

**City of Palo Alto**  
**State of the City Address**  
**VICTOR OJAKIAN**  
**April 3, 2002**

**Introduction**

In the City Council Chamber hallway is a display on sustainability, a concept supported by many of my colleagues, particularly Council members Burch, Kleinberg, and several others. Please take a minute to review this display. On one of the posters you will notice the ancient Greek new citizen's oath:

"We will leave this city not less but greater, and more beautiful than it was left to us."

This statement had particular meaning to me as I recent read a brief article about Janet Gray Hayes, who was the first woman elected as Mayor of a major America city, San Jose. After winning a particularly rancorous election, in which she was damned by a newspaper and not supported by the unions and others, she tried to sort out her feelings about personal slight and how to serve. The advice received and eventually governed her actions by was "..... just focus on getting the job done." To "leave her city not less but greater" she had to address many of the challenges we are addressing today. These issues included major infrastructure projects, traffic safety, taxation, environmental protection, land-use policies and government oversight and communications. She also cared about family needs, particularly childcare. It was the early 1970's.

Today, 25 years later, like Mayor Hayes' San Jose, Palo Alto is focusing on many of these same issues. Our discussion is centered on what we've called the City Council Top "5" Priorities. Tonight, I want to highlight our priorities and some of the other topics we share in common with San Jose circa 1970s. I want to talk about:

- City Council Top "5" Priorities:
  - Alternative Transportation and Traffic Calming
  - CityWorks/Infrastructure
  - Long-Term Finances
  - Affordable Housing
  - Land Use.
- Family needs
- City government communications

Lets look a little closer at each of these topics.

**Alternative Transportation and Traffic Calming**

Palo Alto has experienced significant growth in car trips, which has caused residents concerns about congestion, safety, air quality, and peace and quiet. One of Janet Hayes'

initial political actions was about traffic safety, supporting a stoplight for a dangerous intersection near her neighborhood grade school. I certainly understand her concern about traffic safety and school commuting. Safety is a personal issue for me, since parents have called me about their children being hit by a car, especially while biking, which I experienced with two of my children. We cannot ignore our traffic issues. They are not going away.

Over the past few years we've responded to this situation in several ways. We added or instituted programs and staff including: 7 motorcycle police officers (1998 – 1999), a traffic calming policy and program, a traffic safety awareness program (Share Our Streets), City/School Commute Safety Program, and shuttle bus service.

These programs have helped, but traffic problems still persist. We need to constantly find ways to reduce car trips and improve safety. So, what else can we do?

- Find new funds to meet the current traffic calming program demand
- Initiate the Way2Go Program, a program to reduce car trips. See our webpage for more information.
- Expand local shuttle service through cooperative efforts with other local providers, hopefully Stanford.
- Complete a Bicycle Master Plan
- Complete Phase 2 of the City/School Commute Safety program and set school commute corridor safety criteria.
- Improved rail service, particularly by supporting the Dumbarton Rail and an improved Intermodal Center at the current University Train station.

Finally, Palo Alto, Menlo Park and East Palo Alto have preliminarily discussed a transit summit. We hope these discussions will produce some solutions and a prototype for more expanded discussions with adjacent cities.

### **Infrastructure**

Palo Alto has a wealth of facilities and capital fixtures, many of which are showing signs of wear- and- tear. We have to fix our assets to keep their value, assure safety, and assure quality of life standards. One of Mayor Hayes' major infrastructure projects was to improve a water –treatment plant, just like Palo Alto wants to improve its Regional Water Quality Treatment plant, a facility which services us and many of our surrounding cities.

In the mid-1990s the City Council took action to change past policies of ignoring a comprehensive infrastructure repair program. A reserve was created and policies were enacted to create a program and have on-going repairs conducted. These mid-1990's City Council policies have led to the City Manager's Cityworks Program, a \$100M/10 year fixer-upper program, similar to the PAUSD Building For Excellence Program. We want to fix what we have with existing funds.

The key is we need to keep our promise and fix what we have. The public needs to help decide what, if any, new facilities they want and how to fund them. We will continue to

seek some outside government and private funding to offset any local funds, but we, Palo Altans (City Council, interest groups, and all residents) need to make some tough choices on any new facilities we desire. By July, the City Council needs to decide if there will be a bond measure and for what. In the meantime, we want to thank those who have anticipated our actions and formed a Citizens' Committee headed by former Mayors Wheeler and Fazzino.

### **Finances**

Palo Alto has lived the financial good life with astute financial planning by my predecessors who created a diversified revenue base, including a diversified sales tax base. As Jane Grey Hayes speaks proudly of the high bond rating she achieved, so should Palo Altans feel a similar pride in our high bond rating. Correspondingly, funds have been used for a rich array of services.

Yet, Palo Alto is not recession resistant and during the current economic down cycle we experienced a significant drop in some revenues (\$9M to date). What have we done to counteract this shortfall? We made one time cuts and froze staff hiring to reduce the budget by \$8M, through a City Manager devised program, "Strengthening the Bottom Line". We have enacted development fees to defray cost to repair certain infrastructure.

What makes this situation difficult is government is not like private industry. Unlike private industry where product and service reductions necessitate cuts, especially personnel cuts, city government services don't subside and in some ways even increase during a down cycle. If our recent agendas are any indication we are not doing less, but more work!

Managing our taxpayer's money wisely is a must. A deepening recession could mean more drastic cuts and/or make further revenue sources necessary. Besides monitoring our revenues closely, we need to vigorously protect our State of California funding, particularly the Vehicle License Fee (VLF). Our Auditor's Department is having reviews conducted to make sure Palo Alto receives correct taxes and fees. One factor we cannot overlook is a key revenue and product and service provider, our small businesses. We need to support our Economic Development function (headed by Susan Arpan) and work with our Chamber of Commerce.

Realistically, there are no panaceas (no silver bullet) and this City Council may have to make some very difficult decisions.

### **Affordable Housing**

There is a growing demand for affordable housing fueled by the high housing costs and desire for community diversity, not just honoring State compliance requirements.

Palo Alto is fortunate to have a lead advocate, the Palo Alto Housing Corporation, and 1300 existing units. I live near one of our affordable housing complexes, Webster Woods. Palo Alto has a housing fee dedicated for housing projects. We have protected the

affordable housing status on the Sheridan Apartments and Palo Alto Garden Apartments. We have a Below Market Rate (BMR) program to assure housing projects have affordable rental units and provide some housing units. We used housing funds to make a \$500K contribution to the Housing Trust Fund last year.

We plan to do more. Foremost, this City Council has confirmed the desire have affordable housing. The City Council is looking at expanding the percentage of BMR units required by projects. We will continue to defend our rent stabilization ordinance, which requires tenants receive one-year leases, from being overruling by the courts. We can review and promote several projects to add to our affordable housing stock, like: the Opportunity Center, a SOFA I project (Oak Court), a new project using Housing Trust funds, and encourage housing with the Santa Clara County mental health facility near Sheridan. We may have some opportunities at the Mayfield site. We can continue to seek outside funding to assure projects are funded.

### **Land Use Planning**

Palo Altans carefully scrutinize development projects and building proposals with a concern about quality of life issues. Several significant projects loom on the horizon, including Alma Plaza, SOFA II, and Hyatt Rickey's

We tightened the rules around hours of building, adding second stories and dramatically changing the character of single story neighborhoods. A prior City Council action showed support for retaining ground floor retail.

While updating the Zoning Ordinance and the Housing Element, sensitivity to quality of life, traffic congestion, affordable housing and scalability must be first and foremost. We need to measure and evaluate projects on the value they provide the community, while being sensitive to surrounding neighborhood impacts. Again, some will look for simple answers and there are none. We try to provide a very open process. Tomorrow night's information session on the Hyatt Rickey's is one example of what we can do.

### **Family Activities**

A common fact is that our population with families has grown by 25% in the 1990s. We need to align our facilities and programs to accommodate this population. I partly ran for City Council as an outgrowth of having four children and being involved in their activities, like Mayor Hayes, who also had four children, and a concern about family needs, like childcare.

In the past we have added program for children's recreation. We used our Community Services Department to provide kids' programs. We expanded how the city could assist families when we created a Family Resource Center and we added school off day programs for students on days when their parents are working. Last year we made a significant policy to fund future teen programs with revenue from leasing a new rental space being built with the new garage at Lytton.

Hopefully we can do more. I would like two actions in particular to bear results. One is completing a Youth Master Plan to help guide youth and teen involvement. The other action is to increase playfield space. The Community Services Department action to form a citizen's committee to determine options is a good start. Additionally, I have reviewed plans with Community Services and am particularly interested in adding playfield space through partnerships, especially with Stanford. My hope is to add more playfield space without requiring significant City funds.

### **Communications**

Many Palo Altans are constantly asking for more information and the ability to give input. I am increasingly interested in making sure we hear from everyone. It is important we try reaching a majority of our residents and business owners

In the past we've tried doing this through a series of actions and efforts. We used our website, produced City Pages, provided an ombudsman (Victoria Bosch), and ask for communications through a public relations department (Mary Hanna and PA Moore). Our City manager and staff have shown a willingness to meet with organizations and neighborhood associations. Frank and I have given talks to the Chamber of Commerce, Stanford Cabinet, PTA Council and others. (We like to talk!) We are even providing a weekly survey question on our city website.

Again, can we do more? We are going to try. We will initiate the Mobile Mayor this weekend and hold some Meet the Mayor discussions during the year. This Saturday, April 6, I'll be at two locations, Charleston Plaza from 10 to noon and Town and Country Village from 1 to 3. I want to thank staff for planning this event and praise several Council members who have talked about doing a similar activity, especially Council member Hillary Freeman. I can always be reached at email or call 329-2384.

### **Conclusion**

Tonight I have tried to reinforce many of the programs and plans this City Council has considered important. I've talked about our top "5" priorities, family needs, and government communications. Like San Jose circa 1970, many city activities and issues are the same and endure through time. The solutions are not easy and persistence is necessary. If we work together I believe we can "leave this city not less but greater, and more beautiful than it was left to us."

I obviously identify with Janet Gray Hayes since we in many ways share similar circumstances and challenges, though in many ways are different. As a parting comment and a personal note, I periodically remind myself of her favorite quote while she was Mayor: "As I have said many times, being mayor ..... was a pleasure most of the time, a royal pain part of the time, but an honor all of the time."

I want to thank all of you for attending and listening. We have a very busy year and I hope you all wish us success. Now, I hope everyone will join me and my colleagues in the lobby for a reception.