



CITY COUNCIL SUMMARY MINUTES

Special Meeting
November 7, 2022

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 5:00 P.M.

Present In Person: Burt, Cormack, Filseth, Kou, Stone, Tanaka

Present Remotely: DuBois

Absent: None

CALL TO ORDER

Mayor Burt called the meeting to order and asked the clerk to call the roll.

SPECIAL ORDERS OF THE DAY (5:00 – 5:10 PM)

1. Proclamation Honoring Law Enforcement Records and Support Personnel Day - November 8, 2022

Mayor Burt introduced the topic and asked Vice Mayor Kou if she would read the Proclamation.

Vice Mayor Kou read the Proclamation officially designating November 8, 2022, as "Law Enforcement Records and Support Personnel Day," highlighting the important duties law enforcement and related personnel carry out.

Mayor Burt stated he would be glad to meet representatives of the City's law enforcement down at the front.

Police Chief Andrew Binder introduced himself and thanked the Mayor, Vice Mayor, and Council. He highlighted the critical role that records, and professional staff play in ensuring law enforcement can carry out their duties and mission.

Records Staff explained how business practices shifted during COVID in all departments, more so in relation to records and how the department interacts with citizens. In the past 12 months, outreach has been improved, and new records management systems have been initiated. Thanked the Council for the Proclamation and recognized the work of the Records Staff during COVID.

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Council Member Stone asked if it was the Records Staff that did the Halloween display in the window.

Police Chief Binder answered no but they would be happy to take the credit.

Council Member Stone thanked Police Chief Binder and law enforcement staff for their service to the City.

Vice Mayor Kou thanked law enforcement staff for their service and noted the meeting was a great opportunity to learn more about what the department does to keep the community moving forward.

Council Member Cormack expressed her appreciation for records setting up online forms, noting public support and innovation behind the idea.

Mayor Burt thanked the law enforcement department again.

STUDY SESSION (5:10 – 6:40 PM)

2. Comprehensive Economic Development Strategy Update and Study Session

City Manager Ed Shikada introduced the new Economic Development Manager and Assistant to the City Manager, Steve Guagliardo.

Assistant to the City Manager Steve Guagliardo presented the economic development activities currently underway. He reminded the Council and public since Palo Alto has a unique economic ecosystem made of interconnected elements and sectors, the intention is to maintain the economic vibrancy of the system and attract and retain businesses that will contribute to a desired and sustained Community experience. The comprehensive economic development strategy is a response to priorities set by the City Council in 2021 and 2022 and includes the Community and Economic Recovery Workplan with the element of Focused Business Support, which then evolved into the Economic Recovery and Transition Workplan with 13 discrete projects underway or complete after work from staff. Through this plan, our first staff has been hired dedicated to Economic development since 2016 and onboarded a consultant, Streetsense, to help develop the strategy over the next few years. Activities currently underway are holiday promotions for local business features online and in print, coordination, outreach, and engagement through direct contact with residents and businesses, respond to questions, share information about programs, and engage stakeholders for feedback. Additionally, Streetsense is rounding out the information gathering part of their project and this is

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meant to be an engagement with the Council and public before they inform the next steps of the process.

Larisa Ortiz, Managing Director at Streetsense, introduced herself and the company by highlighting retail strategy and hospitality as the focus and specialty of Streetsense and the City.

Barry Foster, Principal/Managing Director at HDL, introduced himself and explained he was brought on to help with sales tax and understanding revenues to put together the strategy the City is looking for.

Streetsense Director Ortiz acknowledged the issues and challenges that come with working on a city. Streetsense is focused on addressing the challenges in the retail and hospitality sectors, the 2 industries that were most affected by COVID, which will inform an economic development strategy that helps the City address and identify public sector interventions, policies, and investments where there is a need and consensus for action. Streetsense collects information on 4 areas: the conditions of the physical environment, the business environment, a market analysis of retail and hospitality trends, and an analysis of administrative capacity. The full diagnostic is coming in January, and these are preliminary findings. Streetsense is finishing up the first phase of immersion with a document review, fieldwork, and stakeholder engagement. Phase 2 includes the diagnostic assessment and will take place from November 2022 to January 2023. Phase 3 will take place from February 2023 to April/May 2023 and will include economic development recommendations and strategies for the City. She highlighted retail trends influenced by COVID-19, including reduced demand for storefront space as spending shifted more online, smaller format spaces in higher quality locations, and a change in how tenants value the 'flagship' store. Recovery will focus on inviting and memorable experiences that cannot be replicated in online environments, entertainment and activities, highly managed and curated spaces, and dominance of food and beverage offerings. Spending from visitors and daytime office workers enables Palo Alto to support more retail than what could be supported by residents alone. Changes in in-person and hybrid workforce numbers have affected spending patterns and need to be addressed. Business travel is projected to return to pre-COVID levels by 2023 but weekend occupancy rates have remained low. Palo Alto residents have high expectations and the City's districts must meet those expectations.

HDL Director Foster explained the sales tax revenue breakdown for the City, highlighting small businesses are still struggling. While some shopping areas are back to or have exceeded pre-pandemic levels, small businesses have faced challenges and will most likely continue to struggle. The shift toward a

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hybrid work environment has greatly impacted spending on restaurants, retailers, and sales tax revenue, and it is important to understand these conditions to move forward.

Streetsense Director Ortiz discussed the sales growth life cycle, highlighting the need for investment to avoid decline and indicating investments and past improvements of existing Palo Alto infrastructure.

Ashley Labadie, Senior Project Director at Streetsense, discussed the preliminary physical assessment of Palo Alto's commercial districts as compared to "class a" shopping environments of the City, focusing on sidewalks and streets, storefronts, signage and wayfinding, and gathering places. Shared spaces for activities including space for passing through, window shopping, and gathering or dining are critical, as well as routine maintenance of sidewalks and streets. Sidewalks and streets should include thoughtfully placed, cohesive and well-kept furniture, consistent and modern bulb-outs, and intentionally integrated temporary construction barriers with planters for aesthetics. Vacant storefronts should be curated temporarily for marketing space, encroaching business signage should be introduced for texture and authenticity, digital parking availability signage systems should be encouraged, and the size, amount, style, and location of landscape features should be considered when creating outdoor public spaces. Additionally, utilitarian, and pass-through areas should be thoughtfully designed for gathering. Phase 1 is wrapping up and Streetsense is setting up for Phase 2: Diagnostic to be brought in late January.

Streetsense Director Ortiz posed 3 questions to understand what is considered critical, what the challenges are, and what success looks like. She inquired what successful economic development looks like to the residents of Palo Alto, how the Council would frame the City's economic challenges, and if Palo Alto is able to reinvent itself to remain competitive.

City Manager Ed Shikada suggested a round of feedback from the Council members before proceeding.

Mayor Burt expressed the Council is open to Council member questions or comments.

Council Member Filseth stated he believes the presentation is promising and is the direction the Council was hoping for. He asked if Staff could tell how much of Palo Alto retail business is residents versus visitors.

Streetsense Director Ortiz stated they will be looking at the City's retail market and discretionary spending for visitors compared to the sales of

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businesses. The difference or surplus is what is coming in from outside the City.

Council Member Filseth explained there were similar studies in the past like that and the study would be very important to do. He asked why the El Camino retail sect has done very well despite it being a driving destination.

Barry Foster, Principal/ Managing Director at HDL, stated there should be more digging into that area and the El Camino area includes some of the other areas that do not primarily have a shopping center in them.

Streetsense Director Ortiz agreed and reminded the Council of the effect the pandemic had on shopping habits.

Council Member Filseth stated that the statistical analysis of past experts labeling the whole of Palo Alto as a Class A town is incorrect. There is still a strong need for middle-class retail and there are a lot of lower-end businesses that are still important to the community. It is important to have a variety of retail businesses within the City.

Council Member Cormack stated the presentation looked great and was more detailed than expected. The lifecycle of retail businesses and investments is an important piece for the Council to focus on. There are multiple demographics for which different kinds of retail is needed. The City needs to be able to meet the needs of guests and visitors as well as residents. She asked if there is a trend of physical consolidation of retailers happening not only in the City but nationally.

Streetsense Director Ortiz responded they are seeing national retailers make decisions to reduce their footprint and focus on successful and profitable stores. Migration towards better and higher quality spaces is increasing, while remaining places must get better to be competitive.

Council Member Cormack stated the square footage retail per person figure was incorrect as it was based on how many people visited and not what residents need. It will be hard to support retail at the given square footage level per resident. She asked if only 1/3 of the sales tax comes from shopping centers and the rest from cars.

HDL Director Foster stated Council Member Cormack was correct and the remaining 2/3 would include automobile retailers and Stanford Research Park.

Council Member Cormack stated a comparison between shopping centers of different ages with a map of data would be helpful to inform what the City

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would like where. The first proposed question is important for the Council to reflect on, and for the second question, it would be important to proactively acknowledge the role of Palo Alto's neighboring City to the West.

Vice Mayor Kou thanked the Streetsense and HDL staff and reiterated past statements of the project going in the right direction. She reminded the Council certain shopping centers are owned by individuals and it would be important for the Council to have a focused and strategic understanding of what stores work best in what areas. Success for the City would look intentional for the City and business owners in cooperation with the Chamber of Commerce. Window dressing would be a good example of area development. She asked if Streetsense staff has researched the success strategies of Burlingame's downtown area and what outreach to the stakeholders looks like.

Assistant City Manager Guagliardo expressed Streetsense fielded a few residents, has engaged other individuals from the community and is actively advertising study sessions and opportunities for members to weigh in. Research and discovery are rounding out tonight, then there will be the diagnostics phase, and then time for feedback and iterations after.

Director Ortiz highlighted the challenge between balancing what residents want and what the market says they are going to get. Streetsense's approach will be to balance input, with resident input being one of the many sources the company will pull from.

Vice Mayor Kou expressed she looks forward to the balance and the Council does not want one sector to be more developed or invested in than another. While the focus in this project is primarily the downtown area and California Avenue, Midtown and Charleston Plaza should not be forgotten as they are neighborhood shopping areas. It would be valuable to learn the rental prices of different cities per square foot in order to compare. She asked what a commercial Measure M would look like and if there is a City with one.

Council Member DuBois welcomed the Assistant City Manager and thanked Streetsense and HDL staff for the presentation. A detailed breakdown of retail square foot per capita would be appreciated as resident feedback indicates the City is missing a lot of types of stores. He expressed appreciation for the detailed pictures in the presentation and reiterated some of the aesthetic and gathering space ideas. Recommendations around opportunities for Class B retail and non-luxury retailers is requested. Focus on Midtown Shopping Center and Charleston Plaza is important as well as the Southern part of the City. The environment and amenities of Palo Alto and its surrounding cities should be taken into account, as well as examples

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made of successful outer shopping areas. Representatives from multiple shopping centers should be included in the Steering Committee and asked how members are chosen.

Assistant to the City Manager Guagliardo explained the Steering Committee will inform the work done to date with Streetsense, and engagement is still being decided. As the project progresses into the diagnostics phase, the Steering Committee and stakeholder group will be consulted.

Council Member DuBois agreed and stated the need to focus on the City and public's best interests as compared to the individual. He urged project leaders to pay attention to Charleston, Midtown, and Edgewood. Reestablishing the bid is an item on the workplan, asked what that would look like, and requested analysis on economic benefits of FTTP. He asked the Council and Staff to consider events and activities to drive engagement in the community.

Streetsense Director Ortiz expressed businesses are the main drivers of community events and activities as opposed to the City.

Council Member DuBois clarified his statement was focused on resurrecting the old structure of the bid and organizing it differently.

Streetsense Director Ortiz stated partnership between businesses and property owners with the public is important. That will be part of Streetsense's administrative capacity assessment.

Council Member Stone thanked the new Assistant City Manager and Streetsense team, reiterating Palo Alto is in a good position to undertake this project. Concern regarding the loss of true community-serving retail in the City has increased and suggested looking at the City of San Luis Obispo as an example.

Director Ortiz stated while she had not worked with them, but Streetsense has experience addressing issues regarding marketing of tourism and travel.

Council Member Stone expressed agreement for the proposed holiday promotion and suggested extending the promotion. He suggested an interactive online map of events and stores like that of San Luis Obispo. Additionally, suggested pop-up business models to support local businesses. Cleanliness of the City is a big issue, especially in the Downtown and shopping areas, and suggested increasing the amount of available public trashcans. Code compliance and enforcement of business and City codes. Additionally, asked if there could be protections or promotions for legacy businesses in the City.

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Streetsense Director Ortiz stated Streetsense has familiarity with protecting and promoting legacy businesses. Strategies if a consensus is reached include creating a set of best practices to replicate successful tactics in the City.

Council Member Stone agreed and stated retail was not dead and that Palo Alto needs to reinvent it.

Council Member Tanaka thanked the Streetsense team and noted the difference between where people want to shop and what people shop is where the issue lies. Palo Alto needs to be more competitive than in the past in order to drive economic growth, starting with better diversity of retail to reflect different resident demographics, loosening business restrictions, addressing and adapting to the shift in work environment post-COVID, and become more business friendly. He asked how Palo Alto's retail vacancies compare to other cities.

Streetsense Director Ortiz stated they had not looked at the vacancies but will in the near future.

Council Member Tanaka stated the need to revitalize the downtown area and University Avenue and the process should be accelerated. Cleaning up the City should be completed as soon as possible, as well as the logistics surrounding parking and drainage.

Mayor Burt noted periodic Staff reports related to sales tax trends compared to past years and regional competitors, which provides valuable context around trends and drivers. The maps on Slides 13 and 14 do not make sense and the competition needs to be revised to reflect reality. There has been a migration of high-end stores to Stanford Shopping Center, as well as a migration from downtown to the Center. To recover downtown, vibrancy is needed in the form of entertainment and food & beverage. He reiterated Council Member Tanaka and Council Member Stone's points regarding the need for promotional materials and signage, apps, and a City website and stressed these solutions were overdue. High-end shopping centers and the downtown shopping areas should be treated separately, with a focus on outdoor dining in the downtown areas. Additionally, he suggested outreach or mandates for window dressing, and re-examining the impact of high lease rates. Midtown's multiple owners and lack of code enforcement pose challenges, but outreach should be done to serve resident stakeholders in that area. Additional numbers and data should be re-examined.

Vice Mayor Kou stated the City is lacking in retail or services for the youth, so it would be nice to explore opportunities for that. An example of how a

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successful, closed street looks should be shown. She asked if there were Council liaisons for any of the Committees for the project.

Assistant to the City Manager Guagliardo answered there are no Council liaisons yet as the Steering Committee is not finalized. There will be another chance for the Council to weigh in after this meeting in January and again at the end of the process.

Vice Mayor Kou asked if at the end the bid one comprehensive bid or separate bids would be, as well as if there is an opportunity to collaborate with local non-profits. She asked for confirmation regarding the status of permanent ongoing funding for the project as it is a long-term investment.

Assistant City Manager Guagliardo assured Vice Mayor Kou the ongoing position is funded and a small portion of additional funding is added. The contract with Streetsense is fully funded for their term, while the position and the City Manager's office is funded on an ongoing basis. The question is how to scale and use resources to pursue the development plans.

Vice Mayor Kou suggested a development plan to ensure efficient use of public transportation and sufficient parking. The aesthetic look of Downtown should be taken into account and revitalized.

Council Member Cormack suggested creating a sense of identity and place through themed spaces and asked how the Council would define the space and future of Downtown. She suggested the opportunity to create a performing arts space to draw people to the area. She reiterated splitting areas and data up according to demographics and stated the importance of listening to the public's needs. The Council should be explicit that the sales tax revenue funds much-needed and important City services for the community. The change in employees is the most significant economic challenge facing Palo Alto and an area to co-market around arts and culture could be with the Stanford Shopping Center. Lastly, she asked if the City was ready to make the necessary changes to drive economic development and ensure future growth and function.

Mayor Burt encouraged Streetsense to look at Stanford Shopping Center as not local serving since it draws a lot of regional, national, and international shoppers, and automotive sales are a big driver of growth in El Camino. It is critical to invest in moderately low-cost initiatives sooner so a process of upward trend can begin, and concrete timelines should be set. Parking restrictions on California Avenue should be revised to support vitality. He then opened the floor to public comments.

Public Comments:

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Liz Gardner thanked the presenters and expressed concern over a lack of mention of cultural events, the importance of good customer service, and a shortage of labor housing. She suggested following the example of Chico, California.

Rachel Croft encouraged the Council to attract businesses with a range of price points to meet the economic range of residents and stressed the importance of understanding the Palo Alto shopping experience. She suggested a public central square as a gathering place or mixing elements of park spaces and retail spaces.

Karen Holman thanked the Council and presenters and suggested there should be more focus on arts, culture, and entertainment. Additionally, maps and signage should be utilized and the Sign Ordinance should be updated.

John Shenk implored the Council to prioritize Downtown economic development, to pause the Permanent Parklet Program analysis until the process is complete, allocate additional resources to Public Works and the Police Department, and leverage the property owners and businesses.

Agenda Changes, Additions and Deletions

Mayor Burt stated there were no agenda changes, additions, or deletions to report.

City Manager Shikada noted on the Consent calendar Staff submitted an app places memo that provided additional information on Agenda Item Number 7.

Mayor Burt opened the floor to public comment on items not otherwise on the agenda.

Public Comment:

Lynn Chiapella expressed her feelings that the downtown area is not fun anymore and compared the City's downtown space with other areas. She suggested activities and spaces for all ages, and highlighted Midtown, Charlestown, and Edgewood should be included in the revamp.

Annette Glanckopf read a poem from the Midtown poetry wall and commented on her previous letter about the Art Commission meeting. She urged the Council to support the restoration of the mural.

Julia Zeitlin thanked the Council for support for SCAP and explained a 3-year work plan to modernize the City grid, build programs to reduce emissions, raise awareness, address concerns, and identify remaining areas for

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emissions reduction. She urged the Council to keep the plan in mind during the project implementation process.

Winter Dellenbach reiterated the importance of spaces like the Midtown Poetry Wall and expressed agreement with Ms. Glanckopf. She expressed concern over environmental issues and protections.

Liz Gardner reiterated the need for the City to house businesses that reflect the needs of residents and asked the Council what the City's cultural significance is.

Consent Calendar

Mayor Burt stated the Council would move to the Consent Calendar and opened the floor for public comment.

There were no comments from members of the public.

Council Member Cormack, Dubois registered a no vote on Agenda Item Number 4.

Vice Mayor Kou, Council Member Filseth, Tanaka registered a no vote on Agenda Item Number 7.

Council member Tanaka registered a no vote on Agenda Item Number 8.

MOTION: Council Member Cormack moved, seconded by Mayor Burt to approve Agenda Item Numbers 3-9.

MOTION SPLIT FOR THE PURPOSE OF VOTING

3. Approve Minutes from the October 17, 2022 and October 24, 2022 City Council Meetings
4. Adoption of **Resolution 10082** Authorizing Use of Teleconferencing for Council Meetings During Covid-19 State of Emergency
5. Approval of Contract Number C23185109A With Daleo, Inc., in the Amount of \$1,411,059 for Gas Main Replacement Project 24A (GS-14003) at the Stanford Shopping Center; and Authorization for the City Manager to Negotiate and Execute Related Change Orders Not-to-Exceed of \$141,106, for a Total Not-to-Exceed Amount of \$1,552,165
6. Approve and Authorize the City Manager or Designee to Execute Contract C23184325A With Gierlich-Mitchell, Inc. With a Total Not-to-

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Exceed Amount of \$100,058 for Sanitary Sewer Level Monitoring Systems

7. Approval of Amendment No. 1 to Contract # C21180078 with Blue Rhino Studios, Inc. in the Amount of \$234,748 for Design and Fabrication of Additional Dinosaur Sculptures and Exhibits for the Palo Alto Junior Museum & Zoo for a total not-to-exceed amount of \$449,464
8. Approve and authorize the City Manager or their designee to execute Amendment No. 2 to contract No. C19174515 with Municipal Resource Group for Organizational Development, Succession Planning and Talent Acquisition Services for one additional year.
9. Adoption of **Resolution 10083** Vacating Public Utility Easement 773 Allen Court

MOTION PASSED Item 4: 5-2, Cormack DuBois no

MOTION PASSED Item 7: 4-3, Kou, Filseth, Tanaka no

MOTION PASSED Item 8: 6-1, Tanaka no

MOTION PASSED 3, 5, 6, 9: 7-0

Council Member Cormack declined to speak on her no vote.

Council Member DuBois noted his vote is consistent with his previous position the City is no longer in an emergency.

Council Member Filseth stated his dislike for the no vote but noted increased JMZ expenses as the rationale and expressed the lesser importance of an expansion of the JMZ dinosaur exhibit.

Vice Mayor Kou expressed concern over funds going to this over staffing. There should be reassurance the management of the project moves forward within the price provided.

Council Member Tanaka expressed willingness for a discussion and more considered measure on the Item, as well as the intent to change his vote to no.

City Attorney Molly Stump noted Council explained Council Member Tanaka may change his vote to no.

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MOTION: Motion by Council Member Tanaka, seconded by Vice Mayor Kou to pull Item 7.

Council Member Cormack noted a contractual obligation regarding federal grant requirements and stated there was no connection to the JMZ. It has been sufficiently answered in the supplemental report, the funds are available, and are intended for this purpose.

Council Member DuBois stated agreement with Council Member Filseth the timing of the matter could have been better, and stricter budget management should be taken to resolve revenue challenges.

Mayor Burt expressed the need to have the Item reconsidered.

MOTION FAILED: 3-4, Cormack, DuBois, Filseth, Stone

City Attorney Stump noted Council Procedures & Protocols allow for three no votes and will pull the item for discussion at a future meeting.

City Manager Ed Shikada stated he would work with Staff to identify an appropriate date.

Council Member Tanaka noted on Item 8 is not appropriate due to the City's financial challenges. It would be hard to justify spending money on recruiting while talking about the need for stricter budgeting.

City Manager Comments

Ed Shikada, City Manager, noted there is no pandemic update due to no real change in status. November 8 is Election Day in California and individuals may register to vote same day, the Police Department has issued a warning over cases of residential evening burglaries, and a community update has been issued regarding ways to install gas appliances and upgrades or electrify residential homes. Events include Cubberley Artist Studio's open house on November 12, the Climate Collaboration Summit on November 12, and a variety of holiday-themed activities such as holiday promotion and tree lighting. The draft 2023-2031 Housing Element has been issued and is available for community and Council feedback. Additionally, he explained items on the agenda for upcoming council meetings on November 14, November 28, and December 5.

Mayor Burt clarified the exhibit for the Climate Collaboration Summit is open at 12:30 and then the regular summit is open from 1-4. He adjourned the Council for a 10-minute break.

Action Items

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10. PUBLIC HEARING / LEGISLATIVE. Staff Recommendation to Introduce an Ordinance to Make Permanent Changes Contained in a Temporary Ordinance Amending Title 18 (Zoning) of the Palo Alto Municipal Code to Update Definitions, Broaden Permitted Uses and Provide Limits on Certain Uses through Updates to the Conditional Use Permit Thresholds. Environmental Review: CEQA Exemption 15061(b)(3)

Mayor Burt introduced Action Item 10.

Planning and Development Director John Lait explained Staff's recommendations do not pose major changes to existing zoning regulations and was intended to be a quick fix at the outset of the pandemic. Staff is suggesting the Item not be continued for adjustments or changes as they will already happen.

Senior Planner Sheldon Ahsing presented Action Item 10 and Staff's recommendation to introduce an ordinance to make permanent a temporary ordinance modifying retail use definitions, limit certain commercial uses, and relax conditional use permit (CUP) thresholds for certain uses. A temporary ordinance was erected in December of 2020 to help streamline the process for addressing business vacancies which then evolved further and was extended by the Council later in 2022. The ordinance would include relaxing CUP thresholds for medical offices, fitness studios and commercial recreation, changing the definition of eating and drinking to define a dining establishment versus retail, and others, as well as dedicated areas of focus such as University Avenue. No applications were filed as a result of the temporary ordinance with multiple medical offices and ready-to-eat shops making use of it. Staff must evaluate the effects of the passage of Assembly Bill 2097 as it will affect all 3 focus areas. Staff has conducted public outreach and received comments and feedback. Proposed ordinance amendments include maintaining changes and making them permanent, moving regulations from footnotes to appropriate sections in the Code, and changing the definition for "eating and drinking establishments" to "restaurant". Council provided direction to PTC to refer to discuss the threshold for gyms greater than 1,800 square feet, look at the occupancy limits for commercial recreation, and discuss the best way to define restrictions on dining establishments. PTC recommendations include extending the temporary ordinance versus adopting, impose a cap on the number of nail salons, spas, etc., explore a cap on tutoring centers and schools, require medical offices to have a CUP, and defer work on items until after receiving the City's consultant report.

Bart Hechtman, PTC Commissioner, recommended continuing the temporary ordinance rather than making it permanent with the prospect of later

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changes. PTC recognizes the Council may adopt it and has provided additional recommendations. While there are still outstanding studies, PTC Staff feels the ordinance and its effects are not certain or ready to be made permanent.

Mayor Burt asked Staff why they are not recommending the PTC recommendations.

Planning and Development Director Lait explained Council directed Staff to conduct a more robust analysis of curating retail in neighborhood and commercial districts. A consultant has been hired and areas of need identified, and it is unnecessary to have multiple efforts and groups of people addressing the same issue. The ordinance contains discrete changes established by the Council. Staff feels the ordinance matter should be settled so they can focus on the larger issue of commercial retail city-wide.

Mayor Burt interjected the issue Commissioner Hechtman raised was around existing uses as opposed to new ones and that they would be non-conforming under direction of the ordinance. He explained Council's direction was to prevent a proliferation of certain businesses, not an elimination.

Director Lait responded Staff could make discrete changes to that. If the ordinance goes into effect, those uses would continue and another similar business could move in. If a business is discontinued for a certain period of time, that space will be lost as a nail salon.

Mayor Burt asked if that would require a change other than Staff recommendation.

Director Lait answered yes. Establishing a cap or limit on the number of uses adds another piece to the retail landscape that already needs to be studied more. Staff did not want to set up that mechanism with the ordinance.

Mayor Burt thanked Director Lait and opened the floor for public comment.

Public Comment:

Liz Gardner reiterated her past comments and asked what the cultural significance of Palo Alto is. She suggested supporting smaller local retailers in order to reinvigorate and add aesthetic flavor to shopping areas.

Mayor Burt asked if by adopting the ordinance, the medical offices on University Avenue would become non-conforming.

Senior Planner Ahsing commented the medical offices would be okay. The nail salons and day spas would be prohibited.

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Mayor Burt stated some offices are on the ground floor while others are on the second floor.

Director Lait stated the second floor would be fine as it is the ground floor that is being regulated. Staff will investigate if there is a difference between medical offices with ground floor street frontage or ground floor offices.

Mayor Burt asked Staff to check the difference on University Avenue and in other commercial areas.

Senior Planner Ahsing referred to packet page 154 to explain what a CUP is and note the medical offices on California Avenue are listed as such.

Director Lait commented the medical offices may be non-conforming for a CUP today but that is easily cured through an application process. The ordinance does not create those medical uses as non-conforming.

Senior Planner Ahsing noted prior to the temporary ordinance, medical offices city-wide required CUPs. The ordinance has made it more streamlined up to a certain amount of square feet.

Mayor Burt asked if the City has always required a CUP for medical offices.

Senior Planner Ahsing stated Mayor Burt was correct.

Mayor Burt asked whether there should be a burden on one type of office use and not another that is not street facing.

Council Member Cormack thanked Staff for including the motion on packet page 161 as that was why she voted against it at the time. There are currently about 10 salons on University Avenue and under the ordinance no new ones are allowed. Asked if they are all technically legally non-conforming.

Senior Planner Ahsing stated no new ones could go in now. If one of the shops was vacated, a new one could replace it within a year's time. After a year of non-occupancy for similar use, the use cannot be reestablished.

Council Member Cormack asked if the retailers were legally non-conforming based on the temporary ordinance.

Senior Planner Ahsing stated that was correct.

Council Member Cormack stated her appreciation for Commissioner Hechtman's comments and noted the Council should not pick and choose number of types of services on different streets. She plans to vote against

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the temporary ordinance in its current format, and if adopted, caps should be removed.

Council Member DuBois noted a past Council meeting on medical uses and Town & Country. He asked where medical would be allowed in the ordinance and if it would change the Council's decision on Town & Country.

Senior Planner Ahsing stated there were some stipulations for medical office at Town & Country.

Director Lait noted Attachment C, which explains changes in standards before the modification, what the temporary ordinance allows, and what the proposed ordinance allows. Changes affecting Town & Country were incorporated in the temporary ordinance and will stay the same with the extension.

Council Member DuBois stated he did not see anything explicitly about Town & Country, so the ordinance extension would allow 5,000 square feet of medical in that area.

Senior Planner Ahsing stated Council Member DuBois was correct. The exceptions were for the commercial recreation aspect and not the medical office for Town & Country.

Council Member DuBois asked if a medical office is above 5,000 square feet, if it is still considered a CUP.

Senior Planner Ahsing stated that was correct.

Council Member DuBois asked how Staff defines 5,000 square feet if there are individual offices owned by a large healthcare provider.

Director Lait noted Staff would look at the aggregate square footage for that use. Once the individual tenants trip the 5,000 square foot threshold, a CUP would be required.

Council Member DuBois suggested it might be difficult to tell if there are multiple individuals part of a big medical group.

Director Lait stated that would be part of Staff's research into the Use and Occupancy Permit of the space.

Council Member DuBois asked if a medical office rented 2 properties of 5,000 square feet each, would that trigger the ordinance and need for a CUP.

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Director Lait noted for an individual property it would be a 5,000 square foot threshold.

Council Member DuBois asked if Town & Country is considered one or multiple properties.

Director Lait answered that there are multiple properties there but it is treated as one for the regulatory scheme.

Council Member DuBois asked if the footnotes on pages on 145 should be referred to in the table and applied.

Senior Planner Ahsing stated they should apply. The footnotes are codified remainders of information that was not able to fit in the table originally.

Mayor Burt commented the issue around capping certain types of businesses is about what the Council believes are the boundaries that would make thriving retail areas out of Downtown versus transitioning an area that only delivers certain services. A lot of cities curate areas in some way by limiting or prohibiting certain uses of space. He asked if the office uses are all permitted and allowed uses if they are not fronting California Avenue.

Director Lait stated all the ground floor uses need to meet certain land uses.

Mayor Burt noted most offices are not on the street face and asked for clarity on how rules designed for street facing businesses are being applied to non-street facing ones.

Director Lait noted there is not a distinction between street facing tenant areas.

Mayor Burt asked if Staff was aware of the developments on California Avenue and how they would apply with the ordinance.

Director Lait noted after being asked by Council to make an edit to an ordinance 2-years ago, Staff is stuck between trying to respond quickly to something 2 years later with the economic development initiative being worked on. Staff has not done as exhaustive of an analysis as could have been done if a more strategic approach was taken to curate commercial districts. While elements of the ordinance may not be desired to be permanent, Council and Staff will still reconvene in the next months and Staff's focus should be shifted on the economic development plan as soon as possible.

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Mayor Burt pondered whether the unintended consequences of the way the ordinance is written will have a significant impact over the next year. He suggested changing the wording in the ordinance to apply to street facing.

Director Lait stated if Council wants to give Staff direction as part of the motion, the adjustment can be made into the Code.

Council Member Stone asked when Council can expect the study by Michael Baker to be completed.

Director Lait responded Staff is doing internal paperwork on the study, will get more money into the contract, and do additional work. It will be approximately 3 months until that is completed.

Council Member Stone asked if that was what Staff was waiting on and asked for an explanation as to where the study fit in the process.

Director Lait stated the study began before Streetsense was brought on and is looking at the City's policies and best practices for retail uses. Michael Baker will give recommendations regarding areas around the City.

Council Member Stone commented there are many moving pieces in the plan and noted his agreement with the PTC recommendation of continuing the temporary ordinance to avoid backtracking in the future. Asked if the City's Economic Development Coordinator has looked over the ordinance.

Director Lait stated he had not spoken in detail with the EDC over the ordinance.

Council Member Stone stated he was not comfortable moving forward with a permanent ordinance and reiterated his agreement with PTC recommendations.

Mayor Burt reiterated the 2 PTC recommendations and asked Director Lait to speak to the pros and cons of keeping the temporary ordinance.

Director Lait explained the main concern with continuance is time and asked the Council how far along they would like to push it.

Mayor Burt responded the Council is trying to push it far enough for Staff to be able to fully flush out changes to the permanent ordinance before the temporary ordinance expires. He asked what the negative ramifications of doing that would be.

Director Lait stated that would be okay.

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Mayor Burt asked if there have been elements identified in the temporary ordinance that are problematic.

Director Lait responded no.

Senior Planner Ahsing responded no and noted the public comments on prohibition of beauty salons along California Avenue.

Mayor Burt reiterated the Council's sentiment of not wanting to make the salons non-conforming under the existing ordinance. He asked if there is a complete change of ownership if the business space would be able to remain non-conforming.

Director Lait noted non-conforming uses can change out with others.

Mayor Burt asked if there could be a vacancy in the space for a year and still come back with a non-conforming use with a new tenant.

Director Lait responded they could as long as it is less than 12 months.

Vice Mayor Kou asked if a nail salon vacated a space and that space remained vacant for 12 months, a new nail salon would be prohibited from filling the space.

Director Lait stated she was correct.

Vice Mayor Kou voiced support for Council Member Stone's comments. She recommended waiting until Michael Baker and Streetsense had finished their reports before making a permanent decision and suggested 8 or 9 months.

Director Lait stated Staff wanted to avoid having to discuss another ordinance with Council.

Mayor Burt asked how long Staff anticipates they would need until they can come back to the Council.

Director Lait responded it would take 18 months due to collaboration with Michael Baker, needed funds, and other areas of needed focus.

Vice Mayor Kou stated she would prefer not to have a permanent ordinance. The temporary ordinance should be informed by the studies.

Council Member DuBois supported extended the temporary ordinance, highlighting that things take longer than expected. There is not much to gain by prolonging the discussion and it is a question of timeframe.

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Mayor Burt asked for a motion.

MOTION: Vice Mayor Kou moved, seconded by Council Member Stone to extend the temporary ordinance for 18 months to modify retail use definitions, limiting certain commercial uses, and relaxing conditional user permit (CUP) thresholds for certain uses

MOTION PASSED: 5-2, Cormack, Tanaka no

11. Recommendation from the Policy and Services Committee to Adopt a City Council Values Statement

Chantel Cotton Gaines, Deputy City Manager, introduced herself and asked Council Member Stone to present the recommendation.

Council Member Stone read the Draft City Council Values Statement regarding the Council's commitment to the community and considerations for decision making. This was a referral to the Policy and Services Committee around the value of the statements and how it will be used. The new statement will allow the Council to move forward and focus on more timely issues. The one dissenting member was concerned about the statement binding future Councils.

Council Member Cormack thanked Deputy City Manager Cotton Gaines and others for their work on the statement. This value statement was a task intended to guide future Council priority session meetings at the beginning of the year.

Council Member Tanaka thanked Staff for their work on the statement and expressed concern over changing values on the Council and future use. People are elected based on different values and the statement may bind future Councils. As the current Council term is almost over, it might not be appropriate to set a value statement in stone.

Mayor Burt opened the floor for public comment.

Public comment:

There were no public comments.

Mayor Burt said he thought the statement reflects what the enduring values are of the Council. In the past, the Council had mixed up values and priorities without a value statement. A suggestion for better wording to convey Council's intention is replacing "respect" for the environment with "making decisions that are environmentally stable," and asked if the value

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statement was referring to the built environment or the broader sense of building a community.

Council Member Cormack stated it was meant in the broader sense and noted the word choice of “build” versus “create”.

Mayor Burt stated that word choice narrows the statement. He suggested using a synonym for “environment” as the word is already used a lot.

Vice Mayor Kou thanked Staff and noted she had a different view of the statement. She suggested simplifying the first value statement and highlighted the importance of public trust to ensure confidence in the Council. She suggested incorporating that idea to the values.

MOTION: Council Member Cormack moved, seconded by Mayor Burt to adopt the values statement as follows:

The Palo Alto City Council has universally shared values that help guide our decisions and the work we do. These values include:

1. We will make decisions that balance revenues and expenses, now and in the future.
2. We will make decisions that are environmentally sustainable, now and in the future.
3. We will integrate equity into our decisions, considering how decisions affect people differently based on their identity or circumstances.
4. We will make decisions that create a healthy, safe and welcoming community for all.
5. We will safeguard public trust through transparent practices and open communication.
6. We embrace innovation.

Council Member Cormack and Mayor Burt discussed the different meanings of words. Discussion ensued. Vice Mayor Kou asked if “responsible” could be inserted in value statement 1. Council Member Cormack stated all Council decisions should be responsible.

Mayor Burt asked for clarity on the limits of balancing revenues and expenses.

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Vice Mayor Kou stated transparency and accountability was what she was looking for. Discussion ensued. Mayor Burt stated "responsible" does not mean transparent. Council Member Cormack stated transparency is communicated in value statement 5. Vice Mayor Kou stated she sent over changes to statement 5 and asked the Council to look at it.

Mayor Burt asked if the Council should focus on statement 5.

Vice Mayor Kou responded yes and suggested "responsible" was not needed in number 1.

Council Member Cormack asked if statement 6 was an alternative to 5 or an addition.

Vice Mayor Kou responded it was an alternative.

Council Member Cormack stated she felt statement 2 was a statement and not a value. Asked if "honest" could be replaced with another word. Discussion ensued. Mayor Burt suggested dropping the second "honest" and replacing it with "transparent". Asked if "business practices" meant all business of the City government. Vice Mayor Kou and Council Member Cormack agreed.

Council Member Cormack stated statement 6 was now about how the City does its work, which might be better reflected in operations as opposed to Council decisions.

Vice Mayor Kou stated this could also apply to Council decisions.

Mayor Burt suggested a different phrasing for statement 6, deleting the word honest.

Council Member Cormack suggested replacing "safeguard" with "honor."

Mayor Burt commented "safeguard" felt stronger than "honor." Vice Mayor Kou agreed. Discussion ensued.

Council Member Cormack noted she was uncomfortable with "business practices" as it did not fit with the Council's value.

Mayor Burt suggested deleting the word "business".

Council Member Cormack stated she would feel more comfortable with that. Noted open communication with everyone and the concept of innovation were missing from 5 and 6 respectively.

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Mayor Burt suggested placing a comma after “and,” and add “welcome innovative solutions” after the end of statement 6.

Council Member Cormack felt another verb was needed. Discussion ensued. She asked if practices and communication needed to be different or Council could choose one of them.

Mayor Burt edited the statement more. Discussion ensued.

Council Member Cormack stated Council could decide how important it is to have innovative solutions. It is more operational and could be left to Staff as this is the value statement. She suggested combining statements 5 and 6 and ending the statement after “communication.”

Mayor Burt noted innovation should be mentioned and asked where it would fit best.

Council Member Cormack suggested putting innovative solutions as statement 6.

Council Member Tanaka asked for more clarity over how the value statement will be used, especially regarding the new Council. Council Members are an inherent political body running on values. Suggested postponing the value statement until January when the new Council is seated.

Council Member Cormack stated there has never been disagreement over priority setting regarding fiscal sustainability, environmental care, being just to all, caring about public health and safety, and transparent communication. The only purpose of the statement is to save time and act as a guide in the future.

Council Member Tanaka asked about changing circumstances and priorities on future Councils.

Mayor Burt clarified the statement would enable future Council members to focus on priorities that they would otherwise make and the community wants. He suggested pulling up the definition of priority for context around the difference priorities and values. Additionally, noted future Councils can change the value statement, therefore refuting Council Member Tanaka’s argument that the proposed statement would bind future Councils.

Council Member Tanaka stated his point was to question why the Council was enacting this now when Council member elections were coming up.

Mayor Burt noted the values are not immutable, but they are enduring. These values have been seen repeatedly as guiding principles.

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Deputy City Manager Cotton-Gaines explained the Council's priority review protocol and definitions. Priorities typically have a 3-year time limit and are topics that will receive significant attention during the year.

Mayor Burt noted with the values, there may be less priorities that are longer term and more that are able to be completed or reached in 2 to 3-years.

Council Member Tanaka reiterated his sentiment that this should be done in January with the new Council versus an expiring Council.

Mayor Burt noted that was a separate issue that should be considered. If there are concerns these values might change, this might be something the Council wants to push off. If it is not thought of as a risk, the Council can move forward.

Council Member Stone asked which of the values Council Member Tanaka thought was not an enduring value the City would want to embrace.

Council Member Tanaka noted the differences between the City's values today and when it was founded.

Mayor Burt asked if there were any values that would not endure for 10-years.

Vice Mayor Kou stated there were priorities and procedures in place decided by a previous Council when the present Council was elected. The current Council was able to revise and make necessary changes if the entire Council agreed. If a future Council decides to review this statement, a future Council could change if it necessary.

Deputy City Manager Cotton-Gaines stated her agreement and noted a future Council could change it.

Vice Mayor Kou noted it would not be binding but would give future Councils a starting point.

Council Member Tanaka reiterated his point that this matter should be taken up in January.

Mayor Burt asked if innovation should be incorporated as a separate value or within another and suggested adding it into statement 1.

Council Member Cormack noted while it does not fit, it is an important concept and can be left as a standalone.

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Mayor Burt asked if that was the verbiage that was wanted for statement 6. Discussion ensued.

Deputy City Manager Cotton-Gaines noted in the original recommendation, innovation stood alone and suggested looking at the original verbiage.

Mayor Burt suggested the statement “we embrace innovation”. Discussion ensued. Council Member Cormack asked if “learning environment” should be included. Mayor Burt asked what that was referring to. Council Member Cormack responded it referred to the Council learning and trying new things, then stated she was fine with “we embrace innovation”.

MOTION PASSED/FAILED: 6-1, Tanaka no

12. Policy and Services Committee Recommendation that the City Council Adopt the 2023 Citywide Legislative Guidelines and Support the Tentative 2023 Legislative Work plan

Mayor Burt introduced the action item.

Deputy City Manager Cotton-Gaines introduced the Policy and Services Committee recommendation presentation and gave an overview of topics.

Niccolo De Luca, Vice President of Townsend Public Affairs, presented a rundown of the legislative session status, highlighting bills introduced and passed. New members will need education and updates. The State budget was passed with a surplus and focused on five areas including healthcare expansion, \$9.5 billion for inflation relief rebate, \$2 billion for housing investments, building reserves and rainy-day fund, and \$19 billion for a multi-year climate package. Direct allocations to Palo Alto for the Newell Road Bridge replacement and replacement of Fire Station 4 were successful, and the City also successfully won \$26 million for Project Homekey. Major themes of the past legislative session include climate resiliency, housing and land use, behavioral health, Brown Act reform, and public safety.

Carly Shelby, Associate at Townsend Public Affairs, discussed bills the City had positions on in the past legislative session. AB 2011 and SB 6 relegated housing and land use regarding developers, and AB 2097 prohibits public agencies from imposing minimum parking requirements on residential, commercial, and other areas located ½ mile from public transit. AB 1944 would have allowed for continued remote teleconferencing and eliminated local disclosure requirements but did not advance. SB 1100 offers powers to the legislative body to remove an individual for disrupting a meeting, which was signed into law. AB 2449 allows members of a legislative body to use teleconferencing without identifying location and was signed into law. AB

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2647 exempts agencies from making materials available for public inspection less than 72 hours before the meeting, which was passed into law. Other measures include the passing of SB 960, which would eliminate the requirement a person be a U.S. citizen to become a peace officer, and SB 1000 which would have required local law enforcement agencies to de-encrypt radio communications for public access but did not advance. AB 1737 would have imposed oversight requirements on local agencies for children's camps but ultimately did not progress out of the Legislature. AB 2259 would have required the Department of Social Services to establish a grant program for evidence-based modes to serve foster youth with substance use disorders but did not advance. AB 2181, the final bill which the City opposed, would have made changes to the Santa Clara Valley Transportation Authority but did not advance.

Townsend Vice President De Luca described conditions and considerations for the 2023 Legislative session, including the beginning of a new 2-year session, potential changes in budget reserves, a new class of legislators and possible changes to leadership, and continued focus on issue areas of behavioral health, housing production, and tax reform. For Palo Alto, this means continuing strategic engagement on legislative priorities, proactive advocacy for funding requests, and opportunities for coalition building.

City Attorney Molly Stump reported on other topics of interest, including AB 2097 regarding parking requirements on developments near transit, discussion around "Builder's Remedy" as a part of the Housing Accountability Act for Council consideration, and SB 1439 regarding Council Member participation in certain items of community, which would apply to campaign donations received.

Deputy City Manager Cotton-Gaines reviewed the 2023 legislative guidelines, retitling the "Environment" section to read "Climate and Environment," and add the sentence "strengthen and modernize the State and Local electric grids." Staff is building the 2023 Workplan to reflect Council's wish to have more opportunities to engage on legislative issues and reviewed the timeline of events for the proposed Workplan and related discussions, starting in fall 2022 and ending in late summer 2023. Staff recommends Council provide feedback from the previous legislative cycle, approve the 2023 legislative guidelines with the proposed changes, and support the tentative legislative Workplan for the 2022-2023 Legislative Session.

Mayor Burt opened the floor for public comment.

Public comment:

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None.

Vice Mayor Kou asked if the provided summary was considered a forensic memorandum or if it was general.

Townsend Vice President De Luca noted it was an overview. The end of session included a more detailed memo.

Vice Mayor Kou asked if AB 2097 and AB 2011 were presented to Policy and Services Committee.

Townsend Vice President De Luca confirmed the bills were presented to the Policy and Services Committee.

Vice Mayor Kou noted legislation and state mandates should come to the Council sooner rather than the very end after approval. It is necessary the Council assert its voice and how legislation is tracked should be revised. She commented she liked the timeline given.

Deputy City Manager Cotton-Gaines noted the suggestion is a date after the bill deadlines, so the breadth of bills would be known. Additionally, it is close to the deadline where local governments must amend bills with the actual language. The intention is to bring it to Council early enough to see the full scope of bills and hear feedback from Council.

Vice Mayor Kou noted February as the time to come to full Council was great and asked in May what was happening then, further inquiring if the Capital was on break, then.

Townsend Vice President De Luca listed the legislative deadlines for 2023. April is spring break for the Capital. May is the first big chokepoint where any bill with fiscal impact goes through the Appropriations Committee before making it to the floor. The dates are set to inform the Council of the legislative landscape as the process is unfolding.

Vice Mayor Kou asked if May would be the time to provide support or oppose letters.

Townsend Vice President De Luca noted that would be the time.

Vice Mayor Kou noted she would like Council to consider moving from previous strategy 3 to strategy 1.

Council Member DuBois asked why commercial buildings were included in AB 2097 as it could compete with residents wanting to park on the street.

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Townsend Associate Shelby explained exemptions included in the measure are for massive event spaces, lodging, and low-income households that need to accommodate disability and elderly residents. While it was unexpected, it was the author's way to ensure parking around transit was decreased.

Council Member DuBois suggested the Council may need to adjust the City's residential parking programs and asked Staff to keep an eye on the issue. There was not much mention of funding for municipal fiber programs.

Townsend Vice President De Luca noted the fiber broadband was a year before and grant programs are slowly beginning to come out. There is nothing new to report.

Council Member DuBois asked if there was still money available.

Townsend Vice President De Luca noted he would check on that.

Townsend Associate Shelby explained the climate funding package includes \$39 billion over 5-years, which will take around 3 to 5-years to see the dollars materialize. 2023 will paint the landscape for the grants and Townsend is keeping an eye on eligibility criteria.

MOTION: Council Member DuBois moved, seconded by Council Member Cormack to:

- 1) Approve the 2023 legislative guidelines with at least the following proposed changes:
 - a) Update the "Environment" section name to: "Climate and Environment"
 - b) Add the following to that newly renamed section: "Strengthen and modernize the State and Local electric grids"
 - c) Add under technology: "Municipally owned broadband"
- 2) Support the Tentative legislative Workplan for 2022-23 Legislative Session

Council Member DuBois suggested adding "municipally owned broadband" under technology, as well as support the City's ability to innovate in the area.

Council Member Cormack asked if it was important it be municipally owned or if Council could support making broadband available for everyone.

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Council Member DuBois noted private broadband is already supported and the point is to regulate cities.

Council Member Cormack noted the entire paragraph was a mix of items and asked Staff if it was okay to add another item to the list.

Deputy City Manager Cotton-Gaines nodded yes and asked for clarification on the sentence.

Council Member DuBois stated the rest of the list would be kept and directed Deputy City Manager Cotton-Gaines on edits.

Council Member Cormack noted the changes were reviewed at the Policy and Services Committee with a unanimous consensus. There are not a lot of changes and the guidelines seem well-aligned.

Council Member Stone voiced his support and remarked the \$2 billion allocated for housing investment was low compared to the City's budget. He encouraged the Council to continue to push for more affordable housing projects.

Mayor Burt explained the State is offering funding for affordable housing coupled with a mandate saying if cities do not build large amounts of affordable housing, they would lose most of local control over land use policies. The process appears it would fail by the design. He asked what zoning would go along with SB 6 and how certain factors would apply.

Townsend Associate Shelby explained SB 6 is an allowable use, meaning local jurisdiction would have additional authority over development size and location if the developer adhered to certain standards. It could be anywhere where office or retail parking is principally permitted use, in an urbanized cluster, and less than 20 acres of space.

Mayor Burt noted AB 2097 would greatly restrict parking and asked if it would apply not only to new development but to existing development.

Townsend Associate Shelby explained AB 2097 does not apply to existing residential or commercial parking within ½ of public transit as well as existing plans or contractual agreements. It would only apply to new developments.

Mayor Burt noted Council was directed to include electrification of workforce in the priorities.

Council Member Cormack noted Ms. Cotton-Gaines said it was included in the Utilities Guidelines.

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Mayor Burt stated the issues surrounding SB 1439, namely whether it would render a Council Member conflicted on decision-making regarding projects within a specific distance from residents who donated \$250 or more.

Attorney Stump explained it would depend. It applies not only to project proponents or owners but participants, including any defined financial interests in the Political Reform Act, one of which being real property interests. Certain other factors would need to be met as well.

Mayor Burt asked for clarification if a donor of \$250 or more owned real property within the specified distance or advocate on the project.

Attorney Stump clarified it was both.

Mayor Burt asked if they owned real property and they advocate, then the Council Member would be conflicted. He suggested a heat map of donors and stated concern about the amount of area the bill would disqualify. He asked for further clarification.

Attorney Stump asked Mayor Burt to add his voice. The FPPC has not endorsed this and this is a Staff recommendation.

Mayor Burt clarified it was a Staff recommendation to the FPPC. He stressed the need for the public to understand "Builder's Remedy." The interpretation of State law is claiming if a City has not had a housing development certified, developers potentially have free reign with no zoning applied. He asked Attorney Stump if City Attorneys were looking at if there is a potential for cities to self-certify.

Attorney Stump noted the law requires the City to adopt a compliant housing element with the statute passed by the legislature. The certification is not technically required here, so a City may take the position it has adopted a compliant housing element. This could be one of many questions that would ultimately be determined by a court.

Mayor Burt asked whether right now it was an open question whether developers have unrestrained rights for approvals for projects outside of local zoning.

Attorney Stump noted a piece of information the Council received raising an ambiguity in the law concerning the degree to which a developer could deviate from local standards. This will likely be determined in court.

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Mayor Burt recalled asking Senator Becker whether the legislators were attuned to this issue. The answer was yes. He asked if there was any additional insight on the matter from the lobbyists.

Townsend Vice President De Luca noted there has been a lot of attention on this issue. There is nothing substantial right now but the focus is not on legislation right now and instead on the legislative transition of members.

Townsend Associate Shelby added the language of the bill is poorly drafted and confusing, leading developers to be unwilling to chance it in court. There is an opportunity for the Attorney General and HCD to draft a guidance memo offering an additional interpretation. It can be expected to see language clarifying the competing provisions within the bill. Staff will keep the Council updated.

MOTION PASSED:7-0

Council Member Questions, Comments and Announcements

Mayor Burt opened the floor to Council Member questions, comments and announcements.

Council Member DuBois asked if the ad hoc could give an update on the status of Roth lease as it has been over a year.

Mayor Burt explained the number of issues was extensive and more than previously thought. They have been narrowed and the Committee has been having weekly meetings to address the remaining outstanding issues and new issues that have come up. Staff has been preparing to get this to the Council in the coming weeks but it is unsure if that will happen.

Council Member DuBois asked if there was no estimated completion date at this point.

Mayor Burt noted he gave an estimate and the ad hoc is still attempting to get the matter to the Council in a number of weeks, however, there is still uncertainty.

City Manager Shikada stated Mayor Burt described the status accurately and noted it may depend on how the museum comes back with respect to the outstanding issues. Staff has been hoping to agendaize an item for consent approval. If the issues are substantive, that makes it unlikely.

Mayor Burt reviewed some City updates. At the last VTA Board Meeting, the report for the Peer Review Committee on the boring method of tunneling for the BART was reviewed and noted there was a sense of disappointment

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regarding the depth of the presentation. He attended the Stanford Energy Conference and noted relevant topics including the awareness of emerging trends is coming to the forefront of the grid system, smart systems in buildings, and how the future of EVs must be incorporated in that system to create a basis of stability. Information was provided on future directions of energy generation as well as major developments in the near future based on new forms of renewable energy and lower costs.

Adjournment: The meeting was adjourned at 10:52 P.M.