

# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Regular Meeting November 2, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:06 P.M.

Present: Berman, Burt, DuBois, Filseth, Holman, Kniss arrived at 6:39

P.M., Scharff, Schmid, Wolbach

Absent:

#### Special Orders of the Day

 Proclamation Welcoming the Delegation of Visitors From our Sister City, Enschede, the Netherlands, and Congratulating Onno van Veldhuizen on his Recent Inauguration as Mayor.

Mayor Holman: We do have as our first item this evening a Proclamation welcoming the delegation of visitors from our Sister City of Enschede in the Netherlands and also congratulating Onno van Veldhuizen on your recent inauguration as Mayor. Welcome to you all. Mayor, would you care to make a few comments? We have a podium here for you.

Onno van Veldhuizen, Enschede Mayor: Thank you very much. I hope I'm allowed to speak in your direction and in the direction of the public because, as you know, I've got a three-hour speech, so it will take a bit. Thank you very much for having us here today. Indeed, I'm a very fresh Mayor of Enschede, five weeks. Most of the things I do not know. Despite that, I have to address you and the public with things I think are, well, failure to know about our city, our relation and a bit about myself. Enschede is a city of 160,000 inhabitants in the eastern part of the Netherlands. capital of Twente. Twente is a region with a very long and strong history. Twente is much older than the Netherlands, and we tend to forget that. Maybe I have in my speech some inspiration from our history as a region for you. Let's see. I was and I'm still a man of local government, very much myself. I have 16 years of experience in local government, and I consider that as a great treasure for myself. Previous to that I was mainly a lawyer. You have lots of lawyers, I'm afraid, especially in business law, international business law. I wouldn't put away this experience because I think it's useful in my daily life as a Mayor. I'm also a child of a German mother. I guess

you have some German backgrounds in your Council too. My mother origins also from Romania. I'm a really European boy, so to say. When I look further in my background, especially this day, I can't forget about one of my great-grandfathers who was a captain on one of the last sailing vessels that sailed from Batavia, Jakarta, to (inaudible) in the neighborhood of He was the fastest sailor ever. When it comes to being an entrepreneur and doing trade and going over the globe, I remember his DNA and I feel it today, because with Enschede we are still part of this great Dutch tradition of moving over the globe and start new things also today. That's a very valuable tradition. We should keep that in honor, both our cities together. As a Mayor, of course I would say, but it's not self-evident, I try to foster a city where you can find justice and a city that is safe and healthy, a city that is good for our children, sustainable, and a city that is open because we can't believe in the success of closed societies and closed municipalities. As persons we have to live together, also as public bodies. I believe also very much in cities that try to innovate and to catch the future today and not tomorrow, and that are willing to being pioneers, and dare to fail. Dare to fail is something I find very difficult in politics. I don't know how it functions here, but in the Netherlands we have too much culture where it's not allowed to fail in politics. If you have budgets that are violated too much, then you have a big problem. That makes us very anxious and conservative. Maybe you can inspire us a bit by your courage and that indeed it is necessary to fail now and then in order to learn. I think both our cities are similar in being part of a tradition of trying to innovate and pioneer. I would like to merge our cities because we have a lot of what you don't have and the opposite is also true. Then we would live not in Silicon Valley, but we would live in Silicon Twelley, the combination of Twente and Valley. I think we should keep that in mind that, although we don't live very near to each other in distance, we could work together in the future, creating something as a real Silicon Twelley together where we see the good things of our both cities combined. We really like as our city when it comes to the future, the use and the entrepreneurial side our university. We're very proud of it. I'm enormously glad we have that. It was not easy to get it. We have it since 1961. I really believe it's key to the success of our city. Our university attracts youngsters all over the globe each year, and 36 percent of them come from abroad, all over the planet. We have 12,000 new students this year, which is quite a lot. We've got hundreds of start-ups, nearly 2,000, in the years creating 3,000 new jobs, so that really you can compare a bit, although modestly, to the success of Silicon Valley. We try to be inspired and to copy a bit and to learn from your experience. Our students are our great ambassadors. They are the seeds of the dandelions. If you know as a child you blew and there they go, all seeds all over the world. They blossom, and then the wind blows them in all directions where they grow further. One dandelion is the solar team,

> Page 2 of 122 City Council Meeting Transcript: 11/2/15

Twente, that last week won the technical innovation award during the Bridgestone World Solar Challenge. I don't know if you follow it, but it's about really cars solely driven by a solar system. We improved that solar system, the students did of course. That absorbs energy from the sun even when it disappears behind clouds. That's sheer magic I would say and unbelievable, but they did it. What I like particularly about it that really young people in their 20s simply not only think about the future, but literally built the future. When they finish, they talk with the people of Tesla about their innovations that they found. I think that's really a very, very good example how we should do it and that we should celebrate these examples and show it to one another, because it inspires me. I'm sure if we talk about it, it inspires us because it's everything to do about a sustainable future and a lot of hope. When you discuss mobility, and that's an issue here, well, try to be a bit more daring and try to think about solar systems in the cars and try to foster it and simply dare to start a project. Maybe we'll join you; that would be nice. It's an honor to be here, and I'm really glad to be here also. We had terrific presentations this morning about the concept of joint venture which you are in and which we find inspiring and a bit peculiar also that it works, but it does, already decades, this public-private combination. There are some feelings of jealousy when I look at that, but we try to be inspired and copy it. The oddest thing is that we discussed angel investors this morning. After that presentation I had a brief moment of quitting as Mayor and start as an angel investor, which means I'm inspired. This afternoon we also had a presentation about APIs. I don't know whether you know what APIs, Mr. Scharff does, Mr. Berman does. I won't ask you to explain it to us; it's too difficult. It allows us to create indeed the smart cities with big data, open data, standardized data and good accessible data and allow privacy. Of course, if we work on that together, we would really create a platform for further projects that we could do on both sides of the ocean simultaneously. That would be really innovative, because you don't have to be neighbors physically to work together in this decade and in this century, but you only have to share ideas and concepts and develop that. If we could lead that together, that would really be very special. We have a saying in the Netherlands that a good neighbor is much better than a friend far away. Now, it's probably possible to combine the two things to the technique we have. I will come to an end because, indeed, it will almost be three hours. That's not exactly what I want to do. You will remind me as the Dutch Fidel Castro; that is certainly not what I want to happen. I wouldn't be invited for a second time, I guess. Of course, it's always difficult to be twin cities and to really give substance to it, to really make it happen. We all know that. I would like really to invite you to do our best to find one or two projects that we can do and just start with it and allow ourselves to fail, but not allow us to have that bad influence on our relationship. If we set an (inaudible) example, that's very much worthwhile to do it. I hope all to welcome you in

the town hall of Enschede in the near future. Ms. Mayor Holman, thank you very much. Prior to ending, I have not to forget to honor one person in particularly. That is Joni Reid; that is you. Please stand up, so I can address a few words to you. On behalf of Neighbors Abroad, you have been the greatest ambassador for Enschede for more than 14 years. I understood you visit our town almost every year. Over the years, you welcomed many students in our house or arranged a place to stay for them in Palo Alto. Moreover, she promoted Enschede in (inaudible) articles in the—now it's very difficult—(inaudible). Yes. Thank you. We love you. That is simply what we have to express. I don't have any present now, but I hope it's allowed to kiss Joni Reid in public on behalf of the whole City of Enschede. I'm going to do that. Thank you for your attention.

Mayor Holman: Mayor, thank you for your comments. The reference to the three-hour speech was because we were talking about jet lag coming this way. I said, "Did anyone tell you that we've moved your Proclamation from 6:00 to 9:00?" He said, "No, but did anyone tell you I have a three-hour speech?" To which I responded, "You'd probably just be saving us from ourselves if you had a three-hour speech." Thank you for that. It is quite our privilege and honor to have you here visiting. You referenced the various places that you've gone to visit and going to visit while you're here. While you kind of don't understand what happens here sometimes, to be perfectly honest we don't either. We understand many things about it, but it's also a matter of just great good fortune. You honor us greatly by wanting to copy that. Thank you so much. We have a Proclamation to read for you. Greg Scharff, as having visited your fair city in the past, is going to read it.

Council Member Scharff: Thank you. The Mayor's asked me to read the Proclamation welcoming the delegation of visitors from Enschede, the Netherlands, and congratulating Onno van Veldhuizen on his inauguration as Mayor. I wanted to say that the City Manager and I—before I read the Proclamation—visited Enschede in 2013, and we had wonderful and warm hospitality. We had a really great time. I really enjoyed your city. I especially enjoyed, you called it the military but that doesn't quite explain what it was. It was a horse show. It was really quite an amazing event. I really appreciated it. Welcome to our city, and I hope you have as much fun as I had in your city. Council Member Scharff read the Proclamation into the record. Congratulations.

Mayor Holman: Mayor von Veldhuizen, if you would care to join us, and your delegation up here, we will have a photograph taken, if that's okay with you.

2. Selection of Applicants to Interview for the Parks and Recreation Commission.

Mayor Holman: Council Members, we'll go then to Item Number 2 which is selection of applicants to interview for the Parks and Recreation Commission. Do we have a motion, a recommendation?

Vice Mayor Schmid: Recommend we interview all the candidates.

Council Member Scharff: Second.

**MOTION:** Vice Mayor Schmid moved, seconded by Council Member Scharff to interview all applicants for the Parks and Recreation Commission.

Mayor Holman: Seeing no lights, let's vote on the board please. That passes on an 8-0 vote with Council Member Kniss absent.

**MOTION PASSED:** 8-0 Kniss absent

Agenda Changes, Additions and Deletions

Mayor Holman: We then move to Agenda Changes, Additions and Deletions. There has been a recommendation to transpose Items 8 and 9 as nine is not thought to take very much time this evening. If I could have a motion to accomplish that please.

Council Member Wolbach: So moved.

Vice Mayor Schmid: Second.

Mayor Holman: The motion is to move Item 9 ahead of Item 8.

**MOTION:** Council Member Wolbach moved, seconded by Vice Mayor Schmid to hear Agenda Item Number 9- PUBLIC HEARING: Adoption of an Ordinance Amending Title 5... before Agenda Item Number 8-Comprehensive Plan Update...

Mayor Holman: Vote on the board please. That also passes on a 8-0 vote with Council Member Kniss absent.

MOTION PASSED: 8-0 Kniss absent

City Manager Comments

Mayor Holman: With that then, we move to City Manager Comments. Jim.

James Keene, City Manager: Thank you, Madam Mayor, Members of Council. First topic is Assembly Member Rich Gordon will chair an Assembly Select Committee hearing on waste reduction and recycling in the 21st century this Wednesday, November 4th, from 1:00 to 4:00 p.m. here in the Palo Alto Council Chambers. The hearing is open to the public and will provide an overview of statewide household hazardous waste programs, progress on integrating environmental costs through the lifecycle of products including current challenges and future opportunities. The hearing will include elected officials, industry and local waste haulers as well as health and safety organizations. For more information, go to asmdc.org for more With today's rain, we are reminded of the importance of preparing for what we anticipate will be a very wet winter. Come to the City sandbag day on Sunday, November 15th, between 9:00 a.m. and 2:00 p.m. to pick up filled sandbags at the City's Municipal Service Center, the MSC, located at 3201 East Bayshore Road. That's on the other side of 101. There is a maximum of ten bags per passenger vehicle or 20 per commercial vehicle per trip. For more storm prep and related information, go to the City of Palo Alto website, cityofpaloalto.org/storms. Some updates on infrastructure projects around town. Some of you had commented to me about Alma Street being torn up. I did want to share that that is actual street maintenance work, and it will be continuing this week on Alma Street between Colorado Avenue and Rinconada Avenue. That is a City project and involves the preparation for the paving which we will do. There's significant concrete repairs that have to be done to the sub-base of the street and grinding down of the old pavement. We apologize for the inconvenience, but I can report that Alma will be repaved with rubberized asphalt concrete on Saturday, November 7th. Residents should expect delays this week on Alma from 9:00 a.m. to 4:00 p.m. and then again on Saturday from 8:00 a.m. to 6:00 p.m. Once this portion of Alma Street is complete, the contractor will begin concrete repairs on Middlefield Road on the section from Menlo Park to Lytton Avenue. This work is the first part of three years of work that will complete the repaving of the northern half of Alma Street and Middlefield Road from Colorado Avenue north to Menlo Park. This accelerated schedule is due to the increased investment funded by the Council in Fiscal Year 2015. We're continuing it into this year, and the remaining portions of Alma and Middlefield Road are planned to be repaved in 2016 and 2017. The Baylands Nature Center Boardwalk has been a concern of Council and many folks in the community. It is now partially open for public use after Community Services and Public Works Staff made repairs last week and opened the first 200 feet of the Boardwalk. You will recall that the Boardwalk was closed in spring of 2014 because of safety concerns about structural damage. The City is currently completing a feasibility study on options to repair or replace the entire Boardwalk. The recommendations on interim repairs to reopen part of the Boardwalk, as you see here, came from that study. The next

project, second slide, would be El Camino Park project completion. Some of you might have seen some of this as you passed along El Camino or been on Caltrain. Construction of the new El Camino Park began in January and will be complete this month. The work includes new athletic fields, synthetic turf, field lighting, fencing, a new restroom, scorekeeper booth and storage buildings and expanded parking lot, new bike and pedestrian pathways, landscaping benches and other amenities. Although there were delays in completing the underground water reservoir, it was part of this project, in finalizing the design of the park, the construction of the park is on time and within its \$4.9 million budget. El Camino Park will reopen to the public following a dedication ceremony to be scheduled for later in November or early December. The first slide that we showed looks north and shows the softball field and the new scorekeeper's booth. The next slide shows part of the new Class 1 bike path along El Camino Real and the entrance to the new parking lot. The next slide shows the new restroom building on the eastern side of the parking lot. Slide 5 is the new artificial turf field with new fencing in the background and lighting that can be seen in the top right. The last photo shows the passive park area at the northernmost end of the park. Thanks, Roger. Lastly the Cubberley Artists' Studio Program is hosting two exciting free events for the public during November. The Meet the Artist Program will be held Thursday, November 12th, from 6:00 to 9:00 p.m., and will feature a fast-paced Pecha Kucha style group presentation at Cubberley lecture room H-1, where artists will have two minutes each to show six photographs of their work. The 15th Annual Holiday Open House will be held on Saturday, November 21st, from 11:00 a.m. to 5:00 p.m. where Cubberley artists will present a curated exhibition of projects produced by the students, the youth and teens, in the MakeX lab which is adjacent to the For more information, go to the City of Palo Alto website, cityofpaloalto.org/casp. Lastly, I would just remind the Council that it is 6:36 p.m., not 5:15 p.m. as those clocks up there ... Please don't rely on those clocks tonight, or else you may continue the meeting even longer than we projected to go tonight. That's all I have to report.

#### **Oral Communications**

Mayor Holman: Our next item on the agenda is Oral Communications. Beth, you don't need to fill out a card to speak. Beth, I think you have someone to introduce.

Beth Minor, City Clerk: I do, Mayor Holman and Council Members. Just had to do my song again. I'm here tonight to introduce our new Assistant City Clerk who will be beginning her job with us next Monday, November 9th. Jessica, would you like to come to the podium?

Jessica Brettle: Hello. Thank you, Mayor Holman, Council Members, City Manager. I'm so excited about starting on Monday. I'm just thrilled that Beth offered me the position here at the City of Palo Alto. I come from the City of Georgetown, Texas, which is about 30 miles north of Austin in central Texas. I was City Clerk there for eight years. I'm going from one good community to an amazing community. I've only been here for a week, but I can tell you that every single person I've met has been so kind and gracious. All the City employees that I've met through the interview process were fantastic. I can tell that this is a first-class City and world-class organization. Just really looking forward to it. I look forward to meeting all of you.

Mayor Holman: Thank you. Welcome and look forward to you getting your feet planted. Thank you so much. Our next speaker is Catherine Martineau, and you'll have three minutes.

Thank you, Mayor Holman. Catherine Martineau: Thank you, Council Members and City Manager Keene, Vice Mayor Schmid. I found out that the City of Enschede has an amazing giant sequoia tree. It's about, I think, 180 feet, and it was planted in the mid-1800s. I hope it's not just below a PG&E gas line. I'm here to talk about the PG&E CPSI which is the Community Pipeline Safety Initiative. I know that the Council and of course the City Staff is very aware of this program, but I thought I would take this opportunity to alert the community to it. CPSI, Community Pipeline Safety Initiative, is an initiative to remove thousands of trees that are placed on PG&E easements near gas lines. It's all over California. We don't know how many trees altogether, but in Palo Alto there are between 600 and 700 trees that are being assessed right now by PG&E for potential removal. Out of those trees, about half are on public right-of-way and the other half is on private property. It includes for example 70 big street trees, mature street trees, on Middlefield Road from Charleston to Ashton Avenue. On Ashton Avenue, about 100 trees are in backyards. Canopy and the City Public Works Department have been working together and with PG&E to ensure that no tree is removed unnecessarily. If a tree needs to be removed, adequate mitigation is offered by PG&E. PG&E has agreed not to remove any trees, enter into any agreement with residents until they have provided their assessment to the City and the City can help residents make decisions Of course, safety is paramount, but we're asking the on what's best. residents not to enter into any agreement until the City has had a chance to review all of those trees and make a determination and also look into possible alternative solutions to removing whole stands of public trees and Again, safety is paramount, but we're looking for the private trees. residents to cooperate and not agree immediately to removals. Thank you.

Mayor Holman: Thank you for coming this evening. Did Staff have anything to add to that? I think that number has come down, has it not? It's still ...

James Keene, City Manager: The number has been reduced a fair amount, but obviously we're still quite concerned about the situation. As Ms. Martineau mentioned, we're working as closely as possible with PG&E to be absolutely certain that no tree is unnecessarily removed. We'll keep the Council posted and the community.

Mayor Holman: Thank you for that. Yes, it's still a serious concern. I just thought the number had come down. I thought we should be aware of that too. Our next speaker is Cybele Bhushan, and you'll also have three minutes.

Cybele LoVuolo-Bhushan: Thank you. Good evening. The welcome rain makes me think about the fact that we do have homeless, homeless women. Also we have many people who just need affordable housing. millennials living 12, as the Palo Alto Weekly pointed out, in a home. I want to support the millennials living here. I want to support all manner of affordable housing. That means that the City should look at the zoning, especially in my personal example for attached dwelling units. An original home that we bought in 1984 has 1,650 square feet, and we built an addition back when our kids were young of 1,000 additional feet. These are approximations. When I had a contractor go to apply for roping it off once a daughter had grown up, I was told that my unit at the 1,650 original would be too small to have another unit of 1,000 feet which makes no sense to me since we have SROs and all of that, which are much smaller. changed. In Palo Alto, there's so much resistance to change. We can't resist it. The future is with us, and we have to take that by the horns and we have to look at it. Like Enschede spoke this evening, I was surprised to see them and I was happy to see them. I want people to thrive here, and I don't think we need to be "I got mine and I don't care whether you get yours," to take that attitude. Having been to India 18 times in my married life, when the trains are crowded people pull you on; they don't push you off. I think we need to look at life a little bit differently. Thank you.

Vice Mayor Schmid: Thank you. Next speaker is Keith Bennett.

Keith Bennett: Hello, my name is Keith Bennett. I live near the intersection of north California and Webster Street. I'm here to talk about the dewatering for basement construction. First, I would like to mention that the issue of basement dewatering for residential construction is of concern to a reasonable number of persons. I'm delivering tonight here some petitions that specifically request a moratorium on new dewatering permits for

residential basement construction. There are 190 signatures that were collected by a handful of volunteers over a two to three-week period in late summer. Secondly, the current policy regarding groundwater considers it to be an inconvenience for the construction of residential basements in areas where the water table interferes with the construction practices used. Should not Palo Alto's policies consider groundwater as a resource that should be valued and wisely used? Groundwater provides a number of very important, in my opinion, services free of charge. First, the groundwater literally supports our structures and infrastructure. The hydrostatic pressure of water is well known to support land and buildings. When water is removed, settling can and does occur as mentioned by Dr. Rogers on It is well known in both California's Central Valley where ground has settled up to 50 feet permanently in places and in Downtown San Jose where it has settled approximately 13 feet in some places. It is not reversible. Secondly, the groundwater in the shallow aquifer is a resource of generally high enough quality to use without further treatment for irrigation. In fact, the City of Palo Alto uses this water and it is available with trucks to be used for local residents. On October 5th, I presented some numbers on the amount of groundwater pumped. For a single basement, the amount of water typically corresponds to approximately the total amount of rainwater that falls on an 8,000 square foot lot in Palo Alto in 140 years. Moreover, the amount of water pumped for a single basement is roughly adequate to irrigate a somewhat drought tolerant landscaping in a single residence for 300 years, assuming 4,000 cubic feet per lot per year per irrigation. The amount of water dumped into the storm drains this year in Palo Alto would have been enough to irrigate approximately 4,000 residences for a year. It's not a small amount of water. Finally, the soils play an important role in managing storm runoff as evidenced by the policies of both the City and Santa Clara Valley Water District encouraging the use of permeable pavers. Basements have three effects that are contrary to these policies. volume of the earth occupied by the basement-I'm done-is no longer available to (inaudible) the soil. I will end here.

Vice Mayor Schmid: Thanks for sharing numbers. Next speaker is Stephanie Munoz.

Council Member Kniss: Mr. Vice Mayor, could I interject one thing?

Vice Mayor Schmid: Please.

Council Member Kniss: Perhaps Staff would talk with Mr. Bennett regarding the fact that, I think, as of now we are not allowing dewatering henceforth for the season. Am I correct?

Mr. Keene: Members of the Council, the City's policy is that dewatering ceases on October 31st. I think there are one or two projects where the permit was extended for a few days. We're in the season where dewatering stops. I will also point out that right now scheduled on the December 8th Policy and Services Committee meeting, we'll be bringing the subject of dewatering, the City's policies in that regard in discussion before the Policy and Services Committee on December 8th.

Vice Mayor Schmid: Stephanie Munoz.

Stephanie Munoz: Good evening, Mayor Holman and Council Members. Can you hear me?

Vice Mayor Schmid: Yes.

Ms. Munoz: Thank you. I want to agree with my fellow (inaudible) member, Cybele, about the need for housing for the homeless and for homeless women. I think that the City should begin with housing the unhoused who could in fact pay for their own housing without subsidy if the units were made available to them. One of these things are senior citizens, almost all of whom receive Social Security. It's about \$800 a month for a single person or a widowed person; that's the minimum. That's well enough to pay for SRO, single room occupancy homes for seniors. They could be put on every public building, and they could be put lots of other places if you were willing to go up high enough, which you have the right to do for a public benefit. The other thing, of course, is teacher housing. I decided last night maybe I've been making a mistake thinking that everybody understands that we have to have teachers. No, maybe you don't understand that. Maybe all of you—I know you're smart and you're able, assiduous, perspicacious, persistent, all those good things. Maybe you didn't need a teacher. Maybe you taught yourselves to read all by yourselves. Could be, some people do. Quadrilateral equations and all those things. The ordinary people—I think of myself as an ordinary person, but not below average. We need teachers. Last night, I was trying and trying and trying to get the computer to give me a little screen so I could write what I wanted to say. Couldn't do it, just couldn't do it. I have three computers. I have a family and friends; they can all understand these computers, but I don't have a teacher. We have to have teachers. You cannot allow land in Palo Alto to be developed as anything else while you are busily forcing up the price so that teachers can't afford to live here. You do see that this is a vicious cycle. In order to pay for the schools, you want more taxes. To get more taxes, you have to have more assessed value, so you zone for higher use. Goody. You get higher use and you get more taxes, but the teachers can't afford to live here. Thank you. Bye-bye.

Vice Mayor Schmid: Thank you. Next speaker is Amy Christel.

Hi. Thank you for the opportunity to speak to Council Amy Christel: tonight. I also wanted to thank Council and Staff for their past support this year in addressing the aviation noise over this community. appreciate the work that you've done thus far and look forward to the study being implemented in the near future. I'm here today on a different topic which is related. I would like to have the Council pay closer attention to the future of Palo Alto Airport now that we own it. I was curious about how the draft Comprehensive Plan was addressing the future of Palo Alto Airport, and I was somewhat shocked and dismayed to learn that the wording of the Transportation Element pretty much reflects the views of pilots in the aviation community with very little concern for the view of citizens and the rest of us here in Palo Alto. It's interesting to me that the Comprehensive Plan often talks about sustainability issues, carbon footprint, livability of this community. All of those things are impacted by Palo Alto Airport and, yet in the vision statement for transportation, traffic is addressed but not aircraft traffic out of our own Airport. I think that's a glaring omission. There's another interesting aspect to aircraft noise that I've discovered as I tried to complain to Palo Alto Airport. That is that (a) we don't have a way to measure it. We don't have noise monitors here in Palo Alto, and I don't know why. The airport noise webpage that Staff kindly set up for the Palo Alto website has no mention of Palo Alto Airport. This is a glaring omission again. We cannot go to that web page and find a link to Palo Alto Airport to register a complaint about low-flying general aviation aircraft. All of us are being impacted by those aircraft every day. We placed a noise monitor in our backyard for a week and analyzed the data and discovered that 30 percent of aircraft noise events over our backyard are not due to commercial aircraft, but to general aviation aircraft. That's prop planes, turbo props and helicopters. Most egregiously, the seven top noisiest aircraft were general aviation, not giant jets. We had 292 significant noise events in one day, 292; 88 of those were general aviation and a good portion of those were from Palo Alto Airport. I'll be back next week. Thank you.

Mayor Holman: Thank you for coming and for returning. Our next speaker is Rita Vrhel.

Rita Vrhel: I was here last week about dewatering. Council Member Burt asked me about the basement square footage and asked me about lot sizes. I put together this handout that you're being given now to the best of my ability based on the information that I could find at a couple of different websites including Zillow. There's two asterisks by 736 Garland because the 3,545 square foot basement may actually not be occurring. I'm in the process of speaking with the Planner assigned to that. The other thing is I

wanted to support everything that Keith Bennett said. Even though dewatering has for this year stopped at most sites, if not all, we are speaking about what happens next year. There is no stoppage currently that I know of to the process of being permitted to dewater in 2016. I think it starts in either May or April. What we are asking and we are hoping that you will consider is an immediate moratorium so that more houses are not permitted to dewater and, therefore, grandfathered into a problem that will continue to occur if this amount of groundwater is pumped. As I indicated previously, in the 2004-2008 policy paper, it was assumed that residential watering and normal rainfall would replace the groundwater that was being pumped out. Again, there were only five projects at that time instead of 14 to 15 per year. Again, I think a moratorium is appropriately requested until this issue is investigated further and the data all considered. Thank you.

Mayor Holman: Thank you. Sea Reddy to be followed by Stewart Carl.

Sea Reddy: Good evening. Last couple of weeks, I've heard that Larry Ellison and Mark Zuckerberg plan to have schools established either in their name or a corporation name to improve education and make it affordable to children at different levels. I think that's a brilliant idea. They have succeeded in forming corporations of hundreds of thousands people work. I would like Palo Alto to consider such proposals, if they come about, even if the residents are not Palo Alto, but they're neighborhoods. That's one way to build community. We have places like Cubberley Center and other areas where we could experiment this. I think that gives the children opportunity to see how wealthier communities behave, operate and families live together. That's one thing that I would like citizens of Palo Alto to help The second item is today is a very significant day for Hewlett-Packard. Bill Hewlett and David Packard started the company here. They are reorganizing, and they're splitting into two organizations. We wish them all the success. I think there is hundreds of leaders that have come about, and the entrepreneurial spirit of HP lives in this town as well as surrounding communities. I'd like to recognize that. As a City of Palo Alto, please help Hewlett-Packard, to be there and work with them for them to succeed and for us to succeed as well. The third item is I was at the Oracle conference and I took Caltrain three days. Caltrain is a beautiful train system. There is no need of high speed train. We don't need it. We don't need to dig up any more; we don't need to dig down, dig up, dig sideways. I think we should leave it the way it is and let every (inaudible) to come by, and we should fight it. Thank you.

Mayor Holman: Thank you very much. Our final speaker this evening is Stewart Carl.

Stewart Carl: Good evening, Council. I'm here to follow up on some of the things that Amy Christel spoke about involving the Palo Alto Airport. One thing she didn't have a chance to touch on was airport improvement grants. I spoke to a member of the City Council a few months ago and was surprised to learn that the Council Member was not aware that airport improvement grants come with terms and stipulations that are imposed by the Federal Aviation Administration when you accept those grants. Terms of these grants will restrict and limit the Council's control of the Airport. There are quite stringent stipulations in these airport improvement contract grants. I think if Surf Air wanted to be in operations at Palo Alto Airport, there's probably nothing City Council could do to stop them, due to the terms of the airport improvement grants. Thank you very much.

Mayor Holman: Thank you. That concludes Oral Communications. We go ...

Mr. Keene: Madam Mayor?

Mayor Holman: Yes, sir.

Mr. Keene: May I just have the Council's (inaudible) here just to respond to your earlier question about the PG&E tree situation? It's still a significant number of trees, but the number under consideration right now are 56 City street trees and 289 trees that are on private property. Still a significant number but about half of what the earlier estimate was. Thanks.

Mayor Holman: Thank you for that. As you say, definitely still a significant number. Thank you.

#### Minutes Approval

3. Approval of Action Minutes for the June 15, 22, 29, August 17 and August 24, 2015 Council Meetings.

Mayor Holman: With that, we go to Minutes Approval. We have Action Minutes for June 15, 22, 29, August 17 and August 24 City Council meetings. Do we have a motion to approve the Minutes, please?

Council Member DuBois: So moved.

Vice Mayor Schmid: Second.

Mayor Holman: Motion by Council Member DuBois, second by Vice Mayor Schmid.

**MOTION:** Council Member DuBois moved, seconded by Vice Mayor Schmid to approve the Action Minutes for the June 15, 22, 29, August 17 and August 24, 2015 Council Meetings.

Mayor Holman: I see no lights, so vote on the board please. That passes unanimously with Council Member Kniss having joined us. Thank you for that.

#### **MOTION PASSED**: 9-0

#### Consent Calendar

Mayor Holman: We then go to the Consent Calendar. I don't see any lights and have no advance notice of anything occurring about Consent. Are we ready to move approval of the Consent Calendar?

Council Member Scharff: So moved.

Council Member Berman: Second.

Mayor Holman: We have a Motion by Council Member Scharff, second by Council Member Berman, to move the Consent Calendar.

**MOTION:** Council Member Scharff moved, seconded by Council Member Berman to approve Agenda Item Numbers 4-7.

- 4. Approval of a 3-Year Contract Extension With SAP America for Maintenance and Support, Contract Number C14151181 in an Amount Not to Exceed \$742,811.
- 5. Finance Committee Recommends Approval of Fiscal Year 2015 Reappropriation Requests to be Carried Forward Into Fiscal Year 2016.
- 6. Finance Committee Recommends Amendment of Municipal Code Section 2.28.080 Regarding City Council Budget and Table of Organization Amendment Approvals.
- 7. Approve and Delegate Authority to the City Manager to Execute Amendment Four With Elster Solutions, LLC to Extend the Term of an Equipment and Fully Managed Services Agreement (EFMSA) Through December 31, 2017 at no Additional Cost; to Delegate Authority to the City Manager to Enter Into and Execute a Subsequent Extension of the EFMSA Term Through 2018 at no Additional Cost.

Mayor Holman: All in favor. That passes also unanimously.

**MOTION PASSED**: 9-0

#### **Action Items**

9. PUBLIC HEARING: Adoption of an Ordinance Amending Title 5 (Health and Sanitation) and Title 18 (Zoning) of the Palo Alto Municipal Code to Require All Businesses to Subscribe to Recycling and Compost Services and Comply with Refuse Sorting Requirements.

Mayor Holman: With that then, we go to what is Item Number 9. We'll come back to Item Number 8. Item Number 9 is adoption of an ordinance amending Title 5, Health and Sanitation, and Title 18, Zoning, of the Palo Alto Municipal Code to require all businesses to subscribe to recycling and compost services and comply with refuse sorting requirements. Welcome, Staff. You have a presentation. Phil, are you going to kick this one off?

Phil Bobel, Assistant Director of Public Works: Thank you, Mayor Holman. Phil Bobel, Public Works. Just a brief statement. I know we need to get through this rapidly; you've got a big item on the Comp Plan coming up. Ron Arp is going to give the presentation. I'll sort of just interrupt him rather than saying anything at the beginning and get us moving. Ron Arp, our Solid Waste Manager, supported by Matt Krupp, our Number 2 man.

Thanks, Phil. Ron Arp, Solid Waste Manager: Ron Arp, Zero Waste Manager. You can see the agenda for the presentation. We'll briefly go through the background on why this ordinance is needed and go through the key provisions and some of the benefits of this ordinance. This graph illustrates why we think this ordinance is needed. The City, as you may know, adopted a zero waste to landfill goal by 2021. You can see in this graph here that after an uptick when we introduced the new programs in 2009 with the inception of the GreenWaste contract, you can see that we've kind of leveled off at 80 percent diversion, 80 percent diversion from If we are going to meet that zero waste goal, more effort is We came to you earlier this year, and we developed three needed. initiatives that were designed to really focus on the compostable material in the garbage. These initiatives, just to remind you, are the residential food scraps program which we started July 1st and it's going well. initiatives are we modified the GreenWaste contract and extended it through 2021 and made provisions so that they would manage all of our compostable waste treatment at their nearby Zero Waste Energy facility. we're coming tonight for the ordinance. This next slide, this pie chart shows what is in the current garbage on average. You can see from this that over 70 percent of what's in the average garbage, in the black cart, is recoverable. The largest component of this is compostable materials. This

could be for a couple of reasons. One, people aren't sorting properly. Probably the main thing is this next chart here. This bar chart shows that only 30 percent of commercial customers have compost service. commercial sector is responsible for two-thirds of the garbage landfilled. This is probably one of the main reasons why we have so much compost in our garbage. Compost I'm defining loosely as food scraps, food-soiled papers and those sort of things. Going back to this one, just one comment. We surveyed the commercial customers. By far, the main reason customers have not subscribed to compost service, even though it could save them money, is because it is not required. Just briefly, in summary the ordinance that we're proposing requires everyone to subscribe to all three services, garbage, recycling and compost. It requires that everybody sort their waste properly. Everybody will have the three containers. An ordinance would require that they sort their waste properly into those containers. This would be implemented in three manageable phases, that we'll go into a slide later. Early enforcement is centered on outreach and education. There could be financial penalties; we have another slide that goes into that later for flagrant contamination over several times. Phil, if you want to talk about that.

Mr. Bobel: I'm just going to break in here to point out that that last important phrase at the bottom is commercial customers only. I know we're going to get into a discussion about that; we welcome that. The other thing that I need to point out is an error that we made, and apologies for this. Some of you may have noticed that the ordinance—one of you definitely did notice who we're going to be hiring to do our proofreading in the future—as given to you was multicolored in its approach. Our goal is to give you one color which shows the changes from the original ordinance, not showing changes that our various internal people made. What we gave you, unfortunately, was the version that showed a series of changes being made by different people within our organization, not the final changes with respect to the original. I apologize for that. What you should have seen, like you see on every other ordinance, was just red mark-up of the original Specifically, the problem that that led to as the principle example—we think one of the few but an important one—was on page 18 of the ordinance, packet page number 348. Packet number 348, just to repeat Right in the middle, there's an exclusion for self-haul. Let me just give you the big picture on that, because the way we worded it was confusing. The big picture on this self-haul exclusion is that someone who is hauling their material offsite themselves is not subject to our ordinance. This only involves if you're having the material picked up at your curbside. It doesn't prevent somebody from doing their own hauling to some outside location. That's what we mean by the self-haul exclusion. If you're hauling it yourself, then the enforcement provisions of this ordinance or the

> Page 17 of 122 City Council Meeting Transcript: 11/2/15

requirement to have the service don't apply to you. That's very rare, but it's important to say. That's what we were trying to do with this paragraph. Unfortunately, we goofed it up. There's a number of words in here which are crossed out, which shouldn't have been crossed out. I'm just going to give you one example of that so that you can understand the problem. The very first sentence says "Self-haul exclusion. In addition to the authority granted by Paragraph A of this section, nothing in this ...." Of course it should say "chapter" of crossed out words, "shall prevent" and it goes on. There's a series of words in here that should not have been crossed out that were. We apologize for that. We think these errors don't go to the meat of the provisions. Therefore, we'll be changing them when we bring it to your second reading. That's our proposed fix, is to bring you the update with the second reading. Again, we don't think—any of these are minor, essentially typos. That's how we propose to correct them. With that, I'm going to turn it back over to Ron to complete the rest of our short presentation.

Mr. Arp: This is an important slide, I think. This shows key benefits for this program. We would, of course, increase the waste diversion percentage and help to meet our zero waste goals. We would reduce greenhouse gas We would produce renewable energy—I'll explain that in a minute on another slide—produce compost. It saves landfill space. If this ordinance comes in place and the food scraps go in the green container, it'll save landfill space. Finally, here's a benefit to commercial customers. They may save money. The compost service is priced at about a 10 percent discount compared to garbage service. If they're able to sort properly, move things over, and downsize their garbage cart, there's an opportunity for customers to save a small amount of money. This next couple of slides, it's I just want to touch on it briefly. This is important from a greenhouse gas emissions perspective. You see on the left side of this slide food that is currently going into the garbage, the black cart, you can see. It eventually is going to make its way to the Kirby Canyon landfill in south San Jose. It will get buried and, through the decomposition process, will create methane. Some of that will escape. Basically, that's the current scenario. The new scenario that we're proposing is the food would all eventually be captured into the green cart, go to the Zero Waste Energy Development facility on your lower side there, be digested in these concrete bunkers, and then the methane would be collected and burned in engines to create renewable energy. Then, of course, it'd be a compost byproduct. kind of the difference between putting your banana peel in the garbage versus in the green cart. There's some good benefits there. Outreach, you can see on this slide we have been spending the last couple of months talking to businesses and community groups, getting their feedback. We've had surveys. The main concerns are unauthorized use of bins and possible smells and vectors, rats and bugs, a concern that they may be an issue.

> Page 18 of 122 City Council Meeting Transcript: 11/2/15

We've taken those concerns, and we've developed some best management Some of them from other jurisdictions that have worked well. Here's some of them, the best management practices. The important thing I want to mention here is we're not really introducing anything new here. The business owner will take a bag of food scraps and put it in the garbage cart now, if they're not currently using a voluntary compost service. All we're asking them to do is take that bag of food, food-soiled paper, food scraps and put it in the green container. That's all we're doing. The food was always there. We think if you keep the lids closed and do some basic things, there would not be a rat problem. Enforcement, kind of broken down into two groups, two main groups. The first three incidents of flagrant contamination or gross contamination—no pun intended on that—is outreach and education. Then eventually, if there continues to be major problems, it could get into financial impacts. The timeline is on this slide, and basically we're looking to touch every single customer before we implement this in phases. The first phase will start in April 2016, and that will be the largest customers, all the food establishments and multifamily. The next group, the mid-sized customers, would begin in January, and then everybody else would be January the following year. That is the final slide. We think that this ordinance will be an important tool to help us reach our zero waste and greenhouse gas goals. We think that we've hit on the right balance between education and enforcement to make this effective. Thank you.

Mayor Holman: Thank you. Council Members, questions and comments. Why don't we do—let's think about three minutes to start with. We have now one member of the public who would like to speak to this, Stephanie Munoz. You will have three minutes.

Public Hearing opened at 7:17 P.M.

Stephanie Munoz: Good evening, Council Members. There are a couple of things about this ordinance that I'd like you to consider. Sorry. One is the phrasing that says we believe the reason that the people are not doing this is because they don't have to, because they're not made to, because there isn't any law that says. That translates, to me, about every facet of human existence. If you could put it they don't do it but, if they were made to do it, if they were fined, if they were punished for not doing it, then they would do it. I just don't like that. Going on to what I came to say was I have some sympathy for businesses. We used to have a small business ourselves years ago. I find that they're being asked to do really more than their share. I remember the garages that the businesses around town here were encouraged to get together to make garages. Only after the garages were made did they find out that part of the garages were to go for City employees also, not just for the stores' customers. There's the minimum

wage law. I believe that the minimum wage should be in the form of a conversion of Social Security tax to its original purpose, which was to provide health and housing and basic human needs for people who made too little an amount to save for them. That's been converted into a pure tax. Baskin-Robbins and little restaurants are now being asked to make up for the amount that the workers don't get. It's obvious that they don't get enough to live here in Palo Alto. I think the last part of that ordinance, that all compostable garbage should be forcibly sent into the compost waste stream, should be changed to give them an opportunity to do something else. For instance, call Judy Klein over at Chamber of Commerce and say, "Look, Judy, how about a campaign to have all the restaurants have the people take out doggie bags?" Many do anyway, but have a place that they could take them nearby, like in the parking lot attended by a low-paid person, who could then give this leftover food to homeless people if it's suitable. How about that instead? Thanks.

Public Hearing closed at 7:20 P.M.

Mayor Holman: Thank you very much. Again, to begin with questions and comments. Let's start three minutes and see how far we can get. Council Member Scharff then Vice Mayor Schmid.

Council Member Scharff: You want me to go first, right?

Mayor Holman: Please.

Council Member Scharff: Thank you very much for bringing this to us. You brought it to us at Finance back in March. The focus of that at the time was on commercial customers. What you basically told us, to summarize, is what we're going to do is we're going to make composting mandatory for our commercial businesses. I actually have a couple of questions on the ordinance that will probably take longer than three minutes. I'll come back to it afterwards. There's a lot of things in this ordinance that go far beyond that which we never got to discuss at Finance. I have some concern that we really bypassed the Committee process on this, that we didn't get to go through the ordinance, we didn't get a chance to ask the questions. This is a pretty detailed ordinance. I tell you, I'm not sure I understand how it works, frankly. I'll ask some of the broad-based questions. I don't think we got the opportunity to go through it that we should have had at a Committee-level process. I think that's unfortunate. My big question is in your presentation and on page 7 of the ordinance, packet page 337, under 5.20.30 is where it talks about all persons shall separate their refuse according to its characteristics as solid. Basically, what that does is it imposes an obligation under the ordinance for every single person in Palo

Alto, if they have single-family homes or businesses or whatever, to not only have all three containers, but to actually separate it. It'd be a violation of the ordinance, the way I read it, to not separate. For instance, if you didn't compost, it would be a violation of the ordinance. That wasn't the outreach or what we discussed at Finance. In fact, what I was basically led to believe it was the opposite of that. I have some concerns. I guess, the way it seems to be setting up is that the plan, at least from the slide here, is not to enforce that against single-family homeowners. I couldn't find in the ordinance where it said, first of all, you wouldn't enforce it. It seems a little weird to have an ordinance where you say something is illegal, but we're not going to enforce it. I thought maybe I could get your response.

Mr. Bobel: Thank you, Councilman Scharff. I'm going to ask Matt to give you the reference where we address that. It was our intention in the language that he's going to read to have enforcement not apply to the commercial sector. You're right that the ordinance itself would apply to everyone, but the enforcement provisions would not apply to the commercial sector. That's what we were trying to do. Matt, would you read that? Then I'll come back and make another comment.

Matt Krupp, Environmental Control Program Manager: I'm Matt Krupp, Public Works. The section that Phil's referring to is Section 5.20.105 which relates to the contamination of containers. If we go down to—I'm sorry I don't have the packet number—it's page 13 of our Staff Report.

Council Member Scharff: That would be 343.

Mr. Krupp: Right. It's the Section 5, I think it's "A5." It's a person occupying residential premises will not be subject to a return trip fee, an extra solid waste pickup fee or a contamination fee. Those are all the different fees that we could potentially apply on not having compost service or not composting properly, if there's contamination in the compost bin or the recycling bin for that matter. You're right in the fact that in the initial 030 section, it covers everything which could theoretically be the possibility of an imposition of an administrative citation.

Council Member Scharff: That's what I was wondering. Whenever we have an ordinance that says you do something, if we don't spell out penalties, I'm not that familiar with our Municipal code but I always assume that if you have a violation of the Municipal code, there's somewhere else in the Code, somewhere, that says it's everything from a misdemeanor to an infraction to a ... I'm concerned what we're really doing here is for single-family homeowners, who we've done no outreach to and we've represented that we're not doing it, they actually—I realize we probably wouldn't do that. It

is in here, and it says you could. When we write ordinances, I actually think we shouldn't. I wanted to ask could people be subject to—I mean, could someone later in the City say, "It's here and so we're fining you," Or frankly it's a misdemeanor. I don't know. What is it a violation of our ordinance?

Mr. Bobel: We need to make a change. We recognized that after you brought it to our attention earlier. That change needs to be that in addition to referring to those three fees, that Matt referred to, we also have to refer specifically to enforcement action. We need to do that. I appreciate you It was our intention that neither the fees nor the pointing that out. enforcement action would apply to the residential sector. The reason we sort of mentioned the residential sector in the meat of the ordinance is that it seemed to us odd that we'd be requiring business to do something and making no mention at all of the residential. That's a change you could make if you feel strongly about it, if Council feels strongly about it. We could write residential completely out of this. It seemed sort of overkill to us to do that. Our intention was just to write out the enforcement provision of that. There's two parts to the ordinance. Let me just save it there. One part is you're required to have the service; mostly compost is the new thing. You're required to have compost. Secondly, you're required to sort properly. Those are the two things. In the residential sector, it's not big. It's almost not worth saying that you're requiring it, because it's free. charge. That's different in the commercial sector. The commercial sector pays for compost. That's why we only get 30 percent signing up for it now, because it costs money. What they don't understand is they'd probably save money if they converted garbage to compost. Nonetheless, that's why they haven't signed up; it's money. In the residential sector, there isn't that factor. There's no resistance, there's no lack of sign-up in the residential sector. There's no enforcement issue with the first part of the ordinance, the requirement to have the program. The second part of the ordinance is the requirement to separate properly. There we would have these fees and then enforcement with respect to commercial. Once modified, we would not have that with respect to residential. If Council feels strongly about it, we could remove those residential words from the ordinance. We did think about that, but we were trying to handle it as an enforcement thing.

Council Member Scharff: Mayor Holman, I'll cede the floor. I'd like to come back at some other point and ask some other questions.

Mayor Holman: Yes, thank you. Kind of anticipating what might happen, I've asked Staff to kind of make copious notes on this. Not that you wouldn't make notes, but rather you make copious notes. I'd appreciate it. I think it might be prudent. Vice Mayor Schmid, please.

Vice Mayor Schmid: You might have answered my question in your response. I have a general question. Fifteen years ago, the commercial sector was ahead of the residential sector in terms of green waste and being sensitive and voluntarily doing things, because it was easier. I was sort of surprised that you moved to the residential sector rather than pursue the commercial sector first. You're coming back to the commercial sector. It does seem straightforward, but I'm wondering whether there are some barriers that you haven't talked about in the commercial sector, resistance Is there an issue with waste storage, of keeping healthy environments? Is the time of pickup often enough that you can keep compostable foods out there sitting? Is there enough space in the commercial designs? I'm just wondering whether there are some issues out there that are not evident in the material we have, that might lead to a bigger problem on the commercial side.

Mr. Krupp: We spent some time talking to the Chamber of Commerce at a public meeting and also met with the business districts in University Avenue and California Avenue to go over some of these issues. Space constraints, especially in the alleys, was a major issue. Timing isn't so much an issue, because we offer service pickup, or GreenWaste offers service pickup every day of the week except for Sunday. That's not an issue. One of the things that we've worked on is the alleys especially Downtown is shared service, so that places where there are constraints, limited space, where you can only put one or two dumpsters, to find space so that people can share. Those have worked successfully. We've seen tremendous improvements in the quality of service in a lot of our alleys here in Downtown, because customers have been willing to share. Some customers that hadn't had compostable service are now on compostable service, because they don't have to bear the brunt of the entire cost of the container. What we did find—I want to talk, Ron mentioned briefly that what we heard from our commercial customers was that there wasn't a direct interest in wanting to get compostable service if it required more effort on their part. We talked mostly to restaurants that didn't have compostable service. They're busy people; they have to run a restaurant, tight margins. Generally, if they didn't have compostable service, they didn't want to make the effort, even though we often can show that they could save money. Consequently, in places especially franchises that have franchises in San Francisco where they have requirements for compost service, those restaurants said to us, "We don't want to have compost service if it's not required. We just don't want to make the effort." We're trying to overcome that barrier with this process.

Mr. Bobel: The one other thing you raised, Councilman Schmid, is the vector issue. Our best response to that is what Ron was saying. Now if they don't have compost service, they're taking a bag with food, they're putting it

in the garbage. What we're asking is that they put it in the green container instead of the garbage. It's going to be the same situation. It has the same pickup frequency. There's no, frankly, logical reason to think that there would be a greater vector issue with putting it in the compost container than putting it in the other container. Those are our sort of answers to the issues you've raised.

Vice Mayor Schmid: Just as long as you're sensitive to having two or three containers out in the back. Might be ...

Mr. Bobel: I think the big picture on that is that we've told them all, "We're going to work this out. We're going to work with you on an individual business. GreenWaste is; we are. Whatever it takes to make this happen." If it's just impossible in a certain situation, we'll deal with that. Most often this can be worked out. The big picture is we're moving toward a place where we don't have the black cart. Remember our goal is eventually everything will either go in the compost container or the recycle container, eventually.

Vice Mayor Schmid: Thank you.

Mayor Holman: Council Member DuBois.

Council Member DuBois: Hi. I think you answered a lot of my questions. In addition to the business districts, was outreach done to any other groups? I'm just curious, like, who you reached out to.

Mr. Bobel: We had one general public meeting, and we tried to publicize it fairly well; although, we didn't get much turnout. We had the business districts, and then we had the Chamber of Commerce also. Those were the four meetings we had. You notice there's no one here from there. We just didn't feel like there was a major and they didn't feel like there was a major problem in doing this. In fact, there was a lot of enthusiasm and, I think, good-spirited feeling about moving forward among the business people we talked to.

Mr. Arp: This slide shows—I just kind of skipped over it—we had utility bill inserts to all customers. The City Manager's Office has these comprehensive email lists of commercial entities. We invited everybody to go to our website and participate in a survey and give us comments. We did try to get it out to as many people as possible.

Council Member DuBois: How many complaints have you gotten about this proposed policy?

Mr. Bobel: I'd say it this way. When we go to these meetings, we get all these issues raised that we've just gone over, space, vectors, tenant compliance. We haven't got any phone calls about it.

Council Member DuBois: I went to the Cal. Ave. Association meeting. Four or five Staff people were there, answered all the comments, questions. I think one of the business owners compared our program to Oakland and said we were doing a much better process. People seemed pretty enthusiastic. I was pretty pleased. It seems like you guys have done a great job, a lot of good work here. Again, just hearing that commercial composters can put their stuff in a normal garbage bag, the bar is very low. They're, just like you said, putting the bag in a different container. I'm eager to move forward and have you guys back in a year to hear how well it's going. Thanks.

Mayor Holman: Council Member Filseth.

Council Member Filseth: Thanks. I had a question, but Phil answered it. Thanks.

Mayor Holman: Then Council Member Burt.

Council Member Burt: Thanks for the report. I had a couple of questions. First, the associated signage. I see that we have some really nice signage here, but I don't see this is on our bins. Are we actually going to have an increased signage that will help people? I'll just add that I think it's really crucial. You see Downtown in commercial areas, our compost and recycling bins have very little impact. People put the wrong things in the wrong bins routinely. I think a great deal of the problem is you go from city to city and the rules change. People just get mixed up. Unless there are signs with both graphics and verbiage of what's allowed and what's not allowed, I don't think you're going to get people to be able to follow it correctly.

Mr. Arp: GreenWaste has developed some fairly new signage. They have a lot of pictures on there. It's not as complex. Some of the signage can be used for inside, front-of-the-house, kind of internal containers, indoor containers. Certainly outdoors, we need good signage out there also. I think the signage is much better than it used to be. We've empowered GreenWaste to send their environmental coordinators out to train everybody, to train staff, train custodians. We'll help the customer out, train tenants, any way possible. I think we have some pretty good—I've seen some signage over the last few months, and it does look a lot better.

Mr. Bobel: I have to say that—Council Member DuBois heard some of this discussion at Cal. Ave.—we've got a ways to go. It's still too complicated.

These little drawings of ours have still got too many icons, too many pictures. It takes too long to stare at it and try to figure out what to do, especially like you say if you're in a different jurisdiction at home and you're asked to do one thing at home and a different thing at work. We have to simplify this. Like San Jose has gone the next step of saying, "There's just two things for our commercial sector. For our commercial sector, there's wet and there's dry. If it's wet, it goes in this container and we're going to compost it. If it's dry, it goes in this container and we're going to send it to our recycling (inaudible) and separate it." We're not quite ready for that, but I think that's the direction we have to see ourselves headed in, greater simplification for our commercial sector.

Council Member Burt: I'm just not at all sure that we've been drawing off of best practices on signage. As the City Manager will verify, I periodically when I travel send him photographs of really cool, well-labeled recycling bins.

Mr. Bobel: We get those from him.

Council Member Burt: I wanted to understand a little more clearly on what we're intending to do with multifamily. Is it in the same category as the single-family where we're saying that it's a requirement but we're not going to enforce or is it different?

Mr. Bobel: It's different. That same paragraph that Matt was reading earlier addressed it in part. First of all, does it fall into the same category? If it's greater than four units, it does meet the definition of commercial, so it's in this category. What's different about it is there's a manager, landlord and then there's a tenant. For the multifamily, what we've said is if the manager, landlord does the best practices that we have listed, that's really all we can ask. We're not going to be taking enforcement action against an individual who lives in that complex. The thing that's incumbent on the landlord/manager is to do the activities, and most of that is about public education and signage and making the service available.

Council Member Burt: How much outreach have we done to multifamily, not only managers but residents, to understand the issues like we've done on what we think of normal commercial, not multifamily units?

Mr. Krupp: Multifamily is actually the very hardest thing to address in terms of recycling and composting. It wouldn't be fair to say that it wasn't, but it's very difficult. That said, last year we sent out letters to many—I don't know the exact number—multifamily units and apartment complexes to see if they were interested in piloting a program for compost service. We have one of our environmental outreach coordinators from GreenWaste is really

Page 26 of 122 City Council Meeting Transcript: 11/2/15

dedicated to outreach towards multifamily buildings. What we've heard, and a lot of the reasons that this particular ordinance is here to you today, is that when we rolled out our compost service to single-family residents, we had multifamily residents coming to us and saying, "I want to have this service, and my landlord won't pay for it. They won't do it." This ordinance allows everybody in Palo Alto regardless of whether they live in a singlefamily, apartment, condo to be able to have access to compost service. It's going to be difficult. Multifamily units, you have language issues a lot of times; you have populations moving in and out. That doesn't mean that we're not up to the challenge. There are a lot of best practices that we can take advantage of. We have the resources, especially with GreenWaste environmental outreach coordinators, to really take advantage of that. I feel really confident that we can actually set a model for multifamily. If you talk to other solid waste bureaucrats like me around the state, they'll say, "You can't do it. You can't do multifamily." I don't think that's the case; I really think that we can make a difference here in Palo Alto and show that it can be done.

Mayor Holman: Before I go back to Council Member Scharff, I have a couple of questions too. At the risk of sounding like a broken record and I frankly don't mind if I do, I'm going to have our C&D ordinance recorded by James Earl Jones and give a copy to everyone in the Public Works Department and our Sustainability Directory. The reason I say that is because I look at this—I appreciate the questions that colleagues have asked. I look at this ordinance and I see reference to construction or demolition waste. There is not one reference that I found having to do with salvage.

Council Member Scharff: There is one.

Mayor Holman: Is there one?

Council Member Scharff: There is one, but I actually had problems with it. I was going to (crosstalk) going to talk about.

Mayor Holman: I didn't even find it. In the definitions, it doesn't even list salvage. It talks about construction or demolition waste, but there's nothing there that talks anything about salvage. I'll stay on that topic for a moment here. I did dog ear these pages. Give me just a moment here. You need to start my clock here. On packet page 339, page 9 of the ordinance, 5.20.060, contracting for special hauling services. It says any owner, occupant or tenant of place or premises may contract with the collector, meaning GreenWaste in this case, or its duly authorized agent or subcontractor as provided in the section below, but not otherwise, for special hauling services for the collection, removal and disposal of solid waste in

excess of the regular services provided by the collector. You look down below and it mentions again dispose of solid waste or construction, demolition waste. How I read that is it seems to me that if you wanted to hire someone to come onsite and deconstruct a house, how would they go about doing that? This seems to run counter to that notion, frankly. If Staff wants to comment on that, that's fine. I think there was one more place where this came to mind. No, it was something else. It just seems to me that our 12-year-old C&D ordinance is once again being ignored.

Mr. Bobel: Why don't you let us come back to you on the C&D ordinance with recommendations? To be honest, that wasn't the focus of what we were up to. We're happy to come back, coordinate with the folks in the Development Center and the Planning Department, and come back to you. Maybe you want us to go to Policy and Services first to discuss the C&D ordinance and making changes there. The specific thing I'd say with what you have pointed out here is this is modified by the provision that says that it's okay for a separate hauler to come in if it's a source-separated material. In other words, if they're recovering copper from the building or wood from the building or some other single item that they're going to recycle, then they are allowed to bring in somebody other than GreenWaste. That sort of modifies this provision. Our ordinance probably is sort of overly complicated in that you have to look multiple places to get the complete answer on something. I would suggest we come back to you on the C&D question. We really weren't prepared tonight to make modifications or suggest ideas for the C&D ordinance.

Mr. Arp: Can I say something?

Mr. Bobel: Sure.

Mayor Holman: Just lastly to finish that up. I think it's what we talk about in a lot of our work, that we need to integrate them. This ordinance deals with refuse, whatever kind it is. If we just relegate salvage to the C&D ordinance, it isn't integrated into this.

Mr. Bobel: I understand. If you'll allow us, we'll come back to you not just with an eye on the C&D ordinance—I didn't mean to suggest that—but with an eye on this ordinance as well and see what should we do in addition to what we've done in this whole area that you're interested in.

Mr. Arp: I was just going to mention if you go down to Section 110, exclusions, it may not meet exactly what you're asking, but there's several exclusions that may meet kind of what you're looking for. The commercial business owners shall retain the right to donate or sell, it goes into quite a bit about source-separated, single recyclable materials. Those are

exclusions from GreenWaste hauling. There may be something in this section.

Mr. Bobel: I think what Mayor Holman is asking for is sort of a more holistic approach and a more proactive approach than just allowing for an exclusion. I think I understand.

Mayor Holman: Exactly. My time is up. Council Member Scharff.

Council Member Scharff: Thank you. I'll just follow up on what Council Member Holman said. If you go to page 17, packet page 347, "F" for That talks about the authority of a licensed general contractor under contract for the demolition or reconstruction to salvage items and sell them. What's interesting to me is you added the word "general contractor." Immediately what came to mind is, say, you hire a roofing contractor to put on a new roof. The old Spanish tiles are really great, so you want to salvage those. You might not hire a general contractor; you might hire a roofing contractor. I couldn't understand why you would, for instance, put the word "general" in when it wasn't in the ordinance before to limit it so that a roofing contractor couldn't do that. I actually have tons of little questions like that, that could go on for quite a while. I guess what I'd like to do is—I think you guys should come back to Finance on this. I totally support what you're trying to do. I totally support applying this to commercial properties. You've actually gone far beyond that in the ordinance. I might agree with what you're doing; I just don't necessarily understand the thinking behind everything. There's another example, for instance, on special events. It says you can't provide drinks and condiments including without limitation in individual packages; they have to be in bulk servings. Does that mean we can't use—it means you can't have a Coke can at a special event in an individual thing. It's those kind of things which you didn't come to Finance and discuss. With that, I'd actually like to make a motion that we refer this back to Finance for further vetting of the ordinance after you've had a chance to go through it and make the changes you suggested tonight.

Council Member Kniss: Second.

Mayor Holman: Beat me to the punch.

**MOTION:** Council Member Scharff moved, seconded by Council Member Kniss to refer this Ordinance to the Finance Committee.

Mayor Holman: Council Member Scharff, would you care to speak any further to your Motion?

Council Member Scharff: I would. I don't want to minimize the good work you guys did on this and what you're doing on this. I don't want that to get lost. I want to say that, first off, I think you're going in the right direction. I think you're doing the right things. I just think the ordinance is very complicated and goes into areas that we didn't' discuss at Finance. I think for everyone it would be great to vet it. Just I'll throw out there, while you're thinking about it, my belief—City Attorney can correct me if I'm wrong—that it is a misdemeanor to violate our City ordinances. For instance, on the multifamily it could be a misdemeanor the way it's currently written. They're exempt from the tipping fee or the (inaudible), but they're not exempt from not violating what's going on there, if they put it in the wrong bins and stuff. I just think we just need to think it through. Anyway, I appreciate the work and look forward to hearing it at Finance.

Mayor Holman: Council Member Kniss.

Council Member Kniss: I think when there are this many questions and this many concerns, it would be foolhardy not to send it back obviously. You've done a great job for composting. Thank you for letting me know where to get all the extra bags, Phil, as well. I can hear with this many questions, this probably needs to be more clearly defined and more clear in its presentation.

Mayor Holman: I see no other lights, so I will make just a comment or two in addition. There's reference in here of customers sharing—I've lost sight of it, here it is—on packet page 349, ordinance page 19, space limitations on existing structures. I would think this actually might go further than just this. It says that in cases where space constraints are determined to exist, shall also evaluate the feasibility of shared container usage by contiguous business or multifamily property structures. That's, of course, true where existing buildings are in place. I would say also on new construction, wherever we can get property owners to minimize the number of receptacles, especially as we're trying to beautify our alleys, get some of the litter out of there. There's no reference to—I don't know if you want to get in this much specificity, but there's no reference to how that might work. Is it a shared cost? How might that work, so that people don't have to figure that out on their own? If you have any suggestions on that? I had, I think, one other one. Yes. Again going back to C&D. There's not a definition even for salvage in this. On packet page 3—I'm sorry, packet page 333, ordinance page 3, Number 13, it says construction or demolition waste means any solid waste, blah, blah, blah, blah. There's no reference to the C&D ordinance, and there's no definition or reference to salvage in that place, in that location. Again, we're kind of left-hand/right-hand doing

things. Neither hand has very much in it when it comes to dealing with salvage. Vice Mayor Schmid.

Vice Mayor Schmid: I just wanted to say that I think everyone is wholly behind the goals of where we're going here. We don't want to lose time in making this rich resource available to our community. I think it is important to come back and look carefully, but let's make sure that it moves on promptly. We will be responsive.

Mayor Holman: Council Member DuBois.

Council Member DuBois: I'm just wondering what this is going to do to your schedule in terms of starting to enforce it in April.

Mr. Bobel: We do have a State requirement for April. We'll see. We've done, I think, good enough outreach on this that I don't think it's going to shock anybody if they get less than the roughly six months that they'd have now. We'll cut into the time a little bit. Let us see if we can't stay with the same schedule for that April 1st start date and still get to Finance and get back.

Council Member DuBois: Again, I'd just like to say I don't feel strongly, I guess, one way or another about it going to Finance. I think if we wanted Staff to come back with changes and bring it back to Council. Again, I think for what it is on the composting side and not so much the salvage side, to me it looked pretty good. I'm just concerned about adding extra work and extra process here. I'm not going to fight it if everybody else feels like we need to do that.

Mayor Holman: I think you've gotten a number of comments this evening. I think you've heard this pretty much; while we do have some concerns and comments, really appreciate the goal you're trying to achieve and the work that you've done to this point in time. I'd sort of anticipated this which is why I was asking you to make the copious notes. Appreciate that you've done that. With that, we'll vote on the board. The motion is to refer the ordinance to Finance Committee. That motion passes unanimously. Thank you, Council Members and Staff.

#### **MOTION PASSED**: 9-0

8. Comprehensive Plan Update: Comprehensive Plan Structure, Including Goals, Vision Statements, and Related Issues for Each Element (Part III: Land Use and Community Design).

Mayor Holman: We go then to Item Number 8 which is the Comprehensive Plan structure including goals, visions statements and related issues for each Element. In this case, it's Part III, Land Use and Community Design. Welcome, Staff.

Jeremy Dennis, Advanced Planning Manager: Good evening, Mayor Holman and Members of Council. I hope you all had a happy Halloween. Jeremy Dennis, Advanced Planning Manager. Before we started, I want to acknowledge that there are a number of members of the Citizen Advisory Committee here tonight in the audience, including our Co-Chairs, Arthur and Dan, over there. I wanted to thank them for the time that they're spending with us this evening going through the Land Use Element with you. Before I jump into a very quick PowerPoint presentation, Hillary and I wanted to take a few moments to comment on the process so far. We've very much appreciated these opportunities to come before you seeking your guidance The Comprehensive Plan Update is the most important and feedback. activity the Advanced Planning team will be undertaking over the next 18 months. We've worked very hard to create a process at the CAC that is transparent and inclusive, and we have had great success so far generating good suggestions and ideas on the two Elements brought to them. wouldn't be possible without the direction you provide on vision statement By providing the CAC and the public with your high-level motions, you set the stage for the conversations that subsequently happen. This is incredibly important. Without it, the product that would eventually come forward could not reflect your concerns. We appreciate the time between the goal-setting conversations and your review of a draft Element is long and that we're all eager to see the results right now. You will see these results, and you'll see them multiple times. Because we have scheduled these check-in meetings with you on each draft Element, you'll have the opportunity to dive deeper into the content, if you so desire, and see the fruits of your goal-setting and the CAC's work on policies and programs as well as the narrative sections and diagrams. It is our hope that these checkin meetings, the first of which will be in January on the draft Community Services and Facilities Element, will be when you can more thoroughly examine the content for consistency and whether the CAC got it right. With that, I want to dive right into the three principle questions that we have before you tonight, based on the existing Comp Plan, the PTC's April 14th revisions and the recommendations made by Staff in your Staff Report before you. Number 1, how would you like to frame the vision for each Element? How would you like to organize and articulate those goals? Are you in support of Staff's suggestion that Policy L-8 be refined and potentially supplemented with additional growth management policy? should housing issues be related back to the Land Use Element, and how would they be addressed in this Comp Plan? I basically blew through my

> Page 32 of 122 City Council Meeting Transcript: 11/2/15

slides here, but essentially we had just a couple of slides. Here's the guidance that we're asking for. This is the timeline that we have before you. We're going to come back one more time on December 14th, which actually changed between the time that the Staff Report came to you and today on those last Elements. This is what I just outlined in our report. With that, we'd like to open it up. I don't know if you had any comments you'd like to make.

Hillary Gitelman, Planning and Community Environment Director: you. Hillary Gitelman, the Planning Director. I just have a couple of things to add. One of them is to thank Jeremy for all of his effort with the CAC. Really getting that process off to a good start and starting a good rhythm of meetings. That's interlocking well, we think, with the Council's meetings and discussion at a high level of vision and goals, and then the CAC continues the discussion on policies and programs. The idea is that it loops back and forth between the two bodies in a really organic and constructive way. As Jeremy indicated, what we're really looking for from Council this evening, after we hear from the public comment, is your thoughts on the vision statement for the Land Use and Community Design Element, followed by your thoughts on the organization or goals that define the Element including any additions or changes you'd like to make to the goal structure and the goals themselves to address some of the new issues that have arisen in the Council's discussions over the last several years related to healthy community, sustainability, and some of the housing ideas that have come up in the public comments. Finally, we're hoping for your input on our suggestion regarding Policy L-8, kind of the one policy that we've pulled out of the current draft Comprehensive Plan Land Use and Community Design Element for your attention and direction to the CAC. With that, we're looking forward to hearing comments from the public and then comments and questions from the Council. Thank you.

Mayor Holman: One question before we go to the members of the public. Jeremy, you had put forth three specific questions, but we don't seem to have those specific questions. Can you put those up on the screen when it gets to be that time?

Ms. Gitelman: Thank you, Mayor Holman. If I can interject. I don't mean to cut Jeremy off, but these are really the questions: vision statement, goals and Policy L-8. In the context of the goals and your review of the goals, I think we're expecting if the Council has a policy direction for this Element to go in and you want to give us some kind of big picture guidance on healthy communities, housing, sustainability, any of those things, it would be in the context of the goal statements.

Mayor Holman: Thank you. This item was continued from a prior meeting. At the time, we suggested that anyone who had already spoken to this item would be allowed to speak but actually discouraged to speak in favor of those who have not yet spoken. If we can go on the honor system here. We have 15 speakers. If we could try to do two minutes, you'll have three but if you could try to do two minutes, that'll help us all move along. Our first speaker is Courtney Corlamagno, I believe is how it's pronounced. When you hear your name called, if you would come down to the front, it will save us a lot of time. The next speaker will be Anne Marie Metzler. Welcome.

Courtney Corlamagno: Good evening. My name's Courtney Corlamagno, and I'm a special education teacher at Gunn High School in the Palo Alto Unified School District. I've been a teacher in the District for the past three years, and the two years before that I was an instructional aide in the classroom. My whole time I've been employed by Palo Alto Unified, I've had to commute in to work from over an hour outside of Palo Alto and the community. Currently right now, it's incredibly difficult to find affordable housing, especially as a single person. I can't even imagine how hard it might be to find housing if you have a family to support. Ever since I was younger, I wanted to be a teacher, partially because of the idea that teachers play an important role in the community. Teachers are trusted adults and mentors; people who aren't in your family but who often play an essential role in your upbringing. Right now I don't live in the community and, therefore, it's hard for me to embody that role. There's a lot of activities that go on related to the high school, dances, night rallies, sports activities that I want to be included in, but it's hard because that involves waiting around after school, kind of hanging out in my office because I can't do a lot of errands because any errand I do, I have to drive home an hour afterwards. Then I have to stay very late to attend the activity and then drive home. I also have a lot of students who want to be involved. They're in special ed but want to go to the activities. They're less likely to go to the activities if I can't be there and be that person in their community. Tonight I'm just here to urge you to keep this in mind as we continue to talk about affordable housing and the current need for it in the community. Thank you.

Mayor Holman: Thank you. We may perhaps have some people this evening who have not come to speak to us before. When I suggested if you could speak within two minutes, you'll have reached two minutes when the light turns yellow on the podium up here. Thank you. Anne Marie Metzler to be followed by Justine Burt.

Anne Marie Metzler: Thank you, Mayor Holman and City Council Members, for giving me a moment. My name is Anne Marie Metzler, again, and I'm a

special education teacher also at Gunn High School in Palo Alto Unified. It's my seventh year of teaching and my first year in Palo Alto Unified. recently relocated from the Washington, DC, area, another incredibly expensive housing market. I was shocked to find that I would be looking at rents between \$2,000 and \$2,500 for apartment shares in Palo Alto. As a young teacher, living in the community I serve would mean undertaking an unreasonable financial burden, let alone even dreaming of one day being able to afford purchasing property in Palo Alto. As a result, I've chosen to live outside of Palo Alto which makes me feel less connected to the community I serve. Being able to live in Palo Alto would allow me to become involved in my community, events at school. It would allow me to be an authentic member of the community where I've chosen to build my career. I urge the City Council to explore not only short-term but long-term affordable housing options for public servants like myself, individuals who want to play a greater role in the future of this community, but simply cannot afford to do so. When exploring the 15-year plan, I hope we are factored into your decision-making. Thank you for your time.

Mayor Holman: Thank you. Justine Burt to be followed by Jeanette Tucker.

Justine Burt: Over the past few days, I've put together eight slides very carefully, and I timed it for three minutes. I hope you can see the slides while I share what I wanted to say. Thank you, Mayor Holman and City Council Members. Thank you so much. My name's Justine Burt. I moved here with my husband and son a year and a half ago from Fremont. We love it here, but we're renting. We have a house in Fremont, but we would love to be able to buy here. What I want to share with you tonight are two changes I would love to see you guys make to support moderate income housing in Palo Alto. I do sustainability consulting, so I'm very aware of green modular prefab housing. The next three slides are three companies that make green modular prefab housing, where they assemble the pieces, they construct the pieces at the manufacturing site, and then bring them to the site and construct them within a few weeks. Not a year to construct, but a few weeks to construct. LivingHomes in Los Angeles is doing the Atwater Village which is six units. Method Homes is another company. Here's one of their units in Seattle. Again, net zero energy or LEED, these are all green modular prefab housing. Here's a picture of that same unit from the front. Obviously, this involves more density; it involves developing up instead of just sprawling out. This is Stillwater Dwellings. What you see here is a single-family unit. Stillwater makes multifamily as well. Stillwater worked for many years at Stannard Architects designing multifamily units, so he's just waiting for the opportunity to do multifamily. The solutions I wanted to share with you are going to reduce costs for families to buy, design and build. This is really in support of the sharing

> Page 35 of 122 City Council Meeting Transcript: 11/2/15

economy, the real sharing economy where people would come together to do things together that they could not accomplish separately. If groups of two or four families could come together and buy a single property and construct on it a multifamily dwelling, they would save the money that would otherwise go to a developer. What I'm asking is that you change zoning for a half-mile radius around the three train stations, University, California, San Antonio, and pre-approve modular prefab net zero energy units to shorten the timeframe for design and planning approval. Think about it. If we were looking for a place to buy and tear down and build new, it's at least a year. Actually, we've been trying to buy for four years here. It's at least a year to find a place and successfully bid on it, a year to design and then a year to construct. Middle income families cannot tie up money for that long. There's my email address if you have any questions. Thank you for the opportunity.

Mayor Holman: Thank you for coming. Jeanette Tucker to be followed by Adam Rifkin.

Jeanette Tucker: Good evening and thank you for your time. I too am a teacher at Gunn High School special education.

Mayor Holman: Can you pull the mike down closer. There you go. Thank you.

Ms. Tucker: Yes. I can just yell. I speak in front of teenagers all day. I wanted to ask the City to consider to continue with affordable housing. I am the product of affordable housing in this community. My parents were on a wait list for 12 years to purchase our home. My brother and I were able to go to the school system because of this. Once I entered the education sector, I put myself on the wait list on several cities. I now live in affordable housing because of that. Unlike my coworkers, I am able to participate fully in school functions, and it's easy for me to be involved in my community. I hope that you will consider that factor in making this decision. That was it. Thank you. That was really short.

Mayor Holman: Adam Rifkin to be followed by John Kelley.

Adam Rifkin: Hello and thank you for your time. My name is Adam Rifkin, and I live on Middlefield Road between the Greenhouse and Greendell. I've been a Palo Alto resident for 15 years as a renter. I'm asking the Council to include more housing as part of the Comprehensive Plan. My family and I came to Palo Alto; we love it here. Came here from southern California, because I'm a start-up founder and this is the place to be. I chose Palo Alto over the other cities around here because of the community and the diversity. I love it here. I love the people here. It's interesting because

Page 36 of 122 City Council Meeting Transcript: 11/2/15

where founders live is usually where the start-ups go to. For the last 15 years, I've had a great time in Palo Alto, but I can no longer afford to live here. My rent has gotten hiked four times in the last four years, and so I'm looking into other options right now. The reason I'm here is just to highlight the need to provide more housing options in the future of Palo Alto, especially near transit and services. I really do think it's important for a community and for diversity. Thank you for your time. That's all I have to say.

Mayor Holman: Thank you. John Kelley to be followed by Asher Kohn.

John Kelley: I really like hearing what all the previous speakers had to say. I guess I'm here tonight in part because of this cover. When the Weekly covered this last time, it made it seem as if millennials were the only ones who are concerned about housing issues in the community. I want to make clear that that's not the case. I think there are many people my age or older I would categorize as either seniors or soon to be seniors, and I think we have needs about housing which are as important and perhaps more demographically significant in certain respects for this community. You're all very well aware that Palo Alto is aging rapidly. I don't know what the exact statistics are, but more or less we're going to have twice as many people, I think, my age or older within the timeframe contemplated by the Comprehensive Plan review. I would also suggest to you that you have— I've been here a couple of times in the past. I'll probably keep saying that you really do have a trifecta of concerns that should be considered together, in my view. One, you have the planning process. Secondly, you've got the sustainability process as outlined in the S/CAP procedures. Thirdly, you have the healthy cities initiative which I was here speaking about last week. I see all of these issues as being deeply, deeply interconnected. In terms of a vision, what you're talking about tonight, and goals for the Comprehensive Plan review, I would like to give you a few simple suggestions. One is we need more housing. There's no question about that in my mind. Secondly, we need not just more affordable housing but, as the previous speaker said, more moderately priced housing. We need a lot of it, not just a little bit. We need a lot of it. Thirdly, we need a greater range of housing types. Palo Alto has had historically a huge number of single-family homes and a relatively small number of homes that are multiunit. I think we need much greater diversity of housing alternatives, and I think we need it particularly in the multifamily context. I really liked what Ms. Burt had to say. The only suggestion I'd make is, I think half a mile is way too limited. I think if you're considering locating housing, particularly higher density housing, close to transit, if you're going to put a limit on it, it should be more like a mile and a half or a mile at least, because that's how far people can walk. Finally, I would like to commend all of your for agreeing unanimously, as far

as I understand, to empower the Mayor to send two letters having to do with the climate conference in Paris and the Mayor's initiative on September 15th. I think housing and building housing close to transit is one of the best ways that you can further the goals that you all unanimously set in terms of sustainability. Thank you for your time.

Mayor Holman: Thank you. Asher Kohn to be followed by Elaine Uang

Asher Kohn: Thank you. Good evening, everybody. I just want to say my name is Asher Kohn. I'm a journalist. Me, I'm from Chicago; my wife's from Chicago. We just moved here from Turkey. We're already looking to find a way to move back to Turkey because we just can't afford to live around here, we found out. She's a student at Stanford. We just kind of realized if we want to start a family, we can't afford to stay here. None of our friends or colleagues, any of the humanities really can't either. We're all looking for a way to leave. We do scrimp and save. We don't have a car; we bike everywhere. I can give you tons of lentil recipes if any of you guys want any. Yeah, we still know that we're just going to be renting for an incredibly long time if we're going to be here. It just doesn't make sense; and it's frustrating. We all want to be part of the community. We want to be able to be a part of things, be a part of what this great City seems to have, but we just can't do it. We don't see a future where we can unless we have more housing. I just really hope that you can find a way to get more housing especially, as mentioned, near the Caltrain stops. It makes it really easy for folks like us. We live around Cal. Avenue. Yeah, we'd just love to stick around. Love to get to meet everyone and have a chance for you all to meet us before we have to head out. That's it. Thank you.

Mayor Holman: Thank you. Elaine Uang to be followed by Phyllis Cassel. Again a reminder for people. If they could come down to the front when you hear your name called, it's helpful. Thank you.

Elaine Uang: Good evening. I am a CAC member, and I am very glad that you are taking up this discussion tonight. It is an enormous responsibility, the land use vision for the next 15 years. I'm speaking to you obviously as an individual. In addition to a lot of the great things that we've heard tonight, which I'm very impressed by, I wanted to just ask you to consider this. The Land Use Element we often think of as governing the physical environment and the physical character of our City. I think that ultimately it's going to guide the social character of our community. To this end, I'm going to ask for more housing. I just want to underscore this. I think no matter what land use vision you create, as a CAC member, I welcome that input and will definitely honor that. I'm pretty certain that no matter what vision we create, we can continue to create a great physical environment.

I'm worried. I'm worried that long-time residents are leaving, that seniors are having fewer options, that we're losing mid-career individuals, we're losing young people, we're losing professionals, creatives, public employees, educators as we've heard tonight. I think availability and affordability of housing is ultimately what will shape that social character and the social content of our community. In looking at the Land Use Element, actually in looking at the existing conditions, I was really struck by the fact that only 3.5 percent of our land is currently multifamily housing and .7 is mixed use. I think given land and construction costs, whole housing is going to have to be multifamily. We've seen really great examples of that tonight. We're not an island. We have a regional challenge, but I think and I hope that tonight with your discussion on this topic, you can shape our City's role in helping with this regional challenge and allowing the foundation of our City to be the excellent people who live here. As you ponder tonight's vision and goals, you put our community first and include a social makeup that we will need to have a healthy, just, compassionate community in the year 2030. Thanks.

Mayor Holman: I have one question for you, if I could. You said 3.5 percent. Is that 3.5 percent of, like, our flatlands area or does that include Foothills, Baylands?

Ms. Uang: I think it's the full area of the City. It's not just the urban service boundary. It's in the existing conditions report; I can't remember which page. I don't know if Jeremy has it.

Mayor Holman: Just wanted to clarify for everybody. Thank you. Our next speaker is Phyllis Cassel, to be followed by Monica Stone.

Phyllis Cassel: I'm Phyllis Cassel. This evening I'm speaking for myself. I think you all know what I'm going to say. I wanted to support what John Keller said, the previous speaker. I think he had a nice presentation to express the breadth of need we have for low and moderate income housing and for middle income housing. We even need high income housing, but I'm not encouraging you in building that. We don't have middle income housing. We have some low income housing, very low income housing. worked year after year at that, trying to increase the housing for very low income people and low income people. People whose incomes are under 80 percent, the newer housing is going with tax credits, and that's going to reduce the eligibility to 50 percent. We're going to have even more people, from to 50 to 80 percent of people, needing housing as we move forward. We don't have middle income housing. The new people who live in my neighborhood, who are moving into rentals, are skilled professionals, and they don't stay. I make a friend, and they're gone because they can't afford to be in the area and they move out. It's really sad. Housing is a very basic

need. We need a bathroom. We need a kitchen that we can cook in. We need some walls. We need heat, and we need some living space. All units don't have to be big; they don't have to be huge. They can be done creatively. They can be placed in areas creatively and not be huge. We can have them in mixed use. I'm concerned sometimes that we think because we have a housing unit, it's going to be awful because it's large. I'm not sure if we're afraid of the people that are coming in or are we afraid of the mass. I think probably it's the mass, especially if we're dealing with small units that we don't have many of. You've got a lot of speakers tonight and a lot to think about. Please, land use does include housing. I know we just did a Housing Element, but we need land zoned to be available for mixed use, and we need it zoned and available for multifamily housing. I hope you will consider increasing the amount of housing we have available. It will not all get built. You don't build 100 percent of everything zoned.

Mayor Holman: Thank you very much. Monica Stone to be followed by Carl Danaher. Excuse me, Carol Danaher. If anyone else wants to speak to this item, if you could turn your card in within the next couple of minutes and then we're going to cut it off, so we can move on to our meeting. Thank you very much. Monica.

Monica Stone: Thank you, Mayor, and thank you City Council Members, for letting us all speak to you tonight. I really want to talk as a member of the community and to say that I think that we need more higher density housing in Palo Alto. I know that's kind of a dirty word around here, but I think it's a reality of what we need to do in order to not just continue to sprawl and cover all green hills around us. I moved here with my husband in 1989, and we raised our two daughters here. We all know what an incredible place this is to live and the schools and the libraries and Foothill Park and all the beautiful things there are. I think that diversity and having people of different incomes is really an important part of what we want to do here in We don't want it to be a town for the very rich. This town believes in justice and not in the kind of income distribution that's happening in our country right now. I have a daughter who is working as a therapist for the special ed department at Paly. She commutes from Oakland. Her husband is a teacher, and the two of them will never be able to have their children be able to get educated the way that they were. I think there needs to be everything that people have said tonight, different options for housing, in particular higher density housing where people can find rents that are affordable. I don't even think my kids are expecting they're going to be able to buy a house. They'd like to be able to live nearer to where they work. I really ask you all to consider that as you make your decisions on this. Thank you so much.

Mayor Holman: Thank you. Carol Danaher to be followed by Jerry Underdal. Marc, you're light is on. Did you have a question for a speaker? Thank you.

Carol Danaher: I'm Carol Danaher. I've lived in Crescent Park since 1991 with my husband, and we raised our two children here. I love living in Palo Alto. When I describe it to other people out of state, I say first it's paradise. After that, I compare it to living during the Italian Renaissance. This place is on fire with creativity. Why I'm here tonight is I fear that people who are wealthy are the only ones that can afford to live here. My social network is older people like me and young adults in their 20s and 30s. None of this enormous group of 20 and 30-year-olds that I know can either move here or stay here. This includes a psychiatrist at Stanford, a pediatrician with the Valley Medical Center, a social worker, a preschool teacher, carpenter and many doing extraordinary work for nonprofits. They're moving south to LA, north to Seattle, east to Boulder or at the end of the hour-and-a-half radius east and south of here. I think the community of Palo Alto will suffer if it becomes an enclave for the wealthy. I've read the Land Use Element, and I know this is on your radar. What I don't know is whether you treat this with the urgency that I would like you to treat, that we need multiunit, multiuse along the transportation corridor. I was delighted today seeing the housing going in by AOL and Fry's. It's serious. Get on it. Thank you all for the work that you do.

Mayor Holman: Thank you for coming. Jerry Underdal to be followed by Gabriel Lewis.

Jerry Underdal: Thank you. Good evening, Mayor Holman and Council Members. I echo a lot of what's been said before, but I have a couple of twists so please bear with me here a little bit. Where there's a choice, always take housing over office in Palo Alto. Always take housing over office. We have such a deficit of housing built up from when we built the Stanford Research Center and captured the jobs and farmed out the housing to other places on the Peninsula. It's catch-up time. There's a moral obligation of a sort; I'm not going to lean on that too heavily. What I would like to do is suggest that where possible, especially along El Camino where I live down in the Barron Park area, build residences on El Camino to the maximum zoned density. Without exception, maximum zoned density, put that housing on there. Now, why? Because that is no bonuses. I see that as the cost of retaining the R-1 zoning. The other part is to say, to the extent possible, keep the R-1 zoning inviolate. People will go bananas if they think R-1 zoning is threatened. Witness the Maybell controversy where it was spread about as if Measure D passed, everybody's R-1 zoning area was in danger of being confiscated, rezoned. I would say it's just the cost of

what we're doing. Here's the other part. Ground-floor retail, get some things for people to go to, to buy things, there on El Camino. That whole strip is just waiting to be developed. My guess is that's it waiting to see what the price of land is set by what happens with Buena Vista. I may be wrong, but a lot is just waiting to happen there. On housing, don't always talk about small units. Build a mix, build some small and build some big ones. Build some nice two-bedroom apartments that will lure people out of the single-family homes that they sometimes feel stuck with in Palo Alto. They can't figure out how to deal with it. Here's a nice solution. Who can buy an expensive apartment in Palo Alto? Somebody who just sold an expensive home in Palo Alto. They may like the liveliness of Downtown. The Washington Post had a really interesting article saying that some of the people who are doing apartment developing back there, figuring that it's going to be small units, are changing their plans, because they're seeing that some of the older people, 55 and older, like the liveliness and do want to come and live there. That would be the same thing here. The exception that I would give to everything that I've said here, give every possible bonus that you can for building affordable housing. Affordable housing will not happen here in Palo Alto, and it's so important. Buena Vista, we've got good intentions. We have no affordable housing. Maybell, no affordable housing. Keep with it.

Mayor Holman: Thanks so much. Gabriel Lewis to be followed by Anne Hare. We've just received our last card for this evening. I'd put out a last call a little while ago. Thank you all.

Gabriel Lewis: Good evening, Mayor and Council Members. Gabriel Lewis. I grew up here in south Palo Alto. I came back after college. First, I just briefly wanted to say that I agree with what other people are saying about needing housing. I have two jobs, both considerably above minimum wage. One of them is at Stanford. I live with my parents which, to say the least, is not ideal. The focus of what I wanted to say was about— I wanted to speak against further development on the east side of Highway 101. I wanted to keep development near transportation corridors. I'm also against just even considering that kind of development any further than now for several reasons. One is that I don't want studies to provide the basis for further development in the future. There is a cost to studies and the kind of consideration that we would have to give. I think that it's just already transparently clear that development to the east of 101 and the wetlands areas, or near them, would be a bad idea. I wanted to kind of give you an idea why I think that. For the one reason, I think that it'd be a prime case of suburban sprawl. It's far from existing bus routes, trains. necessarily a source of car traffic in an already congested area. The freeway would be a barrier to access to other City services like schools, fire, police

> Page 42 of 122 City Council Meeting Transcript: 11/2/15

and necessities like supermarkets. It would be kind of against the ethic of sustainable development. Also, it would be directly harmful to the wetlands that would be right in these people's front yards. Reasons to care about that are, as we've seen—Louisiana is probably the prime example—healthy wetlands can provide a buffer against a rising sea level. When you don't have them, catastrophe can result. Furthermore, we already use the Baylands for recreation, exercise, contemplation, all these things that are vital to the function of a City that prides itself on its intellectual life. Of course, the biodiversity there is important in its own right. Even if you can't be convinced that nature matters for its own sake, as we've said, the human benefit of recreation and so forth would be harmed. I mean, the additional development, I would see it as causing habitat loss. We'd create barriers and isolating and weakening animal populations out there. Animals that follow the people, the rats, mice, feral pets, dogs and cats, they'll eat the eggs and young birds and destroy the ecological web that we need out there to keep a strong ecology. The conclusion is pretty simple, I think. Increase the density of development near the transportation corridors, but leave the land to the east of the highway undeveloped. Thank you.

Mayor Holman: Thank you. Our next speaker is Anne Hare, to be followed by Stephen Levy.

Anne Hare: Thank you, Mayor, Council Members, everybody. I'm here as the mother of a young adult with developmental disability and also some substantial autism issues. He was born at Stanford Hospital in 1986. At that time, there were approximately 3,000 individuals with substantial autism. Today in the state of California, there are close to 70,000. This is a truly burgeoning number, and I am here actually because I feel so strongly about to every extent possible keeping this population in our community. He's been an incredible gift to our family and, I think, to his peers. I was very encouraged to see everyone here from special ed. It gives me an opportunity to thank them for all that they did for him. He was lucky enough to enter a lottery and is in a new development in Mountain View. This is also LEED certified green housing, 26 units, studios. He lives with a 24/7 care support service person in that studio, but I'm so grateful to have him as close by as he is. I know that, although we've housed those 26 individuals, there are more than 100, I believe, on the waiting list to get in here. I want to live in a community where my son is included. It was really great for me to hear from the other speakers about this multiunit housing and such. I think it's an ideal way to include them and to really allow them to interact with their community. To the extent possible, I'd like to continue to include them within Palo Alto. Thank you.

Mayor Holman: Stephen Levy to be followed by Stephanie Munoz.

Stephen Levy: Hi. I'm Stephen Levy. I'm a member of the CAC but, like Elaine, speaking for myself. You've heard tonight and in the previous meeting and in lots of letters ideas about housing from residents. I don't need to add to that. As a member of the Committee, I have three requests. In the Land Use Element, ask us to join with you in pursuing these ideas, discussing them, bringing them back to you in our joint meeting, discussing them. Give us direction to listen to the residents, think about location, think about type, think about the community and come back to you. When you revisit the Housing Element—the last Council when they adopted it, pledged to come back and talk not about the number of units, but about where the best location, what might be the best type. Now we've heard to think about what are the kind of people we want to be living in Palo Alto. Ask us to join with you in that discussion. Use us as the Committee. I have a third request. It's completely different. I've been talking to people who really work 24/7 about homelessness. The one technical finding that seems to be true at the national level is that housing isn't enough. Housing needs to be combined with services. We have the Land Use Element, we have the Housing Element, we have the Community Services Element. I'm asking you to give us direction so that that connection between housing for homeless people and services for homeless people doesn't get lost in the multitude of elements, but gets connected together so it comes back to you, even though it might be part of three Elements. Thank you.

Mayor Holman: Stephanie Munoz to be followed by Edie Keating.

Stephanie Munoz: Good evening, Council Members. I can only endorse what all the people before me have said and not repeat it. What I want to say is that it's purely practical. If you took Econ 1 in college, they told you that price is a function of supply versus demand. You know, since you live here, that every land use decision Palo Alto has made for the last 50 years has gone toward reducing the supply of housing from Arastra to the Stanford Industrial Park, right straight up to Buena Vista. I think that the idea of building industry so that we can take the money and leave other cities to take care of the social services of the workers and educate the children is not very honest. I have to agree with me that California Supreme Court which in Serrano decision said you may not do that. The Serrano decision was about this guy out in Central Valley, and this Serrano was getting a terrible education. He said the California Constitution says that all children in California have to get the same education. You cannot keep all the goodies for yourself and let somebody else take these wretched little rugrats and do something with them. I submit that it's now time to realize that we're going to have to educate everybody in the state. It's good; that's what's going to make America prosperous and grow. Investing in the education and not in just getting them money to have the education.

would say you could do a lot more and still have Palo Alto very beautiful. I think we have to fight the State Legislature. They have a wrongheaded idea that it's just pure density. Density is the enemy. What you need is density that is arranged in such a way that the beauty and the garden and the air and the open space surround multiple dwelling, so that they're beautiful. Do you remember Ricky's in contrast to what we have now? We could have that. You know what the Claremont Hotel looks like. They're large places and they have a lot of people in them, but they're very beautiful and they don't cause a lot of traffic. I think you need to think a lot harder. When you have public buildings going up like the libraries, the Mitchell Park Library, that's fine. You could have put a bunch of housing on it. Thanks.

Mayor Holman: Our next speaker is Edie Keating, to be followed by Elaine Meyer.

Edie Keating: When you read the Comp Plan, statement after statement says or implies what a wonderful City we are and how that should be preserved. There's something I want beyond wonderful. I want to live in an ethical and moral City. I want my City to be inclusive. I want my City to consider not just its own future, but the impacts of its choices on the region and the region's residents. Our City's historic support for open space and for affordable housing encourages me that I do live in such a city. Every office development approval makes me doubt my City. If you care about reducing greenhouse gases, if you care about reducing traffic, you should favor office over housing. If you want to reduce stress of adults and children, you should favor office over housing. If you want Palo Alto to be a responsible member of the region, you will favor housing over office. Did I say it wrong? Thank you. I understand that. Please favor housing over office. What will an ethical future look like? It will preserve green spaces. It will add housing density which will support improved transit. It will be okay. I think we'll be a more desirable City than what we have today. I hope you will look where you can change the Zoning Map and switch sites from other uses to housing. What Comp Plan language will get us there? The City should seek to lessen its cumulative jobs-housing imbalance. The City should seek to limit development that supports job growth and to support housing development. The City should consider the impacts of its land use policies on regional issues, including traffic, reduction of greenhouse gases and housing need. Over many years, the City of Palo Alto has been an enabler of many jobs without the most important supporting infrastructure which is housing. We all know you cannot fix this. What can you do? You can acknowledge where we've ended up, and you can change direction towards more and denser housing. Thank you.

Mayor Holman: Thank you. Elaine Meyer to be followed by Doria Summa.

Elaine Meyer: Good evening, Mayor Holman and Members of the Council. It's refreshing to hear Edie Keating use the word ethical. It's not a word I hear used around here a whole lot. It's quite an interesting concept. One problem in the housing situation that nobody mentions is the influx of billionaires completely screwing up the real estate market and pushing out the middle class. A house on the block next to me was open this weekend, and they're charging \$5 million, and they'll probably get that or more, given the market as it is. I don't know what you can do about it, but it certainly is part of the problem. There's a lot of discussion about the demand for housing. I think it might be useful to know something about the supply. As some of you may know, I've been keeping track of new housing developments in Palo Alto for many years. I made up a spreadsheet; I imported the data into a Google spreadsheet which makes it easy to look at it. I keep track of the new housing, not individual homes and not buying and selling, but just new added units. Since the last Comp Plan, my total is 4,073 units. We love data. It's data. What you can do with it, I'm not sure. Again, as I say, that does not include individual homes or Stanford housing or commercial properties, but only new added housing. I had copies for you, and I'll give some to the Staff. Thank you.

Mayor Holman: Yes?

Council Member Berman: Can I ask a question?

Mayor Holman: Council Member Berman.

Council Member Berman: Hi. Just one question. Sorry. I see here that you've got—the third site listed is the Fry's site, 340 Portage Avenue, 374 units. It says that's zoned for housing. Is this a list of housing that's been built or ...

Ms. Meyer: Built or in the process of being built, yes.

Council Member Berman: There's no housing ...

Ms. Meyer: It comes—excuse me?

Council Member Berman: I wasn't aware of housing in the process of being built at the Fry's site. It's the third one down; it's the 370 ...

Ms. Meyer: The Fry's site is zoned for housing.

Council Member Berman: This includes zoned for housing?

Ms. Meyer: Yeah.

Council Member Berman: Thank you.

Ms. Meyer: In most cases, it's already been built. That one is, in fact, just zoning. By the way, the reason I'm talking about the Google spreadsheet is if you go to the spreadsheet, you can sort and search on it without changing the data. That's a nice little wrinkle for ...

Mayor Holman: Thank you. Our next speaker is Doria Summa, to be followed by Jan Stokley.

Doria Summa: Good evening, Mayor and City Council. I just wanted to let you know that I am a member of the CAC, but I'm just speaking for myself tonight. I don't think there's any need to speak about the need for housing as so many people have. I did want to encourage you to retain the spirit and much of the language of the present Comp Plan, which I think protects the quality of life in Palo Alto and the neighborhoods. Specifically on Policy L-8, I would recommend a Citywide cap on commercial, specifically office, growth. We really have exceeded the commercial growth that the cap that the Comp Plan anticipated when it was written in '98. I think that the unchecked commercial growth has driven the housing prices up. It's not going to be possible to totally close the jobs-housing gap. I think if we cap the growth on office, we can stop the continuation of that gap and get closer and closer. Thank you.

Mayor Holman: Jan Stokley to be followed by Arthur Keller.

Jan Stokley: Good evening. I'm with Housing Choices Coalition. We're a nonprofit organization that helps people with developmental disabilities become integrated in their community through securing affordable housing. We were actually founded by parents and service providers from Palo Alto back in the day. We have partner properties where affordable housing units have been set aside at affordable rents for people with developmental disabilities. They're supported with a network of supportive services that are funded by San Andreas Regional Center. We have 14 partner properties across Santa Clara County. Unfortunately, we don't have any in the City of Palo Alto. I'm here to speak in support of higher density, transit-oriented affordable housing that's inclusive of all income groups, including extremely That's inclusive of people of all abilities. People with low income. developmental disabilities come in many sizes, shapes, stripes. development disabilities include autism, which a prior speaker mentioned—we've seen a huge explosion here in Palo Alto as well as across California-Down's syndrome, cerebral palsy, epilepsy and all forms of intellectual disability. The several hundred families in Palo Alto who are seeking our help to gain affordable housing are parents of adults who simply

cannot find housing for their adult children here in Palo Alto where their kids grew up and went to school and have networks of support. What we've found as State and Federal affordable housing dollars have changed dramatically in the past five years that without City leadership to create high density affordable housing that's transit oriented, our population is simply left out of any kind of housing. As you have this opportunity to revisit your land use plan and plan for a City that all of the folks I've heard tonight, they want a City that's inclusive of everyone. That's the vision. Please remember to include people with developmental disabilities; they're an important part of your community. They're living at home with aging parents with no real, viable opportunity for affordable housing unless you step up and plan for it to happen. Thank you.

Mayor Holman: Thank you for coming. Arthur Keller to be followed by Joe Hirsch.

Arthur Keller: Even though I'm Co-Chair of the CAC, I'm Thank you. speaking on my own opinion. Firstly, land use is not just about housing; although, most of the discussion tonight has seemed to focusing on housing. Let me make a few remarks about housing first. First of all, housing near Caltrain is for people who work in other cities, because you wouldn't take Caltrain if you work here, if you live here. Housing should be near services, and think about transit as just another service. When considering housing, don't worsen the quality of life for everyone. Consider school capacity, neighborhood park to resident ratio and other services. After all, we can build two-story school buildings, but not two-story playing fields. Housing impact fees for schools are inadequate and limited by State law. We also need to consider how much office space to add. Think about feedback loops where we address the impacts of office space, like traffic and parking, and then we allow increased office space and then we address impacts, and so on. We should limit office space until the impacts are addressed. As we address those impacts, we can increase it. We also need to update L-8 to address Citywide growth, not just growth in a handful of areas. After all, the commercial areas have expanded beyond the areas in L-8. Thank you.

Mayor Holman: Thank you. Joe Hirsch to be followed by Eric Rosenblum.

Joe Hirsch: Thank you, Madam Mayor. I apologize, first of all, if my comments are a bit disjointed. Some have already been made; I will reiterate them. I moved here in 1974 and for many, many years, I characterized the area as paradise, as someone else mentioned earlier this evening. I now think of it in terms of paradise lost. The quality of life is degrading. I hate to say this again, but Arastradero Road is absolutely terrible. Traffic throughout the community is terrible. I had dinner with

friends tonight. They had come back after being away for four months, and I asked them what was their observation. Traffic is terrible. As we add more jobs and more people, traffic will get worse. Public transportation sadly can't handle the load; it just doesn't go where people want to go. Therefore, there will be cars. I support the people who say favor housing over office. At the same time, I recognize that when more people come to the area, they will have cars. Almost everyone has a car; very few people do not have a car. Some will not, but the vast majority will. They will get on the road; they will get on the road during peak periods. It will not be good. Quoting Yogi Berra, "déjà vu all over again." Affordable housing, we talked about this in the '80s when I was on the Planning Commission. The concept remains valid, but we've never been able to do much about it. In the interim, the cost of land has skyrocketed. That will hamper any City effort to provide affordable housing, as sad as that may be. We were talking about teachers, City Staff, firefighters, police at that time. remains the same as it does today. I don't know how the City will ever be able to have a handle on changing the capitalistic society we live in. There are people who are willing to pay virtually anything to move into Palo Alto. I don't see that changing. If higher density housing is built, it will have its traffic implications. There will be people willing to pay more—excuse me for that housing than other people with lesser incomes can afford. I think, as Steve Levy asked, you should give direction, but I think the direction in part has to be as determined by the last two elections, the referendum in 2013, the general election last year, that residents are deeply concerned about the quality of life. How that gets wrapped into the Comprehensive Plan and Land Use Element will be the challenge for you and the Committee. Thank you.

Mayor Holman: Good timing. Eric Rosenblum to be followed by our final speaker, Shani Kleinhaus.

Eric Rosenblum: Hello. Thank you, Council Members. I'm Eric Rosenblum. I'm a member of the Planning and Transportation Commission, but I'm here speaking for myself as an individual. There's a couple of narratives, I think, need to be discussed. The first happens after these discussions around entitled millennials who want sort of a handout. They want to be let into our community. The narrative is around the residents who work their way up, and you should wait your turn, etc. I just don't think it's a very useful framing. First, I don't think it's actually correct. We had a lot of—in fact, I think I'm actually on the younger side of people that have spoken tonight. I'm certainly no millennial; I'm 45 years old with two kids going to Palo Alto schools, not that young. This is something about people of all ages, of all circumstances. Second, I think that there's a lot of people that have to make choices. There's a lot of lofty reasons to try to increase housing. I

think the greater density does contribute to sustainability. It's the basis for people's jobs and life opportunities. I think even if we're selfish, there's a lot of reason to try to change the way we approach housing. First, the things that we love about the City: having a great Downtown, things that we can walk to, great restaurants. A lot of that is served, in particular, by young people and retired people who spend a lot of their time and disposable income going to the retailers that we love. The second is it just makes for a more interesting community. We are a college town now with just one bookstore left. There's a reason for this. We don't have—two, Bell's plus Town and Country, is that ... Yeah, okay. I consider Bell's more of a collector's, but yes, you're right, two bookstores. It is different. I spend time in Berkeley or Cambridge and other places where the variety of people, which I think is evidenced not just by my anecdotal viewing, but the demographic statistics of the places have a greater variety of people both in terms of age and socioeconomic demographics. The second narrative that I hear is yes, Council all agrees with all this. We have policies to encourage density in transit corridors. This is already a top priority. You're preaching to the choir. I think there are a lot of easy barriers that can be reduced. I'll just give two simple ones. We have dwelling unit maximums that make it difficult to build buildings that are mostly composed of smaller apartments. We have parking minimums. If people are living in those smaller apartments near transit and don't want a car, they're essentially subsidizing the parking spaces for really all of us. With regard to the preaching to the choir, I do think everyone here recognizes this, so it is to some extent. I wish that we would attack the problem with the same urgency that this Council has attacked things like parking, retail preservation. Housing should be one of those things that we constantly ask what are we doing to increase the supply, what are we doing to make it more affordable, what are we doing to increase diversity. Again, I think all the people here get this, but I would love to see the kind of urgency that this Council has brought to many other issues. Again, thank you very much.

Mayor Holman: Thank you. Our final speaker is Shani Kleinhaus.

Shani Kleinhaus: Thank you, Mayor Holman, Council Members. Good evening. I had notes, but they changed so much when I listened to people talk tonight. I wanted to support what Gabriel Lewis said about be careful with housing on the other side of 101. I wanted to refer to what Jan Stokley said about the Housing Choices Coalition. I used to be on the board of that organization. Like she said, most of the people who were on the board or started the organization are Palo Alto residents. They are dealing with adult children with developmental disabilities. That means that they have to take care of them at home to the last day that they can. These people need housing. I don't know how you arrange that housing, but this is really,

really important. When I was on the board, one of the things that one of the adults that had a house that was provided by Housing Choices Coalition said to me—I asked him, "What is the most important thing to you when you have this house?" The answer was privacy, "I have privacy." It's precious; we take it for granted. We don't know what it's like for an adult to live with Mom and Dad. Thank you.

Mayor Holman: Thank you. Thank you to everyone who came this evening and for your comments and interest in this topic.

Mr. Hirsch: Point of order please, Madam Mayor. I understand you closed the meeting when one person wanted to put in a—is it lawful to actually close the public hearing ...

Mayor Holman: Mr. Hirsch?

Mr. Hirsch: ... while it's going on?

Mayor Holman: You've had your time to speak.

Mr. Hirsch: I'm talking about a point of order with regard to process, where one person was ...

Mayor Holman: I'm looking to City ...

Mr. Hirsch: ... denied the right to speak while the public hearing was going on.

Mayor Holman: Does the public have an opportunity for point of order? I don't think so. I don't want to be argumentative, but I think you've had your time to speak.

Mr. Hirsch: I'm speaking on a different topic ...

Mayor Holman: Which is true.

Mr. Hirsch: ... for the City Attorney to indicate whether ...

Mayor Holman: Joe?

Mr. Hirsch: ... a person can be precluded from speaking while a public hearing is going on.

Mayor Holman: It is often done, just as a quick response to that. It is often done. I don't often do it, but it has been done numerous times in the past, where there is a time by which people need to submit their cards to speak.

That has been done many times. It's a matter of just being able to control the meeting. People are given advance notice of that. This item was heard later even than it was earlier noticed, so people had adequate time to get here, for sure. Thank you. Council Members, questions and comments. Why don't we do five minutes and do questions and comments, and we'll come back for motions. Council Member Berman.

Council Member Berman: Thank you very much, Madam Mayor. We have a housing crisis in this City, and we have a housing crisis in this region. While we don't have an obligation to solve the entire problem, we do have a moral obligation, I believe, to do our part as the center of this thriving region of the Bay Area. Before I go on to some other comments, I just want to quickly mention Mr. Kelley and Mr. Rosenblum mentioned kind of the ideathis was perpetuated by the Palo Alto Weekly cover—that this is just millennials asking for more housing. Frankly, that's insulting, and it marginalizes the people who are really at most need of housing in this community. We've heard a couple of weeks ago and we heard tonight from people of all generations who need housing. Ironically, the Palo Alto Weekly article says it's millennials requesting more housing, and then it goes on to cite at the very beginning of the article a Gen X-er. Seniors need housing; young professionals need housing; people with developmental disabilities need housing. It's just a fact of our region that we haven't been building enough housing over the past couple of decades. I had my birthday over the weekend, and I was hanging out with some good friends. I grew up here in Palo Alto; we moved to Palo Alto when I was just about to turn 4 years old in 1984. I went to Duveneck, Jordan and Paly. I was having dinner with some friends, one of whom was the daughter—I won't name them—of an artist and a regional planner. One of the others was the son of a divorcee who worked in a retail clothing shop. They both grew up in Palo Alto; they became two of my best friends. I grew up with kids who were the sons of tech executives and doctors, and I grew up with the kids of parents who came from significantly less means. Growing up with that broad diversity of friends from socioeconomic means and backgrounds helped me develop the values that I have and that I created. We're losing that in Palo Alto. We had a lot of talk over the past couple of years—sorry, I'm getting over a cold slowly—of Buena Vista, and the fact that it really is tragic that so many families of lower socioeconomic means in Palo Alto might get displaced. The reality of the situation is that's happening every week to other folks that don't have the huge support network that comes out to plead their cause. Palo Alto is becoming an area where even two tech executives, unless you were early on at companies that have gone successful, you're not going to be able to buy a place in Palo Alto. You'll be lucky if you can rent one. If you are, you're spending probably more of your take-home pay than you should be on housing, and you're not saving for

> Page 52 of 122 City Council Meeting Transcript: 11/2/15

your child's college education or whatever the case may be. It's been really heartening to see the folks that came out a month ago to speak to us and speak in favor of more housing, and from all walks of life, from teachers. Going to Palo Alto schools in the '80s and '90s, I was thinking about all the teachers that I had, the amazing teachers I had, who moved here in the '60s, '70s, '80s, who lived here, who lived in our community, whose kids I went to school with. I'm not going to name them either. That's what made Palo Alto. We talked about paradise and paradise lost. I think we're losing paradise, because the people who serve us, the people who teach us, can't afford to live anywhere near us. I think that's what's causing the degradation of our quality of life in Palo Alto. I'm going to be looking foragain, we're just talking about vision and goals. We're not getting into the policies, except for one of them, and program. My feedback to the CAC is going to be please look for ways that we can add additional housing in strategic places, protect our R-1 residential neighborhoods. I understand the importance of that. Palo Alto, we're becoming a homogeneous society, and that's not good for any of us. I'm almost done with my five minutes this time; I'll have more thoughts as the conversation continues. I was just so impressed by the almost unanimous outpouring from the community in favor of additional housing at these meetings. I've heard you guys loud and clear.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: A few things. I think there's several pieces we need to discuss when it comes to this Element. The first thing I'd like to actually point out is that our existing Comprehensive Plan which, I think, understandably a lot of people have been concerned about some of the changes that the draft have proposed making. I actually really like our existing Comprehensive Plan, and I don't want to mess with it a whole lot. Our existing Comprehensive Plan is actually pretty pro-housing. through it and found, just in this Element alone, the Land Use Element alone, almost a dozen programs and policies and goals and vision statement references to the need to address housing, the need to add housing, to be creative about housing. Sometimes specifying specific places in town where we haven't done it yet. Sometimes suggesting specific ways to do it that we haven't done yet. I think it's important that the CAC and the Staff, as they work on stuff to bring back to us for further discussion, don't weaken what's already there, that we don't neuter what's already in our existing Comprehensive Plan, and that we actually start looking to fulfill what we said we would do. There are a few other things I want to mention that I think are very important that need to be discussed. I'd suggest them going forward. I would actually suggest adding a goal to use coordinated area plans as a regular planning tool. At the risk of sounding like a broken record because I talk about this so often, it's something that's been done often in

> Page 53 of 122 City Council Meeting Transcript: 11/2/15

Mountain View. A couple of years ago, they got to work and did three coordinated area plans or precise plans in about a year, year and a half. Now, they're working on implementing them. I think that that's an important thing to do as kind of a shift in how we go about planning. There are a couple that are highlighted in the old Comprehensive Plan Land Use Element, but I think that we should have a goal that rather than relying on things like Planned Communities, we should be focusing on a more inclusive, thoughtful, community-led process like coordinated area plans as a regular planning tool. I think we should also as a goal highlight the need to reduce or at least not worsen our jobs-housing imbalance. If that means we need to slow down on office development while we get our housing up to speed, that means we need to slow down on our office development until we get our housing up to speed. It's not enough to just freeze everything though. We really do need to add housing for all the reasons discussed. I could go on and on, but I won't on all the needs for that. I'd also really like to see us encouraging our CAC to really think—actually one of the speakers mentioned it—about ways to coordinate across various Elements to address big picture challenges that do involve multiple Elements in the Comprehensive Plan. Things like homelessness and sea level rise, where you can definitely imagine more than a single Element in the Comprehensive Plan would need to address these major challenges. I do want to empower the CAC to have a broad and deep discussion and to use their best judgment about how to engage the public and work with Staff so that when things come back to us including a revisit of the Housing Element, that we will be well prepared by what they have worked on and the discussions they've had with the community. We've said that we want the Housing Element coming back, and I want to make sure that we're ready for a really substantive discussion with a lot of leg work done by the CAC. Sorry to give you guys more work, but I think you're up to it. A couple other things. I guess I've got a little bit of time, so I just want to say a couple other things. The impacts of development, whether it's office development or housing development, just specifically on housing. The impacts of development, whether it's traffic, parking, whether we have enough park space per resident, whether we have schools to support new people coming in, these are all very, very important questions. They are solvable. I sometimes hear people say that they're not solvable, so we should throw up our hands. Sometimes people really mean Sometimes they're disingenuous. These are solvable problems. Just because something's tough doesn't mean we shouldn't try. Although it's been mentioned before, I'll mention it again. This is really a regional problem. Sometimes people will say, "If you can't afford Palo Alto, go to San Jose or go to Mountain View or go to Redwood City." If you look at what's happening there, those places are pretty unaffordable to a lot of people. Often people leave a place like Palo Alto because it's too expensive. They go to Redwood City, Mountain View or San Jose and price out the

people who live there; cause gentrification there and those people have to go further and further away. Of course, a lot of Palo Altans are getting so priced out by the rapidly escalating prices that, when they go to look in Mountain View, Redwood City or San Jose, because the region's prices have shot up so much, they can't even go to those cities. That's a reality that I think we need to recognize, not to try and solve on our own, but to do our part.

Mayor Holman: Thank you.

Mr. Dennis: Mayor Holman, may I just interject just for a quick moment to one of the Councilman's points? The CAC recently created a set of subcommittees that are going to be doing a variety of work over the next 16 months or so. One of the subcommittees that they created was a sustainability subcommittee which will cut across a variety of different tasks within each of the Elements. Based on tonight's input, we'll go back and see if there's a need for anything additional. Thank you.

Mayor Holman: Thank you. Council Member Burt.

Council Member Burt: On this first go-round, we're going to discuss things at a fairly high level. I do want to see us move from kind of sympathies and more general statements to concrete recommendations. value that we can really add tonight. I don't think it's just very substantial for us to just go on about our values and sympathies. First, I'd like to touch on something that a number of speakers have spoken about. That is how much of this problem is inadequate increase in supply and how much of the problem is excessive increase in demand basically from an unsustainable rate of job growth, not only in our City but in our region. As Council Member Wolbach mentioned, other surrounding cities are having severe housing and housing cost problems as well. Maybe not guite as severe as here, but Palo Alto housing has historically been more expensive than elsewhere in the Hearing family stories reminds me of mine, which is my mother lived here as a teen and could never afford to return under two teachers' salaries. The problem has gotten worse, but the problem didn't just start occurring in our community in recent years. When we look at the list of housing units that are predominantly ones that have been either built or approved. Elaine Meyer's list included some that are zoned, which kind of confuses things. It's predominantly those that are built or approved. It does show two things. One, we have added a lot of housing over the last 15-plus years. Interestingly by a factor of nearly 2:1, it has been in north Palo Alto, contrary to a lot of public perception. In the early 2000s, we had a surge in housing in south Palo Alto, and people really didn't look and understand what has occurred each place, including predominantly our

> Page 55 of 122 City Council Meeting Transcript: 11/2/15

affordable housing developments have been added in north Palo Alto which is, I think, generally as it should be and as it should continue to be. Then I wanted to just touch on a high-level set of land use decisions that intersect with our housing. We've had this discussion and the speakers predominantly tonight speaking about the housing and how land use and transportation intersect. I was probably remiss to not speak about this more when we had our transportation discussion, but frankly this is why we have a Planning and We recognize that these two subjects are Transportation Commission. inseparable. We've designed for more than 60 years major employment districts in our City, the largest being Stanford Research Park. This is where we had determined and intended for major employers in tech, R&D, and hardware and software and other elements to be predominantly located. We've in more recent years, over really—now that I think about it—the last two decades, had, for reasons that I don't think were ever deliberate policy decisions and may even be contrary to the intent of the zoning that was created historically, allowed a change that our downtowns are now being populated by large employers doing R&D work that, I believe, was never the intention of the zoning. We've had a practice that somehow morphed over time, and now it's become a norm. I think that we have two challenges. The Stanford Research Park was created really as an automobile centric Part of why we've allowed additional employment employment area. Downtown is because we wanted to encourage greater densification where we have transit and services, as other speakers have spoken about. The way that we had laid out this community 60-plus years ago and what we now believe is the right way to do it, which is really a return to what we had originally in this community of traditional urbanism. Those two things are in conflict. I think a challenge ahead for us is to transform Stanford Research Park into a multimodal form of transportation access for that massive, tens of thousands of workers who live there. Then to look at how we should really design our Downtown areas, University Avenue and California Avenue, so that we begin to have a greater amount of housing, in all likelihood smaller units, and to do so through zoning changes that are achievable. I'll speak to what some of those are on the next go-round.

Mayor Holman: Thank you. Council Member Kniss.

Council Member Kniss: Let me start with just a couple of questions for Staff that I think I know the answers to anyway, but just to be sure. In 1989, the designated area which was considered Citywide at that point, but had a designated area, I think, as I read the numbers we have only reached about 50 percent of that cap. Am I correct? You have the numbers in for tonight.

Ms. Gitelman: Thank you, Council Member Kniss. If you're referring to the monitored areas covered by Policy L-8, you're correct. We've only gotten about halfway to the 3.2 million square foot cap under that policy.

Council Member Kniss: Someone earlier tonight mentioned that we had—as you said, that doesn't include the pipeline. I think there is a misconception about where that has happened and how it has happened. I think that's important. Where we will end up as far as whether we include the whole community in a certain amount of development, that yet remains to be seen. We are currently in an interim 50,000 square feet a year. That's going to be discussed more in the CAC. Another area that I think—I think Council Member Burt approached this as well. We have done a good deal of housing that was based on the previous Comprehensive Plan between 2000 and 2012. The growth in that period of time looks to me like it ran roughly between 55,000 and now, I think, we're at about 65,000 to 66,000. Am I correct? I know I'm correct, so don't even bother.

Mr. Dennis: Approximately, yes.

Council Member Kniss: Yes, I looked it up. That says that somehow in that period of time, we were able to add—Pat has referred to this—enough housing for another 10,000 people somewhere in this City. The schools accommodated those people. In fact, right now a School Board Member told me recently they're getting concerned because the enrollment numbers at the elementary school level are going down. That always does cycle. I think sometimes we've been too concerned about watching what's going to happen to the schools because, in my observation or have for the most part, families do appear to be having fewer children. I know when we lived here, it was far more common for people to have three or four kids than they do now. I would say Marc Berman's a good example; there are three kids in his family. That was not unusual. That is correct, Marc, there still are three kids, right?

Council Member Berman: Yes, ma'am.

Council Member Kniss: As I look back at the old Comp Plan, what would have been so different about that than what we're currently contemplating that allowed that growth? Thinking of that just as a rhetorical question, but then going on to what is going on today and the kind of housing that we're looking at, let me just make a couple of last comments. I am really concerned that the younger group that Marc has just spoken about is the group that brings the vitality, the fun, the excitement. They're the group that we see Downtown, but it's also an older group in Greg's and my generation as well. That group in particular likes to live Downtown as well.

The question for us is how do we look at our housing differently. Do we do what Ms. Burt suggested earlier? Do we look at more modular? How do we look at El Camino? Do we look at El Camino as being more densely served than it currently is? There are ways that we can make this happen. I think we've heard tonight from—Mayor Holman, I think you had 20 people, 21 people who spoke and a number of the people have spoken before. I think people who spoke tonight have also spoken about housing before. There's probably almost nothing that's more the battle cry right now in Palo Alto than we need more housing. I think we did it before. It came out of the '90s Comp Plan. I think it can happen again and without destroying paradise whatsoever. I'm not even feeling that paradise is totally lost. Hearing people who have moved to this community, Ms. Burt would be one who is still here, who told me this is one of the most enjoyable places they have ever lived. For people who have just moved here, I think they find a great deal. I still find it's a great place to live. I'm not planning to move. Thanks.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: What are we losing and what can the Council do? How high will prices go in Palo Alto? What's driving them? I guess if there's one base number I look at, it's the ratio of jobs to employed residents. The census year 2000, that ratio for Palo Alto was about 2.4:1, 2.4 jobs in town to every employed resident. The latest numbers from 2012 are now close to 3:1. Over the decade and as the data we got here says, we added a lot of housing during that time period, but we've added many more jobs. We are becoming more of a commuter City. Actually, if you compare Palo Alto to other cities over 50,000, we are Number 4 in the country. We're up there with Manhattan and Washington, DC, well ahead of San Francisco, well ahead of other Silicon Valley cities. We are the commute center. Policy L-8 that talks about dealing with how many new jobs should be in the community is our best chance to define our community over the next 15 years. Where are we now in Policy L-8? It says we could add from 1998 3.24 million square feet of nonresidential space. The words in the Comp Plan are Citywide. We have added in our monitoring by the Staff 1.5 million. There's also a number of 1 million "non-monitored." The term "nonmonitored" is not mentioned anywhere in the Comp Plan. It appears in a map, L-6, where they have some non-monitored areas. It's controversial. What are they? They're public facilities or Planned Community buildings of a fairly size. We also have voted 1.3 million new square feet in the Stanford Medical Center. Add those altogether, we've got 3.8 million. Now, they're not all office/residential, but they all create traffic. If you look carefully at what L-8 was, it was to deal with traffic issues. Look around us. Do we have traffic issues? The last reports we have from buildings on Park Avenue, on Page Mill, on the Downtown is that there are intersections, even

Arastradero and Charleston, intersections there that will be at "F" in a few years, our traffic models are telling us. If you look at the community survey, traffic, parking, land use, quality of new development are all getting scores very, very low, 10 to 25 percent beneath where they were four or five years ago. We need to deal with these issues, and L-8 is the most effective and concrete way of doing that. How can we retain balance between growth and quality of life? How do we deal with jobs, employment, employed resident ratio? How do we grapple with high housing costs? Where do we find money for parks and schools in our community? L-8 is the most effective way for the Council to make a clear statement.

Mayor Holman: Council Member DuBois.

Council Member DuBois: I reread the Land Use Element, and it is great. I really like it. You get excited about the future of Palo Alto just reading it. I'd like to keep a lot of it, and I'd like to see us continue to implement it. I think what Council Member Schmid just talked about is-I mean, L-I on its own is a big issue. In terms of process tonight, we were asked three questions. I'd like to see us maybe just do a round and motions on L-8 and then separate motions on vision statement and goals. I think they're really different things. Again, over the years we excluded these different areas. We can say we have half of our cap left. Again, if you add in all the excluded development, we're kind of there. I think we should really have a discussion about where are we in terms of impacts and what do we want under L-8 going forward, in the next Comp Plan. We had this discussion about this interim 50,000 feet of office space with some kind of quality measures, but that's only for two years. I really think that's kind of the hardest work of the Comp Plan, is in L-8. Personally I'd be in favor of some new program looking at some kind of annual growth limit Citywide. Also, the different parts of the Comp Plan, there's a lot of different types of land use in Palo Alto. We talk a lot about housing which—is there a plan for the Housing Element to come to us? I don't think it was on the schedule, and I think we really do need to add it.

Ms. Gitelman: Thank for that question, Council Member DuBois. We show on our schedule an opportunity in February to meet with the Council and the CAC to talk about this question about the Housing Element and whether it should be adjusted. The Council did make a commitment in adopting the Housing Element to come back and look at this question of whether some of the sites should be eliminated in some areas, either in favor of new sites or higher densities elsewhere.

Council Member DuBois: Good. There's also other land uses like R&D, manufacturing, we've lost a lot of. Manufacturing is making somewhat of a

comeback in the US. I would like us to look at other uses as well. That's kind of under this Element, the Land Use Element. As Council Member Burt pointed out, I think if you look at the current Comp Plan, we've allowed a lot of these employment districts to kind of move into our urban centers without really talking about it. Do we want really large companies Downtown, Cal. Ave.? Do we want to talk about what are the right kinds of jobs there? I think the other thing is the nature of work has changed. I think we need to look at a lot of our job definitions and how they relate to our zoning districts, maybe look at something like SAC codes. So much work has moved to be in front of a computer; a lot of these old definitions are kind of meaningless. I think a lot of it has to do with size and scale. Before that used to be called manufacturing, and now it's software development. I liked a lot of the goals in the Comp Plan in this Element. I would pretty much keep the vision with tweaks by Staff as recommended. I would keep the current goals. I would keep a lot of language about protecting the quality of the neighborhoods. I think, again, there are a lot of issues that we're starting to hear. Airbnb is coming up again. Maybe we strengthen our retail ordinance protections, protecting our open space and parks. I think one issue that's coming up is partially privatizing parks with buildings right up to the edge of our parks. The one in Sherman Boulevard comes to mind. I think demographics are important and the impacts of aging in place. I expect we'll see policies there are some there already; I expect we'll see more. We do avoid talking about schools, and there's some controversy right now at the School Board about adding an elementary school. Growth in the north has slowed, but the elementary schools are larger than we ever intended. I think they're still talking about opening another elementary school or talking about opening a middle school, a high school. I do think we need to think about how that factors into the price on housing. Kind of going through a lot of high-level notes. I'll get into more details in the next round. I am still concerned—I think I've said it every time you guys have to come us—that we're going to have tons of policies and programs and how do we rank and prioritize them and kind of cut those down. I think Council Member Filseth passed out a memo twice now that highlighted some real changes between the current Land Use Element and the future Land Use Element. I think there's some really useful content in there that hopefully the CAC will see. Again, I like I think if you added in some of the new things, our current structure. climate protection, the airport, the concept area plan, references to the Baylands, I think we'd mostly be there. In terms of new goals, I was thinking of new goals like Council Member Wolbach was talking about. I actually think they're more appropriate in the Housing Element. Things like a goal around jobs-housing or that kind of stuff. I was kind of thinking about it for this Element, but the more I thought about it, I think it belongs in the Housing Element. I think a lot of the comments we heard tonight belong in the Housing Element. I'm glad to hear it's on our schedule. I

think I was one of the ones advocating for looking at moving some of that housing closer to transit. I think some smaller, like, studio apartments which we really don't have much of it, makes sense. I think we should have that discussion soon.

Mayor Holman: Thank you. Council Member Scharff.

Council Member Scharff: Thank you. I guess in broad perspective, I think I would support the existing vision plan over what the PTC recommended. I think that's one of the decisions we need to make tonight. Hopefully we'll get back to actually making those decisions. Are we going to use the existing vision statement? What it's going to look like in that? I'm quite happy with the way it is. I think it's served us well since 1998, which is a really long time. Also, I think the existing goals are fairly good goals. Maybe there could be some tweaking, but I actually think all of the existing goals are good. That brings me back to the organizational structure. I think we should stick with the organizational structure we had in the existing Comp Plan. I think it's much easier for the public to understand it. much easier for us to make and look at changes. I see no real advantage to, frankly, going where the PTC had gone on that. I would basically keep the structure of the existing Comp Plan the way it is. I think we can tweak some of the goals if people what to do that. I actually think as a backbone, they're all fairly good, and we should keep it pretty much the way it is. I feel that way about the vision statement, frankly. I think we could have a tendency—I was looking over this where it said, "integrate concepts of the urban forest and canopy into our built environment." I actually did like that a lot. On the other hand, I think we could all add something we really like a lot, and it's already pretty long. I think we have to be a little concerned about the tendency to make things a little too long. I think it's good the way it is. I think I wanted to address just briefly this notion that you wouldn't want software development Downtown. I frankly think that's crazy. I think the existing software development are the ones that have 40 percent of people taking transit. You fill it up with lawyers; they're not the ones taking transit. They're driving their cars into town frankly. I think when you look at that—when you look at talking about wanting young people Downtown, that's all software development. If we think back of why we had zoning, we had zoning for manufacturing and R&D in a different area because of the impacts of chemicals they use, of the manufacturing, of the noise, because they actually manufactured stuff. Software development is an office use. It's like what difference does it make if someone's writing code or if they're writing legal briefs. It's the same thing. I just don't get why we would possibly want to do that. I do think if the issue is that we feel that a large software company is taking over all of our Downtown, I think we have to remember that we had Facebook who took over a lot of our Downtown.

> Page 61 of 122 City Council Meeting Transcript: 11/2/15

They outgrew it and then moved out. We had Google start here, and they moved out. I think these are fine systems that we have in place and an ecosystem in Palo Alto that's served us well, frankly, for the last 20 years and, frankly, served the country well. I mean, think of what we've accomplished in Palo Alto in terms of companies that have started here and the ecosystems that's built up around it. I think that's something that's really valuable and important, not just to Palo Alto and who we are as an identity. I mean Palo Alto's special, and I don't think we should throw that away in all of this. I'd make the argument that I think we have to be—it's important to be vibrant and think about who we are as a City. In terms of housing, housing is obviously very important. I think that one of the things on that list that was failed to be mentioned is we did actually put in the Holbach project which I forget how many units. That's not on the list, but I think it's like 80, 85 units or something like that. Then there's the project on Birch Street which is also rental housing. I think those were the two largest new rental housing projects we'd had in—I don't know. Someone correct if I'm wrong, but I think it's probably ten years. Anyway, I think that we actually have been building some new housing. I think we shouldn't lose sight of the fact that we have been doing that. The other thing, I think we need to step back a minute and think about the Medical Center. The 1.2 million square feet, I don't believe that should be counted towards what we were thinking about in terms of the cap. I think if we wanted to ask ourselves what's the difference of medical space. I think at the time we were thinking it has very different traffic impacts than you would in office space or R&D space. Given that, I think that makes sense. If that's not true, if there are other reasons, if we wanted to look at ... What's really important is the impacts, at the end of the day and where we were thinking in terms of how the traffic and the community. I don't think counting the 1.2 million square feet makes sense, especially given where it's located and the way we were thinking in the Comprehensive Plan at that point. Thanks.

Ms. Gitelman: Mayor Holman, if I could just respond to that last comment. I did want to make it clear, if we didn't do it sufficiently in the Staff work, about the hospital complex. The Council actually took an action back in 2011 to explicitly exempt that square footage from the cap in L-8 and to move it into what is called a non-monitored area on Map L-6. Council Member Scharff, that has been the Council's position of longstanding.

Council Member Scharff: No, that was my recollection. In fact, my recollection, it was unanimous that all of us that were on the Council voted for it, Greg.

Mayor Holman: Council Member Filseth.

Council Member Filseth: It sounds like maybe this is not going to take a lot of discussion, so I won't do it here. Just to say briefly, I concur with the last couple of speakers. If you look at the versions of the Comp Plan, I think the existing vision and also the existing goals and policies form a better foundation for the CAC to base their work off of than the PTC draft. Thanks.

Mayor Holman: We had 23 speakers, Council Member Kniss. Largely ...

Council Member Kniss: Twenty-eight, Karen?

Mayor Holman: Twenty-three, I think it was. Largely, I agree that the current Comp Plan is more than adequate, not to say that we can't make some revisions to that to update it somewhat. What I'd suggest to Staff is so we don't as a Council sit here and try to wordsmith everything, as you're taking very good notes. I've been watching. If I could suggest—I want Council Members to concur with this hopefully—that where you hear consensus that you try to help us with that language or direction to the CAC so that we're not up here wordsmithing all evening. Where you see that there is a diversion of opinion, if you could ask us questions about that to see if we can come to consensus. Otherwise, send it to the CAC to try to reconcile that. If my colleagues are in agreement with that, I hope they will speak up when it's their turn to speak. I agree with a lot of what's been said about not exacerbating the jobs-housing imbalance by expanding our office development. That includes actually through the State Density Bonus Law. Right now, you can get more office space for providing inadequate housing units. We need to correct that. I'm actually a fan of co-op housing which we don't have in this community which can address some smaller units, especially for seniors. At least in this current climate, it addresses some social aspects too. If you have common places to gather, common places to prepare food or get your meals, it can help keep us in social environments where, for various reasons, both the seniors and those of all ages actually who tend to be too much using their thumbs, not maybe socializing as much as would be healthy. Unit size, small unit size and impacts on schools, yes. I will take anybody who speaks for housing production a whole lot more seriously if you also talk about loss of housing units, because we lose housing units on various properties in town. Somebody will demolish a site that has more units and create larger, less expensive units that replace I'll take anybody a lot more seriously if you start also addressing that. Someone mentioned homeless and unhoused plus services, absolutely agree with that. That's one of the things that was mentioned in the Healthy City Healthy Community Resolution. That should be incorporated. Something I should say about co-op housing and smaller units also. One of the things we have to do is look at not just covering every square inch of land that we have here, but smaller units. Co-op units, for instance, could

> Page 63 of 122 City Council Meeting Transcript: 11/2/15

also allow for more open space, more common open space. It makes for a more livable environment, and it also creates a better natural environment for a variety of reasons, provision for trees and plantings, habitat, that sort of thing. Agree with the comments no housing east of 101. That's an area subject to liquefaction. It's not an appropriate area for housing. We actually need to have application of greater setbacks in keeping with the openness of the natural environment there. I would hope that, as a part of this discussion—I know they're integrated. For me, it'd be great to create more housing units. I'm certainly not opposed to that; I actually support it depending on what it is, where it is and the design of it. I'll get to that in a moment. I think our biggest issue is transportation when it comes to housing. It used to be and has been until the last sort of recent period in time that someone might choose to live in a more remote area because they wanted to have a four or five-bedroom home and a larger piece of land, and they could commute to work here. I'm not promoting commuting like that, but given that we don't have good options, now it's actually become prohibitive because of the transit time that it takes. It just exacerbates the pressure that we have on creating housing here, so people don't have to commute because the commute is intolerable. For me, it's like we have to do more to solve the traffic and transportation issues. Good luck on that Design and integration. Help us all please. I won't name the organization; you'll probably figure it out. Someone asked me not long ago—a few years ago actually, why I thought that affordable housing projects were not favorably received in the community. I think it's because they are too often—Oak Court is a wonderful example to the contrary presented as large, monolithic, dense-appearing projects. You can actually provide a lot more housing in a lot more compatible manner than what we usually think of. The same thing is true of office. The same thing is true of any kind of development. We have too wide a street frontage, and the appearance is not what Palo Alto is up to or should be up to. With that, I will move to a second round. If we could do a couple of things, a couple or three things here. If we could address L-8 first, Policy L-8 first in your comments. Hopefully we can do these both in the next five-minute round. Address both Policy L-8, and make it discrete, and any other policy and goals that you want to address in that time period. Also if you would comment on whether you are in agreement with-I tell you what. If you don't disagree, it will be presumed that you'll agree with Staff ferreting out the consensus comments that are made and incorporating that into our goals and visions, so that we don't have to wordsmith everything. Is that agreeable to Staff? Is that a reasonable approach?

Mr. Dennis: That sounds great. Thank you.

Mayor Holman: I have lights from DuBois, Burt, Filseth. Tom.

Council Member DuBois: I just want to clarify what I was saying about I wasn't saying that we don't want software development Downtown. I agree that would be too much. If you read our ordinance strictly, it talks about prototyping Downtown and it talks about regular operations elsewhere. When you look at the companies we've had Downtown, I think Dek came in with AltaVista. We had this recession, and then we had the dot com boom come. We had companies start to go Downtown that never had been Downtown before. We had WebTV Downtown, which is actually making hardware. I think these were kind of unpermitted uses. We started to get these large companies, Facebook. That's the area where I think we started to have uses we never had before. I think they were really more suited for our employment districts. Downtown was not really specified as an employment district for that kind of use. What I was trying to say was I think the nature of work has changed. We should look at these job definitions and our zoning and how they match up. Maybe it's more about scale. I think it's probably not a good thing if our Downtown is dependent on one large company. We may want to take a look Maybe there's other things we can do. There's like if you're Downtown, you shouldn't have a private cafeteria. That's kind of a separate I think part of what happens is we have a large well-capitalized company and it drives up rents, then all of a sudden everything is soaked up Downtown, and then that large company leaves. That's really more suitable probably for different parts of the City. In terms of L-8, again I almost think we need to have a separate discussion. Trying to mix them together is kind of tough. Whether previous Councils exempted things or didn't exempt things, I think we are where we are. We've had a certain level of development. I think development at Stanford does add to traffic and impacts in the City. I do not necessarily want to just let the current cap carry over. I think we need to have a discussion. We had a pretty substantial discussion about this annual office growth, but it's only for two years. This is the Comp Plan. I'd be interested in hearing discussion tonight about what kind of method or process we could go through to look at putting something in the Comp Plan that would look at kind of the pace of growth and what pace of growth do we think our infrastructure can absorb over the years. I am ready to make a motion on the first part. I can wait to do that. It's largely what you said, I think, to have Staff take the existing vision, goals, some of the updates from new programs. I also wanted to add a bit about this kind of modern job definitions. It's kind of a little bit of a separate piece. I can do that now or I can wait; it's up to you.

Mayor Holman: You could do that now on L-8.

Council Member DuBois: The motion would be for the Land Use Element. we would direct Staff to update the existing vision statement with minor

revisions for City Council review; use the existing organization with minor updates to include climate protection, the two concept area plans, the Airport, Baylands and mixed-use guidelines, which I think were all the major new things. If there was something else I left out, you can let me know. The second part of the motion—do you want me to email this to you—would be to evaluate modern job definitions for our commercial zoning districts and suggest approaches that Council can use to specify the large-scale commercial operations that aren't suitable for Downtown or the Cal. Ave. area.

Mayor Holman: I thought we were going to focus on L-8. I thought that's what your motion was going to be.

Council Member DuBois: No, I'm leaving that to somebody else. This is the other half of it.

Mayor Holman: I'm not hearing a second, maybe cause ...

Council Member Burt: I'll second.

**MOTION:** Council Member DuBois moved, seconded by Council Member Burt that for the Land Use and Community Design Element to:

- A. Direct Staff to update the existing Vision Statement with minor Staff initiated revisions for City Council review and use the existing Goals and organization with minor updates to include incorporation of climate protection, the two Concept Area Plans, the Airport, Baylands, and mixed use guidelines; and
- B. Evaluate modern job definitions for our commercial zoning districts. Suggest approaches Council can use to specify that large-scale commercial operations, development, manufacturing, etc. are not suitable downtown or California Avenue.

Mayor Holman: Can I ask you to clarify for anyone, it says updating the existing vision statement, but you don't say based on what. There's no meat on the bone there.

Council Member DuBois: It's basically the Staff suggestion. Based on our just probably previous discussions and what they've heard here.

Mayor Holman: Would you like to incorporate that into the motion for clarity's sake?

Council Member DuBois: Again, I'm not sure what you're asking me to incorporate. Basically I'm moving the Staff recommendation on this.

Page 66 of 122 City Council Meeting Transcript: 11/2/15

Council Member Kniss: You're on the original page, right?

Council Member DuBois: Right.

Mayor Holman: If what you're asking for then is for Staff to update based on Staff recommendation, then that should be in the motion. If that's what your intention is.

Council Member DuBois: Yeah. David, I sent you the text, if you want to pull it up. With Staff's suggested minor revisions, that's correct. If that's what you're pointing to.

Mayor Holman: That is what I'm trying to get to here, yes. Council Member Burt, is that consistent with what your intention was in seconding?

Council Member Burt: Yeah, that's fine. I'll have a question of the maker.

Mayor Holman: Council Member DuBois, would you care to speak to your motion?

Council Member DuBois: You can also delete "community." That's the right name of the Element.

Mr. Dennis: Mayor Holman, Staff has a question too when there's a moment.

Council Member DuBois: Why don't you go ahead.

Mayor Holman: This would be a good time to ask it.

Mr. Dennis: Council Member DuBois, we were wondering specifically what you were referring to for "mixed-use guidelines"? Was there a specific section you're referring to or something?

Council Member DuBois: I was trying to identify the new sections in the PTC version. Mixed-use was pretty new when the current Comp Plan was adopted. There was a section called mixed-use guidelines. That was all I was referring to.

Mr. Dennis: We'll take a look at that. Thank you.

Mayor Holman: Is that it for you, Council Member DuBois?

Council Member DuBois: Yep.

Mayor Holman: Council Member Burt.

Council Member Burt: First, I wanted to make sure I understand the intended breadth of the motion. Is this intended to capture all of our direction on the land use segment?

Council Member DuBois: No. I'm addressing Questions 1 and 2 and saying that L-8 would be a separate motion.

Council Member Burt: But all of the goals?

Council Member DuBois: Yes.

Council Member Burt: If we want to make additions, we should do it as

amendments?

Council Member DuBois: Yeah. Use the existing organization and goals.

Council Member Burt: First, I will say that just on this notion of the nature of our Downtown district, I also think that in today's economy in Silicon Valley, there is a role for true R&D and software to be able to exist Downtown. I think the concern is large, monolithic, multiple companies, a couple of companies taking over the Downtown for the most part and driving out the ability for other businesses that were the primary zoned uses and really the start-up economy. If we have a major business, whether it would be an HP enterprise, that's their newly created software division, if they wanted to move their headquarters Downtown, would that be healthy for the Downtown? The ability for our smaller companies to be able to be born there and grown. The same thing applies to the Cal. Ave. area as well. I think that's why we had this plan and zoning going back 60-plus years. I think that there are certain changes that we should acknowledge, that up to a certain level it's healthy. After a certain point, the natural order should be that they move into areas that can accommodate hundreds or thousands of employees in a location. Two other things, at least two, that I'd like to add as goals. One really has to do with this big elephant in the room of how do we control the rate of job growth. We've done guite a lot through our actions this year of the office cap and PCs and transfers of development rights. All have constrained the rate of office growth, in particular in the Downtown area. We haven't done anything that addresses the densification of existing commercial. The things we've done have been about the rate at which we will build new commercial space. I'll just add as an aside, that I think it's a real fallacy that many of the people of who have felt most passionately about the need to address our housing problem have also been critical of constraints on office growth. I think it's a real irony that those advocacies actually probably do more to exacerbate our housing shortage than constraints on rate of housing growth that are by people who are more concerned about the rate of housing growth. I think that unless we get a

> Page 68 of 122 City Council Meeting Transcript: 11/2/15

handle on not only what we've already done on the rate at which we construct new office commercial, but the rate at which densification can continue to occur, we will continue to see a worsening and worsening of our housing problem, not to mention our traffic issues as well. I would add that we have a goal to develop mechanisms that would control the density of existing commercial uses.

Mayor Holman: Council Member DuBois, do you accept that?

Council Member DuBois: Can you just speak to that a little bit?

Council Member Burt: It might be utilizing tools that we already have. For instance, we have use permits for commercial uses. It appears that we've never done anything once somebody has a use permit to enforce a use permit. We basically have no mechanisms to limit the number of occupants to an office ...

Council Member DuBois: This would be ...

Council Member Burt: ... even according to what they were allowed to do by their use permit.

Council Member DuBois: This would be a goal to develop policies and programs that would then come back to us?

Council Member Burt: Rather than mechanisms, we can replace it with policies and programs. That's probably a better way to do it.

Mayor Holman: If I might? What I'm hearing is, it sounds like mechanisms that control the occupant density.

Council Member Burt: Yes. Add "occupant density.

Council Member DuBois: Yeah, I would accept that.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "add a Goal to develop mechanisms that control the density of existing commercial uses." (New Part C)

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part C, "mechanisms" with "policies and programs."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part C, "occupant" after "control the."

Council Member Burt: The second has to do with really even the balance in our biggest employment district which is Stanford Research Park. Stanford has expressed that they are interested in maintaining a healthy balance in the Research Park and not allowing it to become overwhelming software office use and to have real research that's going on there. I would add a goal to retain the balance of traditional uses in the Stanford Research Park. I'm open to refinement of that.

Council Member DuBois: Because of a conflict for me, I think we would have to make that a separate amendment.

Council Member Burt: We'll do that separately.

Council Member DuBois: I'm also not sure that's something we can control as a City.

Mayor Holman: Does that conclude your comments?

Council Member Burt: Yeah. I look for how we might properly address that prospective amendment.

Molly Stump, City Attorney: Council Members, as we work our way forward here, you'll recall that we did get some initial advice from the Fair Political Practices Commission that some very early work that the Council did defining scenarios and to set up the EIR study process was general enough, even though it included some focus areas, that all Council Members could participate. However, there is a limit to that exception. The general conflict rule does have an exception for Comprehensive Plan amendments, but there's an exception to the exception where the work starts to focus on an identifiable parcel or parcels. If Council's work tonight is general and speaks to Citywide concepts, you'll be able to move forward. If you want to get more specific as to particular areas—in particular Stanford Research Park would be one because we have a Council Member who has Stanford as a source of income. The Downtown is another one where if the Council's interested in having a very focused discussion about the University Avenue/Downtown area or the California Avenue second Downtown area, we should identify that there's that interest and take a break in the discussion and allow us to do some analysis and work in terms of who can participate.

Council Member Burt: I will have an interest in a separate goal around affecting Stanford Research Park and perhaps one—the other one is probably

Page 70 of 122 City Council Meeting Transcript: 11/2/15

not going to be as a goal tonight. It's going to be a request for data. I don't know whether that—would that fall under the same issue?

**AMENDMENT:** Council Member Burt moved, seconded by Council Member XX to add to the Motion, "to retain the balance of traditional uses in the Stanford Research Park."

#### AMENDMENT WITHDRAWN BY THE MAKER

Ms. Stump: We did some work—it must be almost a year and a half or two years ago now—around the Downtown specific cap; that's Program L-8. We had all Council Members participate because we treated it as simply existing condition description and data gathering, and felt that that did not create the same kinds of issues as policy questions might. If it's in the nature of that, we might be able to move forward. Let's just kind of work our way forward here (crosstalk).

Council Member Burt: Mayor, on the data question, where is the right place for me to raise that? It's not going to be a motion; it's going to be direction for Staff to provide the CAC with data for them to be able to consider certain things.

Mayor Holman: I don't know why it couldn't be a part of this motion. It's all direction to Staff.

Council Member Burt: I'll add that, which is to request Staff to provide the CAC with comparative impacts of restaurants versus other retail on trip generation and parking.

Mayor Holman: Council Member DuBois?

Council Member DuBois: I guess I'm not understanding why you're including that as part of this motion.

Council Member Burt: Because I just got told to do so.

Council Member DuBois: I'd like to vote on that one separately, I guess. I won't accept it.

Mayor Holman: If you wanted to offer it as a separate amendment, I would ...

Council Member Burt: Yeah, I will.

Mayor Holman: I will second that.

**AMENDMENT:** Council Member Burt moved, seconded by Mayor Holman to add to the Motion, "request Staff provide the Comprehensive Plan Citizens Advisory Committee (CAC) comparative impacts of restaurants versus other retail on trip generation and parking."

Council Member Burt: Just briefly to speak to it. I think this is going to be something for us to try to understand as we're really getting a grip on really our Downtown areas. We had had this discussion as a community I think back in the late '90s, where the trip generation and the parking demands for restaurants apparently are significantly higher than for other traditional retail. Although I think that our downtowns have been enriched by vibrant restaurant activity, I think we need to understand is that limitless, what are the consequences of it. I'm not making any proposal at this time for a specific goal or what's more a policy or program. I'd like the CAC to look at this and study it and have data to be able to have an informed conversation about it.

Mayor Holman: I don't really need to add to that. Do you have anything else?

Council Member Burt: Not at this time.

Mayor Holman: Council Member Filseth.

Council Member Filseth: I have some comments about L-8. Are we going to do that later after this ...

Council Member Scharff: Point of order.

Mayor Holman: While we're on this, let's just stay on this.

Council Member Filseth: I'll come back to that. In that case, I have a question for Tom on ...

Council Member Scharff: Point of order. Aren't we just talking about the amendment now that you've made the amendment? Isn't that the way we do it?

Mayor Holman: You're very right. You're very right. I'm so sorry. Yes, it is a separate amendment. Thank you.

Council Member Filseth: Then I will wait until after the amendment.

Council Member Scharff: Sorry, I just ...

Mayor Holman: Are there any comments on the amendment?

Page 72 of 122 City Council Meeting Transcript: 11/2/15

Council Member Scharff: I have a comment on the amendment.

Mayor Holman: Council Member Scharff.

Council Member Scharff: I think we're getting a little far afield here. My understanding is we're doing the Comprehensive Plan. You may very well be right. There may be different trip generation for restaurants, and there may be different trip generation for other retail. That doesn't necessarily mean we shouldn't look at it, we shouldn't study it. I think we probably should. I'm not sure that's part of the Comprehensive Plan to then go ahead and do that. We could easily look at that as a separate issue and decide if we're going to do anything about that. I'm not sure why in the Comprehensive Plan process we need to include this. I think we risk adding too much stuff. This is a zoning issue or a use permit. It's probably a use permit issue, frankly, on whether or not you allow restaurants or not, if that's where you were going to deal with it. I actually don't think we should do this as part of the CAC. I think it distracts them from the other issues of what they're supposed to be doing. I think I'm not going to support this.

Mayor Holman: If I can I speak to that. I don't see Council Member Burt's light going on. If I can speak to that. That did occur to me; it certainly crossed my mind. I thought is this something we should just address during zoning. I think there are some broad uses. If we're talking about occupant density of office, I think this isn't necessarily that different from that.

Council Member Scharff: I may not support some of those as well. I think there's a bunch of questions here on some of those things. I wanted to deal just with the amendment.

Mayor Holman: Speaking just to the amendment. I think it has that kind of implication. That's why I seconded it. If we're talking about the vision for our commercial areas and such, I think this does help form and shape what the goals might be. Any other comments on this amendment? Council Member DuBois.

Council Member DuBois: I kind of had a similar question. Are you thinking about particular policies or programs in the Land Use Element related to restaurant use? Again, I think general density does fall under there. There's a lot of definitions of land use districts and types of uses.

Council Member Burt: Are you asking me?

Council Member DuBois: Either of you.

Council Member Burt: I think that we may as a result of—the CAC may as a result of looking at the data come up with policies and programs that would direct our long-term balance of retail uses.

Mayor Holman: I see no other lights. The amendment is to request Staff to provide the Comprehensive Plan Citizens Advisory Committee comparative impacts of restaurants versus other retail on trip generation and parking. Vote on the board please. That passes on a 5-4 vote with Council Members Berman, Scharff, Wolbach and Kniss voting no.

**AMENDMENT PASSED:** 5-4 Berman, Kniss, Scharff, Wolbach no

Mayor Holman: That will be incorporated, and we return to the main motion. Council Member comments.

Council Member Burt: (inaudible) realize I have another amendment, but I'll let other (crosstalk).

Mayor Holman: Council Member Kniss. We'll get back to you then.

Council Member Kniss: I am having a difficult time with "B," Tom. I think the reason I just voted against the amendment is that I think that we are getting awfully specific. We're intensifying Staff work on this as well again. This says "suggest approaches we can use to specify the large-scale commercial operations" and so forth "that aren't suitable for the Downtown." I would put forth that I don't think any one of those businesses started out as large scale. I think they all started out as a very small scale and have grown. I've heard Pat Burt talk about that any number of times and say Palantir came in. They were a little, tiny company. Facebook came in. I wish I'd bought stock; I thought they were a little, tiny company. There are a number. It seems to me that if you specify large scale, that doesn't make a whole lot of sense to me. We're not likely to let large scale go in at the beginning.

Council Member DuBois: Is there a question on (inaudible)?

Council Member Kniss: Are you going to kick them out?

Mayor Holman: It would be good ...

Council Member Kniss: I think they'll leave on their own. I don't think it makes sense to get that prescriptive. Again, I think we're getting very—we're almost just going by the book on this. I think ...

Council Member DuBois: If I could respond briefly if there's a question?

Council Member Kniss: I'd leave it far more flexible than that.

Council Member DuBois: I think that's totally appropriate. (inaudible) kind of goes to the heart of the Land-Use Element (inaudible).

Mayor Holman: Tom, could you speak into your microphone please?

Council Member DuBois: Sorry. It kind of goes to the heart of the Land Use Element. It does define what kind of work goes into what kind of area of the City. Like I've tried to express a couple of times, I think that's changed since 1998. It's broken a little bit, and that's what this is trying to capture. It's really just directing Staff to look at those definitions and see how they map up to our CC, CD, CN, research, different zones.

Council Member Kniss: If I might answer, Karen? The large scale is what I'm concentrating on. Large scale defines just what that says, evaluate job definitions, blah, blah, large scale commercial operations are not suitable Downtown.

Council Member DuBois: If you can propose different words that capture that. I think if you read our current Land Use Element, that's a lot of the intent that's there. Again, it was easier—it talks about things like accountants and lawyers and services for Downtown, a very different description than the things that happen on East and West Bayshore and Fabian Way and the Research Park.

Council Member Kniss: At this hour, I'm not ready to completely rewrite it.

Council Member DuBois: I was trying to capture that intent.

Council Member Kniss: I'm fine with the rest of it, but I'd certainly like to be able to vote no on "B." If there's no way I can vote no on "B," otherwise I'll have to vote no on the whole thing. Even though I agree with the rest of it.

Mayor Holman: We can pull out "B" separately.

Council Member Kniss: I would really appreciate that.

Mayor Holman: Or if you can come up with language to modify it that might be acceptable to the maker.

Council Member DuBois: Could I propose ...

Council Member Kniss: I'd have to neutralize it pretty substantially.

Council Member DuBois: Could I propose if we remove "large scale" and just said "suggest approaches Council can use to specify that certain commercial operations develop, manufacturing, etc., is not suitable for Downtown." "Certain types."

Council Member Kniss: If it's that loosey-goosey, then I can probably go with it. I want to make sure that we don't keep companies that are anxious to get started here ...

Council Member DuBois: I agree. It specifically calls out ...

Council Member Kniss: ... and then they grow and we say, "You're out."

Council Member DuBois: In Downtown and the CD districts, it specifically calls out prototyping, kind of captures the start-up. What happens when you're no longer prototyping? It's not clear.

Council Member Kniss: If we're clear on that. Now that we don't keep Minutes anymore, we're never going to know what we really meant by it. Right?

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part B, "large scale" with "certain types."

Mr. Dennis: Mayor Holman, Staff does have a question about "B" as well, when it's appropriate.

Mayor Holman: Actually, I have a question for the maker of the motion. Can we have "evaluate modern job definitions for our commercial zoning districts, suggest approaches Council can use to specify what types of commercial operations, development, manufacturing are suitable for Downtown and California Avenue." I think it's clearer and it's more positive.

Council Member Kniss: That's better.

Council Member DuBois: That's fine. I think Staff gets the intent rather than wordsmith it to death. I think that's a good change.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part B, "certain" with "what."

Mayor Holman: Specify what types. I'm trying to get this where it can be supported by everybody and still get your intention across, Council Member DuBois. Specify what types of commercial operations, development are

Page 76 of 122 City Council Meeting Transcript: 11/2/15

suitable. "Specify what types," and then jump down to where it says "not suitable," say "are suitable for."

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part B, "not suitable" with "are suitable for."

Mayor Holman: Yes, City Manager.

James Keene, City Manager: I just had a question. Before you made that change, I thought there were two threads or themes at play. One was this question of job definition. Secondly, there might be job definitions that you would decide are acceptable, but then the scale of those job definitions might not be acceptable. The scale piece has sort of disappeared out of here a little bit.

Mayor Holman: That's ...

Mr. Dennis: Mayor Holman. To add to that, job definitions isn't something we define within the Planning Code; we define uses. To make it complicated, job definitions is not something that we would necessarily be able to do in the way that I think is being suggested here in "B."

Council Member DuBois: Are you saying when the district says it's for medical use or accountants or lawyers, that those are uses? That's what I'm referring to.

Ms. Gitelman: That's right. The Code defines uses, not jobs.

Council Member DuBois: (inaudible) modern uses. Again, I think small companies could have a programmer, could have a web developer. Is that different than—I mean, scale becomes a part of it. Again, that's why I wanted us to look at these kind of modern uses. I think there might be some definitions that could help there. Like a call center typically has hundreds of people; what they're doing is sitting in front of a computer just like a programmer.

Mayor Holman: I think what Staff is saying—if I might interject here—is evaluate modern use definitions, is what Staff's getting to. Is that acceptable, Tom and Pat?

Council Member Burt: Yeah.

Mayor Holman: Does that satisfy Staff's ...

Ms. Gitelman: Yes, thank you. That addresses our question.

Page 77 of 122 City Council Meeting Transcript: 11/2/15

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part B, "job" with "use."

Mayor Holman: It seems to me—to answer City Manager's question here—when we get to that, the density of occupancy based on those use definitions should help inform what we want to do where, it would seem. Does that address your concern, City Manager?

Mr. Keene: Yes and no. I'm just responding to the opening comments from the Council which partly deal with the fact that by its own nature of the buildings we have in Downtown and Cal. Avenue, a company could choose to occupy more than one building. You may have a density related to a job that's in one building, but ultimately you're also talking about whether or not there's a glomeration of buildings that start to come into play. I'm just saying you're losing that directive there on somehow looking at the size. I'm not advocating for it; I'm just responding to what you guys were talking about.

Council Member DuBois: I think you're right. I think it should say "types and scale of commercial operations."

Mayor Holman: Council Member Burt, is that good with you?

Council Member Burt: Yes. I'd just like to point out that this is not a directive. It's an evaluation.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion Part B, "and scale" after "what types."

Mr. Keene: Could I just repeat that? I think that's important to mention right now. If I were out there watching this, I'd feel better knowing it was an evaluation rather than a conclusion.

Mayor Holman: Yes, that's what this process is. Council Member Filseth.

Council Member Filseth: Thanks. Back on Part A of this. I don't mean to be excessively persnickety, but the language says that the CAC should base their work on the existing vision statement, goals and organization. I think that language should extend to the existing policies as well.

Council Member Dubois: My understanding is the Staff will start with the existing Plan, and the CAC will talk about the policies. They will start with the existing policies, and they will have other materials they can look at including the PTC's version.

Page 78 of 122 City Council Meeting Transcript: 11/2/15

Council Member Filseth: If that's the intent, then that's fine.

Mr. Dennis: Yeah, it's explicit in the ...

Council Member Filseth: I just want to make sure that that's the intent. In the PTC version, there were a large number of sort of low-level policy changes which cumulatively add up to fairly substantial changes. I think we need to make sure we go back to the original policies.

Mr. Dennis: That's why this direction that we're receiving tonight is so important. By not only receiving suggestions related to the goals and the vision statement, but also as part of the narrative that we're hearing that provides the CAC with the direction that I think you're seeking. Explicit within their purview is looking at the policies and programs based on your direction.

Council Member Filseth: Is there any reason we should put existing goals and policies?

Mayor Holman: Council Member DuBois?

Council Member DuBois: I'm kind of looking at Staff again. We're not setting the policies; we're having the working group discuss those.

Council Member Filseth: Use the existing ones as opposed to the new ones. Sorry. My intent is that they start with the existing ones, not the new ones.

Ms. Gitelman: I think I can respond in saying that that is our intention. We will be providing the existing policies as the basis for discussion informed by the PTC. The existing Comprehensive Plan will be the basis.

Council Member Filseth: I'm okay with that.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: I guess I was inclined to just offer a substitute motion, but I think I can probably work with this with a couple of, hopefully, friendly amendments for the maker and the seconder. The first one, it says "the two concept area plans." What I was suggesting during my earlier comments was that it wasn't just about one or two concept area plans. It was suggesting as a goal that we shift towards coordinated area plans or concept area plans as a regular planning tool. Mountain view is a good example for this, as I mentioned earlier. They have several dozen. It can be a whole neighborhood, or it can be a specific parcel. As I mentioned before, they did three in a year. What I was not suggesting was that we just

have two concept area plans. My suggestion was that we shift our planning strategy as a City towards using CAPs as a regular tool for planning.

Council Member DuBois: I think that's an interesting idea. This is referring to the two existing ones to kind of pull them into our Comp Plan. They were amendments, I guess, that came along afterwards.

Council Member Wolbach: You're talking about SOFA I and SOFA II?

Council Member DuBois: That's why it says two concept area plans. It's for our two existing drafts that I don't think have been completed.

Mr. Dennis: To Council Member DuBois' question to Staff. There are two concept area plans that are in existence, one related to Cal. Ave., one related to East Meadow. One was received by the Council. One hasn't had any action at all. I think that's what you're referring to.

Council Member DuBois: That's what I'm referring to there. I think your idea (inaudible) I do think it should be a separate amendment. I think it is a different goal. It's a separate point from those two things. I know Mountain View does quite a few of them. I think it's an interesting idea, but I think it would be a separate amendment.

Mr. Dennis: Council Member Wolbach, you were speaking to a particular tool that could be utilized. Council Member DuBois was speaking to those particular concept plans that exist.

Council Member Wolbach: Thank you for clarifying that. Also to follow up with Staff on those two, does Staff see any problem with that? I just hadn't thought about how those two would loop in. Or if you need any more specificity. It sounds like you're clear about what two he's referring to.

Ms. Gitelman: I think we're clear about Item A up there. Just to respond to your point about coordinated area plans. I guess it's been our expectation that in the course of developing the Land Use and Community Design Element, either the CAC or the Council or both will identify as programs those areas of the City that they want to develop coordinated area plans, which is different than a concept plan. We're expecting that to happen at the program level. I'm not sure that it would be a goal as you expressed earlier.

Council Member Wolbach: Help me out here for a second. What's the difference between a concept area plan and a coordinated area plan?

Council Member Kniss left the meeting at 10:27 P.M.

Ms. Gitelman: Good question. A concept area plan is policy language, like the Comprehensive Plan. A coordinated area plan is similar to a precise plan or a specific plan that has policy but also regulatory authority. It's quite a bit more detailed than a concept area plan.

Mayor Holman: Think SOFA I and SOFA II, those are coordinated area plans.

Council Member Wolbach: That's what I was trying to get to. You're right, totally separate from these two. I'd like to propose a friendly amendment to establish a goal—we'll let Staff work on the language, I don't have precise language right now. I'd even be open to saying "consider adding a goal of making coordinated area plans a regular planning tool." I'll speak to it if there's a need to. (crosstalk) needs to hear from the maker and seconder would accept it as friendly.

Council Member DuBois: Like I said, I'm interested, but I'd like to have a separate amendment.

Council Member Wolbach: I'll make it a separate motion. If I could have a second?

Council Member Burt: I will second it.

**AMENDMENT:** Council Member Wolbach moved, seconded by Council Member Burt to add to the Motion, "consider adding a Goal of making Coordinated Area Plans as a regular Planning tool."

Mayor Holman: Council Member Wolbach, do you need to speak any further?

Council Member Wolbach: Yeah. I spoke about this a little bit earlier tonight; I've spoken about it in the past and how important I think it is as a shift for the community. That includes both people out in the community, for Council, for Planning Staff, for the PTC and for developers or realtors, anyone who's thinking about how they want to see—anyone who's really thinking about how we can change particular parts of the City. I think it's a strong planning tool. We've seen other cities use it more frequently and more effectively. The reason for establishing it as a goal is there will be specific places where over the next 15 years we'll identify this is a good area that's a good prime target for a coordinated area plan. I want us to already be thinking about that as we're looking at various parts of the City. I want to make sure that Staff is also and PTC is also well prepared to know how to handle these when we identify them.

Ms. Gitelman: Mayor Holman, if I can respond. I wanted to ask Council Member Wolbach—I think we understand your objective. I wonder whether instead of the suggestion of adding a goal, whether you'd consider providing direction to the CAC that they consider this as a tool. It seems like a goal to add a tool is just a little bit different than all the other goals that we've crafted here. Instead if it was direct the CAC to make use of coordinated area plans as a regular plan tool in the Comp Plan Update, something like that, it might be a little ...

Council Member Wolbach: I'm not expecting that in the next ...

Council Member Burt: Why don't you use her language?

Council Member Wolbach: The reason I'm reluctant is I'm not expecting that in the next year or year and a half, however long we're working on the Comp Plan, I'm not expecting that we're going to identify all of the potential coordinated area plan sites that we might want to work on over the next 15 years. Does that make sense?

Council Member Burt: Yeah, but it's not a goal per se. That's all that, I think, Hillary's clarifying.

Mayor Holman: We're not directing the CAC to use coordinated area plans.

Council Member Wolbach: That's what she suggested.

Ms. Gitelman: My suggestion is that the amendment be crafted as a direction to the CAC rather than addition of a goal in the Plan that talks about using a particular tool. Developing coordinated area plans is a sizeable effort that involves many years of planning and community input and engagement. This is a 15-year Plan. I don't think we can identify that many that we're going to do in the next 15 years. I think it would be good direction from the Council to the CAC that you think this is really important and that the Plan should lay out those areas where these coordinated area plans should be prepared.

Council Member Wolbach: That's a difference of opinion. I actually do think we might be able to do many of them. I don't think either we or the CAC in the next year and a half that we're working on the Comprehensive Plan, I don't think that we're going to identify all of those locations.

Council Member Burt: But it's still not a goal.

Council Member Wolbach: It sounds like I'm losing my seconder. Again, the purpose of it being a goal is to have the City apparatus shift its mindset about planning. That's a significant change ...

Council Member Burt: We define what goals are. That's a (inaudible).

Council Member Wolbach: Is that a policy or is it a program then?

Mayor Holman: I'm going to look to Director Gitelman, because I had something else going on up here that I had to deal with. If I could get your guidance on what I missed and where we need to go here. One Council Member is saying it's not a goal. You're saying that there aren't areas that we—if I heard everything correctly—that there are areas but not all areas that we might identify that would be coordinated area plans. We're not directing the CAC to do coordinated area plans. We're directing them to identify where they might be used or set a goal for how we might utilize them. I apologize, I dropped a stitch up here. Apologies. I didn't catch all of it.

Ms. Gitelman: That's perfectly fine. My suggestion was about using this opportunity to provide direction to the CAC about where coordinated area plans might be used. I don't know that Council Member Wolbach has bought into that change. It's a matter open for discussion.

Mayor Holman: I'm sorry. Your suggestion was ...

Ms. Gitelman: My suggestion was that rather than the motion say "consider adding a goal," it say something like "direct the Citizens Advisory Committee to suggest those areas where coordinated area plans should be developed."

Council Member Wolbach: Which is not what I'm suggesting. Here's a way maybe to split the difference. "Direct the CAC to develop language providing for coordinated area plans to become a regular planning tool." Again, I do not want to tell the CAC, "Your job is to identify every potential coordinated area plan location that we're going to utilize in the next 15 years."

Ms. Gitelman: Thank you.

Council Member Wolbach: If they have specific ones that they want to offer, they can. I don't want them to have all that responsibility.

Council Member Burt: That looks good to me as the seconder.

Mayor Holman: This is revised to take the place of the prior amendment.

**AMENDMENT RESTATED:** Council Member Wolbach moved, seconded by Council Member Burt to add to the Motion, "direct the CAC to develop language providing for Coordinated Area Plans to become a regular Planning tool."

Ms. Gitelman: Mayor Holman, at the risk of overstaying my welcome here. We have the same question about Item C, whether it's the Council's intent to actually put a goal in the Comp Plan to develop policies and programs or whether it's your direction to the CAC to develop policies and programs.

Mayor Holman: Yes, I believe it's the latter.

Council Member DuBois: Let's make a similar change. Let's finish this.

Council Member Wolbach: I have a number of amendments, so let's vote on this one unless there's more comments.

Mayor Holman: This amendment was seconded by Council Member Burt. Did you need to speak to this any further?

Council Member Burt: Briefly. I just want to caution. As somebody who's a big fan of coordinated area plans, Council Member Wolbach, you're underappreciating the complexity of the process. I still want to see this occur, but I don't know whether Mountain View uses the concept in a much simpler way or what. Having gone through this, I can tell you that our use of them languished because of how many years it took to do them. I think one of the important things that we need to do is deconstruct our past use to determine how we can make this tool function more efficiently. That doesn't have to be part of the motion, but I think that can be a guidance to Staff. That's something that I've felt and repeatedly said, that we would use them more if we would look at how to make our process better with them.

Mayor Holman: I'm going to clear the lights and see if there are any other comments on this. We're spending a lot of time on this one amendment. I'm clearing the lights to see if there are any questions on this one. Seeing none, the amendment is to direct the CAC to develop language providing for coordinated area plans to become a regular planning tool. Before we vote on this, I'm having a real hard time with this. It goes with what you're saying, Council Member Burt as seconder of this. "Become a regular planning tool" is troubling to me. I'm sorry to be spending more time on this, because of my own comments. "To be utilized appropriately as a planning tool" or "be utilized where appropriate as a planning tool." I need some other kind of language there, because a "regular planning tool" speaks to exactly what Council Member Burt's saying.

Council Member Wolbach: That's why I'm highlighting it at the level of being part of the Comprehensive Plan. It is something that we have not done well in the past. It's going to take a substantial amount of work to figure out how to do it well and more efficiently.

Mayor Holman: That's not what the Comprehensive Plan is scheduled to do.

Council Member Wolbach: Do you have a suggested amendment?

Mayor Holman: Yeah. I'm not. Just take out the word "regular," I think would make it better.

Male: (inaudible)

Mayor Holman: This would imply that it's a regular planning tool in Palo Alto, and they would not be frequent. Regular's ...

Mr. Dennis: Mayor Holman?

Mayor Holman: Yes.

Mr. Dennis: Through Mayor Holman, Council Member Wolbach, is the intention that it be used more than it is being used now?

Council Member Wolbach: Correct.

Mr. Dennis: Language that would—I don't have suggested language. I'm getting to what the point is.

Male: "Become a utilized planning tool."

Mayor Holman: I would offer an amendment to remove the word "regular," because now we don't use them at all. Become a planning tool means putting them in place.

Council Member Burt: We use them some. I think it's ...

Mayor Holman: We haven't in many years.

Council Member Burt: ... increase frequency. How about if we just simply say replace "regular" with "more frequently used"?

Mayor Holman: Is that agreeable to you, Council Member Wolbach?

Council Member Wolbach: That is agreeable to me.

Mayor Holman: "More frequently used," that's accepted.

Page 85 of 122 City Council Meeting Transcript: 11/2/15

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Amendment, "regular" with "more frequently used."

Mayor Holman: The amendment in front of us then is direct CAC to develop language providing for coordinated area plans to be become a more frequently used planning tool. That's the amendment to the amendment, and that was accepted. We don't need to have it separately. With that, let's vote on the board. That passes unanimous with Council Member Kniss absent.

#### **AMENDMENT AS AMENDED PASSED:** 8-0 Kniss absent

Council Member Wolbach: I did have a couple of other amendments. That one took much longer than I expected. I hope the next ones are much faster. Regarding climate change, what I was hoping to identify here with a goal or at least language regarding climate change is—yes, I will remember to come back to "C" as well. When you get a chance, if you could scroll up a little bit. It's not just about dealing with climate change. It's about dealing with climate—especially when we're talking about the Land Use Element, it's not just about climate change. It's about climate adaptation, specifically sea level rise. Saying that we're going to focus on climate change could be interpreted as we're going to do everything we can to reduce our greenhouse gases, but ...

Council Member Burt: We understand adaptation.

Council Member Wolbach: I'd suggest—where is it?

Council Member DuBois: Number A.

Council Member Wolbach: Yeah. Where it says "climate protection," I would actually change that to "climate change adaptation." If that would be (inaudible).

Mayor Holman: Council Member DuBois?

Council Member Wolbach: You could add that. I would add actually "climate and sea level adaptation." You can leave in "protection," but I would add "including climate and sea ...

Council Member Burt: (inaudible) comma, just add it.

Mayor Holman: Council Member DuBois?

Council Member DuBois: I'm waiting to see what it is.

Page 86 of 122 City Council Meeting Transcript: 11/2/15

Council Member Wolbach: It would be "climate change and sea level adaptation."

Council Member Burt: After "climate protection."

Mayor Holman: No. David, it's "protection, sea level adaptation."

Council Member Wolbach: Actually no. It would be "climate change and sea level adaptation."

Council Member DuBois: I think we're getting beyond the point. I understand it. I think that's acceptable. We don't need to wordsmith it precisely.

Council Member Wolbach: Is that amenable?

Council Member DuBois: Yep.

Mayor Holman: Council Member Burt?

Council Member Burt: Yep.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part A, "climate adaptation and sea level rise" after "climate protection."

Council Member Wolbach: On "C," I would suggest changing the word "goal" to "direct Staff and CAC."

Council Member DuBois: Yes. Thank you.

Mayor Holman: Council Member Burt?

Council Member Burt: Yes.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part C, "Goal" with "direct Staff and the Comprehensive Plan Citizen Advisory Committee (CAC)."

Council Member Wolbach: I think we also want to add some—I would like to see us add some language about encouraging or enabling the CAC to work on complex issues that cut across multiple Elements, unless they're already doing that and don't need any further direction.

Ms. Gitelman: They're already doing that.

Mayor Holman: I don't know what that means, Council Member Wolbach.

Page 87 of 122 City Council Meeting Transcript: 11/2/15

Council Member Wolbach: As I mentioned earlier, climate change in general and also homelessness in particular are a ...

Council Member Burt: (inaudible) climate change.

Council Member Wolbach: Right. Are a couple of areas where beyond just being important in the Land Use Element, I may incorporate "work in multiple Elements." I want to make sure the CAC is able to take time, if they feel it's appropriate, whether it's through a subcommittee or whatever, they determine is reasonable to work on multiple Elements simultaneously to make sure that the language is coordinated between them. The same with homelessness for instance, community services, housing, and land use just to line stuff up, to avoid redundancies and things like that.

Mr. Dennis: Thank you. I think that right now the CAC has actually been able to do most of that work as they're currently constructed. The subcommittee process allows for that to occur as well. I think we've got it covered.

Council Member Wolbach: If that's addressed by the status quo, that's fine.

Mayor Holman: Should I come back to you if you have something else?

Council Member Wolbach: Yeah, if you could come back to me. Thanks.

Mayor Holman: I had in line Council Member Scharff.

Council Member Scharff: Thanks. I guess I wanted to go back to "B." I guess I wanted to understand, now that we've changed a little bit. Council Member DuBois, you indicated you didn't want to outlaw software development in Downtown. There seemed to be two things that were going on here. There's the notion that—I'll just put it out there. There seems to be a concern that Palantir has taken over our Downtown, that you're worried about the scale of a company like Palantir. There seems to be two things. I guess I'm not quite sure what "evaluate the modern definitions for the commercial zoning districts," how that works with the second part of this which is "suggest approaches Council can use to specify what types and scale of commercial operations are suitable for Downtown." They're both different things. What do you see Staff doing under "evaluate modern use definitions for commercial Downtown"?

Council Member DuBois: Again, I think more than half the jobs probably didn't exist in 1998. I think, again, when we look at updating our Comp Plan, particularly again in the introduction to the Land Use Element where are a lot of these definitions are placed. I think it's just worthwhile to take a

look at them. Do we want gene splicing to take place Downtown? I don't know; maybe. It's not in there. That's kind of the thought. It really is an evaluation and suggested approaches to come back to us. I just think it's out of date.

Council Member Scharff: What you're looking at is—you're looking at things like whether you can do gene splicing, really?

Council Member DuBois: Yeah. You can do it on a desktop now. I mean, I don't know. Again, I think that's one area where our policies are falling a little bit behind of where the world is. I threw that out as an example. It's not driving this, but it's not a bad example.

Council Member Scharff: In traditional zoning, you've basically normally broken it up into an office use, where you don't have manufacturing going on or R&D where those have impacts on the surrounding neighbors. That's why people break out R&D and office use. Whether or not you have an accountant or an attorney or a software developer, I'm not sure there's a difference in the impacts on neighbors or anything like that. Are we looking to break it down into different, I guess, jobs? What'd you say? Into different uses. Do we call office an office use or are we going to say attorney use, accountant use, gene splicer use? I'm trying to understand what Staff's really supposed to do on this. What's the purpose of ...

Council Member DuBois: We do break a lot of it down now. General office use, a little bit of a catchall. Again, if you read it, it has different definitions. There are other kinds of office uses. Again, if I had the answer, I wouldn't be asking Staff to evaluate it. I think a little bit of this is looking at what's happening today. Again, I think you're focusing on software development. I think there are other uses too, and it's not just software development. We've already moved beyond the phase where people are putting in data centers in offices. Would we want a large-scale data center, for example? It's kind of a modern use that wasn't in our Comp Plan.

Council Member Scharff: The goal on suggesting approaches Council can use to specify what types and scale of commercial operation, development, manufacturing are suitable for the Downtown or California Avenue. The purpose of that, again, is to have Staff come back with ideas about what? If someone gets too big? If someone occupies a certain percentage of Downtown? What do actually see Staff doing on here?

Council Member Burt: And CAC. It's not just (inaudible).

Mayor Holman: Council Member DuBois?

Council Member Burt: I'll give it a shot. It's not just Staff; it's Staff and CAC. We're asking that when we're going into our next Comp Plan, we're going to look at what we think we want in these scenes. When we've got Downtown, would we want HP to have their headquarters Downtown? We have a situation that is not too different from that, that's morphed from there. Our Downtown was not historically designed or zoned for those kinds of purposes. We've had an evolution that's occurred that was not based upon conscious and deliberate intention. I don't know what we should have going forward, but I think we should have in the Comp Plan a thoughtful discussion about do we want Downtown to be three big companies. Is that what we have as a vision for Downtown? This doesn't prescribe a determination, but it frames an important issue that's entirely appropriate for the Comp Plan.

Council Member Scharff: I guess I was going to ask the question ...

Mayor Holman: You need to be on the microphone please.

Council Member Scharff: I'm sorry. I guess I was going to ask the question is it appropriate for Comp Plan to ask the question of commercial—first of all, to evaluate ... I'll break it into two things. To evaluate modern use definitions of our commercial zoning districts. Is that really something that's appropriate in this Comp Plan discussion or is that a separate topic? I guess I'm having a little bit of trouble with the way we agendized this. The agenda is basically to talk about the Comprehensive Plan structure including goals, vision statements and related issues for each Element. Here, I guess, we're talking about redefining what goes on the in the commercial districts and the uses for that. I don't think we put that in for the public to know that we were going to talk about that tonight. I surely had no idea we were going to talk about that tonight.

Mayor Holman: Council Member Scharff, if I might weigh in on this. It's just like when the Comprehensive Plan is updated and we talk about what should the boundaries be of the GM district. What's an appropriate area for the GM district and the uses that are identified that would satisfy that zoning? This is sort of that ilk. We're not deciding anything tonight. We're just saying we want this to be looked at and recommendations come to us from Staff and the CAC. We're not deciding anything tonight. This is the guidance.

Council Member Scharff: On "C," we're now saying direct Staff and the Comprehensive Plan Committee to develop policies and programs that control the occupant density of existing commercial uses. We don't use the word evaluate, so we're making a decision that we think that the occupancy is too high.

Council Member DuBois: I think evaluate is fine.

Council Member Scharff: I'd be comfortable with evaluate. That would make me much more comfortable.

Council Member Burt: I'm fine with that.

Mayor Holman: "To evaluate policies" on the second line.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part C, "develop" with "evaluate."

Council Member Scharff: That's what I had.

Mayor Holman: Vice Mayor Schmid.

Vice Mayor Schmid: I've been concerned about Goal L-6, conservation and preservation of historical buildings. The goal is great, but I note whenever you read either the text for the policies and programs in there, they get very specific about the 400 buildings of historical merit in the City's Historical Inventory site, which are the result of a study taken 30 years ago. I am just astounded that places that are of historical importance to Palo Alto and Silicon Valley, like the Fairchild Building, the Federal Telegraph Building, don't get on that list, aren't mentioned in any of these texts. I'd like to just add in "A" after "guidelines," this is for minor updates to give the CAC a hint we're interested in historical structures that capture critical moments in the evolution of Palo Alto and Silicon Valley.

Ms. Gitelman: Mayor Holman, if I can just ask a question? I'm just trying to discern if the Vice Mayor's suggestion is that we just make a modest revision to the existing goal on historic resources. Is that your suggestion or you want another ...

Vice Mayor Schmid: I think this is to give a hint to the CAC that as they do programs and policies, these are elements that should be included in. That's what I've interpreted.

Ms. Gitelman: I had understood Paragraph A was really direction on vision and goals.

Vice Mayor Schmid: Would it be better to put that as a separate letter?

Ms. Gitelman: It's up to you.

Mayor Holman: Would you care to do that Council Member, Vice Mayor?

Page 91 of 122 City Council Meeting Transcript: 11/2/15

Vice Mayor Schmid: Yeah. I'd be happy to put that as "F."

Mayor Holman: What do you want them to do with that? Right now, it says "historical structures that capture historical moments in Palo Alto and Silicon Valley." What do you want them to do with that?

Vice Mayor Schmid: Include in programs and policies.

Council Member DuBois: Is this a policy to update our historical list to include these buildings?

Mayor Holman: That's really what, I think, you're intending, Vice Mayor Schmid.

Vice Mayor Schmid: Yeah.

Mayor Holman: We have and Staff and members of the community and HRB have had conversation about this, how our historical data is quite outdated.

Ms. Gitelman: Thank you, Mayor Holman. I feel like we're getting sucked down into the weeds here, instead of staying at the sort of vision, goal, big issue direction. We still have one major topic to address this evening. I wonder if I could just assure the Council that, of course, we will be looking at the policies and programs with regard to historical resources that are already in the Plan, and will take the opportunity to capture this thought.

Vice Mayor Schmid: You will be coming back with the results from the CAC?

Ms. Gitelman: Yes.

Mayor Holman: While we're in the weeds, David, before you permanently delete that, could you put it back for a moment? It's pretty simple the way it is stated. Director Gitelman, I think it's pretty simple the way it's stated. Just take it as general direction that this is intended to update the existing policies and goals based on existing information that didn't exist when we had the prior Comprehensive Plan. Would that be acceptable to the maker?

Council Member DuBois: No. I really do think we're getting away from goals here. I really think we should trust Staff that policies and programs like this will be discussed. I don't want to start listing a bunch of policies and programs.

Mayor Holman: That's what we did with sea level rise and the Airport and ...

Council Member DuBois: Those are updates in terms of goals that don't even exist. We do have an existing historical building thing. I get we're

going to update it. Again, that's just my preference. We could have it as a separate amendment if you want.

Mayor Holman: I'm tempted to second it.

Vice Mayor Schmid: I'm willing to let Staff carry the message.

Mayor Holman: We will be trusting Staff to take that forward.

**AMENDMENT:** Vice Mayor Schmid moved, seconded by Council Member XX to add to the Motion, "to include in Programs and Policies, historical structures that capture historical moments in Palo Alto and Silicon Valley."

#### AMENDMENT WITHDRAWN BY THE MAKER

Mayor Holman: Council Member Berman.

Council Member Berman: I wanted to start to try to address some of the issues that a lot of folks came here to talk to us about and, I guess, offer two amendments. The first is direct Staff and the CAC to explore policies and programs to support more housing for seniors, particularly units in walkable communities that allow easy access to services.

Mayor Holman: Council Member DuBois?

Council Member DuBois: My only hesitation is—I think this is totally fine, but it completely belongs in the Housing Element. I just don't want to muddy up our structure late at night. That's why my questions earlier on had to do with the Housing Element. There are already programs in there for seniors. It just seems like that's where this belongs.

Council Member Berman: I think the Housing Element—maybe I'd ask Staff for some clarification here. What role is the CAC playing in the Housing Element and its identification of specific plots for specific potential uses versus the larger goal of trying to identify different policies that we could make that would—I don't know what they are. That's why I'm asking Staff and the CAC to look at it—that might lead to additional housing opportunities for seniors. I'm not sure that it is a Housing Element. I think this would be a perfectly reasonable place for it. I guess I'd ask Staff what direction has the CAC been given in regards to the Housing Element.

Mr. Dennis: I think there's a couple of comments here. We have not gotten to the Housing Element portion of this yet with the CAC. I think we were going to develop over time with conversations with you in February, the Council and the CAC, what that would look like. We haven't defined the scope of that process.

Page 93 of 122 City Council Meeting Transcript: 11/2/15

Council Member Berman: My understanding was—we have a Housing Element. It's a certified Housing Element. The Council's instruction was have it come back to identify moving different plots from south Palo Alto to other locations. It wasn't going to involve this broad of a discussion on policies and programs and how we could possibly incentivize this type of use.

Ms. Gitelman: That's right, Council Member Berman. I think our expectation is we'll have that conversation with the Council and the CAC early in the new year. That said, I think your suggestion that the Land Use and Community Design Element include something about this is probably okay. We do have a section in the existing Comp Plan about walkable neighborhoods. This is in keeping with that. It could be that with this direction, the CAC emphasizes that area of the Plan.

Council Member Berman: I just think—that's exactly it. I think we've heard from a lot of folks, not just tonight but at other times, about concerns. We have an aging population, and we don't have a housing stock to accommodate them.

Council Member DuBois: I'm fine with it. I guess we could give Staff the flexibility to move it if, just in terms of readability, it belongs in a different Element later.

Council Member Berman: Sure, 100 percent.

Council Member Burt: As the seconder, I'll just say that it's in the right direction. You need to think about how to frame these as land use decisions.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff and the CAC to explore policies and programs to support more housing for seniors, particularly units in walkable communities that allow easy access to services."

Council Member Berman: Fair. If you have any suggestions, I'm more than open to them. I was going to make a second amendment that I think might be a little more along those lines.

Council Member Burt: I have one as well that was intended along the same direction.

Mayor Holman: Is this then accepted by both maker and seconder?

Council Member Burt: Yeah.

Council Member Berman: My second one was direct Staff and the CAC to explore policies and programs—I probably should have prefaced this with a comment beforehand, but that's all right—that can increase the allowable area for multifamily and mixed-use housing. I should say that "may increase the allowable area."

Mayor Holman: Council Member Berman, I think for anybody to have a clear understanding of this, what do you mean by "allowable area"? Do you mean geographically? Do you mean area on a parcel? What are you referring to?

Council Member Berman: Geographically. Current land use distribution—this is in the existing conditions document on the Comp Plan website—states that, for example, 58.6 percent of Palo Alto land is zoned open space and parkland; 23.3 percent is single-family residential; only 3.6 percent is multifamily residential. A couple percent is commercial, and a tiny sliver is mixed use. Would it be possible to identify other additional opportunities for mixed use and multifamily residential? I think it's pretty clear that single-family residential, we're not going to achieve more moderately priced—I'm sorry?

Council Member Burt: You need it either accepted or ...

Council Member Berman: I do. I was answering the question that the Mayor asked me.

Mayor Holman: Now that it's identified more clearly, Council Member DuBois, do you accept?

Council Member DuBois: I'd like to vote on it separately. I have some questions too.

Mayor Holman: You need a second, Council Member Berman. I'm not hearing one.

**AMENDMENT:** Council Member Berman moved, seconded by Council Member XX to add to the Motion," direct Staff and the CAC to explore policies and programs that can increase the allowable area for mixed use and affordable housing.

#### AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Council Member Berman: One last point is on—I'm fine with "C" and "D" and having Staff and the CAC evaluate these policies and programs. No, excuse me, "B" and "C." We also have to keep in mind that the larger

Page 95 of 122 City Council Meeting Transcript: 11/2/15

employers have a lower density to their office use. We got a survey from Palantir which clearly is the company that's being addressed with these concerns. They have, I think it was over 300 square feet per employee. If we're going to change that and we're all of a sudden start to incentive smaller or mid-sized companies, those are going to be the much more dense uses which will then go in contradiction of "C" which is trying to control occupant density. As the CAC and Staff look into these kind of things, I think it's important for them to keep that in mind, that the larger companies have the lower densities. We don't want to all of a sudden create policies that have unintended consequences that totally contradict what we're trying to achieve.

Mayor Holman: I'm going to take a turn here real quick. Council Member DuBois, in your "A," the last line of it, you've got Baylands there. Do you mean the Baylands Master Plan or what is your reference to Baylands?

Council Member DuBois: Now, it's getting late at night. That was a new section in the PTC's version specifically, I believe, that was not in the current Comp Plan. It was pulling over some of that new content. I think it may refer to the Baylands Master Plan. I don't remember.

Ms. Gitelman: I think our intention was to make the link between the Comp Plan and Baylands Master Plan stronger in the update.

Mayor Holman: It really would be Baylands Master Plan then here, Council Member DuBois?

Council Member DuBois: It's not in the Comp Plan. It's a section in the Comp Plan about the Baylands that refers to the Master Plan elsewhere.

Mr. Dennis: The section at the end of the PTC revisions, starting with new Policy 5.17, is what you're referring to. There's two policies there. That's it, two policies.

Mayor Holman: Is it Baylands area—I didn't know what page you were on—Baylands area or Baylands Master Plan or Master Plan. Hillary Gitelman is saying Master Plan. We last time said that we wanted the Urban Forest Master Plan added in, so Staff's already got that, correct? Urban Forest Master Plan, we referenced last time, so you're already incorporating that. We don't need to add that here. Right?

Ms. Gitelman: That's right. I think it's our intention to incorporate by reference all of these plans so they have some standing, but we don't have to go through a whole Comp Plan Update process when each one of them is updated in the future.

Page 96 of 122 City Council Meeting Transcript: 11/2/15

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part A, "Master Plan" after "Baylands."

Mayor Holman: Mixed-use guidelines. Can we clarify in the Baylands reference—I'll look to Staff. Is this appropriate here or is it part of the Housing Element that we don't want housing on the east side of 101? Where's the appropriate time to bring that up?

Male: (inaudible)

Mayor Holman: That's a vision.

Ms. Gitelman: Again, Council Member—Mayor Holman, I think we've addressed that in our Housing Element. We addressed that in our zoning. We've addressed that in the Land Use Map that governs the City of Palo Alto which no one has suggested that we revise. I really ...

Mayor Holman: It was suggested.

Ms. Gitelman: I haven't heard that comment.

Mayor Holman: At the last CAC meeting, one of the members brought it up to me and brought it up at the meeting.

Ms. Gitelman: If the Council feels like they have to provide that direction to the CAC and to the Staff, then by all means.

Mayor Holman: If you don't think it's necessary, but it was brought it up. That's why I'm bringing it up. If you don't think it's necessary, then that's good, that's fine. Just some clarification, if I could get it, on mixed-use guidelines. What's intended by that?

Council Member DuBois: Again, I don't have my PTC version here. I don't know if you could look it up, Jeremy. It was a little bit longer than the Baylands section.

Mr. Dennis: Mayor Holman, it's a section on—my page numbers are cut off. It's Policy 2.19 in the PTC revisions, mixed-use guidelines. It's a couple of different new policies and a couple of programs. We understood the direction.

Mayor Holman: All right. Council Member Burt.

Council member Burt: First, I think just a cleanup. Section A, I think, should be split after the word "review." Up until then it refers to the vision

statement, and after that it refers to the goals. I would just put that into a new "B" and eliminate the word "and." Does that seem reasonable?

Council Member DuBois: Yeah.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to separate Part A in the Motion into two Parts after, "Council review and."

Council Member Burt: Second, I wanted to go a bit in the direction of what I think maybe Council Member Berman was aiming for. I found his motion to be very sweeping; it could mean that we want to put higher density housing in our open space and our R-1 neighborhoods and those kinds of things. I wouldn't support that. More specifically, my amendment would be to direct Staff and the CAC to—in this case I'll actually start with the word "develop"—develop policies and programs that would provide greater incentives for mixed-use retail/residential in our University Avenue and Cal. Ave. areas. I'm sorry, I should have said "small unit residential."

Mayor Holman: Council Member DuBois?

Council Member DuBois: Yeah, I'll accept that.

Mayor Holman: I'm sorry. That was a yes?

Council Member DuBois: Yes.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff and the CAC to Develop policies and programs that provide greater incentives for mixed used retail and small unit residential in the University Avenue and California Avenue." (New Part H)

Council Member Burt: After "incentives," it should be "incentives for," I guess. That was accepted, so that's "H." That's it.

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: One last housing addition. This is just direction to the CAC and the Staff. Hopefully it's amenable to the maker and the seconder. To direct the CAC to maintain and strengthen existing language supportive of housing supply for diverse family sizes, ages, ability levels and income levels.

Mayor Holman: Council Member DuBois?

Council Member DuBois: I hope this is the last one. L-8 is really important, and we've spent a lot of time on this. I'm hoping we'll get to a vote here. I'll accept that one.

Mayor Holman: Council Member Burt?

Council Member Burt: Yeah.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff and the CAC to Maintain and strengthen the existing language supporting housing supply for diverse family sizes, ages, ability levels, and income levels."

Mayor Holman: Anything else?

Council Member Wolbach: Let me just make sure you got all that. Actually, "for diverse family sizes." Actually I'll just take it (inaudible) I can show it to him.

Mayor Holman: Council Member Filseth. Seeing no other lights, I have one question for Council Member Burt, since this amendment has been accepted. Council Member Burt, on "H," did you want that to really be University Avenue and California Avenue and exclude El Camino? You could just say "small unit residential in appropriate areas including."

Council Member Burt: I was intending for the focus to be on those two areas. It's a reasonable question whether we would want to broaden it beyond that.

Mayor Holman: That is my question. I'm asking for an amendment ...

Council Member Burt: Why don't we—how about "with particular emphasis on University Avenue and California Avenue"? That doesn't exclude this.

Mayor Holman: I can go for that.

Council Member DuBois: I would support that. I don't really want to broaden it further right now.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part H, "residential in the" with "residential with particular emphasis on."

Mayor Holman: "With particular emphasis," there you go. "With particular emphasis on University Avenue and California Avenue." That makes me complete. Council Member Filseth.

Page 99 of 122 City Council Meeting Transcript: 11/2/15

Council Member Filseth: The language on "I" which is housing supply for diverse family sizes, ages, ability levels and income levels. That's like everybody, right?

Council Member Wolbach: Yeah.

Council Member Filseth: What does it say?

Council Member Wolbach: That says that we're pro housing just like the old

Comp Plan.

Council Member Filseth: For everybody, right?

Council Member Wolbach: Yep.

Mayor Holman: I don't see any further lights, so it looks like we are actually ready for a vote on this. I won't read through all of it. Pardon me, for anybody who's watching from home. Council Members, vote on the board please. That actually passes unanimously on an 8-0 vote, Council Member Kniss absent.

#### **MOTION AS AMENDED PASSED:** 8-0 Kniss absent

Mayor Holman: Now, can we get to Policy L-8 please? Council Members? Vice Mayor Schmid.

Vice Mayor Schmid: Back to L-8. Trying to make the case that this is an important indicator of Council intent on direction, size, scale of movement. The interesting thing about L-8, it is not just another policy in our Comp Plan. It's actually part of a 50-year long process. It's interesting if you look at the history of Silicon Valley, starting with Moore's Law which declared that information prices would be falling dramatically every 18 months. At the same time, Palo Alto governance started a long series of movements saying, "We don't want big corporate headquarters in our town." There's a string of events either by voters in Palo Alto or by City Councils. In the '60s, they turned down an 18-story hospital in SOFA. They turned down two 15-story buildings on University Avenue. The imposed a 50-foot height limit. They protected both the Baylands and the Foothills against development. In the '80s, they set a two-year moratorium on Downtown office growth. They imposed parking requirements for new commercial buildings and imposed fees on them. In the 1990s, they downsized major commercial areas throughout town and put in Program L-8. L-8 was a manifestation not of an apparition but of a choice that Palo Alto has made consistently through that growth period of Silicon Valley. It had a big impact. As Council Member Scharff said earlier, a lot of companies started here with Fairchild. Ideas

> Page 100 of 122 City Council Meeting Transcript: 11/2/15

came here. Google, Apple, and so on. In 1975, there were two Silicon Valley information tech companies in the Fortune 500. They were both in Palo Alto. Silicon Valley took off. By 2015, there are 19 Silicon Valley tech companies in the Fortune 500. There's only one in Palo Alto. Palo Alto has done very well for itself and for Silicon Valley to say, "We are different. We're a place where things can start, where collaboration, where risk-taking, where people meet and talk with each other. A residential community of people who live here and can spend 24/7 interacting with each other." It's a unique role for a city. To remain at the heart of Silicon Valley, having that open space between Stanford and valley firms has been enormously successful for us. Program L-8 is the attempt to carry that into our Comp Plan. I'd like to make a motion saying that as a variation on L-8, we ask Staff to go and look at growth over the next 15 years Citywide, nonresidential between boundaries 750,000 to 1.275 million. numbers are consistent with the rates of growth we've had over the last 15, 16 years that have been monitored by the Staff. It's keeping a modest level. The goal, at the same time, would be to reduce that jobs to employed resident balance back to where it was in 2000, from 2.9 back towards 2.4.

Mayor Holman: You need to ...

Council Member DuBois: I would second.

Mayor Holman: You need to restate the motion please or get some language to David please.

Vice Mayor Schmid: Direct Staff to look at boundaries of growth for the DEIR scenarios over the next 15 years of growth of 750,000 square feet of nonresidential space Citywide to let's call it 1.3 million. Those are annual growth rates between 50 and 87,000 square feet per year.

Mayor Holman: Council Member DuBois, you seconded. With this clarification, are you good with that?

Council Member DuBois: Yep.

**MOTION:** Vice Mayor Schmid moved, seconded by Council Member DuBois to direct Staff to look at boundaries of growth of the Draft Environmental Impact Report (DEIR) scenarios over the next 15 years, growth of 750,000 square feet of non-residential citywide to 1.3 million square feet.

Council Member DuBois: Can you explain the higher numbers? What's remaining, is that the current cap?

Vice Mayor Schmid: No. The current cap allows 1.7 million, so this is about 30 or 40 (inaudible) that can add 1.7 million. This is well below that, approximately 40 percent below that.

Mr. Keene: It's 3.5 million up there.

Mayor Holman: City Manager, did you ...

Vice Mayor Schmid: I said 1.3, not 3.5.

Council Member DuBois: Would you accept a friendly amendment to have the DEIR look at as the upper limit the remainder of the current cap?

Ms. Gitelman: Mayor Holman ...

Mr. Keene: What's the DEIR in here for?

Ms. Gitelman: Mayor Holman, if I can interject? The Draft EIR at Council's direction at the end of last year is underway. Kind of the ship has sailed on defining how to structure that using new scenarios. I'm hoping that what we'll get back to is a direction with regard to additional policies that could be developed to supplement L-8. If we feel like L-8 isn't sufficient to guide us for the next 15 years, our hope is we would get your direction on what shape some supplemental policies might take. It could be that it requires some additional analysis, but I think our intention tonight was not to get additional direction on the Draft EIR.

Vice Mayor Schmid: Are you saying we cannot explore the consequences of a low rate and a relatively higher rate?

Ms. Gitelman: I think we are going to bring forward an analysis that does exactly that. What I can't tell you is if it has managed to (inaudible) understand exactly what your desired scenarios are, because the analysis is already underway. Just like they did a land use study in 1989, we could undertake another land use study in the modern day and come up with something. What we're looking for is something more general in terms of what kind of approach does the Council want to use towards growth management. If what you're suggesting is what you want, instead of Policy L-8 or in addition to Policy L-8, is a policy that's about a cap on nonresidential development Citywide, that would be terrific. I think we can talk about exactly how to do the analysis that would inform what that cap is.

Vice Mayor Schmid: I guess the key thing is to make sure that a restricted cap like this can get the same analysis as a continuation of the current cap or anything else. Is that ...

Page 102 of 122 City Council Meeting Transcript: 11/2/15

Ms. Gitelman: I think I understand what you're saying. Let me just make sure I understand. We had suggested that Policy L-8 be retained. Not because it's fantastic, but because basically we have sunk costs. We've been monitoring this universe for a long time. We might as well keep monitoring it. It would be, I think, logical for the Council to suggest that in addition to that we have another policy about growth management that either has a cap or a pacing mechanism or a jobs-housing balance mechanism, something like that. Our hope was that the Council would tell us amongst all of these different growth management strategies which would you like us to explore further with the Citizens Advisory Committee.

Vice Mayor Schmid: When do we tell you that?

Mr. Keene: I think she's trying to get the motion reframed a bit to provide that directive.

Ms. Gitelman: That's right. We were hoping really for a signal from the Council this evening about which type of growth management policy you would like to add to the Comp Plan, a cap, a pacing mechanism, something around jobs-housing balance, a mixture of them, just at a conceptual level. The actual mechanics of it, we will have time to work out. The CAC can put some work into that, send something back to the Council for review and refinement. We have time to develop that. If you could give us some guidance on what you think the mechanism would be, that would be fantastic.

Vice Mayor Schmid: I am surprised that the game is played [foreign language] when I thought the Council would be involved in that decision of what numbers we would be looking at.

Ms. Gitelman: Yes. Undoubtedly you will be make the ultimate decision of what numbers there are. Right now, I just don't think we have the information I think is inherent in your motion. There's some additional analysis we're going to need to do before we can land on an actual number. I'm a little nervous about putting numbers out there. I was hoping we would get kind of a conceptual approach.

Vice Mayor Schmid: Would you feel more comfortable if it said that Staff look at a growth of 750,000 square feet over the next 15 years? Just to ...

Ms. Gitelman: I'm sorry, I didn't quite hear that.

Vice Mayor Schmid: Instead of putting a reference to the DEIR, just ask Staff to look at the impacts of a growth of 750,000 square feet of

nonresidential space Citywide over the next 15 years, so that we would have your analysis of impacts when the DEIR comes.

Mayor Holman: Isn't this asking for the same thing? Impacts are what a DEIR analyzes.

Vice Mayor Schmid: She says we can't do the same.

Ms. Gitelman: I would be more comfortable if we're going to refer to analyzing the impacts of analysis if your direction was to analyze the impacts of a range, small, medium, large. What I'm reacting to is the specificity here, because I can't tell you, without going back to the consultants, exactly what number. Is it 750? Is it 755? Is it 800 or is it 600? I just don't know sitting here this evening.

Vice Mayor Schmid: I've taken those two from the numbers that you have consistently given us. Over time one way of measuring says that the annual growth has been 87,000 square feet over the last 17 years. You gave another growth measurement of 50,000. That's where my two numbers come from, the data that we have been working with.

Mayor Holman: Council Member DuBois, as the initial seconder, did you want to make a comment?

Council Member DuBois: Council Member Schmid, when I read this I thought you were actually proposing more of the pacing mechanism, looking at a range. The 50,000 a year over 15 years is the 750,000 square feet. Would you prefer to say "evaluate a pacing method for growth of 50,000 square feet a year for 15 years to an upper range of" something like the remaining cap divided by 15 years?

Vice Mayor Schmid: I think this gives a little more flexibility in the sense you have ups and downs.

Council Member DuBois: Right. It's actually evaluate the annual pacing versus the total numbers.

Vice Mayor Schmid: That's another way of doing it.

Mayor Holman: Would you care to suggest language for that then?

Council Member DuBois: What's the remaining cap again? I'm sorry.

Mr. Dennis: (crosstalk) million square feet is left.

Vice Mayor Schmid: On top of the Stanford (crosstalk).

Page 104 of 122 City Council Meeting Transcript: 11/2/15

Council Member DuBois: That would be 113,000 square feet a year if we paced it out, something like that, which is quite a bit higher than ...

Ms. Gitelman: There's no reason why you have to use it up in 15 years though.

Mayor Holman: That's right.

Ms. Gitelman: I think we would be happy to get a motion suggesting that the CAC look at a pacing mechanism similar to the interim office limit, if that's the Vice Mayor's intention here.

Vice Mayor Schmid: Okay, as long as it's clear that it is Citywide nonresidential.

Council Member DuBois: I think the motion would be look at a pacing mechanism of nonresidential development ...

Mayor Holman: I think your intention may be—the cap is nonresidential. I think what we're looking at is office, because nonresidential includes retail. It includes all kinds of things.

Council Member DuBois: I was going to suggest a larger number. Citywide 50,000 to 115,000 square feet a year. Again, the maker of the motion, did you mean office space?

Vice Mayor Schmid: I meant nonresidential Citywide.

Mayor Holman: Council Member DuBois, are you seconding this?

Council Member DuBois: At this point, is this acceptable?

Vice Mayor Schmid: Yeah, I'll accept that.

Council Member DuBois: I would second that and I would be open to some discussion about the ranges. Again, I think we're kind of trying to figure out a range to evaluate with the CAC. If that's overly precise, I'd love to hear from Staff the best way to kind of describe a range.

**MOTION RESTATED:** Vice Mayor Schmid moved, seconded by Council Member DuBois to direct the CAC to look at a pacing mechanism for non-residential growth citywide, similar to the Annual Growth Limit with a range of 50,000-115,000 square feet per year.

Mr. Keene: I hate to do this at this hour. Is there a way to circle back and just simply state what the intention here is without doing the math on it initially?

Council Member DuBois: I could speak to the motion from that perspective, if that's useful.

Mr. Keene: Yes.

Council Member DuBois: I think the overall cap is really meaning to represent the balance of what we want in the City. I think there's a feeling right now we've gotten ahead of ourselves in terms of residential versus nonresidential. I'm starting to view this next Comp Plan as a time where we catch up on the residential side. I think we're seeing evidence that we're falling behind on our commitments to things like parks. Council Member Kniss talked to one School Board member; I've talked to others. Again, our schools are very large at this point. I think we want to evaluate some scenarios for nonresidential development, kind of pacing the growth at a rate that our infrastructure can absorb over the 15 years. I think that's where this idea is coming from. I think this idea also hopefully creates some space We talk about housing Downtown. It loses out in the competition to other kinds of development right now. If we never have a cap that takes effect, we're never going to see kind of that shift of balance. Again, a lot of what we've already talked about, some kind of pacing mechanism, some kind of quality metrics for the projects that do happen, I think that's the intent.

Mr. Keene: Isn't there a way to say something like that in shorter words without having to debate what the kind of—my reaction is trying to prescribe some numbers tonight on one of the most essential, important issues in the Comp Plan, I mean really, at this hour almost out of the blue. Rather than asking the CAC, you're trying to deal with pacing. Hillary's point was a great one. There's nothing that would say you've got to use up all of this capacity in 15 years. You may get feedback from even smaller pacing, particularly when people are talking about the residential mix. I mean this with all respect. It seems rather arbitrary to be plucking out some numbers right now tonight and limiting what you do with the CAC as opposed to you want to be sure the existing cap is applied Citywide on all nonresidential when to explore different pacing mechanisms that allow you to sort of manage the amount of nonresidential to deal with what you were talking about, Tom.

Council Member DuBois: I too was under the impression that we would have input into the scenarios that we did DEIRs on. I was surprised that those scenarios have left already. I think we were looking at—this is one of the

Page 106 of 122 City Council Meeting Transcript: 11/2/15

few quantitative parts of the Comp Plan. Again, it gets back to maybe tonight is not the night to pick a number, but how do we get to a number, not to keep it vague.

Ms. Gitelman: I think that's an excellent point. We do have this analysis under way of some hypothetical planning scenarios. We're hoping the analysis will be ready for you and the CAC and the public to look at early in the new year. Our schedule actually says January. With that information in your hands, I think you'll be much better equipped to see the differences and similarities between the planning scenarios and be able to make an informed choice about what the numbers should be. I think this is heading in a very useful direction. I think what we're saying is if you can just tell us to look at a pacing mechanism and then, come January or when we give you the information and analysis on the hypothetical scenarios and what they look like, then we can talk about what these numbers should look like.

Mayor Holman: Council Member ...

Council Member DuBois: If that highlighted part was replaced with "similar to the annual growth limit based on results of the DEIR" or something like that?

Mayor Holman: Vice Mayor Schmid, is that okay with you?

Vice Mayor Schmid: No.

Mayor Holman: No?

Vice Mayor Schmid: No. We've gone through a process now of 18 months where I've acknowledged several times that the planning and the process conceived have been excellent, an improvement, and we have a dynamic going. To exclude Council from having an input on numbers just doesn't seem to make any sense and to say "we've already contracted with an outside consultant who will give us some numbers."

Mayor Holman: I don't think that's what's happened.

Ms. Gitelman: If I can interject. Vice Mayor Schmid, I'm sorry if I didn't speak as clearly as I could have. I think our intention is that the Council will govern what the numbers will be. We want you to be able to make an informed decision about a pacing mechanism that makes sense for the City. In order to do that, we're going to bring forward some analysis of a range of hypothetical scenarios, not because we think you'll select any particular one of those scenarios, but because we think it will inform exactly this choice. The Comp Plan that you and the CAC together create will fall within this

range that we're analyzing. We'll give you the data and the analysis that I can tell you're craving to have to be able to make the right decision on this.

Vice Mayor Schmid: When will that happen?

Ms. Gitelman: January is our current schedule.

Mr. Keene: It will happen faster to stay on this course than it would be to interject some numbers now and have to sort of squeeze them back into the Draft EIR. That would cost us more time.

Mayor Holman: Where we are is—Vice Mayor Schmid, you were the original maker of the motion. Council Member DuBois seconded your motion. Council Member DuBois has recommended a revision which is stated here with the highlighted being removed. With the description by Staff, are you now okay with that, with the numbers coming back in January?

Vice Mayor Schmid: If you add what Staff said, that they will come back to Council with the DEIR numbers in January. It's not just directing the CAC to look at something, but mentions specifically that the Council have a chance to discuss the DEIR.

Mayor Holman: Council Member DuBois. It's what's already happening.

Council Member DuBois: Not just the (inaudible) have a discussion (inaudible).

Mayor Holman: Microphone.

Council Member DuBois: Like you're saying it's already happening. This is a new request, the pacing mechanism. We're going to have a discussion about the pacing mechanism based on these numbers in January. Is that correct?

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER OR SECONDER to replace in the Motion, "with a range of 50,000-115,000 square feet per year" with "and direct Staff to return to Council in January with the DEIR."

Mayor Holman: Are there any lights to this motion? Council Member Scharff.

Council Member Scharff: I don't think I could support this. I think it's too prescriptive as it is. First of all, I agree with the Mayor that I think it wants to be commercial growth. I think you want commercial office growth and office/R&D. I think you want to allow retail, and you don't want to include

retail in that. I see no reason to include retail in that. We've spent the last—I don't know—six or nine months encouraging retail. discourage retail. I think that's foolish. I can't support that on that. Also I think we just spent huge amounts of time working out an interim pacing mechanism. I think we want to see a little bit as we go through this how this works a little bit. I think we want to say things that open it up a little bit more. I think we want to say things like to direct the CAC to look at a pacing mechanism for commercial, nonretail growth. You may want to have different pacing mechanisms and different amounts for Stanford Research Park. You may not want to have one in the Stanford Research Park. I think it's too early to say Citywide. I think you may want to have a different one, frankly, Downtown than you have on Cal. Ave. You may want to have a different one on El Camino. I think all of these we should leave open to discussion rather than make that decision tonight. Therefore, I will move a substitute motion that says that we direct the CAC to look at a pacing mechanism for nonresidential, nonretail growth.

Mayor Holman: I'll second that. I want to amend it a little bit, but I'll second it.

**SUBSTITUTE MOTION:** Council Member Scharff moved, seconded by Mayor Holman to direct the CAC to look at a pacing mechanism for non-residential, non-retail growth.

Mayor Holman: Do you need to speak to it any further?

Council Member Scharff: Yeah, I do. This is one of the more important things we do. We spent a lot of time thinking about an interim ordinance. Here we're going to be very prescriptive in a way that's very different than our interim ordinance, if we went with the other motion. I think that's not making policy in a deliberate and thoughtful manner, which is what we want to do. We put the CAC together; let's let them discuss it. Let them look at all the different options. Let's come back and let's also evaluate a little bit about the interim cap that we put in. I think we don't need to be that prescriptive tonight. I don't think we should. I clearly think we should not include retail in this.

Mayor Holman: My amendment to this—thank you for this—is to direct the CAC to look at—I think it would be pacing mechanisms, maybe it might be plural.

Council Member Scharff: That's fine. "Pacing mechanisms" is good.

Mayor Holman: To look at pacing mechanisms for office and R&D development and its impact on jobs-housing balance.

Council Member Scharff: Okay, that's good. I'm good with that.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Substitute Motion, "a pacing mechanism for non-residential, non-retail growth" with "pacing mechanisms for office and R/D development and its impact on the jobs housing balance."

Mayor Holman: For office, R&D development and its impact on jobs-housing balance. You're good with that, so I'm done. Council Member Wolbach.

Council Member Wolbach: I was going to offer a substitute, but I think actually the substitute motion that's been proposed by Council Member Scharff and seconded by the Mayor is pretty good. I'd like to suggest a friendly amendment to that. That would be—let me see if I can figure out how to plug it into this. Direct the CAC to look at—actually it would be "pacing or mitigation mechanisms." I would actually suggest expanding this. Let's balance it. There are more impacts of development and jobs than just on the jobs-housing imbalance. I would open it up to also suggest adding "impact on jobs-housing imbalance and other community impacts." I was thinking about ones like traffic, parking, schools, etc.

Council Member Scharff: I'll do what Council Member DuBois always does, which I think is a worthwhile approach. I might be persuaded of it, but I'd like to see it as a separate amendment.

Mayor Holman: Council Member Wolbach? An amendment.

Council Member Wolbach: I'm offering an amendment to the substitute motion to add the text in bold.

Mayor Holman: Is there a second to that?

Council Member Wolbach: If somebody will second it, I will elaborate on my reasoning, which I think many will find reasonable.

Mayor Holman: I'm not hearing a second.

**AMENDMENT TO THE SUBSTITUTE MOTION:** Council Member Wolbach moved, seconded by Council Member XX to add to the Substitute Motion, "or mitigation" after "at pacing" and "and other community impacts" after "housing balance."

AMENDMENT TO THE SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND

Mayor Holman: We return then to the substitute motion. Council Member DuBois.

Council Member DuBois: Originally the motion was nonresidential, nonretail, which I think I was more open to. I would like to know why the shift to office, R&D? Are there other commercial uses that you do not want to limit as part of that? That seems very limited.

Mayor Holman: Since I offered the amendment, I'll speak to that. Yes, because there are personal services also that you're going to have swept up into this.

Council Member Dubois: There's a whole bunch. There's medical. Again, you've really narrowed it dramatically, which is part of the problem I have with it.

Mayor Holman: I'd be happy to add medical to this, medical office.

Council Member DuBois: If it was nonresidential, nonretail, I think I would be happy. The other concern I have is I think we just abdicated a major decision to the CAC in a way that we have not asked them to do on any other Element. Largely what they're doing is looking at red lines and highlighting where there's disagreements. We're going to have them evaluate our annual growth limit. That's a much bigger project than, I think, anything we've given them. What's that?

Council Member Burt: Much more policy (inaudible).

Council Member DuBois: Yeah. I just don't think the CAC is the right place for it. Maybe Policy and Services.

Mayor Holman: The prior motion said to direct CAC to look at pacing mechanism for nonresidential growth. That was accepted.

Council Member DuBois: It kind of evolved. I think we were really thinking it was going to be part of the EIR that Staff would look at and would evaluate a range. Again, I'm not going to be supporting the substitute motion for those two reasons.

Mayor Holman: Council Member Filseth.

Council Member Filseth: Can I ask you a question about the numbers, before I get into my main question here? I'm looking at the Planning Director's memo. If I add up the numbers here which are 1.539 million square feet of nonresidential developments in the nine monitored areas ...

Ms. Gitelman: I'm sorry. Council Member Filseth, I'm having trouble hearing you.

Council Member Filseth: Sorry. If I look at the numbers in your memo here, it's 1.54 square feet of nonresidential development in the nine monitored areas, and then 1.017 in the non-monitored areas, another 1.3 million square feet in the Med Center, and then another 730,000 square feet available in the Stanford Research Park. Have I got those numbers right?

Ms. Gitelman: Yes. Although, those are all a little bit apples and televisions. One is monitored areas, one is non-monitored areas, another is a non-monitored area, and the Research Park is a monitored area. They all vary.

Council Member Filseth: As I add up these numbers, all those numbers add up to 4.6 million square feet. Even if you remove the Med Center completely, which is 1.3 million, then we're still at 3.25 or 3.3 or something like that. The distinction of monitored versus non-monitored, per the intent of Policy L-8 20 years ago, seems a little bit secondary to me. As for Council Member Scharff's commentary earlier that a lot of this, at least in the original Comp Plan 20 years ago, talked about traffic and maybe the influences of traffic on the medical facilities were different from other kinds of facilities. That's probably true. That doesn't necessarily mean we ought to have them at zero. Maybe they contribute half as much or something like that. It doesn't seem like it should be zero. As I look at these numbers and juggle these numbers here, the net net of all this—it doesn't really matter how we got to this point. What matters is here's where we are and what do we do now. It looks to me like we're at the cap. I think this puts us actually at some level into uncharted territory in the City. Have we ever hit a cap in the Comprehensive Plan, in a Comprehensive Plan in the last four decades? I don't think we ever have, so we're sort of in a new situation here.

Ms. Gitelman: Through the Mayor, if I can respond. I don't know how to say this any other way. I completely disagree that we're at the cap. The way we have interpreted the cap, the Council has interpreted the cap historically, it's applied to the monitored areas. In the monitored areas, we're at about 1.5 million square feet. That does not include the hospital. It does not include the other non-monitored areas where we've had almost 1 million square feet of development. Those don't count towards the 3.2 million square feet. I think it's just not an appropriate interpretation and not an interpretation that any previous Council or Staff has taken with regard to L-8.

Council Member Filseth: I understand. That I understand. As I look at this, let me condition it here as 3.2 million square feet of nonresidential for the

nine planning areas. All the discussion here has to do with the impacts of growth limit will be observed Citywide for the term of the Plan. Traffic will be monitored to ensure the intent of the limit is being achieved. Recognize that traffic counts are affected by both residential and nonresidential growth and by auto behavior and so forth. The monitored versus non-monitored thing, I don't know, maybe. It seems to me that if you look at the intent of the people that did this 20 years ago, there's at least a good chance that we're at that cap. I think this is a really seminal kind of point we're at. I think we should be very careful how we proceed.

Ms. Gitelman: I'm sorry, Mayor Holman, I have to disagree. I do not think that that is a plain reading of Policy L-8, particularly when you take into consideration the Map L-6 that clearly shows monitored and non-monitored areas. This is not just my interpretation. This is the interpretation of my Staff, Staffs who have come before us, the Staff Reports we've read that they have written, prior Councils. The 3.2 million square feet does not apply to everywhere in the City. It applies to the areas that are called monitored areas and that are shown on that map. There are employment districts that fall ...

Council Member Filseth: The nine planning areas.

Ms. Gitelman: That's right. There are employment areas that fall outside of the monitored areas and that are not covered by Policy L-8. A good example is the area around Page Mill Road, where we've just had a few projects. The VTA lot, 441 Page Mill Road, some other developments in that area fall outside of the planning area in that part of the City and are non-monitored.

Council Member Filseth: Yet, development in that area would contribute to traffic—sorry?

Male: I think that's a separate sentence (inaudible) to help clarify (inaudible).

Mayor Holman: Council Member Burt.

Council Member Filseth: (crosstalk)

Council Member Burt: It's perfectly fine for us on a going-forward basis to have a discussion about how we want to do this. We don't need to go back and rewrite history in an inaccurate way to be able to have the discussion going forward. For instance, Council Member Scharff mentioned that four of us voted on a unanimous Council decision to approve the Stanford hospital projects and, at that time, to specifically exempt them from this calculation.

Vice Mayor Schmid at the time said it's a night of celebration in Palo Alto after making that vote. We don't have to go back and rewrite history to have a reasonable discussion going forward. Let's just focus on going forward, what we want to do. It's not accurate what you and Vice Mayor Schmid are saying on the historic basis for this. You don't need to make that argument to have the discussion about where we want to go going forward.

Council Member Filseth: I'll accept the point. It's not my intent to go back and rewrite history. My intent is to try to figure out what we do now. As long as we're in agreement on what we do now, I think that's what's important. However, I think we are getting into uncharted territory here.

Mayor Holman: I think, Council Member Filseth, what you're alluding to is maybe we reconsider what the boundaries are for monitored and unmonitored in the future.

Council Member Filseth: I think that should absolutely be on the table.

Mayor Holman: If you want to propose something about this, then that's how we would address that, as opposed to a backward look.

Council Member Filseth: I think it should cover all the City.

Council Member Scharff: I'd accept that. That L-8 (inaudible).

Mayor Holman: Microphone please.

Council Member Scharff: I would accept that Policy L-8 as it's currently written would apply to the entire City and not just monitored and non-monitored areas.

Mr. Keene: As it's written right now?

Council Member Scharff: Yeah, on a going forward basis. We would still have a million—whatever is left of the cap. On a going forward basis, you would count whatever is built out.

Ms. Gitelman: Can I interject? It had been our thought all along that Policy L-8 would continue as it is, because we've been monitoring those areas of the City in that way for a long time. Over a long trend, it actually shows something useful. Going forward, you might want to supplement Policy L-8 with a Citywide growth control measure. It sounds like the Council is interested in some kind of pacing mechanism. Is it possible that what you're telling us is that you would like to determine what that pacing mechanism is when you see before you the results of the analysis going forward?

Page 114 of 122 City Council Meeting Transcript: 11/2/15

Council Member Scharff: You keep saying a pacing mechanism. I think what Council Member Filseth suggested is that we—correct me if I'm wrong—take Policy L-8, if you want to still study the monitoring areas for historical purposes, but that we actually take what's left of the cap and we say we will on a going-forward basis count the whole City. Is that correct? To that cap. That's what I understood.

Mayor Holman: Council Member Filseth, is that correct and what your intention is?

Council Member Scharff: I would accept that if that's your ... That would be in addition to the other pacing mechanisms which is a different pacing mechanism which is a growth on an annual basis which is what we're talking about.

Council Member Filseth: The growth on the annual basis that we're talking about is Citywide. Is that right? Not just the three areas?

Council Member Scharff: The growth on an annual basis is up to the CAC to give options to Council. I'll speak to what Council Member DuBois said briefly. Sorry. We're not abdicating that responsibility to the CAC. What we're asking the CAC to do is to suggest approaches. It could be Citywide. It could be Citywide with the exception of Stanford Research Park. It could be 50,000 square feet total with 25,000 Downtown, 10,000 El Camino; you could break it up many different ways. We're not being prescriptive about how that should be broken up. We think the conversation should occur and that should come back to Council, and then the Council to be informed by what the CAC does, then could make decisions on that.

Mayor Holman: Hillary.

Ms. Gitelman: Mayor Holman, I wanted to respond to Council Member Scharff's suggestion that we could just adopt the 3.2 million cap for the Citywide. I guess we would like an opportunity to analyze the implications of doing that. As some of the Council Members have mentioned, if we've approved 1.5 million square feet and we've approved a hospital that up until now hasn't counted towards the cap of 1.2, then if we approve a Citywide cap of 3.2, we don't have that much to go in the next 15 years.

Council Member Scharff: You're misunderstanding me.

Mr. Keene: He's looking at it in a different way.

Council Member Scharff: You're misunderstanding me. This was Council Member Filseth. What I understood was we say we have—is it 1.7? Why

don't we just do the number? Really what you have is you have 1.7 left in the cap. We start with that today on a going forward basis, and we say everything in the City counts but only on a going-forward basis towards 1.7. If you wanted to then monitor for historical reasons, because you feel you have sunk costs and it's useful information, I wouldn't tell you not to do that. I would say when you're looking at what's left in the cap. I don't know if that was your intent, but that's what I understood.

Mr. Keene: If you combine that with a pacing mechanisms discussion, it could be decided that you would pace that out over 20 years or 25. It's not automatically in the 15-year period of the Plan.

Council Member Scharff: Correct.

Mayor Holman: Exactly.

Council Member Filseth: If you lock in 1.7 today, does that include the 1.3 in the Med Center or does that include ...

Mayor Holman: Again, we're talking on a going forward basis, so additional development. Council Member Scharff, as the maker of this motion, do you want to come up with the language that expands L-8 on a going forward basis that the monitored areas will be Citywide? I will do it. One or the other.

Council Member Scharff: I'm happy to do that, but the reason I was doing that was because Council Member Filseth suggested it, but I'm not sure he's interested in that. I haven't heard his response. I mean I ...

Mayor Holman: Whether or not, your seconder is in support of that. We think we're capturing Council Member Filseth's concerns, at least partially.

Council Member Scharff: I'm fine with that if you want me to come up with the language. Why don't we have a new sentence that says "Policy L-8 shall be redrafted"—think about it for just a second. Policy L-8 shall capture the idea that we have a 1.7 left on the cap and that that cap will apply Citywide. Does that capture that or not?

Mr. Keene: Generally, yes.

Council Member Scharff: A million square feet of development left.

Council Member Filseth: I'm probably going to vote against that.

Council Member Scharff: Then I'm not going to offer that if you're going to vote against it. That's what I was saying.

Page 116 of 122 City Council Meeting Transcript: 11/2/15

Council Member Filseth: I'm still not comfortable with the 1.7 not including the Med Center.

Council Member Scharff: I won't offer that.

Mayor Holman: Council Member Scharff, we're not going to get there with Council Member Filseth on this, unless we are on a going-backwards basis. I would ...

Council Member Scharff: Why don't we go with this motion. If we want to do after this, we can split the motion and have a separate motion on the L-8 stuff. I just want to get the growth metering done.

Mayor Holman: We're almost there. We've already ... I have one quick little fix to hopefully satisfy Council Member DuBois here. To add "office, medical office and R&D." Adding "medical office.

Council Member Scharff: That's fine with me.

INCORP INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Substitute Motion, "medical office" after "for office."

Mayor Holman: That's acceptable. I see no other lights. If anybody else wants to speak to this ... Vice Mayor Schmid.

Vice Mayor Schmid: We're playing around with an important piece of the Comp Plan. It's been pointed out, clear definitions are important. Let me just make one historic point. The Comp Plan refers to the map in the 1989 study. If you look at that map and compare it to L-6, they are dramatically different. There's no non-monitored areas in this map. Two, it's a little bit more extensive than this map. I don't know where this comes from. There is no word, sentence in the Comp Plan that says where L-6 came from. The reference is to this map.

Ms. Gitelman: I'm sorry. I thought that the Map L-6 was a result of the Council's amendment to the Comprehensive Plan in 2011 that explicitly excluded the hospital and adjusted the boundaries on that map. I would have to go back and research and actually find the motion, but that was my understanding.

Vice Mayor Schmid: That's where L-6 comes from?

Male: (inaudible)

Vice Mayor Schmid: Yeah, it's in the Comp Plan.

Page 117 of 122 City Council Meeting Transcript: 11/2/15

Ms. Gitelman: It's a map in the Comp Plan that was amended in 2011 by Council action.

Vice Mayor Schmid: The wording in the Comp Plan refers to the map in the 1989 study, which is quite different.

Mayor Holman: Map L-6 is a part of the Comp Plan. It's in the Comp Plan.

Vice Mayor Schmid: My point here is it's important that we get clear on what we're stating. I want to just contrast the motion on the table with the original motion. The differences are you've added jobs-housing balance; you say pacing mechanisms for office, medical office and R&D. If you look at the numbers given by the Congestion Management Program, what we are covering in this is approximately 40 percent of the growth that has taken place over the period 2001 to 2015. Voting for the substitute motion indicates that we're only interested in looking at, say, around 40 percent of the growth that will be taking place. The original intent of this was to take care of the traffic issue that was impinging on town. Leaving out 60 percent of the elements that produce traffic doesn't deal with the issue they were dealing with in 1998. It doesn't deal with the issue we're dealing with in 2015. I think the substitute motion, you have to take into account they're asking them to do half the job.

Mayor Holman: Can I just add one thing to this? The DEIR is going to come to us. Vice Mayor Schmid, you're mentioning traffic and traffic impacts. The DEIR is going to come to us anyway. We will be looking at that at that time. We don't have to include it in this motion. Does that make sense?

Vice Mayor Schmid: Are we looking at the traffic impacts of total growth or only the office, R&D?

Mayor Holman: Total growth in the EIR. Total growth in the EIR. The EIR encompasses all.

Vice Mayor Schmid: We don't know what the ...

Council Member Burt: Call the question.

Mayor Holman: Remind me. Does call the question require a second?

Council Member Scharff: I'll second it.

Mayor Holman: Whether or not, we have a second.

**CALL THE QUESTION:** Council Member Burt moved, seconded by Council Member Scharff to call the question.

Page 118 of 122 City Council Meeting Transcript: 11/2/15

Mayor Holman: We need to vote on the call the question. All those in favor vote on the board please, or opposed. That motion passes on a 6-2 vote, Council Member Kniss not present.

**CALL THE QUESTION PASSED:** 6-2 DuBois, Wolbach no, Kniss absent

Mayor Holman: Now we go to voting on the substitute motion which is to direct the CAC to look at pacing mechanisms for office, medical office and R&D development and its impact on jobs-housing balance. Vote on the board please. That also passes on a 6-2 vote with Vice Mayor Schmid and Council Member DuBois voting no.

**SUBSTITUTE MOTION AS AMENDED PASSED:** 6-2 DuBois, Schmid no, Kniss absent

Mayor Holman: Council Member Wolbach.

Council Member Wolbach: I would like to propose a motion to supplement the one that was just passed. Direct the CAC to explore other methods of linking job and non-housing development to their impacts.

Mayor Holman: Council Member Wolbach, that will happen during the DEIR and EIR process. Would Staff agree with that? What an EIR is, it's ...

Council Member Wolbach: I withdraw the motion.

**MOTION:** Council Member Wolbach moved, seconded by Council Member XX to direct the CAC to explore other methods of linking job and non-housing development to their impacts.

#### MOTION WITHDRAWN BY THE MAKER

Mayor Holman: Thank you. Any other comments or lights? Council Member DuBois.

Council Member DuBois: We did not talk about Program L-8. When does the Downtown cap comes back to Council?

Ms. Gitelman: Thank you for that question, Council Member DuBois. We haven't calendared that yet, but we will do so. We know it's on the to-do list as something to do. I hope we can get to it early in the year.

Mayor Holman: I actually did want to go back to where we were, to offer that Policy L-8 would refer to on a going-forward basis all of Palo Alto.

Council Member Scharff: For the million-seven?

Mayor Holman: Yeah.

Council Member Scharff: I'd second that.

**MOTION:** Mayor Holman moved, seconded by Council Member Scharff to ensure that Policy L-8 will apply citywide moving forward.

Mayor Holman: Council Member Filseth.

Council Member Filseth: I'm looking at these maps, and the one, L-6 ...

Mayor Holman: I need you to speak into your microphone, if you would please.

Council Member Filseth: I'm looking at these maps, and the one from L-6 and the one from 1988, which delineates the nine areas or appears to delineate the nine areas referred to in the Comp Plan; they're different maps. The one for 1988 looks like it includes the Med Center and some of these other areas. I personally am not prepared at this point to feel comfortable agreeing with the 1.7. I agree with going forward in the Citywide, but to inculcate the 1.7 into this motion I won't support it. I think there's too much doubt as to whether we've hit it or not, particularly looking at this map.

Mayor Holman: City Manager.

Mr. Keene: I was just going to say we've covered this already. The Comprehensive Plan is not a static document. It was amended as part of the Stanford Development Agreement to explicitly clarify that the Stanford hospitals were not included. In one sense, that action negated that aspect of the 1988 or the 1989 map. I would still go back to something that Council Member Burt said. You have complete discretion on a going-forward basis of what numbers you guys ultimately want to set on any of this. To think about the cap without thinking about the pacing would be a mistake anyway. You could have whatever number you wanted, and you could set a pacing number, and you could say there's 10,000 square feet a year and it'll take 100 years to get to whatever the cap is. Seems like you have enough on the plate now to get to the CAC with us coming back to the DEIR and this other stuff in the new year to then have a more informed, more granular discussion about where you're going.

Mayor Holman: David, if you wouldn't mind, would you take out "civic uses" just for (inaudible) with that. Council Member Burt, did you have a question?

Page 120 of 122 City Council Meeting Transcript: 11/2/15

Council Member Burt: First, did the motion include the 1.7 number?

Mayor Holman: It did not.

Council Member Scharff: It did. I thought it did.

Vice Mayor Schmid: It did not. It did not have (inaudible).

Mayor Holman: Huh-uh.

Council Member Scharff: I thought it went to ensure the policy will apply City moving forward and will include the 1.7. I thought that was what we were doing.

Council Member Burt: First, we have that ambiguity.

Mayor Holman: Either way.

Council Member Burt: Even setting that aside, I don't know where I'll come down on this. Whether L-8 should be Citywide or L-8 should be in the areas that we've been monitoring and we have something different Citywide. I think this is a discussion we need to have thoughtfully and not at 12:15 at night. I ...

Council Member Scharff: I'll withdraw my second.

Council Member Burt: I don't disagree and I don't agree at this point in time. I won't support the Motion.

Council Member Scharff: I'll withdraw my second.

#### MOTION WITHDRAWN BY THE SECONDER

Mayor Holman: I do have a question. If we don't bring it up now, when would it be addressed? I look to Staff for that.

Council Member Burt: Good question.

Ms. Gitelman: Mayor Holman, we have two choices. We're already on the tentative calendar for your last meeting in December to discuss other Elements, the Natural Resources Element, the Business and Economics Element and the Safety Element. We could bump those to the new year and conclude this discussion then. We could discuss those Elements and have this discussion, which I think maybe might be a more meaningful time, when the Draft EIR is before you and you have some data on these planning scenarios and the implications of different paces of growth.

Mayor Holman: I could accept doing it then. With that ...

Council Member Burt: The Clerk needs to know it's withdrawn then, if that's the case.

Mayor Holman: That's what I intended. I withdraw the motion then. Council Member DuBois, did you have something?

Council Member DuBois: Are we saying that L-8 is left open until January and it's going to come back to us? There's no direction to CAC around L-8 itself?

Mayor Holman: Yes, because we already passed another motion regarding L-8, having to do with pacing.

Council Member DuBois: It was kind of a subset of L-8.

Mayor Holman: There's nothing up on the screen. I think we are completed and all our motions and substitutes and amendments and all of that—there's nothing. With that, we conclude this item.

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Holman: We go to Council Member Questions, Comments and Announcements. Anything? Seeing none, we are adjourned.

Adjournment: The meeting was adjourned at 12:13 A.M.

Page 122 of 122 City Council Meeting Transcript: 11/2/15