

Special Meeting  
March 3, 2003

1. Carl Guardino and Roccie Hill of the Housing Trust of Santa Clara County ..... 3

ADJOURNMENT: The meeting adjourned at 7:00 p.m. .... 4

ORAL COMMUNICATIONS ..... 5

1. Selection of Candidates to the Library Advisory Commission ..... 5

APPROVAL OF MINUTES ..... 6

2. Resolution 8275 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Beth O'Connor Upon Her Retirement" .. 6

3. Contract Between the City of Palo Alto and Rosendin Electric, Inc. in the Amount of \$124,485 for the Park Boulevard 60Kv Circuit Breaker Relocation Project - Civil Construction, Structural and Miscellaneous .... 6

4. Contract Between the City of Palo Alto and SCS Field Services in the Amount of \$89,124 for Landfill Environmental Monitoring Control Systems Operations and Maintenance Services ..... 6

5. Contract Extension and Increase in the Expenditure Limit of the Rail Shuttle Bus Service Administration Agreement with the Peninsula Corridor Joint Powers Board for the Palo Alto Shuttle Project ..... 6

6. Finance Committee recommendation for Approval of a Resolution Restating the Authority of the Northern California Power Agency to Execute Power Transactions on Behalf of Palo Alto ..... 6

7. Public Hearing - The City Council will consider a request by Gene Golobic of Kier & Wright on behalf of James Baer of the Campus for Jewish Life to subdivide a 12.162-acre parcel with an existing 5-story building into two parcels for property located at 901 San Antonio Avenue Parcel one will be 4 acres, on which the existing building will remain, and parcel two will be 8.162 acres. (*Item continued from February 10, 2003*) ..... 7

8.	<u>Public Hearing</u> : The City Council will consider an application by Rob Wellington Quigley, FAIA, on behalf of the Community Working Group and the Housing Authority of the County of Santa Clara, to allow for a zone change from Service Commercial (CS) to Planned Community (PC) zone for property located at 33-49 Encina Avenue and certification of a Final Environmental Impact Report. The application will allow for the demolition of the three existing buildings, and the construction of a five-story mixed use building, approximately 46,100 square feet in size, consisting of the Opportunity Center to provide drop-in services for homeless individuals and families and 89 units of income-restricted rental housing. ....	14
9.	Ordinance Amending the Budget for Fiscal Year 2002-03 to Provide an Appropriation of \$750,000 From the Residential Housing-In-Lieu Fund for a Loan to the Opportunity Center Project.....	14
9A.	Ordinance Prohibiting New Ground Floor Office at Charleston Center (Portions of the 3900 Block of Middlefield Road) and at Midtown Shopping District (Portions of the 2600, 2700, and 2800 Blocks of Middlefield Road, 700 Blocks of Colorado Avenue, Moreno Avenue, and San Carlos Court) on an Interim Basis Pursuant to Government Code Section 65858 to Take Effect Immediately.....	25
10.	<u>Public Hearing</u> : The Policy and Services Committee recommends to the City Council Request For Proposals to Relocate, Repair and Lease the Former Sea Scout Facility at 2560 Embarcadero Road; to have staff remove the direction that the building also be used for Sea Scouts and other youth activities; and to propose a one-year RFP process with a two-year timeframe to fulfill the requirements to exercise the lease option. ....	27
COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS .....		27
<u>ADJOURNMENT</u> : The meeting adjourned at 10:55 p.m. in honor of the Gunn High School Boys Soccer team and in memory of Jennie Byrd, a native Palo Alto with great knowledge of old Palo Alto families and homes; Julius Shuchat, a music teacher in the Palo Alto School District for 45 years; George Sanborn, a beloved concession vendor and Palo Alto fixture at Little League games; and Jim Culpepper, a writer and an icon in the College Terrace Residents' Association; all long-time Palo Altans who recently passed away. ....		28

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:50 p.m.

PRESENT: Beecham, Burch, Freeman, Kishimoto, Kleinberg, Lytle, Morton, Mossar, Ojakian

SPECIAL ORDERS OF THE DAY

1. Carl Guardino and Roccie Hill of the Housing Trust of Santa Clara County

Roccie Hill said Palo Alto was one of the first cities to come into the Housing Trust of Santa Clara and \$20.3 million dollars was raised in Palo Alto.

Carl Guardino said the money was used to assist families and individuals to purchase affordable homes.

Ms. Hill said monies were invested in housing for low income families in Palo Alto and at the Opportunity Center.

Mr. Guardino asked Council to help advertise the Housing Trust to families and individuals who were interested in becoming first time homebuyers.

Ms. Hill told the Council about a new program launched in November 2002 after the State passed Proposition 46. If the Housing Trust Fund could raise \$2 million, the County would receive \$2 million from the State.

Council Member Morton thanked the Housing Trust for their work. He asked the Housing Trust to contact Project Match because their contribution level had fallen but an effort should be made to save the residences for senior citizens.

Mr. Guardino said the Housing Trust assisted Project Match in the past and they would make an effort to continue that assistance.

Ms. Hill said Project Match put forward an application, which was in process at that time.

Council Member Lytle said the second largest housing program in the State was through redevelopment tax increments. Governor Davis was retargeting those funds. She asked if Housing Trust was in partnership with local organizations to protest the shifting of funds.

Mr. Guardino said he was concerned about that situation, and there were meetings scheduled for April 2003 to meet with State representatives.

**No action required.**

ADJOURNMENT: The meeting adjourned at 7:00 p.m.

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:00 p.m.

PRESENT: Beecham, Burch, Freeman, Kishimoto, Kleinberg, Lytle, Morton, Mossar, Ojakian

ORAL COMMUNICATIONS

Alex Beretta, 3193 Ramona Street, spoke regarding the 1998 Outdoor Smoking ordinance.

Pauline Hayward, 1040 Channing Avenue, spoke regarding Channing Avenue traffic.

Margie Galdes, 1130 Channing Avenue, spoke regarding Channing Avenue traffic.

Nancy Marty, 1041 Channing Avenue, spoke regarding Channing Avenue traffic.

Trish Bubenik, 400 Mitchell Lane, American Red Cross, spoke regarding public contact.

John K. Abraham, 736 Ellsworth Street, spoke regarding noise.

Kathy Durham, 2039 Dartmouth Street, spoke regarding the memorial ride from the January 28, 2003, crash site to Nixon School in honor of Amy Malzbender.

Paul Goldstein, 1024 Emerson Street, spoke regarding the memorial ride in honor of Amy Malzbender. He urged measures for safe routes to school.

SPECIAL ORDERS OF THE DAY

1. Selection of Candidates to the Library Advisory Commission

**MOTION:** Vice Mayor Beecham moved, seconded by Ojakian, to interview all of the applicants.

**MOTION PASSED** 9-0.

## APPROVAL OF MINUTES

Mayor Mossar noted that City Clerk Donna Rogers requested the January 21, 2003, City Council minutes be removed from the agenda.

**MOTION:** Council Member Burch moved, seconded by Ojakian, to approve the minutes of January 6, 2003, as corrected, and January 13, 2003, as submitted.

**MOTION PASSED** 9-0.

## CONSENT CALENDAR

**MOTION:** Council Member Morton moved, seconded by Burch, to approve Consent Calendar Item Nos. 2 – 6.

## LEGISLATIVE

2. Resolution 8275 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Beth O'Connor Upon Her Retirement"

## ADMINISTRATIVE

3. Contract Between the City of Palo Alto and Rosendin Electric, Inc. in the Amount of \$124,485 for the Park Boulevard 60Kv Circuit Breaker Relocation Project - Civil Construction, Structural and Miscellaneous
4. Contract Between the City of Palo Alto and SCS Field Services in the Amount of \$89,124 for Landfill Environmental Monitoring Control Systems Operations and Maintenance Services
5. Contract Extension and Increase in the Expenditure Limit of the Rail Shuttle Bus Service Administration Agreement with the Peninsula Corridor Joint Powers Board for the Palo Alto Shuttle Project

## COUNCIL COMMITTEE RECOMMENDATION

6. Finance Committee recommendation for Approval of a Resolution Restating the Authority of the Northern California Power Agency to Execute Power Transactions on Behalf of Palo Alto as follows:
  - ◆ For energy and capacity transactions undertaken within the month, which shall include hourly, daily and one-month or less term transactions, in accordance with the Northern California Power Agency (NCPA) Pooling Agreement and the NCPA's risk management policies and procedures, NCPA shall have full authority

to execute such transactions on behalf of the City and pass through costs to the City.

- ◆ For energy and capacity transactions greater than one month in term and not exceeding three years, undertaken to achieve the Pooling agreement's objectives and the City's objectives, the City Manager or his/her designee shall be authorized to execute such transactions subject to a transaction dollar limit not to exceed \$20 million per fiscal year. All term transactions with other pool members and external suppliers must adhere to the terms and conditions of the Pooling Agreement and controls established by NCPA's risk management policies and procedures.

Resolution 8276 entitled "Resolution of the Council of the City of Palo Alto Restating the Authority of the Northern California Power Agency to Execute Power Transactions on Behalf of Palo Alto for Both Terms of One Month or Less and Terms of One Month or More Up To and Including Three Years with a \$20 Million Per Fiscal Year Transaction Limit with the Express Approval of Palo Alto"

**MOTION PASSED** 9-0.

#### AGENDA CHANGES, ADDITIONS, AND DELETIONS

**MOTION:** Council Member Ojakian, seconded by Burch to consolidate Item Nos. 8 and 9 to be heard concurrently.

**MOTION PASSED** 9-0.

#### UNFINISHED BUSINESS

7. Public Hearing - The City Council will consider a request by Gene Golobic of Kier & Wright on behalf of James Baer of the Campus for Jewish Life to subdivide a 12.162-acre parcel with an existing 5-story building into two parcels for property located at 901 San Antonio Avenue Parcel one will be 4 acres, on which the existing building will remain, and parcel two will be 8.162 acres. *(Item continued from February 10, 2003)*

*\*This item is quasi-judicial and subject to Council's Disclosure Policy*

Mayor Mossar asked Council whether they wished to disclose outside contacts.

Council Member Ojakian said he met with the applicants at the site several months prior to that evening to discuss potential projects. They did not discuss the subdivision map.

Council Member Burch said he also met with the applicants several months prior to that evenings meeting.

Mayor Mossar said she also met with the applicants several months prior to that evenings meeting.

Council Member Kleinberg said she met with the applicants a year prior to that evenings meeting.

Council Member Freeman said she met with the applicants a year prior to that evenings meeting.

Mayor Mossar reminded Council and the public of the formalities to follow because the matter was quasi-judicial.

Chief Planning Official Lisa Grote reviewed the project description contained in staff report (CMR:152:03). She said ordinarily parcel maps of less than two lots would go to the Director of Planning and Community Environment but because the site was over five acres, it required Council approval. The land use designation for the site was light industrial, as designated in the Comprehensive Plan (Comp Plan), and the zoning was General Manufacturing (GM). In the GM there were no minimum size requirements, lot coverage, setbacks, or dimensional requirements. There were floor area ratio (FAR) requirements and it had a maximum of .5 FAR on the site. There was an existing 258,000-square-foot building and, in order to ensure that additional development did not occur until either the building was demolished or rezoning application was approved, there would be a covenant and access agreement that precluded additional development. The subdivision action would not diminish or decrease the Council's ability to look at future applications on the site or to condition those applications. Staff recommended approval of the application.

Planning and Transportation Commissioner Phyllis Cassel said the Planning and Transportation Commission (P&TC) recommended approval of the item.

Mayor Mossar declared the Public Hearing open at 7:34 p.m.

Sandy Sloan, 1100 Alma Street, Suite 210, Menlo Park represented the applicants. Ms. Sloan gave a brief overview of the project. The Jewish Community Center (JCC), which was now the Center for Jewish Life (CJL), felt fortunate to purchase the site, but they had to purchase the entire site in order to be the successful buyer. They needed only eight acres and did not have the necessary finances to purchase 12 acres. They were fortunate to find BUILD Housing, a branch of BRIDGE Housing that was interested in constructing housing on the site. Build lent CJL money that was equal to the

purchase price of four acres and they agreed to subdivide as soon as possible so they could proceed with their separate financing.

Betsy Allyn, 4186 Willmar Drive, said the impact of the two lots must be considered in context with what was already planned for the Charleston Arastradero corridor. Residents of the East Meadow Drive and Louis Road neighborhoods would be severely impacted by more traffic. The area was heavily traveled at that time with vehicles traveling to and from Highway 280, Stanford, Foothill and Sand Hill Road Industrial Park, and students traveling to and from area schools. The area needed a Comp Plan to encompass all concerns. She agreed with Mr. Emslie that the City needed to review and analyze the potential impacts of future area projects.

Mayor Mossar declared the Public Hearing closed at 8:38 p.m.

Council Member Lytle asked the attorneys about the California Environmental Quality Act (CEQA) term called "piecemealing." She asked how the City was making the environmental determination that was made in the P&TC staff report. She was aware of the need to expedite the matter for financial reasons. She had seen the need arise in past projects but had not seen a city make a determination without facing the "piecemealing" issue.

Senior Assistant City Attorney Wynne Furth agreed with Council Member Lytle on the importance of the CEQA issue. Staff had information from both projects as to the general nature of their plans, but it was too soon to do any type of comprehensive analysis because there was not enough information available at that time. Ordinarily, staff would not be able to recommend approval of a parcel map because it was not possible to know exactly where the lot lines should be and determine access to the property. Those were the reasons for the series of conditions of approval on the parcel map, which reserved the City's power to make those decisions later. By doing so, staff believed the Council could say with confidence that step did not have environmental impacts and a comprehensive study could be done at the earliest feasible and practical time.

Council Member Lytle asked whether the City had done that in the past or whether Ms. Furth had seen it done in the past.

Ms. Furth replied she could not comment on the City's history. She had seen instances where a property owner needed to make a change in the record of ownership of property for financial reasons. If the City was supportive of a program to assist property owners in doing so, it could insist on retaining its full capacity to do a CEQA review. The City could do the necessary regulatory work based on the CEQA review or it's own policy determinations.

Council Member Morton asked Ms. Furth whether it made any difference if Council deleted the word 'may' in the last sentence of Attachment A, number 2, and added 'at its sole discretion'.

Ms. Furth replied there was no legal reason the words could not be changed.

**MOTION:** Council Member Morton moved, seconded by Burch, to approve the staff and Planning and Transportation Commission recommendation approving the Tentative Map, subject to the Conditions of Approval in (Attachment A) of CMR:152:03, with changes to Attachment A, 1st page, No. 2, last sentence, to delete the word 'may' and add the language, "at its sole discretion."

Council Member Morton said he was sympathetic with Ms. Allyn's comments regarding the traffic changes in South Palo Alto but those changes were for the betterment of the entire community. The CJL had played an important part in the life of the City with the reopening of Terman. The new project would bring housing by an organization committed to housing for persons with different economic levels.

Council Member Burch said he believed it was an important project for South Palo Alto. The entire Charleston Avenue corridor should be viewed when considering new projects and not to view it in part. He supported the project.

City Attorney Ariel Calonne clarified the question and answer exchange between Council Member Lytle and Ms. Furth. Piecemealing referred to taking a project that as a whole would have an impact on the environment and attempt to break it into smaller pieces. The law stated they were exempt from environmental review unless there were unusual circumstances that would cause concern. Ms. Furth's statement was twofold: 1) the City did not have sufficient plans to allow a minimal environmental review at that time; and 2) the conditions that were added to the approvals prevented those unusual circumstances from arising by the City retaining all the power it had at that time to make changes for environmental protection.

Council Member Freeman said she understood the urgency to accomplish the subdivision so each party could obtain their separate funding. She was concerned that the responsibility of the management of the arrangement had been transferred to the City rather than being placed on the developers. She tried to understand how that worked and how the City could be sure the two parties would work together for a unified solution. She asked what would happen if one of the parties dropped out.

Ms. Furth replied if one of the owners dropped out, the new owner would still be bound by the terms of the document.

Director of Planning and Community Environment Steve Emslie said staff felt confident about the conditions negotiated by the City Attorney's Office and their recommendation to Council. The fate of both properties was tied and recorded on those properties and would be transferable to future owners and heirs.

Council Member Kishimoto asked whether the City required 20 percent Below Market Rate (BMR) for lots over five acres as stated in the new housing element. She asked whether that applied to the BMR provision.

Mr. Emslie replied the BMR provision for the five acres was contained in the Comp Plan, and the recently amended Housing Element. The BMR program did not establish conditions on which five-acre parcels were created. The City would need an enabling ordinance if it applied the 20percent requirement, which would specify the five-acre parcels were created after a certain date. Establishing a grandfathering date for the creation of parcels would be necessary in order to apply that policy, which would have to be an amendment to the ordinance. Absent that, the recommendation from staff was that the 15 percent requirement would apply.

Council Member Kishimoto said she understood that for parcels under four acres the BMR requirement was 15percent and for eight acres, the requirement was 20 percent.

Mr. Emslie replied that was correct.

Ms. Furth said that needed further clarification. After the Sun Microsystems building was demolished and the environmental review was completed, the question still remained regarding the appropriate lot split and what sort of lot split the owners were legally entitled to. The BMR requirement would be addressed at that time. The covenants were made so the BMR decision could be determined at a later time. The Council's decision that evening would not alter their authority.

Council Member Kishimoto asked whether that meant the City could change the splits at a later date.

Ms. Furth replied the City had the authority to revisit that issue at a later date.

Mr. Calonne said the City would retain authority to require adjustment of the outlines. Mr. Emslie had stated there was nothing in the Comp Plan that

gave the City authority to refuse the subdivision because the smaller parcel would not be subject to the higher BMR requirement. That was a good reason to implement ordinances on the Comp Plan.

Council Member Kishimoto said her second question picked up on the concern Council Member Freeman started to raise. The P&TC noted the next step would be prescreening, and they would ask Council to give feedback on some policy issues for a Master Plan framework. She asked whether meant Council would require a Master Plan for the entire parcel.

Mr. Emslie replied staff recommended a Master Plan for the entire parcel as a unit, and the City Attorney would discuss the conditions. The prescreening was intended to be the high-level land use review that enabled staff to provide a policy framework to guide the eventual development of more specific plans. Staff would work with the applicants to prepare a policy analysis based on land use policies bring it back to Council at a later date.

Council Member Kishimoto asked whether there was language in the conditions that stated the Master Plan was required or was that an option.

Ms. Furth replied staff was not certain of the best way to do a Master Plan under the City's ordinances so staff retained all power for Council. It was not listed as a specific requirement because staff was not certain of the best framework to use. That language could be added later, however, it was not needed in order to retain power to do so. It was only a prescreening issue and staff would seek Council's direction on that matter at a later time.

Mr. Calonne said the last sentence of condition 2 stated they did not have to be developed at the same time, but with Council Member Morton's addition, the City could compel coordination.

Mr. Furth said the developments had to be planned in order to have a coordinated development, whether or not they pulled building permits for their respective projects at the same time.

Council Member Beecham said the discussion confirmed the fact that an applicant could continue their process to develop an application they would bring before Council. At the same time, the City reserved the right to review the application when it came forward in the same way it would be reviewed if Council were not doing the subdivision that evening.

Council Member Lytle was concerned about Council setting lot configurations and parcel sizes and eliminating some circulation options before they saw the Master Plan. She believed Council would not have the ability to revoke the approval.

Mr. Calonne read the conditions for clarification. "The City may at its sole discretion require coordination and development of access parking, open space, utilities and similar amenities on the two parcels. The City retains the authority to require adjustment of the lot line between the two newly created parcels as appropriate for future redevelopment of either."

Mayor Mossar asked for the appropriate time to discuss circulation and setting easements for internal circulation, particularly for bicycles and pedestrians. She was told that evening was not the time because the appropriate time would be when Council discussed the specific projects. Her understanding was it was premature to be concerned because the agreement protected the City's ability to do those things at a later date.

Council Member Lytle said her discomfort arose from the fact that she had not seen that process and the methods used at that time to do a lot division in advance of the remainder of the project review.

Mr. Calonne reinforced his earlier comment about the City retaining its power to make future adjustments. That power went so far as to rezone those parcels for different uses. There were no vested rights being conveyed by the Council's actions and their full range of power would remain intact.

Council Member Kleinberg complimented the parties for their creativity in finding a solution to an enormous financial problem. The community should be proud Council was making sure there would be a community center and more housing in South Palo Alto. There would be a Master Plan to deal with the impacts of the aggregate. Council and staff would take Ms. Allyn's comments into consideration.

**MOTION PASSED 9-0.**

#### PUBLIC HEARINGS

Items 8 and 9 to be heard concurrently.

8. Public Hearing: The City Council will consider an application by Rob Wellington Quigley, FAIA, on behalf of the Community Working Group and the Housing Authority of the County of Santa Clara, to allow for a zone change from Service Commercial (CS) to Planned Community (PC) zone for property located at 33-49 Encina Avenue and certification of a Final Environmental Impact Report. The application will allow for the demolition of the three existing buildings, and the construction of a five-story mixed use building, approximately 46,100 square feet in size, consisting of the Opportunity Center to provide

drop-in services for homeless individuals and families and 89 units of income-restricted rental housing.

9. Ordinance Amending the Budget for Fiscal Year 2002-03 to Provide an Appropriation of \$750,000 From the Residential Housing-In-Lieu Fund for a Loan to the Opportunity Center Project

Council Member Morton stated he would not participate in the item due to a conflict of interest because he was the auditor and accountant for the Community Working Group.

Council Member Lytle disclosed her employment as Community Relations Manager for the San Jose Redevelopment Agency, which might in the future require her to explain a position that could indirectly affect the possible funding sources for the project. The City Attorney had advised her there was no conflict of interest and no incompatibility of office created by her participation.

Council Member Ojakian disclosed he had consulted with the City Attorney whether he could participate in the matter because of his wife's employment with Palo Alto Medical Foundation.

Director of Planning and Community Environment Steve Emslie introduced staff who had worked on the project. He reviewed the funding process and said the project was intended to serve persons at all income levels. The State budget committed money to housing and there was a reasonable expectation that State funding would be present to apply to the project. It was important for the Council to take steps that evening to ensure moving on to the next phase.

Assistant Planning Official John Lusardi said the project had been in process for a long time. The design elements contained a common open space of approximately 3,000 square feet for service by all individuals using the Center. The Center would contain a courtyard that incorporated two of the significant oak trees on the site and preservation of trees around the site. The architects and the Architectural Review Board (ARB) had worked hard to maintain a residential character to the building although it was five stories high. There was a significant sustainability design element contained in the project. The recommendation from P&TC was for Council to certify the final Environmental Impact Review (EIR), approve the project, and the Budget Amendment Ordinance (BAO).

Planning and Transportation Commissioner Phyllis Cassel said the P&TC recommended that the Council certify the final EIR for the Opportunity

Center, the housing project, and approve the PC ordinance and related documents that would allow the project to proceed.

Architectural Review Board Member Judith Wasserman said the ARB unanimously voted in support of the project because it would be a great benefit to the community. There was a portion of the EIR that addressed the visual impact of the project, which had already been mitigated. The project was an improvement over what presently occupied the site. The massing was a good transition from the large mass of the Palo Alto Medical Foundation (PAMF) building that sat behind the project. The project would be a good addition to the area and had some exceptional sustainability aspects. She urged Council to support the project.

Mr. Emslie said there had been concerns about a security plan mentioned by the PAMF. An agreement had been implemented on that date which established ground rules for operations. There were several references in the agreement that applied to the City, and it was staff's recommendation the City incorporate those references into the security plan that would eventually be approved by staff.

Mayor Mossar asked whether Council had copies of the security plan.

Mr. Emslie replied it was a private agreement and the City was not a party to the agreement.

Ms. Furth clarified because it was a private agreement, the project proponents and PAMF prepared it. She understood they would ask the City's assistance in some aspects of their program. There was a provision in the Planned Community (PC) ordinance, which required the applicants to prepare a security plan for submittal to the City to the satisfaction of the Director of Planning and Community Environment and the Police Department. She interpreted Mr. Emslie's comments as saying when he and the Police Department reviewed the plan they would be informed of the wishes of neighboring institutions as to what they would do. The City was enthusiastic about their cooperative efforts.

Mayor Mossar asked where the document was located in the PC ordinance.

Ms. Furth replied it was Attachment D of the staff report (CMR:157:03). Special conditions of the project were for 24-hour on-site staffing and the applicant must submit a building plan to the satisfaction of the Police Chief and the Director of Planning and Community Environment before the building permit was issued.

Mayor Mossar declared the Public Hearing open at 8:28 p.m.

Don Barr, Applicant, represented the Community Working Group (CWG). He said the project would provide comprehensive services to the homeless to help them move into permanent affordable housing. The services would build on what Urban Ministries of Palo Alto (UMPA) had been doing for many years. The partnership between UMPA and InnVision was very good and the Opportunity Center would provide quality services. InnVision would provide services because they had contracted with the CWG. The CWG was committed to making the project a success and had the ultimate accountability to the community as to the status of those services. Housing would be managed through an organization affiliated with the Housing Authority. He acknowledged the widespread support the project had received from the community and urged Council to approve the project.

Rob Quigley, Project Architect, said it was unusual for City officials to address difficult issues, such as homelessness and transitional housing, in such a direct and creative way. He reviewed the scope and scale of the project, compared it with neighboring structures, and explained the building would be complementary to adjacent structures. Heritage trees and sustainability would be an integral part of the plan. He did a slide presentation showing the building from several angles.

Council Member Freeman said the design was stunning and congratulated Mr. Quigley for the design. One thing that caught her attention was the upper deck for children. She asked what safety measures would be provided for the children on the upper deck.

Mr. Quigley said if time permitted, he would have gone into more detail on the facilities for children. There was also a ground level courtyard on the west side of the building for children. The upper deck was a shaded area and would have a higher guardrail and struts placed closer together than normal. He would work with an artist who would provide iron railing and did not believe there was cause for concern for children falling from the upper deck. His concern was for toys children would possibly be playing with, dropping them, and having them roll into the street. That possibly was being monitored, and he had designed the possibility of using fine netting to cover the deck. His concern was for danger from the children and not to the children.

Bunny Good, P.O. Box 824, Menlo Park, said the problems that caused homelessness were the issues that must be addressed and she was opposed to the Opportunity Center.

Marie Christine Kloeti, Alma Street urged the Council to support the Opportunity Center and make sure it would be a cheerful and comfortable place for the homeless.

Mayor Mossar noted she would not accept any additional speaker cards after 9 p.m.

Candace Capogrossi, Deputy Executive Director of the Housing Authority, 2259 Booksin Avenue, San Jose, was in charge of housing programs including the Section 8 program, and represented the Santa Clara County Collaborative on Housing and Homeless Issues. She thanked the Council for their support and for the Opportunity Center. In the past, existing programs and facilities did not meet the needs of the homeless and at-risk populations. She commended CWG and the City for not ignoring the problem but for formulating an excellent solution to address the issue.

Gerry Sarnat, P.O. Box 702, said he strongly supported the Opportunity Center and encouraged Council to keep their commitment of support for the Opportunity Center. During the previous year InnVision was selected to manage the Opportunity Center and to use the limited community resources and serve those without homes.

Mark Sabin, representing the Palo Alto Chamber of Commerce said the Chamber had followed CWG in their efforts to build a mixed-use facility to address the needs of the homeless. That community effort was currently before the Council for the Opportunity Center. The CWG had demonstrated a sincere desire to work with the community. The Chamber urged the Council to encourage all parties to continue working towards completing a plan that would address and mitigate the security parking and other issues the program would create.

Hana Pederson, 241 Churchill, expressed her support for the Opportunity Center.

Diane Rolfe, 1360 Emerson Street, urged Council to support the Opportunity Center.

Chris Lundin, 2756 Ross Road, urged Council to support the Opportunity Center.

Darin Lounds, 795 Willow Rd., Menlo Park, said the Santa Clara County Collaborative on Homeless and Housing Issues supported the Opportunity Center. The Opportunity Center was especially meaningful to their strategic plan because it provided essential supportive services and affordable housing. CWG had been proactive to resolve community issues and concerns connected with the project. It would provide a gateway for those trying to rebuild their lives. He urged Council to support the project.

Jeff Rensch, 741 Chimalus Drive, supported the Opportunity Center and said former Council Members had also been supportive. When the project was first started the Council allocated funds, which indicated to the community that the Council would continue its support of the project by approval at that evening's meeting.

John K. Abraham, 736 Ellsworth Place, said he did not oppose the Opportunity Center but he did have some suggestions because of some problem wording, in particular Attachment E, condition 10, page 6 of the staff report (CMR:157:03). The sentence read, "Prior to occupancy, the results of an outdoor noise audit of the completed project shall be submitted to the Planning Division for its review and approval. The Planning Division may require additional sound attenuation measures if it determines the noise levels are inconsistent with the Comp Plan standards." The statement was inconsistent with the rest of the staff report. His alternative statement was, "Prior to occupancy, the results of an independent study of the completed project shall be submitted to the Planning Division to determine compliance with the Comp Plan and noise ordinance. The Planning Division shall require additional sound attenuation measures if the independent study determines the noise levels are inconsistent with the Comp Plan or Palo Alto noise ordinance standards."

Reverend Kemp Segerhammar, 1165 Harber Avenue, commended the Council on Alma Place, Page Mill Court, and the Opportunity Center. He urged the Council to approve the project.

Dr. David Druker, 795 El Camino Real, said the PAMF supported the combined low-income housing and Opportunity Center project. PAMF met with the representatives from CWG, County Housing Authority, and InnVision. The intent of the PAMF and the project was to maintain a healing environment, which was important for health care for PAMF patients. The PAMF provided health care for over 50 percent of the population of Palo Alto and made a commitment to provide on-site medical for Opportunity Center clients.

Timothy Tosta, Steefel, Levitt & Weiss, One Embarcadero Center, San Francisco, spoke from the standpoint of an interested observer about the competency and the methodology by which the two institutions addressed one another. He commended the two entities for their collaborative efforts.

Margaret Irwin, 3182 Stelling Drive, recounted the steps taken to bring the project to that point. She urged the Council to approve the project so it would qualify for the various funding sources.

Faith Bell, 536 Emerson Street, congratulated the Council for their foresight in addressing the homeless problem. She said many Downtown businesses supported the project.

Shiloh Ballard, Housing Action Coalition, spoke on behalf of the Silicon Valley Manufacturing Group, and she also staffed the Housing Action Coalition. She supported the project and urged Council to approve it.

Sally Probst, representing the League of Women Voters, 735 Coastland Drive, urged the Council to go forward with the project. She said the League commended the Council and staff for working cooperatively with all parties involved in the project. The League believed various levels of housing affordability should be maintained in the community, and the League supported the project.

Christine Burroughs, CEO of InnVision, 600 Homer Avenue, said the combination of transitional and affordable housing and comprehensive support services was the key to breaking the cycle of homelessness. InnVision was proud to be part of that partnership and committed to the success of the Opportunity Center. She commended the City for all the work it had done to bring the project to that point.

Eve Agiewich, Chair of Human Relations Commission, 3427 Janice Way, urged the Council to approve the project.

William Reller, 39 Crescent Drive, urged the Council to approve the project. He clarified the wording used by other persons should indicate the Opportunity Center would serve persons with low or very low income. The Urban Ministry served persons with no income.

Norman Carroll, University and Emerson, said the Opportunity Center would primarily be a preventative measure for persons who recently became homeless. The longer persons stayed homeless, the longer it took them to regain control of their lives.

Sheri Furman, 3094 Greer Road, urged the Council to support the Opportunity Center.

Margaret Okuzumi, 749 Winstead Terrace, Sunnyvale, said the Opportunity Center would provide needed services for the homeless of Palo Alto.

Patricia Saffir, 2719 Bryant Street, supported the Opportunity Center and was pleased to see a Comp Plan soon to be available to serve the homeless.

Mayor Mossar declared the Public Hearing closed at 9:40 p.m.

RECESS: 9:40 p.m. to 9:45 p.m.

Council Member Ojakian asked who could be housed at the Opportunity Center.

Mr. Emslie replied the project was for the lowest income level up to 35 percent of the County median. The funding for the programs available at the State and Federal level depended on having a specific project in order to qualify. The City needed to take that initial step to have a viable project that competed for the subsidies. CWG had stated they were committed to securing the funding that would apply to the most indigent in the community.

**MOTION:** Council Member Ojakian moved, seconded by Beecham, to approve the staff and Planning and Transportation Commission recommendation to:

1. Certify the Final Environmental Impact Report (FEIR) pursuant to the California Environmental Quality Act for the Opportunity Center and Housing Project by adopting the resolution set forth in Attachment C of CMR: 157:03; and
2. Approve the project by introducing the zone change ordinance set forth in Attachment D and the resolution approving architectural review set forth in Attachment E.

Resolution 8277 entitled "Resolution of the Council of the City of Palo Alto Certifying the Adequacy of the Final Environmental Impact Report and Making Other Findings for the Opportunity Center and Housing Project (33, 39 & 45/49 Encina Avenue) Pursuant to the California Environmental Quality Act"

Resolution 8278 entitled "Resolution of the Council of the City of Palo Alto Approving Architectural Review (02-ARB-133) for the Opportunity Center at 33-49 Encina Avenue (Community Working Group and Housing Authority of the County of Santa Clara, Owners)"

Ordinance 1<sup>st</sup> Reading entitled "Ordinance of the Council of the City of Palo Alto Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Change the Classification of Property Known as 33-49 Encina Avenue From CS Commercial Service To PC Planned Community4790.

1. Adopt the Budget Amendment Ordinance to appropriate \$750,000 in Residential Housing In-Lieu Funds for the

Opportunity Center project to be provided in the form of a loan for housing construction expenses;

2. Direct the City Attorney to prepare necessary loan documents before transfer of any funds; and
3. Authorize the City Manager to prepare and execute documents approved by the City Attorney that are required to demonstrate the City's commitment of funding for the Opportunity Center project necessary for the developers' application for State funding.

Ordinance 4780 entitled "Ordinance of the Council of the City of Palo Alto Amending the Budget for Fiscal Year 2002-03 to Provide an Appropriation of \$750,000 From the Residential Housing-In-Lieu Fund for a Loan to the Opportunity Center project necessary for the developers' application for State funding

Council Member Ojakian said he agreed with the comments made by many of the speakers. He was proud of two projects the Council approved during his tenure, namely, Alma Place and Page Mill Court. There was a lot of opposition to both of those projects; however, they came to fruition because good people worked together in a cooperative manner. He said Council needed to approve the project because of the situations involved in the funding, which was always tenuous. There was money available under Proposition 46 and Section 8 funds.

Vice Mayor Beecham agreed that was one of the most satisfying actions Council could take. He compared it to Page Mill Court, which was a wonderful asset for the community and rare for the Bay Area. The Opportunity Center would help take care of persons who could no longer care for themselves. It was encouraging to see many members of various organizations express their support for the project. He foresaw minimal problems associated with the Center, although people were skeptical about it creating some problems. There had been proactive work done to make sure there would be no concern about persons from the Opportunity Center creating problems for neighboring establishments. He would like to add if his colleagues were comfortable with it, that it be clear in the legislative record that the Council follow up on what Ms. Furth said that the security plan to be submitted by the applicant would reflect what was in the agreement between the CWG and PAMF. He saw the Center as a gift to the City because there would be housing for 88 of the City's most needy people. The funds were coming from the State and Federal governments with a portion from the City and private benefactors. He expressed gratitude to persons directly responsible for bringing the project into existence.

Mayor Mossar asked Ms. Furth to confirm statements made by Vice Mayor Beecham and whether that was what she had stated earlier in the evening.

Ms. Furth replied City staff expected to work with the applicant and neighbors to make sure the security agreement addressed their concerns, even though it was a private agreement. The City would not just adopt agreements private parties make, but where the City had an appropriate role, it would fill it. The best way to find out was to listen to the people who negotiated with each other to establish what they care about.

Mayor Mossar said she wanted to make sure Vice Mayor Beecham was not changing the motion in his comments.

Vice Mayor Beecham said that was why he attempted to indicate legislative intent as opposed to changing the motion.

Mayor Mossar said the full Council made legislative intent.

Vice Mayor Beecham replied that was why he had said if my colleagues are comfortable with it.

Council Member Ojakian said legislative intent was covered in the ordinance where it discussed the security plan. It allowed latitude for the Director of Planning and Community Environment to develop the plan under the assumption that he would take community input into consideration when he was helping to meet that requirement.

Mayor Mossar said the maker of the motion was content to rely on the language in the document before them. If the Vice Mayor were also content to do that with his personal clarification, Council would proceed.

Vice Mayor Beecham said that was correct.

Council Member Freeman said that evening's participation was the most moving she had witnessed since she had been on the Council. She thanked everyone involved with the project for his or her perseverance and humane concern and for working cooperatively with the City. She understood the security plan was covered in the document; however, she also wanted City staff to understand her perspective that she definitely wanted Town & Country, Palo Alto Unified School District, and other neighboring businesses to be involved in creating the security agreement. She had heard there was a signed agreement by PAMF and the Opportunity Center group. She wanted to make sure it was clear that other people needed to be involved in preparing and administering the security agreement. The project should provide the security, or the combination of neighbors in the project should provide the security, and not expect Palo Alto Police Department (PAPD) to

do so. The City's fiscal situation would prevent PAPD from taking on a large part of that responsibility but they would be available for emergencies. She wanted to see that as part of the agreement between the Opportunity Center and neighboring entities rather than depend on City services. She was thrilled to hear that at the appropriate time Federal funding for housing those with zero, not low or very low, but with zero income would be sought. She asked if that was correct.

Mr. Emslie replied that was correct.

Council Member Freeman said that solved the issue described earlier by the Urban Ministry representatives. She would follow in the footsteps of Vice Mayor Beecham and Council Members Ojakian and fully support the Opportunity Center. She appreciated the work done to get the project going.

Council Member Lytle said the project had a long history, and she recalled the beginning of the project beyond what was mentioned that evening. The project still had to meet normal findings, which were placed on all housing developments. She distinguished that project from others by stating how it met the necessary legislative findings that must be made that evening. The first had to do with public benefit and the project was a high density upzoning, one of the highest seen in Palo Alto and even beyond some of the threshold envisioned when the Comp Plan limits were set for transit-oriented developments. The project met all of the intent of the Comp Plan because the project was affordable to the most needy in the community. It was designed with transit-oriented parking standards and would not rely on vehicle use but instead took advantage of its location next to the Transit Center, which reduced the parking requirement. There were no statements of overriding considerations in the EIR; all of the impacts of the projects were well mitigated. The designer emphasized the use of heritage trees on the property and included the trees in his design. The project did not create a physical impact on surrounding properties. It was an easy project for Council to move ahead on at that evening's meeting and she supported the motion.

Council Member Kleinberg said the project was a public/private partnership through blended funds and similar to the Alma Place Single Room Occupancy (SRO) project, which had been very successful. The community and boards and commissions were supportive of the project. That support indicated how much the community wanted the project. Concerns had been handled in a positive way as the project had evolved. Everyone had worked together cooperatively and were striving for a safe, socially beneficial project. She was especially happy to vote for the humane treatment of those who were in need of the services to be provided by the Opportunity Center. It was her

hope the clients of the Opportunity Center would receive the same City services and considerations as other community organizations. She supported the motion.

Council Member Kishimoto said she had heard about the project for many years and it was a tribute to the entire community that it was finally coming into being. She saw it as a model project in many ways because it was a great design to address the best of the environment and meeting the complex demands put on the project from all parties. She was hopeful it would change the way people viewed homelessness in Palo Alto. She was in support of the project. She asked whether the official policy would be to give preferential treatment to the local population in terms of housing.

Mr. Emslie replied the ordinance did not include a policy to give preference to local residents.

Council Member Kishimoto asked whether that would be a good idea.

Ms. Furth replied the whole issue of the legality of local preferences in housing and services was a very complicated regulatory issue. There was a Constitutional right to travel, which generally limited the City's ability to say who was favored where. There was an elaborate body of law developed by the federal funding agencies, and she believed the City should rely on the applicants working with their funders to do what they believed was appropriate.

Mr. Emslie said the CWG informed him they would implement a policy, not at the City's request but at their own initiation, to recruit local residents the first two weeks followed by a period of open recruitment.

Council Member Kishimoto asked whether CWG had working numbers for the annual operating costs.

Mr. Barr asked whether that meant operating costs for the service center or the housing component.

Council Member Kishimoto replied it could be both.

Mr. Barr said he would need to defer to Ms. Burroughs who had the services plan and Matt Steinley and his staff who could respond to the detailed budget.

Mayor Mossar clarified the public hearing was closed and typically the time to question the public was during public comment. However, if the Council

agreed to reopen the public hearing, that could be done or staff could be queried.

Council Member Kishimoto replied there would possibly be another opportunity to discuss that issue.

Council Member Burch said he would vote in favor of the motion. He said one speaker proudly referred to himself as 'unhoused', which was true because the person was a resident of the City and the project would help all 'unhoused' persons feel they were a part of the City. There was an implication that residents had to protect themselves against the unhoused. It was true there was crime in the City but not necessarily perpetrated by the unhoused. Discussions about security should mean security of all residents of the City.

Council Member Freeman asked whether staff would review the comments made by Mr. Abraham about noise. She believed the project would automatically comply with the Comp Plan and noise regulations.

Council Member Ojakian said the discussion reinforced the findings for the PC zone change. It was compatible with the Comp Plan and one of the priorities Council had set for itself.

Mayor Mossar said she would support the motion.

**MOTION PASSED** 8-0, Morton "not participating."

#### ORDINANCES AND RESOLUTIONS

- 9A. Ordinance Prohibiting New Ground Floor Office at Charleston Center (Portions of the 3900 Block of Middlefield Road) and at Midtown Shopping District (Portions of the 2600, 2700, and 2800 Blocks of Middlefield Road, 700 Blocks of Colorado Avenue, Moreno Avenue, and San Carlos Court) on an Interim Basis Pursuant to Government Code Section 65858 to Take Effect Immediately

Chief Planning Official Lisa Grote said the interim ordinance for the Midtown Shopping District and Charleston Center would ensure no gap occurred between the sunset of the current interim ordinance and the making permanent of the those two existing ordinances. The interim ordinance would not allow new office spaces in those two areas and it would be in effect until April 14, 2003. Staff would return to Council on April 14, 2003, with the first reading of the permanent ordinances and the interim ordinance would need to be extended at that time to May 28, 2003, which would

enable the permanent ordinance to undergo a second reading and a 30-day period before it became effective. Staff recommended approval.

Annette Ashton, Chair of the Midtown Residents Association, 2747 Bryant Street, said there were letters included in that evening's packet in support of the ordinance. The interim ordinance was needed to protect the current ground floor retail in Midtown and Charleston. The current interim ordinance would expire on March 2, 2003. She asked for approval of staff's recommendation.

Ron Wolf, 745 San Carlos Court, asked for Council's approval of the interim ordinance to continue protection for ground floor retail. It was important for the neighborhood and it would prevent disruption for business owners.

Bob Moss, 4010 Orme Street, said the neighborhood was overdue for that type of ordinance but the interim would bridge the gap. The vacancy rate for office space in Palo Alto at that time was 28 percent, more than 1.66 million square feet, which meant there was plenty of office space available but if less expensive retail space could be found, business owners could possibly lease the spaces in Midtown or Charleston Center. He urged Council's approval of the interim ordinance.

**MOTION:** Council Member Kleinberg moved, seconded by Freeman, to adopt the interim ordinance prohibiting new ground floor office uses in the Charleston Center and Midtown Shopping District effective immediately.

Ordinance 4781 entitled "Ordinance of the Council of the City of Palo Alto Prohibiting New Ground Floor Office at Charleston Center (Portions of the 3900 Block of Middlefield Road) and at Midtown Shopping District (Portions of the 2600, 2700, and 2800 Blocks of Middlefield Road, 700 Blocks of Colorado Avenue, Moreno Avenue, and San Carlos Court) on an Interim Basis Pursuant to Government Code Section 65858 to Take Effect Immediately"

Council Member Kleinberg said the issue was addressed in the past and Council Members had spoken in favor of why it was important to protect ground floor retail. The interim ordinance would protect both Midtown and Charleston centers from new ground floor office use. The interim ordinance would continue to fulfill the City's commitment to promote and protect those uses and services that enhanced City neighborhoods and help reduce cross-town traffic by encouraging nearby services. It would be good to make it a permanent ordinance that evening, but it was necessary to have a public hearing. She looked forward to the future vote, which would make the ordinance permanent. It would be a mistake to allow first floor retail to convert to office in Midtown and Charleston. She suggested residents shop

locally to support local retailers and that Council pass a business license and registry to track businesses.

Council Member Freeman said she had seen the Midtown Center transform into a delightful location for shopping and social gatherings. It was a thriving center and she was excited to help it continue to thrive. It was located in an area where residents could easily walk to for goods and services. She hoped the entire Council would support the approval of the ordinance.

Council Member Lytle agreed with the maker and the seconder. She also emphasized that Council should move ahead on the business licensing milestone objective, which was set the previous year. The ordinance should be made permanent at the proper time.

**MOTION PASSED** 8-0, Morton absent.

#### REPORTS OF COMMITTEES AND COMMISSIONS

10. Public Hearing: The Policy and Services Committee recommends to the City Council Request For Proposals to Relocate, Repair and Lease the Former Sea Scout Facility at 2560 Embarcadero Road; to have staff remove the direction that the building also be used for Sea Scouts and other youth activities; and to propose a one-year RFP process with a two-year timeframe to fulfill the requirements to exercise the lease option. *(Item to be continued to March 17, 2003)*

**MOTION:** Council Member Kleinberg moved, seconded by Beecham, to continue the item at the request of staff to the regular City Council meeting of March 17, 2003.

**MOTION PASSED** 8-0 Morton absent.

#### COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Council Member Ojakian noted he read that day at Ohlone School to a kindergarten/first grade class for "Reading Across America." He requested the meeting be adjourned in memory of Jennie Sonnichsen Byrd, Julius Scuchat, Jim Culpepper, and George Sanborn.

Council Member Freeman requested the meeting be dedicated to the Gunn High School Boys Soccer team.

Council Member Burch also read at Walter Hays School that day for "Reading Across America."

Council Member Kleinberg also read at a first grade class at Duvenek School that day for "Reading Across America."

Mayor Mossar reported there would be a referral to the Policy and Services Committee for the tracking of assignments and motions. She noted that she, Council Member Burch, and Vice Mayor Beecham had asked staff where the City was financially. She read information from the report entitled "City of Palo Alto 2003-05 Budget Framework." She also noted the City provided more services than other communities.

Vice Mayor Beecham noted that in five years Council had authorized 82 positions.

ADJOURNMENT: The meeting adjourned at 10:55 p.m. in honor of the Gunn High School Boys Soccer team and in memory of Jennie Byrd, a native Palo Alto with great knowledge of old Palo Alto families and homes; Julius Shuchat, a music teacher in the Palo Alto School District for 45 years; George Sanborn, a beloved concession vendor and Palo Alto fixture at Little League games; and Jim Culpepper, a writer and an icon in the College Terrace Residents' Association; all long-time Palo Altans who recently passed away.

ATTEST:

APPROVED:

---

City Clerk

---

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.