



CITY COUNCIL SUMMARY MINUTES

Regular Meeting
September 11, 2023

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

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

Present Remotely:

Absent:

Call to Order

Mayor Kou called the meeting to order at 5:30 P.M.

City Clerk Mahealani Ah Yun called roll and declared six were present.

Mayor Kou called the meeting to order in honor of September 11, 2001, with flags at half-staff and City Hall lit in red, white, and blue. She observed a moment of silence.

Special Orders of the Day

1. Presentation from Sibling Cities on the Palo Alto-Bloomington Sibling City Partnership

Tom DuBois provided an annual report update and shared slides. He spoke of the organization of Sibling Cities being around three pillars of connection – community, commerce, and civil discourse. Fundraising was being done for the next phase. He spoke of the leaders of the organization – Vicki Veenker, Karen Howe Fernandez, and Andie Reed. He shared details of events that had occurred in the first 12 months. He spoke of civil discourse being launched in the first year. He provided an update of more recent event updates, including an essay contest and an event sponsored by the libraries of both cities. He furnished metrics of Steering Committee meetings, delegates visiting both cities, the Climate Summit, and the kickoff. Going forward, the three pillars would be continued, and in the near future they would move forward on civil discourse, and there were three events scheduled over the next three months, and he urged all to sign up. He announced that the website was siblingcitiesusa.org, and he supplied email addresses if more information was needed. He commented there had been interest from other cities but that a structure needed to be put in place to support it.

Council Member Veenker thanked the Council for being a good partner, and she thanked last year's Council and Bloomington's Council for initiating this. She thanked the Rotaries, Universities, Chambers of Commerce, and the Assistant Secretary of the Department of Energy for attending the Climate Summit and thanked the Assistant Secretary for establishing

SUMMARY MINUTES

relationships with both cities for their sustainability programs. Congress members from both cities would give a welcome message by video at the first Town Hall this weekend, and she invited all to join.

Council Member Lythcott-Haims thanked Tom DuBois, Council Member Veenker, and all they had worked with for the concept. She thanked Council Member Burt and Mayor Kou for speaking at many of the events and for lending their names in office to them.

Mayor Kou thanked Andie Reed, Tom DuBois, Council Member Veenker, Mayor Hamilton, and all involved for the opportunity to bridge both cities to explore what can be done together, how to do it better, and to learn from each other. She thanked Council Member Burt for leading the Summit.

AA1. Interview for the Architectural Review Board (Continued from September 5, 2023).

ARB Applicant Naveen Govind, Senior Project Manager with Public Works for the City of Mountain View, outlined his work history.

Council Member Lauing asked him what he meant in his application by maintaining the City of Palo Alto's architectural character.

Applicant Govind explained that he wanted to maintain the character in the fabric of the City with a modern take on it.

Vice Mayor Stone inquired if through his work with Mountain View he had learned any best practices that he could bring to Palo Alto to improve the architectural review process.

Applicant Govind expressed that he would advocate community and stakeholder involvement in civic and public projects even before the establishment of goals for a project.

Mayor Kou asked him to identify a couple of his favorite buildings in Mountain View and in Palo Alto.

Applicant Govind voiced that he appreciated Stanford Hospital, which he had worked on for four years as the design lead for the Emergency Department and patient rooms, and thought the building was aesthetically pleasing outside and functional inside. He noted that hospitals were challenging. He liked several homes in Mountain View, such as Victorian homes. He considered the Googleplex intriguing and complex and was one of his favorite recent buildings. In closing, he stated that he wanted to serve on the ARB because it would be fulfilling and an honor, and he could make an impact to the community.

Agenda Changes, Additions and Deletions

Mayor Kou declared there were no agenda changes, additions, or deletions.

Public Comment

SUMMARY MINUTES

Jacob Sterling Silver, an ironworker, spoke of a nonprofit dealing with veteran isolation, PTSD, and suicide. He had asked other cities to get involved. He had provided a handout and asked to be contacted by those with experience in nonprofits, and he added that fundraising would also help.

Kerry Yarkin addressed heritage trees being trimmed in her neighborhood and on her property, and requested the City uphold the Tree Protection Ordinance. She had asked the Urban Forestry Division to send out a communique outlining proper treatment.

Liz Gardner (Zoom) discussed Destination: Home providing shelter for a person who had been evicted. She had sent Council a letter and had not received a reply. She voiced her disappointment with LifeMoves and requested there be better oversight of them.

Dale Calhoun (Zoom), Project Manager for Downtown Streets Team in Palo Alto, thanked the Committee for their assistance in funding through the HSRAP Grant.

Rob George (Zoom) spoke as Director of Facilities for Philz Coffee. He was also on the Board of Directors and a founding member of the Palo Alto TMA. He thanked Council for continuing to support the TMA in providing free transit passes to downtown service workers. He shared some data.

Jessica Roth (Zoom) discussed the closure of California Avenue and listed some asks of California Avenue businesses. She would send an email.

Phoebe Mota-Judges (Zoom), a representative of PASCC, spoke of wildfires, natural gas, and carbon dioxide emissions and urged Council set a sunset date to end the flow of natural gas.

Albert Lustre with the Carpenters Local 405 requested labor standards for all projects in Palo Alto, including an apprenticeship program, local hire, a livable wage, and healthcare. He asked if Palo Alto had an ordinance such as the HARD HATS Ordinance in Berkeley and if Palo Alto would adopt area standards for a livable wage, apprenticeship, local hire, and healthcare.

John St. Clair III, Vice President at La Comida Senior Nutritional Program, referenced their mission and thanked Council and the HRC for grating funding to the program.

Council Member Questions, Comments and Announcements

Council Member Lythcott-Haims announced a free event called Young Minds Celebrated that will be outside Mike's Diner Bar on September 17 starting at 4:00 with youth-facing organizations providing information on public service opportunities and mental health supports, and there would be youth performances.

Mayor Kou announced that an informal group of Chinese immigrants in Palo Alto wanted to host an event in celebration of the Moon Festival/Mid-Autumn Festival, and the organizer hoped the event would increase communication, bridge gaps between old and new residents,

SUMMARY MINUTES

and promote interaction between different generations. She and the Vice Mayor had approved \$1,000 from the Council Contingency Fund (CCF) to support the event. She asked to be informed of any disagreements, so there could be a discussion.

Consent Calendar

3. Approval of Minutes from August 21, 2023 Meeting
4. Approval of Construction Contract Number C24188528 with Cratus, Inc. in the Amount Not-to-Exceed \$6,956,400 for the Water Main Replacement Project 29, Capital Improvement Program Project WS-15002; and Authorization for the City Manager to Negotiate and Execute Change Orders up to a Not-to-Exceed Amount of \$695,640. CEQA status – exempt under CEQA Guideline Sections 15301 and 15302.
5. Approve Participation in the GoGreen Home Energy Financing Program as Recommended by the Utilities Advisory Commission in an Amount Not-to-Exceed \$300,000 over a Term of up to Two Years, Authorizing the Execution of a Memorandum of Agreement with the California Alternative Energy and Advanced Transportation Financing Authority; and Approve a FY 2024 Budget Amendment in the Gas Fund; CEQA Status: Not a project.
6. Approve and Authorize the City Manager to Execute Amendment #1 to an MOA Between the City of Palo Alto and County of Santa Clara to Authorize up to Two County Clinicians to be Deployed on the City's Psychiatric Emergency Response Team (PERT) Justice and Mental Health Collaboration Program for Three Years at \$183,000 per Year (Not to exceed \$549,000); CEQA status - not a project.
7. Approve and authorize the City Manager or designee to execute a three-year Funding Agreement with the Palo Alto Transportation Management Association (TMA), providing \$200,000 in funding for FY24. CEQA status – not a project.
8. Approval to appoint the Chair of the Expanded Community Advisory Panel (XCAP) as an Ex Officio (non-voting) member on the Rail Committee; CEQA status - not a project.
9. Accept the Human Relation Commission's Recommended Contingency Plan for the Distribution of \$200,000 in Additional Funding for the FY2024-25 Human Services Resource Allocation Process Recipients; CEQA status – not a project.

Mayor Kou disclosed, regarding Item 9, that her husband was a volunteer Board member with the La Comida Organization.

Council Member Burt disclosed that his wife was a nonpaid Board member for Youth Community Services.

Council Member Tanaka registered a no vote on Agenda Item Number 5.

SUMMARY MINUTES

Council Member Lythcott-Haims, Council Member Burt, and Council Member Tanaka requested to pull Item 9.

Mayor Kou asked if Item 9 could be heard tonight.

City Manager Ed Shikada noted Item 9 was somewhat time sensitive. As the HRC Chair was present, he suggested Item 9 be heard before Item 11 to allow the schedule to be maintained for the public, which would allow the potential to defer Item 11 if the schedule should run late.

Public Comment:

Lynn Chiapella stated that her name had disappeared from the list of previous public speakers, and she had comments related to heritage trees. She was on the Tree Task Force 40 years ago. She indicated that there had not been much progress in the number of trees, and it disturbed her that her street was being denuded of trees year after year. She had not had success in communicating with the Street Tree Division regarding their plans and asked for an inventory of tree plantings.

MOTION: Vice Mayor Stone moved, seconded by Council Member Lythcott-Haims to approve Agenda Item Numbers 3-8 and to pull Item 9 off the consent calendar.

MOTION SPLIT FOR THE PURPOSE OF VOTING

MOTION PASSED ITEMS 3-4, 6-8: 7-0

MOTION PASSED ITEMS 5: 6-1, Tanaka no

Council Member Tanaka discussed Item 5. He was generally in favor of GoGreen's mission, but he was disturbed by the financial numbers and it being somewhat positioned as a loan that was unsecured. The overhead seemed excessive. He suggested giving grants for E-bikes instead, for example.

City Manager Comments

City Manager Ed Shikada noted that the County of Santa Clara Vector Control District would be doing adult mosquito treatment, essentially fogging using truck-based equipment in areas of South Palo Alto and Mountain View. The treatment was anticipated to occur overnight Thursday, September 14, starting at 10 p.m. There was a map and more information posted on cityofpaloalto.org/news. He announced the opening of the Mitchell Park Teen Center and provided details of such. September was National Preparedness month, and there was an update at cityofpaloalto.org/news. The City of Palo Alto was hiring full and part-time positions, which he listed on a slide, and information could be found in the weekly *Uplift Local* newsletter and also on the City's website. He encouraged local residents to explore the positions and join the team. Upcoming City Council items: City Council would continue discussion of the 340 Portage and Park Boulevard property, and there would be a closed session Council appointee

SUMMARY MINUTES

evaluation on September 12; the Priority Development Area in San Antonio Corridor, Ellsworth Place Application, and Natural Gas Purchasing Strategy was scheduled for September 18; the prescreening related to 260 Homer and residential electrification requirements was to be on October 2; and the Cubberley Site Options and Stanford University Medical Center Development Agreement was scheduled for October 16.

Mayor Kou noted that the Multifaith Peace Rally had invited the Council to attend, which was currently outside.

[The Council took a 15-minute break.]

Study Session

2. Prescreening for proposed rezoning of 3265 El Camino Real to Planned Home Zone (PHZ)

NO ACTION

Project Planner Emily Kallas displayed slides and noted a prescreening was required for legislative changes prior to the submittal of a formal application. The screening was intended to solicit early feedback on proposed projects but would not result in formal action. Therefore, Council members should refrain from opinions supporting or opposing the project, as it would return to Council at a later date. She stated the proposed project would rezone the property from CS zoning to PHZ to allow for 44 residential units and a single structure on a currently vacant property, which would be 100% below market rate units, 20% dedicated to low income and 80% to moderate income. She provided slides showing proposed floorplans and parking, bike, and scooter spaces. There would be a rooftop garden providing the primary usable open space for the project. She provided slides outlining conceptual elevations, roof deck, and garage entrance. A key consideration for the project was that it would be 100% below market rate. She detailed the boundaries of the project. There was a protected valley oak proposed for removal, and she explained that removal was allowed per the Urban Forestry standards. She detailed how the project would also deviate from other development standards, which was the basis for requesting the PHZ. Staff recommended Council conduct the prescreening to provide informal comments on the project, and comments provided during the prescreening would not be binding on the City or the applicant.

Applicant Jason Matlof, a Palo Alto resident for over 30 years and a developer with Half Dome Capital, spoke of challenges of those needing affordable housing. He voiced that the housing project would be 100% affordable and prioritized for teacher members of the Palo Alto Teachers Union (PAEA) and members of the Classified School Employees Union (CSEA). They had been searching for years for an available parcel that met the requirements for the PHZ process. He spoke about and furnished slides outlining community benefits using this land. He shared a map showing the land being far from residentially zoned areas, which hopefully would minimize opposition. He discussed the housing being public-transit, pedestrian, and bicycle friendly, and he mentioned the use of Zipcars. He presented a slide summarizing project details,

SUMMARY MINUTES

which the architect would speak about. He highlighted that there would be a deed restriction on the title for 100% affordability, 20% at low income and 80% at moderate income.

Applicant Architect, Trachtenberg Architects, Isaiah Stackhouse stated they had been focusing on multifamily housing for over 20 years and had done close to 100 projects throughout the Bay Area. He presented slides showing the existing site plan, the building setback, parking spots, unit floorplans, roof deck, open space, parking machines, elevations, materials, and landscaping. He noted open space was 20% beyond the requirement and that the building was designed to withstand the test of time.

Council Member Burt encouraged the applicant to survey teacher and classified worker candidate groups related to transportation preferences. He queried how the narrow driveway would work and if there would be warning for incoming/outgoing vehicles. He asked the applicant to speak to the shared-car approach, and he asked where such a program would be. He encouraged the City to pursue shared-car programs.

Architect Stackhouse answered that the narrow driveway was typical with small garages. He noted that it narrowed at the front for exiting and was a short span, and it quickly widened to 24 feet. He commented he had seen a shift in modes of transportation and fewer and fewer cars per unit.

Applicant Matlof voiced that the shared cars would not be in their garage, but they hoped to park on streets or in public garages. Given the density of affordable housing being developed in the area, they hoped to maybe partner with the City on lesser utilized lots that could be used by a shared-car company.

Vice Mayor Stone did not have many concerns with the project. He questioned how fast the car stackers were and if multiple people could get their car at the same time. He was concerned that people would want to collect their cars at roughly the same time. He requested an estimate of rents for the studios and one-bedroom apartments.

Architect Stackhouse remarked that the parking machines were probably on the order of a one-minute wait but would vary depending on the installing company. They had been using puzzle-type systems, which allowed a person to get their car at any time. People would get their car one at a time.

Applicant Matlof estimated that low-income studios would be \$2,200, low-income one-bedrooms \$2,500, and moderate income units \$3,600 and \$4,100. He stated that was the State's levels of affordable rent according to their formula. He was hopeful the moderate income would be closer to \$3,000 to \$3,500.

Vice Mayor Stone discussed teachers not being able to afford such rents unless they were at the top of the teacher salary schedule.

SUMMARY MINUTES

Applicant Matlof provided data related to PAUSD salaries and unit rents. He explained that they were trying to set a precedent for a for-profit developer developing an affordable project that would be below market for the community.

Council Member Veenker expressed that she was interested in the potential of a shared-car program. She asked who would get the parking spaces assuming there would be more tenants than spaces and if parking had been discussed with PAEA and CSEA and if they thought this would be sufficient. She asked about the project being 8½ feet higher than the 50-foot limit.

Applicant Govind assumed some tenants would not own cars, so they would rely on supply and demand. There would be a \$100 to \$200 charge per month for a parking spot in the stackers. He had gone over this presentation with Teri Baldwin with PAEA and Meb Steiner from CSEA. He stated that the rooftop deck was 55 feet and the parapet 58½ feet.

Council Member Lauing appreciated Vice Mayor Stone's comments and considered him an authority, being a teacher and a renter, and he appreciated the comments related to parking, as it was parking light. He discussed risk of spillover in the neighborhood and knew the applicant would consider parking at other places. He voiced that the discussion should include certain concessions to make this work. He reiterated that it did not require City funds. He asked how tenants would be targeted and verified.

Applicant Matlof, for context, discussed the City spending millions of dollars for the County's project on Grant Avenue, which had incomes levels going up to 40% of AMI. Regarding targeting tenants, he detailed the process of application in working with the CSEA and the PAEA. He assumed he would be subject to an annual audit.

Council Member Lythcott-Haims wanted to ensure teachers would be served. She voiced her concerns with teachers early in their careers not being able to afford the rents. She calculated that a person in their tenth year of teaching could afford a studio, not a one bedroom, and she thought it was important to make it affordable for new teachers and did not think a metric had been hit that would attract and retain teachers. She asked the applicant who he thought could afford to live in these units. If the units were not filled with teachers, she asked the applicant if he would be interested in City employees or those working in the City more broadly as a next tier of eligibility. She did not have parking concerns and thought carpooling was likely. She hoped there could be greater comfort around the mechanism for people getting their cars from the parking and that there would not being a traffic jam.

Applicant Matlof voiced that the 30% was a target to a range of salary, and the top of the range determined the rent so, for example, some may be at a 35%. There was a not a different rent amount for each salary range but one rent for a wide range.

PAEA Teri Baldwin mentioned that Applicant Matlof noted he was exploring options to keep rents down. She stated that rents in the area were well over what Applicant Matlof quoted, but she understood it was still high. She stated she was single and that there were many single teachers, and it would not be out of the realm for her personally. She noted that seasoned

SUMMARY MINUTES

teachers would be able to afford this more than newer ones, but this project was to help who they could now, and hopefully more projects would come forward.

Council Member Tanaka wanted this to include public and private schoolteachers. He inquired if the units were to be rentals only. He liked the idea of stacked parking. He addressed the 30% formula being a private sector formula, those receiving pensions being able to spend 40% or so on rent, and summer vacation for teachers and them supplementing their income with summer jobs, which he thought was an opportunity for newer teachers. He supported smaller unit sizes in general.

Applicant Matlof commented that they had reached out to the employee unions for Fire, Police, etc., and the interest level was not high. The two Palo Alto City unions would have first rights, and then it would become available to the public, and they could continue to have more preferred organizations, but if no teachers or classified workers were interested, the units would need to be leased otherwise. He was happy to consider other unions. The units were to be rentals only.

Mayor Kou discussed a 100% affordable project, the Palomino Apartments, with extremely high rents, so she was concerned that 100% affordable may not be affordable for many, and she wanted to ensure that would not happen. She asked if the project would affect the daylight plane for the single-family home that was close by and if there had been communication with the residents of that home; if being deed restricted on affordability would be in perpetuity; if there would be an on-site manager; if a TDM plan would be discussed; and if there might be a contribution toward Palo Alto Link for car share.

Applicant Matlof clarified that the Palomino Apartments was workforce housing, which he thought was 140% or 160% AMI, and had no low income. He asked not to be cast in with that. He explained that the single-family home next door was a noncompliant use of the land, and the home was on the parking lot of a restaurant. He had tried three times to contact the restaurant, the property owner, and he had not received a return call. They needed to negotiate with the City Attorney whether it would be deed restricted in perpetuity. There would be an on-site manager.

Project Planner Kallas replied that the zoning of the single-family home next door was not residential; therefore, it did not have a daylight plane.

Planning Director Jonathan Lait, regarding the deed restriction, stated the 20% meeting the PHZ standard of 80% of the medium income would have a restriction of 50 or 99 years (he had to research it). The other 80% of the units would be negotiated as part of the PHZ zoning process, and the applicant would present a number to the Council for consideration, so there could be discussion. A TDM plan would be part of the application when submitted, and mechanisms the Office of Transportation would like to see incorporated would be considered, and he believed there were codified provisions that would be followed first and then there would be a conversation with the Applicant if the City wished to go beyond that.

SUMMARY MINUTES

Public Comment:

Teri Baldwin with the PAEA supported the project and it gave her hope that PAEA members could be closer to schools and communities. She clarified that teachers work 10 months a year, and she was in the classroom 2 weeks before the start of school. She stated teachers need this, and they had talked with teachers who were excited about it and would be happy to bike to work. She hoped Council would support this and start a trend for teacher housing.

Jack Fiedel, a student at Gunn High School, thought it was important to provide affordable housing for teachers as teachers spent personal funds in providing education to students. He referenced a teacher who quit teaching in Palo Alto due to not being able to afford to live in Palo Alto.

Jennifer Ellington, a teacher in PAUSD, remarked that affordable teacher housing was long overdue in Palo Alto, and many teachers could not afford to live in the community. She explained how a shorter commute time would be beneficial to teachers and students.

Margarita Mendez, a Spanish teacher at Ellen Fletcher Middle School and a homeowner, noted that she rode her E-bike to school most every day and was able to attend school events to support her students. She claimed the academy on the current Housing Element that was rejected by the State twice would increase housing inventory. She supported rezoning this property.

Hunter Reardon, an English teacher at Palo Alto High School, addressed his struggles with housing and teachers seeking employment outside Palo Alto.

Amanda Gantley, a teacher at Addison Elementary School, paraphrased a statement of her colleague, Kimberly Kwon, who lived in Pleasanton, which was a hardship. She thought the project would be of help to teachers.

Meb Steiner, President of CSEA Palo Alto Chapter 301 and a special education aide who had been with the district 20 years, highlighted that the need was real. She hoped the project would move forward.

Rob Krolik understood the concerns of City staff but supported the proposal.

Bob Moss opined that the project had many problems and asked how it would be guaranteed that rents would not increase, how it would be verified and enforced that only teachers would reside in the units, if a teacher changed careers how the landlord would know, and how would the City enforce requirements. He thought the project needed modification and requested the Council to be careful in approving this.

Stephen Levy emphasized that reducing long commutes would have multiple benefits. He thanked Council for their support of the project.

SUMMARY MINUTES

Jonathan Rattner, an attorney who represented the Applicant in the acquisition of the site, spoke of challenges Palo Alto teachers faced in not living where they work, and remarked that this project would address that problem. He endorsed the project.

Nancy Shepherd (Zoom), Co-President of League of Women Voters, noted that they submitted a letter, which was in Council's packet. The letter addressed diversity, housing opportunities, connecting essential workers to the City, commutes, GHG emissions, and economic diversity. She thanked Council for considering the project.

Scott O'Neil (Zoom) spoke of teachers struggling with commutes. He implied this was a remarkable project that would help in the retention of teachers.

Liz Gardner (Zoom) supported affordable housing for teachers. She explained why she did not support puzzle parking for the project and requested it be reexamined.

Winter Dellenbach (Zoom) supported the project but voiced concerns of its viability and the parking.

Jesse Ladomirak (Zoom), Vice President of PAUSD Board of Education, spoke on behalf of her herself and Board President, Jennifer DiBrenza, and supported the housing development. She noted that Applicant Matlof worked directly with PAUSD bargaining units throughout the process. She outlined the benefits of living closer to Palo Alto schools and asked that this project be fast-tracked.

Ken Joye (Zoom) requested the project be approved.

Amie Ashton, Executive Director of Palo Alto Forward, had submitted a letter and remarked it was a great project and location, and she looked forward to it progressing. She supported the parking plans.

Jeff Levinsky had taught classes for PAUSD and loved the idea of teacher housing. He questioned the affordability levels. He thought the rent per square foot should be part of the evaluation. He implied that the project was receiving public support through FAR and other benefits that other projects did not receive. He suggested the project be subsidized in order to offer true affordable rents.

Jerry Fillingim (Zoom), a staff person with California School Employees Association, represented the classified employees in PAUSD, appreciated the Council members' comments concerning the inclusion of classified employees in the project. He supported the project and hoped it could move forward quickly.

Mayor Kou thanked all who attended the meeting for this item and declared that Council would not give opinions at this time.

Action Items

SUMMARY MINUTES

10. Approve the Revised Permanent Parklet Program Regulations; Provide Feedback on Incentives for Electric Heating on Parklets; and Adopt Legislation Creating an Ongoing Parklet Program, Creating Related Fees and Penalties, and Continuing Parklets in Certain Areas of University Avenue Downtown and the California Avenue Area. CEQA Status – Categorically Exempt (Sections 15301 and 15304(e)).

Consulting Associate Planner Hannah Chan Smyth displayed slides and remarked that the changes to the Permanent Parklet Program regulations were outlined in Attachment A of the packet and were related to enclosure, traffic safety, consideration of alternative parklet sizes, the parklet license fee, potential incentives for electric heating, and adopting legislation to implement an ongoing parklet program, which was in Attachments B, C, D, and E. She commented that the term permanent had been used to distinguish the program from the pilot program; however, the term ongoing may be a more appropriate term as parklets were not truly permanent. She outlined that the scope of the program concerned parklets in the University Avenue Downtown and California Avenue Business District on streets open to vehicular traffic with the exception of the car-free portion of Ramona Street. The car-free portion of California Avenue was not the focus of the program and would return to Council later in the fall. She provided a history of the program. She detailed the refinements Staff had made since meeting with Council on March 27, which included cleaning, Letter of Consent, size of covered parklets (redlined in Attachment A), options for greater vehicle protection, fees, and potential incentives for electric heating. She detailed Staff's analysis for greater vehicle protection, and an engineering consultant's evaluation was in Attachment G, and Slide 8 outlined Staff's recommendations to minimize risks. She specified why Staff continued to recommend di minimis parklets, up to 350 square feet covered or uncovered, and a limit of 1 parklet per business, and Attachment H reflected an alternative size standard. She mentioned that the alternative standard would allow three parallel or four angled parking spaces. She discussed fees, and Slide 10 outlined Staff's proposal. Slide 11 identified 4 potential incentives for electric heating, and she requested Council's feedback and noted that Staff intended to return at a later date with additional details and a proposal. Slide 12 provided Staff's recommendation related to four parts of legislation to implement an ongoing program (Attachments B, C, D, and E). Next Steps: Following Council discussion, Staff would recommend adoption of the legislation and with that the Permanent Parklet Regulations would become effective on April 1, 2024. Following Council feedback and direction on potential incentives for electric heating, Staff intended to return with additional details and proposals.

Council Member Burt asked why electric heaters would require General Fund support and not electric utility subsidization, similar to the Heat Pump Water Heater Program.

Assistant Director of Public Works Holly Boyd replied that the Utility Department recommended electric heaters require General Fund support.

Council Member Burt requested clarification of whether that was a recommendation or a legal requirement. He asked if the 42-inch height and the wheel stops would apply to Ramona being

SUMMARY MINUTES

that it was a pedestrian street; if Council had directed there be eight feet of sidewalk clearance; and why sidewalk dining would be prohibited if one had a parklet.

Assistant Director Boyd answered that the wheel stops may not apply. She explained that the 42-inch height was fall safety for pedestrians. They could exclude Ramona; however, if opened to vehicular traffic, modifications would need to be made. Sidewalk clearance guidelines had been presented to Council in March. She noted that Staff had made a decision to allow sidewalk dining or a parklet, not both.

Planning Director Jonathan Lait did not believe a decision had been made that Ramona would be car-free. Related to parklets and sidewalk dining, he discussed the *di minimis* nature of parklets, bathroom facilities, etc.

Assistant to the City Manager Steve Guagliardo explained that the either/or parklet/sidewalk dining option was related to the totality-of-use decision.

Mayor Kou inquired why California Avenue was not included in the ongoing parklet program regulations and if there were plans for a program for California Avenue by the deadline.

Director Lait answered that the car-free streets and California Avenue were to be processed separately. There was soon to be a study or engagement underway to expand on dining options for California Avenue.

Senior Transportation Planner Ozzy Arce added that the two efforts had been treated separately, and California Avenue would have nuances specific to a car-free environment. The car-free street outdoor dining guidelines would be informed by the permanent parklet regulations but made specific to a car-free environment.

City Manager Ed Shikada mentioned that the possibility of making the guidelines optional for businesses along California Avenue had been discussed, but because the footprints of the businesses were beyond the parking spaces, it would require a reduction in their footprint, so it was not considered a practical option.

Chief Transportation Official Philip Kamhi noted that the deadline for the car-free street was the end 2023. However, Staff planned to visit Council in the coming month or two to present a contract for the alternative study to discuss design guidelines for outdoor dining and other items, like street configurations, as well as ask for direction on what do post December 31, 2023, which could include keeping existing conditions, enhancing them, returning to pre-pandemic levels, or a variety of hybrid options.

Council Member Lauing asked if there would be new regulations for restaurants on Ash Street, for example, and if side streets would be noted on the map. He presumed the map would need updating from time to time as to what would be covered. He inquired if the letters of consent were for consent of the tenant, not the landlord, and if it had to be renewed annually, which could require an existing parklet being reduced in front of a neighboring business.

SUMMARY MINUTES

Assistant Director Boyd pointed out a map on Page 141, and he noted that the blocks on Ash were allowed. The letters of consent were for consent of the tenant. She confirmed that the letters were renewed annually and that existing parklets could possibly be reduced.

City Manager Shikada added that the guidelines would apply to parklets on Ash.

Public Comment:

Herb Borock had submitted a letter, which contained an error in the title, which he would correct in an email to read regulations, not recognition. He understood that this item would come back to Council with another version. He referenced his letter of May 7, 2022, which addressed parklets encroaching on the sidewalk.

Liz Gardner (Zoom) discussed teacher housing and needing community connection. She implied that the corner of California Avenue and El Camino Real was negatively impacted by parklets.

John Shenk (Zoom) with Thoits Brothers had submitted a letter on behalf certain downtown operators being united in concerns with parking and safety. He requested the program be modified to comply with all applicable building codes, that there be a specific design standard, that parklets be allowed only in front one's own store, and that an enforcement mechanism be funded. He read some quotes from some businesses and would mail them to Council.

Council Member Burt queried why propane had to be stored outside as a lot of restaurants used propane for cooking which was stored inside; the basis for needing a wider fire lane than Mountain View; and why parklets would be limited to the three parking space size and not the length of a larger storefront. He noted that the Staff Report stated three of the four options related to electric heaters would require General Fund funding. He questioned if the fees were at the low end compared to neighboring cities and if existing parklets had permits and if they would have to pay an initial application fee.

Fire Marshall Tamara Jasso explained that propane for temporary use differed from storage. Fire lane measurements were based on the size of the fire engines and fire trucks. She could reach out to Mountain View and inquire what their measurements were based on.

Assistant Director Boyd stated the three parking space maximum would allow for a 350-square foot parklet. There could be two separate parklets for an establishment, and each would allow three parking spaces. Existing parklets had encroachment permits. Staff proposed that existing parklets pay an initial application fee, a fee to modify a parklet or adhere to guidelines in this regulation.

Director Lait understood that three of the four options related to electric heaters would require General Fund funding. Staff would return to Council with an explanation why it would be General Fund or if there were other options. Regarding fees, he referenced Packet Page 100 and the information from March 27, and it was adjusted at the margins to give current

SUMMARY MINUTES

information but was similar to the Packet Page, and Council could make a decision to set fees based on the information on Packet Page 100.

Mayor Kou asked if one establishment would be allowed two parklets of 350 feet; if Staff was recommending covered and uncovered parklets be under the same guidelines; if parklets required CUPs; and if ARB would review design on the historical street. She wanted to ensure parklets enhanced the historical nature of the street and wondered if design guidelines should be imposed.

Assistant Director Boyd answered that, per current guidelines, two 350-foot parklets were allowed.

Director Lait clarified that current guidelines concerned two covered parklets, but an uncovered parklet could go beyond 350 feet. Staff recommended parklet sizes be di minimis to address some of the concerns discussed. A CUP was required if a restaurant served alcohol, so the conditions applicable to the restaurant would extend to the parklet. He explained why there would be no discretionary review required for the historical street. Council could direct that there be an ARB review process, and Council could impose design standards, and Staff could return to Council.

Council Member Veenker mentioned that not all the details were to her liking, but she was content with it. She liked Option 1 for the electric heaters and asked if it could be combined with Option 2, providing a modest discount on fees. She agreed with the parklet fee. She inquired if this could be approved tonight but incorporate some design parameters later and if a design could be prescriptive but with a little latitude on certain factors.

Assistant Director Boyd stated they could return with discounts proposed for electric heaters.

Director Lait thought it would be challenging to approve this tonight and incorporate design parameters later.

City Manager Shikada noted that the City could establish a standard base design, and if Council was interested, Staff could take it as a referral, but the ability to turn around a design standard may be challenging from a timeline perspective. If the City developed the design, it would simplify the parklet review process. As for the design being prescriptive with latitude on certain factors, his previous comments were suggesting a standard design option and an alternative to businesses doing their own design within the described parameters. If it were not an option but compulsory, it would be more difficult to meet the needs and expectations of the businesses and difficult to be done in a timely manner.

Council Member Veenker wanted to move the Staff recommendation that Council approve the permanent parklet regulations and adopt implementing legislation and hope any additional discussion could be made in the context of that motion.

Council Member Lythcott-Haims seconded.

SUMMARY MINUTES

Council Member Veenker thought direction should be given to the business community and moved forward. The report and recommendation seemed to be highly responsive to the community and Council's preferences.

Council Member Lauing explained why he was not comfortable with this extending to fitness/gyms and would make that amendment to the current motion. Referencing Page 118, designing planters with vegetation, he did not understand if that was a design guideline, safety, or a beautification item, but he knew it was maintenance, and he questioned why that would be prescriptive for all parklets. He asked if there had been pushback in the small focus group that had been done related to vegetation. He referenced Page 97 indicating that parklet size could be made on a case-by-case basis, which he implied was not a policy but an idea because there was no criteria for what would be decided or who would decide it, so he thought it needed to be written more precisely in the ordinance. He queried who would make that decision. He mentioned that Staff had asked for comments related to there being a cap on parklets relative to scale, and he thought there needed to be a broader discussion and some options from Staff.

Director Lait referenced fitness and noted that would include changes in the guidelines and the ordinance, so Staff would need direction to understand where to make changes throughout the documents. He specified that Page 97 indicating that parklet size could be made on a case-by-case basis was not part of the ordinance language or the Parklet Program before Council tonight but was the alternative Staff recommendation, so it did not apply. He clarified that Staff did not yet need guidance on a cap on parklets relative to scale.

Consultant Associate Planner Smyth declared that ARB recommended including vegetation, so Staff incorporated it per their direction. She recalled that the focus group discussion relating to vegetation predated the ARB, but there was a summary of the feedback, and she could research to see if there was pushback.

Discussion ensued regarding gyms/fitness, and it was decided to exclude fitness from 2a of the motion.

Council Member Tanaka spoke of being competitive with other cities and thought parklets should be a well-designed and that there should be substantial barriers for safety. He discussed fees and the City needing to make money. He thought a business's frontage needed to be factored in considerably and that there needed to be cleaning enforcement. He asked Staff how far the City was from cost recovery.

City Manager Shikada answered that it was about 50% cost recovery, but that it would depend on the number of parklets pursued. There were challenges with respect to ongoing enforcement.

Council Member Tanaka asked if the maker and seconder would be open to getting closer to 80% cost recovery.

SUMMARY MINUTES

Council Members Veenker and Lythcott-Haims accepted that.

Council Member Tanaka, related to parklet design standards, questioned if the streetscape design could be accelerated.

Discussion ensued regarding design standards and grandfathering in existing parklets.

Director Lait suggested implementing what was before Council now and that those coming in would qualify on these standards and in the meantime developing some unifying standards that new parklet operators would have to comply with and then eventually phasing in some consistency of either a single design or variable designs.

Discussion ensued regarding timelines of the permanent/ongoing program and parklet design standards.

Director Lait noted there were workload considerations and he would be happy to engage with the Chair and Vice Chair to consider setting up an Ad Hoc with the ARB to move as quickly as possible. He asked what Council wanted to do about the ordinance and the design standards this evening.

Council Member Tanaka thought it should be moved forward but that the permanent program needed to be accelerated, and he believed it was possible to have it done within a year.

Council Member Veenker accepted an amendment to keep the ongoing program as proposed and to direct Staff to work with the ARB and return to Council with uniform design guidelines as quickly as possible.

Council Member Lythcott-Haims noted that the City of Beverly Hills had parklet design guidelines that were developed with consideration to the Beverly Hills brand and suggested the ARB review what they had done. She addressed there being a massive change coming to University Avenue and indicated the parklets should be in furtherance of what was happening on University Avenue. She wanted all this to happen in a coordinated fashion.

Assistant Director Boyd commented that they hoped to come back to Council by December 2023 or January 2024 concerning the University Avenue Streetscape Project concept plan line approval.

City Manager Shikada expressed that timelines for any Public Works' projects were years in the making. He thought there would need to be some evolution of the aesthetics. He noted that the parklet guidelines extended far beyond University Avenue and that other areas of town would be affected by the design standards being discussed.

Council Member Veenker did not believe all the parklets needed to match in great deal, and she wanted then to show individuality and uniqueness of the different businesses. She considered it

SUMMARY MINUTES

to be more related to quality and felt there should be parameters and guidelines and that flexibility could be built in.

Vice Mayor Stone offered a friendly amendment to exclude the closed portion of Ramona Street from the design guidelines. If a decision were made to keep California Avenue and that portion of Ramona street closed, he thought the guidelines would likely be similar versus having a set of guidelines for a closed portion of Ramona Street and open portions of University Avenue. He wanted to keep that option open for Council discussion.

Council Member Veenker did not consider the design guidelines to be highly prescriptive. She inquired if there would be different design guidelines for open streets and closed streets.

Vice Mayor Stone did not think they would be dramatically different but that standards would vary related to sizing and vehicular versus pedestrian traffic.

Council Member Veenker declined to accept the amendment because she was afraid of ending up with differing standards in the same block.

Council Member Lauing thought the issue in terms of urgency was in the shorter term and that Council was trying to improve the look of some existing parklets. He thought incremental design standards should be added later.

Council Member Burt stated that fees had been considered without discussing additional sales tax revenue from parklet dining.

Discussion ensued concerning the percentage of sales received by the City.

Council Member Veenker asked how that affected the cost recovery.

Council Member Burt answered that the City would get a lot of revenue as a result of the parklets, which would exceed even what the City was charging, and he provided an example. In addition to people returning to the office, he indicated that investing in entertainment and dining and beverage would help retailers, and he believed investments in the streetscape were a big part of it. He addressed the community valuing downtown dining. He discussed cost recovery, which was greater than the fees being charged. He proposed removing the adjusted higher to be approximately 80% cost recovery and that Palo Alto's annual renewal fee be in the range of the competing downtowns of Mountain View and Los Altos.

Council Member Lythcott-Haims supported that because she had not been fully aware of the additional benefits coming from additional sales tax.

Council Member Veenker asked if there would be cost recovery if sales tax were factored in and if higher fees would discourage businesses from having permanent parklets.

City Manager Shikada explained that this was subjective beyond the cost, fees, and sales tax and noted that through community comments and letters there was an interest in a balance of

SUMMARY MINUTES

restaurant and retail. He mentioned that retailers were interested in parking as much as parklets and that some retailers felt they needed to have a parklet as a defensive move to restaurants having a footprint extending beyond their frontage. He voiced that economic impacts were somewhat speculative, recognizing that there were interests beyond the direct quantitative items before Council.

Council Member Burt noted the objective component was considering fees and sales tax and the subjective ones were the ones the City Manager referred to. He stated the key to downtown recovery was creating vitality. He was focused on how well downtown would do, not parking spaces in front of retail businesses. He also supported investment in the streetscape.

Council Member Tanaka supported stimulating the economy, but he noted that having a clean downtown was important and that there needed to be staff to do it, and he inquired where the funding would come from. He thought the sales tax subject was a good point. He suggested keeping the 80% cost recovery but factoring in the sales tax, which could cover the 20%. He did not think there was an attempt to get the revenue to counter-match some of the costs. He asked Staff to calculate 80% cost recovery and if fees would be higher or lower.

Council Member Veenker voiced why she accepted the friendly amendment to delete the adjusted higher to be approximately 80% cost recovery. She asked if the annual renewal fee should be dropped altogether.

Council Member Burt was interested in dropping annual fees altogether or the fees being closer to Mountain View's fees. He suggested a \$250 annual renewal fee. He addressed there not being a mechanism for creating nondining public space parklets/amenities and asked Staff if such could be allowed on a discretionary basis. He proposed sidewalk dining be allowed for those with parklets.

Council Member Veenker accepted adjusting the annual renewal fee to \$250, authorizing staff to work with the Nordic Center to apply principles of the program for an encroachment, and the amendment related to sidewalk dining.

Council Member Lythcott-Haims accepted adjusting the annual renewal fee to \$250.

Director Lait spoke of congestion and appearance related to parklets having sidewalk dining. Staff did not have an objection to the policy, although the process differed for sidewalk dining versus parklets, and sidewalk dining was an ARB approval process.

City Manager Shikada addressed nondining public space parklets/amenities and thought it would be somewhat challenging to define use related to not wanting office uses to create parklets. Perhaps Staff needed a better specific understanding and then some type of one-off approval. He suggested language to incorporate approving something along the lines of a public amenity (number 4 of the motion).

SUMMARY MINUTES

Mayor Kou asked if sidewalk dining without a parklet would be a free program. She commented that enforcement was needed.

Director Lait answered that an Encroachment Permit was required and standards were in place.

Council Member Burt addressed bike racks, and he proposed that parklet renters not be charged for relocating and/or adding bicycle facilities.

Assistant Director Boyd stated that bicycle facilities had been relocated as part of the ongoing Temporary Parklet Program and would accommodate future relocations of bicycle facilities, which could be removed but would be a cost to the City.

Council Member Veenker accepted the proposal to not charge parklet renters for relocating and/or adding bicycle facilities.

Council Member Tanaka inquired how enforcement in general would be done and how it would be consistent.

Assistant Director Boyd answered that a Public Works Department half-time position had been added, which could focus on parklets and sidewalk dining.

MOTION: Council Member Veenker moved, seconded by Council Member Lythcott-Haims to:

1. Approve changes to the permanent program regulations:
 - a. Changes to the parklet standards as written in Attachment A but: (1) allow sidewalk dining; and (2) remove any references to charging parklet renters to relocate and/or add bike facilities.
2. Adopt the following legislation to implement an ongoing parklet program:
 - a. Ordinance creating new PAMC Chapter 12.11 to implement an ongoing parklet program and amending various sections of Title 16 and 18 as recommended by the Planning and Transportation Commission to waive certain planning and zoning requirements for parklets. This ordinance will be effective April 1, 2024. (Attachment B).
 - b. Resolution establishing certain areas of the University Avenue Downtown and California Avenue area for use as parklets for eating and drinking or retail, excluding fitness. (Attachment C).
 - c. Ordinance amending the FY2024 Municipal Fee Schedule to add new fees related to parklets and adjust the annual renewal fee to \$250. (Attachment D).
 - d. Resolution amending the Administrative Penalty Schedule to add penalties for violating PAMC Chapter 12.11. (Attachment E).

SUMMARY MINUTES

3. Keep the ongoing parklet program as is, and direct staff to work with the Architectural Review Board (ARB) to create design standards and uniform guidelines as soon as possible.
4. Authorize staff to work with the Nordic Enovation House to apply principles of the program for an encroachment.

MOTION PASSED: 7-0

9. Accept the Human Relation Commission's Recommended Contingency Plan for the Distribution of \$200,000 in Additional Funding for the FY2024-25 Human Services Resource Allocation Process Recipients; CEQA status – not a project.

Mayor Kou made a public disclosure on Item 9.

Council Member Burt made a public disclosure on Item 9.

Human Services Manager Minka Van Der Zwaag displayed slides and furnished a background of the FY24 HSRAP process.

Human Relations Commission Chair Kaloma Smith discussed the HRC taking HSRAP seriously and ensuring that the proposal evaluations were unbiased and focused. He presented a slide outlining the key proposal criteria, and he noted that a community member had been involved in the previous two rounds. He discussed and provided a slide summarizing the Contingency Plan methodology. He commented that they had a 40% increase in applicants, and there had been 70% more requested than what was in the fund, so they considered the track record of those that had been in the HSRAP program previously, and they took into account the number of individuals in the program that were impacted. He clarified that HSRAP was not an unrestricted fund given to an organization but a restricted fund given to a specific program. He provided a slide detailing FY23 funding, agency requests, etc. He noted that the Palo Alto Renters' Association and CASSY had declined funding.

Council Member Lythcott-Haims noted that she was Council Liaison to the HRC. She inquired why Ada's Café and Adolescent Counseling Services (ACS) received less funding than other organizations. She questioned if there was a process for applicants to submit feedback and if that took place.

HRC Chair Smith explained why ACS and Ada's Café received less funding than other organizations.

Human Services Manager Van Der Zwaag remarked that feedback was gathered after the application process ended. There was not a process to change an application while the RFP was open. She was happy to meet with and have a discussion with any grantee after the period was done, which she had done in the past. She clarified that ACS was a drug diversion program, not a mental health program.

SUMMARY MINUTES

Council Member Burt noted that ACS was listed twice and that the Outlet program was funded at 100%. He expressed that the awardees were valuable and questioned what percentage of the General Fund should go to these services. He was disappointed with the amount of funding Ada's Café received and asked if that could be remedied so they could provide services that had been provided in the past and not be in jeopardy of not continuing at all. He asked if supplementing funding to Ada's would have to be agendized separately.

Human Services Manager Van Der Zwaag noted that many grantees had multiple programs and that they had applied separately.

HRC Chair Smith explained that programs were funded, not organizations. Regarding Ada's Café, he noted that certain organizations presented significance to the community and that the City had developed additional funding for them outside of the grant process.

City Manager Ed Shikada provided options for supplementing funding to Ada's, which included adding funding for Ada's and reducing allocations to other organizations; using unallocated or unappropriated funds through the Budget Stabilization Reserve (BSR), which staff would have to return to Council with and would require a super-majority requirement; or Council Contingency could be used, which would require Staff returning on consent, which would be approvable with a simple majority.

Council Member Burt preferred to add funding from the BSR and asked for Council members' comments regarding the amount of funding.

Council Member Lythcott-Haims suggested Ada's receive \$44,550.

Council Member Burt moved to request Staff return on consent with an allocation from the BSR for \$45K for Ada's.

Council Member Veenker seconded the motion.

Council Member Lauing was inclined to reallocate the funding.

Council Member Burt did not think the amounts awarded should be reduced.

Vice Mayor Stone supported the motion and any increased funding for HSRAP.

Council Member Tanaka asked if all the organizations on the chart that had been presented focused on Palo Alto. He discussed why he supported reallocating funds.

HRC Chair Smith answered that the organization could be located anywhere, but the program had to impact Palo Alto residents, and the number of people impacted was considered. He opined that a reserve should be used to take care of residents.

Council Member Veenker had seconded the motion because she did not want to reduce amounts awarded. She discussed Ada's and its contribution to the community. She inquired if

SUMMARY MINUTES

part of the grant process included applicants listing what they needed most in case funding needed to be scaled back.

HRC Chair Smith replied that applicants did provide information as to what they needed most.

City Manager Shikada asked, if the motion moved forward, if additional funding would be consistent with the HSRAP program and involve grant management and performance reporting requirements.

Council Member Burt would accept the funding being consistent with the HSRAP program and involving grant management and performance reporting requirements.

Council Member Lythcott-Haims questioned when HSRAP funding had been decoupled from the General Fund. She noted that the Finance Committee was interested funds allocated to the HRC be adequate to respond to the needs of the community.

Human Services Manager Van Der Zwaag answered that HSRAP had not been tied to the General Fund.

HRC Chair Smith voiced that HSRAP being resourced more would probably mean more organizations applying for more programs.

Council Member Tanaka did not think HSRAP should be tied to revenue but instead maybe tied to profitability. He asked how much was currently in the CCF and why take funds from the BSR instead of the CCF.

City Manager Shikada believed there was about \$100K in the CCF.

Council Member Burt explained why he was not receptive to taking funds from the CCF.

Mayor Kou thought Council may have been at fault for not previously specifying that Ada's should receive a certain amount.

MOTION: Council Member Burt moved, seconded by Council Member Veenker to accept the HRC's recommended contingency plan for the distribution of \$200,000 in additional funding for FY24-25 HSRAP recipients and direct the City Manager to execute agreements implementing such funding; and direct staff to return on consent with an allocation from the BSR of an additional \$45,000 for Ada's Cafe to be administered consistent with HSRAP standards.

Public Comment

There were no requests to speak.

MOTION PASSED: 6-1, Tanaka no

SUMMARY MINUTES

11. Receive the Human Relation Commission's Recommendations on the Evaluation and Celebration of Additional Dates to Advance Race & Equity, Including Through City Recognition and City Paid Holidays and Provide Direction to Staff on Further Actions. CEQA status – not a project.

This item was not heard and referred to a future meeting.

Adjournment: The meeting was adjourned at 11:28 P.M.