



CITY COUNCIL SUMMARY MINUTES

Special Meeting
May 8, 2023

The City Council of the City of Palo Alto met on this date in the Council Chambers and by virtual teleconference at 5:03 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. The meeting was being held in honor of Mental Health Awareness Month. She read a proclamation and proclaimed the month of May to be Mental Health Awareness Month. She asked that the community recommit to increasing awareness and understanding of mental health, reduce stigma and discrimination, and promote services for all with mental health conditions.

Deputy City Clerk Mahealani Ah Yun took roll call and noted all were present.

Special Orders of the Day

1. Proclamation Recognizing Public Employees and City Service Accomplishments Coinciding With National Public Service Recognition Week: May 7-13, 2023

Council Member Lythcott-Haims read the proclamation recognizing public employees and City service accomplishments coinciding with National Public Service Recognition Week of May 7-13, 2023. She announced that Mayor Kou had proclaimed May 7-13, 2023 Public Service Recognition Week. All were encouraged to recognize the accomplishments and contributions of government employees at all levels.

City Manager Ed Shikada recognized those who had been part of the City team for 25 years and over. He announced the names of the sixteen 25-year employees and the names of the eleven 30-year employees and asked them to join him at the podium. He also recognized a number of individuals that could not be present. He thanked them on behalf of the Palo Alto community. A photo was arranged on the dais.

Mayor Kou thanked them for their dedication and commitment.

Closed Session

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- AA1. CONFERENCE WITH CITY ATTORNEY-POTENTIAL LITIGATION Subject: SPG Center, LLC, application for building permit for Building EE, Stanford Shopping Center Authority: Potential Exposure to Litigation Under Government Code Section 54956.9(d)(2) One Case, as Defendant: Letter from Shimko to Yang, dated April 28, 2023

MOTION: Council Member Lauing moved, seconded by Council Member Burt to go into Closed Session.

Public Comments

There were no requests to speak.

Council Member Veenker explained why she would recuse herself from the Closed Session.

MOTION PASSED: 6-0-1, Veenker abstain

Council went into Closed Session at 5:20 P.M.

Council returned from Closed Session at 6:15 P.M.

Mayor Kou announced no reportable action.

Agenda Changes, Additions and Deletions

City Manager Ed Shikada expressed that Item AA2 would be added to the Consent Calendar, which was approval of the CAO Committee recommendation to complete recruitment for interim City Clerk and to engage Peckham & McKinney firm to conduct the City Clerk executive recruitment.

Public Comment

Aram James wanted to thank Dave Price, Editor of the *Palo Alto Daily Post*, for his editorial on page six of today's publication addressing police canines. He hoped the Police Department would take notice.

Maya Perkash, from PASCC, did not support the Stanford Shopping Center's request to avoid the Natural Gas Ban Reach Code in one of their new buildings and stated that prioritizing the Reach Code implementation was important. She addressed a concern cited by SPG on behalf of the shopping center, and she claimed it was a common misconception that gas was needed for cooking.

KC Hetterly, an intern with the Santa Clara County Audubon Society, shared a presentation and spoke about local and migratory bird species. She focused on the White-crowned Sparrow and climate change and felines posing a threat to them.

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Julia Zeitlin, Co-founder of PASCC, supported Maya Perkash's comments regarding the Stanford Shopping Center Reach Code dispute. She indicated that allowing exemptions would set a dangerous precedent. She urged Council to continue to prioritize climate change and public health.

Carol Garsten, Co-Chair of Downtown Los Altos First Friday music event, was producing a new monthly music event in Palo Alto on California Avenue called Third Thursday, and invited all to attend the first event on May 18. She encouraged all to visit their website – 3rdthursday.fun.

John Kelley requested Council collect, organize, and maintain all records regarding fallen trees and major branches between August 1 and July 31, 2023, to aid in reconsidering the 2022 Tree Ordinance. He would provide Council an outline of key points he thought the Council should consider at next week's meeting. He supported two-story detached ADUs and proposed that ADUs less than 800 square feet not be subject to the 2022 Tree Ordinance.

Council Member Questions, Comments and Announcements

Mayor Kou thanked Community Services Department Director Kristen O'Kane, Recreation Senior Community Services Manager Adam Howard, police, and all staff members for the successful May Parade.

Council Member Burt provided information on BCDC's update on the sea level rise threat. He shared that Caltrain was pursuing weekend work on electrification, etc., to stay on schedule for the full operation of the electrified system in the fall of 2024.

Council Member Veenker shared that the Bay Area Air Quality Management District released its annual report related to air quality and the climate, which was available online.

Consent Calendar

2. Approval of Minutes from April 24, 2023 Meeting
3. Approval of the Sewer System Management Plan Update 2023 as required by the reissued Statewide Waste Discharge Requirements General Order for Sanitary Sewer Systems, Order 2022-0103-DWQ
4. Approval of Contract Number C23186907 With Cratus, Inc. in an Amount Not-to-Exceed \$7,707,055 for Sanitary Sewer Replacement Project 31 (WC-19001) on El Camino Real and Page Mill Road; Authorization for the City Manager to Negotiate and Execute Related Change Orders for a Total Not-to-Exceed Amount of \$8,360,555; and Approval of Budget Amendments in the Wastewater Collection Fund; CEQA status: categorically exempt under CEQA Guidelines Sec. 15301 and 15302
5. Approval of a Contract Amendment for Time Only with Romig Engineers, Inc. for Geotechnical Services for the Public Safety Building Capital Improvement Program

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Project (PE-15001); CEQA: Environmental Impact Report for the Public Safety Building and the New California Avenue Area Parking Garage (Resolution No. 9772)

6. Adopt an Ordinance and Resolution Continuing the Interim Parklet Program Until March 31, 2024; CEQA status – categorically exempt (Regulations 15301 and 15304)
- AA2. Approval of CAO Committee Recommendation to complete recruitment for interim City Clerk and to engage Peckham & McKinney Firm to Conduct the City Clerk Executive Recruitment

Public Comment

There were no requests to speak.

Mayor Kou registered a no vote on Agenda Item Number 6.

Council Member Tanaka registered a no vote on Agenda Item Number 4.

MOTION: Vice Mayor Stone moved, seconded by Mayor Kou to approve Agenda Item Numbers 2-6, AA2.

MOTION SPLIT FOR THE PURPOSE OF VOTING

MOTION PASSED ITEMS 2, 3, 5, AA2: 7-0

MOTION PASSED ITEMS 4: 6-1, Tanaka no

MOTION PASSED ITEMS 6: 6-1, Kou no

Council Member Tanaka, regarding Item 4, agreed with replacing sewer pipes under El Camino Real but questioned why it would not be acted on sooner. He addressed neighboring communities paying less for such projects. He encouraged more competitive bidding in the future.

Mayor Kou, regarding Item 6, expressed that merchants were confused as to what the extension was for and where it applied and questioned if there would a sense of order so they could focus on business operation. She added that outreach involving merchants not in the car-free zones was also necessary and thought signage should be addressed. She indicated that the extension would cause concern among many business owners.

City Manager Comments

City Manager Ed Shikada mentioned that feedback had been received from residents related to affordable mental health care, and staff compiled available services, available at cityofpaloalto.org/BeWell. He pointed out the availability of the 988 Suicide and Crisis Lifeline. There would be a Housing Resources Fair on May 13. He called attention to programs in

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recognition of Asian American, Native Hawaiian, and Pacific Islander Heritage Month in May, which were listed at cityofpaloalto.org/AANHPIHeritageMonth. The Memorial to Honor PAPD Officers would be May 15. He noted that upcoming summer activities could be found at cityofpalo.org under News. He declared that City Council would have a study session related to Cubberley property, a legislative update, and ordinance changes related to ADUs on May 15. On The Finance Committee budget report and an ordinance related to firearm sales restrictions would be on May 22. There would be a prescreening for the Valley Water Water Purification Project, update and actions related to Project HomeKey, and action on the sustainability and Climate Action Plan on June 5. He noted that there were several additional items through the remainder of June. He declared that there would not be a City Council meeting on Memorial Day, May 29.

Mayor Kou invited the Planning & Transportation Commissioners to the dais, and a photo was taken.

Called to order the City Council and Planning and Transportation Commission Joint Special meeting at 6:58 P.M. Roll was called for the Planning & Transportation Commissioners.

Present In-person: Lu, Summa, Hechtman, Akin, Reckdahl, Chang, Templeton

Action Items

7. Adoption of a Resolution Adopting the 2023-31 Housing Element and Consideration of the Associated California Environmental Quality Act (CEQA) Addendum to the Comprehensive Plan 2017 Final Environmental Impact Report

Planning and Development Services Director Jonathan Lait summarized that there would first be a staff presentation. They were then anticipating one round of clarifying questions; public comment; the meeting being turned over to Chair Summa and the PTC beginning deliberations; and after a recommendation, roles would be switched with the City Council. He noted that staff and consultants were available on Zoom.

Senior Planner Tim Wong noted that Council had before them adoption of the 2023-31 Housing Element. He clarified that the purpose of this meeting was to review comments from HCD on the draft the City submitted in December and to provide a summary of the proposed City responses to those comments, to discuss of the CEQA Addendum, and to consider adopting the Housing Element. He provided an overview of what would transpire in this meeting. He recapped past events related to the Housing Element and the Draft CEQA Addendum. As Council last saw the draft before the 30-day public review was completed, he provided a summary of public comments that had been received, which included site inventory and suitability, environmental and infrastructure concerns, programs being objective and quantifiable, development standards creating constraints, application processing time frame constraints, public participation being fair and equitable, enhancing housing affordability, programs to combat homelessness, ADU assumptions being too aggressive (he noted HCD methodology had been used), and strengthening of tenant protection policies. He remarked

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that the concerns had been addressed in the revised draft. He detailed the March 23, 2023 HCD comment letter that had been received. HCD had commented that more analysis was needed, which the City provided, and that more local and regional knowledge and expansion of discussions were needed. Many of the HCD comments were based on public comments, which would be noted in the letter, and the City had addressed those comments. He supplied a slide of the City's Response Matrix and explained the formatting. He noted it would be expanded and would go to HCD based on Council and PTC revisions. He remarked that HCD wanted more information related to RHNA, which staff had provided. Concerning housing constraints, HCD wanted more information of the City's development standards, which staff provided a discussion and introduced analysis of physical modeling for feasibility. They were in the process of preparing a feasibility study, so some results had been highlighted to HCD. Timelines had also been addressed. Ordinances and fees would be investigated as a Housing Element Program, and potentially they would consider the parkland dedication fee. He specified that many programs had been revised based on the Housing Element, that there was greater commitment language, and the timeframe had been shortened. He stated that HCD wanted programs in place within the first two years of the planning period. He announced that more implementing objectives had been introduced primarily to meet the number of AFFH requirements. He explained why staff recommended removing the PTOD and the Workforce Housing programs. He provided a slide with an example of a revised program. Staff had changed "explore incentives" to "research and implement incentives." It was originally proposed to be initiated in 2027 but had been moved to 2025, and greater detail had been added to the implementing objective. He highlighted that Program 4.2 would now include housing inspections, that a formal process had been created for Program 6.1, SB 9 requirements were leveraged for Program 6.3, and Program 6.6 would include more proactive measures, such as greater outreach, expanding funding, and adopting tenant protections. He displayed a slide summarizing the City's responses to HCD comments. He provided examples how staff would do more monitoring of housing constraints. He commented that there were about 30 programs that needed to be done on an annual basis, and annual reports and summaries needed to be available to the public. Regarding the CEQA Addendum, he voiced that staff had prepared an addendum to the 2027 Comprehensive Plan, and noted there were no new or significant impacts based on the Housing Element proposals. He declared that the City would have 30 days to submit back to HCD if the Council adopted the Housing Element, and then HCD would have 60 days to review, so they were expecting HCD comments in August. If the City did not receive a letter of compliance, there would be continued dialogue with HCD in the fall of 2023. Staff recommended that PTC consider the addendum, review staff responses to the HCD comment letter, and recommend that City Council adopt the Housing Element, and they recommended that Council consider and approve the addendum, direct staff to make appropriate changes to the Housing Element, and adopt the resolution that would adopt the Housing Element.

Council Member Tanaka asked how much time members of the public would have to speak. He requested that it be three minutes.

Mayor Kou answered that each member of the public would be allotted one minute to speak.

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Commissioner Reckdahl asked if other design perimeters had been looked at for GM and ROLM areas. He pointed out that the more information given to HCD would allow them to better assess 65 units being feasible.

Senior Planner Wong clarified that 65 units per acre would help meet RHNA, but Council had addressed approving up to 90 dwelling units per acre, so they would look at other development standards.

Director Lait stated that 65 dwelling units per acre would achieve RHNA obligations. The revised draft included some preliminary analysis showing the feasibility of developing that density on those properties. Some development constraints had been flagged for change in addition to increasing the density to achieve the base RHNA obligation. He commented that City Council had directed that a housing incentive program be considered, which would allow greater density and would be above RHNA production. The program was intended to serve as an alternative to the State Density Bonus, and they anticipated developers would see it as an attractive alternative to that. A developer could seek to develop housing based on the base zoning standards of 65 dwelling units and use the State Density Bonus or they could take advantage of the Housing Incentive Program, which would convey increased height, floor area, etc. The City was not allowed to use the State Density Bonus for RHNA, and the Housing Incentive Program would not be used for RHNA and was in addition to RHNA.

Vice Chair Chang asked what the odds were of passing compliance with HCD after round two. Regarding Program 6.3, she requested an understanding of the reference to 800 to 1,200 square feet SB 9 projects and asked what it would mean in terms of setbacks and single-story overlays and if 1,200 would apply in any event. She asked if expanding it to 1,200 would allow the single-story overlay to prevail unless it did not allow a 1,200 square foot unit.

Senior Planner Wong hoped that the lesson learned from Southern California jurisdictions were being applied to the City's Housing Element, thus increasing the odds of being compliant. They were happy that a short HCD letter was received.

Director Lait believed the update responded to HCD's corrections. He expressed that compliance was increasing after round two, and HCD had a website detailing that. They wanted to loosen the minimum State-set standard regarding Program 6.3, and this program would allow an 800 square foot unit to be increased to 1,200 square feet, which he explained the possible benefits of. Regarding SB 9 and a single-story overlay, he understood that the single-story overlay would prevail except where it did not achieve the minimum unit size. He clarified that the single-story overlay would be based on 800 square feet.

Assistant City Attorney Albert Yang clarified that SB 9 required that the City permit at least 800 square feet per unit, which the City created as the maximum. Now staff was proposing increasing that to 1,200 square feet. He acknowledged that 1,200 would apply in all circumstances and indicated that detailed designed standards were adopted when the SB 9 Ordinance was adopted. Upper floor step backs, setbacks, etc., had been considered and most

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likely would not need adjustment. During implementation, staff may find design standards they would like to refine. He did not believe a single-story overlay would be enforceable under SB 9 if it did not allow creation of a minimum size of 800. Regarding the single-story overlay, he noted that 1,200 would be the local maximum.

Mayor Kou asked if the local per unit square foot maximum would be 1,200 and the minimum 800.

Director Lait affirmed that was correct.

Council Member Veenker asked what had been done to investigate non-vacant sites, what the standards of review had been, and if current use would impede additional residential development. She inquired if required site-specific findings were based on evidence that the use would likely be discontinued during the planning process and, if so, what was the evidence. She asked the process for property owners removing their properties from the index.

Assistant City Attorney Yang explained that letters were sent to all property owners on the housing inventory list, and they were given the opportunity to remove their property by a certain date. A few properties were removed from the inventory. They had received clarifications, which had been addressed.

Director Lait indicated an email correspondence had been sent to the Council today regarding a property on Bay Shore Road that had been inadvertently included in the draft.

Council Member Veenker queried if the clarifying email correspondence addressed property owners' intent on continuing use or willingness to change to a residential use.

Senior Planner Wong indicated that conversations included explaining to the property owner that these were not exclusive uses, that there was opportunity to add residential, and that programs were being put in place that would spur residential property production. Based on that, they chose to keep their property on the list. He detailed the methodology used to determine non-vacancies and discussed the sites considered.

Assistant City Attorney Yang stated that existing use of a non-vacant site being an impediment to residential development was the future of the State law, and to overcome that, the City would have to provide evidence that the site would redevelop. It was not required that the evidence be site specific. He noted that other jurisdictions with compliant housing elements had used the same type of methodology.

Vice Mayor Stone queried if staff was aware of any courts having stepped in to decide the adequacy of a city's housing element; if the redlined version of Page 3-3 regarding a housing project at 3001 El Camino Real, an SB 330 application, had a scheduled hearing date for May 2 by the ARB; and if the success rate of projects being submitted and receiving building permits in other cities was known. He asked what information HCD was requesting related to a larger

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regional study of housing as well as greater local knowledge. He inquired if an 83% entitlement success rate was good.

Assistant City Attorney Yang voiced that there was one court case recently, but he believed it concerned the fifth cycle of the Housing Element. The element had been certified, and the Court found that it was not compliant with State law, as a statutory requirement had been omitted. He mentioned that the May 4 Packet included an updated exhibit to the resolution, which included a detailed table showing how the City's element complied with each statutory requirement.

Director Lait believed there had been an ARB hearing on May 2 related to 3001 El Camino Real. He did not believe staff had records on other jurisdictions' success rates of projects being submitted and receiving building permits.

Consultant Brenna Weatherby specified that HCD had asked for additional local and regional information related to the AFFH analysis. As for the success rate of the project, HCD wanted to know how often projects were developed in the city. The HCD did not want many applications coming forward without projects coming to fruition and wanted details related to how likely it would be that projects coming through the application stage would be developed. She remarked that an 83% success rate was good and average.

Commissioner Templeton inquired if Slide 12 indicated that only the PTOD program would be cancelled.

Director Lait noted that eliminating the program did nothing to existing policies, regulations, or processes with respect to PTOD and added little to no value to HCD in terms of the Housing Element. They had many objectives to implement, and they wanted to dispose of ones not adding value. It could be pursued but did not need to be in the Housing Element.

Commissioner Templeton asked if Director Lait's response indicated that no one was using the PTOD program and that there were requirements in Building and Planning that would cover pedestrian and transient-oriented development requirements. She inquired if fees other than parkland dedication had been considered to support affordable housing. She asked in what category the other fees were listed. She questioned what other areas related to fees could help in building affordable housing.

Director Lait did not disagree with Commissioner Templeton's comments regarding PTOD. He indicated the PTC could address in their discussion fees that would aid in building affordable housing.

Senior Planner Wong clarified that the analysis of fees was not to support affordable housing but fees being a constraint to housing production or adding affordability. He noted that an analysis of the fees had been in Chapter 4.

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Commissioner Lu queried as to the tradeoffs of submitting a draft for review versus adopting it today.

Director Lait expressed that was a policy decision before PTC and for Council to decide going forward. Letters had been received asking that it be submitted as a draft to HCD, which was an acceptable process. He described what that process would entail. Staff was asking Council if they felt comfortable approving this. He noted that there were findings stating this would be in substantial compliance with State law. There was no downside for adoption versus submitting a draft.

MOTION: Council Member Lythcott-Haims moved, seconded by Council Member Tanaka, to appeal the presiding officer's decision that members of the public get one minute to speak.

City Attorney Molly Stump stated the ruling of a presiding officer could be appealed, so the question would be if one minute would be upheld, which should be voted on by the whole group.

Mayor Kou declared there would be a discussion.

Council Member Burt encouraged the Council to follow the procedures recently adopted, which was the presiding determining the amount of time once the number of speakers was known. He thought the vote was premature. He asked the makers if they would pull their motion and follow the recently adopted procedure, and if there was disagreement in speaking time, then proceed with the vote.

Commissioner Templeton agreed with Council Member Burt. She noted that public comment submissions had been closed upon completion of the staff presentation, and suggested public speakers be totaled.

Council Member Veenker noted that the policy indicated speaking time was to be at the discretion of the Mayor. She asked if the agenda gave prior notice to the public that speaking time would be one minute.

City Attorney Stump declared it had never been the practice that the agenda specify public speaking time. She indicated that time allotted was to be at the discretion of the Mayor.

Council Member Lythcott-Haims was happy to withdraw the motion and follow the procedure process.

Mayor Kou noted that the motion had been withdrawn.

Commissioner Hechtman outlined where the fee information had been collected from. He questioned who determined substantial compliance and if HCD determined compliance if it related back to the date of adoption.

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Assistant City Attorney Yang stated that HCD had a process of certification required for some State grants but it was not set forth in the statute as the arbiter of compliance. The courts would make the final decision, and the courts reinforced that they owed no deference to HCD. The City could not declare itself in compliance. Council could make findings of what was believed to be compliant. If a Housing Element was adopted that they believed to be substantially compliant, it would be compliant as of the date of adoption.

Council Member Lythcott-Haims requested the language on Page 5-38 regarding the middle housing program and the language used of “up to four units” and “three or more detached units” be reconciled. The fees on Pages 4-69 and 4-70 concerned her, and she questioned how they had been calculated. Regarding HIP and expedited review, she asked for an example of HIP waivers that had been issued and asked how many applications had been received requesting expedited review. She found errors with Figures 2-11 and 2-23 and the listings of black families and white families, and she noted that Figure 2-23 did not depict African American families on the chart. She encouraged staff to define the cost burden as gross income, not just income. She explained that Oak Park Manor Townhouses seemed to fall in the at-risk category on Page 2-74. She would send staff an email regarding the technical matters.

Assistant City Attorney Yang explained the terms “up to four units” and “three or more units.” He noted that four was the maximum under State law. Two units would be allowed. Concerning the fee calculation, he remarked that over the course of the next several years all impact fees would be on a square footage basis, which was a separate requirement of State law. He explained that parkland dedication was different, which he would research as he did not currently have an answer.

Director Lait thought Council direction had been received to use square footage in the fee calculation concerning parkland dedication and that it was being implemented. He believed two projects had taken advantage of HIP and expedited review. There was a program to extend and increase development incentives under HIP. One project had gone through the process related to objective standards, and the City processed it in a timely manner and in accordance with State law.

Chair Summa inquired if each split from an SB 9 lot split could have two units and an ADU.

Assistant City Attorney Yang answered there would be a maximum of two units on each lot if SB 9 was used to split the lot.

Council Member Burt asked if it was correct under SB 9 that a split lot could have a single-family home and a junior and a senior ADU on each lot. Regarding parkland dedication fees and office-to-residential conversion, he questioned if there was a mechanism for crediting past impact fees for office that would be credited against the new use. He questioned if the same cost-burden calculation was used regardless of income level.

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Assistant City Attorney Yang answered that if a lot were split under SB 9, there would be a maximum of two units. Regarding parkland dedication fees and office-to-residential conversion, there was a mechanism for crediting the existing use, but he did not know the exact calculation.

Director Lait did not know if there was a mechanism for crediting past impact fees. Council could implement a policy.

Senior Planner Wong remarked that the same cost-burden calculation was used regardless of income level.

Mayor Kou inquired if the removal of 3550 West Bayshore Road from the inventory had been replaced; if there was a limit to the number of amendments in the document; if there were ROLM properties on the east side of 101; if a low-density neighborhood could potentially have a faith-based institution, which could potentially be over 100 units with no parking; and if there were affordability restrictions imposed for SB 9.

Senior Planner Wong explained that 3550 West Bayshore Road was part of a small surplus, so it was not necessary to replace it. He noted there were no ROLM properties east of 101. As for affordability restrictions, they applied the base BMR requirement of 15%.

Director Lait answered there was a limit of four amendments for the calendar year. Concerning faith-based institutions, he believed that there was a program to develop standards for such situations, which he would confirm. They would develop regulations that would go before Council before implementation.

Commissioner Akin inquired as to the consequences if adoption of a Housing Element was delayed and the deadline missed.

Assistant City Attorney Yang declared the deadline had been missed, which was January 31, and that there would not be significant new consequences for further delay, but they would like adoption of an element as soon as ready.

Mayor Kou allotted 3 minutes of speaking time for individual public speakers and 10 minutes for a group of 5.

Public Comment

Robert Chun (on behalf of – 1. Steve Levy 2. Scott O'Neil 3. Amy Sung 4. Gail Price 5. Sheryl Klein 6. Fangfei Yin 7. Michael Quinn 8. Adam Schwaltz 9. Elaine Uang 10. Natalie Geise), Board Members of Palo Alto Forward, had been engaged in the Housing Element process at every stage. He noted that their perspective on the Housing Element had been summarized in a letter, which was available at paloaltonowforward.com. He provided slides and suggestions which he claimed would improve Housing Element Draft, which included financial feasibility and density. He urged the City to conduct an independent analysis of the financial feasibility of the zoning proposed by the Housing Element, which was critical due to the City having a statutory

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obligation under State law to mitigate housing constraints. He explained why HIP did not fix the core problem and encouraged reading Page 15 of the HCD Site Inventory Guidebook. He addressed timeline constraints and there being little engagement with property owners and tenants of non-vacant sites in the inventory. He noted that page 27 in the HCD Site Inventory Guidebook addressed site specific inventory requirements. He did not see evidence the threshold had been met in gathering interest for developing housing or redeveloping as such. He commented that there were sites in the element which property owners had indicated would not convert to housing during the planning period. They were concerned about constraints on housing production. They understood the HCD comment letter to say it was not possible to have an effective or compliant housing element until concerns were addressed.

Mike Alcheck, attorney and former member, Vice Chair, and Chair of the Planning Commission, encouraged Council to address housing constraints, which he stated included zoning, height, and density limits. He asked that antiquated zones be eliminated and that the limit be increased to 40 units per acre. He stated that HCD had addressed existing barriers to non-vacant site redevelopment.

Cindy Carroll supported adoption of affordable housing efforts, which was an opportunity to build diversity. She suggested the city be peppered with housing units instead of large units. She spoke of converting investment properties to housing. She asked that Council do what was legally required, best for the long term, and fair.

Michelle Kraus noted that her comments were from Chair Kaloma Smith. They were on the Human Relations Commission and speaking as individuals. The discrepancy in the racial equity information concerned them. She was also concerned about the assumptions of housing costs. If this were referred to the HRC, they would examine the issues. She stated that housing should be available to all.

Albert Lustre (Zoom) with Northern California Carpenters Local Union 405 spoke concerning the need for implementation of area labor standards in the next housing element, which included a livable wage, healthcare, apprenticeship, and hiring locally. He asked what was being done to ensure [inaudible] standards in the new housing element.

Sunita de Tourreil thanked the Mayor for three minutes to speak. She hoped the errors of the past would be considered in implementing the Housing Element, that the history of the land would be considered, and that there would be reflection on the disadvantages of redlining. She opined that public speaking time of one minute was inadequate and asked that there be two to three minutes or no speaking time.

John Kelley thanked Mayor Kou for the speaking time and associated himself with the remarks of Sunita de Tourreil regarding the time limit. He spoke of affirmatively furthering fair housing, government constraints on housing, and sites. He indicated that decisions should consider how schools would be affected and asked why half of the housing units would be sequestered in the

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southeast corner of Palo Alto. He discussed high housing taxes and requested reducing taxes and increasing the number of plexes in the existing multifamily zones.

Liz Gardner (Zoom) was pleased that speaking time had been increased to three minutes. She discussed housing being front and center to quality of life. She felt that the quality of building material was missing from the presentation. She did not agree with building homes in the ROLM commercial areas, and opined there needed to be smaller homes throughout the city.

Mayor Kou turned the meeting over to PTC Chair Summa and invited Council members to join her in the public seating area.

Chair Summa welcomed all to the PTC portion of the meeting. She suggested there be a break.

[The Commission took a seven-minute break.]

Chair Summa thanked the public speakers and staff for their work. She opened the floor for clarifying questions.

Senior Planner Wong asked how the action items should be structured.

Chair Summa reminded the Commission that there was to be consideration of the final environmental report and of the redline changes to the Housing Element and then a determination if it should be recommended to Council for adoption. She asked the Commission to speak to items each was interested in rather than going through items one by one.

Commissioner Hechtman agreed with the process and thought recommendations could be made at the end of the process, first making a recommendation on the addendum and then a recommendation on the Housing Element.

Chair Summa indicated that would be fine.

Vice Chair Chang thought the Commission had previously voted on the EIR and did not know if it needed to be voted on again unless the redlined version impacted the addendum to the EIR.

Director Lait thought there had been minor clarifications or refinements to the EIR addendum since PTC reviewed it. He thought PTC considered the addendum at the last meeting. He requested the addendum be considered before the recommendation to Council.

Assistant City Attorney Yang mentioned there did not need to be a motion or a recommendation on the addendum, but a consideration in the process.

Chair Summa announced that the Commission would move to discussion.

Vice Chair Chang thanked those behind the scenes for their impressive work. She appreciated the additional data, such as Page 49. She addressed Packet Page 233 and there being a significant staffing impact, which translated to budget and implied changes in prioritization. She

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implored City Council to be realistic in terms of what could be achieved. She noted that programs did not include planning for transportation, services, etc., which needed to be done, which would require re-prioritization of the Housing Element.

Commissioner Templeton appreciated the Vice Chair's comments. She specified that implementation of the element did not disproportionately impact the quality of life of certain neighborhoods. She did not know if keeping vacant lots and investment properties off the market had been addressed. She shared how other communities approached fees.

Chair Summa declared that discussing fees would need to be agendized.

Commissioner Lu had considered the tax potential and where it could fit into programs and asked if there had been consideration of that. He requested staff's opinion on Palo Alto Forward as far as feasibility, HIP, timelines, and non-vacant sites and whether it affected the viability of the current Housing Element for HCD. He questioned what was meant by initiating a conversation and if the timeline for Program 1.5 could be more aggressive. He echoed Council Member Burt's point that there could be potential for office-to-housing conversions in Program 3.10. He asked if there was a commitment to spot zoning along El Camino or other areas and if consideration had been given to more consistent upzoning as part of the site inventory. He queried if unit sizes over 1,200 square feet had been considered and if it could have an impact on developing more units.

Director Lait noted there was a diagram addressing financial feasibility and a table of PHC-referenced projects. They had applications that had been filed for prescreening, but most had not been converted into a planning entitlement and none had converted into building permits. The PHZ Program anticipated a number of revisions to development standards, and one related to affordable housing. PHZ applications required a higher percentage of inclusionary housing, extended the requirement to rental units, and had a deeper level of affordability than the current code. He noted that the Housing Element included policies to increase density in many districts, and there were regulations to address construction constraints. He outlined there had not been much result on the HIP and thought there was now enough data to make changes to the program, which was proposed in the Housing Element, which was not required for RHNA but was an extension of housing production interests. They envisioned incentives under this program being more attractive than a development under State Density Bonus. The Housing Element included a change in that housing projects would be presented to the ARB within 60 days of application submittal, which they envisioned would streamline the application review process. There was a program in the Housing Element which stipulated ARB Review Board meetings would be reduced to two for a housing project. He welcomed additional recommendations from the Commission. Initiating conversations for Program 1.5 would entail reaching out to Stanford and Simon Properties and discussing future interest for housing, which was a focus on Cycle 7. There was not a focus in Cycle 6 beyond Stanford sites already identified. He stated there could be a conversation related to zoning. He commented that spot zoning was not impermissible provided there were certain findings. He noted that there was a patchwork of opportunity sites along El Camino and explained why the zoning was not uniform.

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Some of the sites identified as upzoning were carryover sites from Cycle 5. He noted that many properties along El Camino did not have a density restriction. He thought City Council had addressed coordinated area plans. He believed consideration of areas other than El Camino should be prioritized. He did not object to Commissioner Lu's comments regarding zoning, but it was not included in this Housing Element. Regarding units being over 1,200 square feet, they initially considered floor area that existed for R1 zoning. A code change would be needed to allow units over 1,200 square feet, which would go before the PTC, and increases in floor area could be explored.

Consultant Weatherby noted that they looked at density in relation to site inventories to plan for future construction. They were basing feasibility on the base density and what could be achieved. She detailed what their analysis included.

Veronica Tam and Associates, Inc., Veronica Tam emphasized that density alone would not constitute affordable housing. She spoke of the State's default density enabling subsidies.

Commissioner Reckdahl believed HCD was interested in AFFH. He voiced that the easiest way to get affordable housing would be through subsidies, which there was not enough funds for. He queried if it could be mandated that complexes with more than 20 units require the acceptance of Section 8 and asked if rent had to be a certain amount under Section 8. He inquired if the low-income tax credit would require subsidy from the City and if there were other government programs besides subsidies. He queried if the program providing 25% off utility bills for low income was significant enough to claim as a housing program. He questioned if it would be legal to provide subsidies to those who were historically disadvantaged or discriminated against. He discussed park fees affecting only market rate housing. He addressed there being spurious data points on Page 468 in the redlined version related to fees and thought park acquisition fees should be reflected higher. He questioned when a park fee would be due and if it could be delayed and spread over three years. It felt wrong to charge a fee on housing when there was a housing shortage and it felt more wrong to not build parks, and he remarked that both sides needed to be discussed. He thought the park fee section was inaccurately degrading the Housing Element. He voiced that park fees were addressed in the HCD letter and thought HCD would return the Housing Element if it was not addressed.

Assistant City Attorney Yang did not believe apartments could turn down an applicant-based participation in Section 8 and did not think a particular level of rent could be mandated outside of the standard provisions of a rent control ordinance. He was not well versed in the details of the Section 8 Program. The code allowed park fees to be deferred until occupancy of units. He noted that the analysis on Page 468 addressed possibly constraining housing production.

Senior Planner Wong clarified that Section 8 had fair market rents, which set maximum rents at a certain level Section 8 would pay, and Palo Alto rents generally exceeded fair market rent set by HUD; therefore, certificates could not be used in Palo Alto as market rate rents would not be covered. He thought it was based on County, not zip code, and landlords would have to lower rents to accept a Section 8 certificate. He explained that low-income housing tax credits was on

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a competitive basis through the State, so a public subsidy helped increase competitiveness during the evaluation, but it was not required. He was not aware of programs for moderate-income renters, but he had not researched it.

Director Lait could explore as a housing program the program providing 25% off utilities for low income. They could include language in the Housing Element, but he did not know how much it would contribute to HCD's approval. He expressed that there was a program in place to study subsidies to those who were disadvantaged or discriminated against, and noted work had not been done to date. He would be happy to adjust the data points on Page 468. He mentioned that Program 3.1B included an economic feasibility study to analyze the implications of the park fee. A park fee would be due [inaudible] building permit. He thought the code provided some spread of payment, but he was not 100% sure. He would have to look at the standard to determine if park fees could be spread over three years. He did not believe the park fee section was degrading the Housing Element and thought the park fee was a possible constraint to housing that needed to be studied.

City Attorney Stump declared that the legalities of subsidies to those who were disadvantaged or discriminated against would be studied.

Chair Summa thought park fees needed be finalized in a year or two and asked if the issue would go back to the PTC and then to Council. She indicated that the proposed fee constraint came from those paying the fee, not residents who benefitted from having a larger park fund to acquire new land. She suggested Commissioner Reckdahl add park fees to the upcoming motion.

Director Lait expressed there was an obligation to identify constraints, and there had been comments from the public indicating there were impediments, and a study and analysis needed to take place to determine if the fee was right.

Commissioner Templeton mentioned that there should be future discussion of park fees. She appreciated the comments related to ethnic and economic diversity and wanted to clarify that those comments were meant to be separate issues. She commented that redlining was a constraint to the historical diversity in Palo Alto. She did not know if it could be addressed in the Housing Element, but she noted that there was a pursuit to undo diversity lost with redlining.

Commissioner Akin thanked staff for their responses to his written questions last week. He was convinced this was a solid piece of work and that it addressed the State's concerns and good faith.

Commissioner Hechtman thought consideration should sometimes be given to speaking time for commissioners, particularly in joint meetings. He noted that HCD had tripled the unit requirement and that the contents of the Housing Element had changed dramatically since the fifth cycle. He stated that the City was in a reactive mode with respect to HCD. He appreciated and thanked staff for the redlined version and the matrix they provided in a short amount of

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time. He opined that the most important thing for the PTC and Council to accomplish was to end potential exposure to the builder's remedy, which could be done by adopting a compliant Housing Element at this meeting, and then applying it. He noted that amendments were allowed to occur four times a year. He had not heard commissioners address any substantial revisions that could delay adoption of the Housing Element. He thought the addendum adequately analyzed the impacts of the 665-unit Delta. He thought staff had implemented the revisions recommended by HCD, and that the concerns of HCD were adequately addressed, and he thought PTC should recommend approval. He had seen a few grammatical errors and typos and proposed that staff be given the ability to make such edits in a recommendation.

Chair Summa was not enthused by the Housing Element. She felt it was a series of State laws and requirements that could hurt more than help the community, and it did not address affordability. She thought details concerning municipal code changes needed to be addressed upon it coming back to PTC. She was concerned about air quality near the highway and spoke of a possible law restricting that. She understood how the environmental review would mitigate that, but she stated it was a lesser way to live than those not living near the highway. She worried about creating a second-class area in the city. She thought 83% entitlement from applications was lower than the normal experience in Palo Alto, and she had heard from senior staff planners in the past that it was 90% to 95%. The lack of contribution from Stanford stood out to her. She was concerned about 6.3, but thought details would be resolved in discussions related to the municipal code. She noted that there would be a discussion related to the data being based on census tracks, not neighborhoods. She thought some of the demands from the State, HCD, and RHNA were going to be devastating to staff. She expressed that there would be discussion in the next year or so when items were returned as municipal code changes. She asked her colleagues for additional questions or comments or for a motion and a second.

Planning and Transportation Commission:

MOTION: Commissioner Chang moved, seconded by Commissioner Hechtman to recommend the City Council adopt the resolution in Attachment C adopting the 2023-2031 Housing Element.

MOTION PASSED: 7-0

Chair Summa turned the meeting over to City Council. She asked commissioners to remain in the meeting as staff wanted there to be a quorum.

Mayor Kou called the City Council meeting back in session. She thanked staff and the PTC commissioners for the work done.

Council Member Veenker recused herself from the first portion of the Housing Element discussion as she was a homeowner living within 500 feet of First Congregational Church and provided legal advice to Stanford University on life science patents.

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City Attorney Molly Stump explained that the procedure would be segregated, which was available in the law. It was a multi-part decision before Council. She explained that Council Member Veenker had a conflict of interest under the law that required her recusal from a part of the discussion, so the First Congregational Church and the Stanford-related items should be discussed during her recusal, and there needed to be full resolution of those items. Council Member Veenker could then return and the rest of the Housing Element could be discussed, but the First Congregational Church and Stanford items could not be revisited at that point. She could participate in the vote for the Housing Element.

Council Member Lauing commented that the issue of Stanford was in abeyance, if not closed, relative to where the Housing Element stood. He was optimistic that there would be a dialogue with Stanford. He did not think this meeting should include discussion related to unit quantities, for example.

Council Member Burt understood that Stanford sites would be looked at in the seventh Housing Element. He believed there would be adjustments to sites in the sixth cycle, and he wanted to ensure that Stanford locations would be on the list of prospective adjustment sites. He was not sure if the language needed to be adjusted. He spoke of housing sites in the downtowns and the El Camino Corridor possibly needing a greater emphasis in the site inventory. He wanted to ensure that there was an intention to explore other sites within this Housing Element.

Director Lait specified that nothing in the actions would preclude further examination of the site inventory and believed there were opportunities for that dialogue.

Mayor Kou asked how notification had been provided to the neighbors regarding potential use of the First Congregational Church site.

Director Lait did not think there had been any site-specific notification other than the general notification. He remarked that any changes would require a zoning text change, and the code provided a process for sending notices at that time, which he detailed.

Mayor Kou declared that the discussion was concluded. She requested Council Member Veenker return to the dais. She noted that there would be two rounds of questions and comments.

Vice Mayor Stone asked if there was data to support the idea that the proposed Middle Housing Program would lead to affordability that would then result in decreased RCAs. He preferred the term less expensive, not more affordable. He questioned if there was anything requiring ADUs be deed restricted for BMR housing and if the City was able to require BMR thresholds on private ADUs in certain circumstances. He thought a study was needed related low income and ADUs. He inquired if there was an estimate as to how much the Housing Element to this point had cost the City and thought that information would be helpful to reflect on in the future. He thanked everyone involved in the process.

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Director Lait did not believe there was data to support the idea that the proposed Middle Housing Program would lead to affordability that would then result in decreased RCAs. There was nothing in the programs before Council tonight requiring ADUs be deed restricted for BMR housing. He did not know the cost of the Housing Element to the City to this point, but he noted there had been a lot of hours put into it.

Assistant City Attorney Yang thought there had been a general study done on ADUs in a similar size range to the units being contemplated and that they tended to be more affordable. He declared there was limited data. BMR thresholds on private ADUs could be offered as an incentive, which the PTC and staff had researched and would be part of the ADU item to Council next week. Alta Housing did not think it was good use of resources. It did not matter to the State because a percentage of the ADUs would be assumed to be low income, etc.

Council Member Lauing thanked all for their work on this. He gave staff an opportunity to ask for more funding for staffing. He queried if implementation was a constraint due to staffing. He noted that there were costs being incurred by the City related to staffing, which should be considered. He referenced Sections 4.34 and 4.35 and questioned how housing needs could be achieved. He asked if the model reflected units per acre needing to be maximized on each parcel. He asked how to plan better for housing needs.

Director Lait stated they were working on funding for additional staff. He noted that there were staffing positions open and that consultant resources would be involved. There were choices to be made in the budget, and housing initiatives would be balanced with other important services of the City. They would bring proposals forward for consideration. The model did not indicate the number of units should be maximized on every new residential project. As for planning better for housing needs, they could be intentional about zoning standards and offer incentives for the type of housing the City was interested in building.

Council Member Burt asked what the higher end unit density was and if providing high density on the far side of San Antonio and moderate density on the northwest side would require adjustments in the element. He inquired if the business tax had been referenced in the report related to funding for affordable housing. Related to potential barriers and park fees, he thought it would be helpful to reiterate to HCD the challenges presented in communities with exceptionally high land cost. He queried if the past accomplishments section was focused on just the last housing element. He spoke of Program 6.7D and this being an opportunity to redress past practices.

Director Lait answered that there was an unlimited density for commercial areas. Regarding high density on the far side of San Antonio and moderate density on the northwest side, he did not believe a distinction would need to be made now. If it was an interest of Council, staff could accept guidance. The business tax had been referenced in the report related to funding for affordable housing.

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Senior Planner Wong noted that the density per acre was generally 40 but some were 50. He clarified that the past accomplishments section was focused on the fifth cycle.

Council Member Veenker agreed with there being lower density in the northwest area of San Antonio. She spoke of the disproportionate amount of affordable housing in that area and thought some of it could be redistributed. She referenced Page 3-24 and asked if the factor analysis related to existing uses. She requested an explanation of using a generalized analysis related to site inventory, sites converting to housing, non-vacant sites, and existing use, and she noted that HCD's guide referenced very specific examples. She asked if examining each site with the data in the chart had been acceptable to HCD in other instances.

Senior Planner Wong stated that Page 3-24 was a response to a comment concerning leases and was to show discontinuance of use. He noted that HCD's guidance had been published three years ago, and he thought it provided examples of what would be considered substantial evidence. He noted that the sites list was available online and that it specified the existing use, FAR coverage of a site, when a building had been built, and potentially CoStar information, and the information applied to each specific site.

Assistant City Attorney Yang clarified that each underlined heading on Pages 321 through 323 was a different factor used by staff as part of the factor analysis. He did not think that only a generalized analysis was being done, as each factor was considered for each site. There was evidence that other jurisdictions had used the same type of analysis, which HCD conceded was substantial evidence.

Director Lait noted that properties not meeting the threshold were screened out with the use of the data. He recognized that examining each site with the data in the chart had been acceptable to HCD. He spoke of the City not having authority to require and property owners not having an obligation to submit lease data. For this analysis, staff and consultants had relied on data that had previously been accepted by HCD.

Council Member Lythcott-Haims thanked all who had played a role in this matter. She spoke of AFFH, and she proposed there be a declarative statement in the Housing Element related to Palo Alto's problematic history with zoning, redlining, and restrictive covenants and that there be a statement related to undoing these by creating inclusive communities. She referenced the analysis and felt that the topic of integration and segregation had been largely avoided and pointed out Pages C36 and 37 concerning RCAs, and requested the language be changed. She felt that there was an opportunity to tell a clearer truth about Palo Alto's history. She discussed the AFFA wait list being years long, which was not sufficient. She indicated that decisions should be made to try to reverse income and racial segregation. She discussed why the site inventory could possibly exacerbate creating concentrated areas of poverty, affluence, and racial isolation or segregation. She wanted HCD to be informed of Palo Alto's efforts to educate homeowners concerning SB 9. She suggested encouraging homeowners to turn single-family homes into as many as four units on one parcel. She mentioned that there needed to be programs and policies for historically underrepresented and marginalized groups.

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Mayor Kou questioned if there was a need for street modifications in the San Antonio area related to the 101 ramp and if there would be future discussions for a program. She asked what the park fees funded, if fire mitigation was included, if it maintained open space, and if the fees funded the park restrooms. She did not want to make light of park fees. She thought the stated ratio of residents to parklands was in deficit. She asked if having a successful grant application to receive tax credits to subsidize affordable housing construction would need a subsidy from the City. She questioned if the City would always have to provide some funding for affordable or transitional housing. She inquired why there was not an entitlement and pulling of a permit at the same time. She suggested that permits be pulled upon entitlement with conditions related to the involvement of ARB.

Director Lait answered that the street modifications in the San Antonio area was not a part of the Housing Element. It would be included in the Coordinated Area Plan. The park fees funded acquisition and improvement of parks and recreational spaces. He did not believe it paid for recreation fees, but if a tennis court was part of park improvement, it may be covered but not in the programming. It did not fund maintenance. He indicated that local funding was an enhancement to a grant application. He spoke of the Charities Housing project, which was a nonprofit, having no earmarked money from the City. He remarked that the City funding affordable housing depended on the circumstances, but it was an advantage in grant application. He spoke of factors involved in entitlement and pulling a permit and developers possibly delaying a project. He explained why the planning stage did not include review of construction documents. He specified that the State was interested in streamlining the City's process, minimizing the amount of risk, and shortening the process.

City Manager Ed Shikada clarified that park fees were not used for maintenance purposes. He noted that fees funding park restrooms was a very specific question, but believed the fees could fund that.

Assistant City Attorney Yang commented that broadly park fees covered improvements that would expand park capacity, which could be new parkland, facilities, etc.

Senior Planner Wong outlined, regarding grants and tax credits, that it was typical that there be a subsidy from the City.

Mayor Kou commented that permits not being pulled upon entitlement with conditions was a flaw in HCD's request.

Council Member Tanaka thanked all for their participation and work related to this topic. He asked what could be done to change the Housing Element to distribute housing throughout the city.

Director Lait outlined that Council could direct staff to redistribute housing throughout the city. Adjusting the site inventories could be done but was a pivot and would take six months or more to make such changes.

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Assistant City Attorney Yang declared, if the Housing Element was changed related to housing distribution throughout the city, there could be increased exposure to litigation for not having adopted a compliant element, the City could lose local control for permitting processes, and there would be increased exposure to projects under the builder's remedy. He clarified if there was not a certified Housing Element by January 1, 2024, all necessary zoning would need to be adopted to meet RHNA.

Council Member Tanaka questioned what could be done for housing distribution outside of the Housing Element and if the Housing Element could include a statement of intention to distribute housing throughout the city. He detailed why he thought affordable housing could be achieved through smaller units, flexible zoning, incentives, and reduced parking requirements. He asked what more could be done to help with those issues, especially smaller units. He wanted to move the staff recommendation plus two amendments in this direction.

Director Lait answered, related to housing distribution, that the suitable site inventory would need to be updated.

City Manager Shikada responded that at this point staff could not provide ideas related to smaller units, etc.

Council Member Burt spoke of park impact fees and land acquisition costs and thought adding land for parks needed to be looked at innovatively. He concurred with Council Member Lythcott-Haims' comments related to restrictive covenants. He clarified that they were private restrictions, which City leadership did not support. He spoke of the impact of Joseph Eichler. He addressed being in opposition to Prop 14. He did not believe there was an adequate description of the City's history in the document and thought it should be accurately reflected and actions taken to redress it.

Council Member Lauing indicated that HCD was not concerned with design elements but was concerned with units, hitting segments of the quotas, building on a sizeable number of the chosen properties, etc. He thought the downtown corridor near the railroad station should be considered as a site and noted that there was a lot of site flexibility. He opined that staff did a good job answering HCD. He proposed approving the Housing Element and letting staff proceed, as there was time to make changes.

Vice Mayor Stone mentioned that the document nor the process was perfect. He clarified that it was the law. He was concerned about liability given there had not been an approved Housing Element. He asked what percentage of the identified sites were current multifamily housing sites. He discussed why he felt there would be mass evictions and displacement of renters if existing multifamily property owners were incentivized to redevelop. He noted there needed to be a balance to retain residents, prevent displacement, and pursue sites that could increase housing supply. He suggested acknowledging that local data had not supported the argument that more housing would drive down prices and suggested there be truth related to

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affordability. He was interested in pursuing policies to promote deed-restricted BMR housing units. He saw the document as one that could be modified to suit the needs of the City.

Mayor Kou noted that the percentage of the identified sites that were current multifamily housing sites was on Packet Page 256 of the Addendum to the 2030 Comprehensive Plan Attachment B.

Director Lait stated there was between 66 and 88 sites multifamily zoned.

Senior Planner Wong noted there was approximately 300 total multifamily sites.

Council Member Lythcott-Haims specified it was Council's responsibility to encourage and improve projects that would fulfill the vision. She appreciated Council Member Burt's comments related to racially exclusionary practices in the past and stated there was work to do in acknowledging that and making amends. She discussed HIP and an expedited review, and she looked forward to the related changes that would be made. She specified that Council needed to help constituents understand the need for housing. She was concerned about planned emergency shelter in ROLM(E) on Embarcadero and East Bayshore, as it was far from stores, etc. She indicated that green space and safe routes to school was needed for the GM and ROLM sites on San Antonio Road. She was inclined to support Council Member Burt's notion to revise zoning standards on San Antonio.

Council Member Veenker remarked that planning for housing was one of the most consequential things the City could do. She associated herself with Council Members Lythcott-Haims and Burt with respect to the redlining and the AFFH. She would be happy to second language Council Member Lythcott-Haims might suggest in the form of an amendment related to the bottom of Page C36. She looked forward to streamlining the application process of Program 3.7. She agreed with housing being spread throughout town. She inquired if the site inventory indicated the affordable sites, which she would like to see done. She queried if there were specific provisions for seniors, which she hoped could be addressed. She associated herself with Council Member Lythcott-Haims related to the emergency shelter.

Senior Planner Wong answered that there were slight limits as to where low-income sites could be, but they could try to indicate affordable sites on the inventory. He clarified that GM ROLM was a mixed income area. As for specific provisions, they were including preferences for special needs but not specifically dedicated to a special needs group, such as seniors.

Council Member Lythcott-Haims thanked Council Member Veenker for the suggestion to amend the language of the RCAA section. She suggested a friendly amendment and provided language for amending Page 36, Appendix C regarding redlining practices.

Discussion ensued regarding the language of the amendment.

Mayor Kou asked if this amendment would cause a delay, and it was stated that the amendment would not cause a delay. She thanked the previous Ad Hoc Committee for their

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work. She associated herself with the comments of Chair Summa, Vice Chair Chang, and Vice Mayor Stone. She noted that there was little evidence that housing elements addressed the high cost of living and housing affordability. She spoke of the state bills being flawed regarding the number of housing units that would need to be built. She stated that receiving entitlements without pulling permits would make approvals ministerial and noted while there could be public comment there would be nothing elected officials could do. She claimed that deeded restricted BMRs would be an issue. She indicated that the approximate cost to build a unit was \$750K to \$1M. She referenced the Home Rule Provision and unfunded mandates. She quoted from Article 10, Section 5 of the California Constitution. She noted that she did not certify the 2030 Comp Plan EIR, and she would not certify the addendum to the EIR and would not adopt the Housing Element. In defense of potential litigation, she suggested a peer review related to potential defense strategies and suggested hiring Aleshire & Wynder, LLP.

City Council:

MOTION: Council Member Lauing moved, seconded by Vice Mayor Stone, with consideration of the addendum to the 2017 Comprehensive Plan Final Environmental Impact Report, to adopt the resolution in Attachment C adopting the 2023-2031 Housing Element with the revisions noted by staff in the report and the following additional changes:

1. Amending the second sentence to read: "Past discriminatory redlining and lending practices prohibiting non-white people from purchasing homes in certain neighborhoods are likely contributing factors for these Racially Concentrated Areas of Affluence (RCAs).

MOTION PASSED: 6-1, Kou no

Adjournment:

The meeting was adjourned at 11:55 P.M.