



# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting  
November 14, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:30 P.M.

Present: Burt, DuBois, Filseth, Holman arrived at 5:33 P.M., Scharff, Schmid arrived at 5:33 P.M., Wolbach

Absent: Berman, Kniss

## Closed Session

### 1. CONFERENCE WITH CITY ATTORNEY

City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Molly Stump, Rumi Portillo, Dania Torres Wong, Allyson Hauck)

Employee Organizations: Palo Alto Fire Chiefs' Association (FCA)

Authority: Government Code Section 54957.6(a).

### 2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Authority: Govt. Code Section 54956.8

Property: Lytton I (Lytton Gardens), 656 Lytton Avenue; Lytton II, 651 University Avenue; Lytton IV, 322, 332 and 334 Everett Avenue, Palo Alto 94301

Assessor's Parcel Numbers: Lytton I AP#120-03-074; Lytton II AP#12-003-079; Lytton IV AP#120-14-046 & AP#120-14-048

Agency Negotiators: James Keene, Lalo Perez, Hamid Ghaemmaghami, Molly Stump

Negotiating Parties: Community Housing, Inc., Episcopal Homes Foundation, and City of Palo Alto

Under Negotiation: Price and Terms of City's Options to Repurchase Lytton Gardens Senior Communities.

Mayor Burt: We will now entertain a Motion to go into Closed Session for two items, the first being a conference with labor negotiators. This is with the City Manager and his designees pursuant to Merit System rules and regarding the Palo Alto Fire Chiefs' Association. The second is a conference with real property negotiators. The property is Lytton I of Lytton Gardens, located at 656 Lytton Avenue, Lytton II at 651 University Avenue, Lytton IV

# TRANSCRIPT

at 322, 332 and 334 Everett Avenue. Do we have a Motion? Vice Mayor Scharff.

Vice Mayor Scharff: I'm going to recuse myself from Item Number 2 as I own real property. I think it's within 500 feet.

Mayor Burt: Do we have a Motion to approve?

Council Member DuBois: So moved.

Council Member Wolbach: Second.

**MOTION:** Council Member DuBois moved, seconded by Council Member Wolbach to go into Closed Session.

Mayor Burt: Motion by Council Member DuBois, second by Council Member Wolbach. Please vote on the board. That passes 5-0 with Council Members Berman, Kniss, Holman and Schmid absent. We will now go into Closed Session.

**MOTION PASSED:** 5-0 Berman, Holman, Kniss, Schmid absent

Council went into Closed Session at 5:31 P.M.

Vice Mayor Scharff left the meeting at 6:00 P.M.

Council returned from Closed Session at 7:23 P.M. and Vice Mayor Scharff returned to the meeting.

Mayor Burt: We have a Closed Session action that we want to report. The Council voted 6-0 to ratify the Acting City Manager to exercise the City's purchase option on Lytton I dated October 31, 2016 and directed Staff to work with the Community Housing, Inc. for an agreement that would preserve affordability for all Lytton Gardens units for the maximum duration. That's our reportable action.

## Special Orders of the Day

3. Three Resolutions: Resolution 9640 Entitled, "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Abbie Knopper Upon Completion of her Term as a Parks and Recreation Commissioner;" Resolution 9641 Entitled, "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Ed Lauing Upon Completion of his Term as a Parks and Recreation Commissioner;" and Resolution 9642 Entitled, "Resolution of the Council of the City of Palo Alto Expressing

# TRANSCRIPT

Appreciation to Jennifer Hetterly Upon Completion of her Term as a Parks and Recreation Commissioner."

Mayor Burt: Our next item is Special Orders of the Day. We have adoption of three Resolutions Expressing Appreciation to Abbie Knopper, Ed Lauing and Jennifer Hetterly upon completion of their terms as Parks and Recreation Commissioners. First, Council Member DuBois, would you like to read the Resolution honoring Abbie Knopper?

Council Member DuBois: I'd love to. This is a Resolution of the Council expressing appreciation to Abbie Knopper, Parks and Rec Commissioner. He read the Resolution into the record.

Mayor Burt: Thank you. We'll vote on the three of them as a group. Council Member Holman, would you like to read Jen Hetterly's?

Council Member Holman: It'll be my privilege to do so. She read the Resolution into the record.

Mayor Burt: Thank you. I would like to read the Resolution on behalf of Ed Lauing. He read the Resolution for Ed Lauing into the record. I'd just like to say briefly that the three of you really served together to do all of these things that we described. In addition to all that's already come to fruition, this really valuable and comprehensive Parks and Recreation Master Plan is something the community will come to appreciate that work even more in the future years. It's had some recent attention, but until we see all those things start happening, the community won't really realize how much foresight and how valuable that is to our community going forward. Thank you for all of us on all of these things. Let's vote on the board.

Female: (inaudible) Motion.

Mayor Burt: I'm sorry. Jumping the gun. Motion to approve?

Vice Mayor Scharff: So moved.

Council Member Schmid: Second.

**MOTION:** Council Member Schmid moved, seconded by Vice Mayor Scharff to adopt the three Resolutions expressing appreciation to Abbie Knopper, Ed Lauing, and Jennifer Hetterly.

Mayor Burt: Motion by Council Member Schmid, second by Vice Mayor Scharff. Please vote on the board. That passes 7-0 with Council Members Berman and Kniss absent. We'll come forward and give you these big heavy plaques.

# TRANSCRIPT

**MOTION PASSED:** 7-0 Berman, Kniss absent

Mayor Burt: Our next item is Agenda Changes, Additions and Deletions. We have—sorry. On this item? We have a speaker, Winter Dellenbach. Welcome.

Winter Dellenbach: I just wanted to express my appreciation to Jen Hetterly. I had reason several times over this past year to talk to her and email her about questions about the Master Plan for the parks and was impressed by her ability to very concisely and cogently answer my questions. She knew everything I wanted to know almost before I asked. I really appreciated the kind of knowledge and conciseness that she had for the subject matter at hand. It just made everything easier, and it saved me a whole lot of time. We just got down to it. I so appreciate that kind of quality and the kind of people that you appoint to our Commissions. I want to thank whatever Council originally appointed her. I want to thank her so much for being the smart and competent and informed person that she was in her service on this Commission. Thank you very much, Jen. We will miss you.

Mayor Burt: Thank you.

## Agenda Changes, Additions and Deletions

Mayor Burt: We will now move onto Agenda Changes, Additions and Deletions, of which we have one. Item Number 19, which is the Finance Committee recommendation regarding a Carbon Neutral Gas Plan, has been requested by Staff to be continued to December 5th. I wanted to just briefly take an opportunity to help clarify something that was discussed at the Finance Committee, which is an understanding of the purview of the Finance Committee in reviewing an item that has both financial and policy implications. I would say that there were questions raised. To clarify for the whole Council, especially to make sure everybody's solid on this going forward, when we assign an item to either of our primary Standing Committees, the Finance or Policy and Services, unless the Council does on a rare occasion assign it for review by both Committees, it is the responsibility of that Committee to look at all relevant issues to it. The fact that Utilities items are routinely assigned to Finance Committee, because by tradition and they have a strong financial component, in no way diminishes the responsibility of the Commission to look at all policy-related matters. I want to make sure that's clear for any Standing Committees, because it's very important for them to understand that. Now, it's also perfectly fine for them to separate a recommendation and say, "We want to make a recommendation on some subset of this and no recommendation to the

# TRANSCRIPT

Council on another set of aspects." That's acceptable, not common but acceptable. I just want to make sure that that purview aspect is well understood by all Council Members.

## City Manager Comments

Mayor Burt: On that note, we will now move onto City Manager Comments. Mr. Perez, you're our acting City Manager.

Lalo Perez, Acting City Manager/Chief Financial Officer: Yes. Thank you. Good evening, Mayor Burt, members of the Council. Lalo Perez, Chief Financial Officer. As you heard, I'm standing in for City Manager Keene. I have a couple of announcements for you tonight. One, the Santa Clara County transportation tax, Measure B, won by a large margin on November 8th. This measure will impose a half cent sales tax to fund an estimated \$6.5 billion in transportation upgrades for the County. The increased sales tax could take effect as early as April of 2017 and will be in effect for 30 years. Transportation programs and projects to be funded by the Measure B include Phase 2 of the Bay Area Rapid Transit (BART) program, which is about 1.5 billion in 2017 dollars with a cap of a maximum of 25 percent of program tax revenues; County expressways, \$750 million in 2017 dollars; highway interchanges, \$750 million in 2017 dollars—I'm going to stop saying 2017 dollars, because they're all 2017 dollars—Caltrain grade separations, 700 million; transit operation, \$500 million; State Route 85 corridor, \$350 million; Caltrain corridor capacity improvements, \$314 million; bicycle and pedestrian programs, \$250 million; local streets and roads, \$1.2 billion. The Santa Clara Valley Transportation Authority will administer the funds countywide. Guidelines for many of these programs, including Caltrain grade separation, bicycle and pedestrian programs, and local streets and roads, will be developed by Santa Clara Valley Transportation Authority (VTA) staff, the Technical Advisory Committee and the Policy Advisory Committee before being presented to the VTA Board for approval. The City of Palo Alto has representatives on both the advisory committees, and the VTA staff has indicated that they will schedule committee workshops in January to begin work on the necessary program guidelines. It's expected that the guidelines will specify requirements for local matching funding for some of the programs. At the end of the day, Staff believes that Palo Alto projects have a fair chance of receiving significant portions of the Caltrain grade separation and the bicycle/pedestrian program funds depending on how the programs are structured. Several of the projects included in the preliminary list for the County Expressway Tier 1 projects and Caltrain capacity improvements will also benefit Palo Alto residents and commuters. The local streets and roads program funding will be distributed on a formula basis with Palo Alto

# TRANSCRIPT

receiving roughly \$38 million on a 30-year period. The recommended distribution formula mirrors the existing formula used for vehicle registration fee, which is passed on the population of the City and the County of Santa Clara roads and expressway line mileage. These funds may be used to repair streets and will include a Complete Streets requirement to improve bicycle and pedestrian access. As Palo Alto has a Pavement Condition Index of over 70, the City will likely be able to use the funds for other congestion relief projects as well. In 2016, our index was 82 with our goal of 85 by 2019, just to remind you. Staff looks forward to bringing further detail back to the Council in January on this subject. I believe I'm getting a little help with some pictures. These were submitted by our Public Works Department. It was an effort to reduce waste at City Hall. It was an intensive in-fighting for a full month that we undertook, as the floors competed to see who the best waste reducer and recycling composters were. We have two winners. Our ground-floor Utilities and Administrative Services folks, my people, won the prize as best sorters. Our seventh floor, the clerks, auditors and yes the City Manager's Office, produced the least overall residuals, that is compost, recyclables and garbage added together. You see the pictures of the Staff that contributed to the event. All for a good cause. You may be wondering what this big machine on Lincoln Avenue is. If you've driven by, you've probably noticed it; it's hard to miss. It is our latest effort to reuse construction material onsite, rather than haul them off as waste. This machine mixes spoils excavated from the pipeline trench with cement and water to use it back to fill the trench, thus avoiding the off-haul of the soil and the import of backfill material. You may have seen this large, 42-inch storm water pipeline being installed there to reduce street flooding. It's one of the key projects funded by our current storm water management fee and is scheduled to be completed by the end of the calendar year. We also have a short video that will demonstrate the process for you.

Mayor Burt: Is Tonka coming out with a new item for this?

Mr. Perez: We're going to educate the children of Palo Alto how the traffic is less now. That's a good move in helping congestion. The last item that I wanted to let you know, Mr. Mayor and Council Members, is that it has come to Staff's attention that AT&T is reviewing the possibility of making a site near Boulware Park available for sale. It has to be approved by their internal process and made available to the general public, since it's a publicly held company. The site is zoned Public Facility. AT&T is in the process of determining exactly how much of the land would be available for sale. Currently, there's a building on that land, and they're trying to size up the lot and the requirements they have for the building that they will keep. Once we have additional information, Staff will return to Council to see if

# TRANSCRIPT

there's an interest in acquiring the site. Those are all the comments I have for tonight.

Mayor Burt: Thank you. If I can just add to your report out on the County transportation tax. The 85 corridor—I think it's 350 million funding—is for transit rather than highway expansion in that corridor. Our Pavement Condition Index of 82 is now the highest in Santa Clara County, which we've achieved since improvements in 2010.

## Oral Communications

Mayor Burt: Our next item is Oral Communications. We have five speakers. If anyone else wishes to speak, they need to bring a card forward at this time. Our first speaker is Winter Dellenbach, to be followed by Lynn Krug.

Winter Dellenbach: It is my pleasure once again to announce the annual Buena Vista Holiday Posada, December 3rd, Saturday, 5:00-9:00P.M. Everyone is invited in Palo Alto, Palo Alto residents, Stanford residents. City Council, you got your invitations over the weekend. I know you did. Some of you have even RSVP'd. Be sure to get your RSVP in as soon as possible. This is the annual celebration where Buena Vista residents realize that they wanted to invite their larger community to their smaller community and have a night of participation in the Mexican/American traditional celebration around the holidays, and to have everybody process together, looking for a very hard-to-find shelter for the night, and to follow that with great feasting, folkloric dancing. It is just a wonderful, wonderful evening. Our Mayor will speak as will the President of Buena Vista Association, as usual. It is a wonderful, wonderful occasion. If anyone is listening out there in TV land, radio land, computer land, please do come. Everyone from Stanford and Palo Alto is welcome. Bring your children. It's great, great fun. If you stay for the after party and like to dance to DJ music, you can shake your booty and really get down with people of Buena Vista. Everybody come December 3rd, 5:00-9:00 P.M., and share in a wonderful holiday celebration. Thank you.

Mayor Burt: Thank you. Our next speaker is Lynn Krug, to be followed by Sea Reddy.

Lynn Krug: Good evening, City Council Members. I'm here post-election to speak about a topic that's important to so many of us now, bringing community together. One of the things that goes along with that is the recognition of class and economic discrimination and creating a sense of the other. This is the way, I think, Palo Alto has been able to employee \$10, \$12 an hour janitors, people who work for less than prevailing wage on prevailing projects. It has been brought to the City's attention. Let me just

# TRANSCRIPT

divert to something else here. An example of how this occurs or generates is many of the candidates for City Council were not endorsed by police, fire or Service Employees International Union (SEIU), of which I am chapter chair, because it would be a liability for the candidate because of the longtime hostility of Palo Alto towards labor, much of which was driven by the media in the past. The community does not attend City Council meetings, so a very few hostile voices are often quoted. Granted 95 percent of the employees don't live here; I'm one of the few people who do, so they can't vote for City Council Members. You would think that the function of the City would be a priority in a campaign. It's amazing how you can avoid the topic altogether. It gives you an indication of the regard for labor. Now, I know much of this is very unintentional, but we are part of the community. We celebrate this community. We work for this community. I think we can bring about change in Palo Alto, and I think we can bring recognition and pride of our City to its employees and the recognition of what they need for their living needs. I appreciate the moves which you have done on that part. Thank you so much and let's move better to a great community. Thank you.

Mayor Burt: Thank you. Our next speaker is Sea Reddy, to be followed by Stephanie Munoz.

Sea Reddy: Good evening, Mayor and the City Council and citizens of Palo Alto. I'd like to take 1 minute to thank the City Hall, the Mayor and the team that put together the Veterans Day event Monday. We had a very good Veterans Day celebration, recognition on November 11th. The second item I'd like to bring up is the elections are over. The national elections are over. The local elections have been very well conducted by the County administration. We've all placed our votes, and we know the verdict. I think I congratulate the winners as well as the candidates. The one thing I'd like for the City of Palo Alto, the citizens, to consider writing to whoever, the influential people at the national level, for Mr. Trump to give a carrot to the 61 million people that voted not for him but for Hillary and the team. What I'm requesting is that I think he should consider getting Judge Garland's nomination into the Supreme Court of the United States (SCOTUS) hearing. Whatever comes out of it is a great thing. That basically says that he is listening. That prevents, minimizes the concern with the prochoice team. We are confronted with future appointments. Our SCOTUS is getting (inaudible). I think Judge Garland is a fine man, a minority in that sense, a white minority, a lot of things. I think that gives the country an idea that President-Elect Trump is considering this. Also, I would like for the City to consider a nice Mayor in January, we would have. I would like it to be transparent, no backroom deals. I'd like you to think about Karen Holman



# TRANSCRIPT

or somebody like Greg Schmid's personality. I like it, very analytical. It's on your shoulders. Thank you.

Mayor Burt: Thank you. Our next speaker is Stephanie Munoz, to be followed by John Fredrich.

Stephanie Munoz: Good evening, Mayor Burt and Council Members. I think these post-election days are a very good time to rethink the way that we are organizing society. Many people and people who have money feel that or claim to feel that the government of whatever kind is doing too much for poor people and taxing them. Nobody seems to speak up to say the poor people are also getting taxed not only in a dramatic way like sending kids off to be shot by a cannon, but also in order for people to make money with large factories and skilled employees. The people who already live in a town like Palo Alto find that they are being taxed. The fireplaces, the air can't tolerate both the emissions from the fireplace and thousands of cars going across them. Their lawns, there's not enough water to hold all those people and the lawns. I think you should at least be fair and see that oftentimes the people that are complaining are people who are really getting a better deal than the others. I thought of that when the 14 people that wanted to live in this house were just—nobody seemed to think that that was a reasonable thing for people to do, that they would rather live in a teeny tiny space than have to go for 2 hours or 3 hours out to Stanislaus County in order to have a home from which they could go to their good job that they liked. I would say that my plea is that you look at the housing situation, that you ask the employers if they build a certain number of square feet office space, that they actually build housing. I think they might be willing to do it, because you can make a profit on housing, a modest profit. They'd have their employees in hand, and they wouldn't have to be scrounging for people who were willing not to live near each other. I think you can do that if you allow or encourage people to make very small units for single people, of which there are a lot. There are a lot of widows and widowers in their 60s, 70s, 80s and 90s. They do not need a game room, a guest room, a pool room, a drawing room. Just a little room. Thank you.

Mayor Burt: Thank you. Our final speaker is John Fredrich.

John Fredrich: Good evening, friends and fellow citizens. I'm here to speak for the third time on the issue of what was originally the urgency measure on marijuana and tonight is Number 15 on the Agenda on Consent Calendar. I'm rising under Oral Communications to a point of order. The question is the questions that I raised earlier about the history of the drug interdiction process that started with Operation Intercept in the early 1970s and where we are now, especially where we are now post-Prop 64 passage, where we

# TRANSCRIPT

have some of the data that I said would be needed for an intelligent response to the idea of where we're going with this issue. Those matters meant that there should be a reconsideration and that the original reading, the first reading there, was deficient because of the advice of the City Attorney, which I mentioned. In promoting that, the letter from the League of California Cities said at the bottom, "this is not intended as legal advice. Reader should seek the advice of an attorney and confront the legal issues. Attorney should perform an independent evaluation of the issues raised in these materials." I suggested who you needed to talk to was not only the District Attorney but the Attorney General of the State of California and the Attorney General of the United States, both offices of which will turnover in January. The thing that was deficient, that I noted in the Minutes of those first meetings, was a correct reading of Section 11362.2 of Proposition 64 on Page 181 of the text of the proposed laws. I suggested that night that you had not read that, and I don't know how many of you went back and have read it by this time. Tonight the measure before you in Number 15 is not only a restatement of the 4422 urgency measure of 1997, but it has in its language to the effect that on November 9th, 2016 and what would happen then, Section C and D of the measure you're asked to pass tonight under the Consent Calendar. The problem is November 8th has come and gone. This thing started with sloppy work, and it's ended with some sloppy work. My suggestion at this time would be to lay the measure on the table and actually perform from an informed rather than an erroneous set of assumptions and propositions. I think this is important given the history of Palo Alto with things like the collective and the drug programs that were City-sponsored in the early '70s. Those ended badly, and there still is a problem not only with marijuana but with heroin and other hard drugs here in the community. Let's not send the wrong message to people.

Mayor Burt: Thank you. That concludes Oral Communications.

## Consent Calendar

Mayor Burt: We now move onto the Consent Calendar.

Vice Mayor Scharff: Move approval.

Council Member Wolbach: Second.

Mayor Burt: Motion to approve by Vice Mayor Scharff, seconded by Council Member Wolbach. We have one speaker, Kip Husty, to speak on Item Number 15.

Vice Mayor Scharff: Lalo has a ...

# TRANSCRIPT

Mayor Burt: Mr. Perez. No.

Kip Husty, speaking regarding Agenda Item Number 15: Hello. I spoke last week about the ban on growing in your backyard. My concern was with Proposition 215, medical marijuana. By putting a ban on it—that's been a law now since '97. There doesn't seem to be any major problem caused by that. Sixty-four is not talking to people who helped draft it. It's not supposed to supplant 215. Whatever you do on this present emergency, which is—make it directed towards recreational use. What 64 is about and what we—and not blanket 215 at the same time, the medical use. That's where you start getting into some very tricky issues, and you would start to step on people's rights. Sixty-four is not intended, is legally not supposed to supplant 215. That's going to be in court should they ever try to do that. You're heading into a very sticky area if you try to cover more territory, if you try to cover 215 when you go against recreational use on 64. If you're going to have a ban on recreational use or growing in the backyard, make it clear that this is about recreational use and people can still grow in their backyard if they get medical permission, which for all kinds of reasons makes a great deal of sense. That's the thing that's concerning a lot of people right now. A lot of people voted against 64 because they were afraid about their ability to grow medical marijuana. Instead of being a tool for the (inaudible) for League of California Cities. Come on. Why not take the forefront, do something that would be really moving progress. It'd be progress. If we're going to have 64, we're going to have bans. Do that as 64 and leave 215 along. That takes the regressiveness [sic] out of something like this. It takes it away. It means that we haven't moved backwards.

Mayor Burt: Thank you. That concludes public comments. Consistent with my initial vote on Item 15, I will be voting no on that item. Yes, Mr. Perez.

Lalo Perez, Acting City Manager/Chief Financial Officer: Thank you, Mr. Mayor. I just wanted to point out to the Council that we did have a change on Item 14, which is a reappropriation item. We put a memo at places with two corrections that I was hoping you could have that be incorporated as part of the Motion.

Vice Mayor Scharff: I'll incorporate it into the Motion.

Mayor Burt: Can that be read for the record?

Mr. Perez: Apparently it was not put at your places. We'll have to move without it. Thank you.

Mayor Burt: I think you can read it.

# TRANSCRIPT

Mr. Perez: You want me to read the items?

Mayor Burt: Yeah.

Vice Mayor Scharff: Just read it to us.

Mr. Perez: That's our fault, by the way, not the Clerk's Office. What we are correcting are the following. We want to eliminate the reappropriation in the General Fund Capital Improvement Fund for the Quarry Road improvements. It's in the amount of \$65,618. These funds were already encumbered in '16 and have been carried forward. It would be a duplicative transaction. The second adjustment is to correct the reappropriation for the street lights improvement project from -\$61,539 to \$44,079. An encumbrance was incorrectly booked beyond this project, which reduced the availability of the funds. Those are the two changes we would recommend.

Vice Mayor Scharff: Thank you.

Mayor Burt: Council Member Holman.

Council Member Holman: I'll also be voting no on 15.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Wolbach to approve Agenda Item Numbers 4-15, including changes to Agenda Item Number 14 - Finance Committee Recommendation... as described by Lalo Perez, Acting City Manager/Chief Financial Officer.

4. Approval of Contract Number C17166399 With Page and Turnbull in the Amount of \$105,930 to Prepare Architectural Design Guidelines for Eichler Neighborhoods and Assist the City of Palo Alto in the Implementation of Related Changes to the Individual Review (IR) Guidelines and/or Zoning Code; and Adoption of Categorical Exemption Under Section 15061 of the California Environmental Quality Act (CEQA) Guidelines and Approval of a Related Budget Amendment in the General Fund.
5. Approval of a Contract Amendment With Cypress Security, Inc. (C16160138A) in the Amount of \$768,223 for a Total Not-to-Exceed Amount of \$2,092,215 and Extend the Term of the Agreement to June 30, 2017 and Approval of Budget Amendments in the General Fund.
6. Approval of Contract Number C17165854 With Anderson Pacific Engineering Construction, Inc. in the Total Amount Not-to-Exceed \$426,800 to Provide Construction Services for the Rehabilitation of the

# TRANSCRIPT

Meter Station in the Collection System to the Regional Water Quality Control Plant - Capital Improvement Program Project WQ-04011; and Finding of CEQA Exemption Pursuant to Guideline 15301(b), Maintenance of Existing Facilities.

7. Resolution 9643 Entitled, "Resolution of the Council of the City of Palo Alto to Authorize the City Manager to Submit Application(s) and Related Agreement(s) for the California Department of Resources Recycling and Recovery (CalRecycle) Rubberized Pavement Grant Program."
8. Adoption of an Ordinance Amending Palo Alto Municipal Code Chapter 4.39 (Private Intrusion Alarms).
9. Approval of Amendment Number 3 With C&S Engineers, Inc. Contract Number C15155208A to Increase the Contract by \$350,000 for a Total Not-to-Exceed Amount of \$1,458,329 for Engineering and Design Services Related to the Airport Apron Reconstruction Design Phase 1B; and Approval of a Budget Amendment in the Airport Enterprise Fund.
10. Approval of \$3,175,600 Appropriation to Capital Improvement Program Project VR-17000 From Vehicle Replacement and Maintenance Fund Reserve and Approval of Budget Amendments in Various Funds.
11. Utilities Advisory Commission Recommendation That the City Council Approve Design Guidelines for the 2017 Gas Cost of Service Analysis.
12. Approval of the Contract With American Reprographics Company, LLC (ARC) for Managed Print Services for a Not-to-Exceed Total of \$1,683,173 Over Five Years.
13. Approval and Authorization for the City Manager to Execute a Professional Services Agreement With Essence Partners in the Amount of \$870,000 for Utilities Marketing, Communication and Graphic Design Services for a Term of up to Three Years.
14. Finance Committee Recommendation That the City Council Approve the Fiscal Year 2016 Reappropriation Requests to be Carried Forward Into Fiscal Year 2017 and Approve Budget Amendments in Various Funds.
15. Ordinance 5399 Entitled, "Ordinance of the Council of the City of Palo Alto Adding Chapter 9.17 (Personal Cultivation of Marijuana) to Title 9 of the Palo Alto Municipal Code (Public Peace, Morals and Safety) to

# TRANSCRIPT

Prohibit Outdoor Cultivation of Marijuana (FIRST READING: October 24, 2016 PASSED: 7-1 Burt no, DuBois absent)."

Mayor Burt: Please vote on the board. That passes 7-0 with Council Members Kniss and Berman absent and Council Members Holman and Burt voting no on 15.

**MOTION FOR AGENDA ITEM NUMEBRS 4-14 PASSED:** 7-0 Berman, Kniss absent

**MOTION FOR AGENDA ITEM NUMBER 15 PASSED:** 5-2 Burt, Holman no, Berman, Kniss absent

## Action Items

16. PUBLIC HEARING: 900 N. California Ave. [14PLN-00233]: Recommendation for Approval of a Preliminary Parcel Map, With Exceptions, to Subdivide an Existing 30,837 Square Foot Parcel Into Three Parcels. The Parcel Map Exception is to Allow one of the Parcels to Exceed the Maximum Lot Area. Environmental Assessment: Exemption Pursuant to CEQA Guidelines Section 15061 (b)(3). Zoning District: Single-Family Residential District (R-1) \*\*QUASI JUDICIAL.

Mayor Burt: We now move onto our Action Items. Our first one is a Public Hearing on 900 North California Avenue, which is a recommendation for approval of a preliminary parcel map with exceptions to subdivide an existing 30,837-square-foot parcel into three parcels. The parcel map exception is to allow one of the parcels to exceed the maximum lot area. This is exempt from CEQA, and the zoning district is single-family residential. Mr. Lait, you're taking the lead on this? Welcome.

Jonathan Lait, Planning and Community Environment Assistant Director: Yes. Thank you, Mayor. Good evening, City Council. Adam Petersen, to my right, will be making a brief presentation, and we'll be here to answer any questions you may have.

Adam Petersen, Project Planner: Good evening, Mayor Burt and members of the Palo Alto City Council. I'm Adam Petersen from the Planning and Community Environment Department. I'm here tonight to present our request for a parcel map at 900 North California Avenue. The project proposes to subdivide an existing 30,837-square-foot lot into three lots. There's three existing homes on the property right now. The parcel map would facilitate replacing these homes with three new homes. In fact, one lot would be large enough to accommodate a second dwelling unit. The reason this project is before you tonight is that the Zoning Code establishes

# TRANSCRIPT

a maximum lot size, and one proposed lot exceeds the maximum lot size and is requesting an exception to that. As you can see, the project is located on the eastern corner of Northern California Avenue and Louis Road. The project is located in a residential area of the City of Palo Alto with single-family homes surrounding the site. This is the proposed lot configuration. Again, on the bottom of the screen we have Northern California Avenue with Lot 3. On the right side of the screen, we have Lot 1 and Lot 2 along Louis road. In terms of Staff's analysis of this project, this project meets the Comprehensive Plan goals and policies of bringing sites into more conformance with City Codes and standards. It does this by providing a lot or parcel for each proposed home. It also meets Comprehensive Plan goals and policies by providing one additional dwelling unit than what is currently found on this site. This project was reviewed by the Planning and Transportation Commission on October 26th of this year. The Commission discussed issues around fees and construction phasing and ultimately voted 6-0 to recommend approval of this project to the City Council. Based on that information, again the Planning and Transportation Commission recommended 6-0 that the Council find the project exempt from the California Evaluation Quality Act and approve the proposed parcel map based on the findings and subject to the conditions of approval. Thank you. I'm available for any questions that the Council may have.

Mayor Burt: Thank you. Do we have technical questions of Staff at this time? I will—Council Member DuBois.

Council Member DuBois: The guest house would be an Accessory Dwelling Unit (ADU). Is that correct?

Mr. Petersen: That is correct. It's a second dwelling unit.

Council Member DuBois: It wasn't clear to me from the map there. There's kind of a long driveway along the one house that would be for the house and for the ADU together. Is that ...

Mr. Petersen: Correct. There is actually a garage that's located in the back portion of the lot. This driveway would provide access to that garage and then also to the second dwelling unit.

Council Member DuBois: We're not necessarily even talking about what the plans are. This is just a subdivision.

Mr. Petersen: Correct, just the subdivision.

# TRANSCRIPT

Council Member DuBois: I saw that it went to the Architectural Review Board (ARB), but those minutes weren't included. Did the ARB have any comments or concerns?

Mr. Petersen: The ARB reviewed the project. Their purview is really just the architecture. Their concern was with the driveway actually, the width of the driveway. They are going to widen the driveway to provide a little bit more, I guess, ease of access to get back to the garage. That was their primary concern. It'll actually reduce the square footage of the house on Lot 3. We don't know by how much right now.

Council Member DuBois: Do we have zoning that would prohibit the garage from entering from whatever that street is on the side, and the house to face a different street? The garage is right on the street on the back side.

Mr. Petersen: This is all internal to the site. Again, Northern California Avenue is here at the bottom of the screen.

Council Member DuBois: That's another property in the back.

Mr. Petersen: This is internal. There are other properties around that.

Council Member DuBois: Thanks.

Mayor Burt: Council Member Holman.

Council Member Holman: Just a couple of questions. Can I get clarification? Sir, are you the applicant?

Mr. Petersen: I'm the Project Planner.

Council Member Holman: Project Planner, okay.

Mr. Lait: Just to be clear. Adam is a consultant working with M Group. We contract out with M Group to help us out with some of our application processing.

Council Member Holman: That's helpful. Thank you. I didn't see referenced anywhere—can we condition—this is certainly discretionary approval. Can we condition—what kind of conditions can we put on this? For instance, can we require extra units to be built where they're allowed based on lot size? They're proposing that what happens here is you get one extra housing unit. Can we require that? I think the Council would have to do that. The ARB could not.



# TRANSCRIPT

Mr. Lait: I guess I would answer that by directing your attention to Packet Page 186. At the top of that page, those are the conditions—excuse me—those are the findings that need to be made to approve the project and to impose some conditions. If a condition that you were contemplating was necessary to satisfy one of those findings, then that would be appropriate to do so. There would need to be that nexus there, though.

Council Member Holman: None of those conditions require the construction of the additional unit. Correct?

Mr. Lait: Right. These aren't conditions so much as the findings to approve it.

Council Member Holman: It wouldn't be a finding that we'd have to make. Could we approve a subdivision based on conditions?

Mr. Lait: You absolutely ...

Council Member Holman: Would it have to be a finding?

Mr. Lait: You absolutely could approve the map with conditions. In fact, we're proposing a list of conditions. Conditions that you impose need to relate to the findings. There needs to be that connection. I'll look to our legal folks here to provide substance to this. I would say that for other single-family zoned properties we don't have that requirement of adding additional units. We do have just the standard—our Code has one dwelling unit as the maximum unit size or unit density. We do have the provision, of course, for ADUs.

Council Member Holman: This is a discretionary action, so it seems like we would have that latitude. Maybe that's a question for City Attorney.

Cara Silver, Senior Assistant City Attorney: Thank you. Cara Silver, Senior Assistant City Attorney. You certainly have discretion to impose conditions in order to help you make the required findings. One of the findings that needs to be made to approve this project is that the development will not be detrimental to the public welfare or injurious to other property in the—it uses the word "territory,"—in which the property is situated. If you can make a finding that there are second units or accessory dwelling units in the area and that this particular neighborhood depends on the mixture of accessory dwelling units, then you might be able to condition it upon that. I think it's a rather difficult condition given the record that we have so far to impose.

# TRANSCRIPT

Council Member Holman: If that's difficult, then this is a single parcel currently. Why would we not just go for—there's the enforcement and how we could apply it. Dropping lot lines down where imaginary property lines basically exist, could we recommend that instead? The applicant would, I presume, have to agree with that. Do you know what I'm saying? There are already three houses that exist. The largest parcel here could already have another unit put on it. Do we have any discretionary ability to do that as opposed to the proposed new parcel subdivision that they're proposing? One of the benefits that they're talking about is adding another unit. What they're proposing and promoting is that we'll get one more housing unit. That's a key proponent aspect of this subdivision. Why could we not just say if you don't agree with adding an extra unit, then we would approve adding property lines where the current residences would be protected or preserved?

Ms. Silver: What you want to do from a zoning perspective is try to bring the property into conformance. If you just drop the property lines down around the existing houses, I don't think that the result will be as conforming as what's being proposed.

Council Member Holman: Because? Because already there's an exception built into what we're looking to approve too.

Ms. Silver: Yes. Under both scenarios, if the applicant doesn't move forward with the new projects, the before and after will be the same. However, the underlying property boundaries, obviously, are going to be different. As the project redevelops, what we want to do is encourage lots that conform to the existing Zoning Code. That's the intent here.

Council Member Holman: Again, it's with exception, is what's being proposed.

Ms. Silver: Yes. The lots will not be entirely in conformance with the existing Code, but the three resulting lots will be more in compliance with the Code than what exists now.

Council Member Holman: I may come back to this. I'll come back to this I'm sure.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I guess just along the same lines of fitting into the neighborhood. If you look at Packet Page 204, it has a map of the surrounding neighborhood. I would estimate that 95 percent of the lots in that neighborhood are 6,000-7,000 square feet. They are asking for a

# TRANSCRIPT

waiver of maximum size to give us in a way the same number of housing units that are there now, but they're doubling the square footage of those units. They will all be much larger than virtually anything in that neighborhood. What's the reason for abandoning the zoning limits? What's the justification for parcel zoning size?

Mr. Lait: Is that a question to Staff? Yes, thank you. Just so I'm clear. The justification for the one larger unit, the one larger size? There's an existing lot that's some 30,000-plus square feet in size. It is not possible to divide that lot into smaller lots that are more compatible with the lot pattern in the area. You cannot get three conforming lots and you cannot get four conforming lots due to minimum lot dimensions, both the width and the depth of a property and the total area minimum of 6,000 square feet. Given the lot width constraints and the lot depth constraints, the way to carve out this particular property you can get three lots, but one of them would necessarily, at least, have to exceed some standard. There are other ways to carve this up. There could be ...

Council Member Schmid: If you look a block away on El Cajon, there are a number of parcels there that would use the same square footage and have four parcels on it. It's not that it can't be done.

Mr. Lait: It just can't be done and still meet certain zoning standards.

Council Member Schmid: Which zoning standards?

Mr. Lait: It would depend on how that was configured. The applicant has looked at this, and they're proposing one approach. I imagine the applicant could speak to other iterations that they've explored. To get four lots here, we would have to grant an exception to some other element of the Code. Maybe it's lot width. Maybe to do four lots you couldn't have a 60-foot frontage. Maybe it could only be a 55-foot frontage. Maybe you can't get the 100-foot depth. Those are the tradeoffs, and that's something to ...

Council Member Schmid: The only justification for exceeding parcel size is difficulty of design, of any alternative. Is that what you're saying?

Mr. Lait: The applicant has an interest in taking this one large parcel—there's a couple of these in the neighborhood. This particular parcel, they have an interest in being able to redevelop it with new single-family homes. Based on the lot shape and our development standards, there's only so many combinations, I think, that work. Yes, the request is before the Council with this one exception, to exceed that lot area.

Council Member Schmid: One other question. Will the property be sold?

# TRANSCRIPT

Mr. Lait: I don't know the answer to that question. The applicant could speak to that.

Council Member Schmid: That would be important on terms of impact on the City.

Mayor Burt: I'd just like to follow up on a couple of these questions. We're saying that the new parcel map would be conditioned on demolition of the existing homes. Correct?

Mr. Lait: Yes.

Mayor Burt: That's because the lot line configuration would crossover the existing homes?

Mr. Lait: Yes.

Mayor Burt: Did Staff look at whether there are any configurations that would allow preservation of the existing homes?

Mr. Lait: No.

Mayor Burt: The configuration, was that all initiated by the property owner?

Mr. Lait: Yes. In the application that we received, that's the first we saw that.

Mayor Burt: I'm trying to think whether we have within the Comp Plan—I think that's where it would reside—any language that would favor preservation of existing homes. I think we have it on existing housing supply, but not necessarily existing structures per se. Have we looked at that? Basically what we're doing is—it appears we're giving a lot subdivision that is an endorsement of a series of demolitions. Presumably new homes will be built out to the maximum allowable under the zoning. If they go to two-story, under the two-story guidelines. I want to understand whether Staff was looking at any other policy implications when considering this proposal other than just kind of responding to the applicant and seeing that it is in a way technically in greater conformance with zoning because they're smaller parcels. Whereas, the existing condition is already these separate homes, and we'll lose the existing homes.

Mr. Lait: I can take a look at the record that we have here and the Comp Plan findings that we referenced. I'll search the Comp Plan now and see if there's any statements about structure retention.

Mayor Burt: Council Member Wolbach.

# TRANSCRIPT

Council Member Wolbach: I just want to make sure I'm clear. I was actually curious about that last question as well. I just want to make sure I'm clear. Right now, there's a 30,000-square-foot lot approximately. Correct? It's about 30,000, right? Almost 31,000-square-foot lot right now. It's radically out of compliance. It's obviously legal, but it's nonconforming to the current rules and the zoning for that area. It's about 300 percent more than zoning allows. Correct? I want to make sure I understand why this is coming to us in this way. It seems that what you're suggesting is that this proposal would bring it much closer to complying with our zoning than the status quo. Correct? But you can't quite make it fit exactly our zoning, but you can get it pretty close. That's what this seeks to do. Is that correct?

Mr. Petersen: Correct.

Council Member Wolbach: Thank you.

Mayor Burt: Let's make sure we're not having technical questions to make rhetorical comments that have already been clearly stated by Staff in other questions. We have two speakers, Nicholas Kaposhlin to be followed by Beatrix Cashmore. Welcome. You have up to 3 minutes to speak.

Mayor Burt: Does the applicant have a specified time period? Excuse me.

Ms. Silver: Yes. This is a quasi-judicial matter, so you should ask for disclosures, and the applicant has 15 minutes.

Mayor Burt: Sorry. First, does anyone have any disclosures on ex parte communications? Next, the applicant has up to 15 minutes to speak. Welcome.

Public Hearing opened at 8:24 P.M.

Roger Kohler, Project Architect: I didn't quite hear all that. Are we up next? Is that correct?

Mayor Burt: Pardon me?

Mr. Kohler: Are we up next? I'm the architect for the owner. I'm the applicant.

Mayor Burt: Yes. The applicant can elect who speaks on his behalf.

Mr. Kohler: I'll just start out. I'm Roger Kohler, the architect for this project. This project started over 2 years ago. One of the first things we did was work with the Staff at the time, of which they're all gone. We did, I

# TRANSCRIPT

would guess, four, five, six, seven, eight different plans for the whole site of how we could move around the different properties and try to get both for the owner and the City, if we could squeeze in the four lots under the Zoning Ordinance. We worked with the Staff, and we did a number of programs and sketches and all kinds of options. What you see here was the one that the Staff unanimously—I don't know that that's the right word. They're the ones who said this is the one that works best for us. That's why we have the shapes of these properties as they are today. It was not something that just happened over night. This was a 5 to 6-month period that went, I think, even before the Planning Commission for this final approval. I'm not sure what else to say, other than that's why these homes are designed the way they are. If I'd known you would ask, I could have brought a whole bunch of these sketches for you to see. We tried long, narrow ones, which the City wasn't happy with. We're trying to comply with the Zoning Ordinance as well. We went from homes that were—we even talked about doing a one-story home here and there, but the folks we worked with encouraged us to do the plans that you see here. This was a group effort. It was not something that just happened over night. It went through the Individual Review program as well with Arnold Mammarella giving his thoughts on it, Staff, various different Staff people. There was a lot of work put in on this project with a lot of input from the various departments as well as the Planning Department. We even reviewed it with the Fire Department and Utilities and all the different companies. It was a group effort. That's what I'm trying to say. It was not—I have a pile of sketches and options that we talked about. This is what worked out with working with everybody in the Staff. Do you want to say anything? This is Greg Xiong; he's the owner of the project.

Greg Xiong, Owner: Thank you, Council Member. I just want to say one clarification to Council Member Schmid. The neighboring lots on North California, most if not all of those lots on the same side or even on both sides of the street, the lot size are actually averaging 8,000 to 9,000 except for the one immediately adjacent to this property on 920, which somehow it was just a weird, nonconforming, tiny teeny lot. Otherwise, the rest of the lots, you can see on a map they are 25,000, 20,000. Most of them are in the 8,000 to 9,000 square feet, the lot size. Not really the teeniest one. Also, as Roger has said, the project actually started from 3 years ago. We had tried all sorts of the other variations to bring conformity to the Zoning Code, trying to not to violate anything. Anything else we tried, there may be a violating, maybe two, three, four other exceptions. The current proposal is the only one that works, but it does violate exceeding the lot size. That's a little bit of the background. Thank you.

# TRANSCRIPT

Mayor Burt: Thank you. Now, we'll go to the public. Our first speaker is Nicholas Kaposhilin.

Nicholas Kaposhilin: Mayor, Council Members, thank you. I'm a neighbor that lives a couple of houses down. I'd like to take the opportunity tonight to set some context around a couple of issues that the people in the neighborhood, myself included, find very important and don't think have gotten enough air time so far in the process that's been done in the last couple of years. The first is fundamentally I'd like to set the context for you that this property of 30,000 feet has been fundamentally an eyesore for the neighborhood for 50-plus years. I think it's safe to say that nobody in the neighborhood really wants it to stay the way it is right now. We would like to see it redeveloped, but it's a huge lot. It's by far and away the biggest lot in the entire neighborhood. Having it redeveloped is something that you can imagine everyone has an interest in understanding and being supportive of. The fact that it's being done by a developer, not a single-family resident who's buying a house in Palo Alto and redoing it, which is 95 percent of the time what gets done in our City. The fact that it's being done by a developer and that it's being re-parceled feels like it's something that should have a lot of community involvement and community discussion around it, more than it has so far. The reason I say this is because we turned up a couple of weeks ago for the City planning meeting about the re-parcelization. A lot of the things that we wanted to discuss were not really on the docket. They were having a very specific decision, which is should we allow the re-parcel or not. This is the decision for you tonight as well. What I'd like to get across is that there's a lot of discussion that needs to happen, some of it about re-parcelization, but more of it about how it's going to be developed should the re-parcelization go forward. I don't think anyone's saying that it shouldn't because of all the reasons they've discussed. It already has three single-family homes on it. It essentially is parceled already. It's almost a small matter as to how it actually officially becomes three parcels instead of one big parcel with three houses on it. There's a lot of concern about how the development will take place. In particular, how the piece of land on Lot 3 in the back, the curve if you will—maybe we can put the map back up or you can look at it on your own. Lot 3, you see, is an L shape. As the architect has pointed out, after many rounds of discussion and debate with Architectural Review Board (ARB) and others, not including the neighborhood, this is the best that they could come up with. I guess that means I'm out of time. Is that right? I'll summarize very quickly. There's a lot of concern about the structures back there. There's concern about the fact that they're using side easements for both sides, which seems weird because there are back sides for the neighbor in front. There's concern about how the construction will be carried out. Fundamentally, the biggest concern I have is that we're going to allow a developer to come into a

# TRANSCRIPT

residential-one zone and not adhere to rules. That just seems wrong to me. We expect single families to adhere to rules. Why aren't we making developers adhere to rules without exception?

Mayor Burt: Thank you.

Mr. Kaposhilin: Thank you.

Mayor Burt: Our next speaker is Beatrix Cashmore. Welcome. That's our final speaker.

Beatrix Cashmore: Hi. Thank you for hearing me. I'm an over-the-fence neighbor to this project. My concerns are safety and environmental. Primarily, first of all, the three structures that have been proposed are all going to have full basements. All these basements are going to need to be dewatered, to use the right term. I presume they will all be dewatered simultaneously. I don't know if that's been done in Palo Alto. We certainly have a lot of dewatering going on. Three within 100 feet of each other on basically the same property is a concern for the ground water. It's a concern for our proximity. We're a little over a mile from the Bay in this part of Triple El. I'm concerned that dumping that much water, which I think has been underestimated from the documents that I looked at on the City's site. It usually said something like this could be a few million gallons. Within about 500 yards of our property is 181 Heather Lane, across Embarcadero, which is being dewater or perhaps it's completed by now. A couple of weeks ago, since it was being metered, we came up with a total of over 70 million gallons were pumped out for a single basement. If we're going to be doing three in Triple El, where we have ground water at 7 feet below surface and we are actually ourselves at 8 feet elevation, we are talking about possibly dewatering 200-225 million gallons of water. That's an environmental concern for me. It's also a safety concern. I would like to ask that the City consider monitoring very closely as construction begins what is happening and also looking very closely at whether or not we have ground settling in our immediate area, and that that be carefully looked at, monitored. I'm concerned about the environmental aspect of dumping that much water. I spoke with the senior hydrogeologist at Santa Clara Valley Water District at great length, who explained to me that this water is our bank account to sustain us during drought conditions. I think we've just had one, and we're still in it. I don't know anybody who lives in Palo Alto who hasn't been really worried about their use of water. This seems like a real contradiction in terms to allow this much of our banked water to be disposed of. I realize that I'm out of time. I would ask you to consider this plus the effect on our developed trees, of which we have some that are over 100 feet. We have many large, aged trees. How is this going to affect them?



# TRANSCRIPT

Mayor Burt: Thank you.

Ms. Cashmore: Thank you.

Public Hearing closed at 8:38 P.M.

Mayor Burt: We will now close the public hearing and return to the Council for discussion and a Motion. Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. For me, it seems what's before us is the lot split itself. I guess, after the lots are split, the houses have to be demolished first. When houses are designed for this, I assume it goes through our normal process. If it's two-story, we have to go through Individual Review. Is that correct?

Mr. Lait: Because three homes are proposed to be redeveloped at the same time, the Code requires that they go to the Architectural Review Board, and that takes place of the Individual Review process. There are two-story homes proposed. That decision was approved November 1st. The appeal period expires tomorrow on the ARB decision.

Vice Mayor Scharff: What expires tomorrow on the ARB?

Mr. Lait: The ARB decision.

Vice Mayor Scharff: The appeal period?

Mr. Lait: The appeal period expires tomorrow.

Vice Mayor Scharff: There has already been a process on the ARB for this?

Mr. Lait: That's correct, a noticed, Public Hearing.

Vice Mayor Scharff: We've had the noticed, public hearing. We've been through the process on that. There was a big fundamental process on the review of the homes and all of that?

Mr. Lait: There was that review.

Vice Mayor Scharff: The approval will require the—I forget what you call it—the granny unit or the ADU. That's part of the development together?

Mr. Lait: Yes.

Vice Mayor Scharff: I shouldn't have a concern that it won't be built then?

# TRANSCRIPT

Mr. Lait: It is possible that the applicant could modify their plans. What's being proposed is the establishment of three residential lots. Development on that would be subject to the requirements of our Code. No, I would say there's no guarantee, again, unless the Council in its consideration of the findings needed to think about that.

Vice Mayor Scharff: The findings we're looking at are on Page 186. Those are the findings we needed to make? The top one through four? Given that, what we're looking at before the City Council is the one exception. It wouldn't be here if it wasn't for the one lot's bigger. Correct?

Mr. Lait: That's correct.

Vice Mayor Scharff: What I heard the applicant say is they worked with Staff to come up with a lot configuration that, for the most part, met the zoning, given the setbacks and all of that, with the exception of this one lot.

Mr. Lait: Yeah. I'm not knowledgeable about what kind of Staff conversations took place, but this configuration has probably the least amount of exceptions being requested. Other designs may result in other exceptions being needed, but I guess that's considered in the balance.

Vice Mayor Scharff: For me at least, on those four exceptions, the first one, is there a special circumstance or conditions affecting the property, I think that's easy to meet. We have a 30,000-square-foot lot that's nonconforming. There's no way to break this up to have it be four lots that would all meet it or that there would be a way to have three lots that meet it or two lots that meet it. We end up with a remainder parcel that gets tacked onto one of the lots. You're going to have a lot that's bigger. It just seems that way to me. The next one is the exception is necessary for the preservation and enjoyment of a substantial property right of the petitioner. It does seem if the person wants to develop this in sort of a way and rebuild those houses and have use of their property, they need to be able to subdivide it. That seems to be in the direction of what we're looking at. The granting of the exception will not be detrimental to the public welfare or injurious. I assume the reason we have the cap on the lot size, frankly, is to increase the housing supply. That's my sense of it, so you don't end up with one big lot. I'm open—does Staff have a sense of the policy reason behind having that cap?

Mr. Lait: I think the maximum lot sizes are designed to reflect the different character or the lot sizes of the original subdivisions. I think that it is sort of that neighborhood character that resulted in an establishment of a maximum lot size.

# TRANSCRIPT

Vice Mayor Scharff: Do we have any concerns that that will injure the neighborhood character? Do we have any concerns with that?

Mr. Lait: The Staff analysis to this point and Planning Commission review has not identified any.

Vice Mayor Scharff: Has there been any real concerns from neighbors or anyone coming and speaking at either ARB or at Planning Commission, saying that they feel this will injure the character?

Mr. Lait: There were no comments, no public speakers at the ARB meeting. The comments you heard this evening were similarly expressed at the Planning and Transportation Commission (PTC). I think there may have been some disappointment that the focus of this particular item with the parcel map was not really getting into these other conversations that people were concerned about. I think there may have been one or two other speakers at the Commission.

Vice Mayor Scharff: That wouldn't be our role as Council.

Mr. Lait: Again, we're looking at the parcel map exception and the subdivision request based on those four findings.

Vice Mayor Scharff: If someone appealed the ARB decision, then those issues would come to Council.

Mr. Lait: That's correct.

Vice Mayor Scharff: The last one is the granting of the exception will not violate the requirements (inaudible) or spirit of the law. I think you addressed that when you talked about the neighborhood character, which seemed to be the reason for having the lot limit. With that, I'll move the Staff recommendation.

Council Member DuBois: I'll second that.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member DuBois to:

- A. Find the Project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3); and
- B. Approve the Record of Land Use Action for the proposed preliminary parcel map application.

Mayor Burt: Did you want to speak further?

# TRANSCRIPT

Vice Mayor Scharff: Just briefly. The applicant represented to us that he worked with Staff on this. It seems like Staff's tried to minimize the exceptions. It doesn't seem how this site could be developed in a way that doesn't have some exception given the remainder parcel. This seems reasonable to me. I don't see people concerned about the actual lot split. I see them concerned about issues of the development, which is really the ARB issue, which would really be an appeal of the ARB findings, if people are unhappy with it. I think we should move forward on this.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Just a couple of quick comments. First of all, just a request to Staff. If you could please include ARB Minutes on something like this. They were online; it was hard to find them. Finding them, the ARB seemed pretty much in agreement. Again, it was useful just to read those Minutes. I think Council Member Scharff hit one of the issues. I think the lot's actually over 30,000 square feet, so there's no way to divide it into three and not have one be over 10,000 essentially.

Mr. Lait: Right. It's like 30,800 and something.

Council Member DuBois: One lot is going to be noncompliant. I am a little bit concerned about the comments about the dewatering. That doesn't seem practical, but if there was a way to stagger that, I think that would be good. Again, an appeal could be filed tomorrow. Is that correct?

Mr. Lait: Yes. I have the ...

Council Member DuBois: If that's correct, we're being asked to look at a subdivision. A subdivision makes sense to me. If there are enough neighbors that have a concern about the actual design, the process there is to file an appeal. That's not really before us today. Thank you.

Mayor Burt: Council Member Holman.

Council Member Holman: I was just going to respond quickly to the maximum lot size. That's actually something that was put in place when I was on the Commission. That was put in place because we were actually losing housing units, because a lot of lot combining was occurring. That's why the maximum lot size is in place. It was also dramatically and negatively affecting neighborhood character. One other question I have for Staff. The third lot—I've forgotten which number it is. One of the lots, Lot 1—no, I'm sorry. Lot 3—I guess it is—would be the large, noncompliant lot. Was there any thought of doing something that we also don't allow, just like

# TRANSCRIPT

this we don't allow—doing a flag lot and then you have four parcels. Surely there would be a fourth house built.

Mr. Lait: I'm trying to understand how that would get us past the exception. Do you think that would get us past the exception request?

Council Member Holman: It would be trading one exception for another. We don't allow flag lots, but creating a flag lot would eliminate the over-size lot issue, which requires an exception.

Mr. Lait: I think that there's probably a number of ways the applicant could have approached their request to subdivide the parcel. I don't believe that Staff had a conversation about the possibility of a flag lot as an alternative exception request.

Council Member Holman: I see Amy French is coming to the microphone or the table. No. The Planning Commission talked about sending this to the ARB because it's three homes. As you mentioned, that is a requirement in the Code. Is there anything that, however—I've seen this happen before—would preclude the applicant from doing these as one-offs as opposed to three at once in terms of design approval? Can we condition that that happens?

Mr. Lait: Can you condition that they all happen at once or that they don't happen at once?

Council Member Holman: That they all go through design review at once at the ARB.

Mr. Lait: They already have gone through design review actually.

Council Member Holman: It depends on how the application is made, doesn't it? They could subdivide the lots and just go, "I'm going to build this one and sometime ...

Mayor Burt: They've already done design review at the ARB.

Mr. Lait: We have an ARB approval for the three homes. They were designed by the architect who spoke this evening. That approval was granted on November 1st.

Council Member Holman: I wasn't clear that the home designs had been granted. I thought they had looked at the ... That's why we need Minutes. I also have concerns about three basements being dewatered at once on such a concentrated locale. Given what we know now—these are City Attorney questions—about how much water is extracted for other basements in town

# TRANSCRIPT

and knowing how close this is to the Bay and where the water table is, approximately at least, can we require an Environmental Impact Report (EIR) to be performed? I'm really concerned about the impact if they build all three at once with that much dewatering. I'm really concerned about that.

Ms. Silver: Right now, we at a Staff level analyzed that and determined that an EIR was not required given the dewatering. That was a result of a design review committee of Staff who looked at that issue including Public Works Staff. This is a discretionary decision. If the Council disagrees with that opinion, you're certainly welcome to introduce facts that would support an EIR in this case. There would have to be specific facts that would warrant further environmental review.

Council Member Holman: For example? The facts couldn't be what we know from other basements that have been dewatered and how much water has been extracted? At least graphs that we've been shown about how far out the impact is of that.

Ms. Silver: You would have to then—what are the environmental impacts, not just quantification of what the water is, but are there particular plants in the area or trees in the area that would suffer as a result of the draining of the water table or are there specific outflows that involve contaminated water, that could impact animals, that type of thing.

Council Member Holman: There have been brought up in the public too or by the public too subsidence issues. The Sierra Club has something called precautionary principles. I don't know that we can adopt those or adapt them for this one project. I do have serious, serious concerns about that. Has Staff come up with any way that we can require the fourth unit to be built as a condition? There are other conditions that have been incorporated here, that seem like requiring a fourth unit to be built would be at least no more onerous than some of those.

Mr. Lait: I don't have a recommendation on how to require a fourth unit to be constructed. What we're approving is three individual R-1 lots. We do have a plan to go forward if they wanted to modify their plan. That is something that we would take a look at. I'll look to our attorneys, but I don't know how we compel them to provide a second dwelling unit unless there is some finding that can be made relative to the parcel map exception that wouldn't apply to other (crosstalk).

Mayor Burt: Council Member Holman, I see the applicant wishing to be able to respond to perhaps your question. If it's all right, I'll grant that.

# TRANSCRIPT

Council Member Holman: That's fine.

Mayor Burt: Welcome.

Mr. Xiong: Thank you, Mayor. Thank you for your question, Councilwoman Holman. Your question is can the Staff condition the fourth unit to be built together with the main house on Lot Number 3. I do not understand exactly the Zoning Code whether or not there's such a Code requirement. From the owner/developer standpoint, I will be happy to take that as a condition of approval as passed to the final inspection. I am actually living nearby, not too far away to the property. For now, it's not really as a developer who's going to not working with the neighbor. I'm in the neighborhood, two blocks away. For now, the intention is I consider—for now my plan is to use the third lot for myself, the house. I don't have no problem from my perspective. Thank you.

Mayor Burt: Thank you. Go ahead. Let's try to focus on ...

Council Member Holman: Given that, would the—the applicant has agreed to that. Would we add as a—the maker and seconder of the Motion agree to adding the requirement that a fourth living unit would be added? In other words, a second unit on Lot 3. The owner's already said he would agree to that.

Mayor Burt: Is that what we just heard?

Council Member Holman: That's what I understood.

Mr. Lait: I heard a second unit on Lot 3.

Mayor Burt: On Lot 3. I thought you said all three.

Council Member Holman: No, on Lot 3.

Vice Mayor Scharff: Yes. If the applicant agrees. I just wanted the applicant to clearly state that we're going to then require it. I'm fine with it.

Council Member Holman: Secunder? Thank you.

Mayor Burt: That's accepted by the maker and the seconder.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "including the addition of a requirement that a second unit be built on Lot 3." (New Part B.i.)

# TRANSCRIPT

Council Member Holman: My only other concern is the dewatering. I don't know what we can do to get ...

Mayor Burt: Let me try and do that. Kind of just saying we're concerned without getting to a point doesn't really get ...

Council Member Holman: I was headed somewhere, but if you have an idea, go ahead.

Mayor Burt: I've been waiting.

Council Member Holman: What could the City utilize to require an EIR or a monitoring program that would intercede if there were identifiable impacts from dewatering three construction projects at once?

Mayor Burt: Council Member Holman, if I might take a crack at an alternative approach to an EIR, then you're welcome to return to that.

Council Member Holman: Sure.

Mayor Burt: Let me go after this. We do have a certain amount of discretion based upon the findings. Frankly, Finding Number 3 is a pretty broad discretionary finding. I have two concerns. One is the setbacks. I think one of the neighbors had raised this issue on the secondary units. I'm actually looking at—I'm trying to understand. Is one a garage and the other an ADU? Sorry, this drawing is tough to see. I can't read the setbacks. What I'm going to lead to is they appear to be pretty minimal setbacks. Given the discretionary latitude and the concerns raised by the neighbors on essentially that being injurious to adjacent properties, any reason we couldn't increase the setbacks there? If you can tell me what they are, I can't read it.

Mr. Lait: We're thinking that imposing additional setback standards could be appropriate based on the finding that you cited.

Mayor Burt: If you can let me know what they are. I couldn't even quite make it out, even on the larger drawings.

Mr. Petersen: I want to walk you through it. The setback up here on this property line is 3 feet 10 inches. That is for the garage.

Mayor Burt: What's the zone, zoning?

Mr. Petersen: The zoning is R-1.

Mayor Burt: What's the setback requirement in the zoning?



# TRANSCRIPT

Mr. Lait: Given that this is an accessory structure, there's a—I'm wondering if the garage could be even zero on the PL.

Mayor Burt: If it was not an accessory structure, what would the setback requirement be?

Mr. Petersen: Six feet.

Mayor Burt: That's the shortest. The others look like—are they 6 feet?

Mr. Petersen: This is 6 feet on either side. Six feet here, basically along the rear of the garage and along the side here.

Mr. Lait: If I may, Mayor, I want to clarify. The setback for the principle structure is 20 feet at the rear, for the rear yard. It is 6 feet at an interior side yard. We consider that property line that is parallel to the California Avenue property line to be the rear. The one that is perpendicular to it would be the side.

Mayor Burt: We can consider what we want. Basically those are real short setbacks. If we're allowing a configuration and a lot size that exceeds our standard lot size, and then we have these structures that are abutting neighbors' fences and that they've voiced concerns about, I don't see any necessity to grant such a short setback in order to give the property owner still the prerogative to build those structures. I would propose that we increase the setbacks to 8 feet on all sides up there. Leave that up to the maker and the seconder as to whether they accept that.

Vice Mayor Scharff: May I ask the applicant how they feel about that?

Mayor Burt: Okay. My Motion won't be dependent on that, but go ahead.

Vice Mayor Scharff: I understand.

Mr. Xiong: To answer to Council Member Burt's setback, I believe as Staff is showing this site, the property line is the three sides according to the Zoning Code. The real property line is the one parallel to North California ...

Mayor Burt: If I can just focus the question. The question is your response to my proposed amendment that there be an 8-foot setback on all three sides of the garage and the accessory structure.

Mr. Xiong: So far one side is already 8 feet on the nearest side. The other sides are 6 and 3, 10 feet. We're already exceeded the minimum.

# TRANSCRIPT

Mayor Burt: The question is your response to a requirement of an 8-foot setback on all three sides there.

Mr. Xiong: For the accessory and the ADU unit, that's what you're talking about?

Mayor Burt: The ADU and the garage, that's the question.

Mr. Xiong: We can take that. I can take it.

Mayor Burt: Thank you.

Vice Mayor Scharff: He said yes, correct?

Mayor Burt: Yes.

Vice Mayor Scharff: That's fine.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Yep.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "increase the setbacks to 8 feet on all sides of the garage and accessory buildings on Lot 3." (New Part B.ii.)

Mayor Burt: That would be added to the Motion. The second thing is regarding these basements. We've been having an increasing focus on dewatering in the community. We have currently interim measures, and we are anticipating perhaps more stringent ones in the coming year. Given the ARB approval here, my recollection is that the prospective, more stringent ones would come before the Council maybe this winter before the next dewatering season. Is that correct? Is that the timing of that? Would they apply to these projects?

Lalo Perez Acting City Manager/Chief Financial Officer: Thank you, Mayor. I did look at the agenda for the Policy and Services Committee (P&S), and it's in a future meeting with Policy and Services. I do not know if it would apply to this project. It's right now December 13th (crosstalk).

Mayor Burt: My recollection is that it would, because we set it up so that projects that had already drawn permits for this last year would not be impacted, but future ones would fall under that. I'm hoping Staff can clarify that. As an alternative, we haven't had any projects in this whole dewatering conversation nor any that I can recall preceding that

# TRANSCRIPT

conversation where we would have three basements being pumped adjacent to each other and in all likelihood simultaneously. That's new. Here we're having increasing sensitivity to the impacts and, frankly, increasing realization of the impacts of the dewatering. We're looking at doing something that is potentially more significant on dewatering than anything we've seen in an R-1 neighborhood in my entire memory as a Planning Commissioner or Council Member. Here's what I would offer without trying to determine that impact, but put it in the context of where the Council has already given direction on dewatering. That is a condition that Staff determine and certify that the aggregate impact of the dewatering of the three basements will not be deleterious to the surrounding properties or vegetation. That's offered as an amendment.

Vice Mayor Scharff: I don't know how Staff would certify that. Does Staff want to (inaudible).

Mayor Burt: First, you have to turn your mike on.

Vice Mayor Scharff: I would maybe like to Staff—I don't know how Staff would know if it's deleterious or not, what procedure they would use to certify that.

Mayor Burt: We already have within the guidelines that we've already adopted something similar to that in that language.

Molly Stump, City Attorney: What we have is somewhat short of that. It's a requirement that the applicant get an opinion from an engineer with respect to impacts on surrounding properties. I have some concern about the City being placed in the position of providing some kind of a guarantee, etc. I think there's some complexity to that that we should think through.

**AMENDMENT:** Mayor Burt moved, seconded by Council Member XX to add to the Motion, "direct Staff to determine and certify that the aggregate dewatering of the three basements not be deleterious to the surrounding properties or vegetation."

Mayor Burt: Thank you for refreshing us that we're requiring a third party certification. I would modify that. The Staff review the third-party—they certify it, a third party?

Ms. Stump: It's more of a statement at this point. This was a pilot ...

Mayor Burt: That the Staff review the third-party dewatering review statement to assure that the aggregate impact has been evaluated and not merely individual dewatering impacts.

# TRANSCRIPT

Vice Mayor Scharff: Pat, just so I understand. What you're trying to achieve is that right now—maybe Staff can (inaudible) right now our Ordinance requires that you look at a house-by-house basis. If you're going to do all three together, we just have them certify it as if it's all three together. Is that correct?

Mayor Burt: Correct.

Vice Mayor Scharff: I'm looking to the City Attorney to make sure the language works with that concept.

Ms. Stump: I'd just like to point out to Council that there was an initial program that was put in place as a policy, and it was a pilot and is subject to be reviewed in December by Policy and Services. Public Works is going to bring back a report of experience to date and some suggestions about additional actions which ...

**AMENDMENT RESTATED:** Mayor Burt moved, seconded by Council Member XX to add to the Motion, "direct Staff to review the third party dewatering review statement to assure that the aggregate impact is evaluated and not simply the individual dewatering impact of each lot."

Mayor Burt: What I should also add then is second that this development be subject to whatever new requirements the Council adopts on dewatering prior to next season's permitted dewatering period. He can't start dewatering until after the rainy season. Basically, this thing doesn't get to race through under a set of old standards right as we're on the cusp of adopting new potentially stricter standards. It's an addition. At a minimum, they'd be looked at in aggregate. In addition, if there are new standards adopted by the Council next winter or early spring, they would apply to this project.

Ms. Stump: Just to clarify, Mayor Burt. I think what's coming before Policy and Services is—as you know, this is a complicated area. There's a layered set of options. Some of them will take additional study or additional work that goes out quite a period of time. Council may direct us to work on those.

Mayor Burt: I'm just saying that whatever requirements are placed on other properties for the next dewatering season would apply to this property.

Vice Mayor Scharff: Why wouldn't it apply to all projects? Why would this be separate?

# TRANSCRIPT

Mayor Burt: I'm just not sure at this point in time whether our approval tonight would be permitting this to get in under the gun.

**AMENDMENT 2:** Mayor Burt moved, seconded by Council Member XX to add to the Motion, "add the requirement that this development be subject to whatever new dewatering requirements the Council adopts before the next dewatering season."

Council Member DuBois: Would you change this to say whatever requirements are in effect before the next dewatering season?

Mayor Burt: Mm hmm.

Council Member DuBois: Maybe that would clarify.

Mayor Burt: That's fine. Does the maker and seconder accept it?

Vice Mayor Scharff: Let me look at Tom's. I think I'm fine with Tom's language on that. I haven't heard yet from the City Attorney. Are we fine with the language in the bold, because you were going to take a look and see if that's the language you wanted with Pat's concept or whether or not you wanted different language.

Ms. Stump: I think that works under the current policy. I think Public Works would, where three were going simultaneously under the same construction.

Vice Mayor Scharff: Pat, I'm fine with that. (inaudible) whatever requirements are in effect for the next one. I'm fine with that too.

Council Member DuBois: Actually, I want to thank you. This was my biggest concern. I think this helps quite a bit.

**AMENDMENT 2 RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "add the requirement that this development be subject to whatever dewatering requirements are in effect before the next dewatering season."  
(New Part C)

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: Actually I like where this Motion is heading.

Mayor Burt: Council Member Holman.

# TRANSCRIPT

Council Member Holman: Just one clarification. It says—where'd it go? It keeps moving. Sorry. Direct Staff to review the third-party review statement. A question for Staff. Is that simply all it is, a third-party review statement? Is there not a hydrologist or somebody that's involved? This seems ...

Vice Mayor Scharff: That is the third party.

Council Member Holman: ... really wimpy.

Ms. Stump: Mayor Burt, just to clarify. We just got a note that perhaps the construction is intended to be sequential. The structures are not proposed to be built at the same time. Just want to clarify. If that indeed is the case, the Council's intending us to process them then sequentially and assess the impacts.

Mayor Burt: If they are, then that would probably alleviate most of the concern on the aggregate impact. I would still want to have a particular Staff review because of either potential overlap or immediately consecutive to make sure that's not going to be deleterious.

Vice Mayor Scharff: Do we need to change the language or is that captured in that, with Staff's understanding?

Ms. Stump: I think maybe we would say "any aggregate impact presented by the construction schedule is evaluated."

Mayor Burt: Sounds good.

Ms. Stump: That way we can ...

Vice Mayor Scharff: Why don't we make that change?

**AMENDMENT RESTATED:** Mayor Burt moved, seconded by Council Member XX to add to the Motion, "direct Staff to review the third party review statement to assure that any aggregate impact presented by the construction schedule is evaluated and not simply the individual dewatering impact of each lot."

Council Member Holman: The other part, if I could go back to that.

Mayor Burt: I'm sorry. I just want to let the Clerk know. It would be up in the first line. Instead of the word "the," it would be "any aggregate impact resulting from the development schedule or project." Council Member Holman.

# TRANSCRIPT

Council Member Holman: Just to go back to the third-party review statement. I don't know what that means. Is it a third-party hydrologist report?

Mayor Burt: I know what it means, but I'm not sure that it's the best descriptor. Is it a hydrologist that we have currently? I think it is, that we have a third-party hydrologist.

Ms. Stump: I believe it's an engineer. Geotechnical report.

Mayor Burt: Let's just say—where it says the "third-party review statement," substitute that with "geotechnical report."

Council Member Holman: It still would be third-party geotechnical.

Mayor Burt: Yes, third-party geotechnical report.

Council Member Holman: Thank you.

Mayor Burt: Is that acceptable to the maker and the seconder?

Vice Mayor Scharff: It is as long as it is a third-party geotechnical. We're not adding different requirements than currently exist.

Mayor Burt: That's what she just said.

Vice Mayor Scharff: I just wanted to make sure, because I was watching their faces.

**AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "direct Staff to review the third party geotechnical report to assure that any aggregate impact presented by the construction schedule is evaluated and not simply the individual dewatering impact of construction on each lot." (New Part D)

**MOTION AS AMENDED RESTATED:** Vice Mayor Scharff moved, seconded by Council Member DuBois to:

- A. Find the Project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3); and
- B. Approve the Record of Land Use Action for the proposed preliminary parcel map application:

# TRANSCRIPT

- i. Including the addition of a requirement that a second unit be built on Lot 3; and
  - ii. Increase the setbacks to 8 feet on all sides of the garage and accessory buildings on Lot 3; and
- C. Add the requirement that this development be subject to whatever dewatering requirements are in effect before the next dewatering season; and
- D. Direct Staff to review the third party geo-technical report to assure that any aggregate impact presented by the construction schedule is evaluated and not simply the individual dewatering impact of construction on each lot.

Mayor Burt: I see no more lights. Please vote on the board. That passes 7-0 with Council Members Berman and Kniss absent. Thank you all.

**MOTION AS AMENDED PASSED:** 7-0 Berman, Kniss absent

18. PUBLIC HEARING: Adoption of an Ordinance Approving Revisions to the Architectural Review Findings in Palo Alto Municipal Code Chapter 18.76 and Approval of an Exemption Under Sections 15061 and 15305 of the California Environmental Quality Act (CEQA) Guidelines. The Planning and Transportation Commission Recommended Council Approval of the Ordinance (Continued From September 12, 2016 and October 24, 2016).

Mayor Burt: We'll move onto our next item, which is Item Number 18. I should have noted earlier in the evening that this is scheduled to precede Item 17. This is revisions to the Architectural Review findings in the Palo Alto Municipal Code Chapter 18.76, approval of an exemption under CEQA. You're back.

Jonathan Lait, Planning and Community Environment Assistant Director: Thank you. We don't have a PowerPoint presentation. There's a couple of things I want to bring to the Council's attention. We are returning with the Architectural Review (AR) findings. This is, I think, the Council's third time reviewing them. At places you should have received two pages that are color pictures of the Downtown Business District and the California Avenue Business District. One of the questions that we're asking you tonight is to identify the boundary that Finding 2(c) would apply to. Our recommendation is the Business District boundaries that are set forth in the Comprehensive Plan. Those are the shaded portions on these two maps here. I also wanted to identify just two adjustments to the Ordinance on



# TRANSCRIPT

Packet Page 232. We believe that was clear from the Council that you wanted to strike in Finding 2(b) the word "local" after "historic." Our recommendation would be that your Motion include striking that word, again in Finding 2(b). Also, if I can get some support from the City Clerk's desk over here on an adjustment to Finding Number 5. I want to apologize to Mayor Burt. I know this was a finding that you were particularly interested in. I think we inadvertently left on some language that we had intended to strike. The writing on the screen is what we are proposing the Ordinance that's in your Packet, again on Packet Page 232, be modified to reflect the City Council's direction at our last meeting. We are striking out "when feasible" and "preferably California natives," and we're adding that other text above.

Council Member Schmid: Could you show the previous (inaudible)?

Mr. Lait: The previous wording is on Page 232 of your Packet. It is Finding Number 5. The only change between Page 232 and what we're proposing here is the red strikeout on the screen behind you and maybe in front of you. The red strikeout is the only change that we're proposing on Finding 5. The rest of it reflects the Council's direction. With that, I'm happy to answer any questions.

Mayor Burt: Just to clarify. I think the context of the conversation and the impact of this language is that we're not talking about plants that are indigenous to the California/Mexico border. It's our regional plants. We'll now move to the Council for any technical questions.

Vice Mayor Scharff: I have a technical question.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: In the Staff Report, it says that 2(c) is redundant and refers us to Attachment C. Maybe you could explain to us if that's true and if it's totally redundant or if there's any actual difference or if we should just strike it.

Mr. Lait: On Packet Page 238, we have an excerpt of the Context Based Design Criteria. This is something that would be applied to any Downtown project or any California Avenue project. Under A(2)(b), there's "the compatibility goals may be accomplished through various means including but not limited to," and it lists the different romanette standards. You'll see two of them in there that are the same language that we have under our proposed new finding of 2(c)(i) and (ii). In addition to these ARB findings, the Staff also needs to make the context-based findings, which are another 50-some-odd standards when we're reviewing these things. To that extent,

# TRANSCRIPT

we're already doing the review for that finding. The concern and the reason why I believe this was incorporated into it is that the Council has seen some projects that hasn't reflected perhaps their idea of what that context compatibility—we weren't seeing the results that we were trying to see. By putting this in the findings, we were hoping to sort of highlight and really focus in on that context compatibility issue. We're doing it anyways. If you want to include it in the findings, that's fine. It's just we'll be doing it twice.

Vice Mayor Scharff: It's not necessary then? It doesn't add anything?

Mr. Lait: I believe there are Council Members who believe it's necessary. I wouldn't want to say it's not necessary. It is one of dozens of criteria that we're looking at in the course of our review. I don't think there's any harm in highlighting it here. It is something that we'll be doing twice.

Vice Mayor Scharff: My confusion of all this came out as I'm understanding the only reason you need us to determine what is the Downtown Business District under the maps is because of 2(c). Is that correct?

Mr. Lait: That's correct.

Vice Mayor Scharff: If it's redundant, I'm confused. You're doing it anyway. Why do we need to understand and define where the Downtown Business District is? Wouldn't it be whatever we're doing in the compatibility guidelines or is that what you're trying to say, make them the same that we already do under the compatibility guidelines?

Mr. Lait: I believe that this process—I believe 2(c) adds some complexity to the findings in that we are now defining the Business District and Cal. Ave. Business District boundaries. We now need to include these maps in the Zoning Code so that we have some understanding of what that definition means. I would offer, understanding the criticisms that are associated with this, the ARB in its review of projects is already looking at not only these two compatibility standards but a whole host of other compatibility standards.

Vice Mayor Scharff: When you look at these compatibility standards, you look at them outside the California Avenue (Cal. Ave.) and Downtown. Are these compatibility standards for the Cal. Ave. and Downtown?

Mr. Lait: It's not just in these two areas today. It's also on El Camino and other areas as well.

Vice Mayor Scharff: Thank you.

Mayor Burt: Council Member Holman.

# TRANSCRIPT

Council Member Holman: Could you clarify just that? I thought when you first referred to the Context Based Design Criteria Attachment C, I thought you said those only applied Downtown.

Mr. Lait: Different parts of the City—Amy will correct me where I'm wrong. There are context-based design criteria for different parts of the City. For the Downtown area, we've attached what they are today in the Code. I believe that these same criteria also apply on El Camino, Middlefield, San Antonio. It's not just Downtown but other parts of the City. It's not just Downtown, but there's some minor deviations between some areas. Substantively this is the same in most of our commercial areas.

Council Member Holman: Would it satisfy the concern that Staff has, instead of the language that's in 2(c) on Packet Page 232, to say "is consistent in the Downtown, California Avenue and El Camino locations with the Context Based Design Criteria"? If you have to make those anyway, why not just clarify and simplify by plugging those in and make it apply to all three of those locations? What I'm hearing right now is that there are some differences among the three.

Mr. Lait: I feel like we have it in Finding Number 1 where we talk about how the project needs to be "consistent with the Zoning Code including," there's a parenthetical reference and very explicitly including Context Based Design Criteria as applicable, which would be to most commercial projects. I feel like we have that standard written into the finding already. I feel like 2(c) adds a layer of complication just in terms of the structure of the findings, the needing to now reference Downtown Business District and California Avenue Business District with a map, and sort of duplicating some of the work that we're doing. Again, the duplication is not a huge issue. In theory, we're getting it at Finding Number 1. Not just for Downtown and Cal. Ave., but throughout all of the commercial districts where there are context based criteria.

Council Member Holman: I guess where my difficulty is—if you can help me with this, please—that what you have put in Attachment C is what applies, if I understand correctly, Downtown. We don't have in front of us an example of what applies to El Camino or California Avenue. How do we know what we're losing if we take out 2(c) on Packet Page 232?

Mr. Lait: You're not losing anything on El Camino, because you're not making a specific reference to El Camino.

Council Member Holman: We might.

Mr. Lait: What's that?

# TRANSCRIPT

Council Member Holman: We might.

Mr. Lait: We can pull up those context-based standards and show the Council what the requirements are for the different areas. That might just take a minute to get it on the board here. Let me just see if I can find it on my system. I'm going to look at the El Camino area right now. 18.16.090, if you have access to the Zoning Code from where you are, you can see these standards as well.

Council Member Holman: I'm not really comfortable doing this like this. We don't have anything in front of us to look at. I do want to move forward, but ...

Mr. Lait: I'm just trying to answer the question about the difference between the Downtown criteria and the El Camino criteria. Amy's telling me there is no difference. There's no difference? Okay.

Mayor Burt: We have—Council Member DuBois.

Council Member DuBois: Just to follow up on this so that I'm clear. If we were to remove the reference to Downtown Business District and the California Business District, on 2(c), would that then make sense? It'll be providing emphasis on one of these findings.

Mr. Lait: It reduces some of the complexity.

Council Member DuBois: Can we avoid setting new boundaries that would need to be kept in sync over time?

Mr. Lait: The one challenge that I'll suggest is that, I think, the reason it got focused on the Downtown and California Avenue is because it may be that there are other parts of the City that you may not want to emulate in terms of its pattern or in terms of the size and proportions. We have a lot of older, one-story buildings on El Camino. New development could be hard pressed to emulate that.

Council Member DuBois: I'm just trying to understand. How does it marry up with what you just said, that under one it would have to follow the Context Based Design Criteria on El Camino?

Mr. Lait: That's correct.

Council Member DuBois: If we had one-story buildings on El Camino, is ...

Mr. Lait: You do have the context based criteria. I'm focusing on 2(c) and trying to understand the impact of removing the geographic boundaries that

# TRANSCRIPT

you've identified. I was just trying to respond to that particular issue. If you pull those boundaries out, then this specific (i) and (ii) would apply Citywide, which is fine because it does apply Citywide relative to the context-based criteria. Again, it's referenced in Finding 1.

Council Member DuBois: It seems equivalent to me.

Mr. Lait: Whether you keep the Downtown Business District and Cal. Ave. Business District in or out is fine. It's just that there's going to be more work. Again, that's okay. We're not shying away from more work. We embarked on this effort to reduce the 16 findings into something that we can focus our energy and effort on.

Council Member DuBois: We've gotten pretty far with six. Thank you.

Mayor Burt: We do not have any speaker cards from members of the public. We will now return to the Council for any discussion and a Motion.

Public Hearing opened and closed without public comment at 8:28 P.M.

Mr. Lait: Mayor Burt, Amy just gave me some important information for Council Member DuBois' comments. If you removed it, those references, it would apply to some of our other areas where we do not have context-based criteria, such as in the GM and RP, the Research Park areas. There was a discussion at the last Council meeting about "maybe we don't want to have that standard apply in those areas as well."

Mayor Burt: Did you have your light on again? Yes, go ahead.

Council Member DuBois: I just wanted to say I spent some time in Downtown Los Altos this weekend. It was kind of striking. A lot of the charm, I think, and variety of retail, I think, comes from that pattern of storefronts they have there. It just kind of underlined for me the value of maybe calling this out. Council Member Scharff highlighted that you guys called this out as redundant. I definitely wanted to talk about that. I think it's okay and somewhat desirable to have a little redundancy just to emphasize and highlight the importance of this item. I would like to understand. It doesn't seem like you'd actually do the work twice; you'd just do it once. We've seen these compatibility requirements—I won't say ignored but subject to interpretation of whoever is on the ARB. I think calling it out in the findings that have to be made makes it a priority. I'm definitely in favor of keeping the language here. The second issue is the boundary areas. I guess I'm open to hear what my colleagues have to say about either going with the Business District areas, the shaded portions on

# TRANSCRIPT

the map, or finding a way maybe to remove the boundaries from this clause and make it more general in a way that's appropriate. Thanks.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I guess I would be concerned about removing the boundaries because I don't think it should apply to the Research Park. I think we had that discussion before. In my mind, it's either we keep this or we do away with 2(c) frankly because it's redundant. I think Staff has indicated that it makes it more complicated and doesn't really add anything other than more work for Staff. I don't think I feel hugely strongly about this actually. I tend to think that making things more redundant and clogging things up when we do our ordinances is really, just as a policy matter, a wrong way to go. I think what Staff originally came to us for was to make all this less complex. If we're not changing policy, I think we should have cleaner and less complex statutes just as a general rule. With that, I don't know. I think we need to get to a Motion one way or the other. I'll move the—what do we call it? Is it a Staff recommendation? I'll move the Ordinance without 2(c).

Council Member Wolbach: Second.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Wolbach to adopt an Ordinance modifying the Architectural Review (AR) approval findings including the following change:

A. Remove Municipal Code Section 18.76.020 (d)(2)(c).

Mayor Burt: Did you want to speak more to that?

Vice Mayor Scharff: I do. I haven't heard it from Staff that this would change policy one way or the other. Since it won't change policy, then I think the important thing to do is to have it cleaner and less work for Staff. That makes the most sense. I know there's some sense that if we call it out here, you will get a different result. Staff is telling us we won't get a different result; we'll get the same result, just more work and more complexity. That doesn't make sense to me.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I agree with what Vice Mayor Scharff said.

Mayor Burt: Council Member Holman.

Council Member Holman: Findings are one thing, and satisfaction of design criteria are something different. How would this look when presented, if 2(c)

# TRANSCRIPT

was replaced with language such as "is consistent with Context Based Design Criteria Attachment C, which will be applicable to the Downtown Business District, California Avenue Business District and El Camino Real"? How would that look—we can nudge around the specifics of that. How would that look when these findings are made and a project is brought to Council and presented to the public and the applicant? The reason I'm saying that is because, for me, it seems to lose something if it's not in the findings. I want you to try to convince me of that.

**AMENDMENT:** Council Member Holman moved, seconded by Council Member XX to add to the Motion, "replace Municipal Code Section 18.76.020 (d)(2)(c) with, 'is consistent with Context Based Design Criteria, which will be applicable to the Downtown Business District, the California Avenue Business District, and El Camino Real.'"

Mr. Lait: To respond to the question, how would it look different, I wouldn't just reference Attachment C because this is an excerpt and doesn't reflect all of the context-based findings. I don't know if that was the interest or not. If the ...

Council Member Holman: That's helpful.

Mr. Lait: If I'm hearing you correctly—I may not be—it just seems like we're keeping this and we're adding El Camino Real.

Council Member Holman: Sorry, say it again.

Mr. Lait: It seems like, if I understand your comment correctly, we're generally keeping 2(c) as it's constructed generally and adding El Camino Real.

Council Member Holman: Yes, but I was trying to get rid of the redundancy by instead of referring to the specifics that are in 2(c), like (i) and (ii), by referring to the criteria.

Mr. Lait: I see. If those were my two ...

Council Member Holman: It's complicated now to know that this isn't all of the context design criteria.

Mr. Lait: There's like 56 criteria, if you add up all the a's and b's and romanettes. If that were the interest, I would much favor the Ordinance that's before you than referencing each of the context-based criteria. That truly would be ...

# TRANSCRIPT

Mayor Burt: I don't think that's the intent. I think it's to reference them as a whole, not individually.

Mr. Lait: Which I feel like we're doing in Finding 1 with the explicit reference to consistency with the Zoning Code including Context Based Design Criteria. We could pull that parenthetical reference out there and make 2(c) compliance with the Context Based Design Guidelines.

Vice Mayor Scharff: I would be fine with that ....

Mr. Lait: Then, it's more direct—then we have to answer directly the context-based findings. I think that might help when we come to the Council on an appeal. You can see Staff's analysis about how the project does or does not meet the design standards.

Mayor Burt: In the interest of moving this along, I think that's a good idea. Can you offer up language that would relocate that from 1 to a modified 2(c)?

Mr. Lait: Yes.

Mayor Burt: Provide that to the Clerk, and then we can have any other discussions while we get that on the board. The maker and the seconder can decide if ...

**AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "remove from 18.76.020 (d)(1), '(including context-based design criteria, as applicable)' and replace 18.76.020(d)(2)(c) with, 'is consistent with the context-based design criteria of the applicable zone district.'" (New Part B)

Council Member Holman: That would be helpful. It's design criteria as stated, not design guidelines which are different. The other is offering up that El Camino Real be added to California Avenue and Downtown.

Mr. Lait: I would suggest that we would say "the project is consistent with the Context Based Design Criteria as applicable for the commercial district." There are context-based criteria for all of El Camino, for all of Downtown, California Avenue.

Mayor Burt: We don't have to list them. We just say ...

Mr. Lait: We don't have to list them.

Mayor Burt: ... for the commercial district.



# TRANSCRIPT

Mr. Lait: Where applicable, the Context Based ...

Mayor Burt: Going forward, that would mean if we adopted other district-based context criteria, then it would automatically apply.

Mr. Lait: That's right.

Council Member Holman: That sounds good. I think the last thing—by the way, thank you for—it was one of my markups. Thank you for catching the word "local."

Mayor Burt: No, we're waiting for Staff to come up with wording. We're going to have additional discussion. Thank you.

Council Member Holman: Thank you for catching that. Do we need to—I think the Staff Report asked us to identify the boundaries of the Downtown commercial district. Do you still need that? You've got in 1—it says "as applicable coordinated area plans," which South of Forest Area (SOFA) II is. Do we still need to identify the Downtown commercial district?

Mr. Lait: No, we would not because we're modifying 2(c) to not be specific to these two geographic areas. What we're saying is under 2(c) wherever we have Context Based Design Criteria, the project shall demonstrate consistency with that. Defining the boundaries is no longer necessary.

Council Member Holman: That's what it seemed to me. Thank you.

Mayor Burt: I take it nobody else has anything. We're just waiting for that language. Do the maker and the seconder accept the new language in Amendment B?

Vice Mayor Scharff: I do.

Council Member Wolbach: I accept.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to remove Part A of the Motion.

Mayor Burt: Council Member Holman, you have something?

Council Member Holman: Yeah, a clarifying question about this. Design criteria of the applicable zone district. We seemed to have lost the coordinated area plans and any relevant design guides.

Council Member Wolbach: Could we just add that in?

# TRANSCRIPT

Mr. Lait: Let's look at Finding D1. All we struck from Finding D1 was the reference to the Context Based Design Criteria. We did retain Coordinated Area Plans including compatibility requirements and any relevant design guides. If you look at Packet Page 231, Finding Number 1 at the bottom, all we did was strike the first parenthetical reference.

Mayor Burt: Basically it's still there in 1, Coordinated Area Plan is still there in 1.

Council Member DuBois: I think we could remove A at this point.

Council Member Holman: Sorry. Of the applicable zone district—this says "as applicable." Do we complicate it by saying "of the applicable zone district"? We're talking about geographies, not zones.

Mr. Lait: We think this reads correctly. What was the concern?

Council Member Holman: After "applicable," the words "zone district" are added. For instance, El Camino Real is not all the same zone. Doesn't ...

Mr. Lait: That's right.

Council Member Holman: We should strike "zone district," right?

Mr. Lait: No, no. We think we should keep "zone district" because there are Context Based Design Criteria in the Code today for each of these zones, for the CN, for the CS, for all these different zone districts on El Camino.

Council Member Holman: We're adding what wasn't there before, but it's a clarification.

Mr. Lait: Yeah. This takes all of the Context Based Design Criteria that are embedded in the Code, and it makes us evaluate each of those projects to those applicable criteria. In other words, we're not going to study the Downtown criteria to a project on El Camino when the El Camino zoning district has its own set of criteria.

Mayor Burt: I think we're ready to vote.

Vice Mayor Scharff: Tom had a question I think might be correct. Should we remove A from there? Is A necessary? No, just A. It's "remove Municipal Code Section 18 (d)(2)." Right now it says "and replace A" with "is consistent." I don't think it really matters.

Council Member DuBois: It's kind of redundant, but it's fine.

# TRANSCRIPT

Mr. Lait: I'm happy to get rid of redundancies.

Vice Mayor Scharff: It's fine.

Council Member DuBois: ... need to be there because we're replacing it.

Mr. Lait: I thought you were looking at the A in the Ordinance.

Mayor Burt: Everybody good with that?

Vice Mayor Scharff: Yep.

Mr. Lait: Just to make sure, part of the Motion is the adjustments to Finding Number 5. Thank you.

Vice Mayor Scharff: Yep, that goes in.

Council Member Holman: And the local.

Mr. Lait: That's striking the word "local" in Finding 2(b).

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "

- B. Replace Municipal Code Section 18.76.020 (d)(5) with, 'the landscape design complements and enhances the building design and its surroundings, is appropriate to the site's functions, and utilizes to the extent practical, regional indigenous drought-resistant plant material capable of providing desirable habitat and that can be appropriately maintained;' and
- C. Remove from Municipal Code Section 18.76.020 (2)(b), 'local' after 'including historic.'"

**MOTION AS AMENDED RESTATED:** Vice Mayor Scharff moved, seconded by Council Member Wolbach to adopt an Ordinance modifying the Architectural Review (AR) approval findings including the following changes:

- A. Remove from 18.76.020 (d)(1), "(including context-based design criteria, as applicable)" and replace 18.76.020(d)(2)(c) with, "is consistent with the context-based design criteria of the applicable zone district;" and
- B. Replace Municipal Code Section 18.76.020 (d)(5) with, "the landscape design complements and enhances the building design and its surroundings, is appropriate to the site's functions, and utilizes to the

# TRANSCRIPT

extent practical, regional indigenous drought-resistant plant material capable of providing desirable habitat and that can be appropriately maintained;" and

- C. Remove from Municipal Code Section 18.76.020 (2)(b), "local" after "including historic."

Mayor Burt: Now are we good? Please vote. That passes unanimously with Council Members Kniss and Berman absent. That concludes this item. Thank you.

**MOTION AS AMENDED PASSED:** 7-0 Berman, Kniss absent

17. PUBLIC HEARING: Adoption of an Ordinance Amending the Fiscal Year 2017 Municipal Fee Schedule to Adjust Planning and Community Environment Fees to Reflect Adjustments to Salaries and Benefits Included in the Fiscal Year 2017 Budget.

Mayor Burt: We now return to Item Number 17. I have to leave to catch a plane at around 10:00 P.M. This may be expeditious. Mr. Perez.

Lalo Perez, Acting City Manager/Chief Financial Officer: Yes, thank you. I will make it quick. I do not have a presentation. Just to let you know that last spring the Planning Department conducted a review of the fees through a study and updated those fees. As a result of the timing, we did not have the 2016 numbers; we had 2015. The majority of the fees that were adopted in the budget had a 5.5 percent average salary and benefit adjustment. What we're trying to introduce to you tonight would be to adjust those fees to match the rest of the fees that we recommended. This would take effect no sooner than 60 days. It's a minimal impact in terms of revenues, about \$33,000 in additional revenue, a little bit over 1 percent of the department revenues. It would be consistent with the rest of the fees.

Mayor Burt: Thank you. Do we have any questions? Council Member Schmid.

Council Member Schmid: Just one question. We are approving a 5.5 percent increase which is called the increase in salary and benefits. I guess we've just got a final operating budget. On Page 87 of the operating budget, it has some confusing numbers. It says that salaries and benefits have increased 3.4 percent between '16 and '17. Further on, at the bottom of the Page, it says salaries have actually increased 5.5 percent, pensions have increased 10 percent, and healthcare costs have increased 6.8. I'm just wondering if the 5.5 percent increase we have here is underestimating

# TRANSCRIPT

the full and—what is important—the future cost of healthcare and pensions and whether we are in a way subsidizing the Staff work of the ...

Mr. Perez: Thank you. That's a very good question. Part of the problem is that—just to be transparent—we had a lot of transition in our OMB office. We probably could have done a much better job in clarifying the changes. Let me try it in this way. When we did the analysis—we did it at a point in time—we knew we had a deficit. The 5.5 reflects the information we had at that point. When we got to the adoption of the budget, the reason you're seeing a lower number is because we did some temporary solutions that we know are not permanent. From a temporary standpoint, it decreased the number, but it's not the real number, to your point, that we should be charging but we believe the rate is. We believe the 5.5 is the appropriate number because of these lower than what should be expenses. For example, just to give you a flavor, we had vacancies in the Fire and Police Department. Some of them in the Fire Department were purposeful as a result of our continued negotiations with Stanford. We used some savings in the workers' comp fund and some of our benefits. If you tally up these dollars, then it gets you to the 5.5 percent. I think we could have explained it better in our write-up. I do know now—we didn't know when we put the factor in—that the Public Employee Retirement System (PERS) rate of return is 0.6 percent, not 7 1/2 as they were expecting. I know that the number is not adequate anymore. That is what we will be doing in adjusting our budget numbers as we come up with the next cycle. We're going to be lagging in our adjustments, but we are definitely trying to capture all those costs as we know them and incorporate them into the fee.

Council Member Schmid: Our policy for updating the Muni fees is usually based upon a cost of living increase, isn't it? Rather than our cost.

Mr. Perez: We have varying factors. That's one. Anything that we know that we put forward in terms of increases in salary and benefits. We'll be in a better position in terms of salaries because we have for the most part contracts with all of our major labor groups through June 30 of 2018, with SEIU going through the end of that calendar year. What we're going to work on is trying to figure out how we can capture the cost of the pension numbers, which are delayed. Unfortunately, it's a 2-year lag with CalPERS. We go with the data they give us.

Council Member Schmid: I guess the important point is we do have a process that as we move forward we could update this number if it's ...

# TRANSCRIPT

Mr. Perez: Yes. There are some areas where you as the Council have approved the ramping up, I'll call it, of the subsidy to decrease that subsidy. We make you aware of those areas as we discuss them.

Council Member Schmid: Thank you.

Mayor Burt: Council Member Holman. We have no speaker cards. We can return to the Council for a Motion.

Public Hearing opened and closed without public comment at 9:51 P.M.

Council Member Schmid: Move approval.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I'll move approval.

Council Member Schmid: Second.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Schmid to:

- A. Find the Project exempt under Section 15273 of the California Environmental Quality Act Guidelines; and
- B. Adopt an Ordinance approving amendments to the Planning and Community Environment Section of the Municipal Fee Schedule for Fiscal Year 2017 to adjust fees based on a 5.5 percent adjustment for average salary and benefits increases.

Mayor Burt: Any further comments?

Vice Mayor Scharff: No.

Mayor Burt: Council Member Schmid?

Council Member Schmid: No.

Mayor Burt: Please vote. That passes unanimously with Council Members Kniss and Berman absent.

**MOTION PASSED:** 7-0 Berman, Kniss absent

- 19. Finance Committee Recommendation That Council: (1) Adopt a Resolution Approving a Carbon Neutral Natural Gas Plan to Achieve a Carbon Neutral Gas Portfolio by Fiscal Year 2018 With no Greater Than 10¢/Therm Rate Impact; and Terminating the Palo Alto Green Gas

# TRANSCRIPT

Program; and (2) Provide Direction to Staff Concerning Aspects of Plan Implementation. **(STAFF REQUESTS THIS ITEM BE CONTINUED TO DECEMBER 5, 2016.)**

This Agenda Item continued to December 5, 2016.

## Inter-Governmental Legislative Affairs

Mayor Burt: We now move onto Intergovernmental Legislative Affairs, which I'm not aware of any comments.

## Council Member Questions, Comments and Announcements

Mayor Burt: Council Members' Questions, Comments and Announcements. Vice Mayor Scharff.

Vice Mayor Scharff: Just briefly, I wanted to say that I was elected President of the Santa Clara County Cities Association last week on Thursday.

Mayor Burt: Congratulations.

Vice Mayor Scharff: Thank you.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: On Saturday night in front of City Hall, we had a rally of sorts and vigil with candlelight, encouraging people to stick together and respect the diversity and the inclusivity, which makes Palo Alto already great.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I just wanted to let Staff know that Council Members Holman, Filseth, Mayor Burt and myself are going to be submitting a Colleagues Memo on looking at providing some water to East Palo Alto. You'll be seeing that soon.

Mayor Burt: I have sent the draft to City Manager Keene. Maybe, Council Member DuBois, as I'm getting on a plane. I wanted to share two things. Last Friday, I had the pleasure to speak at the Veterans Hospital Veterans Day honoring event and saw a few of the people who were at our City one on Monday. I just want to share how appreciative the veterans were to feel that, whether they reside in Palo Alto or just get care at the VA Hospital, the community treats them as part of our community and respects and values them and welcomes them. We invited them to next year's Veterans Day

# TRANSCRIPT

event. I would say that the vets there really find it important and meaningful for the community to acknowledge them and show an appreciation. I would encourage us to just look for opportunities to participate in that. I know that Council Member Holman last year had been active in this area. I think it's really something that we should be more deliberate about. Second, on last Tuesday and Wednesday, we had a delegation from our Smart City partner of Heidelberg, their Mayor and several of their Council Members and others of their community leaders, here to witness our local and national elections and also to further discussions about their interest in becoming a Sister City. At the same time, we've had a similar request from the Yangpu District in Shanghai, who is our other Smart City partner. The Neighbors Abroad program, which is now led by Bob Wenzlau, has taken up from their perspective these requests. You may recall when we set up the Smart City initiatives, it was not only because these areas had commonalities with us and interests in innovation and sustainability, but we also were not able to respond to their requests to become Sister Cities at that time because our Neighbors Abroad movement did not have the bandwidth to be able to receive them. We now have a whole set of new members participating in Neighbors Abroad. They have preliminary committees for each of these cities. They are open to expanding our Sister City to that effect. We expect that after the first of the year we will have a formal resolution coming to the Council, because it requires both Neighbors Abroad and City action to make it official. Both of these cities are very anxious to have this deeper relationship. Council Member Holman.

Council Member Holman: Just going back to the veterans event just briefly. I just wanted to publicly thank Mayor Burt for encouraging the veterans event to be an annual event. If it happened last week, I don't recall it. It can't happen too much to publicly thank Janice Svendsen in the City Manager's Office for her extraordinary efforts in making it such a huge success that it's been last year and this.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Just real quick. You reminded me. In meeting some of the Council Members from Heidelberg, I think they said they had 47 Council Members on their Council.

Adjournment: The meeting was adjourned at 9:57 P.M.

Mayor Burt: Who's counting? On that note, the meeting's adjourned.