

March 10, 2021

Dear Mayor DuBois and Council Members,

The College Terrace Residents' Association (CTRA) writes to you today to express our opposition to Cato Investments' proposed development at the corner of Wellesley Street and College Avenue.

We oppose the plan by developer Cato Investments because it is the wrong project in the wrong location. The plan proposes to replace two single family lots with a 24-apartment, 3-story building surrounded by R-1 zoned homes. The proposed complex does not fit with the proportionally smaller neighboring homes, violates many planning regulations, and ignores the reality that there are no 3-story buildings of any sort in the College Terrace neighborhood off of El Camino Real. Finally, the project lacks adequate parking and poses a potential traffic-safety liability due to its close proximity to an active childcare center and a public library.

As one of Palo Alto's oldest neighborhoods, College Terrace is home to a warm, eclectic collection of residents and an even wider variety of charming architectural styles—from high-end modern to modest and humble. The atmosphere is that of a small community where residents closely identify with their environment and each other. College Terrace boasts a welcoming community filled with a wide variety and healthy mix of multi-unit, multi-family home structures, single family homes and pre-war cottages on substandard-sized lots.

The purpose of the CTRA is to enable residents to work together to maintain and enhance the quality of life in College Terrace.

The CTRA's objection starts with posture of the developer, Cato Investments, towards the neighborhood, followed by the adverse characteristics of the project, and finally their stated goal of making this their chosen "flagship" project that they would repeat in our neighborhood and others, if successful. It should be noted Cato currently owns at least 9 lots in the neighborhood, as well as more in other parts of Palo Alto.

The developer deliberately avoided the CTRA and city by first contacting the press to debut the project. They continue to demonstrate avoidance behavior by neglecting to answer calls or respond to email inquiries by

neighbors and have yet to even schedule their promised “community meeting” nearly two months after the project was first announced.

Thus, the developer has clearly demonstrated their modus operandi, which is not only blatantly disrespectful, but should also serve as a warning to the City of what to expect if this project moves forward. Since they have decided to not engage with the community, College Terrace residents used public information requests and research to understand Cato Investments. We learned their mission is to create wealth for ultra-high net worth individuals and not, as they seem to imply, seek a path for affordable housing for many. They avoid building large apartment complexes in their own hometown, but instead seek to do so and repeat a profitable formula in Palo Alto neighborhoods – not just College Terrace.

The developer asks for special, preferential treatment, through several means we see as unreasonable and adverse to our community:

1. A 3-story building: No other building in College Terrace compares to this size and bulk and this plan would be better suited along El Camino Real, perhaps as a mixed business/residential space.
2. 24 units: most of the multi-family complexes in the surrounding area are four units – as mentioned above College Terrace features several multi-family, multi-unit homes but they are four units or less per property, with on-property parking.
3. The plan indicates building 24 units on two lots; this would be equivalent to 72 units per acre, far greater than any existing density in the neighborhood.
4. Planning issues: This oversized complex would require numerous planning and building variances setting new precedents within Palo Alto. The variances include, but are not limited to, the following:
 - a. a variance to build above current height limits
 - b. a variance to build a very steep increase in units per acre
 - c. a variance to join two single family lots together
 - d. a variance to violate existing regulations on setbacks and

parking requirements

- e. a variance on existing regulations of daylight plane and sightlines affecting surrounding properties

The volunteer CTRA board meets monthly and seeks to engage our residents. In January, we enjoyed one of the largest (virtual) gatherings of our neighbors in recent memory. At that meeting, residents spoke overwhelmingly in support of the neighborhood and ten to one against this developer proposal. The message was clear – speakers support affordable housing, but oppose this project in this location.

Additionally, Cato's timing is also clearly poor as we are experiencing a record number of vacant rentals in the neighborhood—and at significantly reduced rental rates.

Since Cato has introduced the subject of affordable housing (we believe in bad faith), we want our city council to understand two very important points. But first, we want to remind you that, even including commercial corridors like San Antonio and downtown, College Terrace has the 7th highest housing density of the 31 neighborhoods in Palo Alto. The many small cottages on undersized lots and multi-unit apartments in our neighborhood are regarded by everyone who has chosen to live here as one of its great strengths. This originally zoned assortment of mixed used housing adds to the socioeconomic diversity and architectural character of our little neighborhood. Thus, the character of our community is naturally inclined to be affordable housing supporters, when affordable housing planning is done right.

However, where new affordable housing needs to be built to meet new policy goals embraced by the city, it must be genuine, not fraudulent, and it must be pursued with a rational plan and map developed by the city, not driven by opportunistic developers engaging in land speculation. Here is where our two points come in: (1) City Council should clear up the ambiguity in the Planned Housing Zone, which Cato's proposal has targeted, by formally clarifying that the PHZ tool is, and was always intended, as some council members have already indicated, to be restricted to commercial areas, and (2) affordable housing policy cannot be

responsibly driven through ad-hoc zoning tools that allow land speculators to opportunistically disguise their extractive profit-motive as public-minded leadership; instead, affordable housing goals should be pursued through a thoughtful planning process to develop a city-wide map that, among other things, strives to make housing density from neighborhood to neighborhood more equal. College Terrace supports affordable housing goals when they are pursued responsibly. Cato's proposal has inadvertently demonstrated the above two ways Palo Alto can improve its pursuit of affordable housing goals.

The CTRA opposes this project and requests the City of Palo Alto oppose it, too. Although the intentions of the developer are not communicated clearly, it is easy to trace their records and presume their interest is to serve their billionaire investors who are not necessarily connected in any other way to our community. Our intentions are clear: we welcome new residents with open arms and seek housing projects better suited to the space and the neighborhood. The CTRA strongly advocates for more affordable housing but views this proposal as ill-suited to both the space and the community.

In closing, the CTRA requests that the City provide guidance to landowners and developers about where and what to build, rather than cede this responsibility to developers. Without clear guidelines, we end up with misguided projects like this one, not to mention other projects like this throughout our City and neighboring areas, as detailed in communications unearthed through the freedom of information request.

Sincerely,

The College Terrace Residents' Association Board