



# CITY COUNCIL SUMMARY MINUTES

**City Council  
Special Meeting  
January 28, 2023**

The City Council of the City of Palo Alto met on this date at 9:09 a.m. at Mitchell Park Community Center and by virtual teleconference.

Present in Person: Burt, Kou, Lauing, Lythcott-Haims, Stone, Tanaka, Veenker

Participating Remotely: None

Absent: None

## 2023 Annual Council Retreat Program

### 1. Welcome from Mayor Kou

Mayor Kou recapped the practice of priority setting during the retreat. A priority is defined as a topic that will receive particular, unusual, and significant attention during the year, with a goal of no more than 3 priorities per year and with a 3-year limit. The process is informed by surveys, recommendations from the Policy and Services Committee, and City Council Adopted Value Statements, which are values that guide the Council's decisions and work. She listed the City Council Adopted Value Statements.

Facilitator Mary Egan presented an overview of the day and reviewed the agenda. The day was planned to allow time for candid feedback, seeking to hear ideas and perspectives of residents with public comments before deliberations. She asked each council member in turn to share an aspirational headline to describe the state of Palo Alto or the Council next year.

Council Member Veenker stated she would like to see the headline "Wave of Palo Alto and Gunn Alums Move Back to Palo Alto." It would mean housing was more affordable, climate was a priority, the City was more welcoming to a plurality of people, and there was a revived downtown with a restaurant and retail scene.

Council Member Tanaka wanted to see improvement in the high utility bills, flood control, and retail.

Council Member Lythcott-Haims offered 2 headlines. Regarding how the Council works as a group, the headline was "Through Cooperation and Congeniality, Council Gets the Job Done." Regarding policy, she hoped "Cubberley Will Be the Hub of South Side" would be a future headline.

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Council Member Lauing's headline was "Council Announces Initial \$250M Secured of \$1B Affordable Housing Fund," with the subheading "Three Developers Agree to Start Projects in 2024."

Council Member Burt suggested "Council Makes Major Progress on Its Goals."

Vice Mayor Stone's aspirational headline was "Palo Alto Leads the Way in Advancing Climate Initiatives and Building Affordable Housing."

Mayor Kou would like to work on reducing the cost of living to make living possible not only in Palo Alto but all around.

## 2. City Council 2023 Retreat: Discussion and Selection of the 2023 City Council Priorities

City Manager Ed Shikada gave an overview of the priority-setting process. He explained where this fits within the context of the City Council's calendar, particularly budgetary review. A staff report will be released in the next week on the midyear budget check-in and discussed by City Council on February 13. The upcoming fiscal year budget begins July 1, 2023. In late April, a proposed budget will be issued for fiscal year 2024, and in May and June, the Finance Committee and full City Council will discuss this and provide direction and approval. Unique to this year, Staff and Council will be presenting and discussing means of using the new Measure K funds, specifically in affordable housing and unhoused services, transportation, safety and rail crossings as well as public safety services.

Communications Coordinator Megan Horrigan Taylor reviewed the community survey related to council priorities, including the survey structure and the amount of responses. She presented examples of questions asked and pie charts with rankings responses. She reviewed some of the themes of the open-ended answers from the survey, which were also included in the Council packet.

Facilitator Mary Egan stated there was time set aside after the public comment to deliberate about editing or amending the current goals and offered a chance for council members to ask questions from a process perspective.

Council Member Stone suggested adding "Don't know" as a category on the rankings questions in the future. He asked how much the storm and flooding impacted the data.

Ms. Horrigan Taylor stated a number of the emails were flood related with not as much within the survey itself, which gives an idea of the timing of the feedback.

Council Member Lythcott-Haims acknowledged that people tend to participate in voluntary surveys if they are deeply upset or deeply thrilled. She noted that the average ratings on the questions fell between 2.2 and 2.8. She felt the data presented could be more clear, adding a

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"Don't Know" category and aggregating answers differently than "3 to 5." She felt that flood control is only discussed when it is in the forefront and wanted to lean into what has and has not been accomplished since the last big flood.

Council Member Veenker also noted the averages between 2.26 and 2.8 and was also concerned that it was below a 3. She wanted to take this response to heart.

Council Member Lauing agreed that the "No answers" were a problem because that discounted a lot of votes. The overall response rate was also low, so this was a very small sample size. He felt a problem was the phrasing "How are we doing?" For example, the answers regarding climate change include respondents wanting both more and less involvement, which makes it difficult to take direction from the rankings.

Council Member Burt found the responses and comments valuable but not determinative about perspectives of the community. There was a small response rate and an smaller subset of respondents who did the rankings. He also wondered how respondents interpreted the phrasing of the questions. He felt the progress and momentum of affordable housing was not clear to the community and listed some examples of this progress, although this was a fraction of what is needed. He challenged the Council to focus on concrete plans for the affordable housing fund.

Mayor Kou wanted to be realistic about the cost and the impacts of that on the residents of Palo Alto.

Council Member Tanaka stated the fundamental issue with the survey was the relatively low response rate. He suggested doing shorter, more frequent surveys at the time of service rendered when things are fresh in people's minds versus a large survey once a year. He believed there would be higher response rates and more accuracy.

Ms. Horrigan Taylor listed 2 other current aspects of engagement, one through OpenGov, an online tool with a signup that already includes 2500 people who have asked to be surveyed, and a new tool that is more like a net provider score opportunity, which will be implemented and discussed more throughout the year.

## A. Overview of the 2022 City Council Priorities

Economic Recovery and Transition (ERT)

Climate Change – Protection and Adaptation

Housing for Social/ Economic balance

Community Health and Safety

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City Manager Shikada stated this material was to provide a snapshot of the work ongoing in the 4 priority areas as input for discussion on the priorities for 2023. He noted the development, tracking, and reporting on work plans is a new step for the City.

Assistant to the City Manager Steven Guadliardo discussed Economic Recovery and Transition. He showed the 13 different items under the April work plan and the status of each of those items; 85% of the Economic Recovery and Transition items are complete or on track.

City Manager Shikada stated many of the projects were expected to extend over a year and cautioned not to take the stats alone as an indication of success or failure.

Mr. Guadliardo further discussed in detail the accomplishments of the ERT and the work to continue in these areas in 2023. He clarified that these things were on the work plan approved in April and are not the full extent of things that have been worked on over the past year. He listed other efforts underway. He also discussed changes and new projects anticipated for 2023, including implementation of a comprehensive economic development strategy by Streetsense, implementation of Measure K, parklet standards; and downtown parking and below market housing RFI responses.

Council Member Comments:

Council Member Burt asked if on track means in progress or on a specific timeline that is as expected.

City Manager Shikada replied that it means in progress and does not speak to a specific timeline.

Council Member Burt encouraged changing the terminology. He felt it would be helpful to see the projected milestones on a Gantt chart. He questioned if Retail and Retail-Like Land Uses and CUP Thresholds was still working its way back through the Planning and Transportation Commission.

City Manager Shikada responded that PTC requested the Council extend the temporary ordinance for that reason, not wanting to change the law until the data is available.

Council Member Burt believed there was an intention to update that ordinance in the future; continuing the temporary ordinance is not the same as updating the ordinance.

Mr. Guadliardo clarified that there was a separate item for the ongoing work on the Citywide Recovery Ordinance.

Council Member Burt asked why Measure K was included in the economic recovery.

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Assistant City Manager Kiely Nose stated that over calendar 2023, the primary work to be done on that was either administrative or with the business community. Once the funds come in, they would be allocated toward the 3 priorities.

Mayor Kou noted that the RFP for Economic Development was completed and asked about other RFPs in progress.

Mr. Guadliardo stated working through some of the things related to economic development will ultimately result in conversations with Council that may yield future RFPs, but there were none currently. University Avenue was an RFI, which is slightly different and is meant to gauge options for building housing. Conversations were being held with prospective vendors.

Assistant City Manager Nose added there had been a pre-bid conference. Questions from any potential proposals were due this month, and final responses were due in February. Staff will come back to the Council with next steps.

Mayor Kou asked for timelines on some of these ideas.

City Manager Shikada felt a Gantt chart should be pursued for next year's work plan that will come out of this session. There will be specific updates on the Downtown Parking Facilities and Affordable Housing Project as they proceed.

Council Member Tanaka related that there were a lot of layoffs among tech right now, with the need to plan carefully on Measure K. In terms of the economic recovery, he agreed with a schedule but felt there were a lot of actions but no measurement of results. He asked if there was a metric to measure success.

City Manager Shikada suggested Council might consider setting goals as a part of priority setting, whether quantitative or qualitative, as a useful way to measure success. There was not a specific metric used to frame this report for this priority area.

Public Works Director Brad Eggleston reviewed the projects included in the 2022 Climate Change Protection and Adaptation priority work plan. Two of the eight projects are complete, with the remainder on track. He reviewed the accomplishments toward the CCPA plan and the work to continue in 2023, which prioritizes projects that reduce gas emissions as well as protect the City from the impacts of climate change. The Council may want to provide guidance on the scope of the 2023 S/CAP Ad Hoc Committee and how boards and commissions should be involved. He discussed upcoming changes and new projects for 2023, including gas and electric utility electrification infrastructure changes, Heat Pump Water Heater Program implementation and expansion, Commercial Rooftop HVAC Program launch, EV strategic planning, reliability and resiliency strategic planning, S/CAP resource needs and funding sources study, Bicycle and Pedestrian Transportation Plan update, Newell Road Bridge replacement, and San Francisco Creek Reach 2 Flood Protection Project support.

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Planning and Development Director Jonathan Lait reviewed the projects included in the 2022 Housing for Social and Economic Balance priority work plan. He detailed the accomplishments for the HSEB plan, including the numbers of new housing units produced. He reviewed accomplishments with respect to partners participating in the Community Development Block Grant program (CDBG) and reviewed the numbers from the end of the 5th cycle RHNA. He discussed changes and new projects for 2023, including housing element implementation, Downtown Housing Master Plan, and housing-related services.

Deputy City Manager Chantal Cotton Gaines reviewed the projects included in the 2022 Community Health and Safety priority plan. She discussed the accomplishments toward the CHS plan and the work to continue in 2023, with focus areas of libraries and community services, public safety, and capital projects. She detailed changes and new projects for 2023, including expanding focus on sense of belonging/inclusion with programs for human connectedness, assessing human service needs in Palo Alto and exploring best practices for funding processes, expanding Emergency Services Volunteer program, and continuing flood protection actions.

The Council took at break from 11:00 a.m.-11:15 a.m.

Ms. Egan reviewed some of the notes taken by Assistant Manager Nose regarding the Council's earlier observations. She offered the Council an opportunity to ask questions of the 4 previous presenters.

## Council Member Comments:

Vice Mayor Stone anticipated a lot of community interest on flood protection, bridge replacements, and creek expansion and asked Staff to explain why those projects have been delayed.

City Manager Shikada stated Newell Road Bridge was a priority within the CH&S focus area in 2022. He expected significant progress over the next year, leading to construction in 2024, and suggested establishing frequent reporting on progress. He noted the Pope-Chaucer Bridge and channel strengthening were on a critical path to dealing with flooding risk. A detailed discussion was scheduled at the next JPA meeting on February 16 with a plan to have a follow-up community meeting soon after, around February 21. This could be discussed at a high level now with more detail to be provided in the future.

Public Works Director Eggleston reviewed the 4 key aspects of the Newell Road Bridge project, design, easements required, permitting, and funding, which all need to be completed in parallel to meet the construction timeline. Design was close to 90% and after that is received, updated costs will be submitted and it will be requested to move funding to the appropriate year. Draft permit applications were submitted to the regulatory agencies for the Newell Road Bridge and the rest of the Reach 2 components, including channel widening and Pope-Chaucer Bridge. The regulatory agency wanted to understand impacts of all those projects together. Separately, the

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right-of-way easement work was commencing. He explained that the previous schedule was very aggressive, and there were issues with permitting related to lawsuits with CEQA and JPA.

Council Member Burt pointed out that the previous grant approval from Caltrans was before construction cost escalation and needed to be resubmitted based on current costs. There were lawsuits at each stage of progress at Newell, Chaucer, and in between and issues in the bank-widening area. One permit was needed for 3 different parts of Reach 2, and he was concerned about receiving the permitting as it was a multiple-year battle for Reach 1.

Mayor Kou asked about the status of the Pope-Chaucer project, including the design, cost update, getting easements, and permitting.

Public Works Director Eggleston replied that Pope-Chaucer and the channel widening were the aspects of Reach 2 that JPA is taking the lead on. He believed they were at 65% design and needed to go through approval processes.

City Manager Shikada expected to have additional information at the February 16 meeting and going forward. Staff would look at the approval processes and make recommendations to the Council for streamlining.

Council Member Burt wanted to recognize that, while money has been accumulated, there was a funding shortfall with the increase of construction costs.

Council Member Lythcott-Haims thanked Staff for the presentations. One role of the Council is to be an advocate in the City, and she asked Staff to continue to update Council on ways to rally community support. She asked what Council needs to do and see so more residents appreciate the goals and the work done. Regarding the SB 9 results, she questioned the approximate timeframe from someone expressing interest to being permitted to ultimately breaking ground. She also wanted clarification on the red trashcan icon next to the item "Residential zoning name change."

Planning and Development Director Lait explained that the timeline varies based on circumstances. Part of the development application process involves determining what rules apply. How close someone is to compliance with the standards could result in more or less time to submit an application, and it is variable on an individual's motivation. Regarding the trashcan icon, that item was to rezone the name of single-family zoning into a new title, as directed by Council. The Planning and Transportation Commission recommended removing that as a task from the HSEB program.

Council Member Veenker was excited about the library updates and questioned the gating item for those decisions to understand what needs to happen for the last reopening and how to help. She also noted that she agreed that libraries are additional community centers and gathering places.

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Library Services Director Gayathri Kanth stated the process started by looking at choices available, such as opening a fourth day at smaller libraries versus opening Sundays at larger libraries. During the floods, it was realized that the library was not only a resource center but also a shelter and that having open Sundays was critical. Staffing recruitment was still underway at Mitchell Library, so it was begun at Rinconada first. She noted that the services, programs, and activities provided at the libraries were as critical as having an open library and that more open hours required more collections. There was a lot of juggling, and she appreciated Staff's flexibility and problem-solving.

City Manager Shikada added that the Council's direction to get the additional hours for the libraries as quickly as possible set all of this in motion.

Council Member Burt clarified that the libraries had not been able to open all days because they were not able to hire back, not because it was not authorized and in the budget.

## PUBLIC COMMENTS:

1. Darlene Yaplee noted that aviation noise continues to be an issue. San Francisco Airport reports the number of noise complaints every month, and Palo Alto typically tops the list. She asked the Council to continue to work on GBAS innovative approaches, addressing the leaded fuel emissions at PAO, and other important projects to reduce aviation impacts.
2. Jennifer Landesmann suggested that priorities set in the retreat should be scheduled on the public agenda early in the year and with a proactive goal; otherwise the clock runs out and the item is neglected. She asked to put Pope-Chaucer Bridge and airplane noise on the 2023 list. For priorities that require attention beyond 1 year, she felt it would be helpful to know how a topic can graduate to a standing committee or an annual schedule on Council's agenda to review goals, milestones, or potential interventions.
3. Jeanne Lavan stated flooding has been an issue for 25+ years and was concerned there will continue to be delays. She described the experience of those who were affected by their homes flooding and asked for regular updates to see that this is tracking. She also wanted other opportunities to protect against an even greater volume of rain anticipated next winter.
4. Lauren Bigelow, Board President of Palo Alto Renters Association, felt that it was impossible for climate change and housing not to be priorities. They will not get solved in a year, but progress can be made. With new Measure K funds, there is an opportunity to make investments in building housing and to help residents at risk of being homeless. She challenged the Council to prioritize the big issues this year but also create specific measurable, achievable, relevant, and time-bound goals that can be tracked.



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5. Karen Porter echoed the comments about the continuing impact of jet noise and spoke about the harmful impacts of lead emissions from piston-engine aircraft flying in and out of the Palo Alto Airport. Almost all planes taking off from PAO go toward East Palo Alto, a classic example of environmental injustice. She was disappointed that lead fuel is still being sold at PAO despite the City's concern for community health and safety and climate change.
6. Sandra Slater felt climate change and making sure the S/CAP is implemented swiftly take precedence. There has been a lot of progress on the S/CAP, but she urged the Council to continue the work of translating it into specific and measurable goals, especially expanding the Heat Pump Water Heater program to include space heating and air conditioning.
7. Ken Horowitz's top priority was community health and safety and supported the suggestion of getting Cubberley built and making it into a community center so residents have a place to go in regard to mental health. Regarding safety, he would like to see a traffic light on the corner of Middlefield and Lincoln and felt bicyclists needed to be safer at night. He commented that the community survey needed to be a lot shorter.
8. Bob Moss gave examples of housing having been an issue for decades. The City has tried to resolve this by regulating the number of BMRs in developments, but land costs are extremely high. He suggested a tax benefit for people who contribute to low-density housing.
9. Shani Kleinhaus, speaking as an environmental advocate for Santa Clara Valley Audubon Society and a resident, felt that parks and nature are part of the City's identity. She was grateful for the tree ordinance protection and progress in addressing climate change. Protecting corridors is critically important to prevent flooding in the future and for biodiversity and natural resources. She also felt protecting birds from glass collisions and working on light pollution were important issues.
10. Arthur Keller believed it was important to have planning for the housing being planned for South Palo Alto, with 4 acres parkland for every 1000 people that live there. He felt Cubberley should be used for a community center as there is plenty of land for housing. Regarding flood protection, he felt the flood pressure from sea level rise in the future was something to prepare for. He wanted to implement the grade separations for West Meadow and Charleston and rebuild the San Antonio-Charleston intersection.
11. Hilary Glann of the 350 Palo Alto Climate Team commended the work on turning the S/CAP into an actual plan. She lauded the Turnkey Heat Pump Water Heater Replacement program as an exceptional achievement. She

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encouraged the Council to adopt the principals of smart grids and the Watt Diet and, as the City and airport are decarbonized, to connect the dots between climate and housing to increase equity.

12. Andrea Gara of the 350 Climate Team urged the Council to continue the focus on climate in 2023. The S/CAP goal names 2030 as the date to reach 80% reduction in greenhouse gas emissions, and this cannot be an aspirational goal. A major source of greenhouse gases is home furnaces, which have a much longer half life than the hot water heater systems; proactive replacement needs to be incentivized.
13. Amie Ashton, Executive Director of Palo Alto Forward and Board Chair of Silicon Valley Bicycle Coalition, listed issues that residents want to see prioritized and stated what they all have in common as a solution is housing. The Draft Housing Element provides an opportunity to make real progress toward housing goals. She felt it was important to take a proactive approach to rezoning sites appropriately to facilitate housing.
14. Jennifer Chang Hetterly, resident and Bay Alive Coordinator for the Sierra Club, urged the Council to expand the priority of Climate Change – Protection and Adaptation to Natural Environment and Climate Change. A singular focus on climate change fails to encompass the broad range of additional threats and needs related to open space, local ecosystems, and biodiversity. She felt Ms. Kleinhaus's comments about light pollution and bird safety were good examples of discrete projects with substantial beneficial impacts.
15. Nancy Coupal, owner and CEO of Coupa Café, requested to bring back the prior parklet permitting requirements and not require consent from neighboring landlords, which will cause economic harm to those who built parklets during the pandemic, lose outdoor seating that people have become used to, and bring in less sales tax to the City. The street belongs to the City, and the objective of parklets is to bring back vibrancy to the City.
16. Alexandra Wong, representing the Palo Alto Student Climate Coalition, yielded her time to Maya Perlash.
17. Katie Reuff also yielded her time to Maya Perlash. It was clarified that this would not give additional time to Ms. Perlash.
18. Maya Perlash, Palo Alto Student Climate Coalition, stated the members of PASCC are excited to continue pushing the City to the forefront of sustainability to maintain the biodiversity and tree canopies of the region. She believed Palo Alto needed to create interim targets to reach carbon reduction goals, laying out the pathway to 80 by 30 and beyond, and she hoped the 3-year plan would include an ongoing commitment to addressing staffing and local electrification

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workforce issues through state collaborations and local training programs. To reach this goal, the City needs fully electrified residential and commercial HVAC systems and Palo Alto Utilities needs to model a path to life beyond gas, setting a deadline for a model by mid to late 2023.

19. Laura Bajuk asked city leaders to continue to support safety, peace, and respect in Palo Alto. She requested that Council set priorities to include how they will support and expand efforts to bring fresh and diverse voices from the highly engaged community.
20. Phoebe Mota-Judges, continuing Ms. Perakash's comments, believed it was important to tackle home heating and cooling systems, which account for nearly a quarter of the citywide natural gas use and about half of the residential use. The Inflation Reduction Act funding and increased efficiency will help economically; however, the City needs to step in and relieve the short-term financial burden on lower-income households. PASC is excited to support the Council on these issues and requested Council's input on how PASC may in turn support them to succeed on these goals.
21. Aram James was outraged at the Palo Alto Police Department suing over the Black Lives Matter mural and wanted the Council to address this issue. He believed that the City's police culture represented racism and spoke strongly against Police Chief Binder.
22. Susan Chamberlin, member of 350 Palo Alto Climate Team, urged a continued priority focus on climate in 2023 as scientists warn that this is the last decade to act to avoid the more catastrophic effects of climate change. She urged creating a Turnkey program for heat pump space heaters and air conditioners, which are more energy efficient, cleaner, and safer than gas. The Inflation Reduction Act is an opportunity to act, and she urged the development of ordinances for electrification of all remodel projects and a replace-on-burnout ordinance, with attention to subsidizing low-income families in this transition.
23. Mora Oomen discussed the Human Services Resource Allocation Process (HSRAP) grant program open to organizations who deliver direct services to the Palo Alto residents so they have a safety net of services, allocated through the City's general fund. Historically, the City has not put enough money in the budget to be able to fund and match the needs presented by the coalition of nonprofits that serve the community. She hoped the City Council would take into consideration the choice to add more funds as it looks at how much money is provided to the Community Services Department.

BREAK LUNCH

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The Council took a 10-minute break and continued the meeting at 1:00 p.m.

## 2B. Selection of the 2023 City Council Priorities

- Economic Recovery and Transition
- Climate Change – Protection and Adaptation
- Housing for Social/ Economic balance
- Community Health and Safety

Facilitator Mary Egan stated the business of the next hour was to deliberate if these were still the priority areas that make sense, if there were things for Staff to tuck under these priority areas, and if there were more important priority areas to substitute.

Mayor Kou felt most of these should be continued but wanted to add replacements for some of the items in transition or complete. Economic Recovery and Transition is ongoing, and she wanted to ensure that recovering retail and small businesses has a focus locally. She suggested looking at measures that San Francisco and Oakland put forward regarding vacant properties and rents, for residential, retail, and commercial. She stated that focusing on resident needs would build community, allowing people to meet up at shops and restaurants, and would reduce greenhouse gas if people do not have to drive as far away. Under Climate Change – Protection and Adaptation, she believed the natural environment and biodiversity go hand and hand with the technologies that address climate change and sustainability. She wanted to include more natural ways of protecting and preserving natural habitats with bird-safe glass for buildings and improvements in light pollution. She felt protections were needed for creek setbacks. She suggested keeping in mind how technology updates for sustainability impact residences, including the costs and assurances of sufficient electricity. The majority of power and electricity comes from the State and is provided by natural gas, and being responsible means keeping the State accountable.

With regard to Community Health and Safety, Mayor Kou felt airplane noise needed continued work and thanked Vice Mayor Stone for his work on that. The unleaded gasoline at Palo Alto Airport is being addressed while also working through state and government regulations. She would like to see more police presence, walking or biking. She explained that a lot of state mandates impede the City from focusing on its own issues. For example, there will be a lot of housing built on the San Antonio corridor but it is not clear if the roads will be able to sustain that.

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Council Member Veenker suggested Climate Action, Adaptation, and Sustainability, including flood control in Adaptation. She felt this required a collective effort, partnering with the state and federal governments for their expertise and support. Palo Alto has an outsized impact and cannot do it alone. She believed this issue was urgent, also intersecting with housing. She agreed that housing is a priority and felt an emphasis on affordable housing was important as funding was needed. She liked the phrasing of Community Health and Safety as it was a holistic look at the community but wanted to continue to provide and promote the use of unleaded fuel at Palo Alto Airport, looking at ways to eliminating lead use in 2023.

Council Member Burt was pleased with the greater focus on flood protection issues and wanted to make it a goal-oriented issue for the coming year. On economic development, he wanted to ensure a focus on the neighborhood centers in South Palo Alto. He asked the Council to weigh in on an increase in the percentage of the general fund going to HSRAP funding, which would have very big impacts. In CHS, he felt the intended accomplishments had not been made in the investment in youth category and wanted that set within the budgetary framework. On climate protection, he drew attention to the goals and key actions, a very comprehensive, ambitious 3-year plan. The programs need to be put together in order to see if there are gaps to be filled, to make sure the climate program addresses the issues for everyone in the community equally.

Vice Mayor Stone supported a deeper dive on the 2022 Council priorities as it is difficult to accomplish these goals in 1 year. He believed Economic Recovery and Transition was critical, especially when recession continues to loom. He wanted to ensure completion of the plans for California Avenue and Ramona Street and to get clarity for business owners on whether they will remain closed. He was glad to see a priority on downtown parking and below market rate for RFI responses, which will accomplish multiple goals at once. On climate change, ensuring adoption of the S/CAP recommendations was key. He wanted Palo Alto to embrace its responsibility on climate change and continue to be leaders in this. Natural environment was an area of concern that did not previously have as much focus in the climate change goals. Important areas in Housing for Social/Economic Balance were certifying housing element and completing the rental registry and other renter protections. There needs to be greater investment in affordable housing, advocating for more from the state and federal levels.

Council Member Lauing thought the wording of Housing for Social and Economic Balance was exactly right and was the correct focus, rather than housing for RHNA numbers. He felt it was time to consider a permanent housing committee because this is not a 1-year problem and the City's needs, apart from RHNA, will take massive efforts. He supported spelling out climate change as being around the natural environment. Health and safety is a fundamental obligation of local government and should include physical, mental, and preventive health. Economic Recovery and Transition needs to stay in as a top priority, particularly in light of the possible upcoming recession, the pandemic crisis, and the empty stores everywhere.

Council Member Lythcott-Haims stated the policy that council priorities cannot last more than 3 years felt wrong. The articulated labels too broad and overreaching to accomplish in that time frame. If the plan was to keep a 3-year time limit, she urged setting smaller specific priorities

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under these, toward which achievable progress can be made in that time. She agreed on the request for more data and clearer measurements on surveys, Gantt charts, and measurements for success. She appreciated the comments about parklets and was eager to see this issue brought before Council. She felt the impact of commenters' words regarding the flooding. She wanted to keep listening to the youth, for whom climate is existential, and also explore how to convince residents to make changes in their individual homes. She was concerned about the choice to put thousands of units on San Antonio, on the edge of town near a highway, further segregating by income, race, and ethnicity. She was interested in the idea of a tax advantage for those incentivized to build more units. She was willing to entertain conversation on increasing HSRAP funding. She questioned where to put rail and grade separation within the priorities.

Council Member Tanaka stated that all the priorities sound good but worried they were not specific enough to be actionable. He felt they were vague in order to incorporate everyone's input but that making them vague avoided the work of prioritizing and making choices on importance. He listed two concrete things Council could do over the course of a year that would actually move the needle. He stated the permitting process in the City was atrocious and hindered business; it would take a concerted effort to improve customer service and make a more predictable permitting process to be a good partner with the people in the community. There were also some concrete things to do to improve flooding to make sure people do not have to spend the night watching flood monitors to know if their house is going to be flooded.

Council Member Lythcott-Haims tied Council Member Tanaka's comments about permitting back to housing. In order to do the work of housing, the Planning Department needs to be well staffed. She suggested the permitting process might ultimately be shortened and more efficient if a job offer to work in the Planning Department came with the opportunity to live in affordable workforce housing, were that available.

Council Member Burt stated there were 2 problems regarding permitting; the entitlement of projects is Planning staff and the permits include new projects and other things that come forward. There has been streamlining in the permitting and entitlement process, but the development center does not have the needed staff. Normally this is outsourced to contracting companies, but they also do not have the staff. He wanted to clear up any misconceptions about where the choke point is. Going through the housing element, some of the zoning changes had to be deferred, including the greater emphasis on housing sites in downtown and Stanford properties. He looked forward to the Council bringing that back. Regarding the need for greater attention to the natural environment within the climate plan, he stated the Sustainability and Action Plan includes environmental sustainability and is primarily where the natural environment issues should be tackled. He discussed the potential impacts of a major fire on the natural environment, greenhouse gas emissions, flood control plans, and social and economic impacts. He embraced the greater sense of urgency on flooding but also clarified that the flooding on New Year's Eve would have been significantly worse if not for the flood protection in Reach 1. That did not solve the problem but diminished it.

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Mayor Burt looked forward to a staff update on the airport and leaded gas as he believed there was a program in place to transition to unleaded gas to a greater degree. He also mentioned the cost of the additional power and state grid. The State is investing massively in the grid and the cost of renewable energy is going down, significantly lower than the average cost of electricity today.

Council Member Veenker questioned the possibility of removing the 3-year requirement and broadening the topics, then choosing several specific things under each heading to accomplish in that 3 years. She wondered about changing the wording of Climate Change – Protection and Adaptation to Climate – Action, Adaptation, and Preservation. The preservation of climate depends on dealing with things like the fires and floods and would have the impact of maintaining biodiversity and other things.

Ms. Egan did not believe that could be accomplished today but stated Council could send Staff back to delineate items within the strategic objectives, allowing Council the chance to prioritize those.

City Manager Ed Shikada agreed and stated it is ultimately at the discretion of the Council but would be difficult to get very specific today. An appropriate next step might be to schedule another session to take the defined priorities and drill down further and discuss the goals of this calendar year. A strategic planning effort might lay more of a multiyear frame around the discussion and the establishment of goals.

Mayor Kou stated the question of having priority for 3 years can be referred to Policy and Services. A lot of these priorities are long term and might not fit into a 3-year plan.

Council Member Lythcott-Haims asked for clarification on the relationship between the work plans and priorities and the role of Council in regard to work plans.

City Manager Shikada stated Staff has only come with work plans to the Council within the past 2 to 3 years. Prior to that, there had been no specific actions following priority setting to track implementation during the calendar year. The plan would be to come back with the listing of projects, much of which are already underway, for Council to discuss whether those are the right projects. Ultimately, there will have to be a discussion of what is reasonable within resources that are available.

Vice Mayor Stone asked about the time frame for getting the work plan back.

City Manager Shikada stated it has varied. Last year, the plan was brought back in early April, and the prior year, there was already a work plan for housing established before the Council approved that as a priority. To do this as quickly as possible, it may not look different from the report today as to the status of different projects, but it would allow the Council and Staff to discuss what could be accomplished by the end of the year.

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Vice Mayor Stone asked if in the past the priority settings were more detailed with bullet points with more specific policy areas to accomplish.

Council Member Burt stated there were different times when there were sub-bullets within priorities. He thought the work plan approach ultimately filled out the achievement of the goals. He pointed out that a new set of guiding principles was adopted at the end of last year, capturing the things enduring outside of the priorities. The priorities are where Council attempts to have particular focus. Council does a lot of very important things not in these priorities, and the work of the City does not have to be limited to or forced within these.

Vice Mayor Stone explained that part of the intent of the value statement was to facilitate this discussion, allowing the priorities to be the 3 or 4 true focus areas. In Community Health and Safety, he wanted to see the Council hone in on flood protection, mental health services, airplane noise, and HSRAP.

There was some discussion about what actions the Council would take at this point and the wording of the priorities.

**MOTION:** Motion by Council Member Lauing, seconded by Council Member Burt, to approve the 4 approved strategic priorities and have Staff return on February 6 with suggested objectives derived from Council Comments at the Annual Retreat to achieve the below strategic priorities:

- Economic Recovery and Transition
- Climate Change and the Natural Environment: Protection and Adaptation
- Housing for Social/Economic Balance
- Community Health and Safety

Council Member Lauing believed this streamlined the process and gives a near-term date to dig down and be very thorough on these priorities.

Council Member Burt discussed the wording of the priorities and also encouraged to agendize the Council reviewing and refine the guiding principles.

Council Member Venkeer supported the motion. She agreed on having a discussion around the specific time-limited things to start this year.

There was discussion about including the guiding principles and/or the work plan in this motion.

Council Member Lauing stated that his intention was for Staff to add strategic objectives under these 4 priorities outside of the work plan that already exists.



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Assistant City Manager Nose stated a number of things have been identified by council members but Staff does not have clarity on translating those into projects. She questioned, for example, what adding the natural environment to a priority turned into in terms of a project on the work plan.

Council Member Lauing clarified that he would like a list of things discussed that could be further discussed later, rather than actual projects.

There was discussion on how to frame the objectives in terms of the priorities and timeline.

Council Member Tanaka felt that the priorities were not specific enough to drive Staff action and projects. By adopting everything at such a high level, the Council is not adding concrete value. Regarding the permitting process, he understood that hiring was a challenge but suggesting embracing the idea of differential pay.

Council Member Venkeer questioned whether it was Staff or the Policy and Services Committee that should collate and bring the objectives to Council for discussion.

Council Member Burt stated the value of doing this was to communicate the priorities and the objectives to the community.

Council Member Lythcott-Haims clarified that Assistant Manager Nose has been recording all of the ideas articulated today and the Council will be able to whittle down this list and ultimately try to adopt.

City Manager Shikada suggested thinking of this as a 2-step process, the first step being what is before the Council now and the second being discussion of items Staff has noted from today's meeting.

There was amendment of the wording of the motion.

## **MOTION PASSED: 7-0**

Mayor Kou asked for explanation of the yellow icons on the Housing For Social and Economic Balance slide.

Assistant Manager Nose replied that those yellow items did not have resources allocated or were delayed from what Staff had expected.

City Manager Shikada stated this was a perfect example that high-level goals and objectives can be set but if there are no resources behind them, they are not going to get done.

## 2C. Discussion and Possible Revision to 2023 Standing Committee Topics

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Facilitator Mary Egan stated the intent of this was to discuss the intended work plans and work through any changes in perspective on behalf of the Council.

Deputy City Manager Chantal Cotton Gains shared the tentative work plans for the Finance Committee and the Policy and Services Committee for this year for any feedback or suggestions.

Vice Mayor Stone was concerned, regarding the Policy and Services agenda, that the fair ordinance would not be heard until August and had been sent to P&S in November 2020. He wanted to prioritize items related to renter protections, an area where Council policies can have a real impact on pricing and housing affordability and stability.

Planning and Development Director Lait listed 3 renter protection items to be worked on in 2023: the rental registry, just cause ordinance, and security deposit ordinance. These will be balanced with the same staff working on the housing element. August was felt to be a realistic timeline, while balancing other work priorities. He understood it was important and wanted to see where it would fit in with other priorities. The security deposit ordinance would be straightforward to implement and should be moved along before the summer recess.

Council Member Tanaka inquired wanted to make an active referral on the permitting process.

Assistant City Manager Nose stated typically topics were brought forward as part of a colleagues memo so the Council can clearly articulate the intent or desire.

Council Member Tanaka asked for clarity on the purpose of this discussion if not to put things on the calendar.

City Manager Shikada stated this was simply a review of the topics and explained the process for referrals to the standing committees. One way is for Staff to bring an item on a work plan to a small group prior to full council consideration; if that leads to a unanimous recommendation for council approval, it then appears on the Council's consent calendar and would not be brought for full discussion at the full Council. The other option is referral from the Council, typically by way of a colleagues memo, the process through which 2 or more council members bring an issue to the full Council to decide on referral to a committee or other actions. He advised against voting to add a topic to the calendar at this point as there is great value in the step of drafting a colleagues memo, which often requires discussion between 2 to 3 council members to articulate both the issue as well as a proposal for what would happen with that topic. In the past, when items were brought forward through the priority setting session, Staff has struggled with how to frame the topic and the committee discussion has also struggled. Ultimately it is the Council's decision.

Council Member Burt appreciated that Staff did not need cryptic or arbitrary revisions but stated it was not the historic practice that a colleague's memo was the only way to get an agenda item on a committee. As an example, he raised the issue of reexamination of the hydro surcharge and emergency gas surcharge, which have had a huge impact on ratepayers. He felt

# SUMMARY MINUTES

getting this agenda item as soon as possible was appropriate as circumstances have changed and it was concrete enough not to require a colleagues memo. Colleagues memos sometimes take months before coming before the Council, so a balance needs to be struck.

Facilitator Egan added that it was important to provide clarity for Staff on the problem to be solved.

Vice Mayor Stone suggested a tentative agreement and motion, with the motioner and seconder coming back on February 6 with more detail to have a deeper dive.

Council Member Lythcott Haims agreed and wanted to make sure that on February 6, the Council could hammer out a small number of objectives in furtherance of the priorities so the work plan reflects that. She inquired as to the relationship between the proposed calendar and the ongoing work of Council to clarify its actionable objectives in furtherance of its priorities.

Assistant City Manager Nose stated that some of the items on the calendar were standing items, such as budget process, rates, and audits. Other items were those brought forward because of a referral or because they are in support of one of the council priorities. Historically, committees have been used to help move through the council priority projects. In terms of the priorities just set, depending on where those projects go and the objectives the Council identifies, Staff would look at what the projects are and if they should go to committee, using the appropriate legislative process to move it through.

City Manager Shikada added that the time frame is Staff's best estimate and does not lock anyone in.

Council Member Veenker noted that Policy and Services topics were backloaded in the year and worried that going through the colleagues memo process would further backload the back half of the year, which seemed like a process challenge. She listed that she would like P&S to look at the priority setting process regarding the objectives and work plans and at how to streamline the permit process to achieve housing goals and give residents more predictability.

Council Member Tanaka felt it would be useful to list some things members would like to see and move forward if there is a majority vote. He agreed on the priority setting process, the permitting process, and the hydro surcharge and was also interested in reviewing TMA through Policy and Services.

Council Member Burt suggested talking about this on February 6 rather than fleshing it out at this meeting. At that point, there could be discussion on which things might be referrals with guidance from the Council or an advisory committee before coming to the Council.

Mayor Kou was concerned the February 6 meeting would go long with all of the discussions and suggested having a preliminary discussion today.

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Facilitator Egan added that Staff delineated what was heard in the 2 rounds of discussions about topics members would like to include for discussion on February 6.

Mayor Kou suggested that each council member give their thoughts on what to add. She asked about short-term rentals and police issues, including police department reports to be reported to council meetings.

Assistant City Manager Nose would make sure short-term rentals was added to the P&S work plan.

Deputy City Manager Cotton Gains stated that, unless there was another explicit item, the quarterly reports to P&S on race and equity work was where Staff speaks about anything happening in the departments. The 3 remaining items from the council direction at the end of 2020 were reported as well, and the RIPA data updates were included in those quarterly reports.

Council Member Venkeer agreed with E-hydro and renter registry.

Council Member Lauing was interested in a standard committee for housing given the magnitude of things to be done.

Mayor Kou also suggested an airplane noise committee.

Vice Mayor Stone asked if PD's use of force report and IPA go to Policy and Services.

Deputy City Manager Cotton Gains responded that all of the IPA reports go to City Council twice a year with the IPA speaking to Council after. The use of force report is included in the regular update from the IPA.

Council Member Lythcott-Haims had nothing additional to add and was interested in the conversation on February 6.

Council Member Burt suggested adding ways to improve community engagement for Policy and Services. He questioned whether Council wanted Finance to dive into the midyear budget review before it comes to Council, though there may not be time. He wanted to consider where to refer discussion on the airport strategic plan with issues related to leaded gas and other aspects.

City Manager Shikada commented that community engagement and the airport are both planned by Staff for upcoming study sessions with the full Council. In anticipation of discussion on February 6, there will not be an opportunity for Staff to have a discussion on the resource impact or staffing impact on items to be discussed.

**MOTION:** Motion by Council Member Burt, Seconded by Vice Mayor Stone, to agendize a discussion of prospective referrals to the Policy and Services, Finance Committee, and Boards and Commissions

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## MOTION PASSED: 7-0

### 2D. Retreat Debrief, Take away and Next Steps

Facilitator Mary Egan asked council members to share a positive takeaway from the time spent today.

Council Member Lythcott-Haims commended Council Member Burt on his historical knowledge about policies.

Vice Mayor Stone felt there was good coalition building, a sign of a productive council that will work together well in 2023.

Mayor Kou was grateful to Staff for all of their work.

Council Member Lauing thought everyone was on the same page and was thankful for the public for their input.

Council Member Venkeer's takeaway was teamwork with the public, Staff, and Council. The sense of team was enhanced today by people listening to each other and trying to get to a common goal in service of the City.

Council Member Tanaka was pleasantly surprised to see so many attendees and was thankful for the people of the City being so engaged and involved.

Council Member Burt felt there was a lot of healthy discourse, back-and-forth, and open-mindedness to input.

Adjournment: The meeting was adjourned at 2:58 p.m.