u>. With the proposed office use, one of the Council Members was wondering if the new job center can work with local training facilities to provide more job opportunities to the residents.</p>	<p>We have spoken with JobTrain and local community college administrators about the potential for job training and educational programs related to life sciences, and several organizations are eager to serve the EPA community. We are open to working with the new job center and local training facilities to provide job opportunities to residents.</p>
<p>78. <u>Affordable Housing</u>. It was highly recommended to increase the affordability of the proposed multi-family housing. Additionally, it was pointed out that work force housing</p>	<p>We take seriously our role as a housing provider in East Palo Alto and have years of experience owning and operating rental housing, much of which serves low-income families in the community. We have heard from the community and stakeholders that</p>

<p>should not be a separate term from the affordable housing.</p>	<p>the City seeks new housing at all income levels to ensure that families seeking housing in East Palo Alto can find it at a price they can afford.</p> <p>The proposed project has been designed to comply with the City's Inclusionary Housing Ordinance. Please see Section 5 – Inclusionary Housing Plan for more details.</p>
<p>79. <u>Tree Preservation</u>. Some Council Member expressed that the existing significant tree shall be preserved onsite. It should be considered as part of the site history.</p>	<p>An independent arborist has conducted an assessment of existing trees and proposed protection strategies where feasible.</p> <p>The specific tree discussed is a Blue Gum Eucalyptus, which is a non-native and invasive species. This specific tree was assessed by the arborist to be over mature and it has moderate crown dieback. Due to its location, size, and condition, the tree cannot be preserved and will need to be removed as part of the project.</p> <p>Please see Sheet L1-01 of the Application Plan Set for the Tree Protection Plan. Any trees removed from the site are planned to be replaced above an 8:1 ratio in the current plans.</p>
<p>80. <u>Measure HH Awareness</u>. It was pointed out that subject project will be subject to Measure HH for the office use for the applicant's attention.</p>	<p>The applicant is aware of Measure HH and will pay all applicable local taxes.</p>

Appendix B: Details of Compliance with General Plan and Specific Plan Principles

The following table specifies how the proposed project complies with the relevant provisions of the 2016 East Palo Alto General Plan and 2013 Ravenswood/4 Corners TOD Specific Plan.

Comment	Response / How we have addressed
<i>General Plan</i>	
<i>Major Strategies (page 1-4, number 1-3, 8-10, 15)</i>	
<p>1. Implement the Ravenswood/4 Corners Transit-Oriented Development (TOD) Specific Plan. The largest potential for new development, increased parklands/open space, enhanced economic activity, and an improved jobs-housing balance is implementing the vision in the Ravenswood TOD Specific Plan. To do so, the City should enhance public-private partnerships, seek funding for infrastructure improvements, market the area to technology companies, secure long-term sources of water, and pursue catalytic development projects that attract additional development. The improvements must also be done in a way that is sensitive to the existing residents to ensure that the changes not only bring in increased tax revenue but also advance the economic conditions of East Palo Alto residents.</p>	<p>University and Bay proposes a mixed-use development at the heart of the City, on a vacant parcel that is part of the Specific Plan area. The Specific Plan prioritizes the development of the University and Bay site and so a proposed development at that site implements the Specific Plan.</p> <p>The proposed uses of the University and Bay site include employment uses in the life-sciences/laboratory spaces and the retail/restaurant/community spaces. The employment opportunities in these spaces is intended to align with the employment needs within the City. These uses and employment opportunities will improve the jobs-housing balance and increase economic activity.</p> <p>In sum, University and Bay is a catalytic development at the gateway to the Specific Plan area that we believe strikes the right balance between “place-keeping” at the heart of the city in a way that is sensitive to existing residents and also will generate increased tax revenue that will advance the economic conditions of East Palo Alto and its residents.</p> <p><i>See below for details about how the proposal is consistent with, and implements, the Vision, Concept, Goals, and Policies of the Specific Plan.</i></p>
<p>2. Create a Main Street on Bay Road. The City of East Palo Alto lacks a traditional main street that serves as the central meeting, gathering and shopping location for residents. This lack of a main street has impacted social cohesion and connectedness. The Ravenswood TOD Specific</p>	<p>University and Bay implements the vision of a “main street” on Bay Road. The pedestrian-friendly streetscape along Bay Road will be fronted by ground floor retail and tenant amenities that are tied into a pedestrian-accessible Town Square,</p>

<p>Plan envisions a pedestrian-friendly main street along Bay Road with ground floor retail and residential uses on the upper floors. Making this vision a reality is a critical component of the General Plan.</p>	<p>community space (potential library), and community/library plaza.</p> <p>A beautiful community building is the centerpiece of the project, directly across from City Hall, enhancing the “main street” feeling and building on the existing culture of strong civic use at the heart of town. This has the potential to be a new EPA Library, with similar amenities to those imagined during the recent library visioning process. The residential uses on the upper floors, above the ground floor retail and tenant amenities, will provide housing for the community and will increase the foot traffic along the “main street,” facilitating successful retail business that will support the “main street” feeling.</p> <p>The Town Square and community/library plaza will serve as a central meeting and gathering place for the residents of the community. We intend that the civil landmark tower, pedestrian friendly slow streets, and community uses will fulfill this critical component of the General Plan.</p>
<p>3. Revitalize University Avenue. Transform University Avenue from a through-traffic corridor with a diversity of low density uses into a beautiful, mixed-use corridor designed for all modes of travel. Specific activities will include streetscape improvements, incentivizing mixed use development with ground floor retail at key nodes, and pedestrian amenities.</p>	<p>University and Bay brings mixed uses to the University Avenue frontage, including life-science/laboratory employment uses, ground floor retail uses, community uses (potential library), and nearby housing. These vibrant and complementary uses fill what has been a “gap” in the University Avenue streetscape for over 30 years since the closing of the previous shopping center.</p> <p>The proposed project includes streetscape improvements and pedestrian amenities along University Avenue, including new sidewalks and street trees, a lively frontage with ground-floor retail and community uses, and pedestrian-friendly slow streets connecting to Bay Road. The site design also accommodates bicycle and automobile travel, to ensure easy access within the site.</p> <p>The site has been designed to be beautiful along the University Avenue corridor (as well as from the other vantage points), including the Community/Library Plaza and the Civic Landmark Tower.</p> <p>Foot traffic generated from the whole project including residential, retail and restaurant uses along Bay, and public activities anchored to the</p>

	<p>town plaza, and facilitated by internal pedestrian-friendly slow streets, will also activate, and revitalize University Avenue.</p>
<p>8. Expand neighborhood retail areas. East Palo Alto residents desire quality and affordable retail and services within walking distance of their homes. The General Plan builds off of the exiting retail areas and identifies multiple retail “nodes” for enhancement and expansion.</p>	<p>The proposed project creates new retail spaces to serve the community and the neighborhood. The pedestrian connectors from Fordham Street to the University and Bay site, and the improved streetscape along University Avenue facilitate access from the adjacent neighborhood to the retail, restaurant, and community spaces. The proposed housing, community, and employment uses on site will increase the customer base for the retail uses, thereby increasing the vitality and viability of the retail space.</p>
<p>9. Add middle density and multi-family housing. The community desires a diverse and affordable housing stock. The new General Plan land use designations allow multi-family housing at moderate densities in selected locations. This housing will diversify the existing housing stock east of Highway 101 and support new retail and services.</p>	<p>University and Bay proposes to add 180 new housing units to the community. These will include a mix of studio, one-bedroom, and two-bedroom apartments. This diversifies the existing housing stock east of Highway 101. The housing is currently planned as rental apartments, but we are also evaluating the potential of for-sale condos. The residents of the housing will support new retail and services both on-site and in the neighborhood. The project will comply with the inclusionary housing ordinance, either through on-site income-restricted housing or through an alternative mechanism (See Section 5), subject to city review and approval. This will add to the diverse range of affordable housing stock in the community.</p>
<p>10. Build new parks and open spaces. The City currently lacks parks, green spaces and access to the Bay Trail and National Wildlife Refuge—specifically, there is a shortfall of 56 acres with respect to the 3 acres/1,000 resident standard. Since significant new park facilities are unrealistic beyond the 30 acres contemplated in the Ravenswood TOD Specific Plan given the built-out nature of the City, this General Plan envisions a layered network of new parks open spaces that includes new mini-parks, improved access to the Bay Trail at key junctures, multiple new linear parks on existing public rights of way (including the San Francisquito Creek in the Westside), shared streets that provide</p>	<p>University and Bay includes a new Town Square and a new Community/Library Plaza. These open spaces will provide places to gather and relax at the “heart” of the city. The public open space will be beautifully landscaped with trees, flowers, greenery, and seating to create welcoming community gathering places. The proposed project includes streetscape improvements and pedestrian amenities including new sidewalks and street trees to “green” the existing streets.</p> <p>Similarly, the pedestrian-friendly slow street space and connections to Fordham Street within the site promote connectivity and outdoor recreation. They also increase access to and from Jack Farrell Park.</p>

<p>recreation for residents, and greening existing streets with new trees and landscaping.</p>	
<p>15. Build new civic and public uses. The City currently does not have a stand-alone City Hall and public offices are spread throughout the City. In the future, the City will build a new City Hall with public meeting and gathering spaces, Council Chambers and offices. New public uses such as community centers and libraries will be spread throughout the City to meet the needs of existing and future residents.</p>	<p>The proposed project includes a community/library plaza and a new Town Square that will have a civic landmark tower. These public gathering places are very close to the existing City Hall and create opportunities for residents to spend more time together, outside, in the center of the city. A beautiful new community facility, potentially housing a new EPA Library, with similar amenities to those imagined during the recent library visioning process, can be well integrated into this site, directly across from City Hall. This would enhance the “main street” feeling and building on the existing culture of strong civic use at the heart of town. This would incorporate public meeting and gathering spaces. If the site is not chosen for the library, it can accommodate other community, retail, or restaurant uses that would enhance the public and civic experience of the area.</p>
<p><i>Land Use (page 4-8)</i></p>	
<p>Mixed Use High (MUH)</p>	
<p>Description: This designation is meant to support new enlivened, thriving districts for East Palo Alto, by accommodating multi-story mixed-use buildings. This designation provides for vertical and horizontal mixed use development at key locations within the City, including the Ravenswood 101 Shopping Center, and 4 Corners/Bay Road specific plan area. Residential only projects are not allowed however there may be a horizontal mix of residential and non-residential uses within a single project. At least 35% of the ground floor space of building shall be retail space in those areas. In areas where retail is removed for the construction of new buildings, the new retail space shall be greater than 85% of the previously existing retail space.</p>	<p>The site has been designed to create an enlivened, thriving space at the center of the city. There will be a variety of multi-story buildings ranging from the 1- to 2-story community space (potential library) adjacent to a community plaza and University Avenue to 7- and 8-story housing buildings with retail uses and tenant amenities on the ground floor to 8-story life-science/laboratory buildings, also adjacent to a community plaza and containing ground-floor retail uses. The proposed project includes both vertical and horizontal mixed-use development in the 4 Corners/Bay Road specific plan area, and more particularly at the key Four Corners intersection. Horizontally, the proposed project mixes active spaces along the ground floor like community space (potential library), a community plaza, slow streets, pedestrian walkways, retail, and tenant amenities. Vertically, these vibrant ground-floor uses are topped with housing and life-science/laboratory uses. The proposed project includes 30,000 – 40,000 square feet of community, retail, and restaurant space plus additional active space in the</p>

	<p>residential buildings for lobbies and tenant amenities. The ground floor space across all buildings is approximately 80,000 square feet. The community, retail, and restaurant space is greater than 35% of the ground floor space.</p> <p>No retail is being removed for the construction of new buildings.</p>
<p>Allowed Land Uses: Multi-family residential, attached single family residential, retail, services, office, and R&D.</p>	<p>The proposed project incorporates multi-family residential uses, retail, tenant amenities, services (eating and drinking establishments) and R&D.</p>
<p>Density/Intensity: Up to 86 units/acre. Up to 2.5 FAR. Maximum of 8 stories or 100 feet, whichever is greater. Up to 260 persons/acre.</p>	<p>The proposed project includes 180 multi-family dwelling units. This equates to a density of approximately 30.0 dwelling units per acre across the site. The non-residential density is 2.03 FAR. None of the proposed buildings are over the maximum of 8 stories tall.</p>
<p><i>Goal LU-2. Revitalize the City’s nonresidential areas to diversify the tax base and improve the jobs-housing balance (pages 4-19 – 4-20).</i></p>	
<p>2.3 Ravenswood TOD Specific Plan Area. Prioritize the redevelopment of the Ravenswood TOD area according to the Specific Plan. This area represents a great opportunity for significantly improving them jobs-housing balance in the City.</p>	<p>The proposed project advances a vibrant, mixed-use project within the Ravenswood TOD area. University and Bay will include 500,000 square feet of life-science/laboratory, which will improve the jobs-housing balance in the City.</p>
<p>2.5 University Avenue. Incentivize new residential, mixed use and commercial development along University Avenue.</p>	<p>University and Bay is a mixed-use development along University Avenue. This adds to the City’s tax base and improves the jobs-housing balance within the community.</p>
<p><i>Goal LU-3. Expand the number, types and diversity of housing within East Palo Alto (page 4-21).</i></p>	
<p>3.1 Infill housing. Encourage new infill housing in residential and mixed use areas of the City in order to expand the amount and diversity of housing.</p>	<p>University and Bay proposes 180 new housing units, at the heart of the city in a mixed-use area. These would be mixed-income housing that can serve a diverse range of income levels, from affordable to workforce to market-rate, expanding the amount and diversity of housing in East Palo Alto. This proposal for infill housing occurs on a vacant lot, with no displacement.</p>

<p>3.2 Balanced housing. Over time, establish a balance of market rate and affordable housing in East Palo Alto. To achieve this policy, encourage both market rate and affordable housing.</p>	<p>The 180 proposed housing units would be at a variety of sizes and would be designed to serve a diverse range of income levels, from affordable to workforce to market-rate. Compliance with the inclusionary housing ordinance would facilitate the production of affordable housing.</p>
<p>3.7 Regional housing needs. Accommodate the City’s share of regional housing needs to help address the housing shortage in the Bay Area and Silicon Valley sub-region.</p>	<p>By adding 180 housing units to the City, the proposed project would help the City accommodate its share of the regional housing needs to address the housing shortage in the Bay area and Silicon Valley sub-region. University and Bay would help the community fulfill its regional housing responsibilities.</p>
<p><i>Goal LU-4. Expand multi-family housing (page 4-22).</i></p>	
<p>4.1 Diversity of building types. Encourage a diversity of building types and styles in areas designated for multi-family housing. These building types should range from duplex/triplex/fourplex to courtyard housing to multi-family housing developments. The diversity of building types will respond to the diversity of the City of East Palo Alto’s population and the desire to create interesting and varied neighborhoods.</p>	<p>University and Bay includes a diversity of building types, which facilitates an interesting and varied neighborhood. The proposal is designed to complement the civic, commercial, residential components of the existing neighborhood. Using murals, artistic commemorative elements, lighting, colors, textures, programming, and green features we will focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community, and diversity.</p>
<p><i>Goal LU-6. Improve residential parking in neighborhoods (page 4-23).</i></p>	
<p>6.1 New construction. New construction should provide adequate on-site parking for new residents.</p>	<p>University and Bay provides adequate on-site parking for new residents, exceeding the parking standards in the Development Code. <i>See Section 1.</i></p>
<p><i>Goal LU-8. Improve the City’s image and physical appearance through quality design and key interventions (page 4-24).</i></p>	
<p>8.2 High quality construction and architecture. Require high-quality and long-lasting building materials on all new development projects in the City. Encourage innovative and quality architecture for new public and private projects.</p>	<p>The proposed project is being designed with innovative and quality architecture, by renowned design professionals who have relevant experience and/or recent experience in East Palo Alto. University and Bay will be a high-quality, “state of the art” mixed use development, with building materials designed for the long term.</p>

<p>8.3 Key projects. For major vacant sites or development opportunities (such as the Bay Road/University Avenue site or new Westside development), encourage the use of visionary architects and designers to create iconic buildings and promote the use of public art.</p>	<p>The proposed project is located at a “major vacant site.” The design team includes visionary architects and designers at Perkins + Will and Hood Design Studio. They are collaborating to create this iconic mixed-use development at the center of East Palo Alto. The proposal includes a “Civic Landmark Tower” to be a beacon of pride for the community, visible to all who pass on University Avenue or Bay Road. This signature feature will be created through a community-informed process.</p> <p>The proposal will also include public art. It will provide opportunities to celebrate local history and local artists throughout the open spaces and the public realm. Using murals, artistic commemorative elements, lighting, colors, and textures, programming and green features, we will focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity.</p>
<p>8.8 Street connectivity. When possible, provide new through street and pedestrian connections to create smaller block sizes, and avoid creating new cul-de-sacs or dead ends. Improve bike and pedestrian access to existing parks and schools.</p>	<p>University and Bay improves street connectivity. There are new internal streets, which simultaneously create smaller block sizes within the site and improve pedestrian, bicycle, and vehicular circulation and access within the mixed-use development. The proposal also includes new pedestrian connectors to Fordham and Michigan streets within University Village. This improves the interconnectivity of the neighborhood, integrates the new development with the existing community, and facilitates access to and through the University and Bay site. This will improve bike and pedestrian access to Jack Farrell Park. There are no new cul-de-sacs or dead ends.</p>
<p><i>Goal LU-9. Provide an urban environment that is tailored to the pedestrian (pages 4-24 – 4-25).</i></p>	
<p>9.1 Pedestrian focus. Design the streetscape of high volume corridors, including University Avenue, East Bayshore Road, Bay Road, and Pulgas Avenue, to balance regional traffic flow with pedestrian movement and safety and the unique physical environment of the area.</p>	<p>The proposed project has been designed with a pedestrian focus. The vibrant new vibrant streetscapes and sidewalks on both University Avenue and Bay Road, serving new retail, restaurants, community uses, and site amenities, will encourage safe, pedestrian activity without compromising the regional traffic flow. New internal streets, including a pedestrian-friendly slow street through the center of the site, gives</p>

	pedestrians and cyclists a new, safer connection around the intersection of University Avenue and Bay Road. The eastern portion of the site, facing the University Village neighborhood, will have a landscaped buffer and a pedestrian pathway connecting the site to Fordham Avenue and onward to Jack Farrell Park.
9.2 Parking frontages. Continue to implement parking strategies and standards that ensure parking areas do not dominate street frontages and are screened from public views whenever possible.	The parking for University and Bay has been designed to be screened from public views. It is located underground as well as within a residential building and in a separate parking garage that is screened from the street frontages. There will be “green” vegetative screening on the garage façade to ensure that it is sensitive to the neighbors and public views.
9.3 Landscaping. Require development projects to incorporate drought tolerant, native species landscaping in order to extend and enhance the green space network of the City.	The green space within the site is being designed to incorporate drought-tolerant, native species. More particularly, a “natural history landscape” with native plants is planned along the Bay Road and University Avenue street frontages.
9.5 Public gathering spaces. Improve existing, and create new, gathering spaces throughout the City including in commercial/retail and office developments to provide beautiful, comfortable, and inviting public and pedestrian spaces; encouraging walking and public gatherings.	University and Bay creates new gathering spaces for all of East Palo Alto, including a new public “town square,” a central public plaza across from City Hall, and neighborhood amenities. These will be beautiful outdoor spaces that celebrate local history and local artists throughout the open spaces and the public realm. Using murals, artistic commemorative elements, lighting, colors, and textures, programming, and green features, we will focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity. This public art focus is intended to invite public and pedestrian access into the site.
9.6 Public plazas. Encourage new development to incorporate public art, public plazas, seating, and gathering places, especially in prominent locations and areas of pedestrian activity.	The proposed project incorporates public art, public plazas, seating, and gathering spaces. The landscape architect, Hood Design Studio, is working to create the most inviting public spaces possible, integrating the use of lighting, murals, art, seating, and plantings to welcome the community into the site and celebrate local history.
9.7 Commercial requirements. Require development projects in non-residential and mixed use areas to provide for enhanced	The proposed project enhances the pedestrian experience along University and Bay Roads.

<p>pedestrian activity and viable commercial spaces through the following techniques:</p> <ul style="list-style-type: none"> • Minimizing vehicle intrusions across the sidewalk. • Locating the majority of a building’s frontages in close proximity to the sidewalk edge. • Requiring that the first level of the building occupy a majority of the lot’s frontage, with exceptions for vehicle access. • Requiring that the first level of building where retail uses are allowed have a minimum 15 feet floor to floor height for non-residential uses. • Allowing for the development of outdoor plazas and dining areas. • Requiring that the majority of the linear ground floor retail frontage (where it occurs) be visually and physically “penetrable,” incorporating windows and other design treatments to create an attractive street frontage. • Discouraging new surface parking lots. • Locating parking (surface or structured) behind buildings, wherever feasible. 	<ul style="list-style-type: none"> • The design of internal streets minimizes vehicle intrusions across the sidewalk. There are only 3 vehicular ingress/egress points for the site. • There are minimal setbacks between the buildings (housing active ground floor uses) and the sidewalk, activating the pedestrian realm. • The first levels of the buildings occupy most of the lot’s frontages along University and Bay Roads. • The first level of the buildings has at least a 20-foot floor-to-floor height. • University and Bay includes outdoor plazas and dining areas. • The ground-floors are proposed to be physically penetrable, with floor to ceiling windows facing the public space. The community building will be open and transparent. This creates an attractive and inviting street frontage. • There will be a few surface parking spaces, but no surface parking lot. • The parking will be located predominantly underground and in a parking structure behind the life-science/laboratory buildings and in a structured garage on the first level of one of the housing buildings.
<p>9.10 Streetscape. Enhance the pedestrian experience through streetscape improvements that could include new street lighting, tree planting, undergrounding of utilities, and easement dedications to increase the size of the sidewalks and pedestrian amenities.</p>	<p>The proposed project includes streetscape improvements and pedestrian amenities including new sidewalks and street trees, a lively frontage with ground-floor retail and community uses, and pedestrian-friendly slow streets connecting to Bay Road. The pedestrian focus nonetheless accommodates bicycle and automobile travel, to ensure easy access within the site.</p> <p>The site has been designed to be beautiful along the University Avenue corridor (as well as from the other vantage points), including the Community/Library Plaza and the Civic Landmark Tower.</p>

<p>9.11 Crime Prevention through Environmental Design (CPTED). Incorporate crime prevention through environmental design especially based on natural surveillance – “eyes on the street” approaches for private development and public parks.</p>	<p>There are minimal setbacks between the buildings (housing active ground floor uses) and the sidewalk, activating the pedestrian realm. The first levels of the buildings occupy most of the lot’s frontages along University and Bay Roads. The first level of the buildings has at least a 20-foot floor-to-floor height. The ground-floors are proposed to be physically penetrable, with floor to ceiling windows facing the public space. The community building will be open and transparent. There are also outdoor plazas and dining areas. These project attributes will bring “eyes on the street.”</p>
<p style="text-align: center;">Goal LU-12 (page 4-35)</p> <p>Foster the creation of a “main street,” centered on University Avenue and along Bay Road to enhance the City’s image and identity.</p> <p><i>Intent: To enliven the street with new ground-floor shops and mixed-use development. To create community gathering spaces with new parks and plazas along Bay Road.</i></p>	<p>University and Bay implements the vision of a “main street” on Bay Road and connecting to the University Avenue frontage. The pedestrian-friendly streetscape along Bay Road will be fronted by ground floor retail and tenant amenities that are tied into a pedestrian-accessible Town Square, community space (potential library), and community or library plaza. A beautiful community building is a centerpiece of the project, directly across from City Hall, enhancing the “main street” feeling and building on the existing culture of strong civic use at the heart of town. This has the potential to be a new EPA Library, with similar amenities to those imagined during the recent library visioning process. The residential uses on the upper floors, above the ground floor retail and tenant amenities, will provide housing for the community and will increase the foot traffic along the “main street,” facilitating successful retail business that will support the “main street” feeling.</p> <p>The Town Square and community/library plaza will serve as a central meeting and gathering place for the residents of the community. We intend that the Civic Landmark Tower, pedestrian friendly slow streets, and community uses will fulfill this critical component of the General Plan.</p>
<p>12.1 Specific Plan. Implement the vision, goals, policies and regulations of the Ravenswood TOD Specific Plan as a high priority of the City.</p>	<p>The proposed project implements the applicable vision, goals, policies, and regulations of the Specific Plan. <i>See discussion of Specific Plan consistency below.</i></p>
<p>12.2 Vacant parcel. Prioritize the development of the vacant parcel at the intersection of Bay</p>	<p>The proposed project at University and Bay develops the vacant parcel at the City’s key intersection with lively civic, community, retail,</p>

<p>Road and University Avenue as a catalyst project for the City.</p>	<p>housing, and employment uses. By combining a wide range of uses in an inviting and complementary way, like retail, restaurant, housing, employment, community-serving uses, and public open space, the proposed project catalyzes opportunity by creating conditions to support other local businesses to grow and thrive.</p>
<p>12.3 4 Corners identity. On all parcels with frontage on the intersection of University Avenue and Bay Road, encourage new development that exhibits a high quality and character, and that supports this intersection’s identity as the heart of the City.</p>	<p>The proposed project honors the identity of the site at the heart of the City. The University frontage welcomes the public into the community/library plaza, along a new pedestrian-friendly “slow street,” and into a Town Square with a Civic Landmark Tower. New mixed-income housing in two buildings along Bay Road will bring residents and customers to a new “main street” of ground-floor retail fronting Bay Road, open to the community.</p> <p>The pre-application originally discussed partnering with the City on improving city-owned land at the corner of University and Bay. Based on feedback received from the City, it was not included it as part of this proposal at this time, but the applicant is open to further discussion.</p>
<p>12.4 Main Street. Create a walkable main street environment for East Palo Alto to serve adjacent neighborhoods, and the entire community, along with connecting with Cooley Landing and the Bay Trail. Ensure that development along Bay Road helps reinforce the corridor’s importance as the primary “activity spine” within the City.</p>	<p>University and Bay implements the vision of a walkable “main street” on Bay Road. The pedestrian-friendly streetscape along Bay Road will be fronted by ground floor retail and tenant amenities that are tied into a pedestrian-accessible Town Square, community space (potential library), and community or library plaza. A beautiful community building is a centerpiece of the project, directly across from City Hall, enhancing the “main street” feeling and building on the existing culture of strong civic use at the heart of town. This has the potential to be a new EPA Library, with similar amenities to those imagined during the recent library visioning process. The residential uses on the upper floors, above the ground floor retail and tenant amenities, will provide housing for the community and will increase the foot traffic along the “main street,” facilitating successful retail business that will support the “main street” feeling. This reinforces the role of Bay Road as a primary “activity spine.”</p>

	The pedestrian connectors from Fordham Street to the University and Bay site facilitate access from the adjacent neighborhood and Jack Farrell Park to the retail and community spaces.
12.5 Ground floor activity. Require active ground floor land uses along Bay Road. New development should be built with minimal setbacks in order to activate the pedestrian realm.	The proposed project mixes active spaces along the ground floor on Bay Road and University Avenue, including community space (potential library), a community plaza, slow streets, pedestrian walkways, retail, and tenant amenities. There are minimal setbacks between these active ground floor uses and the sidewalk, activating the pedestrian realm.
12.6 Gateway. Ensure that new development at 4 Corners responds to its regional significance as a gateway to East Palo Alto as a whole.	The proposed project honors the site at the heart of the City. It has been designed to respect what came before, by honoring and respecting the previous engagement processes, planning principles, and General Plan and recognizing and respecting local history. The University frontage welcomes the public into the community/library plaza, along a new pedestrian-friendly “slow street,” and into a Town Square with a Civic Landmark Tower. New mixed-income housing in two buildings along Bay Road will bring residents and customers to a new “main street” of ground-floor retail fronting Bay Road, open to the community.
12.7 Design standards. Ensure that all development in the Plan Area along University Avenue and Bay Road adheres to the Specific Plan’s design standards and guidelines.	The proposed project has been designed to comply with the applicable vision, goals, policies, and regulations of the Specific Plan. vision, goals, policies, and regulations of the Specific Plan. <i>See discussion of Specific Plan consistency below.</i> As described in Section 2 – Planning Compliance Analysis, certain portions of the Specific Plan design standards and guidelines have been superseded by the General Plan. In such instances, the proposed project complies with the governing General Plan.
12.8 Parcel aggregation. Assist in and encourage the assembly of sites to enable implementation of the vision for the area that overcomes existing small and irregular parcelization patterns and maximizes uses along Bay Road.	The proposed project maximizes uses along Bay Road, filling in a long-vacant site at the “heart” of the City.
12.9 Development partners. Seek outside development partners to develop large portions of the “main street” along Bay Road. Encourage	University and Bay is proposed by an outside development partner to develop a critical piece of

<p>the use of the existing City density incentives to develop mixed use housing in this area.</p>	<p>the “main street” frontage along Bay Road. The proposed project incorporates mixed use housing.</p>
<p>Specific Plan</p>	
<p><i>Vision and Concept – Bay Road/4 Corners Mixed Use (Pages 44-45)</i></p>	
<p>Bay Road is envisioned as an active and vibrant spine that serves as a focal point for Ravenswood and 4 Corners, as well as for East Palo Alto as a whole. These mixed-use areas, indicated in orange, will become the “living room” of East Palo Alto and provide a cohesive Downtown experience for East Palo Alto. Vibrant storefronts and other active ground-floor uses are envisioned to stretch down most of Bay Road within the Plan Area, bookended by the University Avenue/Bay Road intersection on the west and Cooley Landing on the east.</p> <p>Mixed uses will generally consist of ground-floor retail shops and upper-floor dwellings or offices, although some ground-floor office uses will likely also be developed. The primary goal for these areas is to ensure that uses are developed that foster activity, safety, visual interest, and a sense of community. Ground floor retail spaces do this by providing visual interest, outdoor seating, or other elements that engage pedestrians. Office uses, either on the ground floor or on upper floors, will help to ensure that there is activity in the area during the day and provide increased support for local retail uses. Apartments and other housing in this area will help provide activity into the nighttime hours and create increased safety by ensuring “eyes on the street” along Bay Road, as well as support for local retail uses by providing a strong customer base.</p>	<p>University and Bay is designed to reinforce the role of Bay Road as a primary “activity spine” and implement the vision of a walkable “main street” on Bay Road. The pedestrian-friendly streetscape along Bay Road will be fronted by ground floor retail and tenant amenities that are tied into a pedestrian-accessible Town Square, community space (potential library), and Community/Library Plaza. A beautiful community building is a centerpiece of the project, directly across from City Hall, enhancing the “main street” feeling and building on the existing culture of strong civic use at the heart of town. This has the potential to be a new EPA Library, with similar amenities to those imagined during the recent library visioning process. The residential uses on the upper floors, above the ground floor retail and tenant amenities, will provide housing for the community and will increase the foot traffic along the “main street,” facilitating successful retail business that will support the “main street” feeling. The life-science/laboratory uses on upper floors along University Avenue will ensure there is activity during the day and provide increased support for local retail uses.</p> <p>The pedestrian connectors from Fordham Street to the University and Bay site facilitate access from the adjacent neighborhood and Jack Farrell Park to the retail and community spaces.</p> <p>The proposed project can serve as a “living room” for East Palo Alto by creating new gathering spaces, including a new public “town square,” a central public plaza across from City Hall, and neighborhood amenities. These will be beautiful outdoor spaces that celebrate local history and local artists throughout the open spaces and the public realm. Using murals, artistic commemorative elements, lighting, colors, and textures, programming, and green features, we will focus on</p>

	<p>high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity. This public art focus is intended to invite public and pedestrian access into the site.</p> <p>The ground floor uses, design, and setbacks are intended to put “eyes on the street” along both Bay Road and University Avenue.</p>
<p><i>Vision and Concept – Plazas (Page 51)</i></p>	
<p>Public plazas will be accommodated in the Plan Area, both in private development and as public improvements. Public plazas will serve an important function as a neighborhood-wide amenity and will help to satisfy open space requirements for the Plan Area. The Open Space Concept shows a plaza as part of new development at the northeast corner of University and Bay Road, and a plaza is also shown at the intersection of Pulgas Avenue and Bay Road. Smaller plazas should also be incorporated into private development wherever feasible, particularly where they can be made accessible to the public. These spaces will provide focal points and gathering places for Ravenswood and 4 Corners.</p>	<p>The proposed project incorporates public art, public plazas, seating, and gathering spaces. Hood Design Studios is working to create the most inviting public spaces possible, integrating the use of lighting, murals, art, seating, and plantings to welcome the community into the site and celebrate local history.</p> <p>The plazas will also serve as a focal point, with the “Civic Landmark Tower” as a beacon of pride for the community, visible to all who pass on University Avenue or Bay Road. This signature feature will be created through a community-informed process.</p>
<p><i>Vision and Concept – Building Form, Mixed Use (page 55)</i></p>	
<p>Where mixed-use development is identified by the Specific Plan, buildings will contain ground-floor active uses with residential or office uses above. Ground floor active uses are defined as retail or office space with a maximum transparency or percentage of the building’s frontage devoted to windows, to create pedestrian interest. Depending on the size and configuration of parcels, a horizontal mix of uses may also be appropriate. Horizontal mixed use is defined by multiple uses being developed next to each other, but not above one another, on a single site.</p>	<p>University and Bay includes active ground-floor uses with residential and employment uses above. The ground-floors are proposed to be physically penetrable, with floor to ceiling windows facing the public space. The community building will be open and transparent. This creates an attractive and inviting street frontage that creates pedestrian interest.</p> <p>There is also a horizontal mix of uses: the proposed project mixes active spaces along the ground floor like community space (potential library), a community plaza, slow streets, pedestrian walkways, retail, and tenant amenities.</p>

Goals and Policies – Goal LU-2 (page 65)	
<p>Goal LU-2. A “town center” for East Palo Alto, centered on University Avenue and Bay Road, that will enhance the city’s image and identity.</p>	<p>University and Bay proposes a Town Square and Community/Library Plaza that will serve as a central meeting and gathering place for the residents of the community. We intend that the Civic Landmark Tower, pedestrian friendly slow streets, and community uses will enhance the city’s image and identity.</p>
<p>Policy LU-2.1. On all parcels with frontage on the intersection of University Avenue and Bay Road, encourage new development that exhibits a high quality and character, and that supports this intersection’s identity as the heart of East Palo Alto.</p>	<p>The proposed project is being designed with innovative and quality architecture, by renowned design professionals who have recent experience in East Palo Alto. University and Bay will be a “state of the art” mixed use development at the highest quality, with building materials designed for the long term.</p> <p>The mixed-use development will support the intersection’s identity as the “heart” of East Palo Alto. The pedestrian-friendly streetscape along Bay Road will be fronted by ground floor retail and tenant amenities that are tied into a pedestrian-accessible Town Square, community space (potential library), and Community/Library Plaza. A beautiful community building is a centerpiece of the project, directly across from City Hall, enhancing the “main street” feeling and building on the existing culture of strong civic use at the heart of town. This has the potential to be a new EPA Library, with similar amenities to those imagined during the recent library visioning process. The residential uses on the upper floors, above the ground floor retail and tenant amenities, will provide housing for the community and will increase the foot traffic along the “main street,” facilitating successful retail business that will support the “main street” feeling.</p>
<p>Policy LU-2.2. Ensure that new development at 4 Corners responds to its regional significance as a gateway to Ravenswood/4 Corners and East Palo Alto as a whole.</p>	<p>The proposal is designed to complement the civic, commercial, residential components of the existing neighborhood. Using murals, artistic commemorative elements, lighting, colors, and textures, programming and green features, we will focus on high quality placekeeping and placemaking by creating a place that is uniquely EPA and reflects its history, community and diversity.</p>

<p>Policy LU-2.4. Ensure that development along Bay Road helps reinforce the corridor’s importance as the primary “activity spine” within the Plan Area.</p>	<p>University and Bay implements the vision of a walkable “main street” on Bay Road. The pedestrian-friendly streetscape along Bay Road will be fronted by ground floor retail and tenant amenities that are tied into a pedestrian-accessible Town Square, community space (potential library), and Community/Library Plaza. A beautiful community building is a centerpiece of the project, directly across from City Hall, enhancing the “main street” feeling and building on the existing culture of strong civic use at the heart of town. This has the potential to be a new EPA Library, with similar amenities to those imagined during the recent library visioning process. The residential uses on the upper floors, above the ground floor retail and tenant amenities, will provide housing for the community and will increase the foot traffic along the “main street,” facilitating successful retail business that will support the “main street” feeling. This reinforces the role of Bay Road as a primary “activity spine.”</p> <p>The pedestrian connectors from Fordham Street to the University and Bay site facilitate access from the adjacent neighborhood and Jack Farrell Park to the retail and community spaces.</p>
<p>Policy LU-2.5. Require active ground-floor uses in mixed-use buildings.</p>	<p>University and Bay includes active ground-floor uses like community space (potential library), a community plaza, slow streets, pedestrian walkways, retail, and tenant amenities with residential and employment uses above. The ground-floors are proposed to be physically penetrable, with floor to ceiling windows facing the public space. The community building will be open and transparent. This creates an attractive and inviting street frontage that creates pedestrian interest.</p>
<p>Policy LU-2.6. Assist in and encourage the assembly of sites to enable implementation of a “town center” vision that overcomes existing broken, small, and irregular parcelization patterns and maximizes uses along Bay Road.</p>	<p>University and Bay implements a “town center” vision by proposing a Town Square and Community/Library Plaza that will serve as a central meeting and gathering place for the residents of the community. We intend that the civil landmark tower, pedestrian friendly slow streets, and community uses will enhance the city’s image and identity.</p>

<p>Goals and Policies – Goal LU-4.1 (page 66)</p>	
<p>Policy LU-4.1. On the northeast corner of 4 Corners, work to attract a mixed-use project that includes a community center.</p>	<p>The proposed project is a mixed-use project that includes community space, including interior community space (potential library) as well as the exterior Town Square and community/library plaza that will serve as a central meeting and gathering place for the residents of the community.</p>