



CITY OF PALO ALTO CITY COUNCIL MINUTES

Special Meeting
June 17, 2013

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:06 P.M.

Present: Berman, Burt, Holman, Klein, Kniss, Price, Scharff, Schmid, Shepherd

Absent:

CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL - GOVERNMENT CODE SECTION 54956.9(b), (c)
Potential Litigation: Construction of the Mitchell Park Library and Community Center.
2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS, CALIFORNIA GOVERNMENT CODE SECTION 54956.8
Property: U.S. Post Office, 380 Hamilton Avenue, Palo Alto 94301
Agency Negotiators: James Keene, Lalo Perez, Aaron Aknin, Hamid Ghaemmaghami, Joe Saccio, Curtis Williams, Cara Silver, Meg Monroe, Molly Stump
Negotiating Parties: City of Palo Alto and United States Post Office
Under Negotiation: Purchase: Price and Terms of Payment.

Council returned from the Closed Session, and Mayor Scharff announced no reportable action.

SPECIAL ORDER OF THE DAY

3. Resolution 9343 entitled "Resolution of the Council of the City of Palo Alto Expressing Appreciation to Curtis Williams Upon his Retirement."

Council Member Burt read the Resolution into the record.

Curtis Williams was honored to have worked for the City of Palo Alto. Working for the City of Palo Alto was exciting, challenging and fast paced.

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The Planning and Community Environment Department Staff was a great group of employees who worked tirelessly for the City.

Fred Balin appreciated the engagement process and monthly newsletter initiated by Mr. Williams. Mr. Williams' nature set a bar for communication, engagement and work ethic.

Winter Dellenbach stated Mr. Williams was unfailingly kind to people. His ability to explain complex land uses, policies and procedures was phenomenal. The City was fortunate to have had him for an employee.

Art Liberman indicated Mr. Williams assisted residents while balancing a myriad of projects. Mr. Williams left an example for his colleagues to follow.

Robert Moss noted Mr. Williams handled many projects while maintaining his poise. Mr. Williams' positions were well thought out and not arbitrary.

Council Member Holman wished Mr. Williams well in his retirement, but was sad to see him leave the City's employment. Mr. Williams initiated the projects list because of his interest in public service.

Council Member Price thanked Mr. Williams for his service to the City. His intelligence, insightful and creative planning and patience were appreciated.

Vice Mayor Shepherd appreciated Mr. Williams work, explanations and patience regarding the Housing Element and other projects.

Council Member Schmid enjoyed working and talking with Mr. Williams about planning issues. Mr. Williams' expertise and thoughtfulness would be missed.

Council Member Berman felt the public's praise for Mr. Williams spoke volumes for his abilities.

Council Member Klein concurred with all prior comments. Mr. Williams' encyclopedic knowledge of planning and ability to write reports in plain English were tremendous assets to the community.

Council Member Burt thanked Mr. Williams for his service to the City.

Council Member Kniss valued Mr. Williams' expertise.

Mayor Scharff enjoyed working with Mr. Williams because he did a fantastic job.

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James Keene, City Manager, noted that Mr. Williams was firm but fair, was funny, understood the politics and community dynamics of Palo Alto, had a great sense of humor, and was always positive. Mr. Williams exemplified the highest standards of public service.

Council Member Holman appreciated Mr. Williams' humor and creativity with respect to Halloween decorations, costumes and themes.

MOTION: Council Member Holman moved, seconded by Council Member Price to approve the Resolution expressing appreciation to Curtis Williams upon his retirement.

MOTION PASSED: 9-0

CITY MANAGER COMMENTS

James Keene, City Manager, announced the Board of Directors of the Friends of the Junior Museum and Zoo were discussing a significant matching gift program to rebuild the Palo Alto Junior Museum and Zoo. Members of the Teen Arts Council recorded more than 2,000 volunteer hours the previous year and more than 10,000 community service hours over the previous four years. Post cards regarding the cross-bore program and the water quality report were being mailed to residents and businesses. A groundbreaking event for the Main Library Expansion and Renovation Project was scheduled for 2:00 P.M. on June 25, 2013. The City sold the second series of the General Obligation Bonds for the library project the prior week resulting in approximately \$20.7 million.

ORAL COMMUNICATIONS

Jeffrey Bedolla requested support to continue the Pace Car Program, a civic booster program to encourage safety.

Heidi Emberling, Palo Alto Unified School District (PAUSD) Board Member, presented PAUSD's statement of support for residents of Buena Vista Mobile Home Park. Relocating these families would undermine PAUSD's economic and ethnic diversity.

Stephanie Munoz felt it was okay for the City to sell zoning if the City outlined the consequences beforehand. If the City had discussed the Maybell Avenue project prior to making a commitment, perhaps a philanthropist could have donated the senior center project to the City.

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CONSENT CALENDAR

MOTION: Council Member Berman moved, seconded by Council Member Price to continue Agenda Item Number 9, "Award of Contract to EFACEC, ACS, Inc. for Electric SCADA System in an amount not to Exceed \$280,000" to a date uncertain per Staff recommendation.

MOTION PASSED: 8-1 Holman absent

MOTION: Council Member Klein moved, seconded by Council Member Price to approve Agenda Item Numbers 4-8, and 10-23.

4. Approval of Memorandum of Understanding for the Formalizing of the Santa Clara County Recycling and Waste Reduction Technical Advisory Committee.
5. Approval to Acquire a Tractor Drawn Aerial Ladder Truck for the Palo Alto Fire Department Through a Cooperative Purchase with the San Jose Fire Department in an amount not to exceed \$1,200,000.
6. Approval and Authorization of the City Manager to Execute the Amendment to the Special Facilities Agreement with VMware in the Amount of \$691,002 to Add Additional New Special Facilities.
7. Approval of Office of Emergency Services Command, Control, Communications, Computers and Information (C4I) Critical Emergency Response Contract.
8. Approval of a Contract with Spencon Construction, Inc. in the Amount of \$709,803 for the School Route Sidewalk Replacement Project – Capital Improvement Program, Sidewalk Repair Project PO-89003.
9. Award of Contract to EFACEC, ACS, Inc. for Electric SCADA System in an Amount not to Exceed \$280,000.
10. Finance Committee Recommendation to Adopt Resolutions 9344, 9345, and 9346 entitled "Approving Three Power Purchase Agreements for the Acquisition of Project Output over 30 Years from Three Solar Photovoltaic Facilities for a Total Not to Exceed Amount of \$350 Million."
11. Approval of a Contract with Don Tucker & Son for Payment of \$2.50 or \$3.00 Per Cubic Yard to the City of Palo Alto for the Supply and Stockpiling of Imported Soil for Future Use on the Palo Alto Municipal Golf Course Renovation Project and the San Francisquito Creek Joint Powers Authority's Flood Reduction Project.

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12. Approval of a Contract with Graham Contractors, Inc. in the Amount of \$975,699, for the FY 2014 Street Preventive Maintenance Program, the 1st of 2 Contracts in the FY 2014 Street Maintenance Program Project (CIP PE-86070).
13. Approval of a Contract Amendment to the Utilities Enterprise Fund Contract with Asplundh Tree Expert Company in an Amount Not To Exceed \$1,062,000 for a Period of One Year.
14. Staff and the Parks and Recreation Commission Recommend that Council Approve the Revised Field and Tennis Court Use Policy.
15. Approval of a Wastewater Treatment Fund Contract with Clean Harbors Environmental Services in a Total Amount Not to Exceed \$186,982.53 for the First Contract Year to Transport and Dispose of Ash and Sludge for the Regional Water Quality Control Plant with the Option to Renew for Two Additional One-Year Periods.
16. Resolution 9347 entitled "Resolution of the Council of the City of Palo Alto Authorizing Use of a Design-Build Project Delivery Method for Design and Installation of Replacement Lighting Dimming System at Cubberley Community Theatre (Project CC-09001)."
17. Approval of Two Contracts: (a) a Five-Year Contract with Gachina Landscape Management in the Amount of \$4,795,978 for Landscape Maintenance Services, and (b) a Contract with Acterra, Inc. in the Amount of \$188,516 for Habitat Restoration Work at Foothills Park; Adoption of a Budget Amendment Ordinance 5197 entitled "for \$226,823.95 for the Annual Incremental Cost Increase From Prior Contract Costs."
18. Approval of a Construction Contract to AmOne Corp in the Amount not to Exceed \$331,200 to Provide Renovation to the Parks and Trees Work Shop Area.
19. Submittal of Mitchell Park Library and Community Center Bi-Monthly Construction Contract Report.
20. Ordinance 5198 entitled "Ordinance of the Council of the City of Palo Alto Approving the Rezoning of a 1.57-acre Site from Community Commercial With a Landscape Combining District (CC(L) to Public Facility with a Site and Design Combining District (PF(D)) Zone, for the Project located at 50 El Camino Real (First Reading-June 3, 2013 PASSED: 9-0)."
21. Approval of a Contract with JJR Construction, Inc. in the Amount Not to Exceed \$1,286,641 for the FY 2013 Concrete Repair Project, the 6th of 6 Contracts in the 2013 Street Maintenance Program Project (CIP PE-86070).

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22. Approval of a Contract with Marsha Jurasin and Associates for Space Planning Services and Furniture for the 1st Floor of the Development Center and the City Manager's Office at a Cost Not to Exceed \$190,000.
23. Request for Authorization to Increase Existing Contract with the Law Firm of Rankin Landsness Lahde Serverian & Stock by an Additional \$80,000 For a Total Contract Not to Exceed Amount of \$165,000 for Legal Services Related to Tort Litigation Matters.

MOTION PASSED FOR AGENDA ITEM NUMBERS 4-8, 10-23: 9-0

ACTION ITEMS

- 23A. Continued Public Hearing (PUBLIC COMMENT WAS CLOSED ON JUNE 10 AND WILL BE REOPENED TO DISCUSS NARROW ISSUE OF PROPOSED COMPROMISE BETWEEN NEIGHBORHOOD REPRESENTATIVES AND APPLICANT, IF ANY): Consideration of 567-595 Maybell Avenue Planned Community(PC), including: (1) Approval of a Mitigated Negative Declaration; (2) Adoption of a Planned Community Ordinance Amending the Zoning Map to Change the Zone Designations from R-2 and RM-15 to Allow a 15 Unit Single Family and 60 Unit Affordable Rental Development for Seniors, including Two Concessions under State Density Bonus Law (Building Height and Daylight Plane); and (3) Approval of a Resolution 9348 entitled "Resolution of the Council of the City of Palo Alto Amending the Comprehensive Plan Designation for a Portion of the Site to Single Family Residential (from Multifamily Residential), for the Project Located at 567-595 Maybell Avenue. *Quasi-Judicial (continued from June 13, 2013)."

Mayor Scharff noted reports from the meeting held over the weekend were part of the public record.

The Public Hearing reopened at 8:30 P.M.

Warren Kirsch felt the recent meeting was productive. Building affordable housing was complicated, expensive and competitive. The project was driven by Palo Alto Housing Corporation's (PAHC) need to apply for tax credits prior to a July 2013 deadline. The group offered alternatives for consideration.

Steven Rosenberg believed the community felt the project was the worst alternative. The neighborhood was willing to accept 60 units of affordable

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housing. He urged the Council to be sensitive to the needs of the neighborhood.

Ree Dufresne now understood the need for 60 units of affordable housing. The Council should think carefully about the precedent set by this public-private partnership. The community was not sure that the project was the best alternative for the site.

Michael Lowy believed approval of the project as presented would encourage other developers to request and expect changes in zoning. The Council should form a task force to compile and review suggestions for the project. The neighborhood offered a compromise of four single-family homes located on Maybell Avenue, four single-family homes located on Clemo Avenue and 60 units of affordable housing.

Art Liberman noted the City provided no guidance to PAHC in developing the proposed public-private partnership to construct affordable housing. PAHC should not have sold the property to one large-scale developer. The process should have been transparent. Financing the project could be achieved with construction of fewer single family homes.

Elaine Heal agreed with forming a task force to continue review of the project. Market rate housing was necessary to help fund the project. The market rate housing should be more compatible with the neighborhood. PAHC did not consider multiple alternatives with respect to the market rate housing. She requested the Council delay voting until PAHC or a task force could explore alternatives for market rate housing.

Jennifer Fryhling stated the neighbors wanted affordable housing under the existing zoning. Neighbors proposed a compromise; PAHC offered no compromise. She was disappointed that PAHC consulted only large-scale developers and did not provide a comprehensive traffic analysis. She urged the council to vote against rezoning the property.

Candace Gonzalez, Executive Director of Palo Alto Housing Corporation, listened to the community and designed the site while considering neighbors' concerns. PAHC's goal was to create a viable project that could sustain itself for at least 55 years.

Joseph Martignetti, Jr., Board Member of Palo Alto Housing Corporation, reiterated concepts of financing, the City's contribution and existing zoning. Neighbors were primarily concerned with the character of lots and future homes along Maybell and Clemo Avenues. PAHC agreed to reduce the number of lots along Maybell Avenue and Clemo Avenue, to construct only

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two-story homes along Maybell Avenue and to maintain automobile access via the rear of the project. Constructing the project under existing zoning would have more impacts than changing the zoning.

Jean McCown, Board Member of Palo Alto Housing Corporation, stated PAHC supported a number of changes to address the neighbors' concerns. Neighbors would not compromise on the number of lots. She requested the Council approve the project as amended.

Soroor Elonesajjad asked the Council to postpone its decision, because all funding possibilities had not been fully investigated.

John Barton encouraged the Council to accept the compromise solution and to vote on the project at the current time.

Ella Herbert requested the Council approve the senior housing project.

Doris Dahlgren stated the community needed more affordable housing.

Elisa Randolph, speaking on behalf of a group, requested the neighbors embrace diversity through the affordable housing project.

Alla Viksne shared her family's experience living in PAHC apartments.

Newton Bose suggested parking changes would resolve traffic issues during school hours.

Don Anderson, as a neighbor and member of the neighborhood, supported the modified project and urged the Council to approve it.

Mary Ann Welton supported the project, because the site had adjacent density, nearby transit, adjacent park and emergency services.

Ruth Lowy felt the neighborhood compromised by accepting the 60 units of affordable housing. PAHC should have begun outreach much earlier. The number of single family homes should be reduced.

John Speagle felt PAHC properties allowed seniors to live in dignity and to live close to their extended families.

Robert Moss requested the Council not act on the project, because the Council did not have all the facts.

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Lydia Kou stated there was no opposition to senior housing. The City should address infrastructure issues before considering rezoning requests.

Eddie Keating questioned the amount of increased costs that would be caused by delaying the project. The proposal as amended was acceptable.

Diane Lee asked why the project did not have to follow planning policies.

AJ Lumsdaine, speaking on behalf of a group, stated the neighborhood representatives represented themselves and not the neighbors as a group. None of the attendees or Staff performed a comprehensive traffic study, and a study was needed.

Salit Gazit related her experience biking to work along Maybell Avenue.

Ray Bacchetti believed PAHC made concessions. Low-income housing was a vital need for the community.

Stephanie Munoz felt rezoning in exchange for public benefits was appropriate when the public was aware of the exchange.

Michael Francois stated senior citizens should be considered first for low-income housing.

J West hoped the rental rates would not be more than 30 percent of income for the seniors.

The Public Hearing closed at 9:15 P.M.

MOTION: Council Member Kniss moved, seconded by Council Member Price to:

- 1) Approve a Mitigated Negative Declaration (Attachment B) amended June 4, 2013;
- 2) Adopt a Planned Community Ordinance Amending the Zoning Map to Change the Zone Designations from R-2 and RM-15 to Allow a 12 Unit Single Family and 60 Unit Affordable Rental Development for Seniors (Attachment A), including Two Concessions under State Density Bonus Law (Building height and Daylight Plane); and
- 3) Approve a Resolution Amending the Comprehensive Plan Designation for a Portion of the Site to Single Family Residential (from Multifamily Residential), for the Project Located at 567-595 Maybell Avenue

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(Attachment C). Furthermore, to reduce the number of homes on Maybell from 9 to 6 and homes on both Maybell and Clemo would change from 3 stories to 2 stories.

- 4) Improve the street facing elevations of all single family units by varying setbacks of units along Maybell and Clemo; to strengthen and refine the design features, roof lines and landscaping of all housing units on the entire site; to provide shuttle services for senior housing residents;
- 5) To require the applicant to have an accelerated payment schedule of \$200,000 for Maybell Avenue improvements to ensure expediting of these improvements prior to the issuance of grading permits and building permits.
- 6) In the hazardous materials section of the Mitigated Negative Declaration change "no impact" to "less than significant impact" in H(a) (b) (c) and add a mitigation measure of "sweep surrounding streets daily while contaminated soil is hauled offsite."

Mayor Scharff believed the existing zoning would create more traffic for the neighborhood. The neighborhood was concerned about traffic and the character of an R-1 neighborhood on both Clemo and Maybell Avenues. Existing zoning for Clemo Avenue was RM-15, a higher density zoning. Eight to ten units for the location was appropriate. Fewer homes could be built on the site under Planned Community (PC) zoning. He proposed amendments to the Motion to provide a single-family character for homes on both Maybell and Clemo Avenues.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to increase the front yard setbacks to a minimum of 20 feet on Maybell Avenue and require an average 10 ft separation between homes. On Maybell Avenue change the number of homes to 7 instead of to 6 and from 6 to 5 on Clemo Avenue.

Council Member Kniss hoped the compromise would allow the development to proceed. She inquired whether the proposed lot width and building heights for homes located on Maybell Avenue would be similar to the homes located across Maybell Avenue.

Aaron Aknin, Acting Director of Planning and Community Environment, answered yes. The predominant neighborhood pattern was lot widths of approximately 50 feet.

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Council Member Kniss asked if the proposed Motion would provide more compatibility with existing homes.

Mr. Aknin felt the requirement to have 10 feet of separation between homes was important, because that element provided the single-family streetscape.

Council Member Kniss noted the varying setbacks contained in the Motion, because most single-family neighborhoods in Palo Alto had varying setbacks.

Council Member Price agreed the purpose of varying setbacks was to improve the design and feel of the homes facing the street. The space between units was also important. She asked how the varying setbacks stated in the Motion would be reconciled with the setback of 20 feet stated in the Mayor's proposed changes.

Mayor Scharff indicated the setbacks would be a minimum of 20 feet. He reported the height limit under R-1 zoning was 30 feet. The applicant proposed homes reaching a height of 32 1/2 feet. The homes were shrouded by a tree canopy and set back further because of the trees along Clemo Avenue.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to allow the Applicant to go to a height of 32 1/2 feet to accommodate three stories on Clemo Avenue.

Council Member Kniss felt the trees were tall enough to allow a building height of 32 1/2 feet.

Mr. Aknin agreed the trees would screen the height of the homes.

Council Member Kniss would not support a building height of 32 1/2 feet if the trees were not present.

Mayor Scharff noted none of the oak trees along Clemo Avenue would be removed.

Mr. Aknin agreed.

Council Member Price indicated the height would provide additional square footage for the homes and flexibility in developing the homes along Clemo Avenue.

Mayor Scharff reported if PAHC did not receive the tax credits in July 2013, it would reapply in March 2014; however, the chances of PAHC receiving the

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tax credits in March 2014 were much smaller. If PAHC did not receive the credits in March 2014, then the property and project would be a concern.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER that the PC zone shall be approved as an overlay to the existing zoning. The property owner has the option of either developing under the PC development standards or the underlying zoning standards. If the property owner elects to proceed with the senior housing project, the PC zoning regulations shall supersede the underlying zoning.

Council Member Kniss requested Staff address the underlying zoning and how it would affect a project at the site.

Mr. Aknin explained that a small portion of R-2 zoning was located parallel to Maybell Avenue. Most likely a developer would perform a lot line adjustment on the R-2 side of the site to achieve a lot depth of 100 feet. The site could generally support four 75x100 foot lots across Maybell Avenue, with two units constructed on each lot, for a total of eight units. That configuration would reduce the overall size of the RM-15 zone behind the R-2 zone; however, approximately 26 units could be constructed in the RM-15 zone and up to 35 units with a density bonus.

Council Member Kniss asked if the maximum number of units for the site could be 45.

Mr. Aknin replied yes.

Council Member Holman requested Staff explain how one zone could underlie another zone. An overlay was an allowed use, not a zone.

Cara Silver, Senior Assistant City Attorney, reported the PC zone was a unique element of the Zoning Code. Treating a PC zone as an overlay was typical. Palo Alto's Pedestrian and Transit-Oriented Development (PTOD) overlay was similar. PC zoning could be viewed as a use, and as an element of the Zoning Code that could supersede underlying zoning.

Council Member Holman did not see the purpose in delaying a decision that would support the community's goals for the site. Achieving diversity in design did not require individual purchasers for each parcel. The current design of the houses was common and should be differentiated and compatible with the neighborhood. She inquired whether a request to down-zone a property was legal while an application was pending.

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Ms. Silver indicated a second request for rezoning would be appropriate if the Council did not approve the pending application.

Council Member Holman inquired whether the project could be successful with a reduced number of homes.

Ms. Gonzalez expected a funding gap to result from fewer houses; however, PAHC hoped to find other sources to fund the gap.

Council Member Holman felt the sharing of services between the PAHC properties would reduce the number of car trips.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to share maintenance and landscaping staff, service coordinators, between Maybell Orchard and APAC (Arastradero Park Apartment Complex). Coordinate and share usage of van for residents of Maybell and APAC.

Council Member Holman inquired whether the reduction to seven units created a parcel width of 48 feet on Maybell Avenue.

Mr. Akin responded yes. Seven lots across Maybell Avenue would result in lot widths of approximately 48 feet.

Council Member Holman inquired whether PAHC intended to share amenities between the two PAHC properties.

Ms. Gonzalez wished to share service coordinators and provide intergenerational activities and share all amenities when possible.

Council Member Holman felt there was no need to include all services in the Motion as they were part of PAHC's intentions. A resolution to satisfy all parties was not possible.

Council Member Schmid wished to place the project in the wider context of City issues. The community needed low-income housing, and the neighborhood was not opposed to the affordable housing element of the project. The transition between the neighborhood and the senior housing was important. He questioned whether in-lieu fees were sufficient to protect neighborhoods from the impact of affordable housing, and whether in-lieu fees for projects located in Downtown should be increased. Traffic was a major issue, and traffic studies did not count bicycles and pedestrians. Staff considered incremental change rather than impacts of traffic. Traffic was an

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indicator of activities in the community. Traffic studies did not measure concrete issues that influenced the neighborhoods.

AMENDMENT: Council Member Schmid moved to change item two to "Adopt a Planned Community Ordinance Amending the Zoning Map to Change the Zone Designations from R-2 and RM-15 to Allow a 10 Unit Single Family and 60 Unit Affordable Rental Development for Seniors (Attachment A), including Two Concessions under State Density Bonus Law (Building height and Daylight Plane)."

AMENDMENT FAILED DUE TO LACK OF A SECOND.

Council Member Schmid requested Staff provide an update of the Palo Alto traffic model and assessments prior to performing another traffic analysis.

Council Member Klein believed the weekend meeting was successful in that it provided a better understanding of the issues and possibilities. He inquired whether excess funds from the sale of the market rate homes would be paid to the State rather than Palo Alto.

Mr. Martignetti, Jr. understood that the City and Santa Clara County loans had preference over State loans and would be paid first from excess funds.

Council Member Klein asked if the City could utilize those funds for another project.

Mr. Martignetti, Jr. responded yes.

Council Member Klein suggested PAHC reconsider the method for selling the market rate houses to obtain the maximum amount of funds. PAHC could have performed more outreach. Some comments from the neighbors were based on emotions rather than facts. More than half of affordable housing was located north of Embarcadero Road. He did not agree with preserving the existing zoning, because the PC zoning afforded more protections to the neighborhood. The main issue seemed to be traffic; however, the proposed project would not increase the traffic problem. This project should not be a proxy for the overall traffic problem in Palo Alto. Another issue was the compatibility of the single family homes, and that was addressed through changes proposed by PAHC and the Council. He would support the Motion.

Council Member Burt believed the community was concerned about the distance and uniformity of setbacks. With uniform setbacks, the proposed housing would look like a wall. Developers would not utilize a setback greater than the minimum required setback.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to change the "minimum of 20 ft setback on Maybell" to "20 ft average setback with a minimum of 18 ft," subject to site and design review by Architectural Review Board.

James Keene, City Manager, reported Staff was agreeable to the language change.

Mayor Scharff inquired whether the Motion should state minimum and maximum setbacks.

Mr. Aknin recommended the Motion state a minimum setback of 18 feet and an average setback of 20 feet.

Council Member Burt supported Mr. Aknin's recommendation. He asked if both the PTC and Architectural Review Board (ARB) reviewed setbacks for projects.

Mr. Aknin noted the PC process was presented to the PTC. The project could be subject to ARB Director approval with appeal to the Council.

Council Member Burt was agreeable to following the standard PC review process.

Council Member Kniss inquired whether the proposed language for setbacks changed the outcome of the design.

Mr. Aknin recommended the language be included in the Motion to provide variation in the setbacks.

Council Member Kniss recalled the changes in the language regarding setbacks, but would accept the proposed change if it was a further improvement.

Council Member Price felt the proposed language was returning to the original setback of 17 feet.

Council Member Burt explained that the setbacks would average 20 feet.

Council Member Price wanted setbacks of 20 feet and more.

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Council Member Burt believed a minimum of 20 was contradictory with the concept of variable setbacks. He was most concerned with having varied setbacks.

Council Member Price disagreed but would accept the proposed language.

Council Member Burt indicated the main problem for the neighbors was traffic on Maybell Avenue, particularly during the school rush hour. Each neighborhood experienced traffic congestion from school attendance. He inquired whether the Planning and Community Environment Department intended to evaluate traffic calming and pedestrian safety on Maybell Avenue.

Mr. Aknin replied yes. Staff had scheduled a community meeting.

Council Member Burt inquired whether it was appropriate to include in the Motion that Staff would prepare a traffic calming and pedestrian safety initiative for Maybell Avenue.

Molly Stump, City Attorney, reported the topic was separate from the agenda item, and suggested Council Member Burt request Staff to return with information.

Council Member Burt wanted to ensure neighbors knew the City was committed to reviewing traffic issues.

Ms. Stump recommended Council Member Burt move or direct Staff through comments after the conclusion of the current item.

Council Member Burt assumed there would be a significant reduction in traffic along Maybell Avenue during the summer months, but was surprised by the large reduction during peak school hours. The neighbors' perception that the traffic increase resulted from the City's actions was not accurate. He hoped the City would collaborate with the Palo Alto Unified School District (PAUSD) in finding ways to alleviate some traffic congestion. He did not recall comments calling for a reduction in the number of homes along Clemo Avenue, and felt the original proposal to reduce the number of homes along Maybell Avenue only was a better approach. He requested the Motion state six units on Maybell Avenue and six units on Clemo Avenue.

Mayor Scharff indicated his initial impression was that neighbors wanted to reduce the number of houses along Maybell Avenue only; however, the Saturday meeting was filled with comments against housing on both Clemo and Maybell Avenues.

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Council Member Burt suggested Staff identify locations for senior housing near amenities and transit and evaluate the possibility of locating affordable housing in the California Avenue area. The current project with changes was more compatible with the neighborhood and offered fewer traffic impacts than a potential project under existing zoning. The PC process worked in this instance to provide a better outcome for neighbors.

Vice Mayor Shepherd noted that the site would revert to market rate homes if the PAHC project was lost. She was satisfied with the removal of driveways from Maybell Avenue. She inquired whether a height limit of 32 1/2 feet would allow a third story for the single family homes.

Mayor Scharff intended to permit three stories for homes along Clemo Avenue.

Vice Mayor Shepherd wanted to review the Arastradero Road project in relation to traffic.

Council Member Berman believed the project was better with the proposed changes, and that the compromise addressed concerns while maintaining a financially viable project. The project's impact on the neighborhood was less than a potential project under existing zoning. He concurred with the suggestion for the City to discuss traffic calming with PAUSD.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to change Number 4 of the Motion to "Improve the street facing elevations of all single family units by varying setbacks and architectural styles of units along Maybell and Clemo; to strengthen and refine the design features, roof lines and landscaping of all housing units on the entire site; to provide shuttle services for senior housing residents"

Council Member Kniss felt a variance of architectural styles was inherent with varying setbacks and blending with the neighborhood.

Council Member Price noted the homes were eclectic in housing styles and lot sizes.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND THE SECONDER to eliminate the two electric vehicle charging stations from the site and with equivalent funding from applicant, direct Staff to work with the community to find a suitable alternative location in the neighborhood.

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Council Member Price did not believe senior affordable housing residents were unlikely to own electric vehicles; however, the charging stations were appropriate as a benefit for the community.

MOTION AS AMENDED PASSED: 9-0

MOTION: Council Member Burt moved, seconded by Council Member Berman to direct Staff to commence a traffic calming and pedestrian safety evaluation for Maybell Avenue that would go to the Planning and Transportation Commission prior to returning to Council for consideration.

Mayor Scharff noted Vice Mayor Shepherd inquired whether the Motion included review of the Arastradero Road project.

Council Member Burt answered no. He wanted to focus on Maybell Avenue to address the neighborhood's concerns.

Council Member Berman concurred.

Council took a five minute break at 10:38 P.M. and returned at 10:43 P.M.

Council Member Klein inquired about the difference between Staff's current traffic project and the Motion's proposed traffic project.

Mr. Akin reported the initial outreach for the Maybell Bicycle Boulevard would be sent to the community. Staff had not scheduled a meeting with the Planning and Transportation Commission, but could do so.

Council Member Klein asked if the Motion would expand the bike study to include other forms of transportation.

Mr. Akin responded yes. Staff would look at other forms of transportation as part of the study.

Council Member Klein inquired whether the Motion would fold the existing program into the Motion's proposed project.

Council Member Burt replied yes. A second purpose of the Motion was to demonstrate the Council's commitment to the community.

MOTION PASSED: 9-0

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MOTION: Council Member Price moved, seconded by Council Member Burt to direct Staff to work with the Palo Alto Unified School District on staggering school start times, expanding the School Pool Program (carpooling) and marketing alternative, safe routes to school throughout the community.

AMENDMENT: Council Member Schmid moved to add the possibility of looking at Ventura as a school site.

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

MOTION PASSED: 9-0

24. (Former Agenda No. 25) Public Hearing: Adoption of a Resolution 9349 entitled "Resolution of the Council of the City of Palo Alto Adopting the 2007-2014 Housing Element of the Comprehensive Plan and Approving a Negative Declaration (Continued from May 20, 2013)."

Tim Wong, Senior Planner, reported the 2007-2014 Housing Element required the City to accommodate 2,860 units. The Planning and Transportation Commission (PTC) and the Regional Housing Mandate Committee approved the Housing Element. Program 2.2.6 was removed from the Housing Element, because the relevant two parcels were contained within the Pedestrian and Transit-Oriented Development (PTOD) overlay. Program 3.5.1 was removed because it was no longer needed. The title of Table 2.58 was revised. The Regional Housing Mandate Committee directed Staff to find an additional 15-30 housing sites, because of the community's interest in rezoning for the Maybell Avenue project. To prepare for the possibility that Program 2.2.8 (the Maybell Avenue project) could be removed from the Housing Element, Staff proposed 17 sites located on San Antonio Avenue to replace the units. Because Program 2.2.8 was not removed from the Housing Element, Staff recommended the 17 sites located on San Antonio Avenue be removed from the proposal. With rezoning of the Maybell Avenue project, the City had a small surplus of housing units. The Council directed Staff to identify sites along California Avenue, El Camino Real and University Avenue. The majority of sites were located within those three corridors. Commercial uses were not rezoned to strictly residential uses. Staff added text to the Housing Element regarding realistic capacity in response to concerns of the California Department of Housing and Community Development's (HCD). Staff designated the Research Office Limited Manufacturing (ROLM) District east of Highway 101 as the area for emergency shelters. Staff defined each housing program with a specific timeframe and a responsible agency. The City's proposed hotel condominiums did not meet the definition of a dwelling unit; therefore, they

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were removed from the Housing Element. Two public interest law firms expressed concerns regarding programs for persons with developmental disabilities and the City's policy for reasonable accommodation. If the Council approved the Housing Element, it would then be submitted to HCD for approval. Staff would begin Code implementation of programs and preparations for the next Housing Element due in December 2014.

Aaron Aknin, Acting Director of Planning and Community Environment, reiterated that Staff's recommendation was for the Maybell Avenue project to be shown at the approved level. HCD expressed reservations regarding the San Antonio Avenue sites, and Staff was concerned that the Housing Element would not be in compliance if the San Antonio Avenue sites remained in the Housing Element.

Cara Silver, Senior Assistant City Attorney, reviewed the legal ramifications of the City not having a compliant Housing Element: lawsuits and sanctions; carryover of unfulfilled Regional Housing Needs Assessment (RHNA) units; ineligibility for certain grants; and loss of incentives to timely certify a Housing Element.

Patricia Saffir, League of Women Voters, approved the programs added to the Housing Element and urged the Council to approve the Housing Element.

Council Member Price asked how Staff would address reasonable accommodations for persons with developmental disabilities.

Mr. Wong indicated Planning Department Staff would work with a non-profit affordable housing developer for at-risk housing. The City had a reasonable accommodation policy; however, Staff needed to apply it on a Citywide basis.

MOTION: Vice Mayor Shepherd moved, seconded by Council Member Kniss to approve a Resolution (Attachment A) adopting the revised Housing Element 2007-14 of the Comprehensive Plan and approving a Negative Declaration with changes recommended by Staff with the San Antonio sites deleted and Maybell added in.

Vice Mayor Shepherd requested the Regional Housing Mandate Committee study the community's outcry regarding housing mandates and recommend outreach to the community regarding zoning.

Council Member Kniss was frustrated by the State's ability to impose a housing mandate on the City. In order to meet future housing

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requirements, the City would need to construct high-rise buildings. The City should have more control over its zoning.

Council Member Holman recalled the City filed an appeal in an attempt to reduce the housing requirement. The next Housing Element would focus on converting existing housing units to affordable housing.

Council Member Schmid noted the next Housing Element cycle would fall under the new forecasts. The Council should review and question those forecasts. The Association of Bay Area Governments' (ABAG) protocol was to place housing in priority development areas; however, 43 percent of the housing units contained in the Housing Element were located south of El Camino Real.

Council Member Klein agreed with Council Member Kniss' comments. The State's housing program was misguided. He would support the Motion only because he did not have an alternative. He inquired whether there was truth to the reports that the Legislature was considering changes to the RHNA program.

Mayor Scharff had heard that, and noted that Assemblyman Gordon and others were working on legislation.

MOTION PASSED: 9-0

25. Recommendation from Finance Committee to Adopt a Resolution Amending the 2013 Management and Professional Compensation Plan and Adopt a Resolution Amending the City of Palo Alto Merit Rules and Regulations.
26. Adoption of a Resolution Implementing Terms for Utilities Managers and Professionals Association of Palo Alto Pursuant to California Government Code Section 350.
27. Adoption of a Resolution Approving Terms for Palo Alto Police Managers' Association.

MOTION: Mayor Scharff moved, seconded by Council Member Berman to move to June 24, 2013 Agenda Item Numbers 25-27.

MOTION PASSED: 8-1 Shepherd no

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COUNCIL MEMBER QUESTIONS, COMMENTS AND ANNOUNCEMENTS

Vice Mayor Shepherd said she went to World Music Day the previous day and it seemed a very successful event.

ADJOURNMENT: The meeting was adjourned in honor of police dog Aris z Kaplickeho hamru at 11:25 p.m.