



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting
October 24, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:37 P.M.

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

Absent: DuBois

Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS.

This Item removed from the Agenda.

Study Session

2. Partner Presentation and Discussion With Palo Alto Housing Corporation.

Mayor Burt: Our first item tonight is a Study Session. It's a presentation with our partner agency, Palo Alto Housing Corp. Ms. Gitelman, would you like to kick things off?

Hillary Gitelman, Planning and Community Environment Director: I'd be happy to. Thank you, Mayor Burt and Council Members. Hillary Gitelman, the Planning Director. I'm here with Candace Gonzalez, the President and Chief Executive Officer (CEO) of Palo Alto Housing Corporation, and Grace Lee, a project manager. I think you know Grace because she formerly served on our Architectural Review Board (ARB). The City Manager had a request from a couple of Council Members for this presentation. I think it's taken us quite a while to find a date that would work for you. I think all of you know Palo Alto Housing Corp. has been an important partner for the City, working actively to expand the supply of affordable housing in Palo Alto since 1970. They've also managed the City's below market housing program for quite some time, actually since 1974, and recently signed a new three year agreement with the City for that work. With that, I'm going to hand it over to Candace and Grace. I'd be happy to help them answer any questions you have at the end of the presentation. Thank you.

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Candace Gonzalez, Palo Alto Housing Corporation President and CEO: Thank you, Hillary. Good evening, Mayor Burt and Council Members. Before beginning the presentation, I just want to say briefly that I want to be frank. Obviously after Maybell, we've been hesitant to bring forth another project. We struggle with trying to make it financially feasible, and we're concerned about the support needed. I think it's time to really put Maybell behind us and figure out solutions that will work for the whole community. We really do want to engage in deeper community engagement. Thank you. We appreciate the opportunity to reintroduce Palo Alto Housing. Our mission is to build, develop and manage affordable housing in the community. As Hillary mentioned, we also administer the City's below market rate program. With our properties, we have lots of supportive services to ensure that our residents are empowered and thrive in their units. We currently serve over 2,000 Palo Alto residents. We serve very low, extremely low, and low income individuals, families and seniors. We really try to serve the most vulnerable in our community. Our 100 percent affordable housing projects target extremely low to low income individuals, while the BMR onsite units target 60 to 120 percent of the area median income. We're really serving two different populations with the different programs we work with. I think it's important to note that preference at most of our sites are given to people who already live or work in Palo Alto. In the last few years as we've done lease-ups, almost 100 percent of the units have been leased up to people who already currently live or work in Palo Alto. It's a perfect example of the housing crisis. A few months ago in 2016, we opened up the wait list at the Sheridan Apartments. It's our only senior housing project. The wait list hadn't been opened for at least six or seven years. In one day, over 500 applications were received, and actually over 50 people camped out the night before starting at 6:00 P.M. The housing crisis is definitely real. Here's a few of our residents that we just want to show off, that are doing good work in the community. This page is important. It outlines the challenges we face when developing affordable housing. The bottom line is we need the land, the funding, the right zoning and community support. To touch briefly on land, it's hard to find vacant land in Palo Alto. For funding, oftentimes we need six to twelve different funding sources to make a project feasible. One of our main funding sources is the tax credits. Probably 90 percent of our funding comes from tax credits. Every round, only one in three or one in four projects win. We're competing with other nonprofit developers and actually other for-profit developers as well. An important thing to point out with tax credits is that there is a high cost test. This places a cap on per unit construction costs. That's why we struggle with trying to build within existing zoning, because we need it to be financial feasible. As an example, we have a project in Mountain View, and the cap this year was around \$170,000 per unit for construction costs. We needed the number of units to make it feasible. Third, we need the zoning to make

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it work. In Palo Alto in the past, almost all of our 100 percent affordable projects have utilized the Planned Community (PC) zone. I want to say that all senior projects in Palo Alto, whether affordable or market rate, have also utilized the PC zone. Affordable housing has always been the accepted public benefit. Other neighboring cities use things like the specific or precise plans or community plans or affordable housing overlays. As we go forward, we have to start thinking about what kind of affordable housing zoning can we put in place to make affordable housing projects feasible. Again, I want to stress that we also need the community support and will to make this happen. I'm going to pass the mike to Grace who's going to show off some of our current properties.

Grace Lee, Palo Alto Housing Corporation: The most recent development, Tree House, was built in 2011 on Charleston Road. Entitled under PC zoning, the 35 units received awards from both the Grand Boulevard Initiative as well as the Associated Bay Area Governments.

Ms. Gonzalez: One thing to point out with the Tree House is that we didn't have an official Transportation Demand Management (TDM) or transit demand management plan in place, but we have one set in place informally. We meet with our onsite staff every six to 12 months, and we check in on car ownership and the bike riders. We also provide all of our residents Santa Clara Valley Transportation Authority (VTA) Eco Passes. We've found that there is no problems with parking on that site. Actually, they utilize the bike parking.

Ms. Lee: In 2005, Palo Alto Housing built 53 multifamily units in Downtown on Ramona Street. Also entitled under the PC zoning, the project received the Gold Nugget for the best multifamily residence that year.

Ms. Gonzalez: One more thing to add just for history perspective. There is a shared ramp project right next to the Oak Court, where the commercial developer had to give us 20 extra parking spaces in case there was an overflow of parking from our family project. Again, that's 20 extra spaces that we haven't needed. In fact, we're actually loaning some of those spaces to the History Museum.

Ms. Lee: We have received multiple compliments on the Oak Court project, particularly because of the contextualized design and how the mature canopies and beautiful trees actually provide shade for the play spaces for these children in this family project. Another prize-winning project is Alma Place. It was the first mixed-use project entitled in 1998, also under the PC zoning. It provides 107 single-room occupancy units.

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Ms. Gonzalez: With only 53 parking spaces. We haven't had any issues there as well.

Ms. Lee: I just reiterate that all three of these projects received tax credit funding in a competitive process. Briefly, some of our current projects. In Mountain View, we will begin construction of 67 new units including veteran housing on El Camino in early spring. In Redwood City, we are beginning to conceptualize designs for 60 new units. In Palo Alto, we are completing a full rehabilitation of 60 multifamily units at Colorado Park. This was actually our first project built in 1972.

Ms. Gonzalez: This map just gives you a little bit of perspective of our potential projects. Again, there's the Redwood City project on El Camino. There's a Mountain View project on El Camino. We have potential sites also on El Camino and on California Avenue or Park Boulevard actually. A little bit more information on our existing projects. In Redwood City, we have about a half-acre site where we plan on utilizing a community plan in place to get 60 units. In Mountain View, to get the 67 units, we use their El Camino precise plan. Again, that's 67 units on about half an acre. In Palo Alto, we have very similar size parcels on El Camino, about half an acre. Under existing zoning, we can only get 11 units, and that's with density bonus. It makes it really hard to make that a financially feasible project. More information on our Mountain View project just to give you a perspective of what other cities are doing. Again, this was under a specific plan. There were no density restrictions. We just used FAR, floor area ratio. A 1.85 FAR was allowed plus they gave us a 25 percent density bonus over the 1.85. We actually started out with a 45 to 49 unit project, but City Council there encouraged us to increase the unit count. We then got to 60 units. When their parking study came back, they approved a 0.45 parking study. They said, "Up it and go to 67 units." That's our final project, 67 approved units on about half an acre. Here's a picture of it. Again, it's a 0.45 parking ratio, 75 bike parking spaces. We're going to give out VTA Eco Passes as well. We're starting construction this spring with 30 of the 67 units set aside for veterans. Everyone's really excited about it. It's going to look great.

Ms. Lee: This is our Park Boulevard/California Avenue site. We're beginning to explore some conceptual ideas for the rehabilitation and adding of new units at our property here. It is shown in yellow; it's the yellow rectangle. It's steps from the Caltrain station, VTA and Marguerite shuttles, also walkable to two VTA bus lines with 10 to 15-minute headway. This site is a TOD, transit-oriented development, per the regulations of tax credit funding. It has terrific access to transit as well as neighborhood amenities. Per the Pedestrian Transit Oriented Development (PTOD) Overlay established in

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2006, we would like to think about the existing 45 units and what might be a concept for developing this property further. Cal Park Apartments enjoys access to the Park Boulevard bike corridor as well as the year-round farmers market, the neighboring parks and all the grocery, restaurants, cafes. We think it's a terrific site. We've spoken to our current residents, and they agree that there is a local housing crisis. There's an opportunity here in the pedestrian transit-oriented development to think about new ideas for Cal Park. Per our current thinking and recognizing the need for housing for the special needs residents in this area, we think that this is an opportunity at the Cal. Ave. site potentially for developmentally disabled individuals to find housing here. As you have heard, there is a need in this area per the comments from parents in the local area, Housing Choices and Ability United. Since the PC zoning is not currently available as it was in our previous projects like Tree House, Oak Court and Alma Place, we really appreciate your feedback on how to add to this property within a pedestrian transit-oriented development overlay. We noted that the Grand Boulevard Initiative as well Palo Alto's Comprehensive Plan and the Housing Element support diversity of affordable housing options, particularly along transit corridors and nearby public transit opportunities.

Ms. Gonzalez: To end our presentation, again our goal is to address the local housing crisis and to somehow move forward with deeper community engagement to try to find a solution. We would appreciate your feedback. Thank you.

Mayor Burt: Thank you. Let's return to the Council. Just so folks know, Study Sessions are primarily focused on a dialog between the Staff or in this case the presenters and the Council. We typically have public comment toward the end. What we might do is break it up and have a series of questions and dialog and hear from the public, and then allow us to return and have some wrap-up comments to the Housing Corp., if that sounds good enough with everyone. Who would like to kick off? Council Member Berman.

Council Member Berman: A couple of quick questions before I make some comments. Brief comments are good for this round, I'm assuming.

Mayor Burt: Yeah, go ahead.

Council Member Berman: You guys are soon to be under construction for a project in Mountain View, and you're looking at a project in Redwood City. Are these the first projects you guys have done out of Palo Alto or is that ...

Ms. Gonzalez: Yes, they're our first new construction projects, new development.

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Council Member Berman: Outside of Palo Alto?

Ms. Gonzalez: Outside of Palo Alto.

Council Member Berman: For California Park Apartments—sorry, I was looking at a lot of different slides during the presentation. You've got an "E" in front of 45 affordable units. Is that existing 45?

Ms. Gonzalez: Yes.

Council Member Berman: If you could have your dream scenario, what do you think could be responsibly developed at that site?

Ms. Gonzalez: Forty-five to 50 units.

Council Member Berman: Additional units?

Ms. Gonzalez: Yes. If we stick within the 50-foot height limit, yes.

Council Member Berman: You could add another 45 to 50 units at that site of more one-bedroom units or is this also two and three-bedroom units?

Ms. Gonzalez: We're exploring that. The current site is a family project, so there's ones, twos and threes. You have to stick to the family project when you apply for tax credits, but they are saying there might be an exception where we can just add studios and one-bedrooms. We're looking into that now.

Council Member Berman: This year, I'm the liaison to Palo Alto Housing. When I went to their annual meeting—I think it was five or six months ago—I was kind of embarrassed to learn that Palo Alto Housing is developing projects outside of Palo Alto and that there weren't any plans to develop housing in Palo Alto at that time. The hesitation was palpable in terms of the organization's concern about how new projects would be received at Council. I thought it would be a really good idea to have this Study Session—it sounds like I wasn't the only one—just to get feedback from Council about what we'd be open to, so that you guys aren't flying blind going into making proposals. We owe it to you guys as an organization, I think, to give you feedback about what we're open to. I've heard from so many people about the need for affordable housing in Palo Alto. I've heard from a strong subset of people the need for affordable housing for the developmentally disabled in our community. I think it's great that you guys are looking at that as an option at the California Park Apartments. I was also shocked to hear about the project in Mountain View. I didn't really know a lot of details about the Redwood City project until tonight. I'd heard

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either from you guys or from Mountain View Council Members about how you came to them, and they said no, build more. You came to them with parking, and they said no, put in less. I think their staff actually had to finally say, "That's low enough. We actually need some parking for this project." That was just kind of a striking attitude that they had towards affordable housing on El Camino near mass transit, just like the opportunities that exist in Palo Alto. I am glad that we're having this conversation. I would encourage my colleagues and the community to really approach different proposals with a really open mind. You guys have shown—tonight you told us about projects that have 0.5 parking spots per unit where it's over-parked. I can't imagine that's in a—I think it was downtown. We're talking about a possible proposal that's practically on top of the Cal. Ave. Caltrain station and another one that's right on El Camino. These seem like real opportunities for our community to add affordable housing. I remember three years ago sitting with you guys and going through the process of applying for affordable housing tax credits from the State and (a) how complicated that is and (b) how such a big factor is that price per unit. If you don't meet that price per unit, you're not going to get the tax credits, you're not going to be able to develop the affordable housing. We as Council and hopefully the community need to really understand that critical component of getting the funding for these projects and take that into account when we're trying to figure out how many units to allow. If we go too low, it's just not going to be feasible. I imagine you guys could just sell the sites that you have and go build them in other communities. That would be a huge loss for Palo Alto. I know this is all just kind of vague comments because that's kind of the conversation we're having. I would love to see you guys be able to come to us with proposals both for the expansion of the California Park Apartments and for something on that 0.45 acres or 0.47 acres that you have on El Camino Real, where we've identified that as a key corridor for additional housing for our community. This would be a pretty obvious opportunity to add critically needed affordable housing. I think I'll stick with that for now. Thanks.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I wouldn't disagree with you at all, Marc, about the desirability. Let me ask a couple of things. I can see where this is located. I can see it's located near Evergreen Park. Over the last four years, we have developed a very robust Residential Preferential Parking (RPP) Program in the Downtown. The last vote on that was actually taken with Eric as the fifth member. I know that we now have applications from other neighborhoods including Evergreen Park. Because that's something we wanted to move forward on, we talked about this in the spring. Where are we with that now,

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Hillary, before I make comments about—our neighborhood is going to wonder how it will impact them.

Ms. Gitelman: Thank you, Council Member Kniss. On the Evergreen Park, RPP program, we're sending out the resident survey this week we hope. We hope to get to the Planning and Transportation Commission in November and to the Council in December with the program design. I should say we came here this evening for a general conversation about affordable housing. If any of the sites that Candace and Grace have mentioned firm up and become real proposals, they would be subject to the Council's prescreening process. You'd get an opportunity to see more detail and provide more feedback before it moved any further.

Council Member Kniss: Exactly. I think it's important since we've got Cal Park right in front of us to say to that neighborhood the RPP is already something that's underway. I think we as a Council have treated that as a really important issue in the Downtown and would do the same for that particular area. That would take some time, some energy, but I think the end product, even though not perfect, in the Downtown has relieved that parking situation a lot. Going back to—I also thank you, Candace and Grace. I spent some time with you about a month ago looking at a variety of different projects that you have done including 801 Alma. Is that the last totally affordable housing project that you did? Am I right? Or was the Tree House?

Ms. Gonzalez: 801 Alma was by Eden Housing.

Council Member Kniss: Thank you.

Ms. Gonzalez: Tree House was our last one in 2011.

Council Member Kniss: Shouldn't have brought that up, Candace. That's why I remember Tree House. Looking at this, once again I know that you're just kind of airing this tonight. We're having a discussion about it. As a candidate, I can tell you that running with 11 of us, I haven't heard anyone say that they weren't in favor of affordable housing. I think that's encouraging. As we know, all the devils are in the details. As we go forward with this, we need to consider what the impact is. I think the most encouraging thing about this is the PTOD aspect of it. That makes a big difference as far as the overlay. Again, so that that area knows we have RPP, which will be up and running long before you were to develop in this area, I'm sure. Thank you, Mayor. That's it for now.

Mayor Burt: Council Member Holman.

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Council Member Holman: Thank you. One of the really great things about Oak Court, which by the way wasn't a Planned Community (PC), it was a part of the development agreement for South of Forest Area (SOFA) I. Just to make sure we're all on the same page with that. One of the great things about Oak Court was that the Housing Corp. worked very closely with the neighbors and got the architect at some public meetings. There was a back-and-forth about the design. It's very successful. Everybody loves it, the neighbors, I think the Housing Corp., the people who live there. I actually know a couple who live there. They all love it. Somebody asked me a long time when I was liaison to the Housing Corp., "Why do you think people sometimes oppose affordable housing projects?" I said then and I still think this is the case that design really matters. How a project is compatible, how it's designed, how it fits into the streetscape matters a lot. I think there are a lot of things that can be done to make even higher-density projects fit into the neighborhood. People have heard me say this before, so I won't go into it. There actually was some housing in that SOFA area that actually was RM-40, and nobody even knew it because of how it was designed and how it fit in. Is the Housing Corp. looking at doing any co-op housing, and how much square footage advantage is there with co-op housing models?

Ms. Gonzalez: We've only looked at it very briefly. It's not something that we've done in the past. We'll certainly explore it. I know a couple of Board Members have started asking us to look a little bit more into co-op housing. We have co-op housing in the sense that we have a couple of Single Room Occupancies (SROs) where there's a shared kitchen or community area, but not its own—the units don't have individual kitchens. We have it in some areas, like in Downtown Palo Alto.

Council Member Holman: I hear seniors talking about especially wanting that kind of model and interested in that kind of model, a little bit more than shared kitchens, a little bit more living space that's shared than that. It gives them the social aspects of it but still not having to maintain so much of their own private space. You mentioned in one of the slides veterans housing. I doubt this, but I need to ask it anyway. Is there any opportunity at all to do any cooperative effort with the Department of Veterans Affairs (VA)? Marc and I went there earlier this year and talked to them, trying to find space on the VA here in Palo Alto. Is there any opportunity or is that just like a different entity and you can't do that?

Ms. Gonzalez: No, there's definitely an opportunity. We haven't set our target population yet for the Cal Park. We want to set aside at least 20 of the units for adults with developmental disabilities, because there is that need. We can definitely still partner with the VA. Our Mountain View project

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is a partnership. We have VASH funding which is veterans funding. There is that great need as well.

Council Member Holman: To bring up the Maybell project. There was, I think, some not great communication. You mentioned in one of the early slides about how many different pieces of funding have to be put together in order to fund an affordable housing project. You've heard me refer to it before as sleight of hand. I don't know how anybody ever does it, because it's so complicated and the timing as well being very complex and sensitive. One of the things about that project that wasn't, I think, well understood was the aspect of the market rate housing that helped pay for the development. Is that something that you think is going to be—I'm going to make this a two-part question if you don't mind. Is that something you think is going to have to be part of the model for Palo Alto or most likely have to be part of the model for Palo Alto in order to get the per unit cost down? Also, what do you think the comparisons are building affordable housing units in Palo Alto compared to other communities given the land cost? The last numbers and numbers that people are still using were \$500,000 a unit. I think that's an old number. That was an inflated project, but I still think it's an old number. There's kind of a lot in there, but if you could ...

Ms. Gonzalez: Let me try to tackle it. The first question, whether or not we always need a market rate component. We don't, not always. The Maybell situation was different. It was the new site. It was 2 1/2 acres. It was really expensive to buy. Funding at that time was quite limited both with the City, with the County and the State funding available. We had to become more creative. It's not always that type of model. It was just specific for that situation.

Council Member Holman: I didn't mean always. Is it sometimes going to be a piece?

Ms. Gonzalez: I think it might still be considered in the future if there's a need to bridge a funding gap or if we want to explore different types, where there's housing for all different income levels. I think we would be open to discussing that and exploring that. What was the next part?

Council Member Holman: Unit price.

Ms. Gonzalez: For land cost, this is not a secret. Half an acre in Mountain View on El Camino is probably in the \$5 1/2- \$6 million range for half an acre. It's the same in the Redwood City/Menlo Park area. Land cost in the last couple of years has skyrocketed. They're comparable to Palo Alto land cost right now.

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Council Member Holman: Two last things if you would please. You've known me long enough to know that open space is really important. I don't want to get into a nit, but I'd like you to be thinking about these things. Open space as a part of affordable units is really important to quality of life for the people who are living there. Has that kind of been more integrated into your design model?

Ms. Gonzalez: Yes. We always want to add open space and community spaces, because our goal is to have our residents integrate with the general community. We provide services, a community room. Oftentimes we like to open the community room up to landscaping and picnic areas. We'll definitely take note; we know that that's really important, the open spaces.

Council Member Holman: This question may be for you, Candace, or maybe more likely for Planning Director Gitelman. When I was back on the Planning Commission, a long time ago, one of the things that we were looking at when doing the Zoning Ordinance update was to create an affordable housing overlay. If we're looking at—I'm not recommending either one of these, just looking at what's feasible, get them out there. If we're looking at lifting the Planning Community (PC) hiatus for affordable housing projects only versus doing an affordable housing zoning, how long would an affordable housing zoning approximately take, do you think? Crafting that.

Ms. Gitelman: Thank you for that question. We do have the Pedestrian Transit Oriented Development (PTOD), as you know, which is a form of—it's an overlay zone. It's not specific to affordable housing, but it's about housing and transit-oriented development areas. There are some incentives included in that for affordable housing. We do have some tools available to us. To create a new overlay zone that was specific to affordable housing and that could be used in other parts of the City would take some time to work with the Council on the parameters that they wanted to pursue, draft an Ordinance, take it to PTC, back to Council for two readings. It's not an insignificant amount of work, but it's something that we could certainly program in the new year.

Council Member Holman: Could it be a year or you think more?

Ms. Gitelman: It could be accomplished in less than a year. It just would depend on other priorities, workload, Staff availability.

Council Member Holman: Thank you all very much.

Mayor Burt: Vice Mayor Scharff.

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Vice Mayor Scharff: Thank you. Thank you for putting this together; it was really helpful. I guess I had a couple of questions. The first is you talked about a couple of sites on El Camino, and you talked about the Cal Park site. The PTOD zoning is an overlay zoning on the Cal Park site. There's no overlay like that on El Camino, right? I didn't think so. Under the PTOD, what's the mechanics of going—you currently have 45 units. You're talking about the PTOD you could get to another—I forget—45, you said, or something like that. What's the mechanics of going through that process? Is that a rezoning or is that within our zoning or how does this work?

Ms. Gitelman: It's unusual. I've never really seen this before. The overlay exists over the site, but the zoning district—the section in the Code requires use of the PTOD to go through a process like a rezoning. It would have to go to Planning Commission for a recommendation, and then presumably two readings at the Council, an Ordinance.

Vice Mayor Scharff: We've used the PTOD to zone one—I could be wrong. We used it once on Cambridge for the units above or is that not PTOD?

Ms. Gitelman: I'm afraid I don't know the history of its use.

Ms. Gonzalez: When we first looked into this, I think we found out that it hasn't been used. This would be the guinea pig project.

Vice Mayor Scharff: When you say it goes through like a rezoning, is there a rezoning that is underlying the PTOD or is it just a process like a rezoning but nothing is rezoned? You just go through the ARB and the Planning Commission and Council? What do you mean by that?

Ms. Gitelman: I guess the site is within an area that is mapped as having potential as a PTOD site, but you'd actually go through the process of an Ordinance to rezone it to apply that PTOD to it. Again, I think it's unusual. One of the things we're looking at in the—I think we've talked about the changes that come out of the Comp Plan update is to tweak that process just to make it act more like a traditional overlay zone where it's there and available for people to use.

Vice Mayor Scharff: When we say, I guess, roughly 90 units, what does that work out on a—I forget how big the site is. What is that? Would that be the equivalent of RM what?

Ms. Lee: At this time we're not sure. We don't have drawings; it's very conceptual. However, the site is 1.7 acres. There are existing 45 units. It's very much a low—it's two-story with some pop-up three-story, a lot of open space, lovely and room for more, we think.

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Vice Mayor Scharff: If you put the actual units on, what would the site then roughly look like? Were we talking three stories? Are we talking four stories? What are you thinking?

Ms. Gonzalez: We're not sure yet. We've looked at some of the open space. To get the 45 units, we would probably have to go to 50 feet. There is some potential to reconfigure some of the existing buildings as well, maybe temporarily relocate some tenants and rebuild parts of the property or again use some of the vacant space. We're not sure. We haven't started the drawings yet.

Vice Mayor Scharff: For sites outside there, like on El Camino, you talked about 11 units versus 67 units. It's a huge difference. It's not even in the same ballpark. To make the sites on El Camino worthwhile, you'd have to rezone them in straight-up rezoning. What does that look like?

Ms. Gonzalez: We don't know what it looks like. We want to work with the community to really figure that out.

Vice Mayor Scharff: Assuming it's within our existing zoning categories, unless you're thinking we'd have to create a new zoning category.

Ms. Gonzalez: We would have to create a new zoning for it. I think it wouldn't work. Again, when we first started with Mountain View to make it feasible, we needed 45-49 units when we first started the project. When we moved up in density, we had to go up a floor too. The Mountain View project is up to 55 feet.

Vice Mayor Scharff: You think you might be able to do it within 50 feet?

Ms. Gonzalez: Yes.

Vice Mayor Scharff: I guess that's true for any other area of the City, because there's nothing special about El Camino. If you find another site within the City, you're thinking you would need some sort of—why don't we just call it a PC zoning at this point?

Ms. Gonzalez: We have almost always used the PC zone, so we would need that or some sort of overlay.

Vice Mayor Scharff: Again, thank you very much. I really appreciate the service you guys do for the City.

Ms. Gonzalez: Thank you.

Mayor Burt: Council Member Filseth.

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Council Member Filseth: Thanks. I had a question first. Earlier in the presentation, you said that you had a preference for people that work in—are already here in Palo Alto or work here. Can you shed a little more detail on that? How exactly does that work?

Ms. Gonzalez: For a new construction project, we set up a lottery system to put our wait list together. In our agreement, we always give a preference to people who either live or work in Palo Alto. As we move through the wait list, if you don't live or work in Palo Alto, you literally get skipped unless there is no more wait list. That means almost all the units get filled by people who live or work in Palo Alto. Does that make sense?

Council Member Filseth: Yes. That's helpful. If I understand what you said, essentially what you're saying is there's a lottery. It's almost like there's two passes. The first pass is a lottery amongst people that live or work here. If there's any left, there's another lottery for—but there aren't any left, right?

Ms. Gonzalez: There's never any left.

Council Member Filseth: What happens when somebody moves out? What happens to that unit?

Ms. Gonzalez: Then we go to our wait list. If the next person in line does not live or work in Palo Alto, they get skipped again.

Council Member Filseth: In practice, are most or even all of the folks that live in like California Park, for example—I guess they all live in Palo Alto if they live in California Park. Do they all work here?

Ms. Gonzalez: I'm not sure where they all work. A lot of them work locally. I know a lot of people bike from Cal Park but ...

Council Member Filseth: They commute elsewhere. The PTOD versus zoning thing that Vice Mayor Scharff brings up seems like something we're going to need to sort out, as that's sort of how we do things. My preference on this is—we're a policy group here at the Council. We ought to be setting policy. I don't like these things where the project comes and we review individual projects that are a one-off and say, "Why don't you tweak this? Why don't you tweak that?" I think we ought to have a process for this kind of stuff. What you've said is that on the Cal Park, depending on sort of how the PTOD versus zoning thing works out, maybe it meets Code. If it meets Code, we should just go do it. The Council shouldn't stand in the way of that. What you guys have said is that in a lot of cases you can't afford to build them because the Codes are too restrictive. If we want to do these

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and they're important, then we ought to build a facility into our Codes that you can do them, so each of these doesn't have to come to Council and sort of get crafted. You guys would be able to say, "We know that's going to get done," whether that's by an overlay or some other mechanism. I think we ought to do that. This is a Study Session, but I think as part of this we ought to ask the Staff and the Planning and Transportation Commission (PTC), if we think this is important, please go come up with a set of guidelines for how we're going to do these things. This is what we do, make laws. Hopefully we'll come up with sort of a standard way of approaching this, so they don't require PCs or one-offs or something like that and nobody knows what they're going to get. That would be my preference for how to approach this. Thanks.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Interesting project. It's a great location, and the need is certainly high in Palo Alto. It's good to see Palo Alto Housing back in the active market. I think we've already gone over a lot of the PTOD issue, which I think is an important one. Tell me. Right across the street of California Avenue is a fairly dense project. I think it's called—what—Palo Alto Central. Do you know how many units per acre that has?

Ms. Lee: Actually we do not know. We've studied it, and it does look like it's a rather tall project. It would be terrific to find that research and trace down the history of that project.

Council Member Schmid: I think there are a good number of people there. It might be interesting for compatibility purposes to know that. You don't mention it explicitly, but I assume the Housing Corp. owns that land currently.

Ms. Gonzalez: Yes.

Council Member Schmid: You don't have to worry about any purchase of land. Would that fit under the \$170 limit that Mountain View is working under? \$170,000 per ...

Ms. Gonzalez: The unit costs change every year. We're hoping it's ...

Council Member Schmid: In general, would it seem to fit under that?

Ms. Gonzalez: Yes. Not having the land cost definitely helps.

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Council Member Schmid: The other practical question. Is there 45 units there of multi-person housing? How disruptive is it going to be when you start doubling the size?

Ms. Gonzalez: I think it'll definitely be inconvenient. Construction is not fun for the neighbors and, I'm sure, for our residents. We're going to talk to our residents through the process and be there for them. It might not be removing any buildings; hopefully they can stay in place. If there is any relocation, it'll be temporary. We would take care of all of that process.

Council Member Schmid: I would assume there would be some substantial dislocation for periods of time.

Ms. Gonzalez: We'll be extra sensitive. It is a family project with a lot of kids that go to school in Palo Alto. We'll definitely pay attention.

Council Member Schmid: Thank you.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: First, let me say I think I agree with just about everything I've heard from each of my colleagues. I agree that we should look to what our neighbors are doing in being very supportive of affordable housing. For instance, in Mountain View where you did come and say, "We want to do X," and they said, "We want more than that. We want higher density. We understand that parking requirements do make housing unaffordable to be developed, whether it's market rate or affordable housing. We're willing to work with you on the parking requirements." I think that we do need to very soberly look at what others are doing and their reasoning behind it. That also means we don't have to start from the beginning when we're having those discussions. We can review the minutes from those discussions in neighboring cities as a starting point for our conversations about what it actually takes to work with nonprofit, below market rate housing developers to get affordable housing built in our sub-region, in north Santa Clara County or in the mid-Peninsula region. I really want to echo what Council Member Kniss said about Evergreen Park. I do think it's very important that we are moving forward, putting together a plan to deal with the parking concerns in Evergreen Park. I think it's important that we're moving forward with that already, even before a proposal has come forward for potentially adding more units at this site. I think we've all agreed that we can do it. That's the right order. We have traffic and parking concerns. If we can get a plan moving forward to deal with our traffic and parking concerns before we add more housing, that's the ideal scenario. I think we're moving forward in the right process here. I am excited to hear that we are hopefully, as long as we can stay on track,

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bringing that to Planning and Transportation Commission (PTC) and then to Council in the next couple of months. I do know that Staff has a lot on their plate, so I appreciate the efforts to bring that forward with some level of urgency. I definitely agree with what Council Member Holman said about the importance of design. I know that Palo Alto Housing is very cognizant of that as well. On the question on what kind of process we use, I just want to make sure I heard you correctly. In neighboring cities when they approve affordable housing, it's either with an overlay, which we've had some discussion of on the Council, or through a specific plan or precise plan or what we would in Palo Alto call a coordinated area plan. Is that correct?

Ms. Gonzalez: Yes, exactly.

Council Member Wolbach: Different from a PC. I just want to remind everybody that that's another option that we've had some discussion about trying to make a more regular part of our process as other cities do. It's a regular thing; they know how to do it, but it's a much more community-centered process than a PC, which is more developer-centered. I do have a big question. We've had some important discussions in the Planning and Transportation Commission, on the Finance Committee and in the community about increasing our affordable housing impact fees quite substantially. I actually voted in favor of this when it came to the Finance Committee, substantially increasing our affordable housing impact fees, thinking we want affordable housing in Palo Alto, let's make developers pay for it. Make for-profit developers pay for affordable housing through higher impact fees, but give them an exemption if they just provide the units on site. It seemed like a very logical thing to do. Since it came to Finance Committee, I've heard some concerns including from yourselves who would be one of the main beneficiaries of higher affordable housing impact fees. I was hoping you could shed some light on what your concerns were and maybe what were some of the unintended consequences that we may have missed when it came to the Finance Committee, that we weren't aware of during that discussion.

Ms. Gonzalez: We were concerned that the Ordinance was going to eliminate the affordable housing fund altogether. We can't speak for a market rate developer, but we were concerned that with higher fees plus the more restrictive zoning, they would stop building here and stop contributing to the affordable housing fund. We love the onsite units when they can provide it, when it makes sense. It does address a different income level. Again with the Below Market Rate (BMR) onsite units that are inclusive, they tend to address 60-120 percent of the area median income. Sometimes when they're only providing a handful of units, we would prefer to see the fees. With those fees, we then could build a 100-percent affordable housing

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project, and that serves 30-60 percent of the area median income, so we get to serve a variety of income levels which is really critical. Both onsite units are important that are inclusive, but 100-percent affordable projects are really important as well.

Ms. Gitelman: If I can just interject, Council Member Wolbach. As you know from your work on the Finance Committee, this is a really complex Ordinance. It's taken a lot longer than we'd hoped at the Planning and Transportation Commission, but we hope with one more discussion they'll be forwarding a recommendation to the Council. I'm hoping that the Council can reserve their debate and discussion on this topic until that time.

Council Member Wolbach: I just think it's important to hear what we just heard. When it does come forward to Council, we have another window now and another perspective that I don't think we fully appreciated on the Finance Committee. It's also important for consideration when other proposals, say from a market-rate developer, come forward, and we've been concerned, including myself, very concerned when somebody comes forward and says, "We've got a project that's all market rate, and we're going to pay the in-lieu fee to pay for the affordable housing fund." I've been skeptical and I've been critical of that. What I've been hearing from nonprofit affordable housing developers like yourselves is that sometimes that's actually a good thing, because that's where we get the money for you to do your projects, which serve again a very different community. Going back to where you started, we do have two different markets. There's the 60-120 range and then there's the 30-60 and below AMI range. Both do need to be served. These conversations have really opened my eyes to what we might have been missing in the past, what I myself was not cognizant of in those past discussions. I appreciate having that conversation. I appreciate you clarifying that tonight. I think that's extremely important. Just as a point of reference, given the controversy and some of the accusations that have been laid at the feet of Palo Alto Housing over the last couple of years, I do think it's important to remember the history. Like Palo Alto Community Child Care, like Avenidas, you are a product of Palo Alto. We created Palo Alto Housing, correct?

Ms. Gonzalez: Some community leaders including City Council Members created Palo Alto Housing.

Council Member Wolbach: Thank you. You provide a very, very important service for the community in helping to maintain—helping us with an issue we struggle with a lot, which is how to maintain some modicum of affordability and some modicum of economic diversity in our community. That provides a number of benefits, not just to those who have the

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opportunity to live in your units but also for the rest of the community that benefits from living in a place that is not totally economically homogenous. I appreciate that and look forward to continuing to work with you as we try and move some projects forward that will take into the account the design that is appropriate for the neighborhood and take into account the traffic, the parking and the safety issues, which are of course very important for whatever neighborhood either a new project goes into or a redeveloped project such as California Park.

Mayor Burt: I have a few both questions and comments. You may or may not have answers on the fly for all of my questions. One of the things—I was glad to hear you really embracing a deeper outreach with neighborhoods where you're considering projects going forward. I actually have quite a bit of experience working with the Housing Corp. through two projects in the University South area, one that Council Member Holman had mentioned, the Oak Court project, which for an affordable family housing project is award-winning for good reason. It's a really fantastic project. I know a lot of people who can afford market rate and who said, "I wouldn't mind living there. That's a beautiful place, and it fits in wonderfully with the neighborhood." The history to that actually is that the University South neighborhood—when we were going about looking at what we wanted in the specific plan for the redevelopment of the Palo Alto Medical Foundation greater site, because they had land beyond their main block, one of the neighborhood objectives was an affordable housing project. Not one of the things that the neighborhood would accept, but one of the neighborhood objectives that they pushed for was an affordable housing project. We wanted it to be compatible with the neighborhood design. Both those things happened. Just prior to that we had a project that—when we're talking about what Mountain View and Redwood City are doing on some of these higher unit-density projects, we actually have a very good example, and that's Alma Place. That's 107 units. Do you know what the acreage is on that approximately?

Ms. Gonzalez: Sorry, we don't know offhand. I'm sure I can think about it. It's small.

Mayor Burt: I'm not sure that it's an acre. It's in that ballpark.

Ms. Gonzalez: It's less than an acre.

Mayor Burt: I think that would be very useful to bring forward including really a table on your projects on the number of units per acre, then the parking ratio and then the parking utilization rate, if you have that. If you have a low parking ratio—I know that you mentioned some of these like

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Alma Place is a 0.4 parking spaces per unit. These are small units. These are actually smaller units than what we have proposed for the VTA lot. These are real micro units. That project went through after a good outreach with the neighborhood. It's a large, dense building on the outskirts of the SOFA neighborhood. It was the densest building that we had at that time. We now have a series of buildings that are somewhat similar to 801 Alma and 800 High in terms of their density on those blocks. That was an anomaly, and that was accepted by the community with some hesitation as to whether it would be adequately parked. Today, we see that it is adequately parked. I've heard just time and again from members of the community, and we heard it most recently on the VTA lot project. I've even heard it through some members of the press who said there are no examples of under-parked projects—I think that's really an inappropriate term—low-parking requirement projects that we can reference. Here you have a whole series of them. You have the Oak Court, the Alma Place and others. I think we need to look at both within our community and elsewhere. I think that's one of the most important things we can do, demonstrate to the community that this is not a theory. This is something that has been done successively and successfully. Those, as you mention, like your Tree House project did not have an active Transportation Demand Management program other than that you supply the Eco Passes. One of the questions that, I think, we as a Council and a Staff need to look at is how might we—if you have ideas as well—be able to integrate affordable projects with extensive TDM programs. An affordable agency such as your own doesn't have deep resources to be able to buy, for instance, necessarily Caltrain passes. VTA Eco Passes are very inexpensive and more affordable and will work well for a lot of these areas, but this one's also going to be at the Caltrain line. This goes into one of the discussion items that we'll have later tonight, which is around funding of local transportation programs. Something for us to consider at that time is who should necessarily be the beneficiaries of those local transportation programs. Should they only be the employees from the companies who are paying into what might be a tax or might they also extend to those who simply take trips off the road that all the cars are equal in their impacts roughly? That's a consideration for us to have. One of the questions too as brought up about this neighborhood and in particular around Cal. Ave. is the RPP program and whether a project like this might be able to not—if we have a program that sells permits to Downtown workers, if residents in those Downtown areas are not eligible to purchase permits in the RPP area, then that would further assure the residents that that's not going to be a spillover. It's just something to think about. The comparison of Palo Alto Central is in some ways a good one, because that's a very large, prominent housing development. Council Member Schmid had asked about units per acre, which I think is a real false metric. If we're talking about small units on one project and large units on

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another, then units per acre is not the metric we should be looking at. It is square footage or residents or some metric along those lines. You can't compare those apples to oranges in my mind. I want to talk a little bit about the role of the PC. Historically, do you know what portion of your projects in Palo Alto have been PCs? Either you or Hillary, do you know the proportion of all of our affordable projects that have been done under PCs?

Ms. Gitelman: While they're thinking about their project, we did an analysis at one point. A significant amount of our affordable housing was developed with PC zoning. I don't remember offhand ...

Mayor Burt: By significant, that could be 10 percent or it could be 80 percent or it could be 50 percent.

Ms. Gitelman: Quite a bit closer to 80 to 90 percent. I'm pulling those numbers out of the air. I don't remember exactly, but it was big.

Mayor Burt: That's a lot more clear.

Ms. Gonzalez: Over 30 percent of our projects have used the PC. The ones that haven't were just more scattered sites, smaller sites here and there that we've been able to purchase. All of our large projects ...

Mayor Burt: All of your larger projects have been PCs.

Ms. Gonzalez: Yes.

Mayor Burt: I think this is one of the things that, when we were looking at the real problems with PCs for commercial development, we really didn't give adequate consideration—we touched on it, but I recall the meeting. I just didn't think it had adequate consideration being given toward the role of PCs in affordable housing projects. If we can come up with an adequate set of alternative zoning approaches to a PC and do so in a relatively timely manner, I'm open to that. I think that the notion that we shouldn't any longer consider PCs for affordable housing projects when we have so many examples of how successfully that's been done in the community over decades is really misguided. I think the Council needs to reconsider that. That doesn't mean that we won't work toward having overlays, for instance. Also, what is the nature of a PC? To a good degree, it is a site specific, specific plan. Now, it has shortcomings compared to a specific plan, because a specific plan looks at projects and the context to a greater degree than the PC does. In a specific plan, we're looking at whole areas and a whole bunch of related issues. The specific plan is clearly in my mind a superior approach to planning, but PCs done correctly have many of those elements. One of the problems is that we allowed as a community PCs to be used for purposes

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that were getting away from a lot of their best uses that we had had historically including affordable projects. In reacting against that, we put a ban on them for all affordable projects which is the way we've done most of our affordable projects. I hear from all sectors of the community support for affordable housing. Quite often it is followed by "but." The "but" can be pretty darn extensive. First, if the "but" means "but I really can't accept any significant tradeoffs," then that really makes whether this is affordable projects or other projects. It's rare that we don't have tradeoffs, and that's part of a set of competing community values, how do we balance tradeoffs. Not whether we exclude consideration of something because there would be tradeoffs. I think we all have to face up to that kind of process. When we, for instance, did the SOFA process, which everybody in hindsight says that was really the best planning process we did in this community over a couple of decades, it was about tradeoffs start to finish. Those were the discussions we had throughout. Now, through a lot of work, we reduced the negative tradeoffs. We found certain solutions that weren't tradeoffs that were black and white, kind of having to really hold your nose against something. Clearly, not everybody liked the outcome in all ways. It was about what were acceptable, reasonable tradeoffs and reconciliations, really, about those values. If we can't as elected officials feel comfortable with being able to exercise, balance judgment around tradeoffs, I don't think we ought to sign up for the job. That's as direct as I can be in terms of us facing up to looking at value structures that we have around affordable housing and avoiding a simplistic response of "I'm for it as long as it falls from the sky like manna." It doesn't. These are very difficult to build in environments such as ours with incredibly high land prices and incredibly high cost of construction. There is not going to be an easy, no impact, affordable housing project. We can't say, "I'm for affordable, and I don't want it to cost a lot, and I don't want it to have any impacts or be outside of our regular zoning." You might as well just be honest and say, "I'm opposed to affordable housing," because that would be the practical reality if that's the standard. I want to challenge all of us to look at accepting the tradeoffs and then set up a process where we actually get good projects. A lot of those critiques are also important. As Council Member Holman talked about, we don't necessarily have to have great tradeoffs on design. We may have some, but we can have good design on affordable projects that will be much more embraced by the community just because of good design. I do want to toss out one other thing. On this California Avenue project, for instance, you'll be losing some of that ground-level open space. One thing that we've talked about a lot is having more rooftop gardens. If we have great densification, to have community open space there. I strongly encourage you to look at that. I also am intrigued by some of the veteran components that you've been looking at. I'd be interested in that. It doesn't mean it's an all vets project, but can we have some proportion of it be eligible for local

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veterans. I think that would be a great idea. We'll see whether we have additional wrap-up comments from Council Members after hearing from members of the public. We'd not quite done yet.

Council Member Berman: Can I answer one of your questions?

Mayor Burt: Sure, Council Member Berman.

Council Member Berman: I was just doing some quick searching online. It wasn't easy, but a Staff Report from The Opportunity Center from 2003 says that Alma Place has a density of 264 units per acre, and the Floor Area Ratio (FAR) at Alma Place is about 2.51 per acre. Assuming the Staff Report is right, that's quite dense. It's, I guess, 250 feet per unit approximately.

Mayor Burt: At that 2.51 FAR, that's the—for reference, 800 High is a 2.3 FAR. The baseline in that area is a 2.0. It's not radically different from what we put into the SOFA plan. First speaker is Linnea Wickstrom, to be followed by Rebecca Byrne. We have eight speakers, so we'd like to keep you to two minutes a piece. Thank you.

Linnea Wickstrom: Good evening. Thank you for planning this Study Session. My name is Linnea Wickstrom; I live on Monroe Drive, which is half in Palo Alto, half in Mountain View. I have a developmentally disabled son of 24 years old. I'm just here, as you might guess, then to advocate for everything you can do—I hope I'm preaching to the choir now—to do what you need to do on zoning, parking, da, da, da, da, to make projects like the California Park a reality. My son is lucky enough to have won the lottery to live at 1585 Studios in Mountain View on El Camino. I'm no expert, but my calculation of the parking ratio is 0.3, because one of the points about the developmentally disabled is they generally do not drive. Two of the 26 residents there drive. They have Eco Passes. This was a Housing Choices and First Community Housing lot. It's transit-oriented; they ride the buses. It's right on El Camino, so they can get to anywhere. It's just east of El Monte Avenue, and it's a great development. Those of us parents who are aging really need the opportunity to get our sons and daughters into a place where they can learn independent living before we expire. Affordability and a transit-oriented place preferably in the community in which they grew up, where they can make a contribution is really key to all of us. Thank you for considering the California Park Apartments and Palo Alto Housing Choices' work in particular.

Mayor Burt: Thank you. Our next speaker is Rebecca Byrne, to be followed by Maria Marriott. If anyone else wishes to speak, they need to bring their cards forward at this time.

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Rebecca Byrne: Good evening, Council Members. Thank you so much for this opportunity to speak. My name is Rebecca Byrne; I am the housing development advocate from Housing Choices, which was briefly mentioned by our presenters tonight. I want to tell you a little bit about this unmet housing need in Palo Alto. According to the California Department of Developmental Services, there are 469 citizens in Palo Alto who have developmental disabilities. Of these citizens, 222 of them are adults who could be living independently. Unfortunately because of how high rental rates are, only 48 of them currently live in their own apartments. I would also like to echo something that Linnea said. There has been a lot of discussion about parking and traffic. Most adults with developmental disabilities do not drive or own cars. If there were units added to the Cal Park site and there were set-aside units for people with developmental disabilities, that would not contribute to any congestion or parking or traffic. Thank you so much.

Mayor Burt: Thank you. Maria Marriott to be followed by Adrian Fine.

Maria Marriott: Hi. Thank you for bringing this issue. I really appreciate all the work that you're doing to bringing affordable housing to people with developmental disabilities. I am a resident of Palo Alto. My husband and myself, we have had a house here since 1984, so we are longtime residents. We have three children. Our oldest son, Noah, is 18, and he's a senior at Paly. He is going to be moving towards independence in the coming years. This is his community; this is his home, and it is our home as well. I work as a teacher in the community. My husband works in Palo Alto. Having our son be able to be contributing to the same community that he's grown up with and see the same people, the librarians that have gotten to know him and know what books he wants when he comes into the library, and the people at the Apple store who see him coming in and know his name, all of those kinds of things that make him who he is, that's what we want for him as he continues his life. When I imagine uprooting him and having to place him in housing somewhere far away from where we live, even if we moved with him, it would take so much time and another 20 years of his life for him to relearn and re-grow into a community that he already has here with all of you. That's our hope, that we can find affordable housing and keep him in his home and us in our home. Thank you.

Mayor Burt: Thank you. Adrian Fine to be followed by Jane Uyvava.

Adrian Fine: Thank you, Council Members, and thank you, Palo Alto Housing, for this presentation. It was excellent. As we all know, Palo Alto Housing forms the backbone of many of our affordable needs here in Palo Alto, and I really am thankful to you for supporting them and giving them

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your comments. It's also exciting to see Palo Alto Housing may have a project coming here in Palo Alto again. It's interesting that they've been building in Redwood City and Mountain View recently, but it is the Palo Alto Housing Corporation, not the Corp. anymore. Palo Altans of all stripes need affordable housing here in our community, whether it's supportive housing for low income folks or for veterans as some of you asked. I think it's really important to support this need. One potential project is the Cal Park site. I have some family friends who actually grew up there, and now they own a home in Palo Alto. It provided them a foothold in this community to send their kids to our schools and thrive here. That site is really nice in terms of its walkability. It's transit friendly; it's near cultural and open space resources, and it has access to jobs and services. As Council Member Kniss mentioned, particularly if there is a Residential Parking Permit program in that area and if there are the right parking controls, the right controls on relocation and construction impacts, this may be a really good project for Palo Alto to move forward and provide affordable housing for our community. Thank you so much.

Mayor Burt: Our next speaker is Jane Uyvava. I'm sorry.

Jane Uyvava: Good evening. No, it's all good. It's Uyvava, but it's a very hard last name to spell. Thank you for letting me speak tonight. My name is Jane Uyvava, and my fiancé, Adrian Fine, and I live on California Avenue in Amherst. I've been a renter in Palo Alto for over five years. For us, our family budget mainly goes towards housing despite the fact that we have really well-paying jobs and stable jobs. It's a source of concern. I'm really, deeply worried about folks that are less fortunate than ourselves, that maybe don't have that stability for whatever reason. I'm here to strongly support Palo Alto Housing Corporation. They provide much needed housing for our community for all sorts of folks. We're not the kind of folks that would qualify for affordable housing obviously. Nevertheless, I think that we're excluding more and more people from being part of this community. It's really, really deeply troubling. California Avenue is a perfect place to build housing. It's already dense. It's near parks, biking routes, transit. We don't own a car, and I think a lot of families are choosing that route for economic reasons, quality of life reasons. It's environmentally friendly. I'm here to also speak for all the future families who would live in these units. Let's find a way and adopt a can-do attitude. This community really needs more housing. Thank you.

Mayor Burt: Thank you. Jan Stokley to be followed by Winter Dellenbach.

Jan Stokley: Good evening. My name is Jan Stokley, and I'm the Executive Director of Housing Choices. Housing Choices is a nonprofit organization

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that's working really hard to create housing opportunities for people with developmental disabilities. We serve people throughout Santa Clara County. We currently have about 100 referrals from the City of Palo Alto. These are residents of Palo Alto who are actively looking for affordable housing in Palo Alto. In addition to the global need, there is a current, immediate need. Part of what we do is help people apply for affordable housing. Of course, we always check to see what open wait lists Palo Alto Housing Corporation has. Often the wait lists are closed, but the wait lists that do exist are, as you heard tonight, 5-7 years long. There's a tremendous unmet need for housing for people with developmental disabilities. The services to support people to live in the community are in place. There's a Federal and State policy directive that people are to live integrated in the community, but we really need creative and committed partners like Palo Alto Housing Corporation and like the City of Palo Alto to actually create the affordable housing so that people can live in the community in which they grew up. I have included in an email that you received letters of support not just from our organization but also from Abilities United. Abilities United is a Palo Alto-based organization that provides independent living services to people who live here in Palo Alto. They're well aware of the need. I've also provided a letter of support from Autism Speaks. You may not be aware, but autism is the single fastest growing type of disability. There is a huge wave of people entering their 20s and 30s with autism. That number is going to continue to grow, and so we need to work on addressing their housing needs. Finally, we have letters of support from the State Council on Developmental Disabilities, the San Andreas Regional Center which funds the services so that people can be included and live independently in the community in which they grew up. We hope there will actually be housing here for them to do that. Thank you again for working on this and addressing this need.

Mayor Burt: Thank you. Our next speaker is Winter Dellenbach, to be followed by Anita Lusebrink.

Winter Dellenbach: I mainly wanted to be here to welcome back Palo Alto Housing Corp. We have missed you. We're glad you're in the house. We really need more Below Market Rate (BMR) housing projects in this community. I think I've supported every BMR housing project since 1970, when I moved to Palo Alto. I sometimes have opposed market rate housing projects, I think, for the best of reasons. Never have I opposed a BMR housing project. I think we need a variety of projects, seniors but not only seniors, families, disabled folks, vets—why not—for a lot of different demographics. Speaking of demographics, I think this parking thing is somewhat subject to demographics though. The VTA lot may not directly translate to some of what we're talking about tonight. If it's seniors, there

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are some reasons that they drive less. Disabled, there are reasons that some of those folks drive less. Things like that. I think the adjustments have to be thought about for that. Palo Alto Housing Corp., I've thought of you for years. You're a laboratory, and we never think of you like that. You're our laboratory in town because you have all this specialized housing. I would be very interested in formulas you use for thinking about your parking. If you monitor parking, do you do any enforcement of your parking? Folks do slop over on the streets or when they park inappropriately. This City, we just talk in circles about this parking. We're sick of it; I'm sick of it. We need to know if you can actually contribute in hard data or you have lessons that we can learn that are specific. We would like to know what you know. I really hope that the Cal. Avenue project works out for everybody. Thank you.

Mayor Burt: Anita Lusebrink to be followed by Diane Morin.

Anita Lusebrink: It's Anita Lusebrink. Hi. I've come here once before with my niece who now luckily, after being on a waiting list for 4 years with Housing Choices, has found an apartment with her boyfriend in San Jose. That's where she is now. She doesn't drive either, so she can't come up today, because it's about an hour commute on the bus. I really want to commend the City of Palo Alto just from hearing the discussion tonight. Working so closely with Palo Alto Housing Corporation, who is incredible, committed, capable, so knowledgeable. You're just like right there with all the facts and figures. This is a great team. I think the community really can benefit from that. I think the diversity of our community is something I brought up last time. I sort of wanted to draw a corollary to it. If anybody has volunteered, when you think of—you're supposed to be helping somebody that doesn't have something that you can give. What do you come out with? You come out with incredible gifts as well, even though they're intangible. I feel that people with disabilities, especially developmental disabilities, don't maybe have power or money or whatever, but they have incredible gifts to give. I'd like to reiterate that. I also want to encourage people in the City and in any facility to work regionally. I know the County has a proposal out and all the cities basically around the Bay Area. Because we are such a magnet for worldwide, world-class thoughts and people, to keep the fabric of our community diverse and rich in many different ways that reflect the number of people in our community that are diverse, not just the world-class people. Thank you so much.

Mayor Burt: Diane Morin to be followed by our final speaker, Shani Kleinhaus. Welcome.

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Diane Morin: Good evening, Council Members. Thanks for the opportunity to address you this evening regarding the proposed project, Cal Park. I know Cal Park, because I live in the neighborhood and also because I worked near it for about 15 years, literally next door. I'm here as a steering committee member of Palo Alto Forward. I'm here this evening to represent our group and to emphasize our support to study the options for this development. I urge the Council to move on getting approval for the RPPPs, as you spoke about before. I'm actually from one of the neighborhoods that I think has put in an application. That would be a way to deal with the spillover parking, and you discussed that before and also the TDM, I believe. Cal Park would be an exemplary location and can serve as a model for affordable housing in our community. We're desperately in need of more affordable and varied housing, and this one is located in a great location for it, next to transit and services, as you spoke about before. To that end, we sent out to our community, Palo Alto Forward, a request to have their voices heard and heard we did. We got over 150 letters which were sent in just a couple of days from residents who are really looking for some positive movement regarding the housing crisis. We hope you heed their requests and study this development creatively as something that will foster more diversity in Palo Alto and move us forward. Thank you.

Mayor Burt: Thank you. Our final speaker, Shani Kleinhaus.

Shani Kleinhaus: Thank you, Mayor Burt, Council. Shani Kleinhaus. I'm a resident on the Citizens Advisory Committee (CAC), but I do not represent the CAC here. Of all the many groups that come to speak to us at the CAC about issues in Palo Alto, the groundwater is one group, and the parents of children that are developmentally disabled is the other. I appreciate Jan Stokley's presentation and other parents. I think they covered just how important it is to provide for the developmentally disabled community in Palo Alto. Thank you.

Mayor Burt: Thank you. I don't know whether any Council Members had any last, additional thoughts. Council Member Holman.

Council Member Holman: Just a couple of quick questions—one comment and one question. I thought Winter Dellenbach's questions about parking and your ability to provide that analysis and what your program is around parking and follow-up, that would be great to have as a part of any project going forward. The other thing is some places—I'm trying to remember where it is—provide units for no income individuals. Is it possible or feasible that some small amount of Housing Corp.—I shouldn't call it Housing Corp.—Palo Alto Housing projects could be no income?

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Ms. Gonzalez: When we actually set the income limits like 30-60 percent, the 30 is actually the maximum in that range. It could be lower. With the Department of Housing and Urban Development (HUD) project-based units, it could be zero income with a minimum rent of \$25 per month. Depending on the funding sources, there is that opportunity.

Council Member Holman: Are there units that you have that are let to people who are basically no income?

Ms. Gonzalez: We do have a few of those units, yes.

Council Member Holman: Thank you.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: After hearing from the community, I just wanted to say that I think there's an all too common trope that advocating for relaxing density and parking requirements to help make it easier to add more housing in Palo Alto. I hear people say that that kind of advocacy is a sign of selfishness or an example of a sense of entitlement or proof that somebody is a developer shill or something that outside interests advocate for, but Palo Alto residents don't actually want. After hearing from these Palo Alto residents tonight, I hope that we can reject that whole line of argumentation. I hope we can listen to our neighbors and realize that the region does have a housing crisis. Palo Alto is an epicenter of the housing crisis. More housing choices are needed for Palo Alto, for the people who are in our community now. Our density and our parking requirements are a significant but certainly not the only contributing factor to that.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I'm reflecting on some of my colleagues' comments. One question for you, Candace. If after tonight you feel encouraged—I know you said you came with some trepidation—what would your next steps be?

Ms. Gonzalez: We would start doing some schematics and figuring out what could actually go on the site, and then we would continue with community meetings. We've had an initial community meeting with our residents only. We've talked to a couple of neighbors, but we would start engaging with the community. I think that's going to be the critical part. With us already owning the land and not having a mortgage, we can take time.

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Council Member Kniss: I had hoped that would be what you would say. Indeed, you intend to engage the whole community that's in the Cal. Ave. area.

Ms. Gonzalez: Yes.

Council Member Kniss: I also think that Council Member Holman's comments about design were particularly good. I think that's absolutely true. Oak Court is—I probably shouldn't say it out loud. I think probably the best thing is no one has any idea that's low income. I know people ride by that on Bryant probably ten times a week and never realize that it's particularly for low income. Also, I wanted to reflect a little on the Mayor's comments on PCs. I would have certainly had a black eye, but I think Pat's comments regarding PCs for commercial versus PCs for affordable housing are very significant and something we need to revisit again in the future. That will take some bravery, because we've kind of said PCs no, not possible. I would encourage us to look at that again. As I said, I think those comments were particularly good. The design, meeting with the neighborhood and going back and visiting—maybe we'll call it a different kind of PC. Maybe it becomes an affordable housing PC, which is quite different from commercial PCs. I think I would congratulate you on coming tonight. What I've heard tonight is pretty positive.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thanks. Just a couple of things. First is I think data would be really helpful. At least I don't see a lot of data that I get from you guys about, first of all, parking. Obviously it's incredibly expensive to build structured parking. If you do non-structured parking, that limits your land. The questions I think would be really helpful to tell us—I know you've heard this a little bit—what percentage across your portfolio. If there are different—obviously senior housing is different. Provide us that data. If we approve a project that would be under-parked under our traditional standards, we can then say, "Look, you've been in business X number of years. We have this data. This is what we're actually seeing over a long period of time," and parse out the data that senior housing is different or multifamily may be different from ownership housing. I know you manage some of the ownership housing. Maybe it's not; maybe it's the exact same. I think getting really good data from you guys as to what you found with parking and traffic. If people obviously don't own cars and they're not parking them, I would assume there's less traffic there. If you have traffic information, that's obviously helpful as well. I think getting good data. I was interested to hear that you basically said that 100 percent of the people that are coming into your units are either working in Palo Alto or currently

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living in Palo Alto. I think that's really useful data. I'd like to know the current percentage of people who live in the units who work in Palo Alto. I think that would be really interesting and useful data. I'd also like to get, obviously without violating confidentiality, broadly over a 2,000-unit portfolio what services do these people provide in the community. Are these local people working in the grocery stores or in retail? What are these people doing in the community so we can tell other people in the community. These are part of the people who are the fabric of our community, and we need to make sure we house them. That's stuff that—actual data is very helpful in the conversation about affordable housing and making it real for people. People talked about people with special needs. Obviously I think anyone who has a heart thinks that people with special needs should have housing, if you're housing people like that, who have those disabilities. Knowing that and being able to tell the community, yes, we are providing housing for that. I think all of that, where we show we're doing good for the community and how this works into the fabric of people's lives is very helpful. I would make a plea for data. I also know that we didn't do 801 Alma as a PC. I know that we did that differently. I was curious how we did that. I don't recall. You don't recall. It's a non-PC and it looks fairly dense. Frankly, I don't like the architecture, but it's an interesting question since we said a lot of the projects were done as PCs. I thought there was a bit of a disconnect at least, so I would like to get the proper data on some of this. I heard Candace say all her big projects were PCs. Her non-big projects tended not to be, but that's only about 30 percent of the portfolio. I thought basically you guys did almost all the projects in Palo Alto with the exception of—obviously there's the BMR units in developer ones, and then there's the Eden Housing one, 801 Alma. Maybe there are other ones; I'm sure there are. What percentage have you guys done and that kind of stuff. I think all of that data and how they were zoned would be helpful. Sort of a recommendation about is it a PC process you're looking for, do you think that works best or is it one of these overlays that people have talked about. We obviously have an overlay, but is there a more efficient one that would be tweaked in certain ways? I think recommendations and options and choices about how we approach this and the pros and cons of each would be really helpful. Thanks.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Again, I wanted to weigh in, in support of the Mayor's comments on the need for a scalable and standard process that gives us good projects for this kind of thing. The Cal Park thing looks fairly noncontroversial to me right now. The best thing that we could do sort of in the immediate timeframe is to take action to kick off establishing, if this is a priority, a scalable and standard process that gives us good projects, and

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the tradeoffs that the Mayor talked about addresses those proactively upfront. If we did that—there's a lot of concern about sort of neighborhood pushback and stuff like that. If we did that and we addressed that and we had a process for this, then the neighbors would have a better idea what to expect, and everybody would be less likely to get surprises and pushback at late stages of the project. I think that would be a positive step.

Mayor Burt: Thanks for the comments from both the public and colleagues. Just a few wrap-up thoughts. One is that we need to figure out how to integrate some of the data that Vice Mayor Scharff was just asking about, which I concur with, and how that would be integrated into the Comp Plan discussion and to the CAC. I don't think they have that information. Frankly, I've been asking for this kind of information for quite some time. It appears that the Housing Corp. has some very good examples of projects with low parking that are fully parked. I use that description because I think it's—we've had a real poor terminology that any project with less than X amount of standard parking is under-parked. It's only under-parked if you have more need for parking than you have parking spaces. That's what constitutes under-parking. We need to come up with new nomenclature. What we've used of under-parked does a disservice to projects that, in some cases, are half the normal parking rate and over-parked. We need to dwell on that terminology.

Mayor Burt: Council Member Berman was just trying to check what 801 Alma may have been on floor area ratio. He thought it was around 2.4, which may be because it started with a base of 2.0 in the SOFA FAR and had a housing density bonus for affordable. I'm not sure. I should remember, and I'm not. Finally, how we get from here to there on one or more alternative approaches to being able to have zoning that accommodates these kinds of projects. One can be the PC coming back in a pure residential form or a pure or predominantly low income housing form. The other could be some other zoning overlay or both. My question is does an action something along those lines have to wait until we complete the Comp Plan? That's more a question for Hillary.

Ms. Gitelman: Thank you for the question. I think we would look to Council in the new year in setting up priorities to identify this as something that they want to focus on in the new year. It could be begun in parallel with completion of the Comp Plan. These are ideas that are being articulated. You'll see the Land Use Element at the end of November. These kind of ideas are inherent in the draft that's coming forward with the CAC. I don't think this specific idea is there, but it's not inconsistent with what they've been talking about. I just wanted to respond also on the parking data request. The Council did include in the adopted Housing Element a program

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about establishing a local parking demand database to determine the standards for different housing types, including affordable housing, senior housing, market rate housing of different types, and using that database including proximity to services for the various types as a way to revise our parking standards if appropriate. We put that in the Housing Element with a timeframe of four years from Housing Element adoption. It is something that we should be getting to in the next year or so, and we'll look forward to collaborating with Palo Alto Housing and other housing providers on that effort.

Mayor Burt: I hear you on waiting until we do priority setting in January or February and then outcome of that to scheduling a Council meeting where we would or wouldn't be trying to move forward. By the time any of that would happen, we're talking at least a year out before we'd have some action and we're back to the Comp Plan. We've been talking tonight about an affordable project, but we do have this more attainable housing. We had the project just weeks ago at the VTA lot, where we had a Study Session on it. We have discussions whether we might be able to have a portion of that be somehow designated for critical employees at slightly below market rate but not BMR rates. I personally don't want to wait and don't think that we should wait a year or more to address these issues. What I'd like to do is kind of get a straw poll from the Council to give Staff some sense of do we want to wait until after next year's priority setting to look at bringing actionable items back to the Council on these two sorts of housing projects, small unit, market rate and affordable projects, or do we want it to come back to the Council sooner. That could begin to get agendized for the first of the year to actually come to the Council or whatever, but agendize an Action Item that would allow the Council to actually give direction on what we want to do in these regards. Council Member Holman.

Council Member Holman: As I heard the comment or the question that was posed, maybe you can clarify it for me. I heard two different things. I heard looking at small units and then also looking at, I think you said, below market rate units. I don't see them as the same kind of package. I would look at the affordable units—we should call them the BMR units—and some other level of affordability. I wouldn't state it as just small unit considerations.

Mayor Burt: As Council Members just want to quickly wade in on that, they can simply say, "I don't want either of these to come forward sooner than the Comp Plan" or "I want one type" or "I want both types." To be more expeditious, we can just be that clear.

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Council Member Holman: While I have the mike then, I would say I'm certainly interested in looking at affordable units coming forward, some application for affordable for units coming forward sooner.

Mayor Burt: Council Member Filseth.

Council Member Filseth: I hope I understood the question right. It seems to me that even if we're going to use PCs, we're still going to need some guidelines on what we're going to accept or not accept. As to whether that has to be tied to the Comp Plan, it seems to me they could be asynchronous. I think the more interesting thing is what's the guidance of what we're going to do as opposed to whether it's a PC or not a PC. I don't see how it needs to be tied to the Comp Plan.

Mayor Burt: We have a couple of different ways that we might approach it, but the question is do we want to have a Council meeting where we can take action, which can be at a policy level. It doesn't mean we adopt the Zoning Code there. It says out of that meeting, we want a modified PC or we don't want to use the modified PC, we want a zoning. We give clear direction. Staff comes back, goes through the process, and comes up with modifications to the Zoning Code to reflect whatever that direction would be. Council Member Berman.

Council Member Berman: I definitely think we should work to bring back both types of housing as quickly as Staff is able to.

Mayor Burt: Council Member Kniss.

Council Member Kniss: At least come back with the affordable housing. I don't know about the other as yet, but I'd like to see us get a start on just what you talked about tonight, Candace, which is where could you put that. Leave what's been called the micro units for now until we can get through the affordable. It's sort of like one step at a time.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I was going to say something similar. The Mayor mentioned a couple of other things. I just want to make sure that's not what we're talking about. You talked about priority setting; that's different than doing the Comp Plan.

Mayor Burt: No. That was in response to Director Gitelman saying they would think it would—without us giving other direction, they would await next year's priority setting to then figure out whether this fits in it.

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Vice Mayor Scharff: The question then is whether or not to bring it back before we finish the Comp Plan. That's what you're talking about?

Mayor Burt: Yeah, basically whether to bring it back early next year.

Vice Mayor Scharff: I would associate my comments with Council Member Kniss. I think we should definitely have a path forward that we can discuss for affordable housing that makes sense. Whether or not that's a PC or an overlay or all of that, that's what I want to see teed up.

Ms. Gitelman: Maybe I can ask a clarifying question. I think we're all in agreement that this would be a useful pursuit, considering options, the process that one would use, whether it's a modified PC or an overlay or something else. I heard the Council request some data and recommendations not just from Staff but from affordable housing providers and others presumably who would make use of this. That's not an inconsequential effort in terms of coming up with that analysis and data. To me, just in terms of reality given the dates we have for Council meetings between now and the end of January when the Council is going to set priorities.

Vice Mayor Scharff: I thought early next year we were talking. We're not talking before the end of this year. We're talking early next year.

Mayor Burt: I don't agree on that data being such a task. I believe the Housing Corp. already has the bulk of the data that would be valuable to us, and we'd be supplementing that. I've been asking for this data for a long while. I was surprised to find out that the Housing Corp. had a lot of it, and our Staff really wasn't engaging with the Housing Corp. to find out the data that they had. I'm going to be direct on that. I think that we don't want to put up as a big barrier something that really isn't such a big barrier.

Ms. Gitelman: Again, if I can ask a clarifying question. I wonder if we're talking about parking again or are we talking about this question of modified PC versus overlay zone.

Vice Mayor Scharff: My understanding was we were looking at the modified PC versus an overlay versus other thoughts you have. I'm just going to say it. When you said the first few months of the year, I'm thinking the first quarter. I'm thinking between January and April, you come back to us with a framework. I think all that data that we asked for would be very helpful as well. I would just hope that you could work with the Housing Corporation and come up with the data by the time we get to the end of—when you have it, if you had it scheduled in February or March or April. That's what I'm thinking, that first quarter.

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Mayor Burt: I see Council Members Filseth and Holman want to wade in again. First, Council Member Wolbach.

Council Member Wolbach: Obviously it's a Study Session, so we're not offering formal direction. I think the point of this straw poll is just to give Staff a heads up that in the first part of the new year we are going to want to have this conversation. We really just want to give you a head start on collecting the data and thinking about these issues and thinking about how we could frame this as an Action Item or we can talk about whether it's a PC, which I'm personally less enthusiastic about myself, or overlay zones, which I'm more excited about, or precise plans or coordinated area plans, which as you know I'm very enthusiastic about as well. Having an opportunity to have that discussion in the early part of next year is something that, I think, most if not all of us on Council are interested in. I'm personally interested in having it for both market rate and for affordable housing. Judging from what I'm hearing out in the community and whatever the potential makeup of the Council in the new year is, from what I've heard from all of those potential new Council Members, I don't see that that's going to change. I do anticipate that being part of our priorities. Again, just as a straw poll and as a heads up for Staff, I think it's likely. We should start getting ready for it.

Mayor Burt: Council Member Filseth.

Council Member Filseth: (inaudible) Mayor Burt: Council Member Holman.

Council Member Holman: A really quick question. The question about the data regarding parking and that ilk of thing, how readily accessible is that to you all?

Ms. Gonzalez: We can definitely get the data to City Staff. We have it.

Council Member Holman: It's readily available then?

Ms. Gonzalez: Yes.

Council Member Holman? Thank you.

Mayor Burt: I'll say that I think really both of these housing zoning issues should come to the Council early next year, the affordable one and the small unit. I do think, once again on nomenclature, we want to be proper in our use. What was proposed for the VTA lot is small units, not micro units. What we have at Alma Place is micro units. They're a couple hundred square feet. The ones at the VTA lot were 500-600. There's a difference. People have been throwing around, including the press—have been misusing

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the terms. Maybe we can even get some examples of what micro unit design actually looks like. One of the things that—whether it's through maybe a CAC meeting or other community meeting, to begin to have just open dialog around some of these issues, a community Town Hall around what are some of the design issues, what are some of the actual impacts of kinds of projects. Look at a history of what we've had and begin to have a real dialog and education process. Maybe the League of Women Voters or other community organizations could co-sponsor something like that. Council Member Schmid, I guess you hadn't spoken.

Council Member Schmid: Just a quick comment. I think obviously affordable housing is a critical issue. I would not be in favor of taking Staff time from the discussion of the Comp Plan, land use, housing, transportation, economics. It is absolutely essential to setting community priorities. I guess I would not see this as a distraction of Staff from that main priority we're involved in.

Ed Shikada, Assistant City Manager: If I might, Mayor and members of the Council. On the City Manager's behalf, I suspect he would want me to ensure to say that the issue of work plan and the reconciliation of this new assignment with the existing work plan certainly is something Staff will need to take a look at, and bring back in accordance with Council's direction.

Mayor Burt: Thank you. Thank you all.

Ms. Gonzalez: Thank you so much. We've been here for 46 years; we're here to stay. We look forward to collaborating with the community.

Mayor Burt: We're at 7:30 P.M. now.

Agenda Changes, Additions and Deletions

Mayor Burt: Our next item is Agenda Changes Additions and Deletions. I think the one thing that we have is Item Number 14. That item is intended to be continued to a date uncertain. Is that correct?

Ed Shikada, Assistant City Manager: That's correct.

Mayor Burt: Does that need a Motion? Yes.

Mr. Shikada: I believe so, yes.

Mayor Burt: Why don't we go ahead and take ...

MOTION: Vice Mayor Scharff moved, seconded by Council Member Holman to continue Agenda Item Number 14 - PUBLIC HEARING: Adoption of an

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Ordinance Approving Revisions to the Architectural Review Findings ... to a date uncertain.

Mayor Burt: Motion by Vice Mayor Scharff. Did you say you seconded it?

Council Member Kniss: I did.

Mayor Burt: Second by Council Member Kniss. Did you want to speak?

Vice Mayor Scharff: No.

Mayor Burt: Speak?

Council Member Kniss: She has a question (inaudible).

Mayor Burt: I understand that, and I need to ask the maker and the seconder if they want to speak. Council Member Holman.

Council Member Holman: I understand this Motion is a date uncertain, but I'm understanding this will be this year on our agenda.

Mayor Burt: Do we have a ballpark date uncertain?

Mr. Shikada: We've only got a few dates left, so we'll unfortunately need to get back to you to confirm. I will take that back as a specific question.

Council Member Holman: That's been my understanding. Thank you. I look forward to that.

Mayor Burt: From our agenda planning, if I'm recalling correct, in the next couple of weeks we had one or two that might have a slot on the agenda. The last meeting or two were overflowed and maybe even needing a special meeting. Getting some of these fit in will be a challenge. Please vote on the board. That passes 7-0 with Council Members DuBois and Berman not presently at his seat.

MOTION PASSED: 7-0 Berman not participating, DuBois absent

City Manager Comments

Mayor Burt: Our next item is City Manager Comments. Mr. Shikada.

Ed Shikada, Assistant City Manager: Thank you, Mayor, members of the Council. I'm sitting in for the City Manager, I think, one last week. I do have a few items of news to share with you. First regarding the TMA's commute survey. The Transportation Management Association (TMA) has

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completed and will be disseminating results of its second annual survey of commute patterns to and from Downtown Palo Alto. It will be distributed later this week. The survey was funded by the City and conducted by EMC Research, same company that did the analysis and survey last year. This year involving surveys of over 800 employees at businesses in the Downtown area. Results, in a nutshell overall, showed that the mode shares have not significantly changed since last year but does point out some differences in sectors of the Downtown employers. As such, really reinforcing the TMA's pilot programs currently under way, that particular one that targets low-income workers with a free transit pass for up to six months. The pilot program launched in mid-August with private funding and is poised to expand shortly with funding approved by the City earlier this year. We do expect the TMA will be posting the survey on its website later this week. I shared that information with the Council earlier today. Next, with regard to San Francisquito Creek Joint Powers Authority (JPA), the JPA held a retreat this past weekend. On Saturday, I was able to participate as obviously was the Mayor and a number of other Staff members from each of the agencies represented on the JPA. This, I understand, was the first retreat in several years. Now with the segment from the 101 freeway downstream under construction, it was the opportunity for the JPA to start its formal discussion on the upstream segment, in particular focus on starting the Environmental Impact Report and environmental fact statement for upstream project from Highway 101. Notices of Preparation for environmental documents are expected to be discussed at the JPA's next board meeting, which will happen on November 17 at 4:00 P.M. in East Palo Alto at the City Council Chambers. Once the Notice of Preparation has been completed, an Environmental Impact Report (EIR) scoping meeting, in fact multiple EIR scoping meetings are expected to be scheduled, both in Palo Alto as well as other communities. We'll keep you informed as these meetings are scheduled and finalized. One note of an upcoming event. At the Palo Alto Art Center and Rinconada Library is the unveiling of a new sign for the joint facility, this Saturday on October 29th at 4:00 P.M. The public is invited to participate in the dedication ceremony, which will feature remarks from participants in the system as well as the Art Center as well as statements from the artist and apparently a countdown to the uncovering of the whimsical sign. I just read what they tell me. Also on the topic of art, we have out at King Plaza a new art installation, *The Running Wall*. A site-specific design, sculptured by artist Aaron Lee Benson, constructed by 2x4 beams. Once again you will know these are not my words. The piece begins with a functional bench connecting to a rippling low wall that serpentine between the trees, then culminates in a circular sculptural element at the other end of the installation. All lumber will be donated to Habitat for Humanity at the conclusion of the installation this spring. We hope the

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Council and public will enjoy seeing and experiencing this new temporary art on the plaza. That completes my report for this evening.

Mayor Burt: I have one follow-up question. You mentioned the Downtown TMA Survey. My recollection is that the Stanford Research Park TMA a number of months ago was doing a survey in the same methodology as the Downtown. Is there any chance we could get their results as well?

Mr. Shikada: Let me follow up and see if that's available.

Mayor Burt: Thank you. That concludes that item.

Oral Communications

Mayor Burt: Our next item is Oral Communications. We have four speakers. If anyone else wishes to speak, they need to bring a card forward at this time. Our first speaker is Palo Alto Free Press, to be followed by Sea Reddy.

Palo Alto Free Press: Liz, like yourself, I've been to Cuba on multiple occasions. It's a wonderful country. I'm going to be playing a recording, and I'm hoping that after you listen to this recording you will release the embargoes on Palo Alto Free Press. [Recording played.] I would like the City Attorney's Office to lift the prohibition on Palo Alto Free Press and its sanctions. We want to be able to have the same, equal access as the *Weekly*. As you know, the *Weekly* is a blog. When I attempt to report on items here within the City, I am completely turned off. I have no access. I'm requesting that City Council just reevaluate Molly Stump's prohibition, release those sanctions. I would like fair and equal treatment. This is not Cuba.

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

Sea Reddy: Good evening, Mayor and City Council and citizens of Palo Alto. I'm going to bring up an item that has been in the newspapers in the last 48 hours about the California National Guard. Apparently about 1,000 recipients that received bonuses when they signed up, similar to Wells Fargo fiasco that the people that were signing them up had motivation to sign them up for different reasons. Now they're asking the California National Guard, these people that served in the recent wars and returned, moving on with their lives, have a lot of money to pay back, anywhere from \$10,000 to \$40,000. I'd like the citizens of Palo Alto and the Council and the Mayor to please convey your concern about this and help the veterans. They've done their duty to the National Guard. Please do that. That's all I'm asking about on this item. I have another item about Wells Fargo. If the City of Palo Alto

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is doing any work with Wells Fargo, you need to make a statement about all the things that we've heard about Wells Fargo and how they've messed up a number of accounts for people, giving them cards, giving them credit without their consent. I would like you to consider that as part of your due diligence on audit and see what you need to do to let Wells Fargo know that you do not accept that and you condone that and remove them from doing business with them. Thank you.

Mayor Burt: Our next speaker is Rita Vrhel, to be followed by our final speaker, Scott Lane.

Rita Vrhel: Hello. I've given each of you a packet that has to do with the information savepaloaltosgroundwater.org has received to date on dewatering. One project over at 181 Heather Lane is 68 million gallons. This site is interesting because it's very near the flood zone. While it meets the criteria of the law of not dewatering in the flood zone, literally it's feet away from the flood zone, so it doesn't really meet the intent of the law. The house across the street couldn't put in a basement. When I went by a couple of weeks ago, it was pumping out 1,050 gallons of water a minute. We don't have the final numbers, but I've listed some things here for your information, about how much water. Twenty-seven times the amount of water stored in the Palo Alto El Camino reservoir. This number is staggering. If I would have brought my 45-gallon rain barrel with me, we'd find that this amount of water would fill 1.5 million of my rain barrels. When we go to what used to be our poster child for wasting water over at 736 Garland, we find that they pumped out 30.88 million gallons. I've listed all the same information here. Together these two properties to date—one of them is still pumping—extracted 294.77 acre feet of water. This is 37 times the amount that we have stored in the Palo Alto El Camino reservoir as emergency water. It would fill a football field including the end zones with 228 feet of water or the 12.9-acre El Camino Park total with 21.1 inches or, my favorite, Eleanor Pardee Park with 29 feet 10 inches of water. According to Public Works, the changes that they are going to be recommending to extraction for next year will be coming before the City Council on 12/5. We're hoping that we have the final numbers from the nine pumping projects. Honestly, this cannot continue. We call ourselves a green city. We're not even talking about the destruction of homes and the pouring of concrete, which is environmentally not recommended. I'm hoping that you will look at these numbers and vote for a change. Thank you.

Mayor Burt: Thank you. Our final speaker is Scott Lane.

Scott Lane: Hello, Mr. Mayor, City Council. Thank you very much for being here. First off, my name's Scott Lane. These issues are mine and mine

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alone. I do not represent any board I'm on such as the Metropolitan Transportation Commission (MTC) Political Action Committee (PAC). I'm here talking about the VTA sales tax. I'd like to personally thank the Mayor for all that he was able to do with the negotiations, frankly more of the concessions than probably North County has gotten in ages. Wonderful for the Caltrain. However, in the whole scheme of things, I was hoping we could learn more from what Palo Alto has been able to do with Stanford of getting people to have through-put not in the cars. I think what the County was doing with their analysis of the expressways frankly is a little dubious, especially since they've never actually had signal timing on certain expressways as good as (inaudible). Some of the easy fixes the County could have done in the last 20-30 years they've not done. They've got a little bit of the shiny car syndrome, where they want to make things wonderful with electric cars and autonomous cars. The County and the VTA think this is going to happen. What I would actually recommend is the fact that the—what is the issue? The issue is we have by 2040, two million new people moving into the Bay Area. A large portion of those will be either living in the Valley here or be commuting here. Let's face it. San Jose is not the capital of Silicon Valley; it is Palo Alto and Stanford. The further you go away from this—be that as it may, things are not going to change much. You're still going to have this southeast commute to the northwest, and it's going to go the reverse for the large part in the City. Certainly from San Francisco, there's a lot of commutes. To me, what VTA has tried to do, led by Silicon Valley Leadership Group (SVLG), is have a jack-of-all-trades solution. Unfortunately, this is not enough to really do enough to have a sustainable solution. It may be enough to win a vote, but it may not do what we need to do. The County is not showing what's going to happen at 2040. They show what happens at 2025, which is interesting. It's items like this which is why the Sierra Club has not endorsed this. Anyone watching here, this is really what I'm here for, to talk about the lessons we have. We need to focus on the future of sustainability. We need to focus on the California environmental laws. We need to focus on VMT instead of Level of Service (LOS). We need to look at areas to say how do we change this. Here's my quick four or five steps. Vote no on this VTA sales tax. Seek a more sustainable solution and work with VTA for another tax, which potentially might be similar to the one Palo Alto is trying, which is a business tax in 2018. Businesses will pay on this VTA sales tax, business to business, according to Carl Guardino about one-quarter. Also I would seek a directly elected VTA Board in 2018. This is a way that we can have very direct representation for best practices that should be followed. VTA as a congestion management agency should be doing this, and they're not. They are working in concert with SVLG to create a tax that will pass, not one that we need to get hundreds of thousands of people where they're going. Thank you.

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Mayor Burt: Thank you. That concludes our Oral Communications.

Consent Calendar

Mayor Burt: We now move on to the Consent Calendar. Do we have a Motion to approve?

Vice Mayor Scharff: So moved.

Council Member Berman: Second.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Berman to approve Agenda Item Numbers 3-8.

3. Finance Committee Recommendation That the City Council Approve the Proposed Low Carbon Fuel Standard Credit Program, Including the use of Revenues From the Sale of Low Carbon Fuel Standard Credits.
4. Approval of a Contract With Anderson Pacific Engineering Construction, Inc. (APEC) in the Total Amount of \$2,746,563 for the Old Pumping Plant (OPP) Rehabilitation Project at the Regional Water Quality Control Plant - Capital Improvement Program Project WQ-80021.
5. Resolution 9633 Entitled, "Resolution of the Council of the City of Palo Alto Amending Utilities Rate Schedule E-15 (Electric Service Connection Fees) and Utilities Rule and Regulations 2 (Definitions and Abbreviations) and 18 (Utility Service Connections and Facilities on Customer Premises) to Implement the Low Carbon Fuel Standard Program."
6. Nine Ordinances to Adopt 2016 California Building Codes, Local Amendments, and Related Updates: Ordinance 5389 Entitled, "Ordinance of the Council of the City of Palo Alto (1) Repealing Chapter 16.04 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a New Chapter 16.04, California Building Code, California Historical Building Code, and California Existing Building Code, 2016 Editions, and Local Amendments and Related Findings;" Ordinance 5390 Entitled, "Ordinance of the Council of the City of Palo Alto (2) Repealing Chapter 16.05 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a New Chapter 16.05, California Mechanical Code, 2016 Edition, and Local Amendments and Related Findings;" Ordinance 5391 Entitled, "Ordinance of the Council of the City of Palo Alto (3) Repealing Chapter 16.06 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a New Chapter 16.06, California Residential Code, 2016 Edition, and Local Amendments and Related

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Findings;" Ordinance 5392 Entitled, "Ordinance of the Council of the City of Palo Alto (4) Repealing Chapter 16.08 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a New Chapter 16.08, California Plumbing Code, 2016 Edition, and Local Amendments and Related Findings;" Ordinance 5393 Entitled, "Ordinance of the Council of the City of Palo Alto (5) Repealing Chapter 16.14 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a New Chapter 16.14, California Green Building Standards Code, 2016 Edition, and Local Amendments and Related Findings;" Ordinance 9394 Entitled, "Ordinance of the Council of the City of Palo Alto (6) Repealing Chapter 16.16 of the Palo Alto Municipal Code and Amending Title 16 to Adopt a New Chapter 16.16, California Electrical Code, 2016 Edition, and Local Amendments and Related Findings;" Ordinance 5395 Entitled, "Ordinance of the Council of the City of Palo Alto (7) Repealing Chapter 15.04 of the Palo Alto Municipal Code and Amending Title 15 to Adopt a New Chapter 15.04, California Fire Code, 2016 Edition, and Local Amendments and Related Findings;" and Ordinance 5396 Entitled, "Ordinance of the Council of the City of Palo Alto (8) Adopt a New Title 16, Chapter 16.18 Private Swimming Pool and Spa Code, 2016 Edition and Local Amendments and Related Findings;" and Ordinance 5397 Entitled, "Ordinance of the Council of the City of Palo Alto (9) Amending Title 16, Chapters 16.36 House Numbering and 16.40 Unsafe Buildings for Local Amendments and Related Findings (FIRST READING: October 4, 2016 PASSED: 9-0)."

7. Policy and Services Committee Recommends That the City Council Approve its Motions Regarding the Cable Franchise and Public, Education, and Government (PEG) Fees Audit.
8. Resolution 9634 Entitled, "Resolution of the Council of the City of Palo Alto to Amend and Correct Salary Schedules for: Managers and Professional Employees, Service Employees International Union, Local 521 (SEIU); Service Employees International Union Hourly, Local 521 (SEIU - H); Limited Hourly, Local 521 (HRLY); International Association of Fire Fighters, Local 1319; and Utilities Managers of Palo Alto Professional Association (UMPAPA); and Amend the Table of Organization in the City Manager's Office General Fund and Utilities Department Enterprise Funds."

Mayor Burt: Motion to approve by Vice Mayor Scharff, seconded by Council Member Berman. I see no other lights, so please vote on the board. That passes unanimously. We just picked up four minutes. That doesn't mean we're on schedule.

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MOTION PASSED: 7-0 Wolbach not participating, DuBois absent

Action Items

9. PUBLIC HEARING: Proposition 218 Storm Water Management Fee Protest Hearing; Resolution 9635 Entitled, "Resolution of the Council of the City of Palo Alto Calling a Mail Ballot Election for April 11, 2017 to Submit a Storm Water Management Fee to Owners of Parcels of Real Property Subject to the Fee;" and Resolution 9636 Entitled, "Resolution of the Council of the City of Palo Alto Amending Utility Rule and Regulation 25."

Mayor Burt: Our next item is an Action Item, Item Number 9. This is the Proposition 218 Storm Water Management Fee Protest Hearing and approval of a Resolution calling for a mail ballot election on April 11, 2017 to submit a storm water management fee to owners of parcels of real property subject to the fee and a resolution amending Utility Rule Number 25. Because of the formality of this, I am required to read an actual resolution at what point in time? Remind me. When shall I read the resolution? There's my script. Now? Here goes. Tonight we will hold a public hearing on the proposed storm water management fee. Does Staff have a presentation? That's part of the script? Thank you. I could have done that part.

Male: Actually we have no presentation. You may continue.

Mayor Burt: No further presentation. I now open the floor for testimony from the public. Before we begin this phase of the public hearing, the City Attorney will provide some procedural background regarding this hearing.

Molly Stump, City Attorney: My Staff wrote this out for me too, just so I get it right. On August 29th of this year, City Council initiated proceedings to adopt the proposed storm water management fee as a replacement for the existing fee. At that time, the Council also called tonight's protest hearing and adopted procedures that are called Procedures for the Conduct of Protest Hearing and Mail Ballot Election in Connection with Proposed Storm Water Management Fee. A catchy title. Those procedures govern tonight's hearing and were designed to comply with the requirements of the California Constitution, commonly referred to as Prop 218. Prop 218 was adopted by voters in 1996, and it sets forth a fairly complex set of rules that local governments must follow before increasing property-related fees. Notice of tonight's hearing was mailed to effected property owners on September 9th of this year. As required by the procedures that the Council adopted, the City Clerk has been accepting written protests against the proposed fee from effected property owners. The Clerk will continue to accept written protests this evening until the close of the public input section of this hearing, which

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will happen soon. If you have a protest, now is your chance to submit it to the Clerk. After the close of the public input portion of the public hearing tonight, the Clerk will count the written protests she has received. If the City has received valid, written protests with respect to a majority of the parcels subject to the fee, then the Council has to abandon the process and cannot move forward to impose the fee. If there is not a collection of protests amounting to 50 percent plus one of the number of parcels affected, then the Council can go on to consider the resolution that calls for a second type of election, which is an actual mail ballot election that we will describe shortly. Back to you, Mr. Mayor.

Mayor Burt: Thank you. At this time, we will accept oral testimony from the public. Each speaker will have up to three minutes to speak. Our first speaker is David Bower, to be followed by Jill Bicknell. Welcome.

Public Hearing opened at 7:54 P.M.

David Bower: Mayor Burt and Council Members, I'm here as a member of the Committee that helped create this proposal. I'm here tonight—I didn't expect to be the only person on the committee here tonight. I'm here tonight to encourage you, of course, to move to the next step of the election and also to give you a sense of how the committee reached this new approach to storm water management. Mayor Burt did us a great service by characterizing our committee work in a way that, I think, we thought people would understand it. We wanted to do two things. First, we wanted to continue to have a consistent maintenance portion of this vote for the well-being of our storm water system. The other thing we wanted to do—I think this is where as a group we actually came together even though we had very diverse opinions and very different ideas about what the community project would be. We wanted to try to incorporate a number of things that are coming from both State and Federal mandates. We wanted to make this—I'll take this opportunity to encourage Palo Alto citizens to think of storm water as an opportunity, not just something we have to manage. That's where the green infrastructure portion of this comes into effect. I think it's a really important part of our contribution. We as a committee had, as I said, very diverse ideas about what we should do. As a former member of the Infrastructure Blue Ribbon Committee (IBRC) in 2011, I was astounded at how well we worked together and ended up with a true consensus on this committee. I think we would encourage you to move forward with this. Thank you for the opportunity to be on this.

Mayor Burt: Thank you. Our next speaker is Jill Bicknell, to be followed by Esther Nigenda.

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Jill Bicknell: Good evening, members of the Council. I'm Jill Bicknell; I live at 301 Stanford Avenue and lucky to own that home since 1984. Speaking as a homeowner and an environmental engineer, I want to say that I strongly support the proposed continuation of and slight increase to the storm water management fee, the proposed projects and programs that will be funded by that fee, and all of the Storm Drain Blue Ribbon Committee recommendations. I think it is very important not only to maintain our existing infrastructure to prevent flooding in our City, but to start to transition to the use of green storm water infrastructure where feasible throughout the City. The use of green infrastructure or landscape-based storm water capture and treatment is consistent with the City's Sustainability and Climate Action Plan and can provide multiple benefits to our community including reduced runoff volumes, improved water quality, urban greening in support of our urban forestry, reduced heat island effect, pedestrian and bike safety and many other benefits. I'm also pleased that the storm water management fee will help fund incentive and rebate programs to encourage residents and commercial property owners to install green storm water infrastructure on their private properties as well. Because I feel strongly about the passage of this fee, I have volunteered for the campaign for Palo Alto storm water, which is a group of citizens that got together, including some of the members of the Storm Drain Blue Ribbon Committee, that are working together to help support passage of this important fee. I'd like to thank the City Council for supporting this sustainable approach to storm water management and adopting the resolution to go forward with the recommendations of the Storm Drain Blue Ribbon Committee. Thank you.

Mayor Burt: Thank you. Our next speaker is Esther Nigenda. Welcome.

Esther Nigenda: Good evening, Council Members and fellow residents. Save Palo Alto's Ground Water would like to actively support the storm water management ballot measure. We believe that attention to the following considerations regarding the dewatering/storm drain nexus will improve voter support for this proposed measure. In 2016, the amount of groundwater discharged into the storm drains from construction dewatering for eight residential and one commercial property will total over 200 million gallons. This amount obtained from our City's Public Works Department shows that groundwater pumping is far greater than previously estimated. Currently dewatering is not permitted during our so-called rainy season from November through the end of March, so that we don't exceed our storm drain capacity. However, we are sometimes blessed with significant rainfall during the permitted pumping season as evidenced by the rains earlier this month. When this happens, groundwater from dewatering and storm water are competing for the same resource, our storm drains. It is sometimes

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claimed that dewatering while using the storm drains does not increase the need for capital improvement projects. Maybe so, but 56 percent of the proposed 2018 Storm Water Management Budget is for operating costs including water quality management and maintenance of the storm drain system. These costs are independent of capacity improvement projects and are incurred year round. We propose to the public's vote on the storm water measure, City Council support ordinances that eliminate or very significantly reduce the use of the storm drains for disposal of construction dewatering and/or impose a meaningful fee for use of the storm drains by point source discharge as recommended by the Blue Ribbon Committee Item 14. Any or all of the steps would certainly increase voter support for the storm water management ballot measure. Save Palo Alto's Groundwater remains committed to working with the City on managing our storm water while at the same time advocating for our groundwater, both of which in this time of drought are increasingly valuable community resources. Thank you.

Mayor Burt: Thank you. We have another speaker, Scott Lane. Welcome.

Scott Lane: Thank you again. I just want to echo the support of what this is all about. This is wonderful. Anything that you (inaudible) literally locally on each person's property reduces the overall cost. Eventually this drought is going to be over, I hope, and we'll have another cycle of heavy rains. Looking at Portland and other cities that have a large amount of rain and are locally doing things, it really makes a huge difference. It'd be interesting for Palo Alto to talk to other cities and find out where they are as far as their caps, as far as capacity of the sewage system, for example. The more housing we're building—we have these strains on all of our infrastructure. Anything that we can do locally for existing residents is good. I think by having this, it also is an awareness for all new housing that's going to come in. I think it's going to be easier for the Planning Department and the Planning Commission and other folks to actually do the right thing first. Palo Alto's always been the leader at doing the right things as far as green. This is like a win-win-win all the way around. Once again, thank you very much.

Public Hearing closed at 8:02 P.M.

Mayor Burt: Thank you. It appears we have no more members of the public wishing to speak. If anyone else has a card, last chance. This is the final opportunity for members of the public to submit written protests to the clerk. We'll now close the public hearing. Before we return to Council questions and discussions, we'll first tabulate the written protests. Does the Clerk have those numbers? Do you want to go ahead and proceed or should I be stating the number of parcels first? There are 20,278 parcels subject to the proposed fee, meaning that 10,140 protests are needed to constitute a

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majority protest. Now, I ask the Clerk to provide the written number of protests received against the proposed storm water management fee.

Beth Minor, City Clerk: Thank you. It is manifestly apparent that the number of written protests received is less than necessary to constitute a majority protest. Therefore, I have assumed that each document submitted to me, that purports to be a protest, is in fact a valid protest. There were 82 written protests received. This is below the threshold to constitute a majority protest.

Mayor Burt: Thank you. Since there is no majority protest, we will now consider the resolution calling the election with respect to the proposed storm water management fee. Before I entertain a Motion on the resolution, do Council Members have any questions, comments or further discussion on the proposed fee or proposed resolution? Also, since there is—no, I'm sorry. That's goofy. Any Council Member questions or comments? Council Member Holman.

Council Member Holman: Can Staff please clarify comments that were made earlier and then comments made just recently, most recently by a member of the public, about what our ability is to charge a fee going forward? That would be a point source discharge fee. In other words, does it have to be a part of this or can we insert ourselves later?

Phil Bobel, Public Works Assistant Director: Let me start and, I'm sure, the City Attorney will want to chime in here. Phil Bobel, Public Works. We've begun to look at that. The next formal thing that will happen in this regard is on December 5th we've tentatively scheduled on your Council agenda this groundwater pumping issue. One of the things we'll be doing at that time is seeking your direction to investigate fully a fee, how it might be arrived at, the different options available. We'll be making recommendations to you about that at that time. That's the status. Last time we discussed this, we said we'd come back to you for specific direction to look into this. We need to do that. Concurrently, we've started on this because we know it's a real concern to the community and ourselves. We've begun to look into this, and we think there are several paths available to us, which do not involve placing this measure on a ballot. In other words, there are other ways to impose such a fee independent of a ballot. We have authored a letter at the Staff level and sent it to the Save Our Palo Alto folks and other folks that were interested in it to indicate to them that in all likelihood there was not a need to place this on a ballot, that other mechanisms are available to us. I'll just give you one example of those other mechanisms, and then I'll let the City Attorney speak. One of these other mechanisms is a municipal fee which we adopt along with a budget generally speaking; although, we wouldn't have

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to. That municipal fee would follow the rules that it would have to capture the cost that the City bears for the activity and only those costs. It would have the same sort of test as Prop 218, but it would not require a ballot measure. We've had discussions with the concerned members of the public so they understood that we are very certain that we can divorce these two issues.

Council Member Holman: Can you give any other examples or is that what the City Attorney is going to provide?

Molly Stump, City Attorney: No, I'm not going to give you a full menu of options. First of all, I concur with everything Phil said with one small tweak. The Council directed that we come back to you for further direction before we do a full workup of this question. We are preparing to do that. We have done some preliminary work, and we do believe, as Phil said, that there are some options for moving forward. The storm water fee that's going forward with this ballot is clearly a property-related fee under Prop 218, so you're going through an elaborate set of actually two sets of procedures in order to put that before the property owners for final approval. This other thing we're looking at is really different in its character. It's kind of a single use; although, it goes on for a period of weeks or months, but one time at a property. We do think there are some other ways that we can attack that. We haven't done a full workup on it, again pending Council telling us that that is what you want us to do. We do believe that there will be ways to go forward with a cost-based fee. My little tweak to what Phil said is that we actually would be in the Proposition 26 world and not in the Prop 218 world. In the area of municipal tax regulation, it's a different sort of thing, but we think that going forward with what's before you tonight doesn't preclude you from addressing that issue in the future.

Council Member Holman: That's very helpful. Thank you.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I just wanted to follow up with that. Phil, I was actually really surprised to see that on our Council agenda, because it had been on the Policy and Services Agenda for October, and then it was on December's. My recollection of Council direction was to bring this back to Policy and Services and not come directly to Council on it. It doesn't seem appropriate that Staff is changing that.

Mr. Bobel: Here's the dilemma we faced. If we bring it back to Policy and Services, it adds a significant amount of time prior to the ballot measure before the residents that are concerned about this would know whether we're moving forward with this at all. As one of the members of the public,

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your last speaker, pointed out, while a number of people would like to support this measure, they would also like assurance that we're actually moving forward on this fee. The other feature is that the current makeup of Policy and Services is a little different than the Policy and Services group that initiated it. We felt it was in everybody's best interest to move directly—we need to come back to full Council anyway to discuss what we called the Group 3 issues. We just felt that it was not a good use of everybody's time to have a two-step process that would put us well into the new year before we could get back to the new Council.

Vice Mayor Scharff: We've always had a two-step process. I'm surprised that you took it upon yourself to decide that we don't need a two-step process when we had prior Council direction. The fact that you have a different makeup of Policy and Services has never ever in my seven years on Council been an issue, which we considered to be important. That's a really weird choice. The notion that because Policy and Services changes we wouldn't go back to that Policy and Services undercuts the entire committee system and the way we do it. I thought Council direction was clear. If I'm wrong on what Council direction was to go back and the fact that it was going to Policy and Services, I think that's inappropriate. The fact that we're doing this also for political reasons, because we want to satisfy a small group in the community who wants to have this discussion at Council prior to how they try and leverage us on the storm drain fee, I also think is inappropriate. They can come to Policy and Services. That's what we've done with everything else. Lots of things are political, and they go through a process which we have. To change our policies for the convenience of something like this just seems inappropriate without Council input.

Mr. Bobel: With all due respect, that's not what I said.

Vice Mayor Scharff: It seemed like it.

Mr. Bobel: I think when we looked at it further we realized that if we went back to Policy and Services Committee, we'd miss a window of opportunity to put any new requirements that Council felt was appropriate in place for the 2017 construction season. We'd given everybody the impression that we were going to use last year as a pilot year, and we were going to take the results of that pilot year of having some restrictions on groundwater pumping, and we were going to develop, probably revise and make an Ordinance out of whatever the Council's final decision was. We recognized that that just wasn't possible if we went back to Policy and Services. You can change that judgment, but our judgment was that the important thing was, as everybody's intent was, any revisions that we were going to make to our pilot year for the 2017 construction season. Actually we have the best

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shot possible at getting it in effect by the time of the 2017 construction season.

Vice Mayor Scharff: Walk me through why that would be true. We were going to go to the October meeting. I don't understand why we couldn't go to the November Policy and Services meeting. Even if we had to go to the December Policy and Services meeting, why couldn't we get to Council in February or January? If you have it all teed up, why couldn't you come in January? If we pass an Ordinance or something, why couldn't—that only takes 30 days to be effective. If Council gives direction, why would that not be in place by—when do we start with the ...

Mr. Bobel: April 1.

Vice Mayor Scharff: April 1.

Ed Shikada, Assistant City Manager: If I might, members of the Council. This is a very active discussion even amongst Staff. While appreciating Phil's perspective and really carrying the banner for Public Works and its role ensuring that we're addressing the groundwater issue, there are multiple departments that need to be involved in the evolution of the analysis that's happened here. I'm not suggesting that's going to slow it down. I am suggesting that the game plan that Phil has just described is one, I think, that we need to flesh out a little further among the departments that are involved. The next steps, the timing and again to committee versus Council, I think, quite frankly hasn't been fleshed out and needs further discussion.

Vice Mayor Scharff: Thank you very much for that.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Just a technical question. One of the speakers or one of the letters we got stated that the groundwater from the nine sites this summer was equivalent to 75 percent of the total winter groundwater of all 16,000 residents. Is that an accurate statement?

Mr. Bobel: I'm sorry. Say it again.

Council Member Schmid: The groundwater from nine dewaterings this summer was equivalent to all the rainwater of 16,000—75 percent of all the rainwater from last winter.

Mr. Bobel: We've not done that analysis. I'm not sure if that's correct or not.

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Council Member Schmid: That's a striking number. It implies that the dewatering is accounting for—what—44 percent of use of the storm drains, which would get involved in 216 or 26 or whatever propositions you want to look at. That's a significant number.

Mr. Bobel: The approximate amount is correct. It's going to be in the neighborhood of 200 million gallons.

Mayor Burt: I just do want to have one follow-up comment to Vice Mayor Scharff's concerns. Setting aside for a moment what should be the process that we use on this, I don't consider it accurate that we've never gone with a single step out of our committees. We've had a number of occasions where we have elected to return directly to Council on different matters for different reasons. It's not the normal practice, but certainly it's not unprecedented and it's not a rarity, but it's not the normal practice.

Vice Mayor Scharff: ... make that choice.

Mayor Burt: I don't know that that's accurate either. At this time, is there a Motion to adopt the resolution calling for a mail ballot election in connection with the City's proposed storm water management fee?

Council Member Schmid: So moved.

MOTION: Council Member Schmid moved, seconded by Council Member Filseth to adopt:

- A. A Resolution calling a mail ballot election for Tuesday, April 11, 2017 to allow owners of parcels subject to the Storm Water Management Fee to vote on whether the Fee should be imposed; and
- B. A Resolution modifying Section 8(C) of Utility Rule and Regulation 25 (Special Storm and Surface Water Drainage Utility Regulations) to exempt certain developed parcels which do not impact City storm drainage facilities, and to clarify how the Fee applies to parcels which only partially drain to the City's storm drain system.

Mayor Burt: Motion by Council Member Schmid, seconded by Council Member Filseth. Would you like to speak to your Motion?

Council Member Schmid: Just this is an important element in our future. Over the past, we have used these funds to prepare ourselves for any eventuality. It's important we maintain that infrastructure.

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Mayor Burt: Council Member Filseth? Please vote on the Board. That passes on an 8-0 vote with Council Member DuBois absent. Thank you all for all the work that went into this. We look forward to the Ballot.

MOTION PASSED: 8-0 DuBois absent

Mayor Burt: At this time, we can go ahead and take a five minute break and reconvene.

Council took a break from 8:19 P.M. to 8:26 P.M.

10. PUBLIC HEARING: Resolution 9637 Entitled, "Resolution of the Council of the City of Palo Alto Adopting the Professorville Historic District Design Guidelines. The Project is Exempt From the Provisions of CEQA per Class 8 Categorical Exemption (Actions Taken by Regulatory Agencies to Protect the Environment) (Continued From September 12, 2016)."

Mayor Burt: Our next item is adoption of a resolution adopting the Professorville Historic District Design Guidelines. The project is exempt from provisions of California Environmental Quality Act (CEQA) per a Class 8 categorical exemption, which is actions taken by regulatory agencies to protect the environment. This item is continued from September 12, 2016. Director Gitelman, would you like to kick it off?

Hillary Gitelman, Planning and Community Environment Director: I would. Thank you, Mayor Burt and Council Members. Hillary Gitelman, the Planning Director, again. I'm joined by Amy French on our Staff and Jonathan Rusch from Page & Turnbull, our consultants and the principal author of the Guidelines. As the Mayor indicated, this has been continued from the City Council discussion on September 12th. We're asking for your adoption tonight of the Guidelines via adoption of a resolution that's provided in your packet. It references some changes in Attachment B that we can talk about in more depth as we move forward. The resolution also references the CEQA exemption that the Mayor referred to. Attachment B is an outgrowth of the City Council's discussion on September 12th. If you remember, there was a discussion about a matrix that we had provided at places on that day, and the matrix was a little bit of a jumble of both substantive changes and clarifications and corrections. The Council directed us to pare that down, so it just consisted of clarifications and corrections. We did submit the draft Guidelines to the State Office of Historic Preservation, hoping to get reimbursement for the funds that we've expended in preparing the draft. Of course, we will submit any changes you adopt this evening and a status report to the Office of Historic Preservation after tonight's meeting. The changes in Attachment B are summarized in the Staff Report. Again, they

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differ from that matrix, but we did provide the matrix to you at Council Member Holman's request. It came to you in a late packet as a kind of at-places memo. You have both lists in front of you this evening. It's important to note that the Guidelines are just guidelines. I think some commenters at the last hearing and some letters we've received long for regulatory changes in the form of either changes to the IR, Individual Review, Guidelines or changes to the Zoning Ordinance, but that's not what we've done here. What we have are guidelines and not regulations. They're intended to assist the City and property owners with interpretation of the Secretary of the Interior Standards when considering physical modifications within the District. The Council could, of course, direct us to pursue regulatory changes as a next step, again either in the form of changes to the IR Guidelines or changes to the Zoning Ordinance. That's the extent of our presentation, but we're fully prepared to answer any detailed questions you have. I know that Council Member Holman did submit some comments late this afternoon. We'll do our best to respond to those specific points as they come up in the discussion. Thank you.

Mayor Burt: Thank you. We'll now come to the Council for any questions before hearing from members of the public and returning for discussion and a Motion. Anyone like to go first?

Vice Mayor Scharff: ... questions.

Mayor Burt: Yeah. We have no questions, and we have no cards from members of the public. Here we go. Our first speaker is David Bower, to be followed by Bob Moss. Welcome.

Public Hearing opened at 8:30 P.M.

David Bower: Good evening again. I was a member of the Professorville Guidelines Committee. As most of you know, I'm also a member of the Historic Resources Board (HRB). I want to say that I'm here tonight as a member of the Committee and an individual. I'm not representing the Historic Resources Board. The approach that the Committee took in developing these Guidelines was to find a way to transparently tell the citizens of Palo Alto what they could expect if they wanted to change a property in the Historic District. What's important about historic districts is that every single item in the district makes up the whole. Every time a single building in the district is changed, modified or in the worst case demolished, that diminishes the district. It's the equivalent of having a sweater that moths eat away at until you take the sweater out of your drawer, and you discover that there's less sweater than holes. This is, I think, a first step in protecting the resource that Professorville represents for

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Palo Alto and the history in Palo Alto. I want to encourage the Council to move forward not only with this document but actually to encourage all Palo Alto residents who have historic properties to think of them as part of our heritage and the value of our community. Losing our history is a loss for all of us. This is, I think, the first step in avoiding that problem. I encourage you to move this forward and pass this. Thank you.

Mayor Burt: Thank you. Robert Moss to be followed by Marian Sofaer.

Robert Moss: Thank you, Mayor Burt and Council Members. I've been thinking about this for a while, and I was going to write you. I thought I'd just make some comments. I took the Palo Alto Historical Association tour of Professorville a couple of Sundays ago, and it was quite interesting. There are still a number of buildings that date from the 1890s and 1900s and have barely been modified. There are also, of course, a lot of much newer buildings. In many cases, the modifications and new buildings are done thoughtfully, and they kind of blend in. There are some that are pretty glaring and don't fit the neighborhood at all. Right now, what we have are Guidelines, and it's just suggesting that people do things or not do things that they want to ignore if they can ignore it. There are going to be people who just ignore it. Professorville is a very interesting and very historic District. I think it's important that we try to preserve the quality of the design and construction we have there. I'd like to suggest that we consider taking some actions that would be more than just guidelines, but actually requirements. I think you ought to convene an organization that consists of the Architectural Review Board, Historic Resources Board and the neighborhood association that oversees Professorville. Get them together and talk about—also, of course, people that live there can put in their comments as well. Get them talking about what they do and don't like about the Guidelines and the way the District is or is not being preserved and try to come up with more than just guidelines but requirements that would have to be met in order to preserve the historic integrity of that area. We don't have too many historic districts in Palo Alto. I think they are important to retain and to maintain their historic vitality. I would suggest that we seriously consider setting up this study group and try to come up with a reasonable procedure for retaining the integrity of the quality of the design and construction of Professorville and the buildings that are there now.

Mayor Burt: Thank you. Marian Sofaer to be followed by Martin Bernstein.

Marian Sofaer: Good evening. My name is Marian Sofaer. I live at 1200 Bryant Street. We have construction on both sides. At 1250 Bryant, there's a house that basically has been a blight on the neighborhood for the 20

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years that we've been there. Maybe the core of it is Craftsman, but there have been a lot of additions. I was surprised to see, when I googled the address and the review board, that they're required to maintain the same facade. On the other side of us, there's also construction. The strictness of how the requirements are being applied to that construction has added certainly over \$1 million to a house which basically was going to be totally reconstructed. It seems to me a kind of orthodoxy that's gone too far. I would like to express an opinion that how the design rules are interpreted are really, really important. Not everything has to be interpreted the way it's happening on our block. Thank you.

Mayor Burt: Thank you. We have one more speaker yet. Martin Bernstein to be followed by Scott Lane.

Martin Bernstein: Thank you, Mayor Burt and Council. Martin Bernstein, Chair of the Historic Resources Board. The items before you today did not come to the Historic Resources Board, some of the revised changes. I'm not speaking as a member of the HRB at this point, because those items did not come before us. I'm speaking as an individual. I take great delight in Director Gitelman's comment about suggesting what is a next step from these Design Guidelines. Those include, as you may have seen from the handout there, to incorporate these procedures into the single-family Individual Review process and then also the Ordinance itself and any Zoning Code changes. Other speakers have mentioned the same reference to what we're looking at tonight is a first step, and now let's get a little more teeth into it. Of the 225 pages you've seen on this—obviously there's some interest in the subject; there's 225 pages that you have in front of you regarding this. Two of the main points involve discretionary review and ministerial review. When there's ministerial review, any suggestions that a review board, such as the HRB, suggests to an owner are voluntary. The address that you heard this evening from a previous speaker, those are all voluntary items. They are not mandatory, because the application did not involve any discretionary work, so completely voluntary. When a project includes some discretionary review such as individual Review, for example, that's when HRB comments become binding. A way to strengthen the ordinances, as Director Gitelman mentioned, would be to incorporate some of the findings and regulations in the proposed process to be incorporated in terms of Individual Review. I want to read just one paragraph from the 225 pages that you received on this about fairness. It says sum up. The new Guidelines fail to address a major loophole. Today you can freely demolish a historic house and build a one-story replacement of any style. HRB recommendations for that are nonbinding. Individual Review does not apply to one-story houses, so there's no discretionary review. CEQA does not apply. Therefore, the constraints are significantly more severe for a two-

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story house. One story, you can avoid all regulations for historic review. That was a Category 3 house that was demolished, because there's no prohibition on demolition in that District for a house like that. Therefore, the Committee's recommendations that one of the other Board Members mentioned—the Professorville Design Guide Committee, I was Chair of that Board also. We did that about three or four years ago. We encourage that as a next step to include single-family homes as Individual Review process. Thank you.

Mayor Burt: Thank you. Our final speaker is Scott Lane.

Scott Lane: I'll try to use less time, since they've said many things I was going to. First off, thank you for doing this. This is definitely a first step, I think, over the next two years. The sweater analogy is perfect. For example, in San Jose there are certain—one individual is remodeling as a business home after home after home. That's the oldest historic district in San Jose. That is at some point going to reach a tipping point. The historic status is going to almost be moot at some point. The Planning Director is absolutely right. These are just guidelines; they have zero teeth whatsoever. Once again, I'm speaking for me. I'm actually on the Preservation Action Council Board. We've seen time and time again, if you ever want to lose your hair, the best way to do it is try to become a preservationist. It's just very frustrating, especially when you have people that come in, and they have enough money to tear down multiple homes, and they do. Each neighborhood has its unique character. I realize it's each person's right to do what they want with the home. Just like the home had been there and everyone had been there before, it seems silly to me that people can't realize that it's not just that home. As other speakers have said, it's the holistic nature of each of these neighborhoods that makes it so wonderful. It's just like when you get rid of giant redwoods. It's like you could do it, but why? It has this cumulative effect. This is going to be a multiyear effort. The County of Santa Clara has certain initiatives that, I think, Palo Alto will obviously be working with as well. I think Palo Alto can lead, I think, the County and other cities to do the right thing. I think that's the role probably of Palo Alto, not just here but elsewhere in the county. How do we act as leaders to preserve the community, realizing that we're going to have once again a lot of pressures coming in. Like I said, we have two million more people coming into the Bay Area between now and 2040. These issues are going to get nothing but more and more stressful for people that are in existing, wonderful communities. Thank you.

Public Hearing closed at 8:42 P.M.

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Mayor Burt: Thank you. We'll return to the Council for comments and motions. Council Member Holman.

Council Member Holman: I do have comments, and I'll, in the interest of time, just read these. I provided them to Staff ahead of time as well. The Professorville National Register District is the "formal recognition that the neighborhood is one of the most significant places in the context of Palo Alto's historic development." That's from the Guidelines book. The importance of the proposed Guidelines cannot be overstated from a development and historical perspective. There are two other residential National Register Districts in Palo Alto and much interest in developing Eichler overlay or preservation districts. All of these efforts were initiated by residents who value the visual and historic character of the neighborhoods. They rely on the City to administer the preservation of their neighborhoods according to existing City ordinances and, in the case of Professorville, application of the Secretary of the Interior Standards and CEQA. The Secretary Standards were adopted by the City several years ago as the standard by which the HRB and the City will review applications subject to historic review. That's very important to understand. It's not clearly stated in the Guidelines. After reviewing the Guidelines on several occasions, having conversations with City Staff including at HRB meetings on this topic, and based on my relatively extensive background in historic preservation including a number of CEQA and California Preservation Foundation trainings, I offer the following comments. The proposed Guidelines, while improved by the amendments included in Attachment B—thank you, Staff—in the Staff Report, they do not address significant issues occurring in Professorville, nor do they lay out some of the basic criteria that are primary to such a document. The required standards for review in Professorville are the Secretary of the Interior Standards included in the Guidelines, not just to rely on some compatibility as is referenced repeatedly in the Guidelines. The Standards are used nationwide to provide guidance on project review and approval while allowing contemporary use. The Guidelines do not address how to avoid demolition—you've heard this referenced tonight—and reconstruction of even major homes in the District, as has occurred over the last while. Several homes have been demolished and have not been subject to CEQA, because the City is allowing contractors to dismantle homes and rebuild them sequentially. As is referenced in the letter from the public, Professorville is now home to a number of replica homes. All one has to do is walk through the District to see this occurring. Little to nothing original remains on those sites. The history, the fabric is gone. I know of no other community subject to CEQA that allows such actions. Surely this is not what the applicants for the National Register designation anticipated. I should point out too that if the plans approved the demolition, then it would be subject to CEQA. What's happening is there are things happening in the

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field or subsequent to HRB and Planning review that are allowing this kind of deconstruction and demolition in the District. What is being proposed by having different review standards for properties dating from the early days of Professorville than those built after 1940 is something I have never encountered and question the premise. Using as an example Eichler National Register districts, those properties were built post-1940, and yet they have the same historic status as an 1890 Victorian in Professorville. The Guidelines referencing early Professorville should apply equally to the later period of development. The Guidelines do not address the matter of District contributors and non-contributors, the basis for much consternation previously without clear criteria and the basis along with new building design for this Staff project going forward. Previously the Committee recommended making single-story projects in Professorville subject to Individual Review. That was also brought forward by Staff in public meetings. It is not referenced in the Guidelines or otherwise. Just tonight we have at our places—it is referenced here. There's no reference to incentives in the City Code to promote preservation of historic structures. There is no reference to the State Historic Building Code, which promotes alternative methods of achieving Building Code compliance. The Guidelines do not address the fact that there are some post-1940 buildings scattered in amongst the earliest Professorville development. The Guidelines do not indicate how feasibility of repair or restoration will be determined. The Guidelines do not list color as an important characteristic in the District even though it is a consistent factor. Having to do with windows. While the language on Page 59, 3.2.1, is clear on the importance of windows as character-defining features, it is not clear how this is distinguished from recent street-facing window replacements that have been permitted. From this observer's perspective, they stand out as replacements due to lack of window detailing and the kind of glass that is used. This is a common observation in Professorville. Garages, Page 73, 4.1.1, having to do with garages. Some properties do not currently have garages, and the addition of them on small lots would have a significant impact on the neighborhood context. That's, again, not addressed. It's sort of assumed that garages will be allowed in all situations. Additions, 4.1.2, new additions. The middle example on—I lost that page number. The middle example is much larger and taller than the original structure, something I've always understood is not consistent with the Standards. The use of connectors or hyphens, as they're often referred to, is recommended to separate the addition and reduce the impact. Subdivisions. The notion of lot subdivision in Professorville is questionably consistent with the Secretary Standards given that setting, setbacks, landscaping are all important to properties in the District. While I believe there are a number of aspects of the Guidelines that offer good guidance, there seems to be a foundational premise that brings forward significant gaps and inconsistencies with the Standards as I know

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them. Having said all of that, I do think this is not an exercise in futility. I think there is a lot in the Guidelines that have merit, but I do think that these pretty significant gaps don't provide good guidance to the applicant, to Staff, especially as we're looking at the State Historic Building Code and incentives. We've had especially a number of turnovers in Staff—I'm not sure these days what the connection is between—Hillary, Amy, could you comment on this? What the connection is between Planning and Building Department. There's got to be some kind of gap somewhere, and that's how we're getting all these demolitions in Professorville. These are significant. Some of the oldest houses and largest houses have been really torn down and replicated. The original buildings just don't exist anymore. I know these are guidelines and not standards. Many people, you've heard before and this evening, would prefer standards. It was also in the letter we got from Rob Steinberg. I recognize that these are guidelines, but I do think that some of the premises that are put forward are lacking in clear guidance to property owners, contractors, developers, and even give the best guidance to Planning Staff, HRB and the Development Center. I did bring up in the comments about the single-family Individual Review for a single-story. That's critical because right now some of our largest properties—you could tear down a significant contributor in the District and build a single-story home, and there's no controlling what gets built in a National Register District. The Historic Preservation Ordinance, it would be great to update that. That's a longer endeavor. Zoning Code, if we would just close the gap on the demolitions that are happening, which from my perspective do not require a Zoning Code change, we would be way ahead of the game. I would like to see the Staff come back with us adding single-story projects to the Individual Review program. I'll refer to Staff on how best to address the other gaps and issues that I raise in my comments. Thank you.

Ms. Gitelman: Thank you, Council Member Holman. Maybe I can respond to some of those comments and questions. I think we do anticipate, hope that the Council, in taking action this evening on the Guidelines, could direct us to take some next steps with regard to changes in regulations. If you and your colleagues would like to pursue changes to the Individual Review (IR) Guidelines, I think you could direct us to start working on that. Similarly, you've raised a couple of times the demolition by attrition, kind of building changes that happen more and more to the point where it constitutes a demolition. Jonathan Lait and I have spent some time talking to Peter Pirnejad, trying to figure out how to address this issue. I think our feeling is that it would require a Code change, probably in the Building Code or in the Zoning Code. Currently, there's not really a definition of demolition. What you're seeing is in the handoff from one department to another changes getting made in implementing the building plans that may be beyond what you think is appropriate and what many of us might think is appropriate.

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That's, again, a regulatory issue that I think the Council could ask us to pursue. Back to your specific questions in the comments. I'm going to do the best I can with a really old degree in historic preservation that hasn't been exercised that much in recent years, and then ask Jonathan to pile on with some more up-to-date observations about this. You've talked about the Secretary of the Interior Standards need to be included in the Guidelines. I think we have done that. With the changes in Attachment B, we've increased their prominence by moving them forward in the book. They're also, I hope you noticed, referenced in the resolution that we're asking Council to adopt. That resolution would be bound with the final version of these Guidelines as well as all the changes that we're asking you to approve this evening. Your suggestion that we not just rely on compatibility, I think, is a little bit misreading of what we've suggested here. We are hoping that these Guidelines help people interpret the Secretary of the Interior Standards as they apply in Professorville. Compatibility is important for Standard Number 9 about new features and new construction in historic districts. It is relevant to these Guidelines and something, I think, we hope and we feel the Guidelines address appropriately. You have talked about this 1940 date and the relevance of that. That's kind of the outside limit of the period of significance for the Historic District, so it's meaningful for these Guidelines in a way that the Eichler districts that you referred to might have a later period of significance. Structures that predate or postdate that might not be as important. The Guidelines, I think, are intended to lay out and inform decision-making for homeowners and for the City about resources within the District, whether or not they predate or postdate that period of significance. There's a whole chapter specifically on how to treat changes that apply to structures outside of that period of significance. You point out that we don't address the matter of contributors or non-contributors. I think it's a little bit tied up in this question of period of significance. We didn't truthfully have the budget to do extensive additional surveys within the District, but we tried to provide clear guidance that would help property owners and the City consider changes that are proposed within the District regardless of the structures that they affect. You talked about making single-story projects subject to Individual Review. That, again, is something that we could pursue as a regulatory change subsequent to or in addition to adopting the Guidelines. You've also talked about a number of things that, I think, we could certainly add to Attachment B and include in the Guidelines. A reference to incentives that the City offers, the Home Improvement Exception (HIE) process and the Mills Act, for example. The State Historic Building Code I would put in that category as well. There's no question that the Council could ask us to include those somewhere in here. Let's see. I'm running out of steam on what I can answer here. The other things that you brought up that we could potentially address in additional editorial changes and changes to the figures in one case are the point you've raised about

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garages. The fact that there are a few properties in the District that do not currently have garages, and that you would like to not see them not be able to add garages. The way the Guidelines are currently written, we're presuming that there might be an instance in which someone doesn't have a garage and they want one, and so we provide guidance about how you might be able to do that without detracting from the historic significance of the structure. Put it at the rear of the lot, I don't know all the details, but it's in there. Similarly, for new additions, there's a figure that I think, Council Member Holman, you're objecting to that shows a rear addition that's a little larger and protrudes above the front of the structure. You could suggest in your Motion that we delete that figure that you find problematic. You could also direct us to change the provision on subdivisions. We suggest here in the Guidelines that there may be—it's probably very few if any at this point—some larger lots where one preservation strategy might be to subdivide the lot and let someone build a small subsidiary structure on the new parcel as a way to get the resources or the attention needed to preserve the larger structure. I've done enough damage here. Maybe I can ask Jonathan to respond a little further to the question about post-1940 buildings and ...

Jonathan Rusch, Page and Turnbull: Also feasibility will be determined.

Ms. Gitelman: That'd be great.

Mr. Rusch: Sure. The intention of the division between the 1930s and 1940s was kind of a clear point at which you can say that prior to the point, given our viewpoint now of 50 years beyond 1940, that we can look back and see that there are similarities between those homes in terms of construction techniques, for instance, materials used, fenestration patterns, windows. After that point, there are new design idioms that are introduced, new materials, new construction techniques, new types of windows. The Guidelines were set up so that you recognize that previous to that point is really the core of the Historic District. It's really your older, significant resources, contributing properties, after that point that may provide the setting for the historic homes, may actually relate to historic homes in terms of some materials, like wood shingles or the spacing on the lots for instance, but maybe don't support every historic aspect of Professorville's historic character. It was important to divide those two things out in the Guidelines to have the earlier period where you really focus on historic materials, and then the later where we discuss those elements that really reinforce the context for historic homes. I do want to mention that the Guidelines do have a provision for homes that are individually significant that are from the later period. It's been mentioned that there are Eichler homes in the neighborhood that are definitely of a different character than the earlier

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homes in the neighborhood, but that still may be seen as having individual significance outside of the context of Professorville. The Guidelines acknowledge that, but it's outside of the scope of this document to really address how those can be treated for design review. The second point I was going to mention is the Guidelines do not indicate how feasibility of repair and restoration will be determined. It's been the intention of the Guidelines to work in concert with humans who are reviewing, either on City Staff or the HRB, projects and can use this as a tool. This anticipates a conversation that Guidelines can't provide every answer. The intention is that where these say "where feasible," "where possible," the burden for proving what is—if something that's mentioned in the Guidelines is infeasible, it would go to the project sponsor. That can start the conversation about potential situations where the Guidelines can't be followed to a "T." The intention is to really further and start the conversation between reviewers and the applicants.

Council Member Holman: Let me go back to a couple of things, if I might. Thank you very much. Of primary importance to me—I guess the most significant importance to me—is the demolitions. While I've been asking for a good long while for an updated definition of demolition, I'm not understanding how if project plans leave the Planning Department after the HRB and the Planning Department reviews, how there can be such significant changes either in the Development Center or in the field that would allow literally the demolition that I see in Professorville and around town, but certainly in Professorville. I'm not seeing why that would take a Code change or a definition of demolition. That just seems like how are the plans changing that much. Is it because the Development Center Staff, Building Staff isn't familiar with the Secretary's Standards but also with the State Historic Building Code and with the incentives? I'm truly baffled. I'm truly, truly baffled.

Ms. Gitelman: Council Member Holman, it's a discussion that's a little hard to have in the hypothetical. It would be better to sit down, I think, with you offline and look at some examples. We could go through the plans that were approved, and then what happened in the field when they discovered additional dry rot or whatever it was, and how these things occurred. Again, it's hard to do hypothetically. I would suggest that we take a couple of cases and sit down with the Staff involved and walk through it and see if we can't answer your questions and really identify remedies, if you think that there's some holes here that are leading to unintended consequences. We want to fix that.

Council Member Holman: Help me understand the connection between what I see going around Professorville and a project that I'd been in

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communication with Staff about on Bryant Street, for instance. There were street-facing windows that were large, that were allowed to be replaced. They just scream replacement windows. They don't have the tails. It's in the original part of Professorville too. They don't have the tails. The glass is very flat, a little reflective. They just scream of—tell me how that kind of allowance in permitting is consistent or will be changing based on these Guidelines. It's not specifically addressed here. I'm sorry to take the time on this, but it's very important. We have this one National Register District that's our earliest neighborhood.

Ms. Gitelman: Again, it's a little hard to have the conversation in the hypothetical. If I know the project you're referring to, I think in our reviewer's opinion the replacement of the windows with windows in kind was consistent with the Secretary of the Interior Standards. Granted they are new windows that don't have the kind of wavy glass of historic windows. If a property owner wants to replace a feature like that, our obligation is to review them, to make sure the project is conforming with the Secretary's Standards. Our reviewer thought that that project did. Maybe Jonathan can comment on how the Guidelines might contribute to and inform decisions in a situation like that.

Mr. Rusch: I feel like the Guidelines do have references to National Park Service technical information that explains in a pretty comprehensive manner how to replace windows. My feeling is that information would clearly prefer that, say, the sash horns that you're referring to be recreated where possible. Again, the same type of glass where possible. I think it's the "where possible" question that I've just spoken to where we know that that's the preferred approach. Some types of specialty glass—I think that it's discussed in the Guidelines. There should be an effort done to research that. I can't guarantee that there's always going to be a product that's available. I feel like the Guidelines do bring residents of Professorville to the things that they should be thinking about. It's the conversation that happens between them and the City Staff to determine ultimately Standards compliance.

Council Member Holman: I know you probably wouldn't be familiar with this specific project. My question is that the Guidelines clearly state that retention is preferred. No one has said to me the reason those windows were replaced. Again, these are like very large, street-facing windows, is why I make an issue of this. No one has said to me that there was any rot, there was any issue. Yet, the windows were allowed to be replaced because they were large, simple windows. That's two steps, so that's one. Two is the windows do not replicate because the tails aren't there and because the glass is—I mean these are very simple window designs, but they reek of new

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window. I'm trying to figure out how these Guidelines are going to help address those kinds of situations. If it's Staff education or what needs to be happening. I won't harp on that any longer. On garages, just to clarify. I wasn't saying that new garages wouldn't necessarily be allowed where there wasn't a garage now. A lot of times where there isn't a garage, the reason there isn't one that was added a long time ago is because the lots are so small. That's what I was indicating. I do think, though, that allowing attached garages in Professorville is dicey at best in terms of changing the character of the District. To go back to the earlier period versus the later period, there's the earlier National Register, and then there's the addition to the National Register. It's on the National Register, so I'm still just not understanding why such a difference. I don't know why the buildings would be treated any differently. I will stop there.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thank you very much. First of all, I'd like to commend Staff on putting this together. This was a really quick turnaround, and I just wanted to acknowledge that. It was September 12th, and we're now here. I see that you submitted the data to OHP. Really appreciate that. If we pass this tonight, do you think we'll get reimbursed or we're just hopeful? What's the thought?

Ms. Gitelman: We hope so. No guarantees.

Vice Mayor Scharff: Overall I went through this, and I thought you guys did a great job in putting it together in terms of what Council direction was from September 12th. I just wanted to say I thought you guys did a great job. You listened to what we talked about. I think you hit the right points on this. With that, I'd like to move the Staff recommendation.

Council Member Kniss: Second that.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Kniss to adopt:

- A. A Resolution adopting the Professorville Historic District Design Guidelines (Guidelines) with the list of corrections and edits provided in the Staff Report; and
- B. A finding that this action is exempt from review under the California Environmental Quality Act (CEQA) per Section 15308 (Actions By Regulatory Agencies for the Protection of the Environment).

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Mayor Burt: Motion by Vice Mayor Scharff, seconded by Council Member Kniss. Do you want to speak further to your ...

Vice Mayor Scharff: Yeah, sure. I just wanted to say that in going through this stuff, I think you've caught what we were talking about and did a really great job. I appreciate all the hard work on it. Thanks.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I think Karen and I have talked about this before. Some years ago, we actually bought a very old house on the East Coast, built in 1840. It was very little, 800 square feet. We literally followed these Guidelines when we added onto the house. The addition is quite different from the main house, especially since it is tens of years later. Following the Guidelines really was helpful. In addition, what helped the most is we didn't touch the old house. I think that can be difficult. There are times when you actually can do that, when you can literally leave what's there, add onto it, do something else. The windows are the same. We haven't changed the glass. We haven't changed anything. A little hard to heat in the winter. A good part of this can be done. I know sometimes these look difficult, but it makes a big difference long term. To go a step further, there are parts on Cape Cod, where I'm from, where there's an entire—if any of you know the Cape, there is a Route called 6A, where there literally is a district that not only controls color, texture and so forth, but they feel it adds considerably to the value of those stores that are retail on that particular road. If any of you are familiar with that, you might be. The preservation makes a big difference, I think, long term in value in an area but also in, as you've mentioned frequently Karen, the character.

Mayor Burt: I don't see any other lights. Council Member Holman.

Council Member Holman: I ask the Mayor process—I wish there were more Council Members who were familiar with the Secretary Standards—that's for darn sure—and who walked around Professorville a lot. Could I offer a couple of amendments? I have a separate Motion that could either be dealt with as a separate amendment or a separate Motion. I don't know if the Mayor would want me to offer that after the vote on this. The amendments I would offer first.

Mayor Burt: Can you give me a sense of the direction of what may be the separate Motion?

Council Member Holman: I'm going to move that the Staff come back with an action that will allow the Council to have single-story homes in Professorville.

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Mayor Burt: Let's go ahead and deal with these recommendations and then separately with follow-up actions.

Council Member Holman: I have two amendments to ...

Mayor Burt: Go ahead and offer them.

Council Member Holman: ... the existing Motion. The two amendments are to ask the City Staff to add in the Guidelines the list of incentives or a reference to the incentives for historic preservation that are in the City Code, and that there be a reference to the State Historic Building Code added to the Guidelines as well.

Vice Mayor Scharff: I actually didn't catch what you said in terms of the second one.

Council Member Holman: Didn't catch what? I'm sorry.

Vice Mayor Scharff: I heard to add the incentives to the Guidelines, incentives in the City Code. I missed the ...

Council Member Holman: Add the reference to the incentives that exist in the City Code and also to add reference to the State Historic Building Code.

Vice Mayor Scharff: What was the second part?

Mayor Burt: Add reference to the State Historic Building Code.

Council Member Holman: They're two different things. There are links that can be provided.

Vice Mayor Scharff: I guess I'm not familiar. Maybe Staff could just tell us what this does. If the incentives are already in our Code, what does adding to the Guidelines achieve? In reference to the State of California Building Code, doesn't everyone have to follow the Building Code? I'm ignorant on what you're trying to achieve.

Council Member Holman: No, you don't have to satisfy the State Historic Building Code. People who are going to be using this—as my understanding again as the liaison to the HRB too, this is going to be given to property owners, architects and used by them to know how to develop their project, how to develop their program for their building. I cannot assume nor, I think, can anybody in this room assume that those individuals are going to be familiar with the State Historic Building Code or certainly with the incentives that exist in the City of Palo Alto's Code. It points them in those directions.

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Vice Mayor Scharff: I have no trouble then adding the reference to the State of California Historic Building Code. I missed the understanding of why, if we add the incentives which are already in this Code to this—what's the point of that? I understand the Building Code; that makes sense to me.

Council Member Holman: Again, it's to point people to those incentives, because it can help them make decisions about their project development.

Vice Mayor Scharff: I'm fine with it.

Council Member Kniss: I'm fine with it.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct Staff to add references to incentives to the Guidelines and reference to the State of California Historic Building Code." (New Part C)

Council Member Holman: Thanks.

MOTION RESTATED: Vice Mayor Scharff moved, seconded by Council Member Kniss to adopt:

- A. A Resolution adopting the Professorville Historic District Design Guidelines (Guidelines) with the list of corrections and edits provided in the Staff Report; and
- B. A finding that this action is exempt from review under the California Environmental Quality Act (CEQA) per Section 15308 (Actions By Regulatory Agencies for the Protection of the Environment); and
- C. Direct Staff to add references to incentives to the Guidelines and reference to the State of California Historic Building Code.

Mayor Burt: I see no more lights. We can vote on this Motion and then entertain the subsequent Motion that Council Member Holman has in mind. That passes 7-1 with Council Member Holman voting no.

MOTION AS AMENDED PASSED: 7-1 Holman no, DuBois absent

Vice Mayor Scharff: I should have asked that question first. (inaudible)

Council Member Holman: You could surely tell by my comments earlier. You could surely tell.

Mayor Burt: It's not horse trading. Council Member Holman, did you want to offer your other Motion?

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Council Member Holman: Yes. I wanted to offer—I'll try them as one Motion and see how they go. One is to direct Staff to return with—I guess it would be a Code change to apply Individual Review to single-story projects in Professorville. It's the first bullet that is on the next steps Staff presentation. Do you all understand that somebody can go in and demolish anything in Professorville?

Mayor Burt: You've stated it about four times tonight, so I think we got that. Do you want that as the Motion or did you have two parts to the Motion?

Council Member Holman: The other part of it would be to direct Staff to return with—if there seems to be a necessity for a definition of demolition, to return with that so that we can address the current demolitions that are occurring in Professorville.

Mayor Burt: I will second that Motion.

MOTION: Council Member Holman moved, seconded by Mayor Burt to direct Staff to return with:

- A. A Zoning Code change to apply Individual Review (IR) to single-story homes in Professorville; and
- B. A definition of demolition.

Council Member Holman: You're accepting "A" and "B," seconding "A" and "B"?

Mayor Burt: That's the way it's written.

Council Member Holman: Thank you.

Mayor Burt: Do you want to speak to your Motion further?

Council Member Holman: I think I have. I appreciate the second.

Mayor Burt: I'd like to request a modification to the Motion. The way it's written currently it seems to imply that the decision has been made on each of these things. I'd prefer if we say "Staff to return to the Council with draft language for Council consideration regarding." Would that be acceptable?

Council Member Holman: Absolutely.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "draft language for Council consideration regarding" after "direct Staff to return with."

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I actually would have supported "A." I think it's good. I'm glad the Mayor changed it to be that we don't make the decision tonight. I think that's really important. I can support that. I'm cautious and concerned about a definition of demolition and what that means to Staff. Do we have a definition of demolition? What I'm gathering Council Member Holman is saying is demolition is these houses come up, there's a bunch of dry rot, people change out the wood and, therefore, in her mind it's demolition. It's a replica rather than the exact because we've taken the dry rot wood and replaced it with new wood.

Mayor Burt: I didn't hear her say that at any time tonight.

Vice Mayor Scharff: I did. That's what I understood. If I'm incorrect on that, we can—that's how I understood it.

Council Member Holman: It is incorrect. It's assuming—I understand why. It's assuming that there's a physical deterioration that's causing this. My observations on many, many, many occasions is that is not the case. It is strictly just a dismantling and then a rebuilding. There are some elements sometimes, but it's certainly not the reason for a massive demolition as what's happening. We do have a definition of demolition currently. It is pretty minimalist.

Vice Mayor Scharff: That's the issue I wanted to just briefly understand. Is Staff in agreement that if it's dry rot, they have a right to replace it. If there's nothing wrong with the wood, then you wouldn't replace it. Is this a definitional issue or is this not following our current definition? What is going on with that?

Ms. Gitelman: There is currently not a definition of demolition either in the Zoning Code or in the Building Code. It's also true that even with a definition this is in many cases a question of interpretation. We will approve a project that says a certain number of walls or an area of the house is required to remain in place. Then, the builder gets out in the field, there's dry rot or there isn't dry rot, and it becomes an interpretation by the inspector about whether the project has conformed to the plans. I think this is a discussion we could have. I'd like my colleague in the Development Center to be present and just talk about how projects make their way

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through the process. We could certainly bring back some background information and some examples to illustrate that discussion at a later date.

Vice Mayor Scharff: I'd actually like to ask Council Member Holman for clarification. Your concern is not that if there actually is dry rot, you're in agreement that it could be replaced, the wood. This is a concern that there's nothing really wrong with the wood, that people would rather have new wood. Is that a fair statement?

Council Member Holman: That is a fair statement. I don't want to be argumentative about this, but I thought we did have a definition of demolition. It is basically as you had described. I thought it was a definition that we had. Maybe it's just a practice that we use that as a definition of demolition. Basically it's two walls.

Mayor Burt: Council Member Holman, if we do have one, then I suggest that "B" should be modified. Why don't you think about what you're actually asking for? An updated definition or a more ...

Council Member Holman: It depends on whether we agree or disagree whether there is one. I don't know. Hillary just said we don't have one.

Ms. Gitelman: There's not currently a definition of demolition that would apply in this situation you're describing.

Council Member Holman: To answer your question, Vice Mayor Scharff, it's like no one is trying to, certainly including this Council Member, preclude someone from making improvements to a home or replace aspects of a home that has physical deterioration or issues. No. It is literally the demolition of perfectly good materials, and replacement of those with new materials, because some people like new construction. They think that's just the way to go seemingly.

Vice Mayor Scharff: Just one more question. You made a bunch of statements about this happens all the time in Professorville. That's what I took out of your statement. I don't want to put words in your mouth.

Council Member Holman: It has happened regularly in the last, I'd say, three or four years.

Vice Mayor Scharff: That's what I thought I heard you say. It's happened regularly. This happens a lot of the time. I guess I wanted some sense of why you think this happens regularly. What's the basis for that and does Staff concur? Does Staff agree that this is an issue where we have a

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problem that we need to look at and the basis for your belief that there's a problem?

Council Member Holman: Personal observation indicates that. I also have neighbors that have called me over the last three or four years particularly—I would say maybe five years—that point me to properties that are undergoing "renovation" or "restoration." They point me to them. There's a house right now on Kingsley that's a little bit different situation. The house was picked up after a basement was built. The house is basically demolished. It's a different situation. It's isn't a dismantling. It's a demolition. Different situation. It's personal observation and because people point me to them. I could take you around to a number of them.

Mayor Burt: Council Member Berman.

Vice Mayor Scharff: I did ask Staff to just respond briefly to that before we ...

Ms. Gitelman: I think Council Member Holman has brought forward a few examples in the last six months or so. There is a conversation we could have about the coordination between our two departments and the handoff that happens, when changes have to happen in the field, how one department circles back with another or doesn't. There is an issue there that warrants discussion. I don't know that it's a Council-level or a policy decision more than just departments coordinating better. Certainly adding explicit definitions to the regulations that we work with could help that. Just bringing forward that conversation might force this coordination to occur.

Vice Mayor Scharff: Thanks.

Mayor Burt: Council Member Berman.

Council Member Berman: Director Gitelman just kind of covered one thing that I was going to mention. It sounds like also just needing to make sure that the inspector is, as I'm sure they are, doing a thorough job and making sure that the claims made by the developer and the architect are valid. I'm not an architect or a developer, so I wouldn't know. Somebody going out there and doing an investigation should hopefully ameliorate the concerns that exist in the community. Is this going to go through the Architectural Review Board (ARB)? What's the process for this?

Ms. Gitelman: I think this Motion suggests that we would come back to Council for an initial discussion and direction, and then we would craft an Ordinance that would go to the Planning and Transportation Commission and back to the City Council.

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Council Member Holman: Would the HRB not be included in that? Why Planning Commission as opposed to HRB?

Council Member Berman: Or ARB.

Ms. Gitelman: It's an Ordinance so it would have to go to Planning and Transportation Commission. We could also bring it to ARB and HRB if we wanted.

Council Member Berman: It seems to me to make sense, but I'll leave that to the maker and the seconder.

Council Member Holman: ARB doesn't review single-family homes, so I'm not sure why it would go to the ARB.

Council Member Berman: Would the definition of demolition apply to that?

Mayor Burt: That's not part of the Motion currently. If there's an interest in clarifying that process in the future, that needs to be offered as part of the Motion or it can be brought up at the meeting where this comes back to the Council, which may be the more appropriate place to do it.

Council Member Berman: I'm happy to leave that be. Lastly, I just want to say to my friend and former IBRC colleague, David Bower, you're freaking me out on your moth in the sweaters analogy, because my sweater has two holes from moths that I noticed this morning and decided to wear anyway. Thanks for that. I now feel very self-conscious.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Again, back to a discussion that I have heard. When remodeling—I won't argue whether it's dry rot or whether it isn't dry rot. I frequently hear people say in an attempt to make the house greener or more energy efficient, certain things need to be done to the house. The question is how do you get around that when we're not quite clear what demolition is at this point? I think you understand that, because you've heard it often. Maybe you could address that.

Council Member Holman: It's true. Some of the incentives address some of the green aspects and also the State Historic Building Code address some of those issues. I believe the State Historic Building Code does too, but certainly the incentives in the Building Code do. I didn't say that very well. Some of those issues are addressed in current Code and in Building Code. It's not that you're doing one or the other; sometimes it's a balancing act. Let's just say for instance, if you want to replace windows because you want

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a home that is more easily heated—since you mentioned windows earlier—there are other means to accomplish the same goals with that window replacement. Those are brought forward in the State Historic Building Code and also other energy guides.

Council Member Kniss: Staff, do you want to say any comments about that or not?

Ms. Gitelman: Council Member Holman is correct that the State Historic Building Code allows applicants to use alternate means to achieve the objectives of the Health and Safety Codes. They might allow some flexibility in meeting standards.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I think my questions have been addressed.

Mayor Burt: Thank you. Let's vote on this Motion.

MOTION RESTATED: Council Member Holman moved, seconded by Mayor Burt to direct Staff to return with draft language for Council consideration regarding:

- A. A Zoning Code change to apply Individual Review (IR) to single-story homes in Professorville; and
- B. A definition of demolition.

Mayor Burt: It's what it says. That passes 7-1 with Council Member Wolbach voting no. That concludes this item. Thank you very much.

MOTION AS AMENDED PASSED: 7-1 Wolbach no, DuBois absent

At this time Council heard Agenda Item Numbers 11 and 12.

- 11. Adoption of an Emergency Ordinance of the Council of the City of Palo Alto Adding Chapter 9.17 (Personal Cultivation of Marijuana) to Title 9 (Public Peace, Morals and Safety) of the Palo Alto Municipal Code to Prohibit Outdoor Cultivation of Marijuana and Informational Update on Proposition 64 and Finding the Amendment Exempt From Review Under the California Environmental Quality Act (CEQA) Pursuant to State CEQA Guidelines Section 15061(b)(3).
- 12. Ordinance 5398 Entitled, "Ordinance of the Council of the City of Palo Alto Adding Chapter 9.17 (Personal Cultivation of Marijuana) to Title 9 (Public Peace, Morals and Safety) of the Palo Alto Municipal Code to

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Prohibit Outdoor Cultivation of Marijuana and Informational Update on Proposition 64 and Finding the Amendment Exempt From Review Under the California Environmental Quality Act (CEQA) Pursuant to State CEQA Guidelines Section 15061(b)(3)."

Mayor Burt: We're now proceeding to Items 11 and 12, which we will take up together. Potential adoption of an Emergency Ordinance of the City Council, adding a chapter regarding personal cultivation of marijuana to Title 9 of our Municipal Code. Under Item 12 is a related matter adding a Chapter 9.17 to the Municipal Code regarding outdoor cultivation of marijuana. Would you like to explain all this?

Molly Stump, City Attorney: Happy to do so. Molly Stump, City Attorney. I have our legal fellow, Elena Pacheco, here with me as well. Items 11 and 12 are two different forms of the same thing. They both relate to an item on the statewide ballot on the 8th of November. It has a longer title, but Prop 64 is essentially the Adult Use of Marijuana Act. This is the potential for Californians to vote to legalize a variety of activity for non-medical marijuana use and cultivation, transport, etc. This law does a number of things. In some respects it does not allow local control or regulation, and in other respects it does. When we looked at it and when the League of Cities looked at it, one area jumps out as a potential issue where the City has the authority and may want to provide some local regulation sooner rather than later. We thought we better get to you and at least alert you of this and give you some options, if you wish to do something now. This is the area of outdoor cultivation. We'll give you a little bit of detail about that. In a broad sweep, the Act allows use, possession and cultivation of marijuana for non-medical uses, personal uses immediately on passage. It also will authorize a whole variety of business activity, but that has to be licensed first by the State. The State is not anticipating issuing any licenses until January 2018. There are some areas in the business context that the Council may wish to look at some layer of local regulation. You have plenty of time to do that next year. With respect to cultivation, however, the Act says that on passage it will become something that individuals can cultivate up to six marijuana plants in their residence, and the City cannot ban that. Cities do have an ability to provide some types of regulation with respect to it. We haven't brought that item forward because we don't think that there's a particular needed area that has any urgency to it. Outdoors, however, the State law, Proposition 64, would authorize outdoor cultivation with no limits in the State law itself. This creates the possibility of some conduct that might be of concern, and that's why we're here before you tonight, to alert you to this and to give you the option to take a look at that and put something in place sooner rather than later, if you wish to do so. The possibility is that folks could plant marijuana outside any place they can

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plant vegetation. This could certainly include backyards of single-family homes. It could include front yards. It could potentially include community gardens, private property that might be adjacent to pathways or trails. This is an area where the League of Cities has said cities might want to look at regulation. Now, the City does not lose its ability to regulate in this area if you choose to take a wait-and-see approach. That would be fine. If you want to just see what the voters do and then what kind of activity develops in Palo Alto, you can come back and add a regulation later. If you feel like you want to not have outdoor cultivation occur at all pending studying what kind of ultimate rules you might want, then you have two ordinances before you tonight. One is an Urgency Ordinance that would take effect immediately, that would say no outdoor cultivation. If you pass that, that would be a layer of local regulation. If the Prop 64 passes, people could grow personal plants up to six inside but not outside until the Council would amend that Ordinance. That takes eight votes to pass, and it would become effective immediately if you adopted that tonight. We gave you the same Ordinance in a traditional Ordinance form, which takes two readings that have to be 10 days apart and a 30-day referendum period before it would go into effect. If the Council feels like that's a more appropriate form for regulation, that is also before you. You have a couple of options. You could say, "Thanks, but we don't feel the need to take any action tonight," in which case you don't need to pass anything. You could pass one of these ordinances or you could direct us that something else is needed, that there might be some middle ground approach that's more appropriate. When we looked briefly at this, we thought that a middle ground approach might be something that would evolve in this community, but ideally that would be something that would involve some community outreach, discussions with various stakeholders. Obviously there isn't time and we don't have direction from you to do that yet. That hasn't been done. If Council's interested in that, we're probably looking more at into 2012 and maybe we would combine that with looking and seeing what the State is doing on the business front. I think I'll stop there. Mr. Mayor, if folks have questions.

Ms. Stump: Yes.

Mayor Burt: First, what you need to do is—I'll be calling on Council Members when they hit their light button. You hit your button and your speaker will go. Council Member Kniss.

Council Member Kniss: That was my question.

Mayor Burt: Speak it into the loudspeaker so that the public can hear you.

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Council Member Kniss: Mr. Mayor, am I indeed correct that it will take all of us sitting at the dais tonight to pass an emergency Ordinance?

Ms. Stump: Yes, that's correct.

Mayor Burt: Correct. Council Member Wolbach.

Council Member Wolbach: I just want to make sure I'm clear about some timeline stuff. If Prop 64 passes and we have approved a regular Ordinance, there will be a month gap between the passage of Prop 64 and the earliest effective date of our regular Ordinance. Correct?

Ms. Stump: Yes, that's correct.

Council Member Wolbach: During that period, people could begin planting marijuana in backyards, front yards, next to schools, potentially community gardens, etc. Correct?

Ms. Stump: I'd have to check. I think there are some school regulations in the State law that may apply. Certainly backyards, front yards, community gardens, that conduct would be legal starting on the 9th of November.

Council Member Wolbach: If we pass the emergency Ordinance, there would be no gap in effectiveness. Correct?

Ms. Stump: That's correct. The emergency Ordinance would actually put in place a ban immediately on outdoor cultivation. It's not otherwise legal anyway yet, so you would actually get ahead of the—then if the statewide voters authorized it, it would still not be legal in Palo Alto.

Council Member Wolbach: Remind me what's the duration of an emergency Ordinance. When would it automatically expire?

Ms. Stump: This type of emergency Ordinance does not have an expiration. What you're recalling, Council Member Wolbach, is in the planning context when you put in place a moratorium on activity pending study of a Zoning Ordinance, it takes effect for 45 days, and then you have the ability to extend it once for up to two years. This is not a planning—it's a police powers regulatory Ordinance. Ultimately, if you're looking at regulating in this area, businesses and different types of conduct, you might want to do it in the Zoning Code. That might emerge as a better practice, and that requires some other procedural steps, going through the Planning Commission, etc. This one does not expire.

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Council Member Wolbach: Would it be possible this evening or prior to November 8th to have an emergency Ordinance amended to include a sunset?

Ms. Stump: You could sunset two different ways. You could pass an Ordinance and direct Staff to come back or you could put sunset language actually in the Ordinance. I think what I would recommend, because an emergency Ordinance doesn't have a second reading—with a second reading you have the ability to make small changes and give the public notice, and it comes back. Even though this is a relatively minor Ordinance, the suggestion you're making would reduce the impact of the regulation. I don't really think it's a Brown Act violation, but I think what I would prefer to do, given that it is already an expedited and extraordinary procedure—if the Council wanted to put a sunset date into the language of the Ordinance itself, you would direct us to do that, and we'd come back on the 7th and just put that on your Consent Calendar with that language there. Then, the public would at least have notice exactly what the Council is intending to do. Does that make sense?

Council Member Wolbach: Yes, that does. Thank you very much.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Cory got to some of the questions I had. The State law allows some cultivation indoors, up to six plants, and an unlimited number outside of the ...

Mayor Burt: Not yet.

Vice Mayor Scharff: If it passes. I'm assuming it passes. An unlimited number outside. Do we allow people to set up stills in their house? I'm wondering why—assuming marijuana becomes legal, I would assume most people would buy it. Since it wasn't legal, people used to grow it surreptitiously. I'm wondering why we think it's a good thing or what the policy would be behind that. That's sort of the question to me. Should we allow people to grow it? Why should we allow them to grow it as opposed to just buying it? Those questions, if we were to change this Ordinance—I don't know. You probably don't have the information on that. If anyone knew that question, I want to know if we allow stills basically. How do we treat ...

Ms. Stump: It's definitely outside of my job classification to go to the why behind Prop 64 and all its various ...

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Mayor Burt: People do make their own wine and beer. I don't know about stills.

Ms. Stump: What I can say is that the indoor cultivation of up to six plants would be authorized by 64 and that law could not be avoided by any local action. What you could do by local action is describe in some sense some of the context and the safety measures around that, if you wish to do so.

Vice Mayor Scharff: Six plants. I assume it's for personal use as opposed to selling it.

Ms. Stump: It appears it's intended to orient itself towards personal use. I have heard that six plants can be a lot of greenery.

Vice Mayor Scharff: Thanks.

Mayor Burt: Has there been any discussion with the Fire Chief on ramifications of indoor growth and whether we want to force people to, if they're going to grow their plants, grow them indoors versus out?

Ms. Stump: Not yet. That certainly would be something that would make sense to do regardless of what you do on outdoor. I take the import of your question, which is that maybe by regulating or prohibiting or restricting the outdoor cultivation, we might actually be encouraging that indoors. I do know over months and years of working with police and fire that indoor growing can be dangerous. It has led to fire situations in other communities in the past. I don't know if it's been a problem here.

Mayor Burt: If we wanted to restrict the outdoor growth to enclosed private areas, would we ask you to come back with an Ordinance to that effect? How would we go about that?

Ms. Stump: The indoor cultivation authorization ...

Mayor Burt: Separate from the indoor. I'm just saying if we wanted to restrict the outdoor growth to enclosed private areas. Basically the thing you talked about, I concur. We probably have a hesitation on public lands and community gardens and front yards. Then, the question would be do we want to limit it to enclosed ...

Ms. Stump: Greenhouses are already considered indoors. That's the first part of the answer. In a greenhouse that's concealed from view, even though you might consider that to be in your backyard garden, that's considered indoors for purposes of this law. An enclosed area in the backyard, we haven't drafted that. You could direct us to do that. If it's

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that straightforward, we could do that without any community outreach or further discussion. You might also want that. You might want to hear from the community and have some outreach to stakeholders. It's up to you what you would want, when you'd want us to come back and what you'd want the rule to be.

Mayor Burt: Thanks. Council Member Schmid.

Council Member Schmid: I don't quite understand why we have an emergency Ordinance. In the past that has been done when something needed to stop, there was a crisis of a sort. Here we are 11:00 at night, not much public, a lot of questions, discussions. Wouldn't it make more sense to have just a regular Ordinance with a second reading maybe after the election where people can have a chance to think about it? If there are any questions, people could gather information about it. What's the urgency of we need to do it tonight?

Ms. Stump: This is an option before you. You may feel that there is no urgency, and it's either not appropriate or not the best course of action. That's a fine policy choice as well.

Council Member Schmid: Staff is not pushing that there's a need for ...

Ms. Stump: We are not making a recommendation. We are alerting you to an issue that there is a potential as of November 9th for this conduct to occur in the community. We're giving you an option, if you wish to take action, to stop that from happening. You do have the power to do that, but we're not making a recommendation. It's merely an option.

Council Member Schmid: It's an action that would occur in the sense of planning something, but it would take nine months, 12 months to actually result in anything. I don't quite get the urgency.

Ms. Stump: Are we talking about how long it takes to grow a plant to maturity?

Council Member Schmid: Yeah.

Ms. Stump: I have no information about it. I know that the League of Cities has said—we attach their briefing memo—that this is an issue that cities want to be aware of. We're doing a service of bringing it to you with an option to take action if you feel it's appropriate.

Mayor Burt: Council Member Berman.

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Council Member Berman: Has Staff had a chance to look and see what—obviously different state laws are different—municipalities in Colorado or Oregon or Washington have done in regards to this? Boulder, or Seattle or Portland.

Ms. Stump: The answer is no. That would possibly be informative and helpful and may suggest that you take a wait and see approach and ask for broader research before moving forward.

Council Member Berman: Thanks.

Mayor Burt: We have three members of the public to speak. First is Mark Peterson-Perez, to be followed by John Friedrich. Each person will have up to three minutes to speak.

Mark Peterson-Perez: I certainly hope that all of you become informed on this issue. Just as the law enforcement against prohibition has made some really interesting observations. It says that there have been more than 39 million arrests for nonviolent crime offenses in the past 40 years. Those incarcerated over a 20-year period quadrupled so that now more than 2.3 million U.S. citizens are in prison or jail. The U.S. spends \$70 billion a year on incarcerating 22.5 percent of the entire world's prisoners, even though the U.S. only has 4.6 percent of the world's population. That's an incredible statistic. This is coming from law enforcement. It's just unbelievable. They continued on to say that the drug war wrecks havoc, funds terrorism and causes major corruption around the world. This is the very definition of what Molly Stump proposes, a failed public policy. This madness must cease. This is coming from Law Enforcement Against Legalization. I would encourage everyone to become informed on this issue and make an informed decision. Please there is really no pressing emergency about the planting of marijuana in your backyard. This is a disastrous emergency Ordinance which your City Attorney proposes.

Mayor Burt: Our next speaker is John Friedrich, to be followed by Scott Lane.

John Fredrich: Good evening. John Fredrich, resident of Barron Park and also a candidate in this election here in Palo Alto. The first question I had as I read these documents over is at whose behest is this an emergency and why are we doing it. I didn't see this League of Cities memo in my packet on the internet, but I caught it here. I would agree with the earlier speaker that in the last 40 years, since the inception of Operation Intercept by Richard Nixon, the drug wars have been a complete failure and have led to a narco state being established in Columbia and as our war in Afghanistan has led a narco state to be established in Afghanistan, especially in Helmand

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province. The amount of heroin that comes out of Afghanistan has tripled in the last few years. These are by the United Nations Office of Drugs and Crime. The point here is that the only rationale for doing this was, as stated in your documents here from the City Attorney, to maintain the status quo, which I have just said is unsustainable, and to avoid confusion. Any action tonight would create confusion because you need to wait until the people vote on this issue, an issue that may well be defeated in the referendum in part because there are important criminal interests that don't want legalization to take place. One of the problems with this whole quandary that you're faced with here tonight is the main people opposing this are kids that think the age should be set at 18, not 21, and people that have profited tremendously in California. You have to realize this is the biggest cash crop in California in agriculture. The point of making it possible for people to grow six plants and contrary to what you were told, the plants cannot be visible from the public byways, and they need to be in a locked area. I've read the 30 pages here in the document, which is also before you. They have to be in a locked area, and they have to be not visible from the roadway. There's various things you can do for indoors by the Utilities Department. I'm sure there's software that any spike in the water and electrical rates would be able to spot an indoor operation. There's problems with both the re-regulation or whatever you want to call it and the acting before the people have voted. If we're a skiff, we'd all be sailors. You have no idea if Proposition 64 is going to pass. You'd look a little foolish, I think, if you took action tonight in a prophylactic or proactive way.

Mayor Burt: Thank you. Scott Lane.

Scott Lane: Welcome again. First off, I want to agree with the other speakers against prohibition. I wrote about an 80-page document about this. I became an accidental activist. I don't even use the product. However, let me tell you what is the crisis here. The League of Cities produced a crisis document. They have been used by anti-legalization efforts for years. The Staff knew this was coming. This has been put off. It could have been addressed ages ago. Let me go back. What is a crisis? What is causing the crisis? If you're worried about people getting hurt or killed from this—that's usually what the crisis is—or kids, this is obviously a specious argument in many cases. What is the death? In five minutes—let me go back. In 1.2 minutes, someone—every 1.2 minutes someone dies from cigarettes. Every five minutes, someone does from prescription drugs. Every 19 minutes, someone in this country will die from opioid prescription pain killers. What is the real issue? Are you concerned about kids? Are you concerned about people having marijuana and getting drunk driving? It is fact that there is no test for drugged driving, because cannabis affects people differently. There's a long history of what they tried to do. Maybe

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you're thinking what's the relevance of this. The relevance of this is the drug war has been used as a racist tool, an anti-immigration tool, an anti-big pharma tool. Even hemp is consolidated with this. When it was passed, doctors kept wanting to prescribe cannabis in 1937. 1937 to 1940, the Federal government imprisoned 2,000 doctors. That's kind of the history. If you want to go back further, it actually goes back to the 1860s. The question once again, what is the crisis here? There is no crisis. I would suggest you talk with the County. The County has looked for the medical of the Department of Health measures, etc. Worried about mold, worried about bacteria, worried about efficacy. The other thing that's going to happen if you do this—there's a law of unintended consequences, which is normally it doesn't take that much time or energy to grow plants. If you grow a lot of them, it does. There are those of us that can help work with you over the next months or year or two to come up with a sane process about this. Let's, once again, look at what other states are doing. To have Staff try to do this as emergency and not do due diligence with other cities—I'm sorry—that was a waste of public resources to come to this and come to you as a City Council and also not reach out to the public to have this much more of a debate. San Jose really did a horrible effort of what they did in their plan to try to shut down 88 collectives to 15, and it really didn't take into what people wanted to do. It was a very top-down approach. I suggest we do a collaborative approach and reach out to Stanford and research what is the reality of this and what's the emergency.

Mayor Burt: Thank you.

Mr. Lane: I contend there is none. Thank you.

Mayor Burt: Molly, can you address the issue that Mr. Fredrich raised as to whether the proposition does address restrictions on outdoor growth?

Ms. Stump: As we've read it and as the League describes it, I think that Candidate Fredrich is referring to the indoor grow regulation, which includes growing in an outdoor area that's enclosed and shielded from view, such as a greenhouse. The cities cannot restrict or ban that. Growing beyond that in areas that are in your backyard, your side yard, your front yard, your community garden plot, there are no limitations or restrictions on that in State law. If you want one, you have to do it as a local law.

Mr. Fredrich: Excuse me.

Mayor Burt: Mr. Fredrich, you cannot speak without being authorized.

Mr. Fredrich: That's why I was asking. I said Mr. Mayor, could I be recognized to respond to that.

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Mayor Burt: Molly, would you like to briefly see if Mr. Fredrich can point out a passage to you that is different from your understanding either publicly or offline.

Ms. Stump: Just offline, would that be helpful?

Mayor Burt: Sure. While that's occurring, Council Member Wolbach.

Council Member Wolbach: This is actually really interesting. I find myself at an unexpected position. The preview of that is I'm leaning toward supporting an emergency Ordinance with an amendment to have a fairly short sunset for the purpose of giving us an opportunity to do the due diligence, do the community outreach. Frankly I just think the community hasn't been paying very close attention to this issue. I think most people, including a couple of members of the Council, came into this meeting not realizing that—even myself before reading the Staff Report—cultivation might begin in publicly visible places pending the consultation between City Staff and the public. That might begin immediately following passage of Proposition 64, should it pass. The first issue that ever got me interested in politics was the absurdity of the drug war. I think the drug war is fraudulent. I'm in favor of the passage of Proposition 64.

Mayor Burt: Wait. I want us to at this hour focus on the narrower issue rather than the broad debate of the drug war.

Council Member Wolbach: I understand. I'm explaining where I'm coming from. I think that does matter on this one. I do think that it is important that we do have some public outreach. I think it is important that we buy ourselves a little bit of time to figure out what the appropriate response is should Proposition 64 pass. I am leaning towards supporting, again, an emergency Ordinance but with a sunset to force us to really think about this. We may in the end—I myself may be supportive of very loose regulations in the end. I do think that the community would be caught off guard. I think we owe it to the community to have the due diligence, the outreach and buy ourselves a little bit of time to have that conversation. I'll hold off on making a Motion for now, though.

Mayor Burt: Anyone one else want to wade in?

Vice Mayor Scharff: I'll wade in.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I actually agree with what Cory just said in terms of I'd like us to have an Ordinance in place and then allow us to come back and

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look at this issue, especially the notion of growing in people's backyards. I'd like to have the Fire Chief weigh in. I'd like to have more information. I'd like to have some community outreach. Maybe we're going to have thousands of people come here and say, "No, we want to be able to have less restrictive than that." I doubt it, but. I would like all of that. I'm not sure it matters if we pass the emergency Ordinance or if we pass the regular Ordinance frankly. It's about a month difference. I don't know much about pot growing. Relying on Council Member Schmid who doesn't think we can grow the plants that quickly—I guess he's the expert now. I'm teasing you a little bit. Unless anyone thinks that you could really grow these plants really quickly, I can't see people taking them out of their indoor and putting them out in their front yard just for a statement. I guess it could happen for a month.

Male: Winter is coming. You cannot grow marijuana in the winter. You people are hopeless.

Vice Mayor Scharff: I guess I'll just move for the regular—that we pass the regular Ordinance and that Staff comes back to us within 12 months with further information.

MOTION: Vice Mayor Scharff moved, seconded by Council Member Kniss to adopt:

- A. An Ordinance adding Chapter 9.17 (Personal Cultivation of Marijuana) to Title 9 (Public Peace, Morals and Safety) of the Palo Alto Municipal Code to prohibit outdoor marijuana cultivation in Palo Alto; and
- B. A finding that this amendment is exempt from review under the California Environmental Quality Act; and
- C. Direct Staff to return within twelve months to Council following public outreach for potential changes to this Ordinance.

Mayor Burt: Before we go further, does Staff have any clarification on the proposition?

Ms. Stump: We don't have any modification to our previous view.

Mayor Burt: Go ahead.

Vice Mayor Scharff: I think we want to get something in place so the community is not surprised. I think we want time to think about this, get the Fire Chief to weigh in, have Staff research the issue, maybe do some outreach to the community and get that.

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Male: Outdoor stills to ...

Vice Mayor Scharff: I think this is the right way to go. I'm not opposed to doing the emergency Ordinance, but I just don't think it's necessary given the really short period of time, the month in between. That's all I have.

Mayor Burt: I want to make sure I understand. The Motion is to have Staff return with a permanent Ordinance or are we ...

Vice Mayor Scharff: To return within 12 months following public outreach to see if any changes should be made to the Ordinance.

Mayor Burt: We'd be adopting an Ordinance tonight?

Vice Mayor Scharff: That's correct.

Council Member Kniss: Under the usual process, though.

Vice Mayor Scharff: Under our usual process. It would take ...

Council Member Kniss: Not urgent.

Vice Mayor Scharff: Right. There would be a second reading, all that kind of stuff that we normally do.

Ms. Stump: That would be the Ordinance under Item Number 12?

Vice Mayor Scharff: Right.

Ms. Stump: The regular Ordinance (crosstalk).

Vice Mayor Scharff: The Ordinance would not be adopted tonight. It would be adopted whenever.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I think we've done sufficient.

Mayor Burt: I'll wade in. I think us looking at a permanent Ordinance is fine, but I don't quite understand why we'd be leaping forward tonight on the particular permanent Ordinance that we have before us without having the input that was mentioned, including from the Fire Chief. I'm not sure it's a good idea at all to—if under this proposition people have a right to grow plants, we want to move forward with an Ordinance based on what we know today to say that we want those to be done indoors. I don't know that. I think that might be bad policy. I would like it to come back to us for

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consideration of a permanent Ordinance and have that determination be made as to what the structure of that Ordinance ought to be. I will offer a substitute Motion that directs Staff after November 8th, assuming that Prop 64 passes, to agendize a Council discussion around a permanent Ordinance to determine proper restrictions on outdoor growth of marijuana. This would need a second. I hear none. We'll return to the initial Motion. Council Member Schmid.

SUBSTITUTE MOTION: Mayor Burt moved, seconded by Council Member XX, if Proposition 64, Marijuana Legalization is adopted, to direct Staff to schedule a Council discussion of a regular Ordinance to provide restrictions of outdoor cultivation of marijuana.

SUBSTITUTE MOTION FAILED DUE TO THE LACK OF A SECOND

Council Member Schmid: A friendly amendment. Currently, the timeline for a second reading is November 7th, which is the day before the election. I suggest just postponing that a week or two so the second reading would be after the election.

Vice Mayor Scharff: I think it does too. Good catch, Council Member Schmid.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "the second reading will take place after the November 8, 2016 election." (New Part D)

Ms. Stump: That's the minimum timeline. There's no maximum. That makes a lot of sense, not to bother with the second reading until we see what the voters do. Thank you.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I'd like to offer a friendly amendment to have a sunset at 12 months. I basically want some fire under us to really bring this back quickly.

Vice Mayor Scharff: I'm good with that. Council Member Kniss?

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "incorporate a twelve month sunset into the Ordinance." (New Part E)

MOTION AS AMENDED RESTATED: Vice Mayor Scharff moved, seconded by Council Member Kniss to adopt:

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- A. An Ordinance adding Chapter 9.17 (Personal Cultivation of Marijuana) to Title 9 (Public Peace, Morals and Safety) of the Palo Alto Municipal Code to prohibit outdoor marijuana cultivation in Palo Alto; and
- B. A finding that this amendment is exempt from review under the California Environmental Quality Act; and
- C. Direct Staff to return within twelve months to Council following public outreach for potential changes to this Ordinance; and
- D. The second reading will take place after the November 8, 2016 election; and
- E. Incorporate a twelve month sunset into the Ordinance.

Mayor Burt: Do we have any other discussion? Please vote on the board. That passes on a 7-1 vote with myself voting no. That concludes this item.

MOTION AS AMENDED PASSED: 7-1 Burt no, DuBois absent

- 13. Review and Direction on Formation of a Stakeholder Committee to Advise the Council Regarding a Potential Local Tax to Raise Funds for Transportation Programs and Projects.

Mayor Burt: We will now move on to Item Number 13 which is review and direction on formation of a stakeholder committee to advise the Council regarding a potential local tax to raise funds for transportation programs and projects. Who's kicking this off? Mr. Shikada?

Ed Shikada, Assistant City Manager: Yes, Mayor, members of the Council. Actually we have no Staff presentation. We simply wanted to provide you some factual baseline from which to consider your options going forward based on prior commissions or stakeholder committees that have been established.

Mayor Burt: Thank you. This was an item that the Council took a certain guidance on. I'm trying to see where the Staff Report captured the direction of the Council. I think it's on the bottom of Page 2. We were creating a stakeholder committee to explore priority transportation needs, identify funding requirements (inaudible) various funding options, develop a funding plan. Committee members would include a balance of business and residents, ideally include but not limited to Stanford, the TMAs, the School District, residents, Stanford Research Park Transportation Demand Management Working Group. That was the general framework that we discussed. Unless we want to reconsider that framework of what the task of

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the task force would be, we need to think about the process and the stakeholders we would want represented on the committee and any other items that anybody thinks we need to review as part of this discussion tonight. Does anyone have anything they want to wade in at this time on that?

Vice Mayor Scharff: Are you asking for questions or are you asking for comments (crosstalk)?

Mayor Burt: No. This can be comments, because there's no period of Staff questions. It's not a Staff presentation. Council Member Wolbach.

Council Member Wolbach: My first question is—in the recommendation and the executive summary, it refers to a Business Tax. In the summary of the Council recommendation on Page 2, I don't see unless I'm missing it any mention of a business tax. One of the concerns that I'd expressed—I don't think I was alone—when we were discussing it a few months ago was that there seemed to be a rush towards a particular funding mechanism. By having a committee have more opportunity to explore various options and needs, etc., I think one of the purposes of that and one of the opportunities is to make sure that we explore a slightly wider range of options.

Mayor Burt: Make sure you refer to what I just read, because I think it does address it in the way that you are alluding to.

Council Member Wolbach: Right. That's what I'm saying. I don't see a reference to a Business Tax there. What I see is explore various funding options. I know that there was—during our discussions of a potential measure for this year, there was a focus on a business license tax. I just want to make sure that, as we move forward with a committee or commission to explore this, their purview isn't preemptively limited to only a business tax. That's my own prejudice of where we should go. That's maybe where we'll end up. Given that we now have the opportunity to explore various other funding options, I hope that we'll take advantage of that and not preclude them preemptively.

Mayor Burt: Council Member Kniss.

Council Member Kniss: Having been on the committee that did this in the spring, I'm kind of ready to stay the course on it. We did two surveys. We met I don't remember how many times now. Maybe, Karen, do you remember? Three or four. We had agreed at that time that while the timing wasn't good at that point, we wanted to look at it again, especially we wanted to look at it in light of whether or not Measure B was going to pass.

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I think, as I said, at this point I would stay the course as we planned, I think, when we voted in June.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: I agree. I think we should go ahead and set this up. I had some comments on the stakeholder committee itself. I agree with what we had in there, not limited to Stanford, Transportation Management Association. I think that should say the Downtown Transportation Management Association, Palo Alto Unified School District, residents, Stanford Research Park Transportation Demand Working Group. First of all, is the Transportation Demand Working Group the Stanford Research Park group? Which is that group?

Council Member Wolbach: There shouldn't be a comma between "Park" and "Transportation." It's one thing. Stanford Research Park Transportation Demand Management Working Group is one entity.

Vice Mayor Scharff: If that's true, I think it's an important group to have on the ...

Mayor Burt: It's basically the two TMAs. We want the Downtown TMA and the Research Park TMA.

Vice Mayor Scharff: I wanted to make sure. I wanted the Downtown TMA in it. I also think we should probably have someone from the Stanford Research Park separate from the TMA possibly or maybe they're the same person. I'm not sure. I think they're different entities. If we're going to apply this possibly to the hospital—I don't know if we are—we might want to have someone from the hospital. We should think about how many people we want. On the IBRC, I think we had 17, and 15 showed up, is what I recall.

Council Member Berman: That sounds about right.

Vice Mayor Scharff: I think we should model it basically—a number like that, I think that number worked well. I know, Marc, you were on it, if you disagree. Not everyone participates. You have some people drop off. I think that's better than an alternate system. I was thinking also of a number we had—we just recently had a large number of applicants that applied to the PTC, and we did all of those interviews. I thought the Council should choose the people that are on this. We should go ahead and interview them all. We could have 10-minute interviews like we did for the PTC. I think that would probably work better than what we did with the IBRC, which was have three Council Members interview everyone. Then, I

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believe Council voted as a whole and could go to the interviews themselves. I actually think we could get through all the interviews.

Mayor Burt: Let me offer something for folks to be considering. If we're looking at stakeholder positions, there's a question of whether we would be selecting who would be representing each of those stakeholder groups or do we take a pool of candidates and we select from that whole pool. We wouldn't necessarily get the stakeholder composition that we were looking for. One of the processes that wasn't alluded to in the Staff Report was the SOFA plan. In the SOFA plan, we did it by identifying different stakeholder groups and soliciting applications for each stakeholder group. There was an affordable housing expert. There was a transportation expert. There was an environmental one. There was one from the landholders. There was Palo Alto Medical Foundation (PAMF). There were different—two from the neighborhood group. It was identifying stakeholders, and then we had anywhere from one to several applications for each of those stakeholder positions. It wasn't like we had ten for each stakeholder position. We had several at most. That's a real consideration of whether we want to be thinking about stakeholder positions. One of the interesting things that we saw out of that is that we, from the greater University South neighborhood, had people who applied, who were affordable housing experts that we never knew resided in that neighborhood, and transportation experts and different things. It really drew people out. We can go about it either way, but I would strongly suggest we consider that.

Vice Mayor Scharff: I actually wasn't done, but I appreciate the comments. I actually agree with you about that. I think having stakeholder positions makes more sense, but it should be open for different people to apply for the different stakeholder positions. I would support that. We should definitely settle on a number that's reasonable, and then we should look at these stakeholder positions in the community. One of those things says balance business and residents. I think we want to make sure we do that so that we end up with a composition that's balanced on both business and residents. That could be a little challenging on the stakeholder stuff, because we want to have a number of resident positions, I believe, as well as some stakeholders. Sometimes they meet both of those, as you said.

Mayor Burt: I'll give you a couple of examples. We could have transit advocates. We have folks who are part of Friends of Caltrain, who are residents. We could have bicycling experts. It could be someone from Palo Alto Bicycle Advisory Committee (PABAC) or otherwise. The resident positions could very well be also with certain expertise roles. That's what we got out of SOFA. Basically we got two for one. We got a lot of the resident

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positions fulfilled by people who brought expertise in different stakeholder functions at the same time.

Vice Mayor Scharff: I think that would be ideal.

Mayor Burt: Council Member Holman.

Council Member Holman: I appreciate the discussion. Balancing the interests is going to be a little bit tricky, because we have so many different interest groups. I appreciate wanting to add Stanford Hospital. I do not remember what the TDM requirements that were placed on Stanford Hospital as part of that approval project. I just don't remember. It seems like nobody's volunteering that. Also, there's nothing here on how to sweep up small business representatives. We want them to be part of the TMA and accumulate their interests, so they can have an impact. How do we do that and not expand the group to such a large number? They do have smaller voices; let's just face it. As I watched the TMA on any presentation we've had on the TMA, businesses seem to have self-selected. It's a decent group of entities that are participating, but it seems also kind of a self-selecting process as opposed to an outreach process for how they've gotten participation. That's also the reason why I especially want to reach out to small businesses. Having to do with residents, are there particular areas of town that we want to focus on? Say, near Downtown, near Cal. Avenue. Are there areas of focus that we want to address when it comes to that sector of residents? People who live on Middlefield Road, we have a lot of issues there. Those are questions and suggestions.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I'm concerned that the committee buys into a delay. There's a lot of discussion of other committees. IBRC took one year three months to produce a result. Cubberley took one year four months to produce a result. The CAC is one year five months into their process. With Staff support and discussions and subcommittees, what we're buying into is 2018. It seems to me the committee can't operate effectively without Council at least giving Guiding Principles on the things are important to Council. A business tax, will it be effective with RPP? How do we vote on growth limits dependent upon TMAs? Those are the job of Council, and Council has to be making those decisions as part of its Comp Plan decision-making process. It's got to be done in the timeframe that this committee will be off deciding things. It seems to me we have one clear example of a successful TMA in town, and that's the SUMC, Stanford Medical Center. What they have given is guaranteed \$2.5 million per year for the next 30 years to offset 35 percent of trips. Now, is this what this committee is going

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to be working on and come to the conclusion? I guess not, if it's filled with "stakeholders." They won't jump to those kind of numbers. How does the Council get its input in upfront, so that the committee is given guidance, principles to make transportation offsets that work? My suggestion is the Council encourage a committee to move forward but to start by agreeing on the Guiding Principles. I think a good start is here's an example of a TMA that works. How are you going to fund it? How are you going to make it, and how are you going to fund it? I think the Council has to take the initiative.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: A couple of things just bouncing off of the comments I've just heard. One thing to consider is—I'm open to ideas about this. My inclination is to say that for SRP TDM Working Group which, according to their letter, looks like has been renamed to the SRP TMA. The SRP TMA, Palo Alto TMA, Palo Alto Unified School District, do we maybe just want to let them pick their own liaison to this committee? If each of those stakeholders—we've identified them as an organization that we want to be present. Maybe we just save ourselves the trouble of trying to pick which of their staff members is the best person; let them make that decision. I do think we should probably include Stanford Health Care as one of those as well. Just one more thing I wanted to add. On the question of breadth, I want to make sure that the committee is open to recommending multiple funding sources. They might recommend that we move forward, say, with paid parking for Downtown on the surface streets in addition to a Parcel Tax or a sales tax or a Business License Tax. Again, I want to just make sure they have again a broad purview, because that's what our original mandate is.

Mayor Burt: We're getting into discussion some. I see we do have one speaker. Why don't I go ahead and let Scott Lane speak? Welcome.

Scott Lane: Thank you again for the opportunity to speak as you start to get into the weeds here. I guess part of the question I wanted to bring up—I was wanting to follow on what the last two Council Members have said. What has worked so far, where are you going to go but also cognizant of when do the deliverables need to be done. Milestones are going to be needed to back into that. Maybe you need a cushion on the backend. How are you actually going to produce what you want in perhaps half the time it normally takes? I don't know. This could be a very aggressive thing. I don't have the answer. More process, more planning and more direction from either City Council. A Staff member dedicated there would be interesting. As part of what MTC and ABAG are doing, just to let you know,

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they're really reaching out into the equity angle. Equity is huge for transportation. We're really trying to find out who is not included in transportation, who are the people that usually are forgotten. Oftentimes, they're restaurant workers. They're the small business people. They're the moms trying to do a transfer from one bus to another to do childcare. There's so many other people, and I'm not sure if they're all bidding here. Obviously, Americans with Disabilities Act (ADA) is a huge issue for transportation. Obviously we're going to have some, like you say, two for one, three for one type of candidates here. You might even want to consider having non-voting members in this committee or ex officio type people as well. Once again, you have to make sure you have too many Indian Chiefs and not enough scouts. What do you do for that? Once again, I think anything that you can do to try to look at what has worked in this City before, and then try to work with a project manager to figure out how do you compress this timeframe into something. You're going to have to have a lot of decision process at the end of this to figure out how do you make it work. I think what Council Member Schmid was talking about was if you don't give clear direction, you may think you're going here, and the next thing you know you're off four to five degrees either way, and it may be too late to correct course. Those are just a few comments. Thanks again.

Mayor Burt: Thank you. We have one more card, Stephanie Munoz.

Stephanie Munoz: Thank you, Mayor Burt and Council Members. I'm speaking because of what I heard Council Member Schmid say. With all due respect, I have to say I do not believe that any TMA that involves transportation from Stanford Hospital to wherever the workers work is working. The problem is that there is no place for this affordable housing for the low paid workers. There's just no place, but Stanford has the place. They've got literally thousands of acres. They could house their workers; they could put them in concrete, "pack them and stack them" but there are three sets of people for every bed in that hospital. They don't make very much anyway, and they're traveling at odd hours of the night. Stanford has to house those people. It can't be a good example for a TMA. Of all the people, it isn't that Stanford's much worse than anybody else, but they have quantities of employees, and they do have the land. Nobody else has the land. Thank you.

Mayor Burt: Council Member Berman.

Council Member Berman: I was thinking about IBRC, and I think I agree with a couple of comments that Council Member Schmid made and a couple of the comments that Council Member Wolbach made. My idea for this would be we set a goal for the committee of achieving a certain amount of

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transportation reductions, single occupancy vehicle travel, that type of thing. We say to the group, "Figure out a couple of different ways to pay for it, and bring it to Council." That's what IBRC did. Council did not adopt—we brought, I think, four scenarios. Council took a hybrid of the four, picked some other things that IBRC wasn't aware of. That was how Council came up with the \$125 million now \$150 million plan. Setting the goals that I think we've already set of 30 percent reduction of single occupancy vehicles and some of these other things—yes, yes. Making broader goals, I guess, and saying to the committee, "Figure out how much it will cost." That was what IBRC did. Figure out how far we've fallen behind and how much it'll cost to catch up. Figure out that annual amount, and then come up with some ideas for how to pay for it, and pitch it to Council, and Council decides. I think the Mayor has got an idea of the list or something like that. We had 17; 17 was a lot. If you can do 13 or so, that's probably a little more manageable. It shouldn't take a year and three months for this. Maybe half that.

Mayor Burt: Council Member Wolbach. Did you already speak?

Council Member Wolbach: Yeah, I think you already got me.

Mayor Burt: Let me wade in for a minute on a couple of these things. One was a question that Council Member Wolbach had of whether we should select the stakeholders or allow the stakeholder groups to select theirs. I don't think across the board we could readily allow the stakeholder groups to select theirs. In some cases, there aren't really groups. In addition, there's a consideration in those cases where there is a stakeholder group, we want to make sure that whoever the representative is, is willing to accept and be committed to the outcome of funding and solving these problems as opposed to somebody who really is there to obstruct. One or two of those people can really undermine the whole process. Whether we assure that through who we select or whether we put that as a precondition to someone applying and they've accepted that as kind of ground rules of it. We could either of those ways. I also do agree that we're not looking at a single funding source. We've already anticipated that we're probably going to have revenue from parking Downtown. We hope and expect that we'll have revenue from other grants and the VTA Tax that will flow to some of these measures. This is a major funding source in combination with those other measures. This funding source alone in all likelihood will not get us to where we need to go. In combination, it very well may. It's not going to be enough funds to make any major dent in grade separations. I think we need to be realistic. When the time comes to that, if we get our ballpark of \$400 million out of the VTA tax toward grade separations in our City, we will in the next year or two need to know what fraction of the cost of grade separations that covers, and

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then begin a real, concerted effort on how to come up with the other dollars, a combination of local, State and Federal dollars in all likelihood. Then, there's the question of what should be the overriding trip reduction goal. I like the concept of having some framework at the outset for that, but I'm struggling with—basically there's a dynamic between determining what possibilities there are for funding. There's probably some analogies to the IBRC, what was included and what was left out was partly dependent on what you thought were the realistic boundaries that wasn't blank late, like you didn't include the grade crossings or the flood control, for instance. Those things were excluded. If we put a trip reduction goal, we will have this very legitimate question, this one that was raised in particular by the Stanford Research Park. They said, "We are unlike your Downtown TMA. We are fully funding our right now." They have basically—Stanford, to our pleasant surprise, has a form of taxing authority. For a lot of their leaseholders, they can pass on the costs of this. As a result, they're already doing a lot of the things that are on our wish list for our Downtown TMA and our wish list for what might be an expanded TMA to greater parts of the City or maybe even Citywide. There's going to be a legitimate question of what do the companies who are—if a major portion of this comes from a Business License Tax, should we be looking at trip reduction independent of where the revenue comes from or would it be a bias toward employers and avoiding the trips of their employees. I will add that the support that we get from businesses—we saw this from some of the letters—is that they see this as a major problem to their existential well-being. My hope is that we're going to have enough enlightened business owners who are going to see that it is in their interests to solve this problem. If we don't solve it, we're all toast, them and us combined. They are going to want to say, "If we're the primary funders of this, we want a good portion of these dollars coming back to helping our employees have alternatives to single occupancy vehicles." On the other hand, we could argue that a trip is a trip, and we want to spend dollars on the most cost-effective way to reduce car trips and reduce parking demands. Both of those are good arguments. We'll have to reconcile that, and that may be part of the guidance that we want to give to the group, which is balancing the interest of trip reduction by businesses who, should they be the primary funders, and the interests of overall trip reductions in the community. I think that may be something that we want to include within the guiding goals. This quantitative question—I'm not sure that we can set that at the outset. The Downtown 30 percent single occupancy vehicle reduction is a good discrete goal. I don't know that we can readily apply that throughout the City as a goal realistically against this kind of prospective funding. Maybe we want to put as a framework to identify through the different measures that they could identify to be funded what trip reductions they think are realistic. That would even inform the type of funding or tax that we have. I'm trying to think through the best

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way to frame it, because I don't want it to be just nebulous. I want it to be a focused goal. I've probably looked at this as much as anybody on the Council. I don't think I could come up with a good estimate as to the Citywide outcome that we could get from whatever assumptions we make on the dollars of a tax and parking and other funds combined. Say we were to hypothetically say that we would get \$5 million from a tax and \$1 million or so from the parking and another \$1 million from the County, maybe \$7 million a year, who knows what the number is. If we gave a budget and said how much trip reduction can you get from that, that would be one way to approach it. Another one would be to say we want X percent single occupancy vehicle reduction, how many dollars will it take. I'm torn on those things. I've presented more issues than solutions. I think it's important to frame these. Let me rattle off just some thoughts I had on a possible set of stakeholders that add up to 15. I'm open-minded; I'm just putting this out as a placeholder for discussion. If it was a Downtown TMA representative, a Stanford Research Park TMA representative, a Stanford Hospital and Shopping Center representative, a property owner, a small business owner or representative from elsewhere in the City meaning outside of the Research Park and Downtown, a medium or large business representative from elsewhere in the City—we've got a lot of employees outside of those areas—a transit advocate or expert, a biking advocate or expert, a representative of nonprofits, a representative of affordable housing, a School District representative, and then three residents representatives that are not from one of those other areas. I should mention that the transit, biking, nonprofit, affordable housing and School District, I would hope that those would also all be resident representatives, kind of wearing two hats. Within the other resident representatives, one from the Downtown areas either North or South and two others from elsewhere in the City. There's a question of whether we would want ex officio members or official members beyond that. We could have a PTC representative. We have workers in Palo Alto who come from a lot of communities, but certainly from service workers, I think, the demographics show that East Palo Alto is probably the highest percentage, certainly for the hospitals, and many of our Downtown workers and Stanford Shopping Center. Whether we would want to invite as an ex officio member an Environmental Protection Agency (EPA) representative. If we see that transportation, getting that between East Palo Alto and Palo Alto is one of our best trip reduction methods. We need to collaborate. It would be a good thing to do there and just be another opportunity to be collaborating with East Palo Alto rather than kind of presenting things after we've decided on them. I didn't want to put all this in a Motion without seeing whether it resonated with others or if people instead want to go other directions. Council Members Holman and ...

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MOTION: Mayor Burt moved, seconded by Council Member Kniss to form a stakeholder advisory committee, appointed by the Council, to advise the Council regarding a potential future ballot measure; the Committee will be comprised of the following:

A. Membership criteria:

- i. Stanford Research Park Transportation Management Association (organization selection); and
- ii. Palo Alto Downtown Transportation Management Association (organization selection); and
- iii. Stanford Healthcare and Stanford Shopping Center (organization selection); and
- iv. Commercial Property Owner; and
- v. Small Business Owner from elsewhere; and
- vi. Medium or Large Sized Business Owner from elsewhere; and
- vii. Transit advocate or Expert (preferably a Palo Alto Resident); and
- viii. Bicycling advocate or Expert (preferably a Palo Alto Resident); and
- ix. Non-Profit (preferably a Palo Alto Resident); and
- x. Affordable Housing (preferably a Palo Alto Resident); and
- xi. Palo Alto Unified School District (organization selection); and
- xii. North or South Downtown Resident; and
- xiii. Resident One (not representing other criteria groups); and
- xiv. Resident Two (not representing other criteria groups); and

B. Ex Officio Membership criteria:

- i. Planning and Transportation Commission; and
- ii. City of East Palo Alto.

Vice Mayor Scharff: I was going to say it resonates with me. If that helps.

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Mayor Burt: Thanks. Council Members Holman and Wolbach already had your lights on. Do you want to continue?

Council Member Holman: Yes. You said 15. I counted 14 unless I missed somebody. The fourth one you listed was a property owner. I don't know what that means.

Mayor Burt: You're right; I counted 14. What was the second question?

Council Member Holman: The fourth one you listed, I just caught property owner. I don't know what that means.

Mayor Burt: I'm sorry. Commercial property owner.

Council Member Holman: From anywhere in town?

Mayor Burt: Yeah, that was the general concept.

Council Member Kniss: I'm still getting 15.

Mayor Burt: I had 14 without PTC.

Council Member Holman: I got 14.

Mayor Burt: If we add PTC, it becomes 15. Or we could have four residents.

Council Member Holman: You said PTC would be ex officio, I thought.

Mayor Burt: Did I get this right? Let's see. It's 14 unless we count the PTC.

Council Member Kniss: Still get 15.

Mayor Burt: Council Member Wolbach.

Council Member Holman: I wasn't done.

Mayor Burt: I'm sorry.

Council Member Holman: A small business owner outside of Downtown. Why not small business owner Downtown? There's only one small business owner and one medium business owner.

Mayor Burt: We'd have a Downtown TMA representative, which could either be a small or a large business owner.

Council Member Holman: It's likely not going to be small.

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Mayor Burt: I don't know. The Chair of the Downtown TMA is small business.

Council Member Holman: Is it Susan Graf maybe?

Mayor Burt: No. The regional manager of Philz. He's a strong advocate.

Council Member Holman: That's sort of small.

Mayor Burt: It's not a given that it's a large business owner. A separate question what we want to do, but I'm just saying it's not a given.

Council Member Holman: I wanted to pile onto something you said earlier too. I'd actually advocate for—I think it's a good list. I'm not quite sure nonprofits, what they add. Most of the nonprofits in the area are smaller ones. I'm not sure about that one. All the other ones, I think, are good selections, and I would advocate for one more small business owner. You mentioned something earlier about people on the committee needing to come to the party with an open mind and not closed to things.

Mayor Burt: I actually said it different from an open mind.

Council Member Holman: You said it differently, yes.

Mayor Burt: If I can, I want to make that distinction. That are committed to the outcome. Not just open to that, but committed to the outcomes of coming up with a funding solution to address the transportation.

Council Member Holman: Committed to an outcome, but I also would want to see that members were committed to a range of outcomes including the business transportation tax. I don't want any options foreclosed at the beginning. Yes, committed to an outcome, but also committed to means to get to an outcome.

Mayor Burt: We had already covered that in the framing of it and what I read at the outset, which is that broad.

Council Member Holman: One other—sorry, I didn't catch that, I guess. The other thing is I keep hearing here and there the decision has already been made about parking fees. With any of the considerations including parking fees because that's what's on my mind right now, I'd want to make sure that the committee addresses what the impacts are. In other words, who's paying and what the impact is from any proposition. Let's just, for purposes of conversation, say it's parking meters Downtown.

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Mayor Burt: The committee would not be getting asked to determine whether we would do Downtown parking fees. The Council will be having that decision coming forward with the comprehensive Downtown parking analysis in the coming months. The committee would be receiving whatever that direction is. If the Council says we want to move forward, and there's a budgeted amount that's anticipated that would be income for other Downtown purposes out of that, then this committee would be able to have those number of dollars that would go into problem solving.

Council Member Holman: I thought it was the other way around. I thought this group was going to be considering the Downtown parking.

Mayor Burt: No. There's nothing in anything we read. That's not been part of the discussion.

Council Member Holman: I took it in ...

Mayor Burt: It wouldn't be something I'd want ...

Council Member Holman: I took it from comments that were said.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I like the framework of a commitment to an outcome and commitment to funding. I think it's important that it be set with an overriding goal, something like single occupancy vehicles down by a third. It should start with existing trip reduction. You might say take the RPPs that are appearing throughout town now and use that to indicate a number which should be resolved. It then creates an incentive. If you can deal with the RPP discounts that are needed, you then get the incentive of new jobs, additional jobs. There'd be step-wise progress of show us this works, and then the rewards are increases in square footage. I think the RPP is important to start with, because it's not just parking, but it's also the eight, nine intersections that have been identified as moving toward "F." Most of them are along Page Mill and Oregon, which is directly tied to the Stanford Research Park. First step, show us you can do it. Show that these work. Second step, the incentive is then you can get new jobs.

Mayor Burt: if I could response on the RPP. I certainly think that the RPPs are great drivers toward trip reduction, but they are only a fraction of the trips generated in the City. I don't want to put them as the primary focus. If we're really talking about trips throughout the City, it's really ...

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Council Member Schmid: The important thing, though, is to deal with the current problem first. Show that it works, prove that these steps are making a difference.

Mayor Burt: If you want me to try and put this in a Motion, I can do this. There is one question that I kind of wanted to get a sense of. It's a question that Council Member Wolbach raised of if we do have stakeholder groups like this, does the Council want to be able to select the representative or do we want to defer to the group's in some cases to self-select.

Council Member Berman: In some cases.

Vice Mayor Scharff: I think in some cases. Like Stanford, we're really going to choose ...

Mayor Burt: Let's speak on the record here.

Vice Mayor Scharff: Do you want me to speak?

Mayor Burt: Go ahead.

Vice Mayor Scharff: I think for most of them the Council should choose. I think some of them really call out for them choosing their own rep. The School District, are we going to choose the School District rep? The School District should choose their own rep. Stanford should choose their own rep. The hospital should choose their own rep. We should choose the rest. There may be others that we want to say they choose their own.

Mayor Burt: Let me just try to identify those who would choose. We've got School District, hospitals, Stanford Research Park. Are those maybe the three that we would say can choose their own?

Council Member Berman: Can we throw them all up on the board?

Mayor Burt: Yep.

Vice Mayor Scharff: Let's get the Motion out.

Mayor Burt: First, let me—wow. To get to 15—on the three resident ones, just so that everybody gets to add to 15, why don't we list them as the North or South Downtown resident, and then resident 1 and resident 2 from elsewhere in the City. Everybody will get to agree on how many numbers we have. We won't have that debate.

Council Member Kniss: I don't see East Palo Alto on there. Do I?

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Council Member Berman: It's an ex officio down at the bottom.

Council Member Kniss: Ex officio, you don't want them on the committee?

Mayor Burt: They wouldn't be voting members if they're not City representatives but invited to participate. The three prospectively that self-select would be the Stanford Research Park, the Stanford Hospital/Shopping Center and Palo Alto Unified School District (PAUSD). Does that seem right? Are there any others? Pardon me? Go ahead.

Council Member Wolbach: I was actually going to suggest the Palo Alto TMA as well. It's described in here as the Downtown TMA, but I didn't think it was limited.

Mayor Burt: Currently, it's the Downtown TMA.

Council Member Wolbach: I would put that one as well as self-selecting. One that's not on here that I think is—there's one group that's not on here that's kind of the elephant in the room. I'd be okay with swapping out Number 5 for that one, which would be the Chamber of Commerce.

Mayor Burt: Let me just first say that 3 and 4 were supposed to be combined, was my intent. We have within the—the Chamber of Commerce will in all likelihood be represented through these by multiple representatives as opposed to needing an additional one beyond the representation through there. I would expect most of the large firms in the Research Park are Chamber members. The Downtown TMA folks are Chamber members, I believe. The hospitals are, I think. Commercial property owner probably is. We probably have four or five, maybe six Chamber members that will be on this.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "(including at least one representative be a Member of the Chamber of Commerce)" after "Membership criteria."

Council Member Wolbach: I guess I'd put that maybe as an overlay or a caveat that we should make sure we have at least somebody from the Chamber in there just so they're at the table.

Mayor Burt: Yeah, we'll just say that we want to assure that at least one of these representatives is also a Chamber member. What do you think about whether we should have the Planning and Transportation Commission member be an official member or not?

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Vice Mayor Scharff: An ex officio member is what you mean?

Mayor Burt: No, an official one.

Vice Mayor Scharff: A voting member?

Mayor Burt: It'd move up to 15, because there's 14.

Vice Mayor Scharff: I think you should just basically say Stanford Health Care and the Shopping Center. They're completely different entities.

Mayor Burt: Geographically they represent the same commute corridor.

Vice Mayor Scharff: Are they going to self-select or are we going to select? It's a little weird. I figure the Children's Hospital and Stanford Hospital could work it out. I'm not so sure that it's the same group with the Stanford Shopping Center. I read them as really different with different interests.

Council Member Kniss: I think they should be two.

Vice Mayor Scharff: One has a lot of nurses and stuff. The other one ...

Mayor Burt: I understand the difference. I'd be game either way if we want to make them as two different representatives. Now we're going to go back and ... Now we're at 15 again. Let each of those self-select. We have four that are self-select; five including the School District. Let's leave that for a moment, and let me try to precede it with some guidelines. We want all applicants to be committed to the outcome of determining a funding plan that will achieve significant reductions in congestion and single occupancy vehicle trips in the community and an anticipation that the total funding for these outcomes will come from in addition to a local tax measure other prospective sources potentially including paid parking, grants, and tax funds from the VTA sales tax measure. That says including because there could be others that I'm not ... I'm trying to think if there's anything else from our prior motion to include in this. I think we've largely captured it. Anything else that—I see some lights. I'm open to recommendations. Council Member Holman.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace Part A.iii. with:

- i. Stanford Healthcare (organization selection); and
- ii. Stanford Shopping Center (organization selection); and

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "all applicants to be committed to the outcome of determining a funding plan that will achieve significant reductions in congestion and single occupancy vehicle trips in the community and that an anticipation that the total funding for these outcomes will come from a local tax measure and other sources including paid parking revenue, grants, the Valley Transportation Authority (VTA) sales tax." (New Part C)

Council Member Holman: Thank you for laying so much of this out. The total funding for these outcomes will come from a local tax measure. Are you saying a local business tax measure or are you just wanting to leave it loose at this point?

Mayor Burt: Loose. We could put in there with a particular focus on a business license tax. It acknowledges that that is what our primary focus has been but allows for consideration of other alternatives. Does that seem like a good way to go?

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part C, "(with a particular focus on business license tax)" after "from local funding measures."

Council Member Holman: Yes. A question here. Do we want to have any direction here that focus should be placed on—how to word this. Do we want to place any focus on the greatest generators of traffic impact should be considered as ...

Mayor Burt: Let me actually offer a framework for the Committee that isn't prescriptive. This would be part of the motion. The Committee would look at trip reductions both from measures that would support alternatives for employees and measures that would reduce overall car trips in the community. That's an attempt to say it's both without prescribing the balance. Let them debate that too.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct the Committee to look at trip reductions both from measures that would support alternatives for employees and measures that would reduce overall car trips in the community." (New Part D)

Council Member Holman: I guess that gets there. Looking at the list. Going back to the list, a clarification. You know where I'm going to go with a piece of this. Number 6 is small business owner from elsewhere, medium-sized

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business owner from elsewhere. I'm not quite sure what that "elsewhere" means, refers to.

Mayor Burt: It means elsewhere, other than what we have previously prescribed. We can go and say other than from Downtown, the Stanford Research Park and the Stanford Shopping Center/hospitals.

Council Holman: From other than the first five entities, the first five enumerated on the list, something like that.

Mayor Burt: It's not five; there's four. Yes, I think that—other than the first four.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part A.vi. and Part A.vii., "from elsewhere" with "from other than the organizations listed above."

Council Member Holman: I still think we need two small business owners. They're the ones that are so greatly impacted by transportation in particular in parking. It relates to parking issues. I'm going to lobby for two small business owners.

Mayor Burt: We want to keep it as an odd number. If we just added—with the Stanford Health Care and Stanford Shopping Center, we've got two big businesses. We could have the Downtown TMA/small business in that we basically are saying that that representative should be from a small business.

Council Member Holman: That would get us two small business owners.

Mayor Burt: Vice Mayor Scharff, I'll let you wade in.

Vice Mayor Scharff: I'm not sure why we need two small business owners. I'm not sure what we gain. We get the small business owner perspective. Is there some difference in a type of—we have a medium, small. We don't have a large, do we?

Mayor Burt: We haven't defined what a small and medium is, because you don't necessarily want to use SBA definitions. We may have to (crosstalk).

Council Member Holman: Here's why I'm advocating for two. One reason is because if we have one small business owner—knowing several, small business owners a lot of times can't make meetings, so I think there's a matter of attrition or intermittent attrition. By definition, they're hands on. That's part of the reason, to make sure we have that representation.

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Mayor Burt: Let me just say that that could be addressed with alternates and may be the more appropriate way to do it, rather than assume attrition.

Council Member Holman: We haven't addressed alternates at all. The other reason is because I hear a fair amount that small business owners don't have much of a voice. I'm trying to give them more of a voice in something that's actually going to have potentially a very positive impact on their ability to do business. Whether it's a restaurant or whether it's a shop of some other kind, one of the biggest issues they face—Pat mentioned it earlier with other entities—is getting people here, getting employees here.

Mayor Burt: I want to bear I mind that over 15 is probably too many. It doesn't have to be an odd number. This is really going to be a consensus-based process. They're going to have to hammer things out and either have unanimous or a majority and minority position. It doesn't really matter whether there's a swing vote. It could be an even number. Maybe that's the way to address it, and we just add a small business. Let's see. Just say two small business owners.

Council Member Holman: Just say two. Number 6 is two.

AMENDMENT: Council Member Holman moved, seconded by Council Member XX to add to the Motion Part A.vi. "two" before "Small Business."

Council Member Berman: Why do we have nonprofit again?

Council Member Holman: I don't understand why we have nonprofit either.

Mayor Burt: There's a lot of non-profits in the community that are basically small businesses, not-for-profit small businesses. That is in a way another small business owner, but it's a not-for-profit. That includes housing nonprofits. Do we want to have that perspective? That's actually more of what I was having in mind, but I didn't want to prescribe it. If we ended up having two or three different applicants and the best applicant who's a resident and knows about transit and is a nonprofit rep and they're not from housing, then maybe we select that person. I didn't want to be prescriptive, but that was certainly one of the possibilities. The nonprofit would be either affordable housing or just other nonprofit.

Council Member Holman: That's the end of mine. I just wanted to say I really appreciate the inclusion of the City of East Palo Alto there.

Mayor Burt: We still have this question of do we have two small business owners and, if so, that would be six and seven to make 16.

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Council Member Holman: I'm good with that.

Council Member Kniss: May I?

Mayor Burt: Sure. Council Member Kniss.

Council Member Kniss: Suppose that we had one from the Downtown and one from California Avenue, somewhere in that region. Would that work? Why don't we try that?

Mayor Burt: Just to bear in mind, we've got a lot of small businesses outside of those two areas. We tend to think everything is there. I'd be comfortable with one from Downtown and one from elsewhere.

Council Member Kniss: That's fine.

AMENDMENT RESTATED AND INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace Part A.vi. with, "

vi. Small Business Owner from other than the organizations listed above;
and

vii. Small Business Owner from Downtown."

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I'm not sure if it should go here or in the paragraph that's there at the top or the one above that, in the very initial. The focus here seems to be on reducing single occupancy vehicle trips. I think it should be—if we're going to set priorities like that, which is further than we went in our Motion back in June, where we just said explore priority transportation needs and left it open at that. This is going much more specific. If we're going to go more specific, I would supplement reduction of Single Occupancy Vehicle (SOV) trips with improving mobility for Palo Alto residents as the other—those ...

Mayor Burt: I don't think it needs to substitute. I'd be fine with adding ...

Council Member Wolbach: Supplement, not substitute. Sorry if I misspoke.

Mayor Burt: Where do we have trips? Improve mobility for ...

Council Member Wolbach: Palo Alto residents.

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Mayor Burt: I would say residents and workers. I would leave off Palo Alto and just say residents and workers. It's both.

Council Member Wolbach: That's fine.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part C, "and improve mobility for residents and workers" after "in the community."

Mayor Burt: Council Member Schmid.

Council Member Schmid: I would like to add a sentence on maybe the second paragraph that says all members will get a full description of the annual Stanford Medical Center traffic mitigation program.

Mayor Burt: I'm not going to accept that, because I think there's actually a number of reference points. We have Stanford University TMA. We have the Research Park TMA that is probably doing some things that even the hospital one isn't. I'm not convinced that—the hospital one was cutting edge for within our City at the time it was formed. I'm not so sure how current it is.

Council Member Schmid: The advantage of the Stanford Medical Center is they state each year each program they have. They state how much they spend on the program.

Mayor Burt: I'm not against including it, but I don't want to exclusively do so.

Council Member Schmid: If you want to add others, but I would like them to have some direction.

Mayor Burt: I'd like to include language that says the committee will look at best TMA practices from within the Palo Alto/Stanford community and elsewhere. How's that?

AMENDMENT: Council Member Schmid moved, seconded by Council Member XX to add to the Motion, "that all members will get a full description of the annual Stanford Medical Center Traffic Mitigation Program."

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part D, "the Committee will look at best TMA practices from within the Palo Alto/Stanford community and elsewhere" after "trips in the community."

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Council Member Schmid: I guess I would like to see another one that has the level of detail that the Medical Center has.

Mayor Burt: I'm not going to accept that. Vice Mayor Scharff.

Vice Mayor Scharff: After you've gone through, you've hit my questions. I'm good with the Motion the way it is.

Mayor Burt: Are we good? Anybody else?

Council Member Berman: Is this actually a Motion and a second?

Council Member Kniss: Is there a Motion?

Council Member Berman: I'm not sure.

Mayor Burt: Did I get a second?

Vice Mayor Scharff: I don't think you did.

Council Member Kniss: Yeah, I seconded you.

Mayor Burt: Liz got a second. We've accepted all of these amendments. Council Member Wolbach.

Council Member Wolbach: Before we vote, can we actually look at the first couple of paragraphs of the Motion?

Mayor Burt: Okay.

Council Member Wolbach: Here's my question. We really had four components to our conception of this committee in our Motion back in June, which were, one, explore priority transportation needs; two, identify funding requirements; three, explore various funding options; and four, develop a funding plan. I don't see that reflected exactly here. My question is do we mean for this to replace or to supplement and still maintain those four elements?

Mayor Burt: We want to retain them. What do you see missing?

Council Member Wolbach: I think that we've kind of captured the explore priority transportation needs by talking about reducing vehicle trips and improving mobility.

Mayor Burt: Don't say what's there. Tell us what's missing.

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Council Member Wolbach: I'm just going through the four and saying I think that is there. You could argue that we haven't captured that fully. I guess the question is whether—I just want to make sure that we're looking at both of these, and we think that this language does capture those four components. I'm not sure.

Mayor Burt: If you can find something that's missing, I'm open to it. The general intention was to capture those four points. Council Member Schmid.

Council Member Schmid: We had talked a little bit about timing. Do we want to put a sentence in on suggested timing?

Mayor Burt: Good point. If we work backward, once this committee has its product, I think they're going to need the better part of a year to really have it move forward to Council support and then a prospective ballot measure.

Council Member Berman: Once they pass it on?

Mayor Burt: Yeah.

Council Member Kniss: Again, if I might. We did talk at some point—Karen, you remember—about November of next year as well as November of the year after.

Council Member Berman: I don't think it's going to happen.

Mayor Burt: I don't think that's feasible.

Council Member Kniss: It may not. We did talk about that. Just a reminder.

Mayor Burt: I didn't think it was feasible at the time. It doesn't look any more feasible to me now. Do we want to have their work be completed by the end of next calendar year or do we want it sooner?

Council Member Kniss: Do you mean by December of next year or do you mean by the end of June?

Mayor Burt: Calendar year is December.

Council Member Kniss: At the end of December then.

Council Member Berman: I'm going off the top of my head ...

Mayor Burt: I'm open to changes, but calendar year means calendar year.

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Council Member Berman: Mayor?

Mayor Burt: Yes.

Council Member Berman: To get something on a ballot, if I recall correctly, you have to have it ready by early August.

Council Member Kniss: Yes, you do.

Mayor Burt: That sounds right.

Council Member Berman: That would be seven months of Council deliberation, which I think could happen.

Mayor Burt: What if it's one year from now? That moves it to late October.

Council Member Berman: This probably won't be constituted until ...

Mayor Burt: That moves it forward two months.

Council Member Kniss: Then you can't get it on the ballot. You might as well just say calendar year.

Mayor Burt: If you didn't complete it until December, and then it comes to the Council in January and we go back and forth on it. It may be February, and then you've only got from February until August to really round up consensus.

Council Member Kniss: '18 you're talking about?

Mayor Burt: Correct. I don't know if that's enough. I'd rather put a little more aggressive schedule, because these committees often fall behind a little bit. If we said 1 year from now, their goal would be to be back by the 1st of November of 2017. They won't have 12 months, because they won't get going until maybe the first of the year. They'll probably only have 10 months. Council Member Holman.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct the Committee to return to Council by November 2017." (New Part E)

Council Member Holman: Two things. First directly related to this conversation. Do we not think that because there's a fair amount of information that already exists and expertise that already exists, if we chose the committee—that's the other thing. It doesn't say in the Motion yet that we're going to choose the members other than it does say self-select in

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some occasions. Do we really not think that a committee couldn't come up with a fair amount of recommendation by June of next year, end of June?

Mayor Burt: I'll just say that ...

Council Member Holman: I think Council Member Kniss agrees.

Council Member Berman: I don't.

Mayor Burt: Flushing out the measures that will be most effective and will balance employer needs and community needs is no small task. I would think it's going to need that 10 months.

Council Member Holman: I'm going to lobby for shooting for the end of June next year. We're looking to help the businesses too. They should be self-motivated on this.

Mayor Burt: I just don't think it's realistic. This is something I've—I'd like nothing better than for it to happen sooner, but this is an area that I give a lot of thought to. These aren't simple solutions. If you want to let me just decide everything, I can have it by June. I don't think that's the way this is going to work. I think we're going to have a bunch of stakeholders. They're going to have different interests. They're going to need to debate. They're going to need to study and explore and flush things out. I don't think that's going to happen in 6 months. Council Member Wolbach.

Council Member Wolbach: I've had a chance to review this. I think I have two proposals, hopefully friendly amendments. The first one is actually where it says "local tax measure," right before the parentheses with a particular focus on a Business License Tax, just to say—since we're already saying tax is one option, I would suggest changing local tax measure to local funding sources or local funding measure. If they come up with something outside the box, we're open to exploring it, open to hearing it.

Mayor Burt: I just don't want to have anybody infer that that means that whatever comes from the parking fulfills this.

Council Member Wolbach: I should say it should say local funding measures, because it should be plural because parking is not going to be enough even if they do include that. Again, going back to the original mandate here. It's going to take multiple sources to get the funding for this kind of initiative.

Mayor Burt: I'm okay because we already have that parentheses on that. Go ahead with local funding measures, plural. That's good with me. Liz, you're fine?

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion Part C, "a local tax measure" with "local funding measures."

Council Member Wolbach: Maybe we can get rid of the word "a" before "local," because it's now plural. The other changes. If we're okay with that original direction, I suggest at the very start where it says—the very first paragraph regarding potential future ballot measure, I would just insert the language from Item C on Page 2 of the Staff Report. It would say a potential future ballot measure to explore priority transportation needs, identify funding requirements, explore various funding options and develop a funding plan.

Mayor Burt: Where are you referring to?

Council Member Wolbach: Page 2 of the Staff Report.

Mayor Burt: Are you referring to a place in the Motion?

Council Member Wolbach: It would insert at the end of the opening paragraph. You're just taking that ...

Mayor Burt: Were you saying it already says local future ballot measure?

Council Member Wolbach: It does say potential future ballot measure.

Mayor Burt: I see. Up at the ...

Council Member Wolbach: The very top.

Mayor Burt: ... beginning. I see.

Council Member Kniss: (inaudible)

Mayor Burt: I got it. You just want to add the purpose in there?

Council Member Wolbach: Yeah. It would be those four components.

Mayor Burt: To repeat those.

Council Member Wolbach: Right.

Mayor Burt: It'll now become kind of repetitive down below. I don't know. Maybe it's all right. I'm okay.

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

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transportation needs, identify funding requirements and explore various funding options and develop a funding plan" after "future ballot measure."

Council Member Wolbach: Actually we probably would want to change—would it make more grammatical sense to move "regarding a potential future ballot measure" to the end of that sentence? Would that make it more grammatical?

Mayor Burt: I don't care, really. Let's not get in the middle of the semantics.

Council Member Wolbach: I just want to make sure it's clear.

Mayor Burt: Council Member Berman.

Council Member Berman: I'm good.

MOTION AS AMENDED RESTATED: Mayor Burt moved, seconded by Council Member Kniss to form a stakeholder advisory committee, appointed by the Council to advise the Council regarding a potential future ballot measure to explore priority transportation needs, identify funding requirements and explore various funding options and develop a funding plan; the Committee will be comprised of the following:

- A. Membership criteria (including at least one representative be a Member of the Chamber of Commerce):
 - i. Stanford Research Park Transportation Management Association (organization selection); and
 - ii. Palo Alto Downtown Transportation Management Association (organization selection); and
 - iii. Stanford Healthcare (organization selection); and
 - iv. Stanford Shopping Center (organization selection); and
 - v. Commercial Property Owner; and
 - vi. Small Business Owner from other than the organizations listed above; and
 - vii. Small Business Owner from Downtown; and
 - viii. Medium or Large Sized Business Owner from other than the organizations listed above; and

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- ix. Transit advocate or Expert (preferably a Palo Alto Resident); and
 - x. Bicycling advocate or Expert (preferably a Palo Alto Resident); and
 - xi. Non-Profit (preferably a Palo Alto Resident); and
 - xii. Affordable Housing (preferably a Palo Alto Resident); and
 - xiii. Palo Alto Unified School District (organization selection); and
 - xiv. North or South Downtown Resident; and
 - xv. Resident One (not representing other criteria groups); and
 - xvi. Resident Two (not representing other criteria groups); and
- B. Ex Officio Membership criteria:
- iii. Planning and Transportation Commission; and
 - iv. City of East Palo Alto; and
- C. All applicants to be committed to the outcome of determining a funding plan that will achieve significant reductions in congestion and single occupancy vehicle trips in the community and improve mobility for residents and workers and that an anticipation that the total funding for these outcomes will come from local funding measures (with a particular focus on business license tax) and other sources including paid parking revenue, grants, the Valley Transportation Authority (VTA) sales tax; and
- D. Direct the Committee to look at trip reductions both from measures that would support alternatives for employees and measures that would reduce overall car trips in the community. The Committee will look at best TMA practices from within the Palo Alto/Stanford community and elsewhere; and
- E. Direct the Committee to return to Council by November 2017.

Mayor Burt: If everybody's okay, let's vote on the board. We just made sausage. That passes 8-0 with Council Member DuBois absent. That concludes Item Number 13. That completes our regularly scheduled items for tonight.

MOTION AS AMENDED PASSED: 8-0 DuBois absent

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14. ~~PUBLIC HEARING: Adoption of an Ordinance Approving Revisions to the Architectural Review Findings in Palo Alto Municipal Code Chapter 18.76 and Approval of an Exemption Under Sections 15061 and 15305 of the California Environmental Quality Act (CEQA) Guidelines. The Planning and Transportation Commission Recommended Council Approval of the Ordinance (Continued from September 12, 2016)~~
~~STAFF REQUESTS THIS ITEM BE CONTINUED TO A DATE UNCERTAIN.~~

This Agenda Item continued to a date uncertain.

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Burt: Now we can go onto Intergovernmental Legislative Affairs and Council Member Questions, Comments, Deletions. I'm sorry, but I was looking for my Creek JPA materials to report out. I don't know if I tossed them. I'll go off memory. Mr. Shikada reported out on the retreat of the San Francisquito Creek Joint Power Authority. It was actually the first one we've had in two years. One of the things that—we basically for the upstream projects have—we don't have a firm dollar number. The tentative dollar number is 18 million plus change. This is for what we've been calling the 50-year flood protection, meaning that it would replace the bridges at Pope-Chaucer and Newell. It would address a series of choke points in the existing creek. Basically it would optimize the flow capacity of the existing creek. The 100-year flood protection project is the one that would require other measures of either upstream detention, a bypass or flood walls or some combination of those things. We're going to have an EIR that will look at those different alternatives. We actually—this last year, the Santa Clara Valley Water District hydrologists had new information in part understanding more thoroughly the benefits that (inaudible) provides on staggering the water flows. They now believe that our '98 event was a 60-year event. Basically the project that we're looking for is to protect against an event that has a 1:60 chance of occurring in any given year. We call it a 60-year event. That's the project that we're aiming to have enough local dollars and most likely without Corps of Engineers dollars to accomplish and to get going on it as soon as possible. We're commencing the environmental analysis in the coming months. One of the things that became apparent to me that I raised on Saturday and we'll now be thinking about is even within that project is there any advantage to sequencing it. One of the line items is nearly \$3 million for the inlet feeding into West Bayshore. As you may recall, we've got \$40-plus million for the downstream project. We have in

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the vicinity of \$20 million or so that Caltrans is paying for 101 and East and West Bayshore. One of the elements of that upstream project is to allow the new capacity under Bayshore to be fed. Right now it would overflow before it hits Bayshore. For \$3 million, if you look at the '98 flood event, a lot of the community—we had flooding at Pope-Chaucer and then we had flooding that basically backed up from 101. 101 is actually the first place that has flooded historically. It's the greatest choke point. As a community, we kind of all saw the flood waters coming out of Pope-Chaucer, and we assumed all the water down below was coming out of Pope-Chaucer. That actually wasn't the case. We could get a lot of flood protection benefit for all of those properties that are closer to 101 in both Palo Alto and East Palo Alto, the west side of East Palo Alto, and all the St. Francis, Duveneck area and all of that. A lot of those properties would apparently get the benefit of the downstream measures and the 101 measures if we spent that \$3 million and were able to do that as soon as possible. We're going to look at that as a step approach, something that I got. It was the first time I had seen data that made me realize that that was a possibility. I don't want to jump the gun, but I'm a little enthused that we might be able to drive a major portion of this sooner. I don't expect that we would commence to do that without getting the full dollars in place and agreed to by the member agencies for all of the upstream. We'll probably be in the vicinity of needing to round up another \$5-\$10 million for the upstream to be able to do it. As of right now, the budget says \$5 million, but we don't have our firm numbers. Hopefully it's closer to \$5 million than \$10 million. That's just kind of some ballparks. These are big issues, so I wanted to give you that much of an update. Stuff going on there. Anybody else? Everybody go to the U.N. film festival? The hidden treasure of Palo Alto. Every time I go, I'm amazed. So much of the community doesn't even know it exists. We have to figure out a better way to support promoting it within the community. I talk with members of the community, and they go, "Really? That sounds really exciting. I've never heard of it." Council Member Holman.

Council Member Holman: I haven't made it to the film festival yet. Several of us did attend the inauguration of Stanford's 11th president last Friday. Great event. New president, Marc—I'll let somebody else pronounce the last name.

Vice Mayor Scharff: Tessier-Lavigne.

Council Member Holman: Thank you. Gave a really wonderful speech. I told Council Member Kniss who was sitting at my side, "He's off to a great start." A great speech, and he looks like Kevin Kline. Off to a great start.

Mayor Burt: Vice Mayor Scharff.

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Vice Mayor Scharff: The Santa Clara County Cities Association will have their holiday party on December 1st. It's in Sunnyvale, so it's not too far this year. It's at LinkedIn. I would encourage you all to come. I think it should be fun. December 1st.

Council Member Kniss: What time, 6:00 P.M.?

Vice Mayor Scharff: Yeah.

Mayor Burt: Got it down. On that note, the meeting is adjourned.

Adjournment: The meeting was adjourned at 11:29 P.M.