



# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting  
May 2, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:09 P.M.

Present: Berman, Burt, DuBois, Filseth, Holman, Kniss, Scharff, Schmid, Wolbach

Absent:

## Study Session

1. Safe Routes to School 10-year Anniversary Update.

Mayor Burt: Our first order is a Study Session on the Safe Routes to School 10-year anniversary update.

Sue-Ellen Atkinson, Parking Operations Lead: Thank you, Mr. Mayor and Council Members. Sue-Ellen Atkinson, Interim Transportation Planning Manager. We're here tonight to present on the 10-year anniversary of the Safe Routes to School partnership in Palo Alto. We're thrilled to be here and to share this information with you tonight. Tonight, we'll be going over a timeline of the program in Palo Alto, details on the Safe Routes to School partnership as it pertains to our City, the five Es related to Safe Routes to School and how they're implemented in Palo Alto, and then the next steps for the Safe Routes program. With me tonight, I have Sylvia Star-Lack, who's our Safe Routes to School Coordinator. I'll turn it over to her now for the presentation.

Sylvia Star-Lack, Safe Routes to School Coordinator: Thanks, Sue-Ellen. Good evening. Biking and bike safety education have a rich history here in Palo Alto. I wanted to start with the photos on this slide. The article on the left describes a 1956 bike rodeo that was hosted by the Palo Alto Police Department. The photo on the right is a picture of Palo Alto High School students waiting to cross Alma Street at Churchill Avenue. It looks that way today but with helmets. To give you an idea of how we came to have Safe Routes to School program, I've put together a very brief history highlighting key time points. The Staff Report includes additional details. The development of our modern Safe Routes to School program was a response to dynamics set in motion in the 1970s when the Palo Alto Unified School

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District initiated the closure of 14 schools. At the same time, reductions in bus service occurred due to school budget constraints. This led to longer school commutes for students and increased numbers of students crossing busier intersections. In the late 1970s, the City and School District established the City School Traffic Safety Committee to address student travel concerns given the school closures and lack of busing. The Committee recommended the siting of additional adult crossing guards on routes where busing was no longer available. Between the 1970s and the early 1990s, due to the cuts in busing, a negative feedback loop was set in motion where parents drove to school, creating less safe conditions. This lack of safety meant fewer parents were willing to allow their students to walk and bike which led to more cars at school, less safety and fewer students arriving on foot or by bike. By 1993-94, Parent Teacher Association (PTA) members initiated a conversation about congestion and safety issues at the schools. This led to some nascent partnership activity. The City and School District created task forces to engage in self-study, conducting engineering studies and parent surveys. These activities led to the establishment of the third grade bike education program in 1994. A more robust education program developed over time along with some school access and engineering changes. In 2005, Staff became aware of the national movement to improve rates of active transportation for school children. A national coalition had formed to increase opportunities for student walking and biking to school so that students could enjoy the benefits of active transportation including improved physical and mental health; safer, less crowded streets; increased independence; improved academic performance; and fewer greenhouse gas emissions. This national coalition created a national consensus statement with a framework on how to address student travel to school. In 2006, the City, School District and PTA Council endorsed the national partnership consensus statement which is the date we acknowledge as the beginning of our Safe Routes to School partnership. The partnership is a collaboration of the three entities with a mission to reduce risk to students on their school commutes and to encourage more families to choose alternatives to driving solo more often. The City School Traffic Safety Committee that had been created in the 1970s became the task force for the Safe Routes to School program. Representatives from these partners meet monthly during the school year to share information, solve problems and communicate about changes to the road network or campus access that affect student commutes. I'll briefly—sorry. The partnership uses a five Es approach to improving student travel. We educate students and parents on how to use our roads safely. We encourage through various means families to try walking and biking, carpooling or transit when possible. Our police enforce our traffic laws for both cyclists and drivers while both the City and the School District engineer safer spaces for our students on their commutes. Our PTA aids City Staff in evaluating our program. I'll talk

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briefly on each of these aspects of the program. Regarding education, our kindergarteners, first and second graders receive pedestrian safety lessons each year. Our third graders receive two classroom lessons that culminate in a bicycle rodeo. I want to point out that the third grade bike rodeo itself is a collaboration with school staff, PTA volunteers, the police, Palo Alto Medical Foundation, Stanford Injury Prevention and other partners. Our fifth and sixth graders receive a lesson reminding them to make safer choices when out on the roads. Families with middle schoolers can sign up for our middle school bike skills class that we offer in partnership with Wheel Kids Bicycle Club in Palo Alto. Parents with younger children can enroll in our family biking workshops that are run by the Silicon Valley Bicycle Coalition, or parents can opt for a parents only class entitled "Bringing Up Bicyclists." Encouragement events are key to changing the culture on campus regarding walking, biking, carpooling and taking transit. At least twice a year and sometimes more often, PTA volunteers organize events to celebrate the use of alternative modes school wide. I know that some Council Members have participated in these events, getting up early to greet our families as they arrive at school on foot or by bike. Thank you for your support of our program. It's important for our parents to see your enthusiasm for these healthy choices. Other kinds of PTA-organized encouragement events include "how did you get to school" sticker charts, which you see here on the top right; pancake breakfasts; bike blenders; handing out stickers or stamping hands. Sometimes these events are folded into green team events for Earth Day in the spring. The photo here is of the recent event at Terman Middle School for Earth Day. You see the Terman tiger there in the back. A nice trend is that at the middle schools these events are increasingly student-organized. Another important encouragement effort is the creation of our Walk and Roll Maps for all schools in the district and for the Monroe Park neighborhood. The maps show the best walking and biking routes; the estimated walking and biking times; the location of crossing guards, traffic signals, all-way stops; and the location of bike parking on each campus. The maps convey the message that we are a community that supports walking and biking so much that we've done some of the work for parents to help them try these modes. Developed alongside these maps were lists of projects that the City and School District could undertake to enhance student safety in route to school and on campus. I'll say more about these project lists soon. We cannot do this work effectively without our police force and our beloved traffic team, who enforce the laws for drivers and cyclists. The police fund and oversee our adult crossing guards. Our Police Chief supports our program with a letter for parents each fall with safety tips for all road users. The police run our juvenile traffic diversion program, which gives an opportunity for youth who have received citations to attend a bicycle law traffic school in lieu of paying a fine. Engineering our streets and campuses for student safety is another key piece of our work. Our

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engineers work collaboratively with parents, PTA volunteers, school staff and School District administrators to build in safety measures and other considerations for students commuting to school. Often it is the PTA volunteers who point out where improvements are needed. This slide highlights some of our recent and upcoming projects that will have significant benefits for students. The project list developed during our Walk and Roll Map process have been fed into all of our current and future roadway projects so that student safety is integrated into all that we do. How are we doing? Evaluation is the final E and another essential component of our program. This chart shows the number of parked bikes at Gunn and Palo Alto (Paly) High Schools for selected years between 1985 and 2015. The total number of high school students biking in 2001 was 300. Today that number is about 1,700 students, which represents approximately 43 percent of all Palo Alto Unified School District (PAUSD) high school students. These numbers are impressive, but they are particularly impressive when put into the national context. Nationally between 1969 and 2009, the percentage of children walking or bicycling to school in the United States dropped from 50 percent to 13 percent. There was a slight rebound in 2013. The national rate of walking to and from school was approximately 15 percent, and nationwide in 2013 the percent of students in grades K-8 who bicycled to school was 2.2 percent.

Mayor Burt: Sylvia, on that first bullet in 2013, is that walking or walking and riding?

Ms. Star-Lack: The first one is just walking, and the second one is just biking. Compare those numbers to locally, 39 percent of elementary students in Palo Alto walk or bike to school. This is over twice the national rate of walking and biking. I want to stress that our program focuses on carpooling and transit as well. When you add in taking the bus and carpooling, we have found that 53 percent of elementary school students who attend a neighborhood school, not a choice school but a neighborhood school, get there by walking, biking, riding the bus or carpooling. Focusing only on bicycling, however, we've found that 32 percent of all Palo Alto students in grades K-12 bike to school. You can see the breakdown here for elementary, middle and high school students. These statistics show the power of partnership and collaboration. No single entity could produce these results alone. Thousands of hours of volunteer and Staff time went into creating the environment our students encounter today, and there is still more work for us to do. Recent staffing changes on the Safe Routes team and the 10-year anniversary of the Safe Routes to School program made for an opportune time to discuss new directions for our work. On this slide are some of the items identified in the visioning session held on March 23rd with program stakeholders. The visioning process is not yet complete, and these

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items require additional discussion. Other activities that City Staff would like to implement include conducting rolling reviews of school commute sheds and updating the Walk and Roll Maps in 3-5 years. It is a department priority to fully staff the Safe Routes to School program so we can expand our activities and continue our important work. Thank you for your attention. I welcome your questions and comments.

Mayor Burt: Thank you. Colleagues, questions or comments? Council Member DuBois.

Council Member DuBois: Sylvia and Sue-Ellen, thank you very much for the update. I was just curious. Are you going to do this presentation to the School Board at all?

Ms. Star-Lack: I would like to.

Council Member DuBois: I think it would be great if you could. Cory and I are on our City School Committee. Our most recent meeting was all about transportation. I think it would be particularly timely if you could.

Ms. Star-Lack: Every year we have an agenda item for that Committee, so yes.

Council Member DuBois: Not for the Committee, but for the whole School Board.

Ms. Star-Lack: Sure, absolutely.

Council Member DuBois: We have a large bubble of students moving from middle school into high school. Over the next several years, I think the high schools are going to get a little bit larger. There was a lot of discussion particularly about Paly, which is going to go up to 2,400 students, and they're losing parking with new construction. You guys have done an awesome job, and we're going to have to really be on it to get even more high schoolers, I think, using alternate transportation. One of the things we talked about was trying to see if we could change the way the high schools allocate passes. At Paly, I believe it's just a random lottery where it'd be nice if they gave priority to carpools and people that live further away. There seemed to be a fair amount of agreement on that, also the two School Board Members. It might be something to follow up on. The last comment I just had was we're talking about updating our shuttle in general. I'd really like to see you guys involved from a Safe Routes to School perspective, looking at making sure the routes align with the start of school and potentially more shuttle routes going past schools during those times. There's a lot of focus on bikes, but a shuttle would be great as well.

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Ms. Star-Lack: Absolutely.

Council Member DuBois: Thank you.

Ms. Star-Lack: Thanks.

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you very much for the presentation. I had a fun trip down memory lane. I wasn't biking to school in 1956 when this photo was taken but recall fondly my traffic guard at Newell and Dana when I'd bike to Duveneck, and can remember one morning getting a ticket from the Palo Alto Police. I can't remember if I wasn't wearing my helmet or I went through a stop sign, one of those two things, on my way to Jordan. I do recall that biking to school got less and less cool and a little more difficult as I got older and I had to carry more stuff. It's awesome to see that—I think, kind of when I was going to school was that it dipped in the number of folks who were biking and walking and rolling to school. It's great to see the great improvements that have been made since then. One question I had was we got an email that referenced the kind of projects on Charleston-Arastradero and also on Embarcadero that are trying to make our community safer for more students to bike and walk and roll to school. Is there an update? I don't know if that would be you guys or maybe somebody else on City Staff that might have an update on those projects and just making sure that we have the funding (crosstalk).

Ms. Atkinson: We don't have an update prepared tonight. I believe that there's a bike boulevards item next Monday.

Council Member Berman: Thank you to whoever on Council participated in the rock and roll. I did that last year; I couldn't do it this year, but it was awesome. High-fiving all the kids as they got to school in the morning was a lot of fun. Thank you, guys, for all the work that you're doing.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: First, I want to second everything that my fellow member of the City School Liaison Committee, Chair DuBois, said. Great points. I'll just second that, as well the comments by Council Member Berman. I remember growing up in the Palo Verde neighborhood, which is kind of one of the further corners from either high school. I went to Gunn; some of my neighbors went to Paly. I graduated in '99, which was kind of the nadir of biking to school based on your historical chart. I think I've seen that before. It wasn't very cool to bike to school then. I'm glad to see how much that's changed. I just want to say thank you to members of the

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community, those who are here and the many, many who aren't here tonight, but they know who they are, and the City Staff for all the work on that and really just helping change the culture. To City Staff and the community, don't be shy in asking us to continue to do what we can on Council to facilitate furthering that. One thing I did, because I didn't want to bike to school and be sweaty, when I was in high, because showing up to school sweaty isn't really cool, and biking in general wasn't deemed cool back then, I took the bus a lot. Now that Santa Clara Valley Transportation Authority (VTA) is thinking about slashing essentially all the buses in Palo Alto, the thinking throughout the City, both the School District and the City Council, the community about how we get people around, especially students, without those buses that served my neighborhood when I was growing up in particular but many others is something to keep in mind both with biking and with the shuttles.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Thank you very much for being here. I hadn't realized your last name was hyphenated. It's interesting to see. I had thought it was all one word. I want to ask something about the learning that takes place. If you ride your bike to school during elementary years instead of somebody driving you—we live fairly close to Jordan, and the bike parking is just packed. As kids go on from there into Paly and Gunn and biking seems to become less cool and driving more common—I've also noticed that they have arguments about what they should charge for parking—say a little about what kind of consistency there is if kids ride their bikes early to school versus somebody driving them to school. Maybe there isn't any correlation.

Ms. Star-Lack: I'm not sure exactly what you're asking.

Council Member Kniss: If I'm the elementary school student and I've been taught to ride my bike, I take it. I've had the course and so forth. Then, I get into high school after middle school. Am I more likely to ride my bike because I have done it on a regular basis and I'm comfortable with it or is there no correlation whatsoever?

Ms. Star-Lack: I don't know, and we don't have any data for that specifically. Anecdotally, it really kind of depends. We have students who never ride in elementary school and all of a sudden start riding in middle school. It kind of depends on what their friends are doing, which is why it's really important to change the culture at these campuses. If everybody's doing it, then everybody's doing it. That goes to the item that we have for

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7-12 graders. Right now we have no formal programming for them. Is there something we can do to support that continued culture change?

Council Member Kniss: I guess, if you ever come across the answer, I'd be interested in knowing. It's how do you change that peer group behavior. I notice our Mayor is riding his bike more and more. That doesn't seem to change the Council's behavior too much. In seriousness, I really wondered what that was, because I remember my own kids who, when they were old enough to drive, really wanted to drop the bike and take the car.

Ms. Star-Lack: I think that it's less uncool; it's more cool now to actually be biking. I don't know if you noticed, but bikes are everywhere in popular culture. As you know, our young people, young adults are driving less and less and riding more and more. It's really not an uncool thing, and it's a social thing for students actually.

James Keene, City Manager: Plus it's really cool to arrive at school sweaty now as opposed to the old days.

Council Member Kniss: I would also think that the safer we make it, the easier it is going to be to bike, I think, for parents as well. They really want to be comfortable when their kids ride off to school in the morning. Thanks very much. I'm really glad and delighted that you have this program. I had the fun of going to Ohlone last week and watching the kids arrive on wheels of any kind. It was a kick. Thanks.

Mayor Burt: Council Member Holman.

Council Member Holman: Thank you for all the progress that's been made. It shows certainly very dramatically in comparison to where the rest of the nation is. Just by chance, I happened onto a program on KQED or one of the National Public Radio (NPR) stations last week. I think it was called "The Slow Way." It was about comparing Japanese children, how they get to school, and American children, how we get to school. Some of the things that they do are things that we do in the community already, like the bike train of people going together. One of the things that came through pretty loud and clear was that even after World War II, when roads were torn up and there were a lot of impediments, they did not change their behavior. It was a point of pride for the parents and the children to walk to school. It wasn't even biking; it was just walking to school. I see Penny Ellson nodding her head; she's maybe familiar with the program or something. It was a point of pride. I don't know how we instill even more pride in our community to adopt the slow way. It was kind of eye-opening. It talked about development patterns and that sort of thing too. That was the thing that really stuck with me, that it's a point of pride. They didn't let even a



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world war and the devastation of that war interfere with their commitment to walking to school. The other thing is, given this is the tenth anniversary and just last year we passed a Resolution for Healthy City Healthy Community, if there's some way that we—Council Member Kniss and I have been working on that. If there's some way or some thoughts that you might have to interject, you can of course—you probably have read, I'm going to assume, the Resolution already. If there's some program that we might introduce as a part of that to help promote Safe Routes to School also, let us know. Congratulations and thank you.

Mayor Burt: Council Member Schmid.

Council Member Schmid: It's wonderful to see the traffic bike counts that you have going from 10 percent 15 years ago to 40 percent, over 40 percent today. That's hard to change customs of a community, and you've really done it. I guess also we have next week the bike boulevard on our Agenda, which is a big infrastructure item. I guess it shows the commitment of the City to provide support to what's going on around town, and the kids going to school is a key part of that. Just a couple of issues that you might be sensitive about. One is the share of overflow students from neighboring schools to schools at a distance. I think certainly you're biking and walking programs should be coordinated as much as possible with those discrete decisions that are made. Concerned a little bit about afterschool activities. One of the items that parents pointed to was worrying about the kids going to afterschool activities. I know they go in a variety of directions. You just think of the field policy in Palo Alto; middle school kids are going to fields at the fringes of the City, at Cubberley, at El Camino Park, in the Baylands, and bring them home in the dark in winter time during rush hour. Just a sensitivity about active, engaged kids and their safety and health.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thank you. First of all, this is just flat out awesome. I mean this program's been a huge success. Thank you very much for doing it. You look at the charts here, and it sort of looks like it's started to flatten a little bit at both Gunn and Paly. Have you got any specific insights into what sort of the obstacles might be to get to the next 10 or 20 percent?

Ms. Star-Lack: Paly has been under construction; although, we've worked with them to increase their bike parking. Gunn also has had construction recently. We've also worked with Gunn to improve the numbers and location of their bike parking. Each school is really different. Gunn has a lot of students coming by bus, by VTA 88. Paly has students on the

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Embarcadero shuttle. It's hard for me to speculate. I don't really have hard data on that.

Council Member Filseth: I was just curious that both of them seem to be sort of tapering off here at 45 percent or so. I'm wondering if there's any specific ...

Ms. Star-Lack: We've seen that pattern before at other schools. The reason I responded the way I did is that usually it was actually a result of not enough bike parking. Students didn't feel like there was space for them. It was full; it was too crowded. We've been trying to work with our schools to increase their numbers of bike parking. Similar to if you provide free parking for cars, if you provide bike parking for bikes, students see that, and they know it's faster than driving, so they come that way.

Council Member Filseth: Thanks.

Mayor Burt: Council Member Scharff.

Vice Mayor Scharff: Thank you. Yeah, it's an awesome program. Whenever you talk to other cities or stuff, they're always amazed at the participation rate we have. The question I had was do you think we've sort of peaked at that 45 percent. I mean, how high do you think we could actually get?

Ms. Star-Lack: I don't think we've peaked. I can't benchmark us against other communities, because ...

Vice Mayor Scharff: Because we do better than everyone else.

Ms. Star-Lack: Pretty much. I think we can go—I've spoken to some students, and they say, "My parents won't let me go." They don't have any good reason. I think there's still some culture change that needs to occur, some more education. I think the work that we're doing on the engineering front will be really important for allowing those additional families to let their students bike or walk.

Vice Mayor Scharff: When you look at—it's elementary school. I just wanted to take a quick look at that for a second. It's 14 percent of elementary (inaudible) bike to school, but we're okay if people walk. Do we know what the combined—did I see that somewhere? Walking and biking numbers.

Ms. Star-Lack: Our numbers are a little—thank you. Combined walking and biking is on the other slide. Here, let me pull this up. This 39 percent is combined walking and biking for the elementary school level. We don't have

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a really dependable number for grades K-12 that combines both. I can give you an estimate of something around 40 percent, actually it could be 50 percent. It's 40 percent plus 10 percent, 40 percent biking, 10 percent walking. I'm not completely sure of that number. That number came from our parents survey, which had a very self-selected bias.

Vice Mayor Scharff: Just so I understood, when you said the 10 percent, that was middle school students and high school students who you said—it'd be a higher number? If we added them, if we added walking.

Ms. Star-Lack: If you look at all grades, K-12, our parent survey which we know had a very biased sample size and a very self-selection biased sample, we had approximately 40 percent of all students in all grades biking, if you average over everybody, and approximately 10 percent of all students in all grades walking. We're probably around 50 percent biking, walking, but you can't really quote me on that, because that survey was not great.

Vice Mayor Scharff: Since you told me—what you're really saying is that very few walk in middle school or high school. If there's 10 percent overall and there's 40 percent in elementary school, of that 40 percent only 14 percent are biking and the rest are walking, all of that walking over the whole thing is actually elementary school or at least seems intuitively without playing with the map.

Ms. Star-Lack: Yes, that is true. From that same survey, the walking numbers are much higher in grades K-5, and then we move over to biking for the upper grades.

Vice Mayor Scharff: It seems like across the board from elementary school through middle school, it really seems to be 40 percent, then 50 percent, then 43 percent of people who either walk or bike roughly. It's pretty constant.

Ms. Star-Lack: Yes, it could be.

Vice Mayor Scharff: Or maybe not. I don't know.

Ms. Star-Lack: It could be.

Vice Mayor Scharff: Anyway, great job. It seems like it gets better and better every year.

Ms. Star-Lack: We're trying.

Mayor Burt: When we look at this program and we've seen our tremendous progress, it's important for us to even recognize, as some alluded to, that

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this program is nationally leading in many regards. It's been a model for other districts that are using the tools we've used. The efforts that have been done here have helped a lot of kids outside of our district. This discussion that was going on was interesting, because we were hearing from Council Members whose kids went to school a long time ago or Council Members who went to school here some time ago. You were saying really the mindset is different now. What they experienced with their kids is not what our kids are really experiencing. My kids graduated more recently, and it was the norm, and it's a positive social norm. It is the more cool thing, not the less cool thing. Frankly, from a practical standpoint, I don't know if any of you have tried to drive to Paly at peak hour. I had a couple of times last year where I had to take my car because I had another meeting outside of town right after going to 25 Churchill. Each time I was late by 10-15 minutes to the meeting because I drove rather than biked. There's no comparison at getting to school especially; it's far faster. There were a lot of questions about what else we might do. Actually I think we do have some things in the pipeline that will help bring this forward. One is we are looking at Residential Permit Parking programs next week including for Southgate, because we have overflow parking from Paly at Southgate. Just like when we close off parking for commuters for Downtown in the overflowing into the neighborhoods, they turn to alternative forms of transportation. In this case, we've got an easier alternative form. There's really nobody in Palo Alto who isn't in pretty easy biking distance to their school. On top of that, they arrive to school refreshed and more ready to learn. There's a lot of good reasons to do it. I think we'll see an uptick there. Then, we're adding and improving our bike routes. On the Gunn side, the routes that we're improving not only on Charleston-Arastradero but through Barron Park neighborhood are also going to be good improvements. I'm very hopeful that we'll see an uptick in there as well. Finally, when we look at this from a community standpoint in the investment, my ballpark is that the difference between what we would have in bike riding to school if we didn't have this program and what we have with the program is about 6,000 fewer car trips per day in our community. Everybody in the community who drives a car should be ecstatic about this program, because without it our congestion would be even far worse. One other thing. I think Council Member DuBois had the really good idea to have you present to the Board of Education; maybe you can take the lead on encouraging the School Board Members to embrace that. Sylvia alluded to something that we've seen a number of times over the years where one of the reasons that we're capped and we hit some plateaus at schools periodically, and they've gotten better at this, is because the School District couldn't even keep up with supplying enough bike racks. I say that because this program is supported in some ways by the School District, but it's really driven by the City of Palo Alto and the volunteers through the PTA program and not by our School District who is

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the primary beneficiary and who really should be taking the primary ownership for this. They never have and, over the years, have even not been willing to keep up with providing bike racks. I think that's really bad. I think we need to challenge the School District to do more, to have a greater commitment to the program as a whole. I think a first good starting point would be to have this presentation to the District and to really compare the resources that the City puts into this and the volunteers put into this versus what the District themselves put in. I think if we keep burying that reality and afraid to confront it, we won't get their engagement like we should. Council Member Wolbach, did you have one last thing that you wanted ...

Council Member Wolbach: Yeah. You just reminded of something else that Council Member DuBois probably also remembers from the most recent City School Liaison Committee meeting during which we heard about concerns, especially at the high school, about bike security. At the middle schools—that's a closed campus—they can lock up the bikes in the bike pens. At the high schools, it's an open campus; students are free to leave for lunch or whatever. I'm not sure what the security apparatuses are, whether there's any—we were talking about this last week—surveillance. I don't know if they have any CCTV recordings of the bike areas. We did hear from our counterparts from the School District that fear of or experience with bike theft may provide a damper on students desiring to bicycle to school, at the high school level in particular.

Mayor Burt: Hopefully the District will do something to take care of that. Thank you very much for a great report and a great program. I know that we have had some really significant Staff losses through retirements and people moving on. Sylvia, I know that you're carrying the load currently. I think it's going to be very important for us as a City to continue to have the commitment to have both the number of people and the outstanding people that we have had resourcing this effort within our City Staff. I look forward to the Finance Committee helping make sure in the budget review that we continue to have the commitment we've had in the past. Council Member Holman, did you have something final?

Council Member Holman: Just very quickly. I looked up the name of the documentary, and it's called "The Slow Way Home." That's all, thank you.

Mayor Burt: Thank you all very much.

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## Special Orders of the Day

### 2. Proclamation of the City Council Honoring Kathy Durham.

Mayor Burt: Our next item is a Proclamation of the City Council honoring the service of Kathy Durham. I would like to have the honor of reading this. This goes back because I've known Kathy a long while from first working in neighborhood groups together. While she at the same time was leading College Terrace neighborhood group, she was a leader in founding this entire initiative that we have in our City. In addition to the "whereas" in our Proclamations, I want to add that Kathy just recently received the Bicycle Agency Staff Person of the Year at the national bike summit. This is a really prestigious award given to one person. That's how highly regarded Kathy is in the field. Mayor Burt read the Proclamation into the record. Please vote on the board. This better be unanimous. That passes unanimously. After you share with us your words, I will come down and present your Proclamation.

Kathy Durham: We have also—we can show and tell—the award. Thank you. I really find it hard to express how much I appreciate having had the opportunity to work with so of many of you and with hundreds of folks from the School District and our local PTAs. It really has been a partnership with everyone contributing, listening to each other, most of the time, or learning from each other. In terms of how much farther we can go, I just want to say there's two things, I think, that are important. One is that making our streets safer for people ages 8-80 helps not just the bicyclists and the pedestrians on their way to school, it helps make our streets better for everyone including drivers. Finding those barriers that are preventing some families from allowing their kids to walk or bike to school even in high school and finding ways to fix them, innovative ways to fix them, is a key challenge. I think that's one that this community can contribute to in the same way as the culture changes that you were talking about. In fact, it's been over the last 27 years improvements on streets, improvements in school circulation, better bike parking, the expansion of our adult crossing guard program and many other things that have reduced barriers for many of our students. We have new people coming into our town who have never perhaps bicycled before. It's a continual process; it isn't a one and done. You have to keep on going. The second thing is that we pioneered the "no guilt" approach to encouraging alternatives, which is that not everyone is able to walk and bike everywhere especially to school when you're younger, but more of us can go more places more often without getting into a single-family car. Thank you very much.

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## Agenda Changes, Additions and Deletions

Mayor Burt: On that note, we move on to Agenda Changes, Additions and Deletions. We're still in the same order, right? Our next item is City Manager Comments.

James Keene, City Manager: Hold on, Mr. Mayor. I might have spoken out of turn. Mr. Mayor, I was not at your meeting earlier this morning. Was there any discussion about moving the Community Development Block Grant item until after 12? Item Number 12 would be the first item now on your Agenda. Is that correct?

Mayor Burt: We will have Item—Item 12 is the first item, and then ...

Mr. Keene: Then you would move Item Number 9, the Community Development Block Grant (CDBG) allocations, after 12, and then you would take up Item 8, the single story overlay.

Mayor Burt: Correct. Thank you.

Mr. Keene: The CDBG item will just be very short.

Mayor Burt: Mr. City Manager, are you going with City Manager Comments next?

Mr. Keene: I'm sorry, did you ...

Mayor Burt: I'm sorry. We need a Motion to change that. Sorry.

Vice Mayor Scharff: So moved.

Council Member Berman: Second.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Berman to hear Agenda Item Number 9- Finance Committee Recommends Adoption... after Agenda Item Number 12- Colleagues' Memo From Council Members...

Mayor Burt: Please vote on the board. That passes unanimously.

**MOTION PASSED:** 9-0

## City Manager Comments

Mayor Burt: Now City Manager Comments.

James Keene, City Manager: Thank you, Mr. Mayor, Council Members. First of all, I did want to introduce formally to the Council our new Project Safety

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Net Executive Director, Mary Gloner. Several of you have already had a chance to meet Mary, who is again our new Project Safety Net Executive Director, Executive Director working for the community collaborative around youth well-being. We thought it would be worthwhile to introduce her. She's been on the job for about three months and is a product of Palo Alto school system, might find out whether or not she was bicycling or not. She's also a local health educator with extensive experience, has a Master's Degree in community health education and an MBA. If I could invite Mary to say a few words to Council, with your okay. Mary.

Mary Gloner, Project Safety Net Coordinator: Thank you, City Manager Keene, for formally introducing me to the City Council. Also I want to thank Mayor Burt and the Council Members not only for your time but for equally being supportive of Project Safety Net since its inception in 2010 when the community came together in response to the first clusters of youth suicides. I'm just going to share a little bit of personal reflections and then make myself available to you outside of Chambers. During the interview process, I pointed out that I envisioned three themes during this transitional year: its evolution, visibility and impact. I shared very early on with the collaborative members that my three guiding principles to ensure I remained focused is to really prioritize issues and solutions identified by our youth, serve our community from a systems perspective, really bringing collective impact to life, and more importantly to keep Project Safety Net's (PSN's) mission in the forefront, to develop and implement an effective, comprehensive, community-based mental health plan for overall youth well-being in Palo Alto. At last week's community collaborative meeting, I shared sort of highlights for my first 90 days. It was really dedicated to capacity building and organizational development, nurturing relationships and networking, participating in various suicide prevention trainings, increasing community engagement especially with youth, our broader community members as well as our leadership team and, as you all know, really diving in with the Center for Disease Control (CDC) Epi-Aid investigation. For me, despite all these activities, what really resounded to me was when I experienced firsthand how our partners mobilized and coordinated with each other when Palo Alto faced the loss of a young life a couple of weeks ago. It really reaffirmed how honored I am to steer this collaborative as its Executive Director. It also reinforced that the culminating of my life experience, education, community service and personal life mission to serve our most vulnerable population prepared me to do this important work. My purpose is to be right here right now with Project Safety Net collaborative. I want to thank Rob de Geus, our Director of Community Services, for a lot of his guidance, support and being a sounding board and helping me navigate City of Palo Alto. I want to also acknowledge many of the City employees as well as some of our Council Members, Council Member Wolbach and DuBois,



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who have been at our community collaborative meetings and so forth, and of course our Mayor as well who's been a staunch advocate for youth. I also wanted to point out the School District has also been very active and engaged and available to me and really invested. Thank you for your time. Feel free to contact me if you have any questions or you want to get to know me a little bit more one on one.

Mr. Keene: Thank you, Mary.

Mayor Burt: Thank you.

Mr. Keene: The City's Public Art program will host a unique evening event this week with artists Bruce Beasley and Roger Stoller. That will be held on Wednesday, May 11th, from 7:00 to 8:30 P.M. at the Mitchell Park Library. You know Bruce Beasley's piece, of course, is the largest piece outside of the Mitchell Park Library. Bruce Beasley also did the traveling art piece that is in front of City Hall right now, in the circle outside of this building. This event will be an exploration of art and technology. Bruce and Roger will discuss the use of emergent technology in their practice. It will be moderated by our wonderful Public Art Manager, Elise DeMarzo, and will talk about the creative process behind their artwork including those commissioned for the Mitchell Park Library and Community Center. This event is open to members of the public, and it is free. I hope that folks can show up. It's that time again. How fast the year goes by. The 94th Annual May Fete Children's Parade will be held this Saturday, May 7th. Hopefully children and dogs parade as last year revived that longstanding practice. The parade will start at 10:00 A.M. on University Avenue. This year's theme is Healthy Happy Habits in keeping with the Council's Priority of Health City Healthy Community. Don't miss this time-honored Palo Alto tradition. Every child and their parents are welcome to join the parade. See you all on Saturday. The City's new Code Enforcement Officer with support from a number of other Staff members including our Police Department has been making progress on leaf blower violations through a combination of education and enforcement. Flyers were sent in March utility bills, and in the month of April Code Enforcement Staff made 32 inspections on reported gas blower use and issued 36 letters regarding suspected violations. The Police Department Staff have made contact with over 20 different owners or gardeners this past month. We collectively continue to field residents' calls and emails. While we recognize there is still room for improvement, we are finding that our citizens who have been notified have been quite apologetic and typically generally unfamiliar with the regulation. Please continue to direct complaints to the Palo Alto 311 app, and I will keep you posted on our progress and with some more specific metrics as we go forward. Speaking of metrics, on the Downtown Residential Preferential Parking (RPP) permit

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sales, Phase 2 of the Downtown RPP has gotten off to a good start. Three thousand eight hundred thirty-nine resident annual permits have been distributed to date; that's 2,980 decals and 859 hangtags. One thousand two hundred thirty-four employee annual permits have been sold; that's 821 employee decals and 413 employer hangtags. Our contractor started issuing citations for Phase 2 violations on April 18th. Citation issuance, so far, has been on par with the first several weeks of Phase 1. Enforcement officers are citing and providing information while working their zones. The first data collection effort for Phase 2 is scheduled for May 19th. The onsite RPP Customer Service Manager ended his presence at City Hall last Friday. Our contractor still has staff dedicated to providing customer service via phone and email on an ongoing basis. Customers may visit the City's parking website for more information. On April 23rd, the City with support from Alta Planning and Design held a tactical urbanism event called "Greenway for a Day" along Matadero Creek channel between Waverley Street and Cowper Street. The event was advertised through direct mailers to all properties within 1,000 feet of the creek channel, posted on social media, press releases and direct emails to neighborhood organizations. The event attracted about 250 people who visited Hoover Park and walked or biked through the neighborhood. I can't remember; I think the Mayor was able to make it by there and maybe other Council Members. A table with photo simulation information on the challenges and opportunities along the creek channel and comment cards were set up. The Midtown Residents Association set up adjacent tables to distribute information regarding their concerns around the safety and the feasibility of the Midtown connector project. We received a total of 112 comment cards through the day. As directed by Council, Staff and Alta Planning and Design are finalizing the draft of the feasibility study looking at a hybrid and an on-road option as well as separated bikeways along Loma Verde and East/West Meadow Drive. The next meeting of the Midtown Connector Citizen Advisory Committee is scheduled for May 17th at Lucie Stern Community Center. Staff and the consultant will also be attending the Midtown Residents Association meeting on May 19th to answer questions. Last but not least, I did want to share with the Council as a whole, this morning I attended a session at Stanford University sponsored by the School of Public Policy, the Bill Lane Center for the American West and the Precourt Energy Institute with City Managers and transportation staff from up and down the Peninsula, from Daly City down into Santa Clara. Really a third annual session we've had on regional policy issues. This one was called "Moving on Mobility: First and Last Mile Solutions in the Transportation Problem." One of the final results at that session was a manager's mobility partnership that the City Managers of Menlo Park, Mountain View, Palo Alto, myself, and Redwood City and the Senior Associate Vice President at Stanford University agreed to work jointly to address transportation and mobility challenges facing the region in the

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wake of population and economic expansion. I did just want to share that at the senior staff leadership level we have acknowledged and agreed to the fact that many of our challenges are regional in nature and cannot be addressed if each jurisdiction works only in isolation. We want to be forward looking and implement innovative solutions as necessary. We're willing to be experimental, coordinating and evaluating appropriate pilots and test programs. A particular focus was on improving walkability particularly in corridors across cities, enhancing our bicycle lanes and associated infrastructure, optimizing choices that address first and last mile problems including shuttles, bike sharing and car sharing services and others, and advocating enhanced service across the jurisdictions including greater frequencies and other capacity upgrades at Caltrain and improving traffic signal coordination and other smart approaches to better travel on our major arterials. We acknowledged that major initiatives will require policy direction from respective City Councils and community input. I do think it's an important acknowledgement that each of us understands we're going to have to work at those linkage points much more closely together to really help develop an effective alternate mode transportation system in the region. I'll keep you posted on that. That's all I have to report.

Mayor Burt: Thank you.

Council Member Schmid: Mayor?

Mayor Burt: Yes, Council Member Schmid.

Council Member Schmid: A quick clarification. You gave numbers on the Phase 2. Could you repeat those numbers?

Mr. Keene: Very quickly, the Phase 2 had 3,839 resident annual permits distributed to date, 2,980 decals and 859 hangtags; 1,234 employee annual permits, 821 decals and 413 employer hangtags. Three thousand eight hundred thirty-nine resident annual permits and 1,234 employee annual permits.

Council Member Schmid: Thank you.

Mr. Keene: Thank you.

Mayor Burt: Thank you.

## Oral Communications

[Minutes Approval was taken up prior to this item.]

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Mayor Burt: We have three speakers, each speaker can have up to three minutes each to speak. Our first speaker is Sea Reddy. Welcome.

Sea Reddy: Good evening, Honorable Mayor and citizens of Palo Alto. The product that I've seen is extremely, extremely great. This whole thing about biking and walking is the best thing it can ever be. Also I want to caution that—I had been a biker. I was a walker and a biker in India. My recent experience is telling me that all vehicles when you are—especially school time, I consider them to be weapons. I hate to say that. They have 4,000 pounds, 2,000 pounds of load. Any movement that you don't see is a safety concern for the children that are walking or biking. My own experience—I live on Stanford Avenue. On Labor Day at 2:00, hardly any traffic. I was parked in my space in front of Stanford Avenue. All of a sudden I opened my door about eight inches, I was trying to get out. All of a sudden, a biker comes and hits my window and falls down. I had to repair my window and all that. Please consider that when you see the 8:00 A.M. traffic and the 7:00 A.M. traffic and the kids going to school and all that. Also, my recent experience. A friend of mine, someone that I know, recently right in front of Sundance Steakhouse on a broad daylight Saturday, he fell, caused by nobody. He himself fell, and he had fractured himself and he was in Stanford Hospital. This is wonderful; this is the best thing we can say. A great product. I think we need to continue to be cognizant of the dangers of biking and the weapons we have whether we're driving or biking. Thank you. Our second item, it takes two beyond Palo Alto, beyond California to the United States. I'd like Donald Trump to pick Condoleezza Rice to be the running mate. I think she's great for our community. Thank you.

Mayor Burt: Thank you. Our next speaker is Ester Nigenda, to be followed by Rita Vrhel. Welcome.

Ester Nigenda: Good evening, Council Members and members of the public. Today I'll talk about effects of groundwater depletion kind of quickly. Do we have a problem? This chart seems to say we do. This is the satellites from NASA showing the groundwater depletion for the years 2011, 2012, 2013. As you can see, we're all in the red. I have put together some slides that show recent headlines. Groundwater depletion contributes to sea level rise. It can trigger earthquakes. Groundwater depletion threatens our food supplies. It can lead to loss in water storage for the capacity of the aquifers. They lose their capacity to store our water. Of course, everybody has heard that groundwater depletion can cause subsidence. It can lead to infrastructure damage. This is part of an article from *The New York Times*. Roads can buckle, bridges can crack, our pipes that carry water and gas can also crack. These are other possible consequences of groundwater depletion. We can have saltwater intrusion. The quality of our water

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degrades. We can harm the groundwater-dependent ecosystems and rivers and lakes. In addition to all of that, pumping is energy-intensive and can lead to increase in greenhouse gases. These are many reports from Stanford; it has a good website, and it has a lot of studies that they have done. Just to sum it all up, *The New York Times* says California is so far ahead of the country on other environmental issues. It became the last state in the arid west to move towards serious limits on the use of its groundwater. I hope we can be leaders and not followers on this issue. Please help us save Palo Alto's groundwater. Thank you.

Mayor Burt: Thank you. Our last speaker is Rita Vrhel.

Rita Vrhel: I feel like Ester and I are kind of doing this water drip on you all, but we both went to a conference in Mountain View on the 26th, last week, which was part of the Lane series on environmental issues hosted by POST. Jay Famiglietti, who was a hydrologist at UC Irvine, spoke. He has been doing some very interesting things for the last five years, working with NASA to map monthly increases or decreases in the surface and the amount—I have to be careful the way I say this—the increase or decrease in water on the earth. This has been not only done in California but all around the world. His words to us in California were, "You're screwed." What he indicated was that we've had the hottest and the driest multiyear winter in California since 1895. He estimated that California needs 12 trillion gallons of water to recover from the current five year drought, that there is a significant loss of groundwater due to most cities and many individuals pumping either the deep or the shallow aquifer for irrigation or water to make up for the loss of normal rainwater or the water that has been stored in our reservoirs. He indicated that management of surface water is one part of water management, but an equal and perhaps even more important part is the management of the groundwater. Unfortunately, no one knows how much groundwater we actually have. To continue to pump it and use it to meet our everyday needs is not sustainable. I'm glad that Phase 2 of the Public Works Department's groundwater initiative is to start trying to figure out how much groundwater we have, so that we will be able to manage it for the future. Thank you.

Mayor Burt: Thank you.

## Minutes Approval

3. Approval of Action Minutes for the April 18, 2016 Council Meeting.

[This item was heard after City Manager Comments.]

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Mayor Burt: Our next item is Approval of the Minutes from April 18th, 2016. Do we have a Motion to approve?

Council Member Kniss: So moved.

Vice Mayor Scharff: Second.

**MOTION:** Council Member Kniss moved, seconded by Vice Mayor Scharff to approve the Action Minutes for the April 18, 2016 Council Meeting.

Mayor Burt: I have to read more carefully tonight. Sorry. Our next item actually should have been Oral Communications.

[The Council heard Oral Communications at this point, then returned to this item.]

Mayor Burt: Now we can come back to the Approval of the Minutes for April 18th, 2016.

Council Member Kniss: The Motion stands.

Vice Mayor Scharff: Second.

Mayor Burt: Second. Motion by Council Member Kniss, seconded by Vice Mayor Scharff. Please vote on the board. That passes unanimously, 9-0.

**MOTION PASSED:** 9-0

## Consent Calendar

Mayor Burt: Our next item is the Consent Calendar. We'll entertain a Motion to approve.

Council Member Berman: So moved.

Mayor Burt: Second.

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

4. Approval of the Final Fire Insurance Settlement and Payment to Frank Benest for his Ownership Interest for Property Located at 2257 Bryant Street, Palo Alto, California and Approval an Amendment to the Budget in the General Fund.
5. Approval of Amendment Number One to Contract Number C15159225 in the Amount of \$60,000 With Municipal Resource Group for Council

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Appointed Officers Evaluations to add Services and Increase the Total Amount Not-to-Exceed From \$123,000 to \$183,000.

6. Approval of a Contract for the Joint Purchase, Maintenance and use of a Tractor Drawn Trailer Aerial Ladder Truck With the City of Mountain View Fire, With a Purchase Amount Not-to-exceed \$630,543.
7. Review and Approve Walk and Roll Maps for Addison, El Carmelo, Fairmeadow, Hoover, JLS Middle, Jordan Middle, Nixon, Palo Alto High, Walter Hays Public Schools and the Monroe Park Neighborhood.

Mayor Burt: A Motion by Council Member Berman, seconded by myself. Please vote on the board. That passes 9-0.

**MOTION PASSED: 9-0**

## Action Items

12. Colleagues' Memo From Council Members DuBois, Filseth, Holman and Schmid Regarding the Creation of an Evergreen Parking Permit Program.

Mayor Burt: We will now move on to our first Agenda Item, which is former Item Number 12, a Colleagues Memo from Council Members DuBois, Filseth, Holman and Schmid regarding the creation of an Evergreen Parking Permit program. Before hearing from colleagues, I just wanted to make sure everyone understands that we have next week on the Agenda the consideration of Residential Permit Parking for Southgate and Evergreen neighborhoods. We have put a placeholder if this item is referred to that week for concurrent discussion of the two alternatives in the same Agenda. Who would like to begin this? Council Member Filseth, are you the lead author or who ...

Council Member Kniss: Pat, I need to say something.

Mayor Burt: Council Member Kniss.

Council Member Kniss: At the suggestion of our City Attorney, I'm going to recuse myself on this. We have some property that is within that 500-foot range. Ms. Stump indicates I might be able to vote at another time. Right now, I'll go out.

Council Member Kniss left the meeting at 6:22 P.M.

Mayor Burt: Thank you. Who would like to introduce it? Council Member DuBois.

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Council Member DuBois: I'll introduce it, and then—will we hear from the public as well?

Mayor Burt: We will.

Council Member DuBois: As the Memo outlines, this is a neighborhood that has waited about 16 years for relief. It was mentioned in the Stanford General Use Permit, but there was no funding at that time. Two years ago, citizens started doing parking surveys on their own and reporting those to Council. It was the subject of a *Palo Alto Weekly* article at that time. Last summer, residents began collecting signatures; they got 225 signatures from about 300 homes. Last year, they also met with the California Avenue (Cal. Ave.) Business Association, and I believe they tried to meet with Council Members individually. In February, they presented that petition here at Council, which led to the Colleagues Memo. Our current RPP Ordinance allows Council to initiate an RPP on an accelerated timeline. The Memo was completed in February. It's now May; it's been a little bit of a slow process. The focus is on the non-commercial residential part of Evergreen Park, which is five blocks by three blocks. It's primarily R-1. It's already isolated from El Camino and Cal. Ave. by barriers to traffic. There are "no thru traffic" signs to isolate the neighborhood, but that's not really working. There are several new office construction projects underway, and residents are concerned that a permit program be in place before kind of bad habits are ingrained in new inhabitants of those buildings. They were really looking for the speediest approach. The College Terrace parking program appeared to be the most expedient to them. My colleagues and I in the Memo suggested a College Terrace-like program would be possible using our new ordinance with very little commercial intrusion in the neighborhood. At the same time, we also asked that retailers in the Cal. Ave. business district be able to share permits for (inaudible) workers on either lots or street-level parking or the garages. There are a couple of issues, and I'll wrap this up real quick. I think we need to think about complexity and cost. We have this new RPP Ordinance that we haven't used very much. We need to decide if it's workable. If it's too costly and too time-consuming, we may want to look for simpler and cheaper solutions. We also need to think about spillover impacts. Tonight's not the night we're talking about the four submissions, but two of those submissions are adjacent to each other, Southgate and Evergreen Park. They're surrounded by restricted parking and Paly, Stanford, College Terrace and Cal. Ave. business district, and then they have trains at Alma Street on the other side. If we were to give one of those neighborhoods parking and the other not parking permits, I think it's easy to see where spillover traffic would go. We brought this Memo because we felt it was an urgent situation; we need a response process. The Memo in February asked that we direct Staff to come with an expeditious proposal in



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May. We're already in May, so I think we're still looking for the most expeditious path forward. Thanks.

Mayor Burt: I just want to try to encourage folks—since we can't take actions on a Colleagues Memo on the night that we first review it, we're really discussing what to refer—to try and keep discussions around that. We do have speaker cards. If it's further discussion of the Memo, perhaps we should hear from members of the public first. If people have questions about the Memo, we could hear them now. I'll clear the board. If anyone has questions about the Memo, we can ask them before the speakers, and then we'll go into discussion after the speakers. I see none. Because we're going to have a full public hearing on this next week and our tight agenda, tonight's speakers, we have six. Each speaker will have up to two minutes each to speak tonight, but it will not prevent them from being able to speak next week. Our first speaker is Paul Machado, to be followed by Karen.

Paul Machado: Good evening, Mayor Burt. As indicated earlier, it's been documented evidence from 16 years ago that there's a parking problem in Evergreen Park. To date, nothing has occurred. Many of you in Council have asked residents to become involved in civic affairs; therefore, when one neighbor said we should stop complaining and do something and that we could petition the government—that's an American right—we took action. In the summer at our annual picnic, we began collecting signatures. We got approximately 225 signatures. We did send invitations to all Council Members to see our proposal and presentation. We also presented it to the merchants association. Well before Christmas, all our presentations were complete, and we were going to do the proposal to the entire Council. We waited until after Christmas so that the Staff could enjoy the holidays. In early February, we presented our proposal to the entire Council. Shortly thereafter, we were informed we didn't complete the required forms and, if we didn't do that by March 31st, our proposal may be not acted upon. We had no idea such a form even existing. Evergreen Park thanks Council Members who signed our Colleagues Memo acknowledging our hard work and perhaps saving it from the dustbin. We were later informed that only one new RPP could be worked on a year, one. The rest would be, I assume, not worked on because there was inadequate funding. It didn't matter whether you were putting this RPP into an existing program and it was one block long or it was half the City, it didn't seem to matter. We were surprised that the City-wide process is clearly designed to pit one neighborhood against another. Although that may not be its intent, that is the result. We think all neighborhoods deserve relief. Again, we thank you for acknowledging our hard work and our proposal. As the Memo suggests, we would like—thank you.

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Mayor Burt: Thank you. Our next speaker is Karen, to be followed by Patrick Slattery.

Karen: Good evening. Thank you so much for supporting the Evergreen Park Residential Parking Permit program by initiating the Colleagues Memo and taking the time to discuss it. I don't want to repeat what Council Member DuBois has already said, as well as Paul. This is an urgent problem, and it's affecting the quality of life and the safety and the access to City services of our neighbors. We're very concerned about creating a bike boulevard on Park Avenue and Stanford Avenue. With all the traffic we have, especially in the morning commute hours for the kids, it really reduces the visibility of the bicycles when there's so much parking on the street. We want you to consider that when you're establishing these bike boulevards. As Member DuBois already said, we're very concerned about the idea of pitting one neighborhood against another. If Southgate were to get a new RPP program this year and we were not or vice versa, then the parking is going to just shift from one place to another. As you know, when there's a free parking space, that's where people go. Very concerned about what's going to happen if there's only going to be one RPP this year. Our neighborhood is heavily engaged, and we're ready to do whatever we can to make this happen fast and simply and most effectively. We'll be happy to help the City in any way that we can to make it happen. Thank you for your time.

Mayor Burt: Thank you. Patrick Slattery to be followed by Doria Summa.

Patrick Slattery: Good evening, Mayor Burt and City Council Members. My name is Patrick Slattery. I grew up on Stanford Avenue and have been living on Park Boulevard for about 40 years. I'd like to thank the Council for all their help and attention in getting the Evergreen Park RPP moving. Saturday evening I took a walk down California Avenue and was astounded at the number of people seated at tables all up and down the street. The crowd was well dressed; the food and alcohol was fancy. I felt awkward threading between the crowded tables. I counted 30 restaurants and a new building advertising 3,600 square feet of restaurant space for lease, all just right on California Avenue and Ash Street and a little bit of Park Boulevard. California Avenue is supposed to be a transportation hub, and it will take a lot of work to get all the buses, trains, bike routes and innovative new devices coordinated to bring in and take on the coming agglomeration that will fill the new offices in buildings. I hope it can be accomplished before the parked cars spread over Evergreen Park and adjacent neighborhoods like the restaurant tables have spread over California Avenue's sidewalk. Cheaper, cleaner and faster, the College Terrace plan is what we need. Thank you.

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Mayor Burt: Thank you. Doria Summa to be followed by Wolfgang Dueregger.

Doria Summa: Good evening Mayor and City Council. I want to thank the colleagues who brought this Memo forward. I'm a College Terrace resident, and I was on the committee that formed our RPPP. I wanted to speak in support of other neighborhoods; primarily Evergreen Park and, I think, Southgate make sense that want to annex our program. Just a couple of things. Our program has been extremely successful. Council Member DuBois already mentioned that at the time of the General Use Permit and the \$100k that was given to College Terrace to design a program, it was understood that Evergreen Park would be the next neighborhood that needed the program. I also wanted to mention something essentially important about the College Terrace RPP. It allows for two hour parking for everyone. I live on the perimeter of the neighborhood, closest to the mixed-use zone. The streets would not work for either the businesses or the residents if there was solid use by long-term parkers of the streets. The businesses need short-term parking as well as the residents. It keeps everything kind of even. Of course, my street is more impacted than at the top of College Terrace, but I think that's okay because I chose to live in what I considered a walkable area next to the California Avenue, Downtown and the train station. I also wanted to point out that the College Terrace Residential Parking Permit program helped Stanford campus achieve its reduction of single occupancy vehicle trips that produced greenhouse gas emission. I hope you'll be able to annex these two neighborhoods swiftly.

Mayor Burt: Thank you. Wolfgang Dueregger to be followed by our final speaker, David Schrom.

Wolfgang Dueregger: Good evening, dear Mayor, City Council and members of the Colleagues Memo. Evergreen Park is a very small neighborhood. It's about a three by five-block neighborhood. What we expect is that Southgate will also be granted a parking program, and that would mean that Stanford, Southgate, the train tracks and the California Avenue commercial core would then surround our neighborhood. We will be only one with unlimited parking. We request to be annexed by adjacency to the College Terrace program. Safety is an issue. Early morning, we have two arteries; we have Park Boulevard and Stanford Avenue as the future bike boulevard. Kids and parents go to the two elementary schools which are located west of El Camino on Stanford Avenue. This is already when the first flock of parkers are coming in. When this bike boulevard should be a safe and nice thing, then parking also plays a role here. Actually keeping the parkers out, that essentially hijack our neighborhood. You see sometimes people going with Samsonite around the neighborhood that are either coming back from a

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long-term trip out of San Francisco Airport (SFO) or heading towards there. That's really a misuse of any neighborhood of any parking permit. The annexation is simple because the College Terrace program is proven. Annexation is fast, and it's also cost-efficient. I mean, there are numbers mentioned about the \$100k. Sorry, studies have been done, etc., so that is all out of topic. Thank you very much.

Mayor Burt: Thank you. Our final speaker, David Schrom.

David Schrom: Good evening. I'm going to make this as brief as I can, even less than two minutes if I can. The issue here tonight from my perspective is what you're going to refer. Are you going to ask that our program be included with the other programs that are pending? Are you going to somehow treat it in a different way? I want to give you three good reasons for treating it in a different way. The first one is they talk about 16 years. Gary Fazzino as Mayor instituted limited permit parking in Evergreen Park 30-plus years ago as a result of degradations being visited on the residents by the patrons of what was then the Grecian Health Spa. We've had this problem for a long time. I've talked to countless Mayors about it, at least a dozen of you and countless City Councils. We've been in line longer than anybody else. Two, we have a working program right next door. We don't have to start from the beginning. Let's take Evergreen Park and, if applicable, Southgate and include them in that contiguous area with a working program. Three, the costs are not trivial. Last Friday, while crossing a crosswalk, one of my neighbors had a driver who had parked in the neighborhood cut across the crosswalk, turning right, ahead of them smash into not one but two parked cars and pull away. Fortunately my neighbor got the license number. There's a police report, etc. The kids in our neighborhood, the bicyclists coming down the bike paths, everybody's vulnerable. There's a big literature that shows if you don't see each other frequently, you don't cooperate as well, you're more likely to do things like leave litter, hit and run, or worse. Please refer it as Evergreen annexed now. Sorry, two minutes and one. Thank you.

Mayor Burt: Now we'll return to the Council for discussion and a referral. Just to encourage Council Members to use this principally as to whether or not we should refer this rather than debating the substance tonight or we won't get to the single story overlay with as much time as those people would like. Council Member Filseth.

Council Member Filseth: I was going to move that we take this up next week as part of the parking discussion.

Council Member Berman: Second.

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Council Member Filseth: Staff can suggest appropriate language for that.

**MOTION:** Council Member Filseth moved, seconded by Council Member Berman to continue this Agenda Item to May 9, 2016, to be included with Agenda Item Number 10 - Direction to Staff Regarding Implementation Priority ...

Mayor Burt: Would you like to speak further to your Motion?

Council Member Filseth: Yeah. The spillover issue is one we should think about. I think it makes sense to do this in context of the others. I think the principle issue with the Colleagues Memo and so forth was one of urgency, but I think it'll last a week. This is frankly an issue where maybe the residents have been a little bit ahead of the City for a number of years. I hope we can move forward and take some action expeditiously.

Mayor Burt: Thank you. Was it Council Member Berman?

Council Member Berman: I agree with everything Council Member Filseth just said in terms of the appropriateness of taking it up next week.

Mayor Burt: Council Member Schmid.

Council Member Schmid: A wide range of concerns have been expressed by the community very clearly. This issue is important for the quality of life of this neighborhood and others, and a timely response is important.

Mayor Burt: Council Member Holman.

Council Member Holman: I just want to thank Council Member DuBois for taking the lead on this and the other colleagues who signed onto this. There are some things implied, if not explicit, in the Memo. Just wanted to get those out there for next week. One of them is about sharing parking permits. We need some information about that from Staff. Also, if we can prioritize sharing of permits or even granting of permits by employer size. The reason I state it that way, which it's not stated that way in the Memo, is because there are a number of projects that have been approved in the California Avenue business district that have been granted parking reductions based on their Transportation Demand Management (TDM) programs. Looking for the larger employers to actually deploy their TDM programs that seem not to be operational currently or we wouldn't seemingly have as much parking demand as we do. One of the other things that is mentioned in the Memo is to be clear that it's a community. The neighborhood and the California Avenue merchants are a community indeed.

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We don't want to do harm to the merchants, and that's why there's a second alternative in the Memo. Thank you.

Mayor Burt: I'll just follow on briefly with this issue. Looking for Staff to be prepared next week to explain on the one aspect of the Memo about sharing existing and new parking permits in the Cal. Ave. area. What would be the practical impact if we have lots where the permit parking is already full and then we share permits? What's the practical impact of that? Just so Staff will be prepared to address that. Council Member Wolbach.

Council Member Wolbach: Actually one question that, again, we can just highlight it for next week for discussion that I wasn't clear about. On the second page of the Memo, right in the middle, there's a reference to Palo Alto's TDM program and using this as an opportunity to test Palo Alto's TDM program. There are multiple TDM requirements that Council Member Holman just alluded to regarding specific projects. I wasn't familiar with a TDM program for the City as a whole or for the California Avenue business district. If there's more explanation about that next week, I'll look forward to hearing that.

Council Member Holman: Can I just respond to that? Maybe provide a little clarification?

Mayor Burt: Okay.

Council Member Holman: Council Member Wolbach, I'm referring to specific and individual projects. It's not area wide.

Mayor Burt: Please vote on the board. That passes 8-0 with Council Member Kniss having recused herself. This will be taken up next week along with the petition by the two neighborhoods for RPP programs.

**MOTION PASSED:** 8-0 Kniss not participating

Mr. Keene: Mr. Mayor, right now that item is the second of two Agenda Items. While the timeframes we put on it are tentative, it's tentatively scheduled to start at 8:40 P.M. next week.

Mayor Burt: Thank you. Before proceeding with the next Agenda Item, our City Clerk brought forward a card that got missed during the oral comment period. I want to reopen that to allow one speaker to speak. Walter Bliss, you have up to three minutes to speak. I'm sorry, two minutes. This is public comment; it is three minutes.

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Walter Bliss: My name is Walter Bliss. I live in Palo Alto for 45 years, 46 years. I wanted to speak against the development at 550 Hamilton Avenue. That's the neighborhood I live in. It's a gross overdevelopment. They want to replace a 43,000 square foot building of an age of about 44 years with two 57,000 square foot buildings, one office, one residential, four stories high facing Webster Street and two floors of underground parking equaling 3,000 square feet. This is an egregious overdevelopment. This is encroaching into a perfectly good residential neighborhood. The people who have put this forward, they're just trolling. They're not venture capitalists; they are vulture capitalists. I voted for some of you; we voted for some of you. We voted for all of you; that's why you are the City Council. We expect you to have our values. We expect you to—you are the line of defense between us, the residents, the electors. You are either our line of defense or you're the gateway to this overdevelopment. Previous Councils have been gateways to previous overdevelopment. You can see them around the City. This is egregious. This is way too much. Already there's an accident last week of a kid and his father going to school crossing Hamilton Avenue. It's a residential neighborhood. We don't need this. We don't want it. I believe that these people have seen some aerial photo that showed, "Look. Here's a big parking lot. Wonder if that's available?" They have captured low-hanging fruit essentially. That's going to be a cash cow for them. What do we residents get out of this? What benefit is that going to be for us or the City? Housing prices are going to go up because of this not only for the residents who live there but for the residents around it. Traffic is going to be way more than it is now. It's just going to be a real pain in the rear-end. Thank you very much.

Mayor Burt: Thank you.

Council Member Kniss returned to the meeting at 6:45 P.M.

9. Finance Committee Recommends Adoption of the 2016-17 Action Plan and Associated 2016-17 Funding Allocations and Resolution 9583 Entitled, "Resolution of the Council of the City of Palo Alto Approving the use of Community Development Block Grant Funds for Fiscal Year 2016-17 Consistent With the Finance Committee's Recommendation."

Mayor Burt: We will now move to what was formerly Item 9, and that is Finance Committee recommendation to adopt the 2016 to 2017 action plan and associated funding allocations and adoption of a Resolution approving the use of Community Development Block Grant funds for Fiscal Year 2016 to 2017.

Council Member Schmid: Mayor?

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Mayor Burt: Council Member Schmid.

Council Member Schmid: I have a family member who is an employee of one of the agencies. I should recuse myself from this.

Council Member Schmid left the meeting at 6:48 P.M.

Mayor Burt: Director Gitelman or who's taking this?

Eloiza Murillo-Garcia, Senior Planner: Good evening, Mayor Burt and Council. My name is Eloiza Murillo-Garcia. I'm a Senior Planner, and I work on the CDBG and housing programs for the City. I'm going to give you a very brief overview of the Fiscal Year 2016-17 CDBG allocation process. Typically the Finance Committee recommendations to Council are a Consent item; however, because of Department of Housing and Urban Development (HUD) regulations, we are required to bring this forward as a public hearing item to give members of the public the opportunity to speak to the item. The City receives annual funding from the U.S. Department of Housing and Urban Development, also known as HUD, as an entitlement city under the Community Development Block Grant, or CDBG, program. CDBG is the principal Federal program that provides grants to improve physical, economic and social conditions primarily for persons of low and moderate incomes. All of the activities funded by the City benefit low and very low income persons. Currently the CDBG program operates under a two-year funding request cycle. Fiscal Year 2016-17 is the second year in the funding cycle. The total estimated funding available for allocation in Fiscal Year '16-'17 is \$754,418 which consists of the entitlement grant of \$441,253, estimated program income of \$100,000 and just over \$213,000 in prior year resources. CDBG has five funding categories in which to allocate funds. Those include public services, planning and administration, economic development, housing and public facilities. In terms of the funding recommendations that you have before you, these have been reviewed by the Human Relations Commission and the Finance Committee. After tonight's meeting, the next step is for Staff to submit the final '16-'17 action plan to HUD by May 15th. It is requested that Council hold the public hearing and take the requested action as described in the Staff Report. Thank you, and I'm available to answer any questions.

Mayor Burt: Thank you. Council Member questions? We have one speaker from the public then. Peter Villareal, you'll have up to three minutes to speak. Welcome.

Peter Villareal: Good evening, Mayor, Council Members. My name is Peter Villareal. I'm the Director of Housing Development for Mid-Pen Housing, specifically for our project in Palo Alto for Palo Alto Gardens. This is a 156-



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unit property. I just want to, again, thank the Council and the recommendation that came through from the Human Relations Commission to support the preservation of existing senior affordable housing in the City of Palo Alto. We are in the middle of an affordable housing crisis, so it's really important that we preserve the assets. I think I also heard earlier preserve water. I think that's actually one of the interesting projects that we're taking on in this project, to focus on water conservation, energy efficiency on this project. Again, I want to thank the Council and hope that you move forward with the recommendation from the Human Relations Commission. Thank you.

Mayor Burt: Thank you. Since this was referred to us by the Finance Committee, I just wanted to see if Chair Filseth has any comments that he would like to share on this.

Council Member Filseth: Sure. We felt that the issue was basically cut and dried. It made perfect sense. This is the second year of a two-year program. It's consistent with the parameters laid out in the program. We felt it made sense to move forward.

Mayor Burt: Council Member comments or a Motion?

Council Member Kniss: I move the recommendation.

Council Member Holman: Second.

**MOTION:** Council Member Kniss moved, seconded by Council Member Holman to:

- A. Adopt a Resolution allocating Community Development Block Grant (CDBG) funding as recommended in the draft 2016/2017 Action Plan and as described in the Staff Report; and
- B. Authorize the City Manager or his designee to execute the 2016/2017 CDBG Application and 2016/2017 Action Plan for CDBG funds, any other necessary documents concerning the Application, and to otherwise bind the City with respect to the applications and commitment of funds; and
- C. Direct Staff to submit the 2016/2017 Action Plan to U.S. Department of Housing and Urban Development (HUD) by the May 15, 2016 deadline.

Mayor Burt: Motion by Council Member Kniss, second by Council Member Holman. Council Member Kniss, would you like to speak to your Motion?

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Council Member Kniss: No.

Mayor Burt: Council Member Holman?

Council Member Holman: No, other than to say, as Chair Filseth said, this is the second year of a two-year plan. In case anybody should think that we have discretion to add money to the pot, we don't. It's CDBG funds; that's why I think it's appropriate to move this forward.

Mayor Burt: Please vote on the board. That passes 8-0 with Council Member Schmid absent.

**MOTION PASSED:** 8-0 Schmid not participating

Council Member Schmid returned to the meeting at 6:53 P.M.

8. PUBLIC HEARING: Adoption of an Ordinance Establishing a Single Story Overlay District for 202 Homes Within the Royal Manor Tract Number 1556 by Amending the Zoning Map to Re-Zone the Area From R-1 Single Family Residential and R-1 (7,000) to R-1(S) and R-1(7000)(S) Single Family Residential with Single Story Overlay. The Proposed Royal Manor Single Story Overlay Rezoning Boundary Includes 202 Properties Addressed as Follows: Even Numbered Addresses on Loma Verde Avenue, Addresses 984-1058; Even and Odd-Numbered Greer Road Addresses, 3341-3499; Even and Odd-Numbered Kenneth Drive Addresses, 3301-3493; Even and Odd-Numbered Janice Way Addresses, 3407 to 3498; Even and Odd-Numbered Thomas Drive addresses, 3303-3491; Odd-Numbered Addresses on Stockton Place, 3315-3395; and Odd-Numbered Louis Road Addresses, 3385 to 3465. Environmental Assessment: Exempt From the California Environmental Quality Act per Section 15305. (Continued from April 18, 2016).

Mayor Burt: Our next item is titled as Item Number 8. It's a public hearing that's a continuation of this item from last week which is a single story overlay for Royal Manor Tract. I want to say at the outset that we had members who had filled out speaker cards—Council Member Wolbach, did you wish to...

Council Member Wolbach: Yes. I think I'm probably not alone. Because I live right in the middle of the Royal Manor subdivision, I will be recusing myself from this discussion.

Mayor Burt: Council Member Schmid.

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Council Member Schmid: I live in Royal Manor as well and will recuse myself from discussions.

Council Members Schmid and Wolbach left the meeting at 6:54 P.M.

Council Mayor Burt: We had members of the public who filled out speaker cards from last week. We stated that those members could elect to speak tonight instead. I think the Clerk is still compiling those cards. What I'll be doing on those cards is reading them off. If those people are here and wish to speak, then they can speak at that time. Members of the public who did not speak last week are also welcome to fill out a speaker card. One of the things, though, is we had a very large number of speaker cards last week. Ended up having three minutes to speak each except for those who clustered their cards. We had two minutes to speak each last week, sorry. I stand corrected. Tonight we will again have two minutes for each speaker. Are some of the cards ready to come forward? Mr. Lait, I take it we don't have any follow-up Staff reporting from last week.

Jonathan Lait, Planning and Community Environment Assistant Director: No, Mayor, we don't.

Mayor Burt: Thank you. We have a lot of speaker cards tonight. I encourage people to, if someone else speaks and has captured well what you had to say, briefly support that speaker. How many total cards do we have? Thirty-two. Perhaps some of these people are not back here again, but we may have some other cards filled out. The ability to move forward on the item will be dependent on our time constraints. Everyone certainly is welcome to speak. We'll all try to be as succinct as we can. Our first card is from Humayan Sayed [phonetic]. Is Humayan here? Our next—there we are. Our next speaker is Amitab Sinha [phonetic]. Not present. Our next speaker is Sunal Meda [phonetic]. I'm moving along. Our next speaker is Bina Shah [phonetic].

Public Hearing continued from April 18, 2016.

Female: All the people you mentioned are (inaudible), and they all (inaudible).

Mayor Burt: Thank you. I'm sorry but we have to follow our rules. Only people who have a card from the public can speak. Our next is Abita Sayed [phonetic]. I'm sorry, we went all the way through Bina Shah. Our next speaker is Lucille Klessner [phonetic]. Our next speaker is Siamack Sanale. There we are. Welcome.

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Siamack Sanale: Mayor and Council Members, thank you very much for the time. My name is Siamack Sanale. I live in the corner of Loma Verde and Stockton Place in Royal Manor. I strongly oppose single story overlay. This is not the right solution for our neighborhood. There's been several problem with the process and how the signatures are collected. The application doesn't have the necessary support. Right now it is at 63 percent, I believe, which is way below the 70 percent that is needed. It never had the necessary support to become a valid application. Just the fact that some of the people who originally signed the application reversed and then hired the lawyer to fight this application is a very strong evidence that signatures were collected with the owners not fully understanding the impact of their signatures. On top of that, on an application like this, there are like hundred thousand of dollar on the line for some of the neighbors. Don't you think that there should be some way to either notarize or witnesses this signatures? I believe if there was a better process we would know and the number of people who actually support this applicant would be much, much lower. As you know, also there was the wrong Frequently Asked Questions (FAQ) at the beginning. The applicant didn't give the correct FAQ to the people who they decided they were not interested in Single Story Overlay (SSO). By doing that, opposition was fooled to believe that there will be a ballot. It stopped them from being part of the process, coming up with a better solution and inform the neighbors in the impact of their signatures. I strongly believe this is not the right solution for our neighborhood. I ask you to deny it and start a process to have a better system for applying for SSO. Thank you very much.

Mayor Burt: Thank you. Our next speaker is Ami Kanofer [phonetic]. Our next speaker is Marjan Yahyanejad.

Marjan Yahyanejad: You pronounce it perfectly. Thank you.

Mayor Burt: Thank you.

Ms. Yahyanejad: My name is Marjan, and I live on corner of Stockton and Loma Verde Avenue. I strongly oppose SSO. The reason I oppose SSO is because it is untrue that gross floor area allowed to be SSO is as large as gross floor area allowed without SSO. For example, for our house we could build 3,000 square feet without SSO. With SSO, we can only have maximum 1,900 square feet. We got 24 feet special setback in the front, 16 feet street-side setback on the side, and we got a five feet utility easement in the back where no habitable thing can be built. We were not going to max out our house, but we need to at least be able to have enough space to accommodate our family. We are immigrant family, and my parents live with me. I'm going to have children soon, so I need more space for six

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people living in our house. The issue of fairness is one of the most important topics when it comes to the matter of zoning. That's why we so often have topics of inverse condemnation and reciprocity of advantage discussed in the courts. You cannot down-zone 202 houses while you are limiting some way more than some others. When you want to rezone, you should consider all the houses. All those that have special setbacks, those that back to the creek and all those that have high voltage transmission lines in their backyard. You should think of everyone. SSO established in 1992 mainly to protect neighborhoods that were already restricted to one story by Covenants, Conditions and Restrictions (CC&Rs). Of all the previous 13 SSOs that passed, only two didn't have CC&Rs. Instead, they had significant support for SSO, way above the required threshold. In Royal Manor, we don't have that significant support. It's only 63 percent. There was evasion of basically ordinance by removing one house just arbitrarily without respecting the boundaries. I think this is the wrong solution and it should not pass.

Mayor Burt: Thank you. Our next speaker is Richard Willits.

Richard Willits: Good evening, Mr. Mayor and Councilmen. I speak in support of the single story overlay. I'm honored to go after my two fellow residents of the neighborhood. I want to mention something with regard to process, which we've talked a lot about in the Planning and Transportation Commission (PTC) discussion of this as well. As you all know, we've been following as faithfully as we could the process as laid out by the City; however, we have made some choices of our own that were part of the, if you will, experience that we had from Palo Alto Eichler Association being involved in two earlier SSOs. I must, and this is I think indicative of the anxiety that you've heard in the discussions before me, mistakes were made. Unfortunately this has had a difficult effect on our community. However, I want to say as well about process, I think the process as it is is fine. We will in future maintain our principle now of making sure that everyone is as well educated about the proposition as possible before we bring it to you. Hopefully that will avoid the contentious kind of evening that we may have tonight. I think this is a lesson learned. We've also learned a couple of other lessons with regard to SSOs and Eichler in the last year and a half. We are part of a large, broad movement across the state to preserve these houses. SSOs are being enacted across those groups even if they already have Eichler guidelines. An SSO is an important way of preserving the neighborhood and defending against tear-downs even while we may be in the process of developing a better way for Palo Alto in the future to ensure the maintenance of these classic homes. Thank you.

Mayor Burt: Thank you. Sidney Simon. Nancy Hancock. Welcome.

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Nancy Hancock: Good evening. I wasn't expecting to speak tonight. My name was in there from two weeks ago, but here I am. Native Palo Alto, grew up in Royal Manor. I'm supporting my mother who still lives in our family home. I remember long ago when the two stories first started going up in the 1960s and the outcry from the neighborhood at that time. This isn't a new story. It's not about immigrants; it's about families. I think probably the most lasting thing is once the Eichlers are gone, they're gone. They finally are valued for the mid-century modernism. They were designed after Frank Lloyd Wright's ideals. They have value. They will only increase in value. Thank you for listening.

Mayor Burt: Thank you. Mike Blum to be followed by Hobart Sze.

Mike Blum: Hello. I'll try to be brief. I'm in favor of the SSO. I have friends on both sides. I've heard a lot of arguments. I think there's some good points on both sides, and some points I don't like to so much. My bottom line, I've decided, is that the air space above our homes is shared by many neighbors who depend on it for things like enjoyment and health and morally valid investment value sufficient to preserve it and preserve their foothold. Let them get on, finish their school with their kids and everything. Whatever the reason someone gives for going into that area, into that community space, the fact is they're kind of taking value away from those around them. They're destroying the enjoyment by others, most of the people around them. Some will claim, "My value got stolen because someone built up on either side of me, so I have a right to steal from the other survivors." This can go on and on, and there's going to be only one end result, and that will be everybody is going to be packed in there. The streets will be crowded and such. In some moments in American history, people get the law and army on their side and brush aside the rights of the other people living there, saying, "I have the right to do this." I can see a lot of friction coming out of that. I put myself in the place what if I wanted to build there really heavily, what if I was over on the other side of the fence. My saying that my family is more important than both my neighbors, that's roughly the odds we're looking at. It's roughly 2:1 who want to preserve things. I'd be literally building my house up and looking down on them anyway. Should I get away with the higher resale value equivalent roughly to the value I destroyed in their houses? I don't like these decisions, you can tell. It kind of breaks me up to think about it and to think of the good friends I have going through it as well, wondering what are the neighbors going to do, what are they going to complain about. At night, your light can shine through the windows to replace the darkness that we cause during the day with these structures blocking the light out. It turns things upside down. Thank you.

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Mayor Burt: Thank you. Hobart Sze to be followed by Eric Smith. Welcome.

Hobart Sze: Hello, Council Members. I'm Hobart Sze. My wife and I live on Loma Verde Avenue. I'd like to start by describe my house's situation. It's in the middle of two two-story houses. When I think about this, it really boggles my mind how they can vote yes to SSO and enjoy the benefits. On the other hand, for me I'm robbed of the same privilege that they use to enjoy over the decades. I have a growing family, and I have the same needs as my neighbors; my neighbors have kids. This to me is like a very serious case of non-reciprocity. There's probably a reason why we kind of watch out for that whenever there's voting for groups of people. Now I'd like to talk a little bit about the process. The process, I think, it's pretty apparent that there are places that it could be improved. There are flaws in how it's carried out. It doesn't represent the true support, for example, as the fact that a lot of people revoked their signatures after learning that they only heard about one side of the information from one group of people. It's kind of support that there's something wrong with the process. There's other facts that I've heard when talking to neighbors. Apparently one neighbor had their lawn mowed and then afterwards was asked to sign in support of SSO. That's a form of pressure. There's even like neighbors that had their doors knocked on three times, so many times that they refused to answer the door anymore. I feel like it's very important to not bend the rules just because one group of people is very zealous. We should take care that the rules are in place. Your predecessors set this up a long time ago with hard numbers, 70 percent, for a very good reason, and we should not just slightly bend those rules. If privacy is a concern, then I think it's very reasonable to set up regulation. I just think that they should go through due process, fair ballot and voting. Thank you.

Mayor Burt: Thank you. Eric Smith. Welcome.

Eric Smith: Thank you and thank everybody for listening. I am for the SSO. My family and I live on Thomas Drive. I moved here from North Carolina. I studied architecture, but I never really got to appreciate it as much as when I moved into an Eichler. It's fantastic. It's great living. There's sky; we have sky from three-quarters direction. Our other neighbor has a two-story pop-up, and it blocks the sky and the sun in the afternoon. It's the kind of thing that's going to take—it's like the domino effect. We can already see it happening on Richardson Court. The two dominos are set up at one end of the block and getting ready to—once they build up, everybody is going to—their neighbor is going to want to build up. I'd like to think that when people move to the neighborhood that they actually move there because they like their house, they like the neighborhood, they like the community. I

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would like to think that all future people would have the same feelings and buy because they enjoy it and they know what they're getting into. Not only does it affect our neighbor here and here, it affects eight neighbors around us. When you come up, the neighbor across the way sees your construction. The road is blocked off, and road repairs are going on. It's not just a ripple; it's a wave. It's a splash that causes a wave all around it. Because people are not building the pop-ups anymore, I think what's at stake here is whether we want to keep the Eichlers or do want to let them all go, because they are going to all go once investors come in and they want to maximize the dollar and don't think about the community whatsoever when they're building these houses. Thank you.

Mayor Burt: Thank you. We next have five speakers who have agreed to allow one of their representatives to speak for up to 10 minutes. Unmesh Vartak speaking on behalf Zao She Lee [phonetic], Elizabeth Garon [phonetic], Gerald Shebat [phonetic], Saryu Row [phonetic] and Oyukio Frazier [phonetic]. Welcome.

Unmesh Vartak, speaking for five persons: To begin, my last name is—there is a typo. It's V-A-R-T-A-K.

Mayor Burt: I'm sorry.

Mr. Vartak: There's a typo in my last name. I don't know if it matters.

Mayor Burt: Okay, thank you.

Mr. Vartak: Thanks. Honorable Mayor, Council Members, Staff, all my Palo Alto neighbors, thank you for your time. On behalf of everyone who is opposing the single story overlay application, we have prepared this small presentation. This is the brief agenda. We'll start with a request for City Council, then we'll look at the SSO application and issues, followed by special restrictions that we have in Royal Manor, the impact of SSO, the deed restrictions, and then we'll quickly summarize the presentation. Let's start with some requests for City Council. The Royal Manor SSO application has serious deficiencies in the process of signature collection. The application has never reached 70 percent level of support. Please do not pass it. Royal Manor neighborhood has unique restrictions. It is in flood zone; it has smaller lots; and you cannot compare this neighborhood with any other SSO tract. We request Council to establish a better, enforceable two-story house Individual Review guidelines which has broader support in the community. Let's look at some of the facts about this SSO application. The ordinance requires 70 percent support. As of last Council meeting, it only had 63 percent of support. Ordinance requires properly collected signatures. As you have heard by now, signatures were collected through



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misleading information, false statistics, through pressure tactics, and 19 houses have revoked these signatures. Let's look at some of the issues in the application. There was a false promise of a ballot. The first flyer say, "What is the process to establish single story overlay? The City will send postcards to all effected homeowners asking if they support or oppose the single story overlay. If someone doesn't return their card, it will be counted a no vote." This specific question was removed from the updated FAQ; however, the updated FAQ was not circulated to every household. Here is under misleading issue. The application misled with false claims that future house values are not affected by SSO. We will look at that in more detail later. Most experts and realtors agree that house values wouldn't grow as fast in SSO, especially if you can't build basements. The statistics which were shared with neighbors to prove house values are not affected and included in the application packet did not account for lot size or flood zone or individual lot restrictions. The misinformation also spread in the social media. Here is first quote. It says, "If you build a one-story home, you can have as large a floor area as if you built a two-story house with more usable space because you won't need a staircase." Another misleading quote, "A 7,000-square-foot lot allows a one-story home of 2,850 square feet." Now, let's verify these claims against our Royal Manor lots. Here is one example. This lot at the corner of Stockton and Loma Verde has 24-foot easements, 16-foot easement on the other side. Before SSO, you can build 2,900-square-foot house. After SSO, you can only build 1,900-square-foot house. The real question we want to ask is do we have details of all easements and setbacks in the Royal Manor. The City parcel report when we investigated did not show the PG&E transmission line easements. We checked with the City Planning Office and City Utilities, and they do not have details about PG&E transmission line easements. Individual property title reports, however, do have details about these PG&E easements. Bottom line is when we made this decision, we did not have all these details for easements and setbacks and restrictions for every house in Royal Manor. This is the original Royal Manor tract map we pulled from one of the title reports. We haven't marked every single easement and restriction, but we just highlighted a couple of them. The blue line you see is the public utilities drainage easement which is 20-foot wide at the back of the lots. However, the red line is more serious, because this is not accounted in our planning documents. This is a 30.5-foot easement in the backyards; that is for PG&E high voltage lines. That means the pole, the easement is where the center of that big high-voltage tower is located. The high-voltage wires will spread on both sides 10-feet across. Effectively for any house in that red line, the actual easement ends up being 40 feet, because you cannot build a structure under transmission lines. What happens because of these restrictions? Before SSO, you can build a 2,940-square-foot house. After SSO, you can only build a 2,100-square-foot house on a single story. This is the same

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Royal Manor neighborhood map where you see 30 percent of houses in Royal Manor already have two-story houses or are next to one. Every house has a different shape, different size. We cannot apply a single solution. We cannot have a one size fit all solution for all these houses. Nineteen houses are already two-story; 48 houses are next to a two-story. They're already highlighted in the map. We have these significant restrictions. We are in the special flood zone. We cannot build basements. We have very small lots. There is no room for expansion because of these restrictions in a single-story environment. We want Council to consider the impact of SSO. Royal Manor has a large population of multigenerational families. SSO will push all these families out from our neighborhood. If there is no room to grow, the families will get pushed out. Even the PTC agrees. In one of the PTC reports, this is a comment from PTC, "Also the census data for Palo Alto suggests that there is demographic changes in who lives in Palo Alto from when Eichler was building and now. Some of the groups that are more have large percentages in Palo Alto, tend to favor multigenerational households." You're also probably inadvertently excluding multigenerational households from living in your neighborhood. We want to highlight something else in this presentation. 85 percent of previous SSOs had deed restriction for building a second story. Royal Manor is the only neighborhood that does not have this deed restrictions for building two-story houses, and it is in flood zone. We borrowed this table from the planning report where it shows all the single story overlay neighborhoods. As you can see—we compared it with the Royal Manor. As you can see, Royal Manor has many more parcels as compared to other neighborhoods. The support level is lower, and it does not have deed restrictions. To summarize, here are some of the reasons why SSO is not the right solution for Royal Manor. The areas for Royal Manor is very large; we just have too many houses in this neighborhood. The restrictions, we cannot just apply one size fit all solutions for all of them. Royal Manor is in the flood zone. We have smaller lots. Some of them are R-1 with exactly 6,000 or smaller. Many houses are neighboring two-story houses, and some houses have even more restrictions. Some of them have special setbacks. Some of them have high voltage transmission lines with 30-foot easement in the backyards. Some of them have 24 feet special setbacks, and some of them are backing up to commercial properties which are already two-story. Also, we should note that there is no precedence of passing SSO with less than required support, and there is no precedence of passing SSO for areas with no deed restrictions and when the area is in flood zone. At the end of the presentation, quickly repeating the same requests that we started with. The Royal Manor SSO application does have deficiencies with its signature collection process. It never reached 70 percent support. Please do not pass it. Royal Manor has unique restrictions. It's flood zone, smaller lots. We request Council to establish better, enforceable two-story house Individual Review guidelines which already

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have broader support. Before I end the presentation, can I ask the SSO opponents to hold up their banners. Thank you.

Mayor Burt: Thank you. Our next speaker is Katie Renati. Welcome.

Katie Renati: My name is Katie Renati. I'm speaking on behalf of the Royal Manor SSO Committee. There has been a recent effort to reach common ground between supporters and opponents of the SSO. Our committee has sent a statement to Council, and I would like to highlight key points here. The main conflict between owners who want the flexibility to expand their homes by adding a second story and those who want protection against development affecting their privacy, is access to light and value. This is the conflicts we're seeing. Such conflicts have been addressed by other cities. Cupertino, for example, has an R-1E zoning for Eichler neighborhoods, that allows second stories under controlled conditions. Unfortunately, Palo Alto doesn't have such an ordinance. If Palo Alto could establish an Eichler zoning that allowed for some flexibility beyond simply restricting homes to one story, it would likely gain support from more owners, including many currently in opposition. Such zoning would allow second stories in suitable cases and relax setback restrictions in others. As part of a solution, we would like to ask Council to initiate the process of crafting Eichler guidelines and regulations. The goal would be to ensure that notifications or additions do not adversely affect other homes or the neighborhood around it, with consideration for expansion needs and the unique characteristic of Eichler neighborhoods. It will take the City time to design and pass such an ordinance. In the meantime, there is grave danger that Eichlers in Royal Manor could be torn down and replaced by large, overbearing houses affecting all surrounding homes and permanently altering the streetscape. The IR process has not been effective in preventing this. Royal Manor is still an intact, original Eichler tract. Even a single tear-down will jeopardize the future of attractive and harmonious community. Royal Manor needs protection from two-story construction today. The only means we have is this SSO. We urge Council to pass it today and direct Staff to begin the institution of Eichler zoning. Thank you.

Mayor Burt: Thank you. Our next speaker is Kalpak Shah.

Kalpak Shah: Hi. My name is Kalpak Shah. I live at 3483 Thomas Drive. I am one of the people who switched sides from initially saying yes to no. There are a lot of neighbors with whom we have very friendly relations. This is a wonderful neighborhood. Darcy here, Richard here, they asked me personally and my wife redo the Eichler in Eichler style and renovate. I think it's a really—I love Eichlers. I renovated the house in that. I feel like what we are trying to do is—there's a lack of clarity in the neighborhood in

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terms of what we're trying to accomplish here. There is people talking about saving airspace above the house, people talking about saving Eichlers. That should be a Eichler historical district or something. Airspace is a different issue. Talking about saving—there's some outside ones talking about foreign money coming in and getting houses, tearing it down. Talking about—there's a whole series of concerns and fear for the future. This is not the solution for it, in my mind. For me personally, as much as I love sitting on the sofa and looking out in terms of the view and so on, I do value the home property values a lot more, and that is the reason why I switched. Lastly, I think the largest stakes of this situation here—I see yellow lines going all over, being cut out, some of the neighborhoods are. I would like my (inaudible) house to be cut out of that so that it's not considered. If you're removing houses willingly, let's remove my street and my house, and then we'll talk about that. Thank you very much.

Mayor Burt: Thank you. I should have said that we're closing off speaker cards. If anyone wants to add one, they need to come forward at this time. Our next speaker is Patty Schaffer.

Patty Schaffer: Good evening. My name is Patty Schaffer. I have lived at 3345 Stockton Place for 22 years. I am opposed to the Royal Manor SSO. At first my only concern was keeping my street and Loma Verde out of it, since we're not really part of that community. Only 20 percent of Stockton Place residents signed the petition. The Planning Commission has spoken to this. Now I'm interested in all the problems with this SSO as a citizen of Palo Alto. The language of the petition itself may have satisfied legal requirements but makes no sense to most people. I suggest that if new petitions are designed, they include a simple English sentence: signing this means you support a ban on building a new second story on your house or any other in your neighborhood. I think SSOs should require a vote and not a paper where anyone can see your opinion. More than one person has told me that they felt pressured to sign because they did not want to disagree with a neighbor. The morning after the City Council meeting of April 18th, my husband and I took a good look at the two-story house next door. That wasn't easy because we do not see it from our backyard windows. We can't see it when sitting or standing in our atrium. It's only visible from some side windows along with a view of our fence. While I don't claim to be able to channel the last Joseph Eichler, I know he was a businessperson. Royal Manor was built for the families of the '50s. I believe that today he would be building houses he could sell to current buyers, and they would not be 1,730 square feet like mine. Please vote no tonight. Thank you.

Mayor Burt: Thank you. Our next speaker is Jessica Chia.

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Jessica Chia: Good evening. My name is Jessica Chia, and I live at 3489 Kenneth Drive. I'm here tonight to express my support for the single story overlay zoning change. My husband I moved to Royal Manor in 2013 from an Eichler in Greer Park North. Note that Greer Park is in the same flood zone as Royal Manor and has the same R-1 lots and obtained approval for its SSO last year. I grew up in Palo Alto, and my parents still live in the Duveneck/St. Francis neighborhood in an older, single-story home. In their non-Eichler neighborhood, there have been a large number of tear-down, new, two-story homes including two projects currently in progress; one behind them and another just a few houses down the street. Walking around their neighborhood, I feel that two-story homes fit that neighborhood context, and the newer construction harmonizes in scale, if not in style, with older homes. As they are in the shallower AH flood zone, even with elevation requirements newer homes aren't noticeably higher than their neighbors. However, Royal Manor has an entirely different neighborhood context. I believe an SSO is appropriate here because new, two-story construction will have a disproportionate impact on surrounding homes because, one, this is attractive Eichler homes and, two, the AE flood zone means much higher flood elevation requirements resulting in homes towering over their neighbors. Even though I strongly support the SSO, I do understand the concerns of those opposed and hope that going forward the City will consider policy alternatives other than the Individual Review (IR) process and the SSO that can achieve a better balance between the interests of individual homeowners who wish to expand and the impacts of that expansion on those around them. Thank you.

Vice Mayor Scharff: Lionel Garland or Garin to be followed by William Faustman.

Lionel Garin: Good evening, Honorable Mayor, Council Members and members of the public. I am Lionel Garin, and I am living in 3475 Greer Road which is just across the road with Janice Way which is just at the corner of this very nice map we see here. We have been living over there since '94. As you see, there are already four houses which are already at the two-floor level here. We have been living with this situation for about 20 years now. No problems so far. They are good neighbors. No problem here. This situation is something which is already existing, has been existing for a while. I could say honestly that when we made with my wife the decision to buy this house, the idea was to possibly extend for multiple reasons. Now I feel really, let's say unfair that this point which was a decision made specifically for us and for really prepare the future would be denied today. I am strongly opposed to the SSO situation here. Thank you.

Vice Mayor Scharff: William Faustman to be followed by Sue Thiemann.

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William Faustman: Members of the Council, 17 years ago Scott McNealy, the cofounder of Sun Microsystems, famously stated, "You have no privacy; get over it." Not only was he likely correct at the time, the subsequent events of years have proved him quite prescient. A large proportion of people sitting in this room have probably had their computers hacked and their privacy invaded. Yet, despite the societal erosion of personal privacy, I've always had the privacy of my open-floor-space Eichler home and my open backyard. In essence, my personal space has never been hacked, and my hope is that tonight this Council will take bold steps to assure that this remains the case. Privacy has become a critical value in our society, and I ask this Council to please demonstrate to our community that you highly prioritize this value to members of this City. Unfortunately, I can talk from personal experience about loss of privacy because I live in one of the two-story Eichlers on Greer Road, a house that I purchased in the 1980s from a prior owner who had converted to a story house in the 1960s. My home literally looms over the neighbors' houses, and frankly I'm embarrassed by it, and I wish it wasn't the case. I ask the Council to protect the aesthetics of our neighborhood. Some of have suggested that the current review process assures the future aesthetics of our neighborhood. However, I wish that was the case. Just go to Santa Barbara, Palm Springs, walk around some neighborhoods where you really see consistency of architecture and style, not the hodge-podge of Taco Bells and Hyatt Regencies we see throughout our City. Others have suggested Eichler homes are miniscule, seemingly bachelor pads. Yet, these homes were built for baby boomers in the 1950s. It's only in recent years that people consider a 500-square-foot bathroom to be essential. In sum, members of the Council, I ask you to act boldly this evening, to take a solid step towards the protection of one of our final forms of privacy in this society, and also contribute to the needed preservation of the architectural aesthetics of this community. Thank you.

Vice Mayor Scharff: Sue Thiemann to be followed by Paul Gilman.

Sue Thiemann: Members of the Council, I'm speaking in support of the SSO. Long before major deficit disorder was identified, Joseph Eichler understood that exposure to nature improves both physical and emotional well-being. He used walls of glass to provide a constant connection with the outdoors. A two-story house, by depriving neighbors of privacy, destroys that casual contact with nature. Once added, a second story won't be removed, and the automatic exposure to nature is gone forever. Property value, in the true sense of the word value, is sadly diminished. Some have suggested that old people like me support preservation only because we hate change. I'd like to remind them that there is a reason old people are accorded respect in nearly every culture in the world. It's because our long lives have taught us something about loss, about the inevitability of change,

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about what's important, and about what's worth saving. We know that loss is permanent and change isn't always improvement. We know that young people are the future, and we want them to have a world that is at least not worse than the one we grew up in. Instead of dismissing the opinions of retired people, we'd do better to respect them and value the perspective that decades of experience provides. Eichlers were built for big families with kids. Some insist they are now inadequate because times have changed. Yes, times have changed, and they will change again. The belief that a bathroom should be the size of a bedroom and a bedroom the size of a living room is giving way to the realization that compact houses are easier to care for and nicer to live in. I certainly want children in my neighborhood. I also want them to have what I had growing up in an Eichler, a yard where no one but my own family could see me and a house open to that yard. A single two-story house will deprive many of that experience. Architectural fashions are always changing, but there is good reason for the enthusiasm for mid-century modern design. It is a style that recognizes something eternal in our species, the need for contact with the natural world, a need now recognized as essential to well-being. A neighborhood of single-story Eichlers satisfies this need.

Mayor Burt: Thank you. I'm sorry.

Ms. Thiemann: One with even a few two-story houses will deprive many people of that pleasure.

Mayor Burt: Our next speaker is Paul Gilman.

Paul Gilman: We live at 3476 Greer Road. We are in favor of SSO. We have no blinds on our windows. We can sit on our side patio and in our backyard without anyone looking down on us. We can see the sky from inside our house. We love our physical privacy. Increasingly we feel we are losing our digital privacy to hackers and the Federal government. Experts warn hackers will someday take away our access to electricity, to our own money and control appliances in our homes. On many sides of our lives, we feel our privacy is being challenged. However, on the no side we sincerely sympathize with those who need more space in their home. For the first 17 years of our marriage, we rented small apartments and houses, moving five times with four young children when we couldn't afford the rent increase. When approached by the no side, we could understand the value of sensible and creative design guidelines that could allow for a partial second story that somehow preserves the privacy of neighbors. We have a bedroom above our garage, added by a previous owner, where one of our parents lived in his old age. We understand and sympathize with both sides. With all the

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fabled creativity in this City, can't we reach an innovative compromise? Thank you.

Mayor Burt: Thank you. Our next speaker is Geri Martin Wilson.

Geri Martin Wilson: Hi. I'm Geri Martin Wilson; I live at 3444 Greer Road. My husband and I moved into our Eichler about 18 years ago, when our second set of twins were born. We love the open Eichler design and the floor-to-ceiling windows that make the outdoors a part of the living space. We love that even with these large and open-area windows, Eichlers in our development were carefully placed to allow the maximum privacy from one's neighbors. We did find, however, that as our children grew, our house was a bit cramped for our family of six. When we decided to update and expand our Eichler to a five-bedroom, three-bath arrangement to accommodate our four growing children, we found we had several single-story design options to choose from, each in keeping with the original Eichler feel without invading our or our neighbors' privacy. Our family of six has lived very comfortably in our remodeled, single-story Eichler, enjoying the open feel without having visibility into our neighbors' houses or yards. If, however, one of our neighbors were to build a second story next to or behind us, it would destroy the aesthetics and privacy we have worked so carefully to preserve in our Eichler remodel. I would also like to note when I attended the Planning Committee meeting, there were accusations by the opposition to the SSO that signatures may have been accrued in a less than transparent manner. We would like to clarify that this was not our experience. Information was disseminated in a clear and well-presented manner. Questions were addressed and answered completely. We felt no pressure in making our decision to support the SSO. Thank you.

Mayor Burt: Thank you. Our next speaker is Andrew Escovedo.

Andrew Escovedo: Thank you. My name is Andy Escovedo; I live at 3478 Kenneth Drive. I've lived there since 1991. The Royal Manor tract developers established an equilibrium of privacy between neighbors by means of single-story structures, eight foot glass walls and separated by six foot fences. If a neighbor or a developer across the fence decides to tear down or add a second story, there's nothing to protect my privacy that was built into the tract by the original developer. The SSO is the only tool available at this time to protect the homeowner privacy that was built into the tract. I also hope that having an SSO in place would establish leverage in preventing oversized, industrial expansion on East Meadow that borders one side of Kenneth Drive, which would further impact the privacy of those homeowners as well as impose over the entire neighborhood. I encourage the Council to approve the Royal Manor SSO. Thank you.



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Mayor Burt: Thank you. Our next speaker is Dari Escovedo.

Darcy Escovedo: It's Darcy Escovedo.

Mayor Burt: Darcy, yes, I see. Thank you.

Ms. Escovedo: Hi. My name's Darcy Escovedo, and I live at 3478 Kenneth Drive since 1988. I'm a supporter of the SSO. I would like to provide some clarification to the information that the Say No to SSO effort is including in their communications to the neighbors on their website. They continue to insist that we did not have the signatures for approval. We needed 70 percent to submit an application for the SSO, not for approval. We had the 70 percent as confirmed by Amy French and validated by the City Staff. Our opponents say that expanding upward nets you more room. In fact in most cases, because of privacy consideration, light planes, solar impacts, trees, room for staircase, adding a second story ends up adding less square footage than an expansion outwards. The cost per added square foot is usually very prohibitive if you go up. Our opponents say that SSO reduces your property values. There is much evidence that SSO does not hurt property values as demonstrated by the appreciated values in Green Meadow, an Eichler protected neighborhood. As previously stated, for every one who benefits by going up, six to twelve suffer. That suffering is pronounced in an Eichler district. The house is highly at risk of a non-harmonious modification where the owners neither love nor care for their Eichlers. Our door-to-door approach over the last year and a half has been an amazing way of knowing neighbors we never would have met before. The grass roots effort and open discussions we had with most neighbors have contributed to building a stronger sense of community. We regret that the opponents decided to take a combative approach, hiring an attorney and avoid talking with us in an effort to reach a win-win situation. Looking at how this discussion has been going, you can image how any IR going through the City would go. The vast majority of Royal Manor wants a peaceful and harmonious community. Please support the SSO and the implementation of design regulations. Thank you.

Mayor Burt: Thank you. Our next speaker is Richard Anderson.

Richard Anderson: Thank you and good evening. My wife and I reside at 3367 Kenneth Drive and are strong supporters of the single story overlay zone change. We feel very blessed to have lived in the Royal Manor neighborhood for the past 38 years. Great schools and teachers, friendly and supportive neighbors, and a real sense of community have all contributed to this feeling. The Frank Lloyd Wright-like architectural features of our Eichler have provided a wonderful environment for raising

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our family and entertaining friends. The glass walls allow daylight to brilliantly lighten the interior of our home so that we can enjoy the backyard garden from inside as much as the outside. In a neighborhood of one-story homes with fenced yards, we and other families have enjoyed all the features that accrued of living in a glass-walled Eichler home without sacrificing privacy. Several of the most desirable aspects of living in an Eichler home are threatened by next door, two-story homes that result from either second-story additions or new construction. Firstly, the privacy that we currently enjoy would be lost as both the Eichler interior and the yard are visible from overlooking second-story windows. Curtains or blinds on the large glass doors and windows of an Eichler home, while offering a measure of privacy, would completely change the bright interior and openness to the outside. Secondly the shadow cast by the second story will produce a darker interior environment as well as a less-conducive exterior environment for outdoor entertaining. Finally, the size and architectural styles of many of the newly constructed two-story homes in Palo Alto are drastic departures from the Eichler style. Their introduction into an Eichler neighborhood detracts from the community that Eichler sought to create through design and that we treasure through experiencing it with family and friends. My wife and I strongly support the single story overlay zone change. Thank you.

Mayor Burt: Thank you. Our next speaker is Lynn Drake.

Lynn Drake: Good evening. I'm Lynn Drake. I live at 3415 Louis Road in the Royal Manor tract. I'm one of the organizers of the SSO campaign, and I'm honored to be part of such a diverse and proud group of Palo Alto neighbors who have come together over a common interest in preserving Palo Alto's history. Joseph Eichler's classic mid-century modern homes can be found throughout California and even beyond, but nowhere more abundantly than here in Palo Alto. Having lived in Palo Alto for more than 18 years, I know that Palo Alto strives to be a leader in everything it does, from robust recycling programs to green energy to creating bike-friendly thoroughfares and so much more. I am asking that Palo Alto also be a leader when it comes to preserving not only its history but also what so many of us cherish about living here, the simple indoor/outdoor lifestyle that is embodied by the Eichler homes we live in. At the last meeting, Pat Burt and Liz Kniss stated that other cities look to Palo Alto for leadership. Yet, when it comes to preserving our wonderful Eichler homes, both Cupertino and Sunnyvale are ahead of us in the curve with design guidelines in place ensuring that if a home is remodeled, that it must comply with reasonable guidelines to ensure the original feel and character of the Eichler neighborhood it is in. I believe that Palo Alto would be smart to pass the SSO at least until common sense and thoughtful design guidelines can be

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established. Those of us in support of the SSO are sympathetic to the needs of some of our neighbors that want more space. We ask that the City be sympathetic to the needs of the many Eichler owners who cherish both the architectural history of our homes as well as the comfortable California lifestyle Joseph Eichler envisioned so many years ago. Thank you.

Mayor Burt: Thank you. Our next speaker is David Hammond.

David Hammond: Good evening, Mr. Mayor and City Council. My name is David Hammond, and live in the newest SSO, Greer Park North, which was passed earlier this year, contains 72 homes and we're in the flood zone. I support the Royal Manor SSO. I'm here to discuss and state that very significant one-story additions have been made to homes in both the Van Auken SSO which is adjacent to Greer Park North. I just wanted to sort of outline four of them. All four started out as three and ones, three bedrooms, one bath. All of the additions, in some cases more than one, were done as minor remodels so that the floor line did not have to be raised up to the flood zone limit. In doing so, the scale is a lot easier to maintain. There's three homes on Amarillo, 1004, 990 and 984. They all have 6,160-square-foot lots, small lots. All were expanded to four or more bedrooms, in one case five, and two or more baths, in one case three. The expanded areas were from 1,650 to 2,500 square feet. The 2,500 square feet, I think, took four different remodels to do it. Two of them sold last fall for \$2 million and \$2.6 million, which about floored me, but anyway that's what they sold for. The additional remodel which I love is on 2707 Greer Road. It's on a 7,000-square-foot lot. It was expanded to five bedrooms and four baths plus a cathedral ceiling and about 2,200 square feet.

Mayor Burt: Thank you. Our next speaker is John Indergand, to be followed by Bryon Wilson.

John Indergand: Good evening, ladies and gentlemen. My name is John Indergand. I live and have lived for 31 years at 336 Ely Place in Palo Alto. This is in the Walnut Grove neighborhood, which was the first neighborhood to receive a single story overlay in 1992. We have been very happy with the privacy and uniform appearance of this area since then. Our neighborhood association has no record of anyone wanting to eliminate the single story restriction. As to the value of our homes, it is has hardly gone down. These homes are now at almost the same ridiculous overvalued prices the rest of Palo Alto is blessed or cursed with. If an owner really needs more space, there are more possibilities than have been mentioned. Two recent owners have installed 800 and 900 additional feet to their houses. We, ourselves, added a little under 280 about 20 years ago. There are options for making greater space in the house. I have only four times in my life tried to

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influence a legislature or a City Council. I believe in government, and I believe the most important government is municipal government. I urge you to consider the wishes of the current application for the single story overlay and think about any future requests for this action. Thank you.

Mayor Burt: Thank you. Bryon Wilson.

Bryon Wilson: Hello. I'm Bryon Wilson; I live at 3444 Greer. We've lived there for 18 years and have lived in Palo Alto for 30 years. I want to emphasize that I don't think that gives me any greater entitlement to anybody else who lives in the neighborhood, even if they just moved in yesterday. I'm strongly in favor of the SSO. I think it's in keeping with the neighborhood. I think it fits the original plan for the neighborhood. I think it's important to the characteristics of living in the neighborhood for all of the reasons that you've heard. There are two points I wanted to point out. First of all, I understand why people are opposed to this; I'm sympathetic to that position. I've gone out of my way to talk to several folks tonight and explain this is not personal. It's just what I think is the right vision for the neighborhood. I think one of the substantive points that's been made is that property values would be affected. I think it wouldn't be a bad thing if property values were affected frankly. I think, as you all know, there's a severe shortage of affordable housing in Palo Alto. If more people could afford to move to Palo Alto, I think that would be a good thing for the community. I don't think that's going to happen; I think housing prices will continue to rise. Nothing seems to be on the horizon for stopping that. The last point is these are hard decisions. They're divisive; they affect property rights; they affect personal feelings. But that's what you guys are elected to do; that's what you members of the City Council are elected to do. You have to make the hard decisions. You have to make the right decisions, and you're obligated to do what's best for the citizens of the community and for the neighborhoods. For that reason, I hope that you'll support the SSO.

Mayor Burt: Thank you. Our next is Rajesh Srinivasaraghavan.

Rajesh Srinivasaraghavan: You almost got that right. My name is Rajesh, and I live on 3393 Kenneth Drive. I'd like to request you to reject the proposal for SSO. Although beautiful, I like mid-century modern design. People who live in Eichlers do realize that it has some fatal flaws. Originally Eichlers had dark wood panels, single-pane glasses and not really energy-efficient round spherical bulbs, none of which meet Title 24 requirements if I were actually going to build my house today. What Title 24 and the American Reconstruction and Renovation Act have incurred changes that reflect the need of the modern society, particularly around clean energy. Unfortunately, SSO is not driven by a more noble goal, i.e., a good clean

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energy. I'm not sure I'm willing to give up the freedom that I have of building a house or living in a neighborhood and choosing what I want to do for something as simple as consistency and lack of diversity which is core to what makes America and American values great. Thank you for rejecting the proposal for SSO. Appreciate it.

Mayor Burt: Thank you. Ruiping Huang. Welcome.

Ruiping Huang: Good evening, Council Members. Thanks for the opportunity to speak here. I live on the Janice Way. I'm a new resident in the neighborhood from last year. I'm here to oppose SSO. I actually feel really welcomed in my neighborhood. I see a lot of neighbors here, but I do not believe SSO actually will solve the problems of our neighbors. One of the things that our previous speakers already mentioned, so I'll be really brief here, is SSO does not preserve Eichler architecture. We were told a new home can be built actually in non-Eichler style. Having an SSO is not necessarily helping preserve the Eichler-style home. The second thing around Eichler-style home is, because we live in the flood zone, we were told also the new building standard will be allowing three to five feet higher. It's not necessarily helping the privacy issue either. Coming from a new area into this very welcome neighborhood, I really like the harmony. I like the kids running around, having not worry about other bad things happening to them. I want to see if there's any other midway to find a solution here. I'm actually against SSO, but I'm asking for reconsider the design guideline.

Mayor Burt: Thank you. Our next speaker is Padma Kotha.

Padma Kotha: Hi. I live at 3391 Greer Road, and I strongly oppose SSO. Our house is 1,350 square foot on a lot of 7,000 square foot. Even though mathematically we can build 2,950 square foot in a single story, it won't be possible due to setbacks and easements. We have 20-foot setbacks in front and rear, and additional utility easements on the right. Moreover, if we expand single story, we will be left with no backyard. Greer being a busy street, there will be no yard for kids to play. I don't think privacy is a concern if my neighbor wants to build a second story. I have seen in many houses nice shades that roll up when privacy is needed. Shades can be rolled down; otherwise, they can be rolled up for most part. In this age of drones, there is no assurance of privacy if someone wants to be malicious. I request the Council to fix two process steps before approving any SSO in Palo Alto. First, conduct an official ballot either in person or through postcards instead of asking neighbors to go and collect signatures. Second, change the percent needed to undo SSO from 70 percent to 30 percent. I request the City Council not to push the homeowners towards litigation. It is

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neither good for homeowners nor the City. Essentially it puts people's money against their own. Thank you.

Mayor Burt: Thank you. Our next speaker is Alan Ma.

Alan Ma: Good evening. Appreciate the opportunity to share my view with you tonight. I've heard many testimonies tonight. I think it really all comes down to what individual family needs. I share with you mine. My name is Alan Ma, just forgot about introducing myself. My wife and I and our two kids live at 3445 Louis Road. We moved to the neighborhood about, I would say a little bit over two years ago. We came here for the quality of life, the great schools, the awesome community. We would really love to live here for a very, very long time. When we bought the house, we were a family of three. Our son, Josh, was three years old at the time, and we had plans to expand the house as the family grew. Last year our daughter, Sabrina, was born. Ever since, our son, Josh, has been asking us when we could add a second floor so that he could have some distance from his screaming and crying little baby sister. Kidding aside, we're also in the process of trying to get my mother, who is 80 years old, who lives in Hong Kong, to come here to live with us so that she can spend her remaining years with her grandkids, so that Josh and Sabrina can really get to know their grandma and to learn more about their roots. I actually understand the concern for privacy; I respect that. I think some of the speakers have already mentioned there are design guidelines that can be put in place to address that particular issue. Banning two-story homes is not the solution here. Just this morning, I was driving my son to work—I guess my time is up. Just wanted to wrap up by saying that having an SSO is not going to help anyone. Please don't do it. Thank you.

Mayor Burt: Thank you. Our next speaker is Piras Thiyagarajan.

Piras Thiyagarajan: Mayor, Council Members, thanks for taking the time to hear us today. I oppose Royal Manor SSO. I live on 3410 Kenneth Drive. This is actually a story of adaptability. What if we all said we were going to be driving 1950s cars just so that we can reflect on history better? That seems like where we don't want to adapt. I'm actually surprised we are at this crossroads, because the main concerns is about signatures and how they were collected. The actual reasons were not made clear. (inaudible) evident from the number of people actually backing out from this particular Motion. I moved to Palo Alto from South Bay, so you can imagine I went through quite a bit of downsizing. My seven-year-old actually misses the stairs. That's pretty much what you want in a house. Now with all the restrictions of easement and setbacks, I don't have another choice other than to build another level. I'm not really comfortable giving up my right.

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The other problem is the aspect of uniformity is kind of lost, because the house opposite to Eichler swim club is actually not an Eichler. I don't think we have to worry about uniformity. We have to move on and actually adapt to what the neighborhood needs. I challenge that the beauty of the neighborhood is not on how homes are preserved, but how the neighborhood evolves. There are many ways to solve privacy at each and every case. I kindly ask you to reject this Motion. At the very minimum, please exclude Kenneth Drive out of this Motion. Thank you.

Mayor Burt: Thank you. Our final speaker is Bob Moss.

Robert Moss: Thank you, Mayor Burt and Council Members. Listening to the comments and reading the reports, I think you all missed the basic point. The problem you have is that you're almost 90 years out of date with how you handle single-family developments. In 1927, a requirement was put on the property in Rancho Palos Verdes which required design review of all new single-family homes. You should do that in Palo Alto. If the second story was built appropriately, it would be compatible with the neighborhood. There are two-story Eichlers. You could build a style similar to the two-story Eichlers in Midtown which would look good and would have real concerns for the neighbors' privacy. (inaudible) as an example. Many years ago, the kind of dumpy house next to ours was sold to a couple of guys who made a living redeveloping homes. They came over and talked to us. They said they wanted to expand and build a two-story house next to us. We discussed where the house should go, what the setbacks should be, where the windows should go. He talked to us and our other neighbors, and the house fits perfectly. You can do it if you look at the design and you look at consistency of the neighborhood. If you had a single-family requirement for design review, a lot of the complaints that you've heard tonight about the need for SSO because of the impacts on the Eichler divine homes would go away. I don't have any skin in this game. There's only one block on Barron Park that I know of that has Eichlers; it's on Paul Avenue. It came in for a single story overlay in '99 and was rejected. Twenty-eight homes, not a big deal. The problem you've got is this is going to keep coming up over and over again because people are building monster, two-story, ugly homes all over Palo Alto, and they have negative impacts on the neighbors, whether it's an Eichler neighborhood or not. Put in a requirement for single-story design review.

Public Hearing closed at 8:06 P.M.

Mayor Burt: Thank you. We will now return to the Council for discussion. Who would like to go first? Council Member Kniss.

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Council Member Kniss: I'm looking at Ms. French. We may have—some were shown here tonight. Do you have some latest figures on where this is at this very point, as of today?

Mayor Burt: On support?

Council Member Kniss: Yes, on support or non-support. It keeps changing, and I keep getting emails saying I'd like to reverse my decision. I must say, Amy, I haven't tracked every one of them.

Amy French, Chief Planning Official: I have. Amy French, Chief Planning Official. Up on the screen showed the latest as of last Friday. Today we got one more reversal. Didn't have time to incorporate that into this map, to show it green. We have Ms. Childs up at 3387, something like that, Kenneth. It brings the support down to 128 supporters. It's still 63.3 percent or so.

Council Member Kniss: Mayor, I'm not ready to make a Motion as yet. Having listened tonight, having listened two weeks ago, it would seem as though tonight is not the best night to make the decision on the single story overlay. I think we need some more discussion about what has been brought up many times tonight, which is either the Cupertino or the Sunnyvale model. I'm not familiar with either of those as to what those guidelines look like. I am very familiar with what the houses look like on Toyon Place, which I think is what Bob Moss may have mentioned a couple of minutes ago. Those are done closer to, for lack of a better identity, Philz Coffee Shop just south of Midtown. I'll be interested in what others say, but that is where I would be at this point. I think this needs far more discussion. I'm delighted everyone came tonight. I don't remember how many came the last time, but I think probably we've heard close to 100 people talk about this. Many of you have contacted us. We have met with many of you. I appreciate that input, but I also can hear that people are in very different places and have very different views. It's somewhat surprising. We have made a number of decisions regarding SSOs before, and this one tonight is quite different. As I said, I'll be interested in hearing from others of my colleagues and what their reflections are.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I really appreciate Council Member Kniss' comments. I think this is kind of classic democracy. It's the rights of the majority, the rights of the minority. There's no cutting the baby in half. Nobody argued for 1½ stories, so I don't think that's an option. People are going to be upset either way. We have clear rules. The ordinance says to get a submission you have to have 70 percent. They crossed that threshold,



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and the submission was approved. It then goes to PTC and Council. The PTC approved it unanimously, asked us to consider the boundaries. We're now at the last step, which is Council review. The ordinance doesn't really contemplate changing votes. I think one PTC Commissioner said probably all made votes we wish we could take back. Clearly, I think we see some dropping of support. I think we have to weigh that into our thinking. There's a lot of issues here: private property rights, desires to maximize value versus privacy, views, compatibility. We saw in a presentation tonight by somebody in the audience just a few two-story homes impact a lot of other homes. We have the example of Cupertino and Sunnyvale. A member of the public shared with me Lucas Valley. They all have Eichler ordinances or guidelines. Unfortunately, we don't have that. My sense is, if we did have that, we'd easily break the 70 percent again. I think we need to think about that. I think we heard from both sides, not everybody, but people on both sides basically said improved guidelines or some kind of Eichler ordinance would be the way to go. I think one solution here is that we ask Staff to craft an Eichler zone. I think it could have some flexible rules. I think we heard about different conditions. I think if we created zones, there would need to be rules that we could apply to other neighborhoods. It's not just for Royal Manor. Royal Manor, being a large tract, has some interesting characteristics. Part of it backs up onto an industrial zone with power lines in the back. If we had an Eichler zone, I think, if you back up to an industrial park, you could probably get away with two stories in those lots. They're not really facing other Eichlers. We have this whole area here that's kind of on the edge where, if you had a two-story home that was street-facing, it wouldn't impact the Eichlers behind you. If we really thought about crafting an Eichler overlay that had some flexibility built into it, maybe there could also be one-story homes but with some easing of easements. I think we kind of have three questions to answer. How do we craft the zone? What happens while it's being crafted? We have a very intact neighborhood currently, and it's going to take probably some time to create an ordinance. How would it be adopted? On the how, I think Staff needs to lead the process. I'd love to see people from both sides remain involved. Again, a goal would be to come up with an ordinance that would be an alternative to SSO. While it's being crafted, what happens? I think it's up to us to provide some clear direction. Even though support has dropped, we still have a large majority, 63 percent. I think we probably need to provide some interim protection while we give time for an ordinance. It's a relatively small number of homes to get from where we are to over 70 percent, something like 10-12 homes. How would we adopt it? Some people brought up the idea of kind of a petition versus postcards. I'm thinking that we need to recognize that a petition process involves people going door to door. There's this opportunity for education. I think in this case we had a lot of absentee homeowners, and it took some time to figure out who owns homes, how to

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reach them. Even at the end of the day, I think there were half a dozen or so homeowners that never responded or were unknown. If we switch to another methodology, I think the threshold needs to change as well. With mailing postcards, you usually get a very low response to mail. If we said we're going to mail postcards and ask for 70 percent, I just don't think those go together necessarily. I would actually advocate that we work through this, come up with an Eichler zone. At the end of it, we'd have a very similar process with needing a pretty high threshold to get there, like 70 percent would need to want the Eichler zone. I think that would also help craft something that was acceptable to the whole neighborhood. You're not going to get an extreme one way or the other if you know you need to get at least 70 percent of the people to agree to it. At the right point, if my colleagues are amenable, I would be willing to make a Motion, but I'd like to hear some more comments.

Mayor Burt: Council Member Scharff.

Vice Mayor Scharff: Thank you, and thank you all for coming tonight. Obviously it's an emotional and difficult issue. I guess my observation is that it seems to me that the process is badly broken. I didn't get the sense that a lot of people—I get the sense that there were quite a few people who thought that the process was unfair and didn't really reflect a process that they took comfort in. In a democracy, I think that's a real problem. It seems to me that we really need to rethink the entire process of how we do this, where we have a vote that's probably sponsored by the City that people have confidence in, that's fair. I'm not sure exactly—obviously we're not going to design that from the dais and tell you. I do think we need a process to come up with that, so that people feel that the whole process was fair. I at least heard a lot of people say the process didn't seem fair to them tonight. I think this is a difficult choice. I think that, yes, we need to go ahead and figure out some sort of design guidelines, think about how we can make that work. I think there would be common ground. I think we could get all of that. I do think, however, as we go through that process, I don't think it's as simple as just having Staff come up with an ordinance. I think part of it we have to get public input. We have to have transparency. We have to go—I actually think it maybe even should be referred to Policy and Services, take some public testimony or maybe Staff needs to go out and do that and then come back. I don't think this is necessarily something you want to rush to and then have another process where people feel that they didn't have input and they were unhappy in the process. I'm a little concerned given the feeling that people had that the process was unfair, that we have had a 70 percent. If we got to 70 percent because people didn't understand what they were doing or whatever, I'm not very comfortable with that. I really wish there was some way we could have a process where

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people just go and vote on this and know where they are in terms of it. If we want 70 percent, then we as Council should live with that. If we think it should be lower, we should live with that as well. I think having clear rules—I think that's what's really concerning me here. I sort of thought to myself, "We get to 70 percent. People believe in the 70 percent." If you lost one or two people that's different, but there seems to be a continual erosion of support here. I think that's a problem. I don't think we want to have a third of the neighborhood really angry about something or 40 percent of the neighborhood really angry about something. How many of you here are in support—if you'd stand up—of the SSO? It's hard to tell. If you want to sit down. How many of you are opposed to it? I would say it's almost evenly divided. It feels evenly divided. It feels 50/50. I think that I want to hear from the rest of my colleagues. I think this is not a very simple decision. I think we should be very trepidatious about imposing a single story overlay without more process. There are no applications at the moment for a second story, is that correct?

Ms. French: That's correct.

Vice Mayor Scharff: What's the timing on a second story application? How long does that take typically?

Ms. French: Several months, 90 days.

Vice Mayor Scharff: Ninety days. I guess the question is how long of a process do you think it would be to go get public input, start crafting an ordinance in terms of Eichler design guidelines and things like that?

Mr. Lait: I think we'd want to know a little bit more about where the Council is going with this and what kind of an effort that would involve. I think we'd probably want to hear more from the Council, and we can come back and give you some guidance on (crosstalk).

Vice Mayor Scharff: What would you want to know from Council?

Mr. Lait: One, I'd be interested in just some additional comments. All I've heard so far is the idea of an Eichler zone and a process, those two things. We just heard in this one Royal Manor tract neighborhood that there seems to be a lot of variability just in this tract. If we're looking at a City-wide ordinance where people could choose Eichler guidelines, that would involve some investigation into some of the other neighborhoods as well. It's a matter of—I mean, we could research this for as long as the Council wants us to do it or have something more prescriptive. Even knowing what those prescriptive standards are, we would need some guidance from Council on that.

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Vice Mayor Scharff: I guess I have a Brown Act kind of question. The way this is adopted is adoption of an ordinance establishing a single story overlay district. There's nothing about establishing design guidelines. There's nothing about that. I sort of feel like we're limited to the question before us with a possible referral out to Staff or that. I guess I'm not sure we should have—I mean, how much latitude do we have debating what that referral looks like and all of that? I feel that may step over the line frankly. I guess I wanted some legal advice on that.

Cara Silver, Senior Assistant City Attorney: Cara Silver, Senior Assistant City Attorney. You're right that this matter really isn't agendized for very specific suggestions about what those additional Eichler zoning guidelines would look like. If you wanted to give us something general to react to so that we can provide you with a timeline and a suggested process for pursuing that, it wouldn't be appropriate to give specific policy direction on what those guidelines should be at this point.

Vice Mayor Scharff: It'd be better to agendize it to come back after Staff's had a look at it and look at what kind of information they need, the questions they want answers?

Ms. Silver: Yes.

James Keene, City Manager: Can I just add to this sort of conundrum aspect to this whole conversation, when you were talking about democracy too? It's a little tricky for us to do a lot of in-depth analysis about what this could look like without really getting also a better sense of what the Council does want to do. I think we'd have to sort of do this in an interactive way somehow with the Council. The other component I would add to the Staff's comments here about what this would take—as we all well know, the reason we call it the Palo Alto process is it's a process. Rarely does anything unfold exactly the way we're thinking about it, because there's so much engagement. It's so many different perspectives. Actually, the Council's dedication to really trying to find absolutely the right balance in these complicated situations. I wouldn't necessarily think that this would be simple. I can tell you that certainly on the Staff preparation and the engagement side, it won't be simple. The other component, of course, is all of the other initiatives and directives that we have dealing with other challenges, fixing other problems in the City, some of them going back 16 years as we heard or 25 years. I've got a list here that later I can go over with you right now. You well know that even just within your Priorities, you've adopted—you've got 82 strategic projects in the City. I hate saying this. Really I feel like a bureaucrat saying this. The reality of it is, in all of these things we're working on here in this realm, we don't have hundreds of

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people. We probably have 15-20 people in the whole organization who can be involved in some way on these. That's the counterbalance too. I'm not saying that to preclude it; I'm just saying that will have to be part of the conversation if we want to go forward on this in some way with some new alternatives or something. We may have to look at the impact on other things we do.

Vice Mayor Scharff: One other comment. I guess what I was hearing Council Member DuBois suggest was some sort of a short-term moratorium on two-story houses. I don't know if I heard you correctly on that. That's sort of what I heard.

Council Member DuBois: While we're figuring this out.

Vice Mayor Scharff: While we're figuring it out. What I heard Staff say is we probably have 90 days anyway before we really would have a two-story home issue before us, if ever. I'm not sure that the current way we've agendized this allows us to put in a moratorium either. I don't think it does. It seems to me that the appropriate thing to do would be to refer this out, have Staff come back in an iterative way, at which point different options would be on the table, and then we'd probably have another meeting after that as well to refine that. I don't see us being able to do that tonight frankly. It seems more like an up or down vote tonight or to defer it and do nothing.

Ms. Silver: One step that you could consider is it is agendized for a permanent single story overlay district. If you wanted to do something less than that, you could shrink the neighborhood; you could shrink the duration. You could do a short-term single story overlay as it is currently agendized.

Vice Mayor Scharff: I guess what you're saying is we could—I don't want to be nasty about it. It sounds like—shrinking the neighborhood seems to subvert the process. I'm not interested in shoehorning this in. I'm not interested in saying we can skirt the rules and get right up to the line of what's appropriate. It doesn't seem to me that there's an imminent emergency ordinance that's needed. It seems to me that the appropriate thing where there's so much neighborhood interest is to play it really clean. That, to me, seems that you agendize it so everyone can come and discuss it if you're going to put in a short-term ordinance that says for the next 6 months there will be no single family overlays or anything like that. It doesn't really seem appropriate to me to be trying to figure out a way to get this done around the law that exists for transparency and openness frankly. I probably wouldn't be supportive of that. Anyway, I'll hear what my colleagues have to say.

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Mayor Burt: Council Member Berman.

Council Member Berman: Thank you very much to everybody from the community who's come and spoke to this issue, and to my colleagues and the good comments they've made. Vice Mayor Scharff used the word trepidation. I've always approached these decisions on single story overlays, the couple that I've had while I've been on Council, with trepidation or hesitation because of the seriousness of the issue. I've always fallen back on the process. We've definitely seen a couple of things with this application that show us not only is the process that we have as a City flawed, but that that flawed process wasn't followed correctly. For me, probably the biggest issue was that initial FAQ that was circulated that said if you sign this, there will be a voting process. A second round of FAQ that was circulated, there's debate as to how many people that was circulated to. Regardless, my biggest—I think the biggest flaw in that second round of FAQs was that it did not specifically call out what was changed. That should have happened at the very front of the FAQ, and it should have said the first FAQ said X; that was incorrect, and this is the correct version. To expect people to read through four or five pages and compare it without a redline and identify what was different, I think, is unfair of residents. Because of that, there's been discussion about 70 percent was hit at PTC, and then that's dropped, but that's the process. To me, that 70 percent isn't true. It wasn't intentional, but people received information that was inaccurate and they acted on that inaccurate information and didn't have, in my mind, a real way to understand that the process had changed dramatically. That is a dramatic difference from sign this and you'll get a ballot to sign this and it's counted towards the 70 percent, a really fundamental and huge difference in the process that should have been more explicitly called out. On a higher level, clearly this needs to be a City-driven process from now on out. I think we should—I know there are other SSO applications going through the process. I think we need to have a conversation about putting a pause on those while we discuss the process and identify the flaws and identify a better system. We have this system—I've sat down and met with both sides, the applicants and the opponents. Both sides have frustrations with the other side. They're being overly aggressive and saying inaccurate things. They're being overly aggressive and saying inaccurate things. That's because the process allows for that, and it shouldn't. The process should be driven by the City. The City should be distributing ballots to residents. People should be able to make that decision in the privacy of their own home without pressure that they might feel from a neighbor standing at their doorstep and asking them to support something or oppose something. I know that that neighbor might not think that they're creating pressure on the person they're asking to sign. They might be; that might be the way that it's interpreted. We just shouldn't even have that opportunity.

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Another thing that, I think, we need to look at is we are becoming a much more multicultural City. Should we be providing some of this information in different languages? These things might be really clear to some folks; it might be a little more complicated for others. Given the gravity of the decision, I think it's important that everybody really make sure that they understand what they're voting on. I think that's something that should be considered for future deliberations. I agree that—one thing that we didn't talk about in regards to taking 90 days to go through the application process is we have an appeals process. I think we've eliminated the fees for the appeals process or at least dramatically reduced them to the point that that would then come to Council. I think the Council fully understands the concerns that people have about big homes being built in their neighborhoods. I think that's really the backstop. I don't think an interim SSO is appropriate, especially given the flaws in the process that we have. If somebody were to try to ram through a big, ugly, inappropriate, two-story house in the interim, that would immediately get appealed to Council, and we could deal with it in that way. I'm very curious about the Eichler design guidelines. I guess Sunnyvale and Cupertino have them. I like the idea of it going to Policy and Services for further discussion, but there should be a bigger discussion from Council first. Let's see if we can improve that process to hopefully to get to that 70 percent support in the community. It's purely speculation now as to whether or not there would be 70 percent support. I'm not going to make a decision based on speculation. I'm going to make a decision based on people voting in a proper process. I don't think we have that here. I'm not comfortable supporting—I've supported two SSOs already, but I'm not comfortable supporting this one.

Mayor Burt: Council Member Holman.

Council Member Holman: Thank you, and thank you to everyone who came this evening on whichever side that you support, whether SSO or not. In a way, I don't see this as the difficult decision that some Council Members have alluded to. Whether in email or this evening, there's either been a lot of support for the SSO or support for protecting the Eichler character. There's been some opposition to not allowing second stories because of floor area but, I think, there's—I don't know the percentages. I don't have that at hand. I don't think it's probably as complicated and as divided as we might think, if we must put it in terms of supporting this SSO or not supporting this SSO, if you put it in terms of supporting Eichler design and Eichler homes. I actually would support doing an interim—let me ask a question first. If Staff received an application for a two-story home now and the Council came back and said—something came to us on appeal, and we said this doesn't work, this does, that's out character. What kind of purview would the Council

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really have to change something to make it more compatible in terms of being more in keeping with the single-story character of the neighborhood?

Mr. Lait: You'd have the same tools that the Staff has, and that's the IR Guidelines that we use to evaluate two-story homes in the City.

Council Member Holman: We would be faced with the same kinds of issues that we've had many complaints about and appeals, because we don't have any other standards by which to make decision.

Mr. Lait: Again, it's the IR Guidelines that are in place right now. That's how we'd look at that.

Council Member Holman: The answer to the question—somebody could appeal a project. If it came forward, that isn't going to resolve anything for anyone, maybe not even the applicant, because there's going to be a neighbor versus neighbor situation set up again. I appreciate City Manager's comments about how many projects we have in the pipeline. We're, in the near future, going to have a meeting of the whole. At that time, we'll be setting some priorities. We can look at this potentially being one of those or a Eichler overlay district being one of them or not as the Council majority decides. As to shrinking the neighborhood, that's been done several times in the past. It's not anti what our process has been. It's been an established process that's happened a number of times. I would support an interim SSO because, I think, it's really important what happens in the meantime. What happens in the meantime in this neighborhood, as in some others, is really critical because this is a flood zone. If we don't have some kind of design standards—I don't know how many of you have seen single-family homes that have been built next to single-story homes when they're in the flood zone. With that additional elevation, how absolutely jarring the result is. It is just that; it is absolutely jarring. I think we do need an interim ordinance. Whether that's six months or a year, I don't know exactly. I'm open to either one. I don't think it would be a matter of extensive Staff work, because we do have other Eichler overlays from which to draw. I think, because of the neighbors, because nobody knows the neighborhood more than those who live in it, I think the neighbors have identified what the exceptions might be already that might need to be addressed. I think those are my comments. Basically, I would support an interim SSO. I guess we can't give specific direction on going to create an overlay. We could ask that to come back to Council in a timely manner.

Mayor Burt: I'll wade in with a few comments. First, this is probably the most difficult single story overlay submittal that I've encountered, and that goes back 18 years to a number that we had on the Planning Commission



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previously. I think we, as others have pointed out, have several different problems. I think that the notion that applicants get to control essentially the petition process, if it was binding in the end, is problematic for the reasons we've experienced here. I think the assertion that people should not be able to rescind essentially their support between the time that they're first presented whatever they were presented and when it comes to the Council is really, to me, not appropriate. I do want to say that I concur with Council Member Holman that we've heard throughout this process in one sense a positive direction, which is I think a very strong supermajority that the neighborhoods, this one and others like it, need protections beyond the choices that they have today. I've been thinking about what would be the best way to give that alternative. We'd previously discussed a standalone ordinance perhaps similar to what Cupertino has that is for Eichler neighborhoods. We have another possibility that moves this forward sooner. We currently have a consultant onboard looking at the Individual Review process. Correct? Where do we stand in that?

Mr. Lait: We've received a draft report, and it's sort of in this admin draft. We want to collect a little bit more data on that.

Mayor Burt: Who provided that consultant the scope of what they should be working on?

Mr. Lait: That was a Staff-driven effort. I'll say that there was outreach, and there's been a lot of interviews with people who have experienced the process as applicants, as neighbors. We have a volume of data.

Mayor Burt: It strikes me that we could add on an element to the Individual Review process that's specific to neighborhoods such as this and have certain guidelines. It doesn't mean that we would rescind the SSO process for neighborhoods where they have the clear 70 percent supermajority. How do we provide protections for neighborhoods that don't have that, but where you have both folks who would prefer a single story and those who would not, who would both embrace stronger protections for the neighborhood character? If there was a neighborhood that didn't support with the 70 percent single story overlay, I could tell you I've seen—they're less common in town, but they exist—homes where you have modest second additions. They're not wall-to-wall two stories; they're deep setbacks. We could set something up where we don't guarantee that you have the same rights for a second story going wall to wall that you do in other neighborhoods where it's compatible. You would have within the IR Guidelines that say if it's in a neighborhood such as the Eichlers, then this additional set of restrictions applies. It would be significantly visual line and daylight plane protections and things that really would address the privacy.

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Then we have the other element of architectural style, which doesn't mean everybody has to have an exact duplicate of Eichlers. I think we've all seen rebuilds that are really exceptional but very much the modern style and compatible with the Eichler neighborhood. If anything, some of them are really great additions to the neighborhood. Having a design component that would describe the boundaries of style is something to be considered. The Individual Review Guidelines, when they were adopted 15 years ago, after a lot of discussion decided not to attempt to address style. In these neighborhoods that have a cohesive architectural style, I think I would be open to including that. There's also real issues—it was really brought out in this neighborhood because it has smaller lot sizes on average than almost any of the neighborhoods that have had single story overlays. When the ordinance was originally adopted, there was nothing that allowed folks to build their additional square footage that they, otherwise, would be deprived onto one story. The ordinance was changed about 20 years ago, and it allowed for that. That works well on big lots; it doesn't work well on the small lots primarily because of the setbacks we have. Also just for people to have a full right to their floor area ratio, they might need a partial second story in some circumstances. Those would be issues we have to struggle with. I think the setback issue is a tradeoff that we'll have to look at and see what the community feels about the reasonableness of those tradeoffs. We can't have everything. We're going to have attempts to balance those alternatives. I think if we are not going to support this petition tonight, then we need to frame to Staff maybe a set of alternatives that we'd like to have them return with for a preliminary discussion. I would suggest that we look at both the conservation district concept or a chapter within or a segment within our IR Guidelines that might be simpler and able to come back to us sooner. That's one of the attractions that, I think, might work there. I also think that going forward on SSOs, we do need to look at breaking up the process between what it takes to have a petition accepted by the City and move forward, and then what's the voting process after we've accepted that petition. I think that we can just break those two up and have a little more clarity on each.

Vice Mayor Scharff: Do you want to frame a Motion like that?

Mayor Burt: Council Member DuBois asked if he could have an opportunity to frame the Motion. I'll see what he captures. Let me go ahead and pass it off to Council Member DuBois at this time. Actually, Council Member Filseth, you haven't had a chance to speak on the first round. Go right ahead.

Council Member Filseth: I'll be really terse because I think most of this has been well fleshed out. Like most of my colleagues here, I'm going to have a really hard time voting to establish an SSO tonight, because so much of the

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community is opposed to it. I don't think that we should necessarily stop other SSO applications in progress. Some of those may have much more support. I actually like quite a bit the idea that we could have something that's protection for the Eichler architectural style. I think that makes sense for us to consider. I think some of the motivation for the SSO is to not have two stories, and some of it's to preserve the architectural style. I think that the two-story thing probably is not going to pass in this neighborhood, but the architectural style issue may make sense, and it may make sense elsewhere in the City. The only question I would have on that is the discussion of whether it's an overlay versus an extension of the IR is a worthwhile discussion. I think it should be in such a way that it's not just a guideline, but it's something that, if we decide to do that, it has to be followed. Thanks.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Again, this isn't simple at all. I hope I didn't say that, because that was certainly not what I intended. I too have met with several groups on both sides, some multiple times, just to let you know I've spent a lot of time thinking about this. I think the weakness of our IR process is the reason we're getting so many SSO applications. People have not found it to be working. I think it's up to us to provide some clear direction on what we mean by improving that. I also think—I'm struggling a little bit that the applicants—I'd like Staff to maybe clarify. My understanding is they followed process. For things like the first FAQ, my understanding is that they submitted that and the petition to Staff, and it was corrected. Then, they went out for signatures. No signatures were gathered with the incorrect FAQ; they were actually engaged with Staff and working with Staff to get things approved. That was my impression. I don't know if you know if that's correct or not.

Ms. French: Yes, the second FAQ was, as a result of Staff reviewing the FAQs that they had used to gather an initial impression of whether there was enough support. The second FAQs reflected Staff's input into that one question that was inaccurate, Question 5.

Council Member DuBois: That's when they actually gathered signatures?

Ms. French: Yes. What I understand, looking at the dates of the signatures on the application, was that those signatures were after the second FAQs were distributed.

Council Member DuBois: I just wanted to clarify that. I think an attempt was made to follow a process. I feel like we shouldn't lose sight of that. I think people came to try to follow the process. They worked with Staff. To

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not do anything, I think, is a disservice. Even getting to 63 percent is not an easy thing. I want to also reiterate a point I made before. If we shift to a vote, we need to understand what that means. That's a very different process than a petition. To pass a tax, General Fund's 50 percent, a specific tax is two-thirds. Maybe that's the right number. If you have a CC&R, it's 50 percent. If you don't, it's two-thirds. I think we need to give that some thought. I think the thresholds change kind of with the method. To reiterate what Council Member Holman said, I think what we heard was a fair amount of alignment around Eichler values, just disagreement on the ability to have a second story. I think more importantly we're kind of using guidelines and zoning interchangeably. I think there's a difference. I mean, I think this needs to be enforceable, and I think it needs to be Staff efficient. Clear rules like Cupertino, where a decision could be made versus a review process which is potentially costly and time consuming. I will attempt to make a Motion, trying to incorporate what I heard from my colleagues. It's two parts. The first part, Council directs Staff to return to Council with an evaluation of an Eichler zone or strengthening our IR Guidelines to require Eichler compatibility where appropriate. Depending on the context of the lot, it may provide allowance for: (a) second stories; (b) adjustments to setbacks; or (c) possibly other accommodations. An interim SSO in place for a year to come up for renewal if the Eichler zone discussion is not completed. Again, I'm trying to just say that there's an interim SSO until this is resolved. If there's a better way to say that, we can change it. There was a second?

**MOTION:** Council Member DuBois moved, seconded by Council Member Holman to:

- A. Direct Staff to return to Council with an evaluation of an Eichler zone or strengthening the Individual Review (IR) Guidelines to incorporate Eichler compatibility where appropriate, and depending on the context of the lot, make allowance for:
  - i. Second stories; and
  - ii. Adjustments to setbacks; and
  - iii. Possibly other accommodations; and
- B. Adopt an interim Single Story Overlay District (SSO) for one year to return for potential renewal if the Eichler zone discussion is not completed.

Council Member DuBois: Just to speak to this briefly. Again, I was trying to listen to everyone's comments. Again, I think because they went through

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the process, followed the process and got (inaudible) 63 percent, I think we should look to protect the neighborhood with the interim SSO. We have a very busy Staff; I'm asking them to come back with this evaluation, but I'm thinking it's probably going to take longer than 90 days or six months even. Again, I see people holding up their signs. The idea is that this would be a discussion involving everybody, those for and against, to really allow second stores where appropriate, but to do it in a way that helps protect your neighborhood.

Mayor Burt: Council Member Holman.

Council Member Holman: Just a couple of questions for Council Member Berman. When you're talking about an Eichler zone, you're talking about an Eichler overlay?

Mayor Burt: You meant DuBois, right?

Council Member Holman: DuBois, I'm sorry. Sorry, I'm thinking three different things here at once. Are you thinking an Eichler overlay zone, is that what you're thinking? Or an Eichler overlay district.

Council Member DuBois: Whatever is the best phrase. An Eichler zone would be, I guess, an overlay, but it would be an enforceable zone.

Council Member Holman: If we could change it to Eichler overlay. Eichler zone kind of means something else.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in the Motion Parts A and B, "zone" with "overlay."

Council Member Holman: I'll make a comment, and I'm not going to amend the Motion for this. Just as a comment, I'll say that strengthening the Individual Review Guidelines, I don't think is going to save us any time. The same things would have to be identified for IR to identify the compatibility aspects for Eichler as would an overlay. I'm not sure it's going to save us any time, but we'll wait to see what Staff thinks about that. I think I've made the other comments that I wanted to about why I think it's important to have this interim SSO in place in the interim. I hope other colleagues will support this so we can all move forward and move forward together.

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you. I will not be supporting the Motion. To address some of Council Member DuBois' comments about the second set

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of FAQs, I agree that the applicants who spent a lot of time and worked very hard eventually followed the process that was set by the City. They get a little bit of a jump start by circulating FAQs before the City Staff had weighed in. The confusion that was created by that, to me, is the fatal flaw in this process. If you look at the letters that were circulated, one on March 9th and one on April 26th, the one on March 9th ends with "this is an informal neighborhood survey and puts you under no legal obligation." The people that read those FAQs that they received on March 9th, that was the impression that they were under. Buried in Answer 5 is "The City will send postcards to all effected homeowners asking if they support or oppose the single story overlay. If someone doesn't return their card, it counts as a no vote." The letter that was sent on April 26th is different. It looks the same; it starts the same; the first couple of paragraphs are the same, but it's very different. It didn't identify upfront and in a very clear way that difference from the March 9th letter. It doesn't clearly show the difference in that Answer 5, which states by signing this, this is your vote. The fact that there wasn't that clear call-out of the difference, I think for people who are very busy and maybe quickly read through the March 9th thing and thought no worries, this is just an informational—I'll get info from the City and be able to vote on it later. They maybe see this and think, "I don't have to time to reread this whole letter. I'm okay with it being informational and will deal with it later on." Because of that fact—just give me one second. Because of that fact, that to me throws a lot of doubt into the veracity of those early votes. To me, that was my—I totally agree that the applicants tried their best to follow the process, but that early kind of flaw, to me, clearly was very impactful because of how many people that then rescinded their vote and the confusion that it created amongst the residents in the neighborhood. Because of that, I don't support the single story overlay. It hasn't met the 70 percent threshold that we've clearly followed in previous applications. I do support parts of this Motion, but I will vote against it because of (b).

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. One of the things this Motion leaves out, which we discussed, was breaking up the petition and voting process. I'd like to have a "C" in there that says "direct Staff to return to Council with options regarding breaking up the petition and voting process." Is that acceptable?

Council Member DuBois: For all SSOs?

Vice Mayor Scharff: Yeah, for all SSOs.

Council Member DuBois: (inaudible) process.

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Vice Mayor Scharff: It would be a separate process. The Eichler—yeah, probably for the Eichler. I want options. It could be for the Eichler overlay or not. I don't know how to make that decision tonight. I think the more options we have when it comes to us the better.

Council Member DuBois: Yeah.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "direct Staff to return to Council with options regarding the petition and voting process." (New Part C)

Council Member DuBois: I would say, two seconds to Mr. Berman. When they signed the petition, it was very clear (crosstalk).

Mayor Burt: Council Member DuBois.

Council Member DuBois: Again, getting to the petition and voting process ...

Mayor Burt: I'm sorry, I'm not going to allow (crosstalk).

Council Member DuBois: I would accept the amendment.

Mayor Burt: You have something to accept, you say?

Council Member DuBois: I said I would accept the amendment as written here.

Mayor Burt: Thank you.

Mr. Keene: That's "C"?

Mayor Burt: Council Member Holman.

Molly Stump, City Attorney: Mr. Mayor, may I just clarify what's intended by "B"? Is the maker and the seconder intending that the Council adopt an ordinance tonight establishing a one-year time-limited single story overlay? Then, "C" is a direction to return with future policy options ...

Mr. Keene: That's the way I read it.

Ms. Stump: ...considering the Citywide ordinance. That's how Staff reads it.

Mayor Burt: I believe that's the intent of the Motion. Is that correct?

Council Member DuBois: Yes.

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Mayor Burt: There is a new "C." Council Member Holman, did you accept that or not? The interim would be adopted tonight, nothing else would be.

Ms. Stump: Perhaps the Clerk could clarify under "B," adopt an interim ordinance establishing or adopt an ordinance establishing.

Mr. Keene: Not to get too linear about it; I think it would be clearer if "B" became "A" and "A" moved down. The first sequence is you're putting a temporary ...

Vice Mayor Scharff: Maybe we could after I finish.

Mayor Burt: We may be looking at whether we split the Motion on that regard.

Vice Mayor Scharff: I actually would like to make an amendment that we delete "B." I assume you'll accept that.

Council Member DuBois: (inaudible)

Council Member Berman: I'll second it.

Mayor Burt: Now, we'll break this apart. Let's split this Motion.

Vice Mayor Scharff: I'm happy to split it. It's the (inaudible).

## **MOTION SPLIT FOR THE PURPOSE OF VOTING.**

Mayor Burt: We're going to—initially we'll have the discussion around an interim ordinance.

Vice Mayor Scharff: Do you want to vote on the other one or not?

Ms. Stump: Mr. Mayor?

Mayor Burt: Yes.

Ms. Stump: My suggestion would be that the Motion there is really a Substitute Motion, which is perhaps "A" and "C" without "B" because ...

Mayor Burt: No, I don't think so. I don't think the intention is the elimination of the other parts of the Motion.

Vice Mayor Scharff: Right. We're just going to split the Motion.

Council Member Kniss: You said split into "A" and "B"?



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Vice Mayor Scharff: No, "A" and "C" in one bag ...

Council Member Kniss: (crosstalk) and leave "B" out?

Vice Mayor Scharff: ... and then leave "B" out, and we'd vote separately on "B." Is that correct, Mr. Mayor?

Mayor Burt: Yes. Maybe it would be better to vote on "A" and "B" first, and then come back to "C" later. We'll treat what was "A" and "B"—let's see. We'll call it just the things excluding the interim period is what we will be considering now, and then we will separately consider whether to have an interim ordinance. We'll get it sorted out. While we're discussing this, we can get it sorted out into two parts.

Council Member DuBois: Just to clarify. I had asked Council Member Scharff if "C" applied to SSOs. He said no, it applies to both. A potential new process.

Vice Mayor Scharff: What I actually said was they should bring options back for both. I didn't actually say it should apply to both. There's a big difference.

Council Member DuBois: (inaudible)

Mayor Burt: We've deleted from the screen "B." Let's go ahead and—I'm sorry.

Council Member Holman: Clarity—I'm sorry. Clarity on what's "C" up here. It's direct Staff to return with options regarding the petition and voting process. For what? I think it needs to be "for SSOs and overlays."

Vice Mayor Scharff: That's fine.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion Part C, "for SSOs and overlays."

Mayor Burt: Council Member Kniss.

Council Member Kniss: To speak to this Motion now precisely, looking at this as the Eichler overlay and so forth. While I support it, I just looked up Sunnyvale's or Cupertino's, and it is 26 pages long. It's a very complete description of what can happen in an Eichler community. Both Cupertino and Sunnyvale have this listed. However, they also have lots of pictures in there, and some of those pictures are very attractive. I think the most important part of this, though, is "C" because we don't want to run into this

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problem again. Greg, what I think you're saying is let's get our process straight. Let's be sure we know what it takes to get to 70 percent or what it takes regarding the facts that are going out and so forth. I think the lack of clarity is really what we're sitting up here and discussing. That's a shame. What I'm wondering is did you think in this about whether this should go to Policy and Services or not or whether or not you felt Staff could do that.

Vice Mayor Scharff: Did you want me to answer that?

Mayor Burt: Yes, because it lacks...

Council Member Kniss: It would help.

Mayor Burt: ...clarity on the direction that we're giving.

Vice Mayor Scharff: I guess I saw it as an important enough issue that Staff should go look at this in broad, general terms, make some suggestions. If it's good enough, we could maybe vote on it that night. If not, we could refer it to Policy and Services and make the decision then depending on what Staff comes back with and how much level of detail. You're right. Given the 26 pages of information you just gave me, it probably does need a referral to Policy and Services, but I thought before we do that we could probably have a broad discussion at Council.

Council Member Kniss: I'm willing to support this, but let's keep this in abeyance because I've only looked at either Sunnyvale or Cupertino. I imagine theirs is also—the alternate city is equally long. I'm fine with this. I'll be more interested in our discussion on "B."

Mayor Burt: Let me wade in on one part of the "A" paragraph. It says guidelines to incorporate Eichler compatibility. I think that's not clear as to whether we're talking about design compatibility or design compatibility and privacy, which is particularly strong on Eichlers. If we mean both, then I would encourage us to—I would offer as an amendment to say "Eichler design compatibility and privacy issues."

Council Member DuBois: That's acceptable.

Mayor Burt: Pardon me?

Council Member Holman: They're both compatibility. You could just say "design and privacy compatibility." They're both compatibility.

Mayor Burt: Same thing.

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**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion Part A, "design and privacy" after "incorporated Eichler."

Mayor Burt: We may need to really have a discussion during the Committee as a Whole to have some determination of when this would be able to come back to us. Maybe if Staff can be thinking about that, we'll discuss that in the context of the whole palette of things that we're doing. I guess then we're good to vote on ...

Mr. Keene: Mayor?

Mayor Burt: Yes.

Mr. Keene: If I just might say something there, just to follow up on your last point. I think that evaluation in the first sentence here speaks to the—there may be some aspects of what evaluation means when we have the Committee of the Whole. One is a preliminary evaluation of what the issues are. Another one is a thorough evaluation of all possibilities including coming back with recommendations. I think there's a big range of (crosstalk).

Mayor Burt: Should we have a clarification there? Are we meaning a preliminary evaluation when it comes back?

Mr. Keene: I think so. The same way in the housing matters of six weeks or so ago, you gave us some directives (crosstalk).

Mayor Burt: We need to see whether the maker and the seconder are comfortable with describing it as a preliminary ...

Council Member DuBois: I thought your comment was that potentially we could discuss this at the Council of the Whole. What detail of evaluation?

Mayor Burt: We wouldn't discuss the substance in the Committee as a Whole. We would discuss the prioritization in the Committee as a Whole.

Mr. Keene: I think it's a relevant conversation in the Committee of the Whole whether it has preliminary in it or not. I think preliminary is more accurate and probably a better process for us to be able to come back and check in. There's a lot of choices you have.

Council Member DuBois: I'll accept that.

Mayor Burt: Council Member Holman? Okay.

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**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to replace in the Motion Part A, "an evaluation" with "a preliminary evaluation."

**MOTION PARTS A AND C RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to:

- A. Direct Staff to return to Council with a preliminary evaluation of an Eichler overlay or strengthening the Individual Review (IR) Guidelines to incorporate Eichler design and privacy compatibility where appropriate, and depending on the context of the lot, make allowance for:
  - iv. Second stories; and
  - v. Adjustments to setbacks; and
  - vi. Possibly other accommodations; and
- C. Direct Staff to return to Council with options regarding the petition and voting process for SSOs and overlays

Mayor Burt: On this Motion, we have a second Motion that we'll have on the interim. We're just voting on what's on the screen. That passes 7-0 with Council Members Schmid and Wolbach recused.

**MOTION PARTS A AND C AS AMENDED PASSED:** 7-0 Schmid, Wolbach not participating

Mayor Burt: Now, we will go to the second Motion regarding an interim ordinance.

**MOTION PART B RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to:

- B. Adopt an interim Ordinance establishing a Single Story Overlay District (SSO) for one year to return for potential renewal if the Eichler overlay discussion is not completed.

Mayor Burt: For those who have not spoken on this, Council Member Holman. Wait.

Mr. Keene: (inaudible) think Molly would say that you would strike the word interim from it. It's just an ordinance establishing it for 1 year, not an interim ordinance.

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Ms. Stump: Yes.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to remove from the Motion Part B, "interim."

Mayor Burt: Council Member Holman.

Council Member Holman: I wanted to offer the maker an amendment, "adopt an ordinance ... for up to 1 year and to return for potential review if the Eichler overlay discussion is not completed."

Council Member DuBois: I was going to clarify that as well. The intent was only to have it until the Eichler overlay comes back. If that's less than a year ...

Council Member Holman: Up to one year.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion Part B, "up to" after "(SSO) for."

Mayor Burt: Council Member Kniss.

Council Member Kniss: I am going to support this. I'm somewhat concerned because it's a little like splitting the baby. A year goes very quickly, and having this—I appreciate Council Member Holman's "for up to 1 year." If we are able to come back and satisfy all the other questions that have arisen with this SSO tonight, I think that it could be less than a year. In the meantime, I think for us to accomplish everything we have laid out tonight it's really essential to essentially put—we're not using the word moratorium, but essentially we're doing a moratorium. I know many of you are unhappy about this. It's very clear. I think that this actually gives something to both sides. I know that there are those in here who will be delighted to have that happen, and I can certainly see the yellow signs that say you won't be delighted. At the end of either a few months or a year, I think we'll have this process far more in hand, and we'll be able to approach with a very fair and end up not as difficult an outcome as we've had tonight.

Mayor Burt: I want to step in and ask Staff a question that may inform the conversation. As I think about this, one of the big issues—there are a number of components to what occurs from this one year ordinance. Certainly in Eichler neighborhoods, one of the big things is second stories and the impact on privacy and mass and scale. It's not all the issues, but they are two of the keys ones. Those are issues that already exist within our IR Guidelines. I think there has been a strong feeling that the Guidelines

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had slipped from how they were interpreted 15 years ago when they started. Either way, the interpretations they've been having are not adequately sensitive for using in Eichler neighborhoods. If I was going forward, going to allow second stories in Eichler neighborhoods, I'd want much stronger Guidelines on the privacy and kind of the mass and scale and those issues. When do we think that we would see these prospective Guideline changes?

Mr. Lait: I think we are probably two to three weeks out from getting a final draft complete for Staff to review. As I noted, there's a couple of items. When we have that, I believe the idea was we were going to go back to the Commission? We were going to present that to the Planning Commission for feedback. I will say that in the last better part of a year, we have taken a different tack on the IRs. We have been looking at them more closely. I know that there's been some criticisms of the process in the past. We've been trying to address that at a Staff level.

Mr. Keene: Can I just interrupt? I'm a little concerned we're maybe mixing up two streams here. We have an IR process review. You're bringing up a particular question, though, as I understand, that might be Eichler specific in some ways on the second-story component.

Mayor Burt: Actually I think it needn't be Eichler specific. It's circumstantial actually. The circumstances of Eichlers have a whole bunch of glass walls, open. When we put privacy guidelines from second stories in Individual Review, it all along should have been protecting those circumstances more than it has. I'm not so sure it's Eichler specific. Either way, it's going to inform my thoughts on a one year ordinance, whether that critical component would be addressed through the IR review process improvements or a more heavy-handed one year moratorium is needed. That's why I'm asking.

Mr. Lait: I think by the time it came back up to the Council, we're talking many months for your consideration. Not three, not four. It's least a half a year just on these IR Guidelines. That evaluation of the process and recommendations to make modifications to that process, that's what we're doing presently.

Mayor Burt: Council Member Filseth.

Council Member Filseth: I think I'm sort of trying to drill wells in the same sort of field as the Mayor a second ago. It seems like the direction we're going is we're going to allow second stories as long as they are architecturally compatible with the neighborhood. That seems to be sort of the general direction we're going. The issue that Council Member DuBois is trying to target—this is going to end up with a question for Staff. How do

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we stop in the interim somebody putting up or a whole bunch of people putting up giant, neo-Mediterranean-style, two-story homes in the interim before we come out with our guidelines? One of the questions is does the IR Guidelines stop that? It sounds like the answer is kind of no at this point, until many months. Another question I wanted to ask is it's May already. Most people sort of don't start major construction in the Fall, because it rains. You said that there's no projects like this in the pipeline, and it takes 90 days to get them approved and so forth. It seems unlikely that we're going to get a lot of those this calendar year, because they would have started already. What happens if somebody shows up and applies to do this, to put up a second story on their house and gets plans and so forth in like October. In January, we come out with overlay guidelines. The approved project in October, is it subject to the January guidelines or is it grandfathered in and can be whatever? How does that work?

Mr. Lait: I think there would be a lot of opportunity for a discussion about how that would actually work. When we come back with the IR Guidelines, you can talk about where you want it to be, with the point in time where you want them to be applicable to.

Council Member Filseth: Are they likely to be retroactive to a project that's already in the pipeline? Probably not, right?

Mr. Lait: The Council has taken retroactive action on other ordinances recently, so that could be a possibility, if the Council were interested. Again, that's down the road.

Council Member Filseth: Thanks.

Mayor Burt: I might interject. When we have pipeline issues, it would probably be worthwhile when this comes back at a first cut that we make clear to folks whether things would apply to pipeline or not apply to pipeline, so that there's transparency.

Council Member Filseth: In that case, since the Motion says it's up to a year, we could conceivably come back in the fall or something like that, and say, "We've dealt with the pipeline issues in a way. We've dealt with the compatibility issues. We'll just get rid of the SSO now." We could do that, right?

Mayor Burt: I do need to clarify. I don't see anything in here that is saying we would eliminate SSO ordinances. This is a second alternative to SSO. If people qualify under SSOs, that's still eligible under this Motion.

Council Member DuBois: He means the interim SSO.

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Council Member Filseth: The interim.

Mayor Burt: The interim, I'm sorry.

Council Member Filseth: We could lift it if we say we've got guidelines that do what we want to do.

Mayor Burt: Correct. I'm trying to remember. Vice Mayor Scharff.

Vice Mayor Scharff: I also thought the discussion by Council Member Filseth and the Mayor was interesting. Council Member Berman mentioned earlier—I guess I was sort of thinking along those lines. If you have an IR process, if someone disagrees, they can appeal it to Council. Correct? There is no fee to do that. Right?

Mr. Lait: Amy will correct me if I'm wrong. I believe if somebody is aggrieved with the Director's decision on the IR, there's a request for a hearing before the Director. That decision can be appealed, and there is a fee for that. It's a couple hundred dollars right now, I believe.

Vice Mayor Scharff: It's minimal then. I guess the point is if someone was to come with a second story that wasn't sensitive—say you built a half second story that was set back and your neighbors were okay with it, that would be fine. If someone was unhappy with it—it seems like a fairly active neighborhood—people could then appeal it to Council. I don't see the need for the SSO on an interim basis. I'm a little uncomfortable that our City Attorney said we can't say it's an interim basis, that it has to be an ordinance. It just seems a little weird to me.

Mayor Burt: I think she was saying it ...

Mr. Keene: It can be an ordinance on an interim basis. It can't be an interim ordinance.

Vice Mayor Scharff: Got it, I think.

Council Member Filseth: Greg, if we can do a permanent one, we can do a less than permanent one.

Vice Mayor Scharff: Right. I get it. I guess the point is do we need this if people can appeal this. That's the question. If we don't—if there was a reason we would need this beyond that, I would vote for this. I don't see that reason. If Staff wants to say why I really need to vote for this, given that we have a procedure where if anyone in the neighborhood is unhappy with the house next door to them, they can come to Council. We're pretty sensitive to these issues, and I think we'd be sensitive to it.



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Mayor Burt: Council Member DuBois.

Vice Mayor Scharff: I wanted to see if Staff had an answer.

Mayor Burt: I'm sorry.

Vice Mayor Scharff: If they don't, that's fine, if there's no burning reason why we would need to do this.

Mr. Lait: Just one piece of information for the Council to be mindful of. The ability to request a hearing, which is free, and the ability to appeal, which does cost, could only be made by adjacent and abutting property owners. That's usually the person right next door to the property that's being developed. It's not that if you're down the block and you have an objection or across the street and two houses down, that you can appeal it. You cannot. It's only those abutting or adjacent properties.

Mayor Burt: Council Member DuBois.

Council Member DuBois: Just a couple of thoughts real quick. I did spend some time going through the whole neighborhood. It's very intact, very mature, a lot of trees. Only 19 two stories out of 200. Those 19 are compatible. I don't think there have been any tear-downs at all. That was really the thinking behind this interim SSO, to give us some time to work through this. On the IR side, we have had, I think, also concerns about follow-up. Even once an IR is approved, what gets built—a lot of times once it's built and the neighbors see it, I think there's still a fair amount of unhappiness. Again, can you just clarify. When you say adjacent, because these are some pie-shaped lots. Any lot that has any point touching?

Mr. Lait: If they're shared property lines. If you come to the corner point of the property line or you share a property line. Actually we have a practice of extending that property line across the street as well to the intersecting points that would be across the street. It's this buffer.

Council Member DuBois: I'm still in support of some interim protection. I think Council Member Kniss said it kind of splits the difference. It gives some protection while we're figuring this out rather than making people be vigilant and go through this process over and over.

Mayor Burt: Council Member Holman.

Council Member Holman: Actually I'm going to repeat what I said earlier about appeals. We have an Individual Review process that allows for appeals, for appeals to be brought to the Council. We still have the same

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process in place. I did not say this earlier. We still have the same process in place, though. For an appeal to be pulled off Consent and to be heard by the Council, it still takes four Council Members. Correct? That's been taken down to three. Three of six would have to even agree to hear an appeal.

Mr. Lait: (inaudible)

Council Member Holman: Three of six, yes.

Mr. Lait: Seven.

Council Member Holman: Three of seven, I'm sorry. Three of seven to even hear the appeal. What I will repeat that I said earlier is we currently have an Individual Review process while Staff's working on it. Jonathan has already said that they're not going to come back with recommendations to make guidelines clearer and work out the issues for several months. If an appeal does come to Council and three of the seven of us decide to hear it, on what basis would be able to uphold an appeal, deny an appeal? We have had projects come to us that have gone through all kinds of wringers, both on the part of the applicant and on the part of the neighbors trying to get to a place where they can agree, and we've ended up with quite frankly horrid projects because of that. They're unresolved projects. I don't see for the next several months until the IR comes to us, which by the way will be without specific Eichler statements in it to this point in time at least, how we're going to have any kind of interim protections without this interim situation or ordinance.

Mayor Burt: We've got to try to wrap this up if we're going to complete our Agenda tonight. Council Member Berman.

Council Member Berman: I still oppose the Motion. From a process standpoint and from a governance standpoint, from an optics standpoint, this is going in the wrong direction. There's been an application for single story overlay. I think there's agreement on Council that that was not met, those thresholds were not met. Now, Council is now kind of bending itself to say, "We'll do it for a little bit while we do some other stuff." I do think that the processes that we have in place are sufficient. I know there's a lot of frustration with the IR process. I've seen this Council go to great lengths to reject a project. I'm confident that it could do that again if a project were to come up that the community was very opposed to and that Council could find reasons under the current process to reject it. I have little doubt that we would find three votes to pull it off Consent. Frankly, if it were an egregious project, I have little doubt that we would find four votes to reject the project. I think the appropriate process to say, "Let's strengthen the IR Guidelines or adopt an Eichler design guideline overlay." In the interim, let's

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make it clear to the community—I think most of the neighborhood is in this room right now—that we're not going to approve a project if it's really out of style with the neighborhood. My guess is that everybody has heard that message. I think that's the appropriate direction to take. Saying let's adopt a single story overlay even though it didn't meet the thresholds, let's do it for a year anyhow is wrong, is bad policy and bad optics.

Mayor Burt: I'll just briefly say that we're having a review of the IR Guidelines and an update because the Council and a lot of the community felt that they needed to be strengthened. This Council has already shown that it has been willing to insist upon some improvements that had been frankly projects that would have gotten through in years past. I also think that we can have the IR Guidelines give some moderate protections while we await coming forward with a longer-term solution. I think I'm going to support basically opposing this part of the Motion.

**MOTION PART B RESTATED:** Council Member DuBois moved, seconded by Council Member Holman to:

- B. Adopt an Ordinance establishing a Single Story Overlay District (SSO) for up to one year to return for potential renewal if the Eichler overlay discussion is not completed.

Mayor Burt: Let's vote on the board. What we are voting on is whether or not to have a one year ordinance establishing a single story overlay for this neighborhood only. That fails on a 4-3 vote with Council Members DuBois, Kniss and Holman voting yes. That will conclude this item. Thank you to everyone from the public for all your participation.

**MOTION PART B AS AMENDED FAILED:** 3-4 DuBois, Holman, Kniss yes, Schmid, Wolbach not participating

Mayor Burt: The split baby is in the lobby. We'll take a brief break to allow the public to shuffle out, who doesn't want to stay for the rest of our exciting meeting. I don't mean to scare anybody away.

Council took a break from 9:30 P.M. to 9:40 P.M.

Council Members Schmid and Wolbach returned to the meeting at 9:40 P.M.

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10. PUBLIC HEARING: Updates to the Energy Reach Code: an Ordinance Repealing and Restating Chapter 16.17 of the Palo Alto Municipal Code to Adopt the 2016 California Energy Code, Title 24, Chapter 6, of the California Code of Regulations, and Local Amendments.

Mayor Burt: At this time, we're going to proceed with Item Number 10, which is a public hearing on updates to the Energy Reach Code, an ordinance repealing and restating Chapter 16.17 of the Municipal Code to instead adopt the 2016 California Energy Code, Title 24, Chapter 6. Welcome Mr. Pirnejad.

Peter Pirnejad, Development Services Director: Thank you, Mayor. Good evening, Council Members. I am delighted to be in front of you today. This has been a long time in the coming. We've been working on this Reach Code for many months, almost a year. It's amazing how much effort and community participation and collaboration we've had on this. I'm absolutely delighted to be here. We have a group of speakers. That is the Motion before you. It'll repeat it at the end of the presentation. As far as a quick outline, I won't go over this twice. I'll keep you on the edge of your seat. Let me first give you a quick introduction to our speakers. Myself, Director of Development Services, happy to be here. To my right is Ed Mazria, founder and Chief Executive Officer (CEO) of Architecture 2030. Some of you may have heard of him. He is a world-renowned speaker, educator and runs a think tank around energy efficiency and reducing carbon in building. He participated in the Conference of Parties (COP) 21 in Paris. He was successful in actually getting an entire day dedicated to carbon and buildings. He was the keynote speaker at that event in Paris, and since then has been working in collaboration with cities and thought leaders around the world trying to identify creative ways to eliminate carbon in buildings, improve efficiency and essentially attack the carbon equation and the climate change equation from our built environment. I'm delighted to have him with us. Next to him is Farhad Farahmand from TRC Solutions, energy consultants. Farhad has been instrumental in our efforts to do the cost-effectiveness analysis for this effort, which is essentially a revision to our Title 24 Part 6 Energy Code. We're essentially asking the Council tonight to make the findings necessary to raise the bar, if you will, require more efficiency of our buildings. This is the practice that we've had since 2007. The California Energy Commission, who is the body that is in charge of our Energy Code, asks that we do a cost-effectiveness study, which we have done. It's in the packet before you tonight. To his right is Melanie and company. Melanie, she comes bearing gifts, multiple gifts. We were very lucky to keep her this long. I'm extremely delighted that she's still here. We were inches away from losing her. She runs Integrated Design 360. She's been a faithful soldier in this and other energy efficiency. If you

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remember, we brought to you our electric vehicle ordinance. We brought last year our Reach Code for our Energy Code. She's been instrumental in all that as well as developing the outreach efforts, the education efforts, all of our training documentation, our inspection guidelines, our plan check guidelines, all the documents and forms that people fill out in the field and at the front counter at the Development Center. She's been a major part of this. In the crowd, we have Evon Ballash, our Assistant Chief Building Official, here to also just show good faith. If you have any questions, we can bring her onboard as well. With that, let me take you through a quick outline. We're going to go through the scope of the Energy Ordinance. We'll give you a brief background about Palo Alto. We'll go over some of our awards, our Zero Net Energy roadmap that we developed last year and that we're continuing to chip away at. Our Energy Reach Code Ordinance proposed changes, which is the fundamental piece of what we're asking tonight. These are amendments to Part 6, Title 24. That's what we'll be talking hopefully at length in. Then a future policy, priorities. After we've concluded with this, the big fish to fry remains. We'll get into what that fish is. With that, I'd like to turn it over to Ed to give us a little bit about the global context of these efforts before you tonight.

Ed Mazria, Architecture 2030: Thank you for inviting me. It's a pleasure to be here in Palo Alto. You actually are playing a very important role globally in a problem that's plaguing us all around the planet. In December, 200 countries at the COP 21 in Paris agreed to a framework and came to agreement on keeping global average temperature rise above preindustrial levels to well below two degrees Celsius, really shooting for 1.5 degrees Celsius as a maximum. The reason for this is that once you go past two degrees Celsius, the planet keeps on warming. Climate change becomes essentially irreversible. If you keep planetary warming below two degrees Celsius (C) (inaudible) saying about 1.5 degrees C if we want to have a high probability of not passing two degrees C, then the planet will then come back to the climate that we've always known. In order to do that, we have to phase out CO2 emissions in the power sector, essentially fossil fuel emissions, by about mid-century, roughly. That's why you hear all of these countries pledging to 80 by '50 or 0 by '50. That's the reason, to keep climate change in check. We know that about 75 percent of all greenhouse gas emissions globally comes from cities. That's why you see a huge push now at the city level to reduce emissions. They're really the key player, and buildings are an important part of cities, and cities have actual control over their buildings, which is why you see a huge emphasis on cities and buildings. About a month and a half ago, 13 cities met, who have high ambitions, met to talk about the 80 by '50, 0 by '50 and even interim goals below that, met to talk about ways to get there. That was a select group of leading cities. I'll just tell you who was there. New York City, London,

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Boston, San Francisco, Seattle, Washington DC, Austin, Phoenix, Vancouver, and three smaller cities were also invited, Boulder, Cambridge and Palo Alto. They came to discuss ways to actually begin to implement strategies within cities. Advance Codes was a big part of that, and Palo Alto is actually embarking on an Advance Code, slightly better than Title 24 coming up. This is incredibly important because California's going to need a number of cities to lead the way as they start advancing the Codes towards Zero Net Energy by 2020 for residential and ZNE by 2030 for commercial. Once that Code is in place, then the next area that we'll need to work on is to improve efficiency in existing buildings through incentives and critical intervention points. I'm pleased to be here; it's really a pleasure to be here in front of a City Council and a City that is taking a global leadership role and playing that kind of role. A lot of people and a lot of cities around the world will be looking to Palo Alto and these other leading cities for guidance on how to move forward. Thank you for inviting me.

Mr. Pirnejad: Thanks, Ed. Just in terms of background, the California Building Code cycles every three years. Before you tonight is essentially an amendment to that normal cycle. This Building Code, if adopted tonight, will take effect January 1st of 2017. Three years later, we'll have a new Code. That Code will be a Zero Net Energy Code if the State actually follows through with what they've promised, which is by 2020 to require all single and multifamily homes to be Zero Net Energy. This is a step towards that. New single-family. History of Palo Alto and Energy Ordinances. Since 2007, we've been proposing to Council Reach Codes, Energy Codes, that exceed the Title 24 minimum. This is staying lockstep with that. This particular effort had a lot of public outreach, stakeholder engagement, cross-departmental collaboration and buy-in. Utilities, Sustainability, ourselves have been talking about this effort for some time. Back in August 2014 and again in October 2015, we had a full-day retreat where we talked about all aspects of green building, energy being one component of that. There was overwhelming support that we wanted to exceed Title 24 energy and require new buildings in particular to reach above and beyond the minimum base Code. We've had six technical meetings since then. We invited members of the Development Customer Advisory Group (DCAG), members of the architectural community, experts in energy, experts in green building to collaborate with us to see what unintended consequences there might be if we were to pursue this. We've dealt with all of those since we've had those six technical meetings. Just for good measure, today, about two weeks ago, we heard that Ed was available, and we invited him down to Palo Alto to speak to us. We had six cities come to Palo Alto today on less than two weeks' notice to come and listen to the work that we're doing, that's before you tonight. They're all waiting with bated breath to see what you decide to do tonight. It definitely is a leadership position; the City is in a great

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position to set the bar at this stage for a lot of cities to follow, Berkeley, San Francisco, Oakland, San Jose, just to name a few of the cities that came. We had nonprofit organizations, for-profit organizations, DCAG members, architects and residents, all show up today, earlier between 12:00 and 4:00 P.M. today to talk about not only this effort but what's happened in COP 21 as well as what other cities are doing in Berkeley and in San Francisco. We're delighted to be here, to be presenting this tonight before you. In your packet, you'll find the Staff Report, the recommended Energy Ordinance and the cost-effectiveness study. Just for background, we have taken a lot of leadership positions in the past. We've been awarded the Award for Sustainability for Large Organizations by Acterra Business, Environmental Awards back in 2015. We are an ISO Class 1 rated community. We're one of only four cities, including us, in California that have that. We got the Most Electric-Ready Community award back in 2014, if you remember. Also, we hold a Green Building Leadership in the Public Sector award from Build It Green. The community expects us to do great things. The road to Zero Net Energy. This is something we created last year in collaboration with our Green Building Advisory Group. Essentially sets a roadmap with the State's goals on the bottom for 2020. This is for all new single-family and multifamily. 2030, it's for all commercial buildings. In 2050, the 80 percent below 1990 levels goal. Along this path demonstrates how we intend to get there. We are in the dashed line, the 2015-2017 Code period. We were hoping for a Zero Net Energy Code. We have something that we feel is just as good if not better; it's a Zero Net Energy Ready Code dealing with all the unintended consequences of Zero Net Energy, which we'll get into. This is a visual compilation of what occurred in October of last year, when we had our Green Building Advisory Task Force. It talks about not only minimizing emissions, energy conservation, indoor air quality, water conservation, material conservation. We even talked about salvage. We anticipate coming back to Council in June with a plan that we believe will come with great support on how we propose to increase salvage in our built environment. Energy is before you today because it has the longest lead time. Now, I'd like to hand this over to Farhad to talk a little bit about something called the Zero Energy Performance Index (ZEPI).

Farhad Farahmand, TRC Solution: Thank you, Peter. Thank you, Council. As Peter mentioned, this is known as the ZEPI where on the scale 100 is represented by a building that is built in 2003. At zero is a Zero Net Energy building. Overlaid onto this scale are various building codes. Note that Title 24 in the box on the top, 2013 Title 24, is about halfway down the scale, which is pretty aggressive in terms of achieving Zero Net Energy just from as close back as 2003. We provided estimate locations for where the Palo Alto Reach Code lies, the 2013 Reach Code and the 2016 Reach Code. We can see that compared to several other metrics or Codes, the Boulder

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Energy Code for example, Palo Alto is slightly exceeding those and getting to the point where it's even competitive to a building that's rated LEED Platinum. The Palo Alto Reach Code is progressing along very well, we believe. This is in spite of a couple of challenges. One being that building standards only really control the amount of energy that is consumed by equipment and appliances and lighting, but not one of the major consumers which is plug loads. These building standards are able to chip away at those energy consumers pretty well. Another thing is that solar power is a pretty big contributor to how to get to Zero Net Energy. The California Energy Commission, which the State agency that mandates or controls building energy consumption, only allows a limited credit for how much compliance or credit you get for solar power. With these two considerations, the Palo Alto Reach Code is progressing along down the scale very well.

Mr. Pirnejad: The only thing I would add is Mitchell Park Library is a Leadership in Energy and Environmental Design (LEED) Platinum building, and they received all the energy points they could using that rating system. The proposed Energy Code that we're proposing tonight will essentially be almost comparable to that. The proposed Reach Code would be about a 40. That's an average of what we're presenting from commercial through residential, because they're all a little bit different, which I'll explain a little bit better. Rest assured that the buildings in Palo Alto are outperforming any other buildings in the State, because we are Title 24 and Title 24 is more aggressive than any other Energy Code. You can assume that it's the most aggressive in the nation. This is a quick overview of how our Energy Reach Code aligns with our Comprehensive Plan, Sustainability and Climate Action Plan and the electrification efforts. We are Step 2 right now. 2017 ... I'm not frightening anybody, am I? I could go slower. If you're worried, just stop me. Don't panic. If you support me, just raise your hand, and we'll just cut to the Motion.

James Keene, City Manager: I think they're looking really pliantly ready for discussion. I think it could have been Information Technology (IT). Believe it or not, for some reason they planned our cut over to Office 365 today at 10:00 P.M. They are sitting around here waiting. Of course, I warned them that 10:00 P.M. is very early in the day.

Mr. Pirnejad: Let's just jump to the chase. We'll jump over training and outreach. We'll skip over the Reach Code and the cost-effectiveness study. Rest assured that everything we're proposing tonight is by California Energy Commission's (CEC's) definition cost effective. Nothing is imposing on residents something that isn't absolutely recoverable. It's well documented. The base Code. We're going to give you three quick scenarios, single family, multifamily and commercial. The State minimum Code is in this dashed line



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here. For the first time, the Energy Reach Code is allowing you to use PV to offset your efficiency requirements. That's why you see this dashed line here. Essentially you could be 20 percent less efficient than the State allows you to be if you slap 20 percent more Photovoltaic (PV) on your rooftop. That way you can achieve their base Code using PV to offset some efficiency. We took that same model and progressed it and used it for two pathways that you can comply if you're building a new home in Palo Alto. The path would be if you're not installing any PV, the Reach Code requires that you are 10 percent more efficient than Title 24. If you are installing PV on your home, then you have to meet Code minimum, but you have to install 20 percent of that load on your rooftop using PV. There's two pathways to comply. For multifamily, the same notion except the State only gives you 12 percent credit in the use of PV towards complying towards the base minimum Code. Palo Alto's proposal is the same notion except you would have to exceed the Minimum Code by 10 percent if you don't use PV, and exceed the Code by 12 percent if you do put on PV. Very easy to follow; we simplified it thanks to the work that we did with the community. Commercial, the only distinction here is that the Title 24 Code does not allow you to use PV as a credit. That's the only distinction. To comply, you just meet the minimum Code. Doesn't matter if you use PV. In an effort to encourage renewables on commercial buildings, we gave two pathways. The first path is if you exceed Title 24 by 10 percent, you could meet the Reach Code or you can reach the Reach Code by putting a minimum five kilowatt (kW) system on your rooftop. Why five kW? It's an arbitrary number, very small. We wanted them to do their math to decide what is the right-sized system for their buildings, whether it's a 5,000, 30,000 or 100,000-square-foot commercial building. Rather than get into complicated equations, we said put in a five kW which is a placeholder for them to do their pro forma and decide what size system they like. We got full buy-in from our technical advisory and our stakeholders committees on this. Here's some examples of how you would achieve a Reach Code compliant building in January. You would get a Home Energy Rating System (HERS) rater which is a type of specialty inspector to ensure that your insulation is installed properly and that the Freon in your HVAC system is topped off. Simple, easy to do, very cost effective. You would wrap your hot water lines with insulation. Simple, doable, affordable and they're cost recoverable. This is a simple way to achieve compliance with our Reach Code. Same idea in a multifamily setting, except it's multiple floors. For commercial, three simple things that you'd have to do if you're a commercial developer. Install daylight dimming and on/off lighting controls to reduce your load on your light schedule. Install a cool roof which is basically a white roof to reflect sunlight. Install an economizer which because if the cool air outside is cooler than the inside of the building, it swaps that air to cool the building rather than turn on your HVAC system. Simple. With that, last year, if you remember, we had a

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solar-ready ordinance that just exceeded the Code minimum a little bit. We require every new house to have 500 square feet available for solar, that it be piped, ready for solar, that essentially we've removed all barriers for single-family homes to install solar. We had to include that in our cost-effectiveness study, so that's why this is here. We're going to continue to require that, not that they have to install the solar, but that they have a minimum square footage to be available for solar if they choose to. Two quick points. There have been some concerns about electrification and heat pumps. I just wanted to put on record that these were the two unintended consequences of the Reach Code. We've addressed both of them. If you are designing an all-electric home, we want to promote that especially in a carbon free grid like Palo Alto. You only have to comply with the Code minimum, the base State Code if you propose an all-electric home in Palo Alto. We're trying to promote and incentivize the all-electric option. Secondly if you're installing a heat pump, we will ensure that it is not penalized in your effort to comply with Title 24. We've made those nuances in our Code, in our Ordinance, as well as we're going on record today to state that we will work with those. In addition, Farhad had been working directly with the California Energy Commission to ensure that their modeling software doesn't penalize heat pumps. In the past, it used to. That's been corrected, literally weeks ago. We're confident that both on a regulatory side and on an enforcement side we won't see heat pumps turned away artificially like they were in the past. Essentially what does this get us? It gets us about a six percent savings if we did nothing. Again the pie is shrinking, if you could imagine. All the low-lying fruit has been picked. We are now in the top of the branches trying to make sure that we can eke out more efficiency out of buildings. The big work really relies on the next steps. The next steps are going to include our electrification study. How might we retrofit existing buildings, which is the biggest part of the pie? Finally, how do we deal with all of those buildings that aren't going to be retrofitted over the next 10, 20 years, which we need to figure out what are the right triggers to ensure that existing buildings upgrade and do these deep retrofits that really require a little bit more than just a nudge. We'll hopefully come back with you at a later date with some direction there. Finally, the next steps as I mentioned will be the electrification fuel switching efforts that are going to literally begin this month, as soon as we get through this process. We hope to come back to you in December of this year with a proposal about all the barriers to entry for electrification. With that, that's as fast as I can talk. There is your Motion. Happy to answer any questions.

Mayor Burt: We don't have any cards; we are about to have cards. Thank you. We can take questions from the Council, and then go to the public, and then have discussion by the Council. One of the cards is actually from our

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Chief Sustainability Officer. Gil, we won't treat you as a member of the public. You're welcome to, if you want to, chime in as part of the Staff Report. You're more than welcome.

Gil Friend, Chief Sustainability Officer: Thank you, Mayor Burt. Good evening, Council Members. For the record, I'm Gil Friend, the City's Chief Sustainability Officer. I want to express my strong support for the proposal that you have before you tonight. This is a critical element to reaching the 2030 climate goals that you endorsed unanimously two weeks ago. The loading order that Peter presented makes good practical sense. Efficiency first, electrification second, and renewables third. This Code pursues advanced and cost-effective strategies for forwarding each of those goals. The approaches match some of the things you've seen in the Sustainability and Climate Action Plan, both because the Reach Code efforts and the Climate Plan efforts coordinated closely with my group in Sustainability and with folks in our utility and because, frankly, that's where the logic takes us. Independent efforts to pursue the logic of energy and climate take us to some similar conclusions. As Ed Mazria talked about, we're seeing these playing out in cities around the country and around the world. This is another example, I think, of doing what makes sense for Palo Alto. Practical, cost-effective, available to us right now. As Ed Mazria said, set an important example for both the region and for the world whose eyes are on us in this work. Thank you.

Mayor Burt: Thank you. Council Member Filseth.

Council Member Filseth: Can I ask a question? The Reach Code, is that something that people are held to or is there an incentive associated with that if you hit it?

Mr. Pirnejad: This will be essentially our minimum Energy Code.

Mayor Burt: Council Member Schmid.

Council Member Schmid: It's exciting. I think the Green Building Codes have done a lot for us. You articulate a future where it gives us a leadership position in a very important issue. I guess we've been spending some time on the Sustainability and Climate Action Plan (S/CAP) and on the sustainability issue in our Comprehensive (Comp) Plan. One of Palo Alto's issues is affordable housing. The Code has some economic implications. It costs extra upfront. You earn it back in the future. I would assume this would mean affordable housing would be a little harder in Palo Alto than elsewhere. Let me ask a simple question. Suppose over two to three years, we fail to build 100 affordable homes that otherwise we could build in town among the thousands that are being built. It turns out that that increases

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our commuter population, more of the growing workers commute each day, some by car, but going to communities with much lower standards. What is the net energy loss that we might be facing by having a Code that is more expensive than our neighbors'?

Mr. Pirnejad: Let me describe it this way. We're talking about to build a house in Palo Alto will cost you roughly about \$1 million. We're talking ...

Council Member Schmid: No, the land would cost a lot, but building the house is some small percentage of that.

Mr. Pirnejad: If it's ...

Mayor Burt: I think that's what he means.

Mr. Pirnejad: Typically if you're able to build your house for \$300 a square foot—the architects in our community are saying it's north of that—you're talking about hundreds of thousands if not half a million or more dollars to build a house. We're talking about \$5,000-\$10,000 worth of work. We're not talking about ...

Council Member Schmid: Multifamily, you were talking about in the hundreds of thousands.

Mr. Pirnejad: We can—no, not even that. I can explain. We're talking ...

Mayor Burt: Let me just clarify. I want to make sure the communication is clear. I believe that Peter was referring to single-family homes adding \$5,000-\$10,000.

Mr. Pirnejad: Let's get into the actual numbers. It's a fraction of the cost of construction.

Mr. Farahmand: Our estimates—these are for relatively simple, easy to implement measures. For a single-family home, about \$1,200. This is all, by the way, in the executive summary table. This is a full-page table. About \$1,200 for a single-family home, about \$3,200 for a multifamily home, and about \$7,500 for an average nonresidential building.

Mayor Burt: Can you repeat your first number? Did you say \$1,200 or \$12,000?

Mr. Farahmand: \$1,200.

Mr. Pirnejad: It would cost \$1,200 to do the improvements that we're proposing tonight on a single-family home.

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Mayor Burt: I'm sorry. I want to make sure I heard those. Didn't you just say it'd be \$3,500 for a multifamily?

Mr. Farahmand: \$1,200 for a single-family, \$3,200 for multifamily and \$7,500 for nonresidential. That's our (crosstalk).

Mayor Burt: You're saying a multifamily would be three times the cost to implement these as a single-family.

Mr. Farahmand: Not per unit, for the building.

Council Member Schmid: If you paid (crosstalk).

Mayor Burt: I'm sorry. (inaudible) time out. Just a second. I don't know how to relate to that. A multifamily could be anywhere from ...

Mr. Farahmand: This is an eight-unit multifamily building.

Mayor Burt: Thank you.

Council Member Schmid: If you turn to Page 409, it says low-rise multifamily, net cost \$61,000. Packet Page 409, single family 5,000.

Male: (inaudible)

Council Member Schmid: They write the Packet Page right over ... Yeah, 29.

Mayor Burt: We're not mandating solar thermal.

Mr. Farahmand: Council Member, this is for one particular measure that we studied, solar thermal hot water. Table 18, correct? We actually did not find this measure to be cost effective, so it's not part of the Reach Code package that we're presenting today.

Mayor Burt: While you're looking, let's go to Vice Mayor Scharff.

Vice Mayor Scharff: I'll try and be real brief. My only concerns ever on these things are whether or not they lead to a certain design on the commercial side, given the community's concerns about what things look like. When I read the packet page, I didn't seem to have any concerns, but you said something that triggered a concern. You said it's basically a white roof. If you wanted to do a Spanish-style building in Downtown Palo Alto, could you still do it? I noticed the cool roof was like a really small percentage. That was my concern, that you're not allowing that.

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Mr. Pirnejad: No, we wouldn't disallow that. What we're saying is that in order to comply with this Reach Code, this would be a way to do it, given the ones that we studied, and still be cost effective. It's just one of many different ways that you can design a (crosstalk).

Vice Mayor Scharff: Right, I get that. As he said, we're the low-hanging—we've done away with all the low-hanging fruit. This is only 0.3 percent. My question is are you saying that you couldn't do a Spanish-style roof and meet that—there aren't attractive products that look like that Spanish-style roof. If you wanted to build a building that matched Ramona Street, for instance, would this discourage you from doing so because it would raise your costs in other ways that may not be cost effective? This seems like a very small part. It's 0.3 percent, the cool roof. I'm a little concerned that could have a big impact with very little gain, if it could do something like that. I would want an exception for looking like an historic building or something like that.

Mr. Mazria: There are cool roof tiles now. They make cool roofs in any configuration. They're essentially coatings. They're sort of low-E coatings on almost any product. It doesn't have to be a flat, white roof. It could be a set of tiles or Spanish tiles or whatever. They're all on the market now. The other thing to notice—I'm an architect, but most architects in California rather than using a prescriptive path which is one of the pathways to meet the Code, they use the performance path. They can do anything they want as long as they meet that 10 percent. They use all sorts of strategies like orienting the building, using glazing. There's literally an unlimited number of design strategies that are no-cost or cost-saving strategies. Most architects will go that way.

Vice Mayor Scharff: Thanks.

Mayor Burt: Council Member Holman.

Council Member Holman: I appreciate the question by Vice Mayor Scharff. Could you just confirm for me the tiles that you're talking about that are cool roof tiles, the example that the Vice Mayor gave was a Spanish-style building. It doesn't have to be Spanish style, but let's just say a tile building. Are those tiles white?

Mr. Mazria: The low-E coatings come in almost any color. They're essentially a special coating that's put on top of the material. They're now widespread and almost at no cost. They're essentially a coating that doesn't rely on color but relies on certain wavelengths, absorbing and readmitting certain wavelengths. It's a whole new technology that's been developed.

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Council Member Holman: Thank you for that. There's a perception that—I've read even recently in various communications that there seems to be a perception at least on the part of some architects that to be a green building it has to be a flat-roofed building. There seems to be a prejudice or even an understanding that there's a must be. I don't have a prejudice against them, but it seems like we could have both gabled roofs and flat-roofed buildings. What would you say about that? It seems to be a prejudice if not a misunderstanding in the architectural community, in this community at least.

Mr. Mazria: Maybe it's the modernists architects. Pitched-roof buildings obviously lend themselves to solar applications. If you face them the right way, facing within 60 degrees or 30 degrees each side of south and it's a pitched roof, you have a perfect place to apply solar. The architects that I know are happy designing all sorts of different styles of buildings. In fact, they like the flexibility of being able to meet just the target. If you give them the flexibility to do it any way they want, as long as you just meet that target, that's the path they'll usually take. Builders also will usually take the performance path, because they have certain styles of buildings that sell in certain areas. The builders will always go the performance path rather than the prescriptive path which tells you have to do this or you have to do that. Those two paths are part of Title 24.

Council Member Holman: I appreciate that. We could benefit from some diversity here, I think, my personal opinion. Because I bring this up all the time, I appreciate that you said that salvage is coming. It's not a part of this. You've heard me say a million times how long we've had our salvage ordinance. I wonder a little bit about two things. LEED sort of addresses this, but not really. If we're focused on a new building and a new building not having any more energy demand than it generates, are we doing this with blinders on? If we're tearing down a building that has a remaining good life, we're causing the manufacture of a lot of new material, so there's a lot of energy being consumed offsite. The same thing with salvage. If we're not salvaging materials, we're causing them to be recycled or processed in landfills. It seems to me we are looking at this with blinders on and just looking at the impacts being in another community rather than our community. It's an ongoing concern that I have and have had.

Mr. Mazria: I can take a stab at that. There is a whole new movement now around that issue, on salvaging existing buildings. There is an embodied energy component ...

Council Member Holman: Could I introduce into that too not just salvaging but reuse of perfectly good buildings?

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Mr. Mazria: Exactly, adaptive reuse of existing buildings. That's a new hot topic, you might say, in the country. There's a whole group at Massachusetts Institute of Technology (MIT). Here in California we just had a build well conference in San Francisco around just that issue. That is now—you're absolutely right. That is now kind of a new frontier. It's being discussed widely. They're now just developing the tools for what the savings are of embodied carbon and embodied energy in actually saving the structure of a building. That's also on the horizon.

Council Member Holman: Thank you for that. Glad to hear that. Could I suggest that if Palo Alto's going to lead in a lot of these—not the L-E-E-D. If Palo Alto's going to L-E-A-D, if Palo Alto's going to lead in this arena, we really need to be more circumspect. While we're doing really good things, we're doing good work, but we're not doing this in a holistic or circumspect manner. If we're going to lead and be leaders, we really need to be doing it in that regard. Last comment I'll make and it's a ...

Mayor Burt: No, we're in questions.

Council Member Holman: I didn't know we were both.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I didn't realize just questions. We're going to do another round? I guess you're saying the State goal is for commercial in like 2030. Are we saying Palo Alto's going to get there sooner?

Mr. Pirnejad: On our roadmap, we have a goal to get there sooner. We're waiting for some technology to catch up. In fact part of our effort after this would be the fuel-switching exercise. We are trying to identify barriers to entry to how we might try to introduce more energy-efficient appliances, electric appliances, to be Zero Net Energy. In a commercial setting, it's just going to take a little bit more work, but we're headed in that direction by 2030. We hope to be there before, but the State hopes to be there by 2030.

Council Member DuBois: On your thing, it seems like we're hoping to be there much sooner.

Mr. Pirnejad: Probably one Code cycle before, so three years earlier is our hope.

Council Member DuBois: I just like to understand a little bit more about solar. I'm wondering what the discussion was locally in Palo Alto about incenting more for solar versus kind of capping how much you can count



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solar. Why does the State do that and what was the discussion kind of locally about encouraging local solar?

Mr. Pirnejad: It's been very supportive in both of our efforts back in 2014 and '15. There's been a sort of pride associated with solar, knowing that all your energy is coming from solar power that you generated, renewable power that you generated on your house. There's also a large following to the passive house movement and Zero Net Energy movement. There's something attractive about being able to produce as much energy as you consume onsite. People understand that their plug loads are a large part of their energy consumption. We don't regulate plug loads, so the only way to get to the plug loads is to offset the use of those energy sources from onsite renewables. It has a lot of attraction. Also, there's added value to your home as a homeowner when you install PV on your roof. You get the benefit of the raised value of your home. You also get the benefit of ongoing energy savings once you've installed that PV.

Council Member DuBois: If I understand it, we're actually capping the credit you get. Why have a cap at all? Why not ...

Mr. Pirnejad: Are you talking about the net energy metering?

Council Member DuBois: Yeah. Not net energy metering. Maybe I misunderstood. I thought for residential you can only get 20 percent...

Mr. Pirnejad: That 20 percent—if I can direct you to the slide. Single-family homes. The base Code is saying that you can use a maximum of 20 percent to offset energy efficiency requirements.

Council Member DuBois: They capped it.

Mr. Pirnejad: You can install more solar than that, but they're only going to give you credit for 20 percent of that.

Council Member DuBois: I'm asking you why. If we wanted more solar, why not take more?

Mr. Farahmand: Sorry. The simple answer to that would be that they're trying to emphasize energy efficiency construction prior to giving unbounded credit for PV. They don't want developers to build inefficient and show that it's compliant by just putting a lot of PV on the roof. They're capping that credit that (crosstalk).

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Council Member DuBois: What I was trying to ask was did we have a local conversation in Palo Alto about doing both, but encouraging even more solar. Are we capping it artificially?

Mr. Pirnejad: The loading order that we had talked about, that Gil even mentioned, was efficiency first, then electrification and then renewables. What we're trying to do is make sure that people install the PV but only as much as they need once the building is as efficient as possible. There's been great support around making sure that the building envelope is tight. It doesn't have thermal bridging and other things that would bake efficiency into the design. To do that, we had to make sure that we didn't lower the standard for efficiency. Does that get to your question?

Council Member DuBois: I understand that, I think. Once you hit that efficient building, why not go net positive and encourage even more solar? Are there things in this ordinance that basically discourage solar as you get to different building types, commercial or multi...

Mr. Pirnejad: Not at all. In fact, it encourages solar. Some would say it's easier to just install 20 percent solar on your rooftop and then just meet bare minimum Code as opposed to trying to exceed the Code by 10 percent. The problem that you were getting to at this time is the cost to install energy-efficient equipment is getting more expensive. It's almost cheaper to install PV on your rooftop once you get past a certain threshold. The State has even seen that their base cost is starting to tinker on that threshold where things that would create more efficiency are more expensive than just installing PV.

Council Member DuBois: Also if you could talk about electrification a little bit. In the summary—basically why do we need an exemption for electrification? Basically you're saying the opposite here, that it's too expensive to have the highly efficient building on its own plus electrification.

Mr. Pirnejad: Electrification—Farhad can explain this a bit more. Electrification in and of itself doesn't have any cost savings associated with it. When you electrify your home, you're having to increase the size of your panel, so there's no energy efficiency in that. There's no return on that. You're just moving to an all-electric home. Once you've calculated all the different things you need to do to create an all-electric home and eliminate the need for gas, you've added a lot of expenses to the house that aren't recoverable because of the efficiency. If you're approaching your house by trying to maximize efficiency, everyone of those measures will have a return on investment.

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Council Member DuBois: Are we premature with this exemption? Should we wait for the results of the study? If it's more costly, is it really the right thing to do? The electrification.

Mr. Pirnejad: What we're trying to do is not disincentivize the electric home. We're trying to encourage them by saying, "You don't have to exceed the Title 24. You just have to meet bare minimum Code." In some ways it would be easier for them to submit an all-electric home and just meet State Code minimum as opposed to try to exceed and put in more efficient. The problem goes back to the all-electric home is struggling to be cost effective.

Council Member DuBois: The reason we want to incent that is because we believe that the electric power will be cleaner in the future.

Mr. Pirnejad: Right.

Council Member DuBois: More and more clean in the future. We're willing to accept that.

Mr. Pirnejad: We have two competing goals. There's efficiency, and then there's carbon-free building. Sometimes they can be in conflict. The less efficient things to do are the all-electric things. If you're getting all your power from a clean energy grid, then does it make sense to not be efficient? That's the struggle that we're having.

Council Member DuBois: Thanks for explaining that. I was trying to understand that. Last question is can you just say who's on this Green Building Advisory Committee?

Mr. Pirnejad: Who's on the Green Building Advisory Group?

Council Member DuBois: Yep.

Mr. Pirnejad: From the DCAG, we had Judith Wasserman, Ron Hall. We had other members of the DCAG, which I'm drawing a blank. We had at least five members from the DCAG. We had Luke Morton. We had Bruce Hodge. We had representatives from the Palo Alto Utility Sustainability Planning. You're asking me to dig deep into my memory banks.

Mayor Burt: Council Member Wolbach.

Council Member DuBois: Thank you very much.

Council Member Wolbach: Thank you very much for the presentation and for coming tonight and for staying late with us. Just kind of a couple of follow-up questions just to make sure we're really clear on a couple of things

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that have already been raised. I just wanted to kind of loop back and close these up for our clarity and also for the community. I was also concerned. I appreciate Council Member Schmid bringing this up. Just want to make sure that in pursuing the environment side of sustainability, that we don't negatively impact the equity or the economic sides of sustainability. Again, what I understood from the report and from what you reiterated tonight was that the costs to multifamily housing generation are very minimal and designed to encourage efforts which would be cost recoverable. The lifecycle costs would be minimal to non-existent. Was that a correct interpretation?

Mr. Pirnejad: Absolutely.

Council Member Wolbach: That's what I wanted to hear. That's been considered, and I appreciate that. Just to again make sure we're all clear and the community's clear, could you just explain the relationship of the Energy Reach Code to the Green Building Ordinance or the 2016 Building Standards Code Update? This is a component of that, distinct from that? Just explain just again for clarity's sake how this relates to that.

Mr. Pirnejad: The Energy Reach Code is one chapter of Title 24 specific to energy. Whereas, the Green Building Code gets into other aspects. Along with the Green Building Code, you have your plumbing, mechanical, electrical, etc. We're reviewing all of those other Codes through the leadership of our Assistant Chief Building Official. The lead time on updating those Codes is much shorter than the Energy Reach Code because the California Energy Commission isn't involved. We need to bake in enough time to send this over to them. Make sure they had a 60-day review process, send it back to us with any potential changes, bring it back to you if we need to. That's why we're bringing this before today. We propose somewhere around June, July to bring all the other Codes including the Green Building Code to you in that timeframe.

Council Member Wolbach: Tying this into the concerns that were raised by Council Member Holman earlier, which I appreciate, really looking at the offsite—in other words, the lifecycle costs of building construction. That will be explored deeper in our full Green Building Ordinance but isn't related to this particular chapter, but we will be getting deeper into that.

Mr. Pirnejad: That's right.

Council Member Wolbach: That's what I wanted to hear. Thank you.

Mr. Pirnejad: Thank you.

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Mayor Burt: Let's go to two members of the public. Sven Thesen to be followed by Craig Lewis. You're both welcome to speak for up to three minutes each.

Public Hearing opened at 10:34 P.M.

Sven Thesen: Evening all. My name is Sven Thesen. I'm a resident here of Palo Alto. I'm a chemical engineer, and I'm one of 2,200 engineers and scientists that won the Nobel Prize for climate change work in 2007. I'm representing the Unitarian Universalist Church of Palo Alto and Carbon Free Palo Alto while I'm here. As a caveat, I am an electric vehicle consultant to the City. Most importantly, I'm a dad as a lot of you are here. I'm really concerned about climate change, and I'll get into part of that. When you look at our carbon emissions from the S/CAP, 80 percent of them occur in two sectors, the built environment and transportation. That's why I've got my bicycling shoes on and I drive an electric car. I encourage all of you to get into an electric car. As such, in 2009, my wife and I decided to build a all-electric, carbon free, net zero home 11 years ahead of the 2020 standard. We decided to be the penguin that first jumped into the water and not worry about the leopard shark below. Now, how does this house operate? A lot of you have toured it. I've had 2,200 people come through. I invite you all and members of the public to do so. I run school tours, Girl Scout tours, Boy Scout tours, church tours, because I want to demonstrate that this house is beautiful, functional, comfortable and easy to maintain. We talked about the cost of this new house. It's 2,500 square feet; it doesn't have gold-plated fixtures, and it cost under \$1 million. As such, how much energy does it use which is completely offset by the small photovoltaic array on the top? How many people here have hot tubs? Please raise your hand. This is good. The annual energy of my house with four to six people living there is less than your typical California hot tub. That's the energy footprint. Again, it's carbon free. When I built this house, my wife and I, some people thought we were crazy, but it turned out wonderful. We've been called visionary. That's what's going to happen to poor Peter. He's going to be called crazy, and we're going to be called the Berkeley of Silicon Valley. It's something we have to do, and he will be lauded later on for setting in place this Reach Code. You asked about cost effectiveness. We talked about keeping our temperature below 1.5 Centigrade. Sadly, in the next 85 years—it's already started—we're going to see between 1-2 plus meters of sea level rise. In essence, I support the Reach Code particularly the electrification. Thank you.

Mayor Burt: Thank you. Our final speaker is Craig Lewis. Welcome.

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Craig Lewis: Mayor Burt, Council Members. I'm usually here talking with you about local renewable energy. Tonight I'm here to encourage you to support the ordinance that Peter has presented. The Clean Coalition is really about intelligent generation, use and transport of energy. The first step you want to take in that regard is to intelligently use energy. In other words, you want to maximize efficiency and, put another way, you want to minimize energy use. As Peter has presented tonight and as you've heard from the other speakers, Palo Alto has essentially been a leader with regards to energy efficiency. It has historically including right now is leading the State standards by about 15 percent. The State has seen what Palo Alto is doing, and it is about to increase its standards to match Palo Alto's current standards. The opportunity here for Palo Alto to approve the ordinance before you is to essentially take another step forward and to provide that leadership that the State will then, three years down the line, follow. I don't think I'm going too far out of line to connect these dots that the State is actually following Palo Alto. Palo Alto has been a tremendous leader in lots of ways. The robust S/CAP that you all approved recently is another indicator. That's talking about really far out goals. The ordinance you have before you is a really important step to achieve those further out sustainability goals. The far out goals are really important, but equally important are the steps that we need to take to get there. I encourage your support for the ordinance tonight and to allow Palo Alto to continue to lead on energy efficiency. Thank you.

Public Hearing closed at 10:39 P.M.

Mayor Burt: Thank you. Let's return to the Council. Bear in mind the time. Vice Mayor Scharff.

Vice Mayor Scharff: I move approval of the Staff recommendation.

Council Member Wolbach: Second

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Wolbach to adopt an Ordinance repealing and restating Chapter 16.17 of the Palo Alto Municipal Code to adopt and amend the 2016 California Energy Code, Title 24, Chapter 6, of the California Code of Regulations.

Mayor Burt: Motion by Vice Mayor Scharff, second by Council Member Wolbach. Would you like to speak to your Motion?

Vice Mayor Scharff: Just briefly. Thank you very much for putting this together. I know you and the technical group spent a lot of time. You went through all of the issues behind it. I read the Staff Report, and I can see that you really put a lot of thought into this. Any objections that people had,

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you seemed to have dealt with early on in the process. I think that's really helpful. Thanks a lot.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: That said it all.

Mayor Burt: Council Member Berman.

Council Member Berman: I just want to thank Staff for all the work that they've done and enthusiastically support the Motion. I'm up, all right. And the direction that we're going. I think Craig said it the best. Any time the State is catching up to us, that means that we need to work harder to get farther ahead again. I think that's the role that Palo Alto should play in this regard, especially given the myriad advantages that we have, just based on the assets we have in our utility system and all that. A lot of energy usage comes in buildings. We need to do more. One question I have that I meant to ask earlier. If I'm walking through Downtown right now probably, at 10:15, 10:30, 10:45 at night and there are a lot of storefronts that are closed but they've got their lights on inside. What's the deal with that? What can we do about that? It kind of drives me nuts.

Mayor Burt: I'm not sure that's part of our Reach Code. It's part of a good set of other questions for another time.

Council Member Berman: We'll find another time to talk about it. I'm just going to flag that.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thank you, guys, for doing this. It's good stuff. Absolutely will support the Motion. Appreciate that work. Karen brought up the issue of salvage and construction materials. If this is going to save 71 tons of carbon dioxide a year, at 75 pounds a square foot, that's equivalent to about 2,000 square feet of new construction per year which is the size of one house or five percent of the office cap or something like that. Absolutely going to support this. Thanks, guys, very much for doing this. Really looking forward after it passes to see what you guys come up with on salvage.

Mayor Burt: I will just add that, Peter, this seems like really a next great step of advancement. Thank you, to you and your team and the consultants who have helped us on this. I think it's great that the elements to this that you've proposed are cost effective. Just as we've had leading renewable portfolio, now carbon free electricity at currently 30 percent below PG&E

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costs, which is hard for people to understand how that has occurred, we're moving forward with energy efficiency in leading edge and cost effective at the same time. I think those are great dual achievements. That's the most important model. Frankly, we could do great things if money didn't matter, but it does. To show that we can have these achievements and be cost efficient is what really makes it something that can be leveraged and modeled elsewhere. Thanks for all your work. Let's vote on the board. That passes unanimously.

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

Mr. Pirnejad: Thank you very much.

Mayor Burt: Thank you all.

## **11. Receipt of First Poll Results on Possible Local Transportation Funding Tax Measure and Direction to Staff.**

Mayor Burt: We're now going to our final Action Item, which is the initial polling results regarding the feasibility of a potential City transportation tax on business to raise funds to reduce traffic congestion, address the availability of parking and other transportation improvement options at the local level.

James Keene, City Manager: Thank you, Mr. Mayor, Council Members. I'm being joined by Dave Metz, Principal with the firm FM3, as we affectionately call them around the state. You'll remember Mr. Metz's firm did polling for us on the Transient Occupancy Tax (TOT) ballot measure that we successfully passed a couple of years ago. I think what I will do is let Dave give his presentation. I think that the findings from this exploratory feasibility poll will inform both your questions and answers to Dave and what we would think would be our recommendations for some potential next steps depending upon what the results sort of—how the results speak to you. I'll turn it over to Dave, if that's okay.

Dave Metz, Fairbank, Maslin, Maullin, Metz & Associates: Thank you very much. Thank you, Mayor. Members of the Council and members of the public, I'm Dave Metz with FM3. I'm going to quickly walk through a series of highlights from our recent survey research exploring the feasibility of a potential City transportation tax. I have brought with me the full cross-tabulated results of the survey, so we've got all of the different demographic and geographic groups within the City that we can pull out and look at their responses to individual questions if you're interested in hearing more. Just to start, a brief summary of the methodology of the survey. We talked to 400 voters Citywide who are considered, based on their past voting



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behavior, as likely to vote in this November's election. The surveys were done on both landline and wireless phones. We repeated a number of questions that we asked in previous survey work that we've done for the City in 2008 and 2013 in advance of infrastructure bond measure campaigns to see how public opinion has evolved over time and some key perceptions of City government. I am very pleased to report that the public's attitudes toward both the quality of life in the City and the performance of City government are extremely positive. One of the first questions we asked in the survey offered our respondents a list of issues facing the City of Palo Alto and asked the respondents to rate each as either an extremely, very, somewhat or not a serious problem. We've ranked them here by the proportion that rated them either extremely or very serious, the top two points on that scale. Those numbers are running down the right-hand side. In what is probably a surprise to none of you, the top issue far and away in the community is the cost of housing with almost half of local voters rating that an extremely serious problem, three-quarters at least very serious. It's then a significant drop-off to the second-ranked item on the list which is drought conditions in California. For most of the last two or three years, that has been the top polling problem statewide; although, it has receded in the last few months since we had some rain this winter. Then, we get down to transportation issues, which rank as the third and fourth top problems in the City. A slim majority, 53 percent rates traffic and congestion on local streets and roads as a very serious problem. 37 percent say the same for a lack of parking in commercial districts. Once we move beyond that level of concerns, there is no other major issue that even one-third of local residents rate as a very serious problem in the City. This includes, as we move to the next slide, the amount people pay in taxes, waste and inefficiency in local government, and the condition of the local economy. Fewer than one in five rate any of those issues as a very serious problem, and each of those obviously is good news when you're talking about the potential for putting a revenue measure before voters, as it suggests they have some confidence in City government's management of money and relatively low level of concern about current levels of taxation. Now we also asked a few more questions about the performance of City government including one that we've asked going back to 2008, where we asked people to rate the overall job being done by City government in providing services. As you'll see here, the numbers have been strikingly consistent over the last decade. Roughly 7 in 10 consistently rate the City's performance as either excellent or good, with only about 1 in 20 rating it as poor. These are very positive ratings, I can tell you from doing this kind of research around California. It is hard to find people who will rate government's performance in any sphere at any level as excellent these days. You shouldn't be discouraged by the relatively small size of the dark green bars. The ratio of the positive to the negative has been consistently high here in Palo Alto. Secondly, when we broke down the

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City's performance and asked people to indicate their approval or disapproval of the City's work in a variety of areas including maintaining its infrastructure, efficiently utilizing local tax dollars, and managing its budget and finances, in each case we had about two-thirds offering approval and only about 1 in 5 disapproval. Again, very strong numbers relative to what we see in a number of other communities. Again, very consistent over time. These numbers are virtually identical to what we saw in 2013. You'll note that if they have changed, it is that they've gone up a little bit. When we look at efficiently utilizing local tax dollars, the positive responses are four points higher and the negative 6 points lower than what they were three years ago. The challenge is that all these perceptions from the public mean that they're in a position where they think that City government is doing pretty well, and they don't necessarily see a strong need for additional funding. Just 36 percent say they see even some need for additional funding for the City, just five percent see a great need. Those numbers relative to other communities are very low. It typically goes hand in hand with those positive numbers that we see for the City's financial management. While there objectively may be unmet needs that require additional dollars, because residents have a high level of satisfaction, they don't necessarily perceive that. That would need—that's sort of an educational barrier that would need to be overcome in advance of a revenue measure moving forward. With that context, we then asked about a number of potential ways that a transportation revenue measure could be structured in the City. I want to note that by design this survey was constructed to explore these ideas conceptually. They're not ones that we've polled before here in Palo Alto. A number of other cities are talking about similar concepts. To our knowledge, we don't have detailed polling data in any of those cities as well. We wanted to use this survey to understand how voters reacted to the underlying idea before testing a more fully developed policy package or potential draft ballot language. In looking toward the November ballot, we also wanted to place a potential City measure in the context of the Countywide transportation measure that is likely to be put forward. Here you'll see a conceptual summary of that measure. You'll see that Palo Alto voters overwhelmingly approve that Countywide measure; 74 percent indicate they would vote yes, 22 percent indicate they would vote no. Even at the two-thirds threshold, that's a very strong level of conceptual support for those additional Countywide dollars. We then followed that question with one where we asked the respondents to evaluate a potential City transportation tax on businesses to raise money for a range of transportation improvements. Now, we didn't specify initially exactly what form that tax would take. We just wanted to understand how people would react conceptually. All of them were responding knowing that there would be a Countywide measure on the ballot at the same time. You'll see here that support is right at the two-thirds level that would be required for

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approval of a special tax. As a subsequent follow-up question, we then were more specific and said that while there were many ideas under consideration, one approach could involve having medium and large Palo Alto businesses pay an annual tax for each employee they have in the City. Here you'll see that while a majority is supportive, it is a very soft majority. Just 22 percent indicate they would definitely vote yes, significantly fewer then qualify their support by saying they would either only probably vote yes or are leaning in that direction. Obviously we haven't at this point given voters a whole lot of detail about how the measure would be structured, so understandably some of them may be hesitant. For a measure that requires two-thirds supermajority support, as any special tax would, this one starts out 10 points lower than the threshold that would be required for approval. Just a few quick demographics to show you the key differences in support at this level. There's more support among Democrats than there is among Independents or Republicans; although, in each case we have at least a plurality who indicate they would vote yes. More support among whites, a slightly lower yes vote and higher undecided among Asian and Pacific Islander voters. There's something of a gender gap as there often is on revenue measures with 12 points more female voters telling us they'd be inclined to vote yes as opposed to male voters. By age, sort of a "U" shape with the strongest support coming from voters in the 50-64 age range. Finally by household income, not a dramatic difference; although, the most affluent households, those with more \$250,000 in annual income, only support it by a bare majority of 51 percent. Fundamentally, the question that I showed you earlier about whether voters perceive the City to have a need for additional funding seems to be very strongly correlated with the level of support they're willing to offer for a transportation tax. Among the slightly more than one-third of voters who perceive at least some need for funding, they supported it well over the two-thirds level. Among those who perceived little or no real need, just under half indicate that they would vote yes. That's a pretty strong correlation, which I think suggests that an understanding of the City's needs would need to be more widespread before voters would be inclined to be supportive. That's where we start in terms of support for this concept. We also tested some of the things that voters might hear over the course of a campaign to see how fluid that support is and whether it might reach the two-thirds level with additional information. Over the course of the survey, we asked people four times how they would be inclined to vote on a City transportation tax. The initial conceptual question that just talked about a tax on businesses generally, where we had 67 percent support, it falls by 10 points when we say that the mechanism may be a per employee tax, as I just showed you. After a series of positive arguments in favor of such a measure, support rises again to almost the two-thirds threshold, but just short of it. After an opposition argument, it falls again to 61 percent, below the margin of error underneath that two-

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thirds supermajority requirement. Looking at the degree to which voters move around allows us to segment them into three groups. We've got roughly two in five voters who throughout the survey indicated they would vote yes; a little under 1 in 5 who throughout the survey indicated they would vote no; and then a sizable subgroup that we classify as swing voters because they either were consistently undecided or shifted opinions in any direction. For the measure to be successful, it would require the support of a sizable majority of those swing voters to ultimately favor the measure. Here you'll see the demographic subgroups of Palo Alto voters that were disproportionately likely to fall into one or the other of these categories. Not very surprising overall. Generally speaking the strongest supporters tend to be Democratic, younger, middle income, a little bit more likely to be female than male. A pretty typical profile for any kind of revenue measure. Whereas, the opponents tend to be more Republican and independent, male, and generally speaking somewhat older. That leaves us with a group in the middle there that includes a number of seniors, a number of more conservative voters, lower income voters and communities of color that tend to be more in the uncertain or persuadable category. We tested four messages that might be arguments in favor of such a measure. You'll see those detailed here. We asked the respondents to indicate whether each was a very convincing or somewhat convincing or not convincing reason to support the measure. Each of the items we tested led around two-thirds to rate it at least somewhat convincing. Typically we're looking for messages that at least 40 percent rate as very convincing; that's the hallmark of something that's really got some significant persuasive power. None of them quite reach that threshold; although, three of them are in the mid to upper-30s. Those are messages arguing that it's fair to have businesses pay more for transportation improvements since they have an impact on the transportation system as well as on parking. They talked about the growth of businesses in the community as well. Then I noted that the City of Palo Alto does not have a business license tax, unlike many other Bay Area cities and, therefore, this could provide a compensation for the gap in City revenues that results. Here you'll see the reactions to those messages among the three subgroups I highlighted before, the yes voters, the swing voters, the no voters. You'll see that the base supporters of the measure find each of these messages to be a compelling reason to vote yes. The no voters largely reject most of them. About two-thirds of the swing voters see each of them as a strong rationale for a yes vote. We also highlighted a number of reasons that opponents might raise for voting no on the measure, including criticism that the measure will have a negative impact on businesses that already are facing a lot of expenses, might need to cut jobs or relocate, and then noting the presence of other tax measures that are going to be on the November ballot at both the county and state levels. Here you'll see after that opposition message the way that support drops

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again after reaching nearly the two-thirds level after those positive arguments. At the end of the poll it goes down to 61 percent. Again, I would note in that first category, we only have 22 percent who say they would definitely vote yes. While we've got more than 3 in 5 in favor, the proportion who are confident in that vote is relatively modest. We included a number of other questions that were designed to help understand the way that potential structural elements of a transportation tax might impact voters' level of support. We offered the respondents a description of each of these features and then asked them to tell us whether each one would make them more likely or less likely to be supportive. They're ranked here by the net difference between those two responses, which you'll see running down the right-hand side. The notion, as with any special tax, that the money could only be used for the purposes specified, in this case transportation improvements, was a significant positive for voters. The notion of there being a tax premium charged for particularly dense employers and a discounted rate for mid-size businesses with 11-50 employees, all received slightly net positive ratings; although, large numbers of voters were ambivalent. They were divided about a tax rate that would be \$100 per employee per year for each employee over 50. Here you'll see again the reactions of each of the different subgroups of voters, the base yes voters, the base no voters and the swing voters, in terms of the proportion that saw each of these policy elements as making them more likely to be supportive. We also asked about potential exemptions. Each of these exemptions was on the whole a net positive, in particular exemptions for small nonprofits and for the first 10 employees in each business. Voters were evenly divided on whether an exemption for retail and restaurants would be a good thing or a bad thing. Again, roughly the same profile here among the swing voters in terms of the degree of their positive reactions. Finally we also asked about a range of specific ways that money from the measure might be put to use to improve transportation in the City of Palo Alto. We asked the respondents to rate each of these as either an extremely important, very important somewhat or not too important use of the money. They're ranked by the proportion that rate them as either extremely or very important. I would note when we're looking at these spending purposes, we're typically trying to find items that a number of voters in excess of the required threshold for approval rate is very important. In other words, things that enough people see as urgent investments of money, that would it correlate with a yes vote, that would allow the measure to pass. Only two meet that threshold. In fact, there are only two that even one-quarter of voters rate as extremely important in sources of investment here, and those have to do with transportation safety. Safe Routes to School for students and safe routes for bicyclists and pedestrians. As you look down the list, you'll see the intensity of the priority attached to these items drops off. I would note that there's very few of these that local residents are dismissing out of hand and are

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saying are unimportant. Those were the dark red bars down on the right-hand side. It's no more than about 1 in 10 that are saying any of these are not worthwhile investments until we get down to the very bottom of the list. When we talk about free transit passes to people who work in Palo Alto or apps to make ridesharing, transit schedules and parking easier, smaller numbers see those as being critical investments of funding. Virtually everything else on the list, we have two-thirds or more of voters telling us are at least a somewhat important use of the dollars. This data, I think, ties back with what we saw earlier in that the perception of need, that there's an area that voters believe is critically underinvested in and should be a high priority for additional spending, is very, very limited. It's really only the transportation safety items that seem to reach that level of acute urgency with local voters. That takes us to our conclusions. Again, we've talked through most of these as we've gone through the data. The good news is people feel very positively about how things are going in the City. It's quality of life, the performance of City government. It's management of money. At the same time, their perception of need for additional funding is relatively modest. The specific funding mechanism that we looked at here in some detail, a per employee tax, starts out with only 57 percent support, rises to 66 percent in a best case scenario, and then falls to 61 at the end of the survey, again with relatively low intensity throughout. Again, this survey was a conceptual test of this idea. Obviously the Council hasn't put forward a specific policy or detailed ballot measure concept. This survey didn't test that, and there's always a chance that the whole adds up to something greater than the sum of the parts. This data does suggest that without some significant efforts to educate the public as to the nature of the need, it looks like it would be challenging to reach that two-thirds threshold. With that, Jim, do you want to talk about the next steps?

Mr. Keene: Sure. Thank you, Dave. First of all, I think it was no more than two months ago when the Council brought this discussion up. Said why don't we take a look at it. It's been really a kind of fast turnaround thanks to the ad hoc committee of the Council, I mean for us to get the pollster on board, design the poll, get it out, have the results. Right now it's May 2nd. You guys go on break on July 2nd. In some more in-depth discussions that we were able to have with Dave, it seemed pretty clear what he just said, he said to us in more detail. Really being able to get a two-thirds vote, which could qualify it for a special tax which would give the Council the maximum flexibility about when you might schedule an election, certainly where we are right now would look like a long shot. That being said, the potential for a simple majority, 50 percent, is possible. Again, more to do to look at that. In that case, we could only schedule this for a general election. The next two general elections would be in 2016 and in 2018. As far as schedule then, if you have interest at all in proceeding with consideration for 2016,

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that really means between now and July 2nd, 2 months, you've got to again do more due diligence, which we would recommend would involve engaging TBWB, who is the outreach messaging firm, who again paired with FM3 in our last election to do outreach. I think absolutely that would be a necessity. We've already gotten a few comments with this just being on the Agenda from the business community. The Chamber saying what's going on and what sort of outreach has there been. Clearly we've got to do some outreach. Even that would be pretty truncated. I will tell you that we've already spoken with TBWB to make sure that they would be available. We're in a position to support that if that's what the Council wants to do. The thinking would be following that in early June after the results of some of that outreach, FM3, Dave would be here to again do a follow-up poll, a potential tracking poll of some sort. The results of that could sort of inform your final decision on a go/no go decision for 2016. I think it would be best to, unless I've missed something, Dave, to turn it back to you all for your questions and comments. We're both here to answer your questions. Thanks.

Mayor Burt: Let's start off with questions. Council Member Kniss.

Council Member Kniss: Let me just pick up, Jim, where you left off. While this is a question, I need to put a piece of information into it. I heard from the head of our Chamber of Commerce yesterday, Judy Kleinberg, who was somewhat dismayed, which is probably too mild, saying that businesses really hadn't been contacted, that they learned about this at the last minute. What I recall reflecting on, Jim—you might mention this—is that when this was on the ballot the last time, when I was not here, that seemed to also be the same situation. Am I correct? It seemed too rushed or it seemed that you didn't reach out to businesses sufficiently.

Mr. Keene: No, I mean, of course, last time there was a business license tax; I think it was in 2009; maybe it was 2010. We actually didn't do any polling for that particular measure. We actually had—I mean, I think we had such effective outreach that it galvanized a very strong opposition group of business folks. We had really no—there was no sort of parallel campaign in a sense. I can't remember what it was, but we were under 50 percent obviously and (crosstalk).

Mayor Burt: Can I wade in there? There was a lot of outreach. We modified...

Council Member Kniss: To businesses?

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Mayor Burt: ...the proposal a number of times in response to the business community. Each time we modified it in response to the business community, they came up with new and different objections.

Council Member Kniss: I guess we could discern from that then that unless they see something in this for them, there's probably going to be another opposition. I would guess. Judy isn't here; her husband had surgery this morning. She wanted to say, otherwise, that she would have been. Also, it was very late for the entire business community to be here tonight. That was troublesome.

Mr. Keene: If I just might add a couple of things. I think it's, one, really important to remember that this is just an initial feasibility poll. The first kind of look-see at this. Secondly, one of the key recommendations if there is any interest in going forward would be to initiate a period of outreach. Third, I actually recall—we'll go back and double check—that when the ad hoc committee of the Council was constituted, even though it was an ad hoc committee, you directed that it be a public meeting. We sent out notices to—we advertised and sent out notices to folks. Unless I'm mistaken, I'm sure we invited the Chamber, for example, to that meeting. I don't think they attended, but we sent out invitations.

Mayor Burt: Council Member DuBois.

Council Member DuBois: A quick question on your methodology. I guess it's random digit dial. How do you handle homes without landlines?

Mr. Metz: Our sample is drawn from the registrar's list of all registered voters in the City. From that list, we reduced it to those that we considered likely to vote this November, which basically means they had to have voted in at least one of the last six statewide elections or have registered to vote since November 2014. That list includes phone numbers that people list when they register to vote, which includes both landlines and wireless phones. We also match it to a variety of other databases to make sure we capture more wireless phone numbers as well. It was a mix of both.

Council Member DuBois: Did you try multiple times?

Mr. Metz: Yes. We made, I believe, at least six attempts per number before moving on to the next one.

Council Member DuBois: Thank you. You answered a couple of questions there. Thank you. I was curious why on the VTA question we didn't mention BART. Is that a purposeful thing?



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Mr. Metz: The language that we developed for the VTA measure was recommended by the committee that was working on that measure. We were trying to get what they presented as the most accurate representation of what was under consideration.

Council Member DuBois: I was kind of curious. That wording seemed to have things that were attractive to Palo Alto but not maybe ...

Mayor Burt: Where do you see that it didn't include it?

Council Member DuBois: Question on Slide 10.

Mr. Keene: It's the concept question that ...

Council Member DuBois: That was asked first. If the impression was the County tax was going to fund a lot of issues, maybe it affected some of the results. I was just curious because BART seems to be one of the biggest projects for that tax. I think you answered my other question. Is this all likely voters?

Mr. Metz: Yes.

Council Member DuBois: 71 percent white seemed very high for Palo Alto, but that's because it was the likely voter.

Mr. Metz: Correct.

Council Member DuBois: I'm just curious on Slide 30, the safety response. Did you ask a question about maybe a safer driving environment? I'm wondering if it's safety that's resonating overall. Previous slide.

Mr. Metz: I'm just checking to see if it appeared lower down. No. Obviously it could be implicit in some of the things that we talked about, maintaining City streets and roads, things like that. We didn't specifically ask about safety for drivers. I will say in other survey research we've done, drivers always scores lower than students, bicyclists and pedestrians on this scale.

Council Member DuBois: Yeah, because maintaining—I think we have pretty high quality roads. I just wondered if maybe congestion gets towards it, but maybe safety of driving might be another question. Thanks.

Mayor Burt: Vice Mayor Scharff.

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Vice Mayor Scharff: Thanks. What I wanted to explore, which seems to me to be a problem, is that conceptually we get to 61 percent. What we talked about really was a head tax. When we ran that, it was at what? 57?

Mr. Metz: Right.

Vice Mayor Scharff: You didn't do—when I look at the exchange of messaging, it goes from 67 on the concept vote to 61 which is six. If we lost the equivalent six percent on the head tax, we're down to 51, which strikes me as you're not really over 50 percent. I wanted you to address that point, because we obviously have to go with a mechanism (crosstalk).

Mr. Metz: Let me just clarify, Vice Mayor. After we introduced the mechanism in that second vote, the follow-up questions were also about the head tax. Once we introduced it, all the follow-up questions repeated it.

Vice Mayor Scharff: Are you telling me that—when we look at this total yes, are you saying that it gets up to 61 percent for the head tax?

Mr. Metz: Correct, yeah.

Vice Mayor Scharff: Even though somewhere on here it shows total yes at 57 percent.

Mr. Metz: Right. We start at 67 when we just say a tax on business with no mechanism. When we introduce the notion that it's a head tax with no messaging, it drops to 57. When we have positive messaging in favor of the head tax, it goes up to 66. When we have opposition messaging on the head tax, it goes down to 61.

Vice Mayor Scharff: Do you feel fairly confident—what's the margin of error there?

Mr. Metz: The margin of error for the survey overall is 4.9 percent. I would note that even though we told people this would be a tax per employee, because the City hadn't made any policy decisions yet, we didn't specify a consistent amount or structure for that tax, nor did we test actual ballot language. Obviously that degree of specificity and ballot language could all yield different results than what we see here. Obviously this was an initial poll to give you all a sense of where people are on the concept and whether you thought it merited further exploration and developing some of those specifics.

Vice Mayor Scharff: Thanks.

Mayor Burt: Council Member Holman.

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Council Member Holman: A couple of questions. From your experience, what engenders the more support, a dedicated tax or an advisory tax? Is there any way to kind of characterize that?

Mr. Metz: Yes. You're asking about the difference between a special tax and a general tax?

Council Member Holman: Mm-hmm.

Mr. Metz: Generally speaking, a special tax is going to achieve more support than a general tax. Often it's 10-15 points higher in terms of its support. However, because the required threshold for approval of a special tax is 17 points, it is very often the case that it is easier to pass a general tax even if it starts with lower initial support, simply because the vote threshold is so much lower. A special tax really—dedicating that funding has to give you an enormous lift in order to overcome that 17 point cost that you get from the lower threshold.

Mr. Keene: (inaudible) Molly can also talk about the ability to include something nonbinding in the language for (crosstalk).

Mr. Metz: The City Manager has asked me to speak about one option when putting a general tax forward which is to have a companion advisory measure which goes with it, where voters can cast a non-binding vote indicating their support for a proposed spending plan for the money, and then cast a separate vote to raise the tax itself. Our experience has been that in general that approach is not always helpful because it generates a fair amount of confusion unless voters have a very clear idea about the interaction between the two measures. They can often vote for the advisory measure thinking it has a policy impact because it spells out where the money would go and then not vote for the tax because they think their vote on the advisory measure has essentially solved the problem. It puts a great burden on their being a communications campaign and obviously one that the City wouldn't run. It would have to be an independent committee doing it that would clarify the necessity of voting for two measures together. There are cases where that's been successful, but in general we find that it can create as many problems as it solves.

Molly Stump, City Attorney: Maybe just to elaborate. If the tax were structured to create a binding legal commitment to use the funds in a certain way, that would be a special tax and require the higher threshold. Short of that, the Council can certainly indicate to the public its plan for spending the money and can include some of that description in the measure itself.

Mayor Burt: That's what we did on the TOT increase.

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Ms. Stump: That's correct.

Mr. Keene: This would not be a separate advisory measure; it would be in the question itself that's on the ballot for the general tax, speaking towards transportation.

Council Member Holman: Not to confuse things, but I sort of remember also—I can't remember what the matter was—the Council passing an ordinance such that should such-and-such a measure pass, then this is what the Council's going to do with the funds derived from a measure.

Ms. Stump: The Council could express its intention on the use of the funds through an ordinance. That would not convert it to a special tax. Of course it could be the subject of the campaign, the conversation around the fact that an ordinance is amendable by a subsequent Council. That would be one form, a Resolution, an Ordinance, a Motion, by which the Council would indicate how it tended to use the funds.

Council Member Holman: I know it's a political question, but I'm going to ask you anyway. If in the ordinance—if it stated something like this ordinance should be in effect until such-and-such a date, does that—like I say, I know it's apolitical question, but does that lessen the likelihood, from your experience or from Jim's experience, that a future Council might change that ordinance?

Ms. Stump: If you're asking a policy question, I'll leave that to others. As a legal matter, the Council's intention for an ordinance to last for a period of time is in fact an intention. The Council does not in general have the ability bind a future Council from amending Council ordinances.

Council Member Holman: Jim, from your experience, are Councils likely to change...

Mr. Keene: Do you mean do Councils ever change their mind?

Council Member Holman: If something is explicitly put in place for a period of time to cover a particular purpose, from your experience are Councils prone to change...

Mr. Keene: I think it varies by community. It would be much more unlikely that the same Council that passed the ordinance would turnaround and change. However, in some communities, you're going to have a very significant change in the Council. It's not impossible to have some folks, for whatever reason, say—or some other crisis, some new thing arises 10, 15

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years down the road, and they say, "I know that was really important. That was then. We'll make a decision to spend it in a different way."

Council Member Holman: Are you looking for questions and comments now or just questions, Mayor?

Mayor Burt: Just questions.

Council Member Holman: Last question from me then is given where we are in the polling and the numbers we have right now, if we got more specific in the questions in terms of parking, transportation and traffic congestion, Safe Routes to School, would you see our percentages going up or not changing significantly? Is there a way to foresee that?

Mr. Metz: Obviously we can't say for certain, but my suspicion is the percentages would not change dramatically. The reason for that is, if you look here at the very top testing, potential uses of the money, they are only a few points higher than that initial level of conceptual support or the level of support we see what after the positive arguments. It suggests that best case, you're right around that two-thirds level. Obviously outside of the safety uses of the money, many of them are actually below that initial conceptual level of support for the measure. There's little here to suggest to me that we would see a dramatically different result if we fleshed out the details more. Again, sometimes the way you combine things can yield a more appealing package than when you break them down individually.

Council Member Holman: I do have one last question. Apologies for that. Given that we are on kind of a short timeline here, it sounds like we do have time to do one more round of polling before putting something on the ballot.

Mr. Keene: From a schedule point of view, it's possible. As I said, my recollection is during the outreach portion, obviously again this would be truncated—I mean this would be a month-long schedule. There is the opportunity to sort of explore and sort of tease out messages that then help inform the follow-up that would be done to get more specific as far as what might poll well.

Mayor Burt: Council Member Schmid.

Council Member Schmid: The sequence of your presentation was the same sequence you went through with each interview. Is that right?

Mr. Metz: No. It was—we organized the presentation and sort of bring things together conceptually. The questions weren't asked in exactly that order.

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Council Member Schmid: I guess I'm wondering about the way it's presented. You have the County question first, then the City questions. Was the county in the background of all the City questions?

Mr. Metz: It was, and that was by design. Given that the County measure is likely to move forward, if it does, it will appear on the ballot ahead of a Palo Alto City measure. We thought the most realistic environment in which to test a City measure was to make sure voters had awareness of the County measure before weighing in on the City measure.

Council Member Schmid: You never asked variances of the County question?

Mr. Metz: No.

Council Member Schmid: Let's see. You did the work on our TOT. Can you give an idea, do you recall, how your sample survey results compared to the actual election outcome?

Mr. Metz: I don't recall the exact numbers. The polling showed it would pass, and it passed. That's what I remember, but I don't remember exactly how the numbers aligned up. I don't know if you do, Jim.

Mr. Keene: No. Actually I would—my recollection was that the results were better than the predictions.

Council Member Berman: There was also no opposition.

Council Member Schmid: It'd be interesting to see that.

Vice Mayor Scharff: There was a lot higher (inaudible).

Council Member Schmid: Yeah, yeah.

Vice Mayor Scharff: It says in the 80th percentile (inaudible).

Council Member Schmid: In the survey?

Vice Mayor Scharff: In the survey.

Council Member Schmid: One last question. Did you do any comparisons between the questions you asked and our community survey? There are some that are fairly similar to questions asked in the community survey. That had a larger sample size in the City.

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Mr. Metz: We did not; although, was that a survey of all residents as opposed to voters?

Council Member Schmid: Yes.

Mr. Metz: We'd be happy to do that analysis and take a look at those differences. It's obviously a slightly different population that's being interviewed. That may explain some variance. We'd be happy to look at how they line up.

Council Member Schmid: It'd be interesting to see the concerns, whether they are similar to expressed in the larger survey.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I'm trying to recall the process by which we got to this point. I remember us giving the direction for the creation of the ad hoc committee to explore funding options for transportation in particular. Did the Ad Hoc Committee consider other funding options prior to this point, such as sales taxes or parcel taxes, parallel to an employee head count tax? I'm trying to understand what the—I should have looked at the committee's minutes, but I haven't had a chance to do that—didn't think to do that yet. How did the conversation get narrowed down to this specific option?

Mr. Keene: First of all, I would say that we were working to a deadline and the understanding that this would be at most be an initial poll. That being said, we had discussion. In our first draft or so, I remember that we had an option of looking at a sales tax. I'm just trying to recall the discussion that the committee had.

Mayor Burt: I think that we received advice. We framed it around a concern that we did not want to have a measure that would harm the chances of the VTA tax. The advice we had received, I think both from Dave and Carl Guardino was that a sales tax on the same ballot as a VTA sales tax would have a much higher likelihood of harming the VTA tax than a different business license tax.

Council Member Wolbach: What about something like a parcel tax?

Mr. Keene: We did not talk about a parcel tax. A lot of it was just informed by and obviously wanting to look at a measure that would not as directly impact residents or old folks. Not to say that they're exempt from sales tax.

Council Member Wolbach: I guess I was hearing this touched on just a couple of minutes ago. I'm trying to get real clarity about whether this set

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of questioning really identified how people would feel about voting for the County sales tax and this on top of that. I just wasn't really clear whether that was really asked or whether that's something we would want to ask in a round of follow-ups.

Mr. Metz: The survey was explicitly designed to make sure that all voters who were expressing their opinion on a City measure knew that it would follow a County measure. That's why we asked the County measure first for everybody, so that was in their minds as they answered the questions about the City measure. As one of the opposition arguments for a City measure, we noted that there would be other measures including a County tax present on the ballot at the same time. These responses, I think, show fairly clearly the potential impact of a County measure on a City measure. It was designed to do the reverse, to demonstrate clearly whether the presence of a City measure would impact the County measure. I think there's some things we can infer from the data to give us some guidance about what that impact might be. We were much more focused on understanding whether a City measure would be viable knowing that a County measure was on the ballot.

Council Member Wolbach: Going back to this other thing that was previously discussed about going for a simple majority versus the two-thirds, maybe I'm not clear. Is there any really strong reason to go for the two-thirds over the simple majority?

Mr. Metz: The advantage of a measure requiring two-thirds is you can offer the public the assurance that the money cannot be spent on anything but the purposes indicated in the measure. The vote of the public would bind the future Councils and prevent them from reallocating the money.

Council Member Wolbach: Were all the questions here premised on it being legally bound or did we also ask people questions that we were going with the 50 percent plus one option?

Mr. Metz: We didn't explicitly highlight and state that it would be a special tax and that money couldn't be spent for other purposes, but all of the questions indicated that the money would be dedicated to those purposes. It was written as if it were a special tax.

Council Member Wolbach: Those are my questions for now.

Mayor Burt: We have one member of the public to speak, Stephanie Munoz.

Stephanie Munoz: Good evening, Council. Thank you so much for reminding. I remember that you wait through all these long (inaudible)



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week after week after week. I just admire you enormously. My only comment about this is however much you would like to charge the businesses, and however likely or unlikely it is that the employees would actually use bus passes, I believe you will get much higher approval rating if you, in addition to collecting the money, hand out the employers' bus passes for these employees for whom you are charging the money. Thank you.

Mayor Burt: Thank you. Let's go back and look at consideration of next steps.

Vice Mayor Scharff: One option is that we could refer this back to the committee and develop a set of parameters for next questions, if we think we are interested in continuing to explore this possibility for this November. The other option would be to defer it. Based upon the responses we've seen here, it probably means defer it for two years but not with certainty. It's interesting. When Dave explained that all of the subsequent questions were in the context of voters already anticipating voting on a VTA sales tax, that does suggest a possibility that we'd get a little bit of an uptick if we want on a ballot where the VTA wasn't there. One of the things that I would want to have, if we did a second round, would be clarity of would we in any way diminish the VTA tax support. It's the flip side of kind of how this was sequenced. I think that's critical. The VTA tax as it is anticipated to be structured, has very important, valuable benefits for Palo Alto. We want to make sure that we support it well. It was nice to see that 74 percent of our voters said they would support that. If Carl can get that from everybody else, he's in good shape. Let's go ahead and have discussions about next steps. Vice Mayor Scharff.

Vice Mayor Scharff: Thank you, and thank you for a quick turnaround. I just really appreciate it. I have real concerns, I think, with moving forward on this in 2018.

Male: (inaudible)

Vice Mayor Scharff: 2016 I meant. I guess it's that general unease that when we did the TOT tax, we knew exactly what our infrastructure plan was. I could tell the voters exactly what we needed the money for. We had a list of projects. I knew exactly what we wanted to use it for. Here I feel we're doing two things. We don't have time to do the proper outreach before we put it on a ballot. I don't think we could do that. I think there will be a general sense that we didn't do the proper outreach. Even when you do do the proper outreach, people complain you didn't do the proper outreach. This time I think it may be true. I have that concern that we won't be able to articulate clearly what we need to use the money for. It polled really

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highly here that a huge number of voters don't think we need the money, and that we're vulnerable on that issue. If we can't clearly articulate what our plan is for the money, I think we become more vulnerable on that. I also noticed that some of the things, providing free transit passes to people who work in Palo Alto and all that, whereas, those may have the strongest frankly in reducing congestion as well as making a local ridesharing app, which I strongly think we should do. Those things actually didn't poll very well. The things we probably wouldn't be using the money for—unless we were playing games and said, "We'll transfer money from here to there,"—are things like Safe Routes to School and all of that. I'm just sort of uncomfortable in moving in that direction. I'm also very uncomfortable with the notion that we do have the VTA on the ballot. I think it's critical that the VTA measure gets passed. I understand that we can poll to test that possibly—how that affects it. I also worry that in our polling that we will damage the VTA by doing further polling on the issuing. I worry about that. I'm not really that interested, I think, in putting this on the 2016 ballot. I am actually interested in putting it on the 2018 ballot or putting it, if we could get a two-thirds major, earlier than that. I don't know if we could get to that down the road, especially if we showed—also if we had strong business community support, which we might actually get if we moved forward. At least some of the business community has told me that they want to see a bunch of transportation improvements. If we had a plan, that might work to get that done. That's my initial thoughts, but I'd be interested to see what everyone else has to say.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I think I kind of came pretty close to the same place. My takeaway was we need to spend some time doing the education in general. That's just going to take time. I think we need to really prioritize the stress on our City budgets in general and the issue of fairness for kind of the cost of impacts and who pays for them. It feels like we should focus on a general tax but likely in 2018. Just kind of brainstorming here a little bit, I'd like to explore, if we think about it in the framework of 2018, just the questions that seemed to resonate. The general idea of fairness, impacts of business growth and the lack of a business tax. If we talked about a General Fund tax that wasn't even necessarily dedicated to transportation might actually poll higher. The issues of housing, the drought. We could use money for different things. I don't want to call it playing games; I'm just basically balancing our revenue sources. Having that additional money in the General Fund, it would let us fund transportation plus other things. It might be another way to think about it. I know we were thinking we were creating a nexus between impacts of business to transportation. It might actually resonate with voters more that

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it's just really generating revenue from the business community, where that revenue has dropped off over the years. I think that's kind of my main thought.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: If we do go back for another round of questions, I would like to see us also ask questions about other funding mechanisms, like specifically a parcel tax. As was stated before by a couple of people, I would also want to see clarification, real clear questions about what the impact of our measure, whatever type it is, would have on the VTA measure, so we can gauge that. I would like to see real clarity among our respondents about how they feel about it if it is a general tax measure. Whether it's on businesses or it's on parcels, how they would feel about it even if it was earmarked or suggested to be earmarked for transportation if it wasn't legally required, if it was a 50 percent plus one measure. I'd like to have clarity about how that polls. Looking at the results. Somebody else referred to it, but we've got 76 percent of people saying the cost of housing is an extreme or very serious problem. Only 53 percent saying traffic and congestion on local roads and streets is extremely or very serious. I expected those to be inverted. I see them both as two of the top four challenges facing our community and the region. I'm glad that those are both polling along with the drought very high, but I think maybe we should start talking whether—looking at these numbers and what the community is saying their top priorities are, maybe we should start talking about a broader funding measure to address some of the bigger challenges like affordable housing and transportation and water recycling and sea level resilience. If we're talking about something like that, maybe we do need to spend more time putting it together, putting a plan together, kind of the next step past our Infrastructure Blue Ribbon Committee (IBRC) and say these are the major challenges we're facing for the next decade or the next 20 years. Let's really take time to figure out what are priorities, put together a package and come in 2018. There are a lot of questions here. I don't have a Motion at this time.

Mayor Burt: Dave.

Mr. Metz: Thank you, Mayor. If I could just make one point. Since a number of Council Members have asked about the impact of the City measure on the VTA measure. One way we can potentially model what that might look like out of this poll is to look at the proportion of respondents who offered stronger support for a City tax than they did for the VTA tax, which preceded it. That means voters who knew there was a VTA tax, expressed an opinion on it, then heard the City tax and expressed higher

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level of support for it. It is among that subgroup where if there would ultimately be any damage to the VTA measure would come there. That was roughly 6.5 percent of Palo Alto voters that fell into that category, offering higher support for a City measure than a VTA measure. Twice as many went in the other direction. Offered higher support for the VTA measure than for the City measure. Obviously there's also potential that it is taking away some votes from the City Manager, as the Vice Mayor suggested a few moments ago. That's not to say that all 6.5 percent would ultimately peel off from the VTA measure, but it's also possible if part of the community conversation was that people—there was a subset of the community that were urging people to vote yes on the City measure and no on the County measure. That obviously could inflate those numbers as well. That just gives you some sense of the risk. Obviously Countywide, only one in 20 voters are in Palo Alto. Any measure that requires two-thirds supermajority to pass, of necessity is going to be cutting it pretty close in our current era. It is something to consider.

Mayor Burt: Council Member Kniss.

Council Member Kniss: At this point, unless I hear something different, I would associate my comments with the Vice Mayor and with Tom. I think, Cory, you've mentioned some of this. I was very surprised to discover this wasn't our most urgent problem. One of the things that this helped with the most is giving us a very different picture of the City. I was frankly delighted to see that we have a new high on Slide 5 as to how we're viewed as a City. When you it here week after week, that's not always the perception that you get. This also—Greg, you mentioned a lack of specificity. I think that weighs in heavily at this point. I can continue on through this but I think that this gave us a terrific picture of—maybe you could correct me, Dave—a city that's being well run, that doesn't seem to need a great deal more funding, but surprisingly supports a County measure by almost three-fourths of the voting. That is high, it would seem to me. Don't you think or not?

Mr. Metz: I do, but one has to remember that a lot of residents of Palo Alto understand the regional transportation problems. Even if they feel okay about local streets and roads...

Council Member Kniss: We're just smart up here. I think looking at this as I see it and hear others having spoken to it and reflecting on that. I think that we'd be far better poised for 2018. There would be more time to work. I understand you did work with business closely the last time. For some reason, they're not feeling that sufficiently this time. It may be that working together toward a transportation issue in 2018 may be something that really resonates with them. For me, at this point I think the next step would be

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keep this on the docket and head toward 2018 and the next general election.

Mayor Burt: Let me wade in at this moment to just give some thoughts for folks. One is that if we're looking at not wanting to go with the next round of polling because we're below two-thirds and yet we're moderately comfortable above the simple majority, then I'm not quite sure what outcome would have caused us to consider putting it on 2016. If we were higher yet, we'd say, "Maybe we can pass a special tax and we don't have to put it on 2016." I'm not quite sure on that. There is a reasonable argument that we don't have enough time to do the good groundwork. That's a different argument from how the polling numbers came out. The other one is on—it is quite interesting to see how high the housing issue is. Housing affordability was the way it was asked rather than availability. Probably we'd get similar answers on either one. In reality, if we look at how we would move the needle on housing, this much money wouldn't move the needle; zoning changes would. It's one thing to find something that would appeal to the voters. It's another thing as to what would actually have an impact on the problem. I think this is the kind of money we would have for local transportation would move the needle. Finally, if we do wait two years, we will probably have even more support because the traffic will be even worse. We won't have acted now, before it went from bad to an even worse crisis, which is really frankly the reasons that I'm most interested in continuing to explore this. I think we've seen each of the last several years, it has gotten considerably worse each year, and it's approaching a real crisis point. I'm fearful of waiting another two years to begin to be able to tack. We looked at all the things that can be done in a real comprehensive Transportation Management Association (TMA). We have our budget for this year. We don't have the funds to fund a real comprehensive TMA. Aside from all of the kind of machinations we come up with on this, my original interest was because I think we have a really big need that this could go a long way toward addressing. If we wait another two years, we're going to have a worse need and a bigger hole to try and dig ourselves out of. Council Member Holman.

Council Member Holman: If you hadn't spoken first, I was going to say I find myself on the opposite side of the fence from colleagues who have already spoken. I'm glad that you chimed in. I looked at the first round of polling to be a broader, more general sweep at this. I do agree with many of the things that the Mayor just said. I also think that—I wonder if Palo Alto is a well-run City, but I doubt seriously that most of the public has any idea that we're taking money out of reserves to balance our budget this year, that we don't have money to do a lot of the things that we really need to do to improve the traffic and parking situations in Palo Alto. We had an

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RPP discussion earlier this evening, a fairly brief one. There was reference to we've only got money for one RPP this next year. For me, it seems like—again looking at the first round as a first round and more general. If we get more specific about—if we were to expand the shuttle system by X, it would cost X number of dollars which the City does not currently have. If we got to that kind of more specificity, I would like to know what the community have to say in response to that. Going back to 2009 for the prior business license tax, my recollection of that. I wasn't on Council yet, but I was running for Council. My recollection of that was that a great reason why it didn't pass—my personal observations—was that it wasn't clear enough what was going to be happening with the funding. It was not written in a way that—it's a tax on the business, so what are the businesses getting? What's going to improve the situation for businesses, let alone the community? Again, our first sweep at this was just a general thing. We haven't done the outreach. It is a short timeline. We can always campaign to support the VTA tax as well as a local tax. It's also not stated, though, that the VTA tax funding which is critical and important to us, it also comes over a 30-year period. That's not indicated, again, because this was a first sweep. The other side of how much something costs that we don't have the money is like how much money would be raised by this and how that could be allocated to reduce—again give some specifics like it could reduce potential X number of cars off the road, save X amount of greenhouse gases, things that are important to the community and that people can relate to. I would want to do a second round of polling. I agree with the Mayor. This is a first sweep, and I think we haven't tapped the potential support that we could generate yet.

Mayor Burt: Council Member Berman.

Council Member Berman: A question that I have with the VTA tax measure. A certain percentage of it is going to go towards road and street repair. If communities have a Pavement Condition Index (PCI) score of higher than 70, they can use that for whatever they want. Do we know what that amount per year is? Or would be for Palo Alto?

Mr. Keene: I apologize. I don't have Palo Alto's share of that.

Mayor Burt: I did a back of the napkin, and I could be wrong. I think it was—this was a month or two ago. Just trying to figure out that question. I was ball-parking between a million and a million and a half a year to Palo Alto. Hopefully I'm in the ballpark on that.

Council Member Berman: It's not insignificant. Is that money that could be used towards some of these programs so that could be one area ...

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Mr. Keene: That money is supposed to be totally fungible for transportation purposes for us.

Council Member Berman: That could be a source of funds so that we don't—I agree with Mayor that we shouldn't wait and sit for a couple of years on some of these improvements. That could be a source of funds, if for some reason we decide not to move forward with the transportation tax initiative. I'm significantly more leaning towards the side of let's kind of take a breather and have a broader conversation, I think, amongst Council, which we really haven't had. I mean that was my uncomfortability [sic] with this a couple of months ago. We said we were going to poll this as one of the ideas, but that there was still a broad spectrum of possibilities for how we'd raise this money. I understand that the Ad Hoc Committee had a conversation about that. Now we're left with just this one option, and we still haven't had that conversation at the Council level and with the community that I think we should. Also just looking at the numbers and given the fact that I'm guessing the business community, if they feel like they haven't had an opportunity to weigh in and participate in the process, they're not going to be likely to support this. There's going to be a strong opposition. We did not have that with the infrastructure tax. I know, I was on the Infrastructure Committee, a campaign committee as well as the committee and the earlier committee. I think we're going to get a better result. We know this about Palo Alto. We have the Palo Alto process for a reason. Trying to put something on the ballot in four months isn't that process. I'm not closed off to this as a possibility; I just don't think necessarily that given the truncated timing, I don't think 2016 is a smart play.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I'm not quite ready to throw in the towel and say let's wait 2 ½ years. They're big issues for Palo Alto. The survey we have has a lot of rich data, but some surprises. We've really only had a few hours with it. It came this afternoon late. We're trying to absorb the numbers. I guess I want to think a little bit about the question on the TOT tax, what's the relationship between the survey and the votes. I'd like to compare it with the community survey results on some things. I'd like to get out the budget and say, "What are the big transportation initiatives we're spending on and how could this have an impact in it?" I might be in favor of deferring it for a week, and just having a week to absorb the data, think it through. Come back next week, have a vote on what to do.

Mayor Burt: Council Member Wolbach.

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Council Member Wolbach: Having heard from some of my colleagues, I definitely recognize the urgency. I'm also not ready to throw in the towel. I think I'm comfortable even saying tonight I'm happy to do another round of polling. One question is do we make that recommendation in detail tonight, do we refer it back to the committee to craft that second round. Again, if we do another round polling, I would like to—let me ask a first question. How much money, even just back of the envelope, are we looking to raise with this? Do we know or have an approximate range?

Mayor Burt: I'll offer again my back of the envelope which could be right or wrong. I was ball-parking in the neighborhood of \$6 million a year.

Council Member Wolbach: Then the next question for me is if we raised a parcel tax instead, what would that mean per resident per year and let's poll for that too. If we go for another round of polling, I'd like to see that. I'd like to have a couple of options. As I mentioned earlier, as Council Member Berman said, I thought we were going to have a slightly broader discussion about funding mechanisms. If we're going to do another round of polling for this year, I want to throw that in there as well. That's kind of a condition for me of what I'd expect of another round of polling this year. I do feel hesitant about throwing something else on the business community right now. Not necessarily opposed to it, but I want to make sure we're very thoughtful, and we're exploring various options rather than just jumping to one option with considering the others carefully.

Mayor Burt: Council Member DuBois.

Mr. Keene: One of the things we just need to double check on right now—excuse me—is—I know this was just a comment—whether a parcel tax is a special tax, not a general tax. We've just got to double check that.

Council Member DuBois: Two quick things. I think we got the answers. If there were more questions, just again, what would be the benefit of having these taxes come at different times versus on the same ballot? If we do ask additional questions, I think we need to be really crisp on exceptions. I don't want to see a regressive tax on marginal businesses. I know we had some ideas in there about ten or more employees and exempting nonprofits. I think we need to really get crisp with that if we ask additional questions. I would like to understand if there is a higher tax rate for higher occupancy, how do we explain that to a voter? If we excluded nonprofits and potentially excluded small retail businesses, again, how do you define that and make it clear?

Mayor Burt: I would characterize it that we're not in a position to say we want to go full speed ahead. The question is do we still want to do another



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cut of information and refer it to the committee with the input that we've heard tonight on looking at other revenue streams and a couple of other permutations as well as advice that we get from our pollster and to have more clear questions on the relationship between this and a VTA tax. I would say there was a question that Council Member Kniss said. The business community is going to want to know how they would benefit. Vice Mayor Scharff and I met with the Stanford TMA maybe close to months ago. They made it clear at the time that traffic congestion was the biggest threat to them. We're hearing it more and more from the business community as well as the resident community. I think there's a strong argument that solving this problem is very much in their interest. It's really one of the reasons why I'm much more inclined to look at a dedicated purpose, even if it is a general tax. Not to mention that that's an area that these kinds of dollars could actually have a real impact on. One other thing that might not poll well. We didn't poll kind of the environmental question of reducing our automobile trips. You got to hear about our 80/30 goal, and transportation is 60 percent of our remaining greenhouse gases. It's air pollution. It's a lot of safety issues. I wasn't assuming that would necessarily resonate, but maybe I'm wrong. That would be another single question at least to throw in there. Let's put the question before us. Not whether we want to go ahead and put something on the ballot, but whether we want to refer this to the committee a second cut of polling.

Mr. Keene: Mr. Mayor, could I just add some logistical clarifications here. At least our recommendation was two components of the next steps. One would be to do some outreach in the community over the next month, with the business community and potentially other stakeholders, that would help also inform what some of the messages are that maybe resonate or don't resonate. Then, incorporate that feedback into—for the subcommittee and ultimately the Council to benefit from that feedback and to have that also help inform the next round of polling. We've got consultant tasks that we would have to do. It wouldn't be until early June at the earliest before you would be actually talking about designing the poll.

Mayor Burt: I would think that both that outreach and the polling would be of value even if we elect to not put it on this fall's ballot. If it's a year from now and we find out that either—did we get the answer on the parcel tax?

Mr. Keene: Yes, it's two-thirds.

Mayor Burt: It's two-thirds. Whether we go for a special tax, or two years from now we go for a general tax, we'll have a foundation that we can start that process a year ahead of time. If we don't elect to go forward now, I think there'd be value. If we saw that we've really got something that is

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doable this fall, then we might elect to do that as well. I don't think we know either of those answers yet. Council Member Holman. I think we should move forward to a Motion if possible.

Vice Mayor Scharff: Why don't you make one (inaudible)?

Mayor Burt: I'm ready to. I saw other people there, but I'll do that. I would move that we refer this to the ad hoc committee to work with the Staff and the pollster on a second set of questions, and that we also over the next month conduct initial outreach with stakeholders to engage them on the issue.

Mr. Keene: That would include working with our consultant who, I would imagine, will engage with the subcommittee also.

Mayor Burt: Right.

Council Member Holman: I will second that.

**MOTION:** Mayor Burt moved, seconded by Council Member Holman to refer this to the Local Transportation Funding Committee to work with Staff and the pollster to develop a second set of questions and conduct outreach with stakeholders.

Council Member Kniss: Pat, could you run through the sequence (inaudible)?

Mayor Burt: I think the most immediate thing—I guess I'd have to defer a little bit to Staff on the timing. We could have two meetings of the ad hoc committee. One that's early on, that would in part talk about the stakeholder groups and the way to engage them, and also have some preliminary discussion on perspective polling questions. A second one, maybe a couple of weeks later, to try to refine what polling we'd do. That's my notion.

Council Member Kniss: When do we want the polling done, though?

Mayor Burt: Jim, was giving the timeline.

Mr. Keene: Again, I think we're roughly thinking about a month timeframe for the outreach and then we would ...

Council Member Kniss: (inaudible)

Mr. Keene: Right, after the outreach.

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Mayor Burt: Council Member Holman, you want to—I've spoken enough.

Council Member Holman: Yes. Thank you to both you, both the City Manager and the Mayor for adding that second part. It does seem like it is a two-part—to answer your question, Liz—process with the ad hoc committee that the Staff and consultant come to the ad hoc committee to talk about the stakeholders and what questions there might be as well as the questions in a second poll. With that understanding, I'll support the Motion. Thank you.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I like very much the idea of reaching out to the business community. One of the questions I would support would be, "Would you support a business-supported business tax?" That would put the burden on us to reach out and find out what elements would be attracted to businesses who need funding.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I think I'm going to support this suggestion even now knowing that it is a two-thirds. I'm still interested in the parcel tax option or any other options that the committee comes up. Do that need to be incorporated within the Motion or can I trust (crosstalk) handle that?

Mayor Burt: It's amongst those other variations. Did Staff capture that well enough that we don't have to put it in the Motion? I think we do want to test some other types of taxes.

Mr. Keene: I think we do. I do think that during this month period, we'll have some other way to—we may have a way where the Council can just give us some additional thinking about that as a whole and run it through the committee.

Mayor Burt: Maybe there's even a chance that we'll be able to have committee meeting, loop back to the Council briefly, and then back to the committee.

Council Member Wolbach: That's great. Honestly, as much as I was frustrated that this initial round didn't have all those questions incorporated, this is where we're at. I still want to have those questions answered. I was hoping they would be answered by tonight. They weren't. I'm happy to give another go. I think that our heads in the game, focused on this. The consultant's already working on this. Staff's already working on this. I think now is a logical time to just do another round of information gathering. I hope that my colleagues who are on the fence will also join this Motion. As

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was mentioned before, even if we don't move forward with something this year, this information will be useful.

Mayor Burt: Council Member Berman.

Council Member Berman: Just really quickly. I'll support this under the guise of more information is always a good thing. I agree with Council Member Wolbach that I'd like to see more options. I thought we were going to with this iteration, and definitely want to see it with the next one. I'll be looking at this—I come in predisposed to thinking this is something that should happen in 2018 or between now and then, but probably not November 2016. Dave, is there a way for you to—we talked about the VTA tax measure. I know there's also going to be an extension of Prop 30 on the ballot, a tobacco tax increase on the ballot. I don't know what other tax measures there's going to be on the ballot. I hear that the voter information pamphlet is going to be 200 pages long. Is there a way to kind of factor some of that stuff in?

Mr. Metz: Yeah. We can test some of those other specific taxes a little more explicitly as part of the opposition argument. We made reference to the presence of other State and County taxes in this poll, but we didn't detail them to quite that same level. We can certainly flesh that out a little.

Council Member Berman: Thanks.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I think Council Member Berman said it the first time around. We really haven't had a discussion at the Council level about options. I'm willing to support the Motion tonight, but I'd really like to see some feedback from the ad hoc committee to understand the discussion and have the opportunity for Council to have part of that discussion. It's feeling very rushed from the Council perspective.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I wouldn't disagree with that, Tom. The idea of having another maybe month to even five weeks would probably be advantageous. I'm looking at you, Dave, and seeing if you're going to nod and smile and indicate that would be the case. Perhaps we can look at this instead as if it's not going to go on this year, perhaps this is preamble to what we could do in 2013. At least really engage the business community right now. I think they would welcome that.

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Mr. Metz: I'm sorry, Mayor. One other thing I would add in response to what Council Member Kniss said, because we'd looking at a sample of likely 2016 voters who are presidential election voters, those who will vote in 2018 are a subset of that. We could even model for you what the difference in levels of support might be in those two elections. Looking at those presidential voters who will drop off and seeing if support is substantially lower in 2018 as a result. We could make that part of our analysis.

Mayor Burt: Council Member Filseth, and then I think we're ready to vote.

Council Member Filseth: I think we need to fund this. I think this is the right way to do this. Taking what we've learned from the polls and having the committee go back and see if they can take this information and strategize a way forward, I think is the right thing to do.

Mayor Burt: Thank you. Please vote on the board. That passes unanimously. More work. Thanks to everybody who hung in on this.

**MOTION PASSED: 9-0**

## Inter-Governmental Legislative Affairs

Mayor Burt: We have nothing to report on Intergovernmental Affairs.

## Council Member Questions, Comments and Announcements

Mayor Burt: I actually have several things to try to quickly report out, two of them important. Does anybody else want to go first on Council Member Questions and Comments? Council Member Kniss.

Council Member Kniss: Let me just address this briefly. It's become such a difficult situation. Many of you have gotten letters from the Bay Area Refinery Workers urging me how to vote on a rule and regulation that we actually voted on last week. Just by way of explanation, Environmental Protection Agency (EPA) rules are not as stringent as the rules are in California for controlling particularly emissions from refineries. It was passed 17-4; it was very definitive. It's been a long time coming. I've had so many questions and even handwritten letters about it as to what was going on. I guarantee it's a far more stringent rule and regulation than what is required by the U.S. Government. Passed, done and in place.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: Two things. One, I attended an event last Tuesday hosted by Project Sentinel that provides services for Palo Alto around housing. I also noticed a member of our Planning Staff was there.

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Eloiza, I think it was, who was here earlier tonight. Very interesting discussion about trying to prevent displacement of people who are at risk in the region as a result of the housing crisis and widespread displacement. Also last Wednesday, I spent the day in Sacramento with our lobbyist. We are not paying him by the hour, which is good, because he spent the whole day with me. It was wonderful. Our lobbyist Niccola De Luca from Townsend Associates. I had an opportunity to speak with both of our State representatives as well as somebody from the Assembly Speaker's Office and the Governor's Office.

Mayor Burt: The first two things I want to report out on. I got to go to the Art Center Foundation. They had their 45th anniversary. That group deserves a great deal of credit for the whole renovation of the Art Center. I just wanted to call them out. We had Saturday morning the water conservation walk and roll. We had a couple hundred people out there. City Manager had a decent time, I hear. I mean in his 5K time; he had fun too.

James Keene, City Manager: (inaudible)

Mayor Burt: That too; he had to add some on each direction. Two more substantive things. I'm a representative on the Caltrain Modernization Local Policymaker Group. The first few years, there really wasn't a great deal of substance or contention. Now with High Speed Rail coming forward again, the group has decided that they want to be able to control their agenda. It's a group of 15-plus elected officials who have been having Caltrain staff set agendas, and then a member of the Caltrain Board running the meetings. Now we've had every other meeting that is High Speed Rail. The first two of those, they had the Chairman of the High Speed Rail Authority run the meetings. There was a lot of discomfort with that, because the group had never consented to be subordinate to the Chair of the High Speed Rail Authority in their own meeting. The group is going to move forward with having their own leadership, working with Caltrain staff to set agendas and look at having a more formal role of taking votes that would be advisory but actually taking votes as a group that would be presented to the Joint Powers Authority (JPA) Board, similar to what the VTA advisory group does. That was, I think, very constructive. The second thing is the San Francisquito Creek Joint Power Authority, we got back our major bids for the construction downstream of 101. The bulk of it is one big contract, and then we have others, PG&E bids in other segments of this. We were prepared for—we kind of budgeted for about \$1.5 million shortfall that we had a tentative plan hoping that the San Mateo County side would be able to come up with most of the way to bridge that. We also are in negotiations with PG&E to reduce their charges for the new gas line because of all the betterments that they'll be receiving from a newer, better line that's easier to maintain. The bids

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came in as the meeting was there. We knew that was going (inaudible). They were texted to our Executive Director. They were \$3.5 million more than expected, in part because clapper rails have been found in the upper reaches of the construction project, which further narrowed the construction period to like six weeks each year for the most critical construction. We're negotiating with Fish & Wildlife. We're negotiating more with PG&E. We're trying to come together as five-member agencies to bridge the funding gap. We don't want to lose another year of construction now that we have permits in hand. We're in a scramble to figure out the way to bridge this. It's important. It's also important to us as a City because it affects when we can move forward on the golf course as well. I wanted to give you that update.

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

Adjournment: The meeting was adjourned at 12:19 A.M.