



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Special Meeting
June 29, 2015

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:05 P.M.

Present: Berman, Burt, Filseth, Holman, Kniss arrived at 6:17 P.M.,
Scharff, Schmid, Wolbach

Absent: DuBois

Special Orders of the Day

1. Recognition of Fire Explorer Madison Valentine and Her Honor of Being Selected the Explorer of the Year by the Santa Clara / San Mateo Region.

Eric Nickel, Fire Chief: Good evening, Mayor Holman and Honorable Members of the Council. My name is Eric Nickel, and I'm your Fire Chief. I'm here to kick off the meeting this evening with some great news and share a City success story with you and all of our community members about our community youth. I want to introduce you to our adult and youth leaders of the Palo Alto Fire Department's Exploring Program and to recognize Madison Valentine as the Pacific Skyline Peninsula Area Explorer of the Year. I'd like to have Madison and Adam join me up here for my comments. First a little bit about our Explorer Post. Our Exploring Program is open to young men and women from the sixth grade to 20 years old who have an interest in learning more about a career in fire fighting and emergency services. We provide a hands-on program that exposes our participants to many career opportunities, experiences, leadership opportunities and community service activities. The primary goals of the program are to help young adults choose a career path within fire and emergency services and to challenge them to become better community citizens. As a Fire Explorer they get first-hand experience about what it's like to be a firefighter, paramedic, EMT in Palo Alto. Nationally, there's over 22,500 Explorer participants and about 1,800 service posts. Some of the opportunities they get. They get to meet Explorers across the United States. They get to network with firefighters and also our cadets. The goal of Exploring is to improve self-confidence, leadership experience. They get fun and exciting hands-on career opportunities and community service

TRANSCRIPT

opportunities. Just an example, in the past year, of what our Explorers have done. All of the community firehouse movie nights they've had a hand in. They participated with the Racing Hearts AED program. If you learned hands only CPR, chances are you were taught by one of our youth Explorers that are all sitting over here. They were part of the 40th anniversary of our EMS Program. They participated with Stanford and Stanford Hospital in a mock EMS drill where they were transported. The payoff for that was they got a tour of the hospital. They participate with Project Safety Net in the Gatekeeper Training Program. If you've been to any community events where there's been a first aid booth, chances are our youth have been staffing that first aid booth. Under the category of only in Palo Alto, we have a couple of Explorers who have developed their own website and smartphone apps to keep track of their meeting schedule and other Explorers. First of its kind. What does that mean to the Fire Department? It's part of our overall recruitment and retention strategy. As I've shared with you before, we're literally trying to grow our own future firefighters, EMTs and paramedics. They're all here from the community. We try to get our hands on them early, and we have a mantra that we're not always hiring, but we're always recruiting. All this would not be possible without the leadership of our Explorer youth leaders currently Firefighter/Paramedic Adam Poarch. I would like to proudly introduce Adam. He will introduce Madison and have a few words about her honor.

Adam Poarch, Firefighter/Paramedic, Explorer Lead Advisor: Thank you, Chief. As the Chief mentioned, I'm the Lead Advisor for the Explorer Program. I've known Madison for the last four years. She's been an Explorer for five years. She's currently our captain. As of this year, it'll be her last year as Fire Explorer. She'll be transitioning into the advisor role next year. She wants to continue staying engaged with the Explorer Program, which we're all very excited about. Madison first got a taste for EMS when she was 12 years old. She was taking care of her brother, and she had recently learned the Heimlich maneuver. When he began to choke, she was there with quick response and dislodged what he had in his throat and saved her brother's life. This is her second time before City Council being recognized for being amazing. Madison really is quite amazing. She sets the bar high for our program. She's put in a lot of hard work and effort. Very proud to watch her grow. I'm excited to see what she does in the future. Give her a round of applause, Madison Valentine, Explorer of the Year.

Madison Valentine: Thank you so much. This has really been an honor. The Explorers has been something that means a lot to me. I'm just so happy to be here. Thank you. Thank you, Adam, for being an amazing instructor.

TRANSCRIPT

Agenda Changes, Additions and Deletions

Mayor Holman: We have none until we get to Consent Calendar.

City Manager Comments

James Keene, City Manager: Thank you, Madam Mayor, Members of the Council. A number of items to report partly because this will be your last meeting before the Council recess. This has to do with Caltrain rail safety update. This evening's Consent Calendar Item Number 16 is a contract extension for our Track Watch Program. I did want to point out some parallel actions related to Caltrain safety that we have been working on. Some of this work will continue to unfold while the Council is on recess. As you know, we've been taking a comprehensive approach to address Caltrain Corridor safety in our community that involves both means restriction, which is limiting access to the tracks, and restructuring Project Safety Net, the community collaborative that was formed in 2009 to focus on suicide prevention and youth well-being. We are actively seeking to limit access to the tracks on an accelerated schedule. I'm pleased to report some positive progress with Caltrain in several ongoing efforts. First of all, related to fence upgrades. Caltrain has indicated that it can proceed with upgrading old, substandard and missing fencing along the east side of the Caltrain Corridor and install 8-foot welded wire mesh fencing with an additional 18 inch anti-climb winglet on the east side of the road. That will be the 2-mile stretch up Corridor extending from Oregon Expressway to San Francisquito Creek to the north, where there is substandard fencing now and some gaps. Caltrain will handle the installation, and the City will be picking up the incremental cost for the winglet extensions making for a higher and more difficult to climb fence and vegetation removal needed for the installation work. We're currently getting the details on a three-cable winglet on the top. Installation along the entire east side of the Corridor includes the southern section of the Caltrain Corridor from Oregon Expressway down to San Antonio which already has the 8-foot fencing, but we're going to put these extension on the top. All of those will cost approximately \$100,000, and vegetation removal is estimated to be \$168,000. Secondly, on the west side of the Corridor since our last walk through with City Staff, Caltrain is currently laying out priority locations for fence installation particularly focusing on areas that don't currently have residential fences. We expect to discuss options with Caltrain in the next few weeks. The timing and sequencing of any vegetation removal work and installation of fencing is very important both to minimize gaps and to complete as much of the work as possible before the middle of August. In order to initiate this work and complete as much as possible this summer, we'll begin community outreach while the Council is out of session. I want to stress that we understand the importance of

TRANSCRIPT

minimizing the vegetation removal, which will ultimately grow back. We're not talking about tree removal, but the weedy shrubs along the existing fencing. Our Staff will be putting together graphics and pictures to show the planned work throughout the Corridor, so that when we meet with the public they're well informed about the changes. Finally, work is also progressing on the automated intrusion detection camera system that we'll be piloting at the Meadow crossing. Our Staff is reviewing the proposed equipment installation and arranging onsite coordination with Caltrain. It is possible installation work could also begin during your recess. In addition to these means restriction measures, work continues on restructuring Project Safety Net. In August, the Council will consider the Policy and Services Committee's recommendations for what is referred to as the collective impact model to ensure sustainable and ongoing success, which would include new recommendations relating to a Project Safety Net Director, Executive Board, enhanced data collection resources and an elevated and engaged role for youth in our community. Caltrans is continuing construction of the Highway 101/San Francisquito Creek Bridge Replacement Project. Staff is aware that the project has caused traffic backups on the freeway and local streets leading to the freeway, and has been in contact with Staff from East Palo Alto and Caltrans on ways to lessen the project impacts. We are talking with East Palo Alto and Caltrans Staff about adjusting the timing of those traffic signals near the Highway 101/University Avenue interchange to improve traffic flow. Our communications folks will continue to post project information to the City's website, cityofpaloalto.org/US101 and to affected neighborhoods via NextDoor and neighborhood association emails that we have. Late last week we did reach an agreement with Caltrans to postpone any work on East Bayshore Road until at least 2016. The original plan was to narrow East Bayshore Road to one lane with two-way traffic controlled by a temporary traffic signal during the summers of 2015 and '17. That work has now been postponed until at least 2016. Caltrans is exploring an improved option whereby the replacement of the bridge could be accomplished in a single summer. Professorville Design Guidelines. The State Office of Historic Preservation has agreed to provide a \$37,000 grant to the City as part of our 2015-2016 Certified Local Government Grant Program. The funds are being made available to prepare architectural design guidelines for the Professorville Historic District and will support Staff's work to bring this long-running project to conclusion. I want to thank all of the folks who submitted applications for appointment to the new Comprehensive Plan Citizens Advisory Committee. The Committee will have 17 voting members and 3 nonvoting members representing the School District, the Planning and Transportation Commission and Stanford University as determined by the Council. We received over 50 applications for the 17 slots that will be appointed by the City Manager. We expect to make our final decision and

TRANSCRIPT

inform applicants this week. It will be very difficult to select just 17 people from the high caliber pool of applicants. We will certainly have a group that represents a broad range of Palo Alto neighborhoods and include people who are informed and interested in this wide breadth of issues. Once established, the first organizing meeting of the new group is scheduled for the evening of July 14 at the Mitchell Park Library. These meetings will be open to the public. We encourage folks who are interested to watch our website for the agenda and other information during the break. The City of Palo Alto's Public Art Program is holding a community outreach meeting to gather input for the upcoming Public Art Master Plan. That will be on Tuesday, July 14th from 10:30 a.m. to 12:30 at the Mitchell Park Community Center in the Matadero Room. The Public Art Master Plan will be a guiding document for the future of public art in Palo Alto over the next five to ten years. Come learn more about the planning process and give your input at this fun and engaging meeting. For additional information, our Public Art Program Staff can be contacted by phone at 650-329-2227. This week the City launches a new home utilities efficiency audit program. The Home Efficiency Genie Program provides homeowners with customized advice and comprehensive in-home assessments for energy and water efficiency improvements. Concurrent with the program released this past Saturday, the City hosted a free Net Zero energy home workshop to educate residents about ways we can green our houses. Approximately 40 people learned tips from experts in green building design and renovation. I wanted to share another award for the Mitchell Park Library and our libraries. The City of Palo Alto Library has been notified that we've been selected as the 2015 recipient in the municipal libraries in the \$5-\$10 million budget range category of the Event or Campaign PR Excellence Award for the grand opening of the Mitchell Park Library and Community Center. The PR Excellence Awards honor the highest quality efforts of California libraries in promoting and communicating their message of value of libraries to their citizens and customers. The four PR Excellence Award entry categories each year are print, electronic, event or campaign. We were honored to be recognized for our work as it related to the event or campaign for the opening of the library.

Oral Communications

Ken Horowitz: Good evening. My name's Ken Horowitz. I live on Homer Avenue. I'm here to give my update on what's going on with the Page Mill YMCA. There is something happening, but it's not good. I have copies of the letter that I sent to the City Council a year ago regarding that particular site. As you're aware, there are two parcels on the southwest corner of Page Mill and El Camino. One has the theater, the other one has the Morrison and Foerster law office and in the basement was the Page Mill

TRANSCRIPT

YMCA. In the '70s those two parcels were granted a PC, Planned Community. They were given certain things that they would comply with. As of June 19, the landlord has filed an improvement for the property, the basement, to convert the basement facility into three suites. I've been asking the Planning Department to look into that. I've been working with Amy French and Jodie Gerhardt. It is my opinion that the landlord at that particular site, Mr. Wheatley, is in non-conformance with the PC that was granted back in the '70s. The parcel that belonged to Morrison and Foerster had the basement facility for recreational, and the other property has a theater on its site. Equity Properties, which owned that parcel, has been sold, as Council Member Burt told me, to Hudson Pacific. That theater might be in jeopardy as well. You may remember back in 1997 or so, Landmark Theaters almost pulled out because of the agreement with Equity Properties. I'm asking the City Council to look into the PC that was granted to Mr. Wheatley, and ask Mr. Wheatley to try to work with us to try to keep that site, that 15,000 square foot basement site, a recreational facility. I don't know if it's also in violation of your moratorium on converting retail to office, but it's my understanding Mr. Wheatley's plan is to have that space saved for Morrison and Foerster which will then be more offices. Right now, Mr. Wheatley has moved his office, it used to be on Ash Street, into that facility. You can go down there to 755 Page Mill Road and you will see Mr. Wheatley's office there. Thank you for your time.

Herb Borock: Mayor Holman and Council Members. Last month I attended the public meeting of the Postal Service on the relocation of their facilities. They had two possibilities: one in the basement of the current facility at 380 Hamilton, and the other at 999 Alma Street. I'll have my comments in a letter I'll give to the Clerk and also tomorrow to the key Staff people. There are two Executive Orders issued by Presidents Carter and Clinton that are pertinent. The first, Executive Order 12072, on federal space management on August 16, 1978, gives preference in urban areas to selecting a site in a central community business area and requires consideration of the availability of adequate public transportation and parking and accessibility to the public. Those criteria are met by the current site; they are not by the Alma Street site. Executive Order No. 13006, locating federal facilities on historical properties in our nation's central cities, issued on May 21, 1996, requires the Federal Government to utilize and maintain historic properties, especially those located in central business areas. The site at 380 Hamilton meets that criteria. The other site on Alma Street does not. Although the identified alternative on the current building is a better site than the one on Alma Street, locating the Postal Service's functions in the basement is not the optimal location. The public part of that facility should stay where it is, the lobby, the window services areas. If you did that, it has certain advantages. One, you could place a wall separating, for example, the City's

TRANSCRIPT

property just on this side of the entry door that's closest to Gilman Street and place a door in that. You'd have the same entrance and the same lobby to the City's functions. Except for the small area needed for the window service behind the windows, you can concentrate the Post Office services and consolidate them on the Waverley Street side. The City would have the remainder of the first floor and all of the basement and all of the mezzanine. Keeping the Postal Service in essentially the same location would enable them to operate there without having a temporary relocation. All the tenant improvement construction activities could occur during the time that the Postal Service window service is not taking place. Those are advantages. The lobby area is probably larger than the area that the Post Office would say it would need for a minimum area. You have to take that into consideration. Thank you.

Leland Alton: Good evening. Two nights ago at around 8:00, I left my room at the Opportunity Center, which I have lived at for quite some time now. I noticed that the street and the sidewalk across the street from there, along Encina Avenue, was filling up with water. That's unusual these days. That property belongs to Town and Country, the shopping center. There is legitimate reason to water the place; there's plants there. I didn't think that much of it at the time; I have a bunch of problems of my own. The next day, 24 hours later, a woman I was sitting with at the designated smoking area commented that this had been going on for hours. It still was. That was 24 hours later. First I went to the office, the management office at Town and Country, which I happened to remember where it was, and found out that the place was called Crosspoint. I could have found this out on the 'net, which I later did. I did everything I could to try to contact them on my computer at home. Their answering service, which I think belongs to them, that's one of the many things that they have instructed not to inform anybody of. It was characterized as an emergency number at one of these two web pages, crosspoint.com/pages/about/portfolio.htm with a "contact us" button. The other page where their properties are listed is crosspoint/pages/contact/contact_sf.htm. This happened several years ago as well when the drought first started, the exact same thing. During a weekday I managed to get in touch with one of their executives who explained that the reason—they don't have an emergency number. They don't list their properties.

Lois Salo: I'm Lois Salo. I'm with Women's International League for Peace and Freedom, a 100-year-old peace group. I want Palo Alto to enact a \$15 wage. Los Angeles has it, and Palo Alto can well afford that. Secondly, we need rent control in this town. People are being evicted because they can't afford the rising rents. I noted that the grand jury has said that Palo Alto needs to do more on global warming. I call that to your attention. Divest

TRANSCRIPT

our portfolio from war industries. That takes 60 percent of our budget, and this money should be going to all of our needs and not to drones and missiles and other terrible things.

Roberta Alquist: Greetings. I have four points and an announcement. Those of us who are supporters of low-income housing hope that Palo Alto will lead as a role model for other cities for addressing the low-income housing crisis. The step forward on Buena Vista is a step in that direction. Rents are skyrocketing. There is no recourse for people who are told their rent is going to double or triple. They are pushed out of the City. East Palo Alto has rent control, and there are problems there because there isn't enough housing. People are working, and there are five and six people living in garages. If you want more details, I have concrete, specific details of that. The same thing is going to happen here. In fact, it's happening. We also need housing for the workers who live here. Not only blue collar, but white collar workers can't afford to live in Palo Alto. Those workers need at least a minimum of \$15 per hour. We also need to ask corporations who have benefited from working in Palo Alto, from existing in Palo Alto, and in turn get kudos and sometimes ways of getting around parking such that we have a housing/parking crunch in the Downtown area. Google needs to step up and help us build low-income housing and more parking spaces. Google and other corporations who are benefiting from being part of Palo Alto. In Great Falls, Montana, they have enacted a \$25 fee for residents. Again this is happening all around the country. Those residents get a sticker that lasts for two or even three years. I heard somebody saying they were talking about charging residents something like \$200 for a yearly sticker when it's not the residents' fault that there isn't any parking in the Downtown area. The final point is July 6th the AME Church in the 3400 block of Middlefield is having a workshop addressing how can we unlearn our racism in relation to what happened in Charleston, South Carolina. I would urge everyone who has the time that evening to come and to address these concerns in that racism isn't going away. It's just getting more subtle and insidious. Thank you.

Consent Calendar

Mayor Holman: Staff has recommended that Item Number 10 be pulled.

Zachary Rubin regarding Agenda Item Number 10: Thanks for having me. I sent an email this morning. I'm not sure if any of you guys had a chance to read that. Assuming you may have not read it, this is in regards to the Palo Alto solar project for the carport canopies. It's come to my attention that Pristine Solar has been removed from that deal. We have been patiently waiting for an opportunity to make the case that we would be the right

TRANSCRIPT

developer for that project. The feed in tariff program that was set is possible for us to finance that project but, given some of the terms of that deal that I believe Pristine had on the table, it became unfinanceable. That was our position from the beginning. We've been in Palo Alto for five years. We've built a few of the largest projects here. I'm very much in support of renewables for this City. The biggest thing that we need to recognize is that the feed in tariff, which is part of that program, expires in 2016. I'm going into this assuming you guys are aware of some of the details and what goes into making a power purchase work. If that ITC expires in the time that it's set to expire, then the economics of that deal won't work at the given feed in tariff rate which is 16.5 cents. I encourage you to give consent for us being the alternate to that original RFP to step in if that deal was to not go through. That's what I'm asking all of you today, to recognize that we've put in the work and we put a deal together that was economically viable. I'm still prepared to match that deal and do what's necessary to bring those structures online. I'm happy to meet with any of you privately. I'm happy to share the renderings that we put together. Whatever you guys would like, I'm happy to do it. I live in Downtown Palo Alto, and this is an important project to me. I want to stress that the timing of it is necessary. If we go back out to an RFP process, that ITC will expire and that project will never get built at the numbers that were proposed. Given the time that I have tonight, that's the case that I wanted to make to all of you. I would be happy to answer any questions that you guys have or be available to talk further. We invited Nancy, the previous Mayor, to some of our ribbon-cutting ceremonies. She was a big supporter of what we were doing. I encourage you to visit some of our sites as well.

James Keene, City Manager: We mentioned it. This was pulled; not pulled for discussion but removed from the agenda. In the memorandum we put forward to the Council, we indicated it looks like we would directly go back out and reissue a new RFP. That being said, we're taking a look at this today. I'm going to work with the City Attorney to see whether or not the terms of the original Request for Proposal would allow us to explore any discussions with any of the other respondents to the RFP who were not originally in the first position. This would be a matter that the Staff would work through with any of the affected parties. I did want to acknowledge that. Before the week is out, I'll be able to update the Council with a memorandum on the status of our next steps.

Mayor Holman: We look for a motion regarding the Consent Calendar.

Council Member Scharff: So moved.

Vice Mayor Schmid: Second.

TRANSCRIPT

Mayor Holman: Motion by Council Member Scharff, second by Vice Mayor Schmid to approve the Consent Calendar with Item Number 10 pulled.

MOTION: Council Member Scharff moved, seconded by Vice Mayor Schmid to approve Agenda Item Numbers 2-9, 11-16, and remove Agenda Item Number 10- Authorize the City Manager or His Designee to Enter Into a 20-Year Lease Agreement with Pristine Sun to Install and Maintain Photovoltaic Systems at Five City-Owned Parking Structures from the Agenda as requested by Staff.

2. Approval and Authorization of the City Manager to Execute a Contract With Electronic Innovations, Inc. in the Amount of \$272,914 for Phase 4 of the Video Surveillance and Intrusion Detection System Project (EL-04012) and 10 Percent Contingency of \$27,000 for Related, but Unforeseen, Work for a Total Authorized Amount of \$299,914.
3. Approval of Contract Amendment No. 2 to S15155476 with AECOM for Consulting Services in the Amount of \$133,000 for Technical Services and Studies to Develop Zoning Regulations to Address Hazardous Materials Limitations and Compliance in Industrial Areas.
4. Approval of a Three-Year Contract No. C15159248 With Geodesy for Maintenance, Support and Professional Services for the City's Geographic Information System (GIS) in the Amount of \$195,000 Per Year.
5. Approval of a One-Year Extension of the Option to Lease Agreement Between the City of Palo Alto and the Palo Alto History Museum for the Roth Building Located at 300 Homer Avenue and Approval of a Budget Amendment Ordinance 5333 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Capital Improvement Fund to Establish a Roth Building Historical Rehabilitation Reserve in the Amount of 3.88 Million Dollars."
6. Approval of Amendment One to Contract No. C14152025 With SP Plus to Add \$637,652 for Expansion of the Downtown Valet Parking Program to Additional Garages and a Total Not to Exceed Amount of \$997,652 Over a Three Year Period.
7. Approval and Authorization of the City Manager to Execute a Contract With Anderson Pacific Engineering Construction, Inc., in the Amount of \$4,679,100, for the Seismic Upgrade of Four Steel Tanks and Three Receiving Stations Project, WS-07000, WS-08001 and WS-09000 and Budget Amendment Ordinance 5334 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto Increasing the Water

TRANSCRIPT

Regulation System Improvements Project Budget (WS-08000) in the Amount of \$786,375.”

8. Approval of Contract No. C15159142 With Saviano Company in the Amount of \$372,550 With a 10 Percent Contingency for Unforeseen Expenses for Tennis Court Improvements at Hoover Park, Terman Park and Weisshaar Park (Capital Improvement Project PG-06001).
9. Approval of an Agreement With Palo Alto Unified School District (PAUSD) for PAUSD Athletic Field Brokering and Maintenance.
- ~~10. Authorize the City Manager or His Designee to Enter Into a 20-Year Lease Agreement (Attachment A) with Pristine Sun to Install and Maintain Photovoltaic Systems at Five City-Owned Parking Structures.~~
11. Resolution 9532 Entitled, “Resolution of the Council of the City of Palo Alto Determining the Proposed Calculation of the Appropriations Limit for Fiscal Year 2016.”
12. Approval of Contract Amendment No. 3 With Van Scoyoc Associates Inc. for a One-Year Extension in an Amount Not to Exceed a Total of \$101,000 for Federal Legislative Representation.
13. Resolution 9533 Entitled, “Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Execute Future Grant Agreements Offered to the City by the Federal Aviation Administration (FAA) and/or the California Department of Transportation (DOT) for the Preparation of Planning Documents and the Study, Design and Construction of Safety, Security and Maintenance Improvements at the Palo Alto Airport and Authorizing the City Manager to Execute Supporting Documents Associated with the Application and Acceptance of Said Grant Funds.”
14. Staff Recommendation to Initiate a Special Recruitment to Fill One Unscheduled Vacancy on the Utilities Advisory Commission, Ending on April 30, 2018.
15. Approval of a Contract With Global Learning Solution Inc. in the Amount of \$250,000 for the Support of Human Resources SAP Modules and Business Processes Improvements.
16. Approval of Amendment No. 5 to Add the Amount of \$250,000 to Contract No. S12141479 With Val Security, Inc. and Extend Term of Agreement by Six Months to December 31, 2015.

TRANSCRIPT

Mayor Holman: Vote on the board please. That item passes unanimously with Council Member DuBois absent.

MOTION FOR AGENDA ITEM NUMBERS 2-9, 11-16 PASSED: 8-0
DuBois absent

Action Items

17. Buena Vista Mobile Home Park: Update and Possible Direction Regarding Affordable Housing Funds.

James Keene, City Manager: I hope that the Staff Report that we put together was self-explanatory. A couple of points I would make as far as an introduction. Now that the Council has dispensed with your adjudicatory role in the decision relating to the potential closure of the park, the Council, who had been previously restricted from engaging on other matters related to Buena Vista, is not constrained now. The \$8 million in funding that, as City Manager, I announced to the Council we were reserving pending your own interest in participating or contributing to solutions that could potentially preserve the park would have been appropriate to come to the Council. At the same time, the County, as you know, last week added additional funding to its proposal to reach a total of \$14.5 million with conditions of a concomitant match from the City. This Staff Report has been presented to identify that we have enough funds available to provide the Council with the opportunity to set aside \$14.5 million for this purpose, if you are interested in it. These are not General Fund dollars, not dollars that can be used for other purposes in the City. They're specifically generated by developer impact fees related to provision of affordable housing. Those are the funds that we have identified for the Council. The Staff Report makes it clear that there are some restrictions related to the pools of money that we would be drawing from, if the Council took this direction. Those restrictions, though, are set by the Council, and it's completely in your ability to modify to allow their use in this instance, if you are interested. The thought would be that you will have your discussion, you'll potentially issue some direction tonight. If need be, there could be follow-up action that we would be bringing back related to the policies related to those funds at your first meeting when you return after your recess on August 17. The report does acknowledge that there's always the possibility, if there was some reason for a special meeting, that one may need to be called during the Council recess. Our assumption is that we would be back, if you are so inclined to take this recommendation in this report, at your first meeting in August. The Council may have alternative directions. We're here to answer any questions.

TRANSCRIPT

Mary Kear: Hello, Council Members. Hello, Mayor Holman. I'm Mary Kear. I'm the vice president of the Buena Vista Mobile Home Residents Association. Thank you for your interest in taking the next step to preserve Buena Vista. We are very grateful. I kindly request that you please match the County's set aside of \$14.5 million in funds for Buena Vista. The residents of the park are ingrained in the Palo Alto community. Our kids attend the schools. We work in the area businesses. Preserving the park for its current residents and for affordable housing will forever keep Palo Alto a place of inclusion and diversity and economic prosperity. It is not only the children, but it is Palo Alto's blue collar work force. Hundreds and hundreds of Palo Altans support preserving the park. They've written letters, attended rallies and spoken to you before. You can rest assured you are doing this with the community's backing. Will all those supporting the Council vote to match the funds set aside by the County please rise? Thank you. Thank you for listening. We appreciate it.

Gail Price: Good evening. I'm Gail Price, and I'm a member of the Community Working Group Board. Joining me are many members of the Board. We are an organization behind the Opportunity Center, Alma Gardens and 801 Alma, all offering affordable housing to families and individuals in Palo Alto who would otherwise be at risk of homelessness. We are community leaders, including former elected officials, professors, community activists, business and nonprofit leaders, architects, community planners and clergy. In Palo Alto and the region, there is a documented shortage of low and very low income housing. Housing and services enable community members to have safe, productive and meaningful lives with dignity and hope. We urge you to adopt the Staff recommendation to direct the City Manager to identify and set aside a total of \$14.5 million in affordable housing funds to match the County funds designated for the preservation of affordable housing at Buena Vista. Help facilitate the purchase and upgrade of the site. We believe that this action is the only alternative to achieve this goal. Your actions will help assure that the Buena Vista residents can remain in Palo Alto. You have been elected to make a difference and to be responsible and thoughtful stewards of our community, stressing fairness, social and economic opportunity and inclusion. A significant number of community members and over 40 current and former Palo Alto elected officials and many organizations including but not limited to Community Working Group, Palo Alto Forward, Palo Altans for Sensible Zoning, the *Palo Alto Weekly* and the *San Jose Mercury News* have demonstrated their support. In all my years as a Palo Alto elected official, I have never seen the kind of unanimity of support on any issue, the protection and preservation of affordable housing and support for Buena Vista residents. It is not only the right thing to do but it also has the least political risk of any issue I can remember. It demonstrates that Palo Altans

TRANSCRIPT

care. If we can't make it happen, if we don't make it happen, who are we? Please help Supervisor Joe Simitian achieve his mission of saving Buena Vista and affordable housing. Your critical leadership and action now will help drive a needed and impactful resolution. We want Palo Alto to be part of the solution.

Lynn Huidekoper: Good evening, I'm Lynn Huidekoper, a member of Stop the Ban Coalition, who supports this effort. This is a fabulous turnout. It is a prime example of grassroots organizing, which is all about what the democratic process is about. You can see the supporters in this room. Palo Alto apparently has eight billionaires, so I know the City Council is going to do the right thing to maintain the diversity both economically, culturally, etc. I know you're going to do the right thing tonight. I'm very honored to be part of this grassroots effort. Thank you.

Herb Borock: Mayor Holman and Council Members. Like many other issues, if you're going to be doing what people are requesting you to do, you should do it only if it's done right. I have provided you a letter that was sent electronically, and it's at your places this evening. I have indicated seven items that you need to get appropriate answers to before you commit funds to Buena Vista. I'll add an eighth item. There were two typographical errors in the letter that I noticed. At the top of the second page, Item No. 5 has the word "home" in the second line which should be the word "how." On the third page near the top, the first reference to the Commercial Housing In-Lieu Fund says page 8 when it should be page 6. I hope those of you who have accessed the links to those have been able to find them. In addition to the seven items in my letter, the eighth item you should request is an update to the annual report on development impact fees for the Commercial and Residential Housing In-Lieu funds. The report that you received and accepted on January 12th shows the net funds available at the end of last fiscal year and the unspent balance at the next funding date, which is an estimate based on expected transactions. I would suggest you get from Staff an up-to-date amendment to that that shows transactions that have occurred so far in this fiscal year, both increasing and decreasing, for those two funds including any accrued interest and whether it's the same prediction for the unexpended balance at the end of the year or a different one, that you get the line items of expected increases and decrease identified by projects so that you can have something that is verifiable on those numbers and you know where those numbers came from. The proposal by Caritas is a development project like any other. Before the City Council is going to commit funds to a development project like this, it needs to have all the information to enable you to make an appropriate decision. I've tried to outline the information that I believe you need, and you may need other information. I'm not suggesting in any of this request for

TRANSCRIPT

information that you're asking for how much money on a sale price the bid would be or what' the highest amount of money Caritas would spend. You do need to know the extent to which the City's commitment would be limited to what you have and whether or not the County would take the City's place for any relocation expenses and what zoning implications there are. Thank you.

Mila Zelkha: The three of us are going to say our name and a short statement together. Mila Zelkha, Tara Nussbaum, Elaine Wong. On behalf of Palo Alto Forward Steering Committee, we encourage the Council Members and community to read the letter Palo Alto Forward submitted this morning to the Council, and to seize the opportunity to use designated affordable housing funds to deed restrict land that already provides affordable housing to 400 people along the Central Transit Corridor. These families are Palo Alto residents. They work here, vote here, pay taxes here and send their kids to school here. If Palo Alto has the means to match the County funds and later to issue bonds, we can create a win-win situation where the seller could receive fair market value, the existing density can be preserved and 400 residents can remain Palo Altans. Thanks.

Alex Van Riesen: Good evening. My name is Alex Van Riesen. I'm a resident of Palo Alto; I've lived here for 17 years. I live in Midtown, and I serve as pastor of a local church, the Palo Alto Vineyard, and represent hopefully tonight the faith community in Palo Alto. I'm also here with my daughter, Hope. I wanted to address two points. One, as I've both been online and listened to people talk, I've realized that one of the big issues that I see the opponents talking about with regards to this issue is whether the funds are being appropriately used, whether this is an efficient or good way to use the funds. It struck me that there was the situation with Maybell and the attempt to build affordable housing. There's lots of ideas around and clearly have been expressed tonight the need for affordable housing. Here we have a situation where there are actual people living in an affordable housing situation for them and, rather than creating more of that, we are considering taking it away. What we need to do is decide and not let anything stand in the way from keeping this affordable housing and beginning to think in other ways to build more affordable housing in the days ahead. It would be a travesty to the City and also an economically bad idea. Obviously lots of us have talked about the numbers with regards to what is the expense of this project. I suggest that this is a very efficient and economically viable way to maintain affordable housing in Palo Alto. The second issue is more social or spiritual. I'm glad my daughter wanted to come with me tonight. I know the days are coming where that may come to an end. I was most excited about the opportunity to show her government in work and to show her participation in one's community. You're seeing

TRANSCRIPT

that tonight in Palo Alto. I'm proud to be a part of that. I want the next generation to see that as well; not just the next generation of kids that can live in Professorville or Midtown or Barron Park, but also the next generation of kids living in Buena Vista Trailer Park being a part of that as well. Thank you for letting me speak. I encourage you to match the funds.

Nancy Krop: Good evening, Mayor and City Council. My name is Nancy Krop. I am the Director of Legislation for the Sixth District PTA. I am here again tonight on behalf of all 225 PTAs throughout Santa Clara County that have passed a resolution in support of preserving the Buena Vista Mobile Home Park. I'm also here tonight on behalf of the Palo Alto PTA Council where all 17 schools have also passed a resolution in support of our students remaining in our community. I am here on a personal note; I am a neighbor of the mobile home park and thrilled to live in the same neighborhood with this mobile home park. I'm here asking two things tonight. The first one is to please match the County \$4.5 million. My second ask on behalf of these organizations is to continue to work with Caritas until this deal is complete to the satisfaction of all parties. I'm finishing my term as Director of Legislation, and I'm thrilled to dedicate tonight to the children of Buena Vista Mobile Home Park. You have inspired me every year. You are a gift, every child in these photos is a gift to our community that we should cherish. Our PTA community absolutely cherishes each and every one of you. I'm confident that you Council Members cherish these children as well and will do what's right and keep them in our community.

Robert Moss: Thank you, Mayor Holman and Council Members. I'm not going to repeat the importance of retaining low-income housing at Buena Vista. You've heard plenty of that tonight already. I want to talk about a little different subject: money. The County has dedicated \$14.5 million to buying the site. The City's dedicated \$8 million so far, so you're \$6.5 million behind. We have \$8 million in an impact account which is currently reserved for new housing. That's by Council policy, and you can change that policy any time. There's more than enough money in that account to match the County's funding. That gets you up to \$29 million. The Jissers were ready to accept a \$30 million offer on the property from someone who only offered that on the assumption that the density of housing allowed would be more than doubled. The City Council hasn't made any statements about what they intend to do with the zoning on that site, if anything. It's quite clear to everybody you're not going to increase the density of zoning so that some developer can throw out the people who live in the trailer park and build high-cost housing. That's not City policy. Can you put money in for existing housing? We've done it a number of times before. You've put anywhere from \$0.5 million to \$4 or \$5 million to buy existing multifamily housing and retain it for low-income affordable rents. You can do it for Buena Vista. The

TRANSCRIPT

value of the property, just the raw land, because there's only one building that's owned by the Jissers and that's a very small, rather crummy building. When we talk about land value, it would be somewhere between \$20 and \$25 million. Supposedly Buena Vista has some facilities problems, and you'd have to spend perhaps \$5-\$10 million upgrading the quality of the utilities and other facilities on the site. That could be a justification for reducing the offer to the Jissers. I would suggest that you approve up to an additional \$6.5 million from the existing funding that you have for affordable housing, transfer it from new construction only to preserving existing affordable housing, and start negotiating with the Jissers, looking at a price range of between \$20 and \$25 million. If you can negotiate and get an agreement in that range, especially at the low end, there'd be enough additional money to do the upgrades on the equipment and facilities needed for the location. Please move fast on this.

Larry Klein: Good evening, Madam Mayor and Members of the City Council. Three weeks ago you received a letter signed by nearly all of the former living City Council Members. None of them oppose it. All of us that joined in signing that strongly support the preservation of Buena Vista. I think I can speak for them since I either spoke or emailed to virtually half of the signers of that letter. We respectfully urge you to approve the Staff's recommendation and make available \$14.5 million for the purchase of Buena Vista. Let me quickly list three reasons why you should. One, it's strange to say in this high real estate value City but Buena Vista would be a bargain. 801 Alma is the last affordable housing project created in Palo Alto. The units there ended up a combination of construction costs and land acquisition at \$600,000 per unit. Some of that land was acquired nearly ten years ago. Construction contracts were entered into, let's say, five or six years ago. It's fair to say that as the economy's come back there's been a significant increase, in that \$600,000 per unit probably today would be at least \$700,000 per unit; I'm being conservative. If you take 117 units, the number of units presently at Buena Vista, and multiply by \$700,000, you come out just shy of \$82 million. Any of the numbers that we've been talking about in terms of acquisition of Buena Vista plus needed upgrades in the infrastructure would come out way less than \$82 million. This is, in my view and my colleagues who are former Council Members, a bargain for the City and its use of the affordable housing funds we have. That leads me to the second one, which is the funds we're talking about. Both the City's funds and the County's are earmarked only for the use of affordable housing. That's been mentioned already, but I want to reemphasize that. This money could not be used for other purposes. Lastly, I want to talk about the human element. I voted, and many of you have voted over the years, for affordable housing projects. Those were abstract; we didn't know who the people were going to be, because we were going to be building

TRANSCRIPT

something new. Who those beneficiaries would be we couldn't know, but we do know the 400 people who are living there now, the 100 children in our school district. These people are part of the community now. It would be a very sad day if we don't do everything we can to keep these people as part of our community. Please don't let them down. Thank you.

Melodie Cheney: Good evening. My name is Melodie Cheney. I am a resident. I'm also the secretary for the Residents Association. First, I'd like to take the opportunity to say thank you for hearing us and hearing our case and taking the time to who we are and who our supporters are. I would like to implore you to match the funds that the County and Supervisor Simitian has already allocated to us. Not just for us, but for future generations. To keep it affordable housing for us, for future Palo Alto residents, for the people who are the labor force of the City, your deli workers, your bus drivers, your custodians. Keeping our park open would also mean the kids now and in the future get the great education that Palo Alto is known for. We have a zero dropout rate, and we plan to continue that as long as we're there. That also means the people there and the people in the future can continue to be productive members of Palo Alto as a community and society as a whole. It means that you have people who want to stay there. We have three generations there. Buena Vista has been important to me for a few reasons. It's my first home. No matter where I go, I'm not going to have the same feeling. I'm considered physically challenged. Living on El Camino, right in front of a major bus line, the 22, which runs 24/7/365, I can do my shopping; I can take my cat, Cleo, to the vet; I can get to work at De Anza College, where I work for 17 years. If I have to move, which with your generosity I won't have to, that's going to either have me pay rent or food or vet bills. My home, which I bought 15 years ago, will be paid off October 1st. I'd like to make sure I can live in that when it's paid off. Thank you.

Sea Reddy: Good evening, Honorable Mayor and the City Council and the listeners of the citizens of Palo Alto and neighboring communities. I'd like to express my gratitude to Jim Keene for coming up with \$14 million as a plan from the City, as well as Joe for County funds. It takes a lot of courage and a lot of time to get these funds assigned. It's just a matter of us deciding that we want to. This would be a testimonial for the care and good things we do in Palo Alto. The nation is watching. Everybody knows about these things. I would like to also ask the leaders of these communities, the wealthy including John Arrillaga, Mark Anderson, the Packard family, Platt family, Mark Zuckerberg, Carly Fiorina, Meg Whitman, Mark Hurd, including all the other leaders that have benefited from working in Palo Alto and have a lot of funds available to see if they can participate in making this happen. There is nothing wrong with this. It's wonderful. This is the way America is

TRANSCRIPT

going to look in the future. We're going to set a good example, and the funds will follow. We'll find funds. It's a great thing and it'll be good karma all in all. Thank you.

Job Lopez: Good evening to each one of you Members of the City Council. My name is Job Lopez. I'm a 41-year resident of Mountain View. I do have many friends who are residents of Buena Vista. I am here tonight to show my appreciation for all you have been doing, all the effort you have been putting to make possible to save the Buena Vista Park. We have seen that Mr. Simitian and Mr. Cortes have done what they can and Caritas is doing the same thing. Tonight each one of you, I don't have to tell you that, have a wonderful opportunity to make social justice shine like the sun we have seen now and we will see tomorrow on a very warm day. It is very exciting to see all those posters with those faces of children, boys and girls, mothers and parents, who are hoping that you will save them, that you will keep them in their homes. I want to remind you, even though I don't have to, that each one of us, each one of you, whatever the position is within society that we are living in, each one has also the moral obligation to do what we need to do for our fellow human beings. Tonight we are sure that you will listen to that, and you will make all these people of Buena Vista Park happier than they have ever been. If necessary to match the \$14.5 million, you can ask the high tech companies in our valley, like Facebook, Google, Apple, Yahoo. I am happy the (inaudible) published my letter today where I say what I am saying now. The *San Jose Mercury News* did the same thing. Thank you for listening. I am sure that tomorrow all these people will wake up happier than they have ever woken in many months. Thank you.

Winter Dellenbach: Winter Dellenbach, Friends of Buena Vista. You have an opportunity tonight. Your chains have been thrown off. For the first time in a really long time, you can act tonight. We need you to act tonight. What we don't need is delay. The residents of Buena Vista are intending to stay. Nobody's moving. The children intend to start our schools again in mid-August, in fact August 17th, which you may decide to wrap up Buena Vista August 17th, if I put credence in the Staff Report. We need you to act. The amount of insecurity and unknowingness that they are living with is obviously very high. As you discuss this tonight and as you make your decisions and as you wrap things up on this item, please make it clear as to what you're doing, what you're doing, what you're deciding, why you're doing it, and the timeframe in which it will be worked out, assuming that something will happen. People need to understand this; people need to understand their near future and how that fits into their present plans and lives. There is no other scenario than this scenario. We have looked at every scenario. We've been doing this nearly three years. Every scenario. This is the good one. This is the one that will keep residents there. It will

TRANSCRIPT

preserve the site in perpetuity for affordable housing, if this all works out. You have a big role to play in this. This is very much your decision, your responsibility to step up and participate. We need you to do that. We don't need delay; we need action. Good luck in your deliberations. A lot is depending on this. I have known these folks for a long time now, an awful lot of them. These are fine people. These are the people we want in Palo Alto. To lose them would be a tremendous loss and a loss of a part of our heart and a part of what we're about. Make a good decision and do it now.

Council Member Wolbach: I'd like to make a motion.

Council Member Berman: I'll go ahead and second it.

Council Member Wolbach: Thank you, Council Member Berman. I'd like to move that we direct the City Manager to identify and set aside \$8 million plus an additional \$6.5 million in affordable housing funds for the purpose of preserving affordable housing at Buena Vista Mobile Home Park and that Staff shall return to Council with draft amended guidelines to permit use of commercial housing funds for this purpose.

Mayor Holman: We already have a predetermined second to that.

MOTION: Council Member Wolbach moved, seconded by Council Member Berman to identify and set aside \$8 million plus \$6.5 million in affordable housing funds to match Santa Clara County funds made available for the purpose of preserving affordable housing at Buena Vista Mobilehome Park and that Staff will return to Council with draft guidelines to allow for the use of Commercial Housing Funds for this purpose.

Council Member Wolbach: We've already heard that the funds at hand must be used for this purpose or some other affordable housing purpose. We've already heard that this is a very good deal for the City. We can discuss more about the numbers, if there's any debate about that. Families are the focus here. There are a number of families with a stake. One is the owner's family, who's often forgotten. Another group of families we see many of tonight are the families of the residents of Buena Vista Mobile Home Park. The third family that I'd like to mention briefly is the larger Palo Alto family. By setting aside \$14.5 million for use in a potential purchase of Buena Vista at market rate, we demonstrate how we value all of the families involved. Our objective is to play a role in helping find a win-win-win, so that each family with a stake in Buena Vista has an opportunity for a bright future. We would be thrilled to have resolution quickly, but we also want to make clear, particularly to the owners, that they should not feel rushed. It is our intention to work with you to find a positive solution.

TRANSCRIPT

Council Member Berman: The last 2 1/2 years, which is the term that I've been on Council, have been incredibly frustrating. It's been frustrating for the City Council who has had its hands tied due to the quasi judicial role that we played throughout this process. It's been frustrating for our community who has rallied around some of its most at-risk residents. Let me say how proud I am of our community for the reaction, the efforts and the advocacy by Palo Altans to protect their neighbors. It's been inspiring for me to watch. All of that pales in comparison to the frustration of the residents of Buena Vista who have had to go through this entire ordeal over the last 2 1/2 years without knowing when it would end or what the resolution would be. Up until now, the Council has fulfilled the legal duties we were required to, but that none of us wanted to. We run for City Council because we want to roll up our sleeves and be part of the solution and, until now, we have been legally prohibited from doing that. Today we get to be part of the solution. Better yet, Supervisor Simitian and Winter Dellenbach and others have already put in hundreds of hours of work to create the framework for a possible solution. I'm a big fan of Supervisor Simitian, and I imagine everyone here is. Quite a few times over the years, I've heard Joe tell someone, "It's a lot more helpful when you come to me with a potential solution, not just with problems." Here we have a prospective solution, a comprehensive and creative public-private nonprofit partnership that has the potential to preserve 116 units of affordable housing and avoid the eviction of 400 Palo Altans from their homes. One thing I do want to note is that this isn't just an issue that's affecting the residents of Buena Vista. Every day all across Palo Alto, our residents are being priced out of their homes. 45 percent of Palo Alto's housing units are renter occupied, many of them seniors on fixed income, and they are being priced out of the homes they've lived in for a long time, some of them for decades. Throughout this process and again tonight, I've heard advocates reference the fact that we have eight billionaires and many more multimillionaires that live in Palo Alto, and that they should write checks to solve our problems. I don't know any of those billionaires, but I do know people who help those billionaires decide how to spend their philanthropic dollars. I've spoken with them about the situation in Palo Alto. What I've heard is that folks are open to pitching in; they're open to helping out and being part of the solution, but not until they see that the City is serious about addressing our affordable housing shortfall, and not until they see that the Palo Alto community at large is serious about addressing our affordable housing shortfall. Just a few years ago, some folks were debating whether or not there was even a need for more affordable housing in Palo Alto. We've come a long way since then, and tonight is a good first step, but we've a long way to go to truly address the housing challenges that exist for a lot of Palo Alto residents. I'm more than happy to support Council Member Wolbach's motion, but I hope this is the

TRANSCRIPT

first step in a more serious conversation about the high cost of housing in Palo Alto.

Council Member Kniss: Welcome everyone. So many of you have come here once, twice, three times, four times. How many of you have come here four times? Five, six, seven, eight? You've come a number of times. I like the pictures you're holding up. These kids are so cute. I wish you could see it from here. This is an extremely warm and, as somebody said, a community-oriented night. This is a fascinating evening, because what we're talking about tonight is literally taking our checkbook and pretty much emptying it. We're going to empty it into what we hope will be a finale for the Buena Vista Mobile Home Park. We can't guarantee that. I'm going to leave that to people like Joe and Larry Klein who have been working in a difficult situation; Gail Price as well, to call out some of you who have put your heart and soul into this. What I'd like to leave you with is this demonstrates the core values of this City: diversity, take a look, no question about diversity; economic justice, would you agree that that's part of this; to make a contribution to affordable housing. That sums up some of the core values for those of us who live in Palo Alto. You have come out tonight to hopefully defend your homes. On top of that, you're also supporting each other. What you're saying is, "We want to all come together. We're looking to you, the City, to help us make this happen." In closing, this ain't easy. This is a hard road that you're on. As we send you out of here with a team of Simitian and Klein and Price and others, please jump in. If you know somebody that you think would like to contribute to this, approach them. Ask them if they would like to join that with you. It's our great pleasure tonight to be able to set these funds aside and hope that this continues on the positive road it's been going on so far.

Vice Mayor Schmid: I enthusiastically support the motion on the table. Buena Vista has already been endorsed as part of our Housing Element recently approved. We recognize that this is the beginning of a process to identify the fair market value for the property. We move ahead with confidence that there is nowhere else in Palo Alto where we can provide so much affordable housing at a very reasonable price. This is a bargain. I'd like to encourage Staff to agendize any further discussions whenever necessary on this to make sure we move ahead promptly. Give a word of thanks to those who initiated the process and who have been so active over time in making sure that all of us keep focused on what is a key part of a healthy city.

Council Member Burt: I also will be supporting the motion. I'm very glad that we've been able to get to this point, to make this action. These funds, first of all, are dedicated for purposes of affordable housing. That's

TRANSCRIPT

important for us to emphasize to the community, that that is the purpose of these funds and this is an outstanding use of those funds. This is, as some of the speakers pointed out, a question of community values and moral values. For many decades, Palo Alto has had a strong commitment to affordable housing programs throughout our community. This is the latest and a very important part of that progression. This is not outside of those values of schools and our community; it's fully within it and within the great tradition that we have had of being committed to struggling to have diversity in our community. That challenge, unfortunately, is not getting easier; it's getting more difficult each year. That's the reason why we must take advantage of this opportunity to help this great site become a long-term reality for our community. I look forward to supporting the motion.

Council Member Scharff: I want to thank all of you for coming out. So much time and effort. You guys have done a great job. As Council Member Kniss said, the pictures are amazing; they're fantastic. Thanks so much for all of you coming out. I also enthusiastically support this. I can't think of a better use of our affordable housing funds than to protect the people that already live and work in our community and send their kids to school here. I enthusiastically support this. I have a couple of questions for the City Manager. We have about \$1 1/2 million left in the commercial housing fund?

Mr. Keene: That's correct, approximately.

Council Member Scharff: Do we have a sense of how much more money in the next, say, two years we would expect to come into, either of the two funds?

Mr. Keene: The import of the questions, for the audience, is we continue to collect these fees as we have different development-related projects and that sort of thing. Hillary, do you have any sense of how much in a typical year we might bring in? I don't know.

Council Member Scharff: We don't know what's in the pipeline or anything like that?

Mr. Keene: Right.

Council Member Scharff: I'd like us to figure that out. One of my concerns is that this won't be enough money. We should start thinking about what other money is available to do this, in terms of affordable housing funds. When I look at the numbers, it seems to me that we may need a little bit more money than this. If so, how are we going to fund that, how are we going to get that done? That might be something we want to take a look at.

TRANSCRIPT

Just so I understand it, do we have an ordinance on how the commercial housing funds are used? Is it just a guideline?

Mr. Keene: It's a guideline established by the Council, a policy. It would take a noticed action of the Council. As we indicated in the report, that could easily be done at your meeting on the 17th of August.

Council Member Scharff: I want to make sure there's none of this "it has to come back 30 days later for a second reading" or any of that. We just do it and then we can give the money and there's no delay.

Mr. Keene: He didn't put a specific date in the motion, but our plan would be to come at the meeting on the 17th. The Council could make the policy change and it would be effective immediately.

Council Member Scharff: Supervisor Simitian, I want to make sure the timing on all this works for you, since we're going on break. I assume you'll be negotiating some sort of agreement, and then the notion is to come back and see where we are. If it comes earlier than August, I assume we'd somehow make that work. Any thoughts on that?

Joe Simitian, County Supervisor: The timing that the Manager has laid out and that a majority of Council Members have indicated they support works just fine in terms of where we are in the process. If the Council takes favorable action tonight, the \$14.5 plus \$14.5 will be \$29. There is the potential to do \$10 million from a tax-exempt revenue bond that Caritas would float. That makes it very clear to the current owners that there is serious money and this is a serious conversation. Like any negotiation, it's an iterative process. There's some back and some forth and some back and forth. An important part of the back and forth is being able to sit down with some resources that make you a credible part of the conversation. If you take the action tonight as the Board has and as Caritas has stepped up and indicated it's willing to do a bond, we will be there. What the timeline looks like remains to be seen. The timeline that the Manager has laid out works just fine for us now. If there's an acceleration of the timeline, I've been encouraged by the Manager to let him know at the earliest opportunity. You heard him say earlier that there's the potential for a Special Meeting if necessary. Right now, I have no reason to anticipate that that would be necessary. The Council is aware, but some members of the community may not be aware, that there is a letter that has essentially given 90 days to the current owners in order for them to pursue negotiations. That's taken a little of the pressure off. I would say thank you again to the City for that gesture which has created a better climate for a conversation. That's a long-winded

TRANSCRIPT

public official's way of saying the timeline seems to work for now. Thank you very much, Madam Mayor.

Council Member Filseth: These are affordable housing funds. These folks are residents. It's a no brainer.

Mayor Holman: I want to thank my colleagues for your support for this; Council Member Wolbach, for putting forth a eloquent statement to begin and to get us kicked off. I want to make sure the media catches this, because there's been a lot written online about this. It's been stated before, but please note that these are affordable housing funds that can be used for nothing else. They have to be used for affordable housing purposes. To the question, Council Member Scharff, about timing, we hope the timing of this is adequate but, as you're aware, we also had the City Clerk poll Council Members. Just in case we need to meet over our Council break, we are prepared to do that and have those present accounted for. There is a fair amount written about how Council Members have not done anything to support Buena Vista. Again, for media purposes, especially because colleagues certainly know this, Buena Vista residents certainly know this, we have not been able to participate. At this point, I hope to see my colleagues also out there helping in any way we can. With our support and gratitude to Supervisor Simitian, Winter Dellenbach, Larry Klein, the residents certainly and many others to come to a happy conclusion on this. My person goal, my personal hope, is that this December there will be a posada at Buena Vista to end all posadas. Council Members, vote on the board please. That does pass on a unanimous vote, 8-0, with Council Member DuBois absent.

MOTION PASSED: 8-0 DuBois absent

Council took a break from 7:41 P.M. to 7:52 P.M.

18. PUBLIC HEARING: to Hear Objections to the Levy of Proposed Assessments on the Palo Alto Downtown Business Improvement District and Adoption of a Resolution 9534 Entitled, "Resolution of the Council of the City of Palo Alto Confirming the Report of the Advisory Board and Levying Assessment for Fiscal Year 2016 on the Downtown Palo Alto Business Improvement District" and Approve a Fiscal Year 2016 Budget Amendment Ordinance 5335 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Business Improvement District Fund."

Thomas Fehrenbach, Economic Development Manager: My name is Tom Fehrenbach; I'm the Economic Development Manager. Given your agenda tonight, I'll be brief. I did want to introduce Mr. Russ Cohen who is the Executive Director of the Palo Alto Downtown Business and Professional

TRANSCRIPT

Association. I want to underscore that the action before you tonight represents a significant improvement to the continuum of the billing, invoicing, collections and budgeting process for the BID. With that, Russ and I are here to entertain any questions that you might have after you open the public hearing.

Mayor Holman: This is the time and place for the public hearing on the levy of an assessment on businesses in the Palo Alto Downtown Business Improvement District for Fiscal Year 2016. In February 2004, the City established the Palo Alto Downtown Business Improvement District. Annually, the City Council must hold a public hearing to authorize the levy of an assessment in the next fiscal year. On May 18, 2015, the Council set aside this time and day as the time and date of the public hearing on the proposed levy of an assessment for this fiscal year of 2016. The Council appointed the Board of Directors of the Palo Alto Downtown Business and Professional Association as the Advisory Board for the BID. The Advisory Board has prepared its Annual Report for the 2016 Fiscal Year and submitted it to the Council. The City published the required notice in a local newspaper of record regarding reauthorization of the BID for 2016 as required by bid law. All interested persons have an opportunity to provide testimony this evening. I have no cards at this point in time. At the conclusion of the public hearing, the Council will determine whether a majority protest exists. A majority protest will exist if the owners of businesses that will pay 50 percent or more of the proposed levy of an assessment have filed and not withdrawn a written protest.

Public Hearing opened and closed without public comment at 7:55 P.M.

Mayor Holman: Determination of the existence of a majority protest.

Mr. Fehrenbach: No majority protest exists, Madam Mayor.

Mayor Holman: in the absence of a majority protest, motion to approve?

Vice Mayor Schmid: I move that we approve a resolution confirming the report of the Advisory Board and levying an assessment for Fiscal Year 2016 on the Downtown Palo Alto Business Improvement District; that we also approve a Budget Amendment Ordinance for Fiscal Year 2016 reducing the revenue estimate by \$40,000 from \$140,000 to \$100,000, and reducing the Expenditure Budget by \$11,800 from \$148,000 to \$136,000 for the Business Improvement District offset with a reduction of the projected ending fund balance of \$28,200.

Council Member Filseth: Second.

TRANSCRIPT

Mayor Holman: Second by Council Member Filseth.

MOTION: Vice Mayor Schmid moved, seconded by Council Member Filseth to:

- a. Adopt a Resolution confirming the report of the Advisory Board and levying an assessment for Fiscal Year 2016 on the Downtown Palo Alto Business Improvement District; and
- b. Adopt a Budget Amendment Ordinance for Fiscal Year 2016 reducing the revenue estimate by \$40,000 from \$140,000 to \$100,000 and reducing the expenditure budget by \$11,800 from \$148,000 to \$136,200 for the Business Improvement District offset with a reduction of the projected ending fund balance by \$28,200.

Vice Mayor Schmid: A lot of work has gone into preparing this. We look forward to moving ahead with a dynamic Business Improvement District.

Mayor Holman: Vote on the board please. That passes on a majority vote with Council Member DuBois absent.

MOTION PASSED: 8-0 DuBois absent

19. Adoption of an Ordinance Deleting Section 18.42.110 of Chapter 18.42 of Title 18 of the Palo Alto Municipal Code and Adding a New Section 18.42.110 Pertaining to the Siting and Permitting of Wireless Communications Facilities; Exempt from California Environmental Quality Act Under CEQA Guidelines Section 15061(b) and 15301, 15302 and 15305.

Cara Silver, Senior Assistant City Attorney: Cara Silver, Senior Assistant City Attorney. I also have our special telecommunications counsel, Tim Lay of Spiegel and McDiarmid, here. He will be available to answer any technical questions. He's assisted us with telecommunications law for the past 20 years as this is a specialized field. By way of background, Palo Alto is continuing to experience requests for wireless communication facilities. Most of these requests are not fill-in gap coverage, but to respond to the need for faster and more data. Given that we have multiple requests, there is a body of Federal and State law that unfortunately limits the City's ability to regulate in this area. We've discussed this in different contexts, primarily in connection with Housing Element law, but it is also very common in telecommunications law where both Federal and State laws preempt the City's ability to regulate. There are a series of Federal regulations. We have the Telecommunications Act of 1996. We have the 2009 FCC shot clock regulation. We have the Spectrum Act and the 2015 FCC Spectrum Act

TRANSCRIPT

regulations. We'll be talking more in detail about those latter two Federal laws. With respect to State laws with respect to access to right-of-ways, we have restrictions on ability to regulate carriers' ability to locate on a right-of-way. We also have restrictions on our ability to allow access to utility poles; although, we do have some ability to limit access to light poles under State law. Today we want to focus on the regulations that were promulgated in connection with the Spectrum Act. The Spectrum Act was adopted in 2012. It was a rider to the Middle Class Tax Relief Act. It had one sentence in the rider which said that cities must approve a telecommunications request to modify an existing wireless communications facility that does not substantially alter the existing facility. However, there was no definition of what an "existing facility" was and what "substantially alter" meant. There was also no timelines for processing these types of applications. In 2014, the FCC began its rulemaking process and published some regulations that clarified the definitions that were contained in the Spectrum Act and also contained some timelines for processing these requests. Those regulations went into effect on April 19, 2015. Cities are now scrambling to put in place ordinances that will be consistent with these regulations. The regulations also imposed a strict 60-day period for a certain category of applications which we will talk about. With respect to that category, the regulations stated that if the cities do not process applications within that time period of 60 days, that the application will be deemed approved, which is a significant departure from current law. What we have done is presented you with a Municipal Code Ordinance that repeals the old wireless communications facility that we have in our existing ordinance. It establishes a tiered approach to these types of permits and facilities. It codifies the shot clock rules for processing these types of applications, so that both Staff and the public know the time periods that apply. I'll take you through the three tiers. The first tier is what we've called the Spectrum Act permits. This is the type of installation that the Spectrum Act wanted to facilitate and encourage. It involves an existing facility that can be either a standalone tower that houses a facility or it can be a building-mounted facility. If there is a co-location which meets the definition of an "eligible facility," which is defined in the Spectrum Act to accommodate a co-location which does not substantially alter the existing facility. "Substantially altered" now is defined in the regulations to mean more than 10 feet in height if it applies to a pole in the right-of-way or 20 feet in height if the facility is located on private property. If the co-location request is under that threshold, then we're proposing that a Tier 1 permit apply and that that be handled through a Director's review. This is the type of permit that, for the most part, is encouraged by the City with our existing regulations. We like to have co-locations. The location has already been vetted with the community, so these are the types of things we think will be relatively ministerial in nature. We're recommending a Director-level streamlined review. The next category

TRANSCRIPT

of facilities are what we call Tier 2 wireless facilities. They would go through a more rigorous process. They would apply to co-locations that don't meet that definition of substantially alter. In other words, for private property it would be an installation that would go more than 20 feet than the existing installation; for right-of-ways it would be a facility that's greater than 10 feet above existing. The review that we're proposing for that is an Architectural Review, and any Architectural Review would be appealable to the Council. Finally, we have our Tier 3 permits. These are for any new facility. With this, we're proposing the most rigorous review. We would apply both Architectural Review, and we would also require a Conditional Use Permit. We would also require that the applicant provide simulations that will show the level of additional height that the facility would be entitled to under the Spectrum Act, so that the community can see potential for growth. Those are the three levels of permits. The ordinance also contains some additional features. We've updated the definition of wireless communication facility. It mainly tracks now the Federal law in this area, and it contains a state of the art definition. We have included some concrete development standards and some concrete conditions of approval. Again, these development standards and conditions of approval were incorporated into the ordinance in large part if we were to get a Tier 1 facility that was not acted on in the 60 days and we're facing a "deemed approved" situation, these conditions of approval would attach regardless of whether there was formal action. It's an additional safeguard for the City. With respect to our recommendation, we are recommending adoption of the ordinance. We also are recommending that there is an existing work plan item that involves the siting of a standalone wireless tower. I believe that was in connection with some thought that carriers would like to locate on a large standalone tower and that would alleviate the need for multiple sites within the City. Our assessment at this point is that that would not alleviate those multiple requests. There is such an insatiable demand right now for data that just one standalone tower is probably not going to satisfy that. There was also some concern about the siting of that particular tower and the height it needed to be to accommodate all of that capacity. At this point, Staff recommends that that effort be put on hold, and it can be revisited at a later time. We also have Commissioner Gardias from the Planning Transportation Commission, who would like to make a few comments about their review.

Przemek Gardias, Planning and Transportation Commissioner: Silver, Madam Mayor, Vice Mayor, Council Members, Przemek Gardias, Planning and Transportation Commission. With a few words, I would like to support this ordinance as it was prepared for your review and approval today. It was supported and approved by my colleagues unanimously. We reviewed it and we found the reasons that it should be a subject of your approval as well. There were a couple of comments that we make during the review process

TRANSCRIPT

that were accepted by the Staff and inserted into the verbiage of this ordinance. One was the approval of the projects that would be the subject of the appealing process. You saw on the slides that this was inserted into the verbiage. Also, there was a request from our Commission to make sure that facilities are subject of the Independent Review and emissions report on radio frequency by independent engineer. That was also verbiage that was inserted into the comments. There was one item that we didn't include in our review which was the reference to the height limit, how far above 50 feet the height of the antenna may go. We would like to entrust it to your review to make sure that we appropriately captured this language in the ordinance and that this reference to the Spectrum Act was captured correctly. If there are any other questions, I'm here, happy to answer. Otherwise, recommend on behalf of my colleagues to approve this ordinance.

Council Member Kniss: I don't know how you want to go about this, Mayor Holman, but I'd be glad to move the recommendation. I also have a comment or two. I move the recommendation.

Council Member Scharff: Second.

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

- A. Adopt an Ordinance Deleting Section 18.42.110 of Chapter 18.42 of Title 18 of the Palo Alto Municipal Code and Adopt a New Section 18.42.110 Pertaining to the Siting and Permitting of Wireless Communications Facilities, as recommended by the Planning and Transportation Commission; and
- B. Direct the City Manager or designee to suspend the Anthem Telecomm contract to study construction of a large standalone tower in light of the changed legal and technological landscape.

Council Member Kniss: I don't think there's any question that among the most frustrating things that we go through are where we lose calls, where people are frustrated. I understand that even our Emergency Services has difficulty with this as well, even though we don't air that particularly. One of the questions I had looking at these is that frequently they're disguised. You don't show any that are disguised. Is that just for illustrative purposes? Often they look like a tree or a flag pole.

Ms. Silver: That's a very good point; I should have raised that. Especially the Tier 2 and the Tier 3 photos are not camouflaged so that we could better illustrate the differences between the infrastructure. The photo on the cover

TRANSCRIPT

page is a disguised flag pole installation. We do have some of those in town. Our existing practice and the practice that will be carried forward in the ordinance is to camouflage the antennas.

Council Member Kniss: I didn't recognize the one on the front. That would be the only comment I would make. This was very helpful to hear about this. It must be reassuring for the public to know that we are working toward providing better coverage in our City. One of the most frustrating things is over on 280 or out North California and the minute you get started, you've lost your connection. This is reassuring.

Council Member Scharff: In taking a look at this, it seems to strike a good balance between aesthetics and approving these applications. That seems to be the goal. Am I correct?

Ms. Silver: (inaudible)

Council Member Scharff: I have some questions. How is this different than our existing ordinance in terms of the practical effects of what it's going to look like? I think I understand, but I want to hear it from you guys.

Ms. Silver: In terms of the aesthetic review that will be done, I don't think there's going to be much of a difference in the look and feel of the installations. The camouflaging and the stealth design requirements are still there. There might be one difference, and that is the height. Commissioner Gardias touched on that in his comments. The existing ordinance allows a maximum height up to 65 feet, and then 15 feet above the existing building height, if it's a building-mounted installation. We've carried that forward in this ordinance. Under the Spectrum Act, you can then receive an additional height allocation, the 10 or 20 feet that I referred to. We will see some taller towers. If the Council decided that they would like to see shorter towers, then they could decrease the overall base height. However, the concern with that is that might then result in more installations because the coverage capacity would not be as broad.

Council Member Scharff: The more height, you get better coverage and you have to have less installations. Right?

Ms. Silver: That's correct based on the existing technology.

Council Member Scharff: The only thing that gave me pause is that we got an email today from AT&T saying, "Don't approve this. It could dramatically harm coverage in Palo Alto. Please delay until we have time to look at it." The way I read it is they hadn't had time to look at it, as opposed to that they had any substantive concerns. Do you have any comments or thoughts

TRANSCRIPT

on that? No one is here from AT&T, and no one's here from Verizon, so I'm assuming that they're not panicked about this.

Ms. Silver: I did have a conversation with the ATT representative today who made the same request that it be continued to me. He did say that he had reviewed the ordinance and that he didn't think there were any significant problems; they needed more time to vet it internally. I did mention to him that there will be a second reading on this ordinance and that he could supply comments, but we haven't received any as of yet.

Vice Mayor Schmid: I don't have any questions on the aesthetics and the motion that was made. I do have a problem with the disconnect. Every time we have a public hearing around a new tower going in, the chamber gets filled with people. Half of them say, "I want better service." The other half says, "I'm worried. What are the health effects of this?" The law is based on the Telecommunications Act of 1996, that local communities cannot regulate on health effects of RF emissions providing the facility is complying with FCC emission standards. You look in the data, and those emission standards were based on studies done in the early 1990s, 25 years ago. We're living in a different world. The intensity, the number, the power, the strength of RF emissions have changed. Everyone knows that. When we have a public hearing, people come to hear that, and we have to say, "No. That's not our job." Since this is the public hearing, individually as people we have to make a response. What is the latest research? If you start looking at the research, there's questions out there. In March 2013, the FCC opened a new docket. They said, "We are not a health and safety agency. We defer to others to interpret biological research." They tell us that we can't ask health questions, because they've taken care of it. Then they say, "We're not a health agency either." They opened a docket two, almost 2 1/2 years ago, for public comment and also research on this. There's not a word of what they've gotten, where they are. Are they learning anything? Are they hearing anything? You go to the literature, and there's lots of people who write articles and say this is dangerous, and others say that's nonsense. If you look a little further at the FCC, the group that knows better than us is the World Health Organization. They have a group called the Interagency for Research on Cancer. A 13 country study. They have ongoing, long-term research. First they reached the stage a little more skeptical than the FCC, saying, "There are signs that something could be going on." They're doing an intensive 13 country longevity study. They say they will have the results in early 2016. That's an important statement. Why doesn't the FCC share with us, if we're the front men for them? We have the public hearings. We've got to respond to people and their concerns. Why don't they give us the latest information? Why do they make us go and spend hours looking through health data, trying to say, "Is

TRANSCRIPT

it okay? What's going on here?" A question for legal Staff. Is there something we can do to get the FCC to accept their 60-day, 90-day, 150-day limits if they provide us with the latest information on health concerns? Is that a fair mandate for them?

Ms. Silver: I will defer to Mr. Lay on that. He comes fresh from Washington, DC. Hopefully he can give us some guidance on that issue.

Tim Lay, Spiegel & McDiarmid: Mr. Vice Mayor, that would be a perfectly fair and reasonable demand of the FCC. There is the slight problem of, because they are the FCC, whether they behave in fair ways or reasonable ways all the time is not necessarily within anyone else's control. The docket you mention, the FCC docket, is still open. The FCC has not acted in it yet. All the comments that have been filed are retrievable online.

Vice Mayor Schmid: I couldn't find them.

Mr. Lay: The FCC's website, this is another oddity considering they're the Federal Communications Commission, they probably have the most unfriendly website of any federal agency, which is a separate issue. The fundamental problem that you're talking about, the safety of RF emissions, is an ongoing one subject to debate. The FCC has not changed its standards for 20 years. A lot of people disagree with that. As far as responsibility, under Federal law responsibility for determining that—there's some logic to it—is if there is a safety standard, it should be the same safety standard in Palo Alto as in Dubuque or in Miami or Atlanta or anywhere else. If they endanger somebody above a certain threshold, that should be true everywhere. The problem is with the substance of the standards. It can be very frustrating at the local government level to have to tell your constituents, "I hear you, but I am prohibited from basing a decision on that." There are two avenues. One is the FCC itself. That docket is open, and anyone can visit the Commissioners and visit staff and submit on that. I'll be happy to pass on the links to do that. Obviously the makers of the Federal law that created this circumstance are members of Congress. Members of Congress and Senators as well are the ones that passed the law that said the FCC standards control, and you can't base your decisions on that.

Vice Mayor Schmid: That is very helpful. I wonder if the maker of the motion would accept a friendly amendment that we request the FCC provide an annual update on the status of health studies that they and the World Health Organization are working on.

Council Member Kniss: I have no objections.

TRANSCRIPT

Council Member Scharff: That's fine. Vice Mayor Schmid, maybe you'd like to go to Washington and talk directly with the FCC. That'd be great.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "request that the U.S. Federal Communications Commission provide an annual update on the status of health studies that they and the World Health Organization conduct."

Council Member Burt: Last week we had our legislative agenda. It seems like that's the place that this should be directed. I don't know what is the point of doing it through this motion other than as a way to direct that this be included in our legislative agenda.

Mayor Holman: Vice Mayor Schmid, did you want to add anything having to do with our legislative advocates as part of this amendment?

Vice Mayor Schmid: Yes. That's a good idea, to send it to them. It would be helpful, since the FCC has directed us how to run our meetings without information, to let them know that information is a critical part of a public hearing. They're asking us to conduct public hearings, so they have some responsibility.

Council Member Burt: How would this be done? How are you envisioning that this would be done?

Vice Mayor Schmid: I would assume that if there are a number of communities that are concerned with health issues like us and the FCC gets a number of requests, they would appoint some deputy manager to write an annual update.

Council Member Burt: Is this intended that the City would write a letter signed by the Mayor? That's what I'm trying to understand.

Vice Mayor Schmid: Yes. To the FCC in response to their request for us to adapt our local laws.

Mayor Holman: Vice Mayor Schmid, is the additional information that you want to have included here to perhaps have this copied to our legislative advocates and direct them to follow up?

Vice Mayor Schmid: Yes.

Mayor Holman: Is that agreeable to maker and seconder?

TRANSCRIPT

Council Member Kniss: Whatever way we can get the most accurate information and that we track it is fine with me. Putting it in committee where it can be put on the agenda and also followed by the group that is doing this. What is the name of our group in Washington?

Mayor Holman: Steve and Thane.

Vice Mayor Schmid: Van Scoyoc.

Council Member Kniss: That group, yes.

Mayor Holman: Council Member Kniss accepted that. Council Member Scharff, do you accept this?

Council Member Scharff: Yes, absolutely.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion, "direct the City's federal legislative advocates to add this issue to their priorities."

Mayor Holman: I'll be voting for this, but I also want to support Council Member Schmid. Not only are the studies old, but I don't know that there was any anticipation of the proliferation at that time. Speaking to the consultant, I absolutely agree with you that what should be true in one community should be true in another. The proliferation is not the same in one community to another. That also needs to be addressed. I don't know how we arrived at four cabinets as a maximum. Cara, can you speak to that?

Ms. Silver: That's under the Spectrum Act (crosstalk).

Mayor Holman: That is part of the Spectrum Act. I missed that. We'll vote on the board. This is to update our City Code to be consistent with the Spectrum Act, to direct the City Manager or designee to suspend the Anthem Telecomm contract to study construction of a larger standalone tower in light of the changed legal and technological landscape, and request that the U.S. Federal Communications Commission provide an annual update on the status of health studies that they and the World Health Organization conduct, and (d) direct the City's federal legislative advocates to add this issue to their priorities. Vote on the board please. That also passes on an 8-0 vote, Council Member DuBois absent.

MOTION AS AMENDED PASSED: 8-0 DuBois absent

20. Approval of a Record of Land Use Action for a Site and Design Permit and a Conditional Use Permit to Implement a Public Bicycle/Pedestrian

TRANSCRIPT

Path Connecting Wilkie Way to the Redwood Gate Neighborhood, with Associated Site Improvements, on a 5,000 Square-Foot Site Fronting Wilkie Way, Zoned CS-L-D (Service Commercial with Landscape and Site and Design Combining Districts) located at 4261 El Camino Real. Environmental Assessment: Exempt from CEQA Pursuant to Sections 15303 and 15304 (New Construction of Small Structures and Minor Alterations to Land).

Jonathan Lait, Planning and Community Environment Assistant Director: Good evening, Council. Our Contract Planner, Sheldon Ah Sing, will be making the presentation.

Sheldon Ah Sing, Contract Planner: I have a brief presentation for you that summarizes the packet. The project is located along Wilkie Way, which is proposed to be a bicycle corridor. The path would connect the Charleston Meadows to the Redwood Gate neighborhood where there are small open spaces as well as the neighborhoods adjacent to the El Camino Real Commercial Corridor. The project site is a vacant, unimproved 5,000 square foot portion of a 3.2 acre site that has a Dinah Hotel. The underlying zoning and proposed use requires public hearings. Before the application was submitted by the City, the City conducted two community meetings. In addition, the Planning Commission and the ARB recommended approval of the project. The Bicycle Advisory Commission also provided their endorsement. All these meetings led to maximum public input and opportunities leading to the site plan before you. The plan includes an approximate 100-foot pathway that begins 10 feet wide at Wilkie Way and tapers to 5 feet as it enters the Redwood Gate neighborhood. The site will include trees and drought-tolerant landscaping along with sitting boulders and benches. The path will be lit with bollard lighting. All of these are City standard elements. The topics worth discussing are aesthetics and parking. Regarding aesthetics and compatibility, at present the site is unimproved. It's a very small site. Given its surroundings, it's a bit out of place. The project proposes to frame the site in a way that creates transitions between densities and connects to neighborhoods. The project will also improve the aesthetics of the site with, as I mentioned, drought-tolerant plantings consistent with its surroundings. A lighted pathway will not be intrusive. Regarding parking, during the first community meeting, residents believed that the Summer Hill development did not have sufficient parking. If this path were to be constructed, it would create additional parking on Wilkie Way. At the second community meeting, the parking occupancy study was conducted and the report concluded that there was heavy bicycle and pedestrian use along Wilkie Way and that there was sufficient parking within the Redwood Gate neighborhood. Therefore, construction of the path would not change any existing parking conditions. Over the course of the project,

TRANSCRIPT

we received positive public feedback. Everybody was wondering when the project would be approved. Please approve it. We did receive one comment regarding an existing storm drain on the site. That is a condition with the property owner that that would be improved prior to the construction of the City project. That plan is in the City's hands for review at this point. We do have a Planning Commissioner present to address any questions regarding their evaluation of the project. The recommendation is for approval of the project subject to the findings and conditions contained in the Record of Land Use Action. That concludes my presentation. I'll be happy for any questions you may have.

Council Member Burt: I would like to move the Staff recommendation which is approval of a Site and Design Review and Conditional Use Permit to allow the construction of the proposed pedestrian and bicycle pathway and the associated site improvements based upon the findings and conditions of approval contained in the Record of Land Use Action.

Council Member Scharff: Second

Council Member Kniss: Second.

Mayor Holman: Council Member Burt, seconded by sounded like Council Member Scharff.

MOTION: Council Member Burt moved, seconded by Council Member Scharff to approve the Site and Design Review and Conditional Use Permit to allow the construction of the proposed pedestrian and bicycle pathway, and associated site improvements based upon the findings and the conditions of approval contained in the Record of Land Use Action.

Council Member Burt: This is something that we made the first steps on as a Council in 2008. It's good to see this is coming about. We don't often get opportunities to create new pedestrian ways in the City, connecting what are otherwise areas that are isolated from one another. I'm glad to hear, what appears to be the case, that we don't have a parking deficit in the adjacent higher density neighborhood, and we don't anticipate spillover parking. I look forward to seeing the community use this.

Council Member Scharff: It's fantastic that we're creating more of these pedestrian and bicycle ways and we're connecting an area that is a little isolated. Really glad to see this come forward. It's been a long time coming forward, since 2008. I'm glad we're finally getting this done.

TRANSCRIPT

Vice Mayor Schmid: It's a small site. The property to the south, it looks like they have a parking lot or parking places. Will that remain as is? This site, which is a bicycle thing, will remain at the side of a parking lot?

Mr. Sing: There's no proposed change to that condition.

Vice Mayor Schmid: It doesn't show it in any of the pictures. It looks so nice and park-like and rural, but it will be next to an active driveway.

Mr. Sing: Yes.

Mayor Holman: As Council Member Burt said, this has been a long time coming. It looks to be a great project. It's nice to have pedestrian access off the street. It's a project that looks to be easy to support. The motion on the board is to approve the Site and Design Review and Conditional Use Permit to allow the construction of the proposed pedestrian and bicycle pathway and associated site improvements based on the findings and conditions of approval contained in the Record of Land Use Action. I do wonder if the motion should include the address of 4261 El Camino Real-Wilkie Way path. Council Member Burt, I presume you'd be okay with that addition.

Council Member Burt: Sure.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the end of the Motion, "for the property located at 4261 El Camino Real along the Wilkie Way Path."

Mayor Holman: With that, we'll vote on the board. That passes on an 8-0 vote, Council Member DuBois absent.

MOTION AS AMENDED PASSED: 8-0 DuBois absent

21. Consideration of Impasse and Factfinding Recommendation Regarding RPP Enforcement Staffing, Approval of Three-Year Contract to Serco, Inc. for \$1,509,630 for Contract Enforcement for the Downtown Residential Preferential Parking (RPP) Program, Approval of a Budget Amendment Ordinance 5336 Entitled, "Budget Amendment Ordinance of the Council of the City of Palo Alto in the Amount of \$378,000 To Appropriate Funds for the First Year of the Contract," and Adoption of Resolution 9535 Entitled, "Resolution of the Council of the City of Palo Alto Amending the Administrative Penalty Schedule for Violation of the RPP Program."

TRANSCRIPT

Hillary Gitelman, Planning and Community Environment Director: Hillary Gitelman, the Planning Director. I'm joined by Suzanne Mason, the Assistant City Manager. This item, as the Mayor indicated, regards enforcement for the Downtown Residential Preferential Parking Program which is one of the Council's priorities. You adopted a resolution back in December 2014 directing us to get this program in place with all due haste. It's been a long process to select a vendor for this enforcement action and a long process of meeting with our employees on the issues surrounding this contract. We are recommending that you conduct a public hearing and take the requested action. Suzanne and I are here to answer any questions you have. There's also a representative from the vendor and other Staff available for questions.

Council Member Kniss: This is not meant to be flip. We have had few items that were more in contention than talking about Downtown parking and our RPP. There's not a soul here tonight speaking to it. Did we announce the meeting? It's almost as though this is a mystery meeting. I'm surprised. Is it that you've done such a fabulous job that no one needs to appear again and they trust our outcome?

James Keene, City Manager: The point of this is that the recommendation is guided for the most part to be in support of the pilot design of the RPP Program. It is advancing the ball, so to speak, for RPP. I would think that's pretty well known by folks in the neighborhoods.

Council Member Kniss: Unless you want comments from everyone else, Mayor Holman, I would be delighted to move this motion, which has been underway three years perhaps, for those of you who have been sitting here longer, longer than that. It's terrific to see that we're passing it, going to implement it. I'm going to presume that by the time we come back from break, they'll be well underway. Correct? Is that a yes?

Ms. Gitelman: The current schedule is to begin selling permits in August, so that we can start enforcing the program in early September.

Council Member Scharff: I'll second it.

Council Member Kniss: It's terrific to be moving in that direction. Would you like me to read the motion?

Mayor Holman: Please. Thank you.

Council Member Kniss: I'm delighted we're here. The summary title of this is the fact finding recommendation and so forth. It reads consideration of impasse and fact finding recommendation regarding RPP enforcement

TRANSCRIPT

staffing, approval of a three-year contract to Serco, Inc. for \$1,509,630 for contract enforcement for the Downtown Residential Preferential Parking, RPP, Program, approval of a Budget Amendment Ordinance in the amount of \$378,000 to appropriate funds for the first year of the contract and adoption of a resolution amending the administrative penalty schedule for violation of the RPP Program. There was a second, correct?

Mayor Holman: Council Member Scharff seconded. You've covered it all. It's worded slightly differently from what's on the screen.

Council Member Kniss: It is. I read the title, but if you want to do the rest of it, we can do that as well. That should be included in the recommendation.

Mayor Holman: Adopting the resolution amending the administrative penalty. Do you care to read that part please? It's on your screen.

Council Member Kniss: I can read under 2, do you want me to read that part? Implement.

Mayor Holman: Item 3 that's on the screen.

Council Member Kniss: Adopt the attached resolution amending the administrative penalty schedule to include a penalty amount for violation of the RPP Program.

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

- A. Implement the City's last, best, and final offer to Service Employees International Union, Local 521 (SEIU) and:
 1. Authorize the City Manager or designee to award a three-year contract in the amount of \$1,509,630 to Serco, Inc. for enforcement of the Downtown Residential Preferential Parking (RPP) program; and
 2. Approve a Budget Amendment Ordinance (BAO) in the amount of \$378,000 to cover contract costs for the first year, transferring funds from the General Fund to the Residential Parking Permit Fund offset with a reduction in the Budget Stabilization Reserve; and
- B. Adopt a Resolution amending the administrative penalty schedule to include a penalty amount for violation of the Residential Preferential Parking (RPP) program.

TRANSCRIPT

Council Member Kniss: The only part I would mention is that I was pleased to see that in choosing which company you were going to use, which is on packet page 376, you went into considerable detail about why you didn't choose Data Ticket or SP Plus, but chose Serco. They're very much aligned with what you had chosen. I would certainly support that. Additionally, this is going to be a phenomenal program. I have high hopes for it. The general public has been waiting for this, especially slightly north, slightly south, for a long time. We're all going to be interested in finding out what the results are, who is parking where. I imagine we're going to get lots of feedback from a whole variety of sources. It's a pleasure to be moving on with the RPP.

Council Member Scharff: I'm pleased we're finally moving forward with the RPP. I know this is something the community has wanted. It's taken forever. It's embarrassing how long it's taken. It's not a fault of Staff. It's unfortunate. I'm disappointed in our friends at SEIU for delaying this for six months when they know that the community wanted it, put the City towards thousands and thousands of dollars in terms of having to do a hearing, having to cause us to have to go to PER on this whole issue, when this isn't in the purview of PER, and then to take the time of the fact finders who then wrote a long opinion. How long was the hearing?

Suzanne Mason, Assistant City Manager: It was all day on the 29th of May.

Council Member Scharff: To put the City through all of that, to put the public through all of that, and then there's not a single person here from SEIU. That's shocking. I'm very disappointed that that kind of thing would happen. I'm glad the RPP is moving forward and look forward to its timely and quick implementation.

Council Member Berman: I agree that it's vital that we roll out the RPP as quickly as possible. We're already quite over the time that we said we'd start the pilot. It's about time we get started with that. I received an email a couple of weeks ago with a proposal from SEIU that heavily emphasized the use of—what's the technical term? The license plate recognition programs. I noticed that in the Staff Report we talk about, not in a ton of detail, why those aren't appropriate for the Downtown RPP. Could you guys expand a little bit on why Staff doesn't think the license plate recognition programs are the appropriate technology?

Ms. Mason: Hillary is the expert on this, but having been on the panel for fact finding I have some background in it now. The discussion with SEIU was that they suggested the use of this technology in the RPP. While Staff acknowledged we were willing to explore the use of new technology, it was

TRANSCRIPT

questionable whether it would work in the RPP, because in the employee component of the permits, they will be assigned by street block face. It was questionable for two reasons. One, the closeness of the cars as they park near each other, whether we could get to the license place. Secondly, it was questionable whether the GPS technology could place it on that small of an area as a block face.

Mr. Keene: We had this discussion a couple of years ago with the Council at one point. This being Palo Alto, a question about deploying license plate readers and the implications of those and that use ...

Council Member Berman: For privacy concerns.

Mr. Keene: ... and how do you collect the data and privacy. That engenders what would typically be a longer conversation. We have a time schedule and a sense of urgency to kick the pilot off. The idea of getting sidetracked, at least at this time, with a conversation in which we'd be dependent upon the technology to implement the program didn't make sense. That's why we've indicated all along we're always interested in exploring new technologies. There's nothing at all that keeps us from doing that with our existing parking management work in other areas of the City. To deploy it at this point with all of the uncertainties and variables that play in the pilot just didn't make sense.

Council Member Berman: Do we know how license plate recognition programs work? It seemed like it would be an easier technology for diagonal parking, where you've got easy access to the license plates. Has it been used in other communities in non-diagonal parking areas?

Ron Watson, Police Captain: I can answer that, Council Member Berman. Ron Watson, Police Captain. Back to the original question about the LPRs. One of the difficulties I envisioned going forward in talking to the transportation folks is you may deploy hang tags for guests. In that case, we would not have license plates to match them up, so it would be completely useless. If hand tags are used anywhere, LPR would not be functional for that. Some places do use the LPR for parallel parking, but it is not as efficient as the diagonal parking. Hang tags are probably one of the big reasons too.

Council Member Wolbach: Thank you, Staff, for the report and everybody from the community to Staff, Council colleagues who have put so much work into this for so long. It's been a long time coming. It's important, as everybody said. We're not talking about a cheap contract here. I definitely understand why this vendor was picked over the others, because of all the reasons explained by Staff. Looks like the length of the contract is about

TRANSCRIPT

three years, to expire at the end of May 2018. I was wondering if you could give us short thoughts about whether it needs to be that long a contract, whether we might want to revisit it before that. We might decide to switch to something else before that or in 2018. I'd mention that there is also the reverse possibility. You might decide that we appreciate this partnership and want to expand it. Thoughts about timeline for any modifications.

Ms. Gitelman: We envisioned this pilot RPP Program for Downtown initially as a six-month Phase 1, and then probably a year-long Phase 2. That's our estimate based on the Council's direction last December. We wanted a contract of sufficient length to make sure that we could handle that period. Obviously at the end of that pilot as we design any changes to the program, we'd also like the ability to keep using the contractor through a transition to whatever permanent program we put in place. This contract is of sufficient length to give us the ability to get through the pilot and make some decisions going forward after that.

Vice Mayor Schmid: The Council committed itself to the RPP Program and making it work in December 2014. This is a critical step to make sure that it starts on time. We absolutely need the information from this to get an idea of how many cars are out there and how they split and what to do about it. I am struck though that we are using General Fund money to foster this. I note that earlier this evening we approved a \$2.9 million TDR, which is a Transfer of Development Rights, from elsewhere into the Downtown. Our Downtown development cap evaluation pointed out that over the last 15 years we've added 140,000 square feet of commercial space above zoning through TDRs. That has included 532 exempt parking places. There has been a sizable private benefit engendered in the Downtown, and part of it has resulted in parking issues. I don't think we can grapple with the problem without knowing the data. We need to start this program to get the data. I am supporting the request for funding. It is important that we have a discussion about fair share of funding. I do note that the Planning Director has identified a date in September where the Council will have a discussion of fiscal impacts, that I assume is the appropriate place to talk about parking, General Funds, other sources of revenues. Is that a correct interpretation?

Ms. Gitelman: We've talked about having a discussion of fiscal impacts in the context of the Comprehensive Plan Update. We do hope to schedule that sometime this fall. I think September is a little optimistic. We have consultants working on that study right now. I should clarify that the action before you does use General Fund support, but it's anticipated to be largely supported by permit revenues. Until we have practice ...

TRANSCRIPT

Vice Mayor Schmid: In the future.

Ms. Gitelman: ... with these revenues, we don't know how much they'll cover. It's our hope that the General Fund support will be quite a bit less than we're showing you this evening.

Council Member Filseth: I want to second what the Vice Mayor just said about looking at this. I agree it shouldn't derail this for the first year, because this has been a long time coming. Residents want it. There's been a lot of delays already. Council Member Scharff just pointed out a fairly significant, silly one that we've had to deal with. Staff has done a thorough job on this. We ought to move forward.

Council Member Burt: I support moving forward. I want to correct for the record something that is important for the community to understand. The Transfer of Development Rights that we did earlier this evening must be fully parked at their new location Downtown. They're being transferred from a location that is in want of the parking overflow areas to the Downtown. They're not being transferred from elsewhere in the City into our impacted neighborhoods. In fact, they'd be getting moved from the outskirts of Downtown at Homer and Bryant to somewhere closer to transit Downtown. We hear claims that now these TDRs are necessarily compounding our problems. In this case, that's not the case.

Mayor Holman: I'll most assuredly be supporting the motion. It has been a long time coming. Thank you to Staff for your diligence on pursuing this over the long course, longer than any of us wished it had been. I want to also support the comments or reiterate the comments of Vice Mayor Schmid when it comes to where the funding source for this program is coming from and what we might look at in the future in a longer-term fashion. The motion in front of us is to implement the City's last, best and final offer to Service Employees International Union Local 521, SEIU, by (1) authorizing the City Manager or designee to award a three-year contract in the amount of \$1,509,630 to Serco, Inc., for enforcement of the Downtown Residential Preferential Parking, RPP, Program, and approving a Budget Amendment Ordinance, BAO, in the amount of \$378,000 to cover contract costs for the first year, transferring funds from the General Fund to the Residential Parking Permit Fund, offset with a reduction in the Budget Stabilization Reserve and (3) adopt a resolution amending the administrative penalty schedule to include a penalty amount for violation of the RPP Program. Vote on the board please. That passes unanimously, on an 8-0 vote with Council Member DuBois absent.

MOTION PASSED: 8-0 DuBois absent

TRANSCRIPT

22. Consideration of Capping the Fee for Establishment of Single Story Overlay Districts and Referral of a Policy Discussion Regarding Single Story Overlay Districts and Alternative Neighborhood Protections.

Hillary Gitelman, Planning and Community Environment Director: Hillary Gitelman, the Planning Director. Briefly ...

Mayor Holman: I do apologize. We have two Council Members who need to recuse themselves. We will be breaking this item into two parts. The recusal of Council Member Wolbach and Vice Mayor Schmid will refer to the first part, which has to do with the single-story overlay fees.

Council Member Wolbach: I'll be recusing myself for the first portion of the discussion. I will be back for the second part. I live in a potentially affected neighborhood.

Vice Mayor Schmid: I live in an impacted neighborhood and will recuse myself from the first part.

Mayor Holman: Director Gitelman, we'll be discussing at this point in time and hearing a presentation on the single-story overlay fees.

Ms. Gitelman: I don't have a lot to add. This is a continued discussion, as you know, that was first begun at the Finance Committee and continued at the Council during the budget hearings regarding the fee that should be charged for establishment of single-story overlay districts. The Staff Report is clear. It appears that in the past, even though these districts are initiated by application from members of the community, they've been treated as rezonings initiated by the City, and a fee has not been charged. The recommendation before you this evening on the fee is to either continue that practice and not charge a fee or to set a flat fee that's less than the Municipal Fee Schedule that's currently charged for other types of rezoning. Be happy to answer any questions.

Council Member Scharff: This was interesting that that's what we've been doing. I'm fine with continuing it the way it is. My only concern is that the public didn't know this was our practice, and I don't think Staff knew this was our practice. If we move to continue this practice, how are we going to let people know? I assume Staff will now be cognizant of it, but Staff moves on and that kind of stuff. Are we going to make it clear somewhere that this is the way the process works?

Ms. Gitelman: There's a section in the fee schedule that says a fee will be charged. I'm sorry, in the Municipal Code that says a fee will be charged. We'll have to clean that up in our Code cleanup ordinance. It'll be a change

TRANSCRIPT

to strike or modify Subsection 2(d) in 18.12.100, which says a fee is charged.

Council Member Scharff: When we make a motion tonight, if we were going to say "direct Staff to continue the practice of treating the single-story overlay district," should we put in there that you will also bring back an amendment to amend the Municipal Code to codify that practice?

Ms. Gitelman: That would be perfectly acceptable. I'm referring to a section on packet page 450, if you want to look at it. We should either take the step of amending this section of the Municipal Code or put a note on the fee schedule that says even though it says charge a fee, the fee is nothing. You could do either one of those things.

Robert Moss: I found the whole question of the fee rather puzzling. I listed the various Staff Reports for the first ten single-story overlays which were adopted. In none of those reports was a fee mentioned. That doesn't mean a fee wasn't charged; it just wasn't in the basic report that went to the Council. I was curious. I looked at the City budgets from 2005, '06, '07, and '08 and there was a table and there were fees. A single-story overlay is not listed in any of those budget fees in the tables. I suppose it would be possible to go back and look at the Council minutes of the meeting when the actual overlays were adopted and see if the minutes discuss fees. I found the whole thing rather puzzling. The other thing I want to mention is a third of the single-story overlays are small, 16-27 units. The higher the fee and the small areas, the more it's going to cost each property owner. In fact, there was only one single-story overlay which was large; it was 256 or 259 units. The others tend to be between, in round numbers, 55-95. If you decide you do want to maintain a fee, that it be minimized, \$500, \$1,000, something like that. You might want to put in two levels of fees. If it's under 150 units that are asking for the single-story overlay, then you have a lower level fee. If you have over that number, then you can have a little higher fee because it would still average out to a lower payment per property. The whole question of the fee charge, what came in and how it was assessed, was puzzling. I had some trouble digging out any data on it. I suppose it would be possible to do it, but I don't know if it's worth the effort.

Leah McGarrigle: My name is Leah McGarrigle. I live in Los Arboles addition of Eichler homes built in the early 1970s. Our addition is notable for being one of the last Eichler subdivisions built and one of the few containing some rare Eichler homes designed with an integrated second story. We are committed to protecting this important legacy and our neighborhood quality of life. I have here the Los Arboles edition application to create an R-1 as

TRANSCRIPT

single-story overlay combining district for the 113 contiguously located properties in our neighborhood. We intend to submit this application tomorrow morning and eagerly await tonight's decision. I am also speaking on behalf of the other neighborhoods working towards single-story overlay protection from intense development pressures. They are here tonight. Nice to see everybody. The work we are doing is very important to us and to Palo Alto. We are here to ensure applications for a single-story overlay or SSOs are not assessed a zone change fee. We believe the fee in question is intended for a single development project attempting to alter a zone for developmental purposes in which they would realize a significant financial gain. We believe the fee was never intended for assessment on an entire neighborhood, and we understand none of the prior 12 SSO applications in Palo Alto were assessed this fee. Tonight we are urging you to do the right thing for Palo Alto and eliminate this fee. Should this decision follow the Staff recommendation that applications be submitted via the Planning and Transportation Committee with no fee, we would ask for the timely consideration and processing of these applications by the Planning and Transportation Commission. We are also urging you to act tonight on the Staff recommendation to appoint resources toward other forms of neighborhood conservation in the near future. We are here to help. Eichler neighborhoods are a significant part of the architectural heritage of Palo Alto and California. Hence, it would be in the City's interest to facilitate their protection by these actions. We are asking you to please do this tonight, so that we may submit our application tomorrow morning.

Richard Willits: I want to enforce that we would like it if you could eliminate the fee and help us to protect Eichler neighborhoods. Both Leah's tract and several other tracts which are developing their SSO applications are going to be ready to go. No more than five.

Robert Hinden: I'm Robert Hinden; I live in an Eichler on Murray Way, Palo Alto. I also support the Staff recommendation to waive the fees as has been stated earlier.

Dorianne Moss: My name is Dorianne Moss. I am a resident in one of the developments that is seeking an SSO. I've been very active recently gathering signatures for such an effort. I wanted to speak to the fact that gathering signatures is a democratic action. I don't think a fee should be charged for exercising our democratic actions. We are not seeking to benefit. We are a group of citizens coming to act together, not a single developer seeking to benefit monetarily from such a change.

David Hammond: Name is David Hammond. I apologize for the delay. Just wanted to reiterate in the letter that I sent to the Council is that it is urgent.

TRANSCRIPT

I stated before I've lived here since 1963 in the house on Metro Circle and have never seen the push of real estate people be as great. In the last two weeks, there have been two very well dressed young men doing their job. They've come door-to-door in our neighborhood trying to list the houses. For our house, I've received in writing an offer of \$1.5 million for my house, which is in the deepest part of the floodplain, 1,550 square feet. We love it, and it's an award-winning house from years ago when the Architectural Review Board gave out some awards. It is urgent that it gets done now with all the pressure from the real estate industry.

Renata Tong: Hi, my name is Renata Tong. I live in one of the Eichler neighborhoods, Torreya Court. I wanted to voice my vote to support waiving the fee for the single-story overlay.

Council Member Scharff: After that rousing support, obviously we should waive the fee. I'll move that we direct Staff to continue the past practice of treating single-story overlay district requests as rezonings initiated by the Planning and Transportation Commission so that no fee would be required and that Staff bring back an amendment to the Municipal Code reflecting that.

Council Member Kniss: Second.

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

- A. Direct Staff to continue the past practice of treating Single Story Overlay District (SSO) requests as re-zonings initiated by the Planning & Transportation Commission so that no fee would be required; and
- B. To return with an Ordinance updating the Municipal Code to reflect this change.

Council Member Scharff: This is absolutely the right thing to do. Since we haven't charged a fee, it clearly doesn't make sense to start charging the fee. On reflection, it clearly makes sense that we don't have large neighborhoods having to go ahead and get the money to put this together and do it. This is a zoning-type function, and as such we should move it forward as such.

Council Member Kniss: We approached this the last time. I know Council Member DuBois is gone, but we both suggested probably consistency would be the best path for us to follow with this. My thanks to Bob Moss who went back through his records. From what he could tell and, I guess, from what we can tell, this fee hasn't been charged previously. In making the second,

TRANSCRIPT

I want to look at Hillary. If you have the single-story overlay, then the appeals process changes, because now there isn't the appeal process that we have seen for Individual Review. Instead this will be the burden of the City to maintain the single-story overlay. Am I correct? I'm pretty sure that's correct from reading about—is it Oak Grove, Bob, where this started? Oak Grove. I think that was why they began, because the homeowners sued the city. The point of this was to protect the homeowners and the homeowners association in this situation.

Ms. Gitelman: I can't speak to that particular set of circumstances. The concept of a single-story overlay is to preclude the construction of a two-story home which would be considered discretionary under our Individual Review program. It essentially eliminates the need for or the opportunity for appeals in the IR program.

Council Member Kniss: Probably saving us money. Whenever there's an appeal, it is going to be a cost to Staff and a cost of everyone else who gets involved in it at the same time. Given that this has been our practice in the past, let's continue our practice in the future. I don't know how many homes will be involved. I think you said there are now roughly 846 lots that are currently involved. I imagine we'll probably add another—I don't know. I'm guessing 300, 400. Several of the groups tonight that have talked are in different parts of town. It would seem that this consistent practice is going to be workable. Let's move it forward.

Council Member Filseth: Council Member Kniss covered some of it. I have the impression that the past practice of rezoning was a work-around to avoid the fee. If we want to get rid of the fee, what's the right way to do it? Is it to rezone or is it to do it some other way? If we're going to do this, what's the proper way to do it?

Ms. Gitelman: The motion is perfectly acceptable. We could amend the Code to state that such applications, if they meet these criteria that are provided in the Code, shall be considered initiated by the Planning Commission, and start there. That's an acceptable way to change the Code and reflect the past practice.

Council Member Burt: When we put an overlay in, it's still an R-1 zone. Is this really a rezone?

Ms. Gitelman: It is a rezone in the sense that we're applying a combination district which shows on the zoning map, so it is considered a rezoning.

Council Member Burt: Logistically, we have these single-story overlay applications that the soonest one may be arriving tomorrow, but we won't

TRANSCRIPT

have amended the Municipal Code at that time. What was your plan on how to contend with the way the Code is currently written? Should we as an interim measure put a nominal fee in there and then we've abided by the current Code until we get it corrected in a month and a half or something?

Ms. Gitelman: Staff's feeling is that if the Council has been comfortable in the past with interpreting this section of the Code as not applying, if the applications are brought to the PTC for initiation, shortly after receipt we would be happy to continue that practice until this cleanup amendment of the Code could be adopted.

Council Member Burt: I get that. This may be a question for the City Attorney. We could potentially get a legal challenge from property owners who want to build a second story. If we didn't follow our Code, are we jeopardizing our position?

Molly Stump, City Attorney: It's very difficult to imagine that that subsection of the Code that includes the fee would be interpreted by any court as establishing a substantive right of that nature. As you were starting this discussion, I was going the same place in my mind. It's always the best practice, of course, to interpret the Code according to its plain meaning. There's some tension in the historical practice and the proposed way of proceeding with that approach, which the Council has been urging City Staff towards that as a general matter. It is a good idea at the earliest possible time to clean up the Code and remove the reference to the fee or provide explicitly that the fee would be zero.

Council Member Burt: In the interim, if we charged \$100, I don't think that's going to be a big problem with any of the neighborhoods who are applying. If it puts us in a stronger position, I don't have a problem doing that. If you don't think it's necessary, I don't have a problem going that way either.

Ms. Stump: It would be fine to do that, but I don't think it's an appreciable different in terms of the legal situation. There is not much of a risk here, if any, of a challenge. Appreciate the question.

Mayor Holman: We have an interim period here where single-story overlays have not been created yet, but applications may be in process. What will happen to applications that come forward for two-story homes? How will those be processed and considered?

Ms. Gitelman: Our obligation will be to consider any applications that come in in the context of the Municipal Code as it currently exists. Obviously we would give applicants an awareness and understanding that there are

TRANSCRIPT

pending revisions to the zoning map in that area. We can't use a pending action to evaluate an application. It would only be if the pending application were acted upon before the application processing had been complete. I hope I made myself clear.

Mayor Holman: You did. If there's an application that is being processed and the overlay takes effect while that application is being processed, then that would apply to any pending application for a two-story home. I want to be clear on that. Because there's no vested right yet.

Ms. Gitelman: There would be no vesting until the application was actually approved and acted upon. Any rezoning would apply to an application that's in process. That's my understanding.

Mayor Holman: Is it appropriate for Staff to suggest to anyone in that circumstance to consider that they could build a single-story home to greater lot coverage than otherwise allowed? I think Council Member Burt was still on the Commission when we did that at Planning Commission. Can Staff feel comfortable encouraging applicants to say this is an avenue you might want to pursue? We aren't changing that part of the Code, because that'll happen when the overlay gets put in place. Does that make sense?

Ms. Gitelman: You're making a good observation. The Code in its current iteration offers an incentive around lot coverage for single-story homes in addition to the incentive that single-story homes are not subject to discretionary review. They're ministerial and aren't subject to the appeal procedure. They're already incentives built in for single-story homes. Your observation that maybe applications that walk in the door where there's a pending zoning action to apply the single-story overlay may think twice about going in that direction is a good observation.

Mayor Holman: The IR guidelines do talk about compatibility, and they are guidelines. I know it's on your radar to make some changes to the IR guidelines. Is there anything that we can do in the interim to promote compatibility to a greater extent than we seem to have been doing in the last while? Even with the single-story overlay, it doesn't dictate compatibility.

Council Member Burt: (inaudible)

Mayor Holman: It could be, but I'm talking about in the interim. We have Individual Review guidelines right now. I appreciate the question, Council Member Burt. Is there something we can do now with our existing IR guidelines, when reviewing new proposals, to promote and better adhere to

TRANSCRIPT

that guideline of compatibility than we have been of late it seems? That's one of the reasons why we've been getting so many appeals.

Ms. Gitelman: Let me talk to that issue for a minute. We've been receiving pretty consistently the last few years about 70 applications a year for IRs, so about 70-two-story homes. Of those, again consistently on an annual basis, we see less than a handful, so three or four, of them get very contentious and result in appeals to the City Council. You are right that there are many instances in which we get into discussions with applicants and neighbors about how to interpret the guidelines and what is meant by compatibility. We're always trying to do better and apply these guidelines consistently. Open to all of the input we get from neighbors. We try and work through as many of these as we can. The ones we can't work through, they end up before you to adjudicate that issue.

Mayor Holman: Understanding that Staff has a lot of work on its plate and we heard from Leah McGarrigle that they have an application ready to go tomorrow morning, Council Member DuBois and I in particular have been meeting with some of the neighborhood groups by invitation. It seems like they've been organized and thorough. Is there some opportunity or some possibility rather than addressing these, again looking for efficiency for the part of Staff as well as the neighbors, to do some kind of bulk processing of these? If things come in and they're very orderly, could three applications be considered at once? By that, I mean could those neighborhoods meet all at the same time together? If it gets contentious, it gets contentious. If there's good agreement on wanting to move forward, would that be efficient for Staff and the neighborhoods? Could it be?

Ms. Gitelman: Obviously we'll look for any opportunity to process these as efficiently as possible. We do have a lot on our plate right now. We'll look at that idea. I did talk to one of the Staff members who processed one of the last single-story overlays that went through our department. Where the controversy and the time is really involved is dealing with the folks within the neighborhood who are not onboard. There's this 60 or 70 percent agreement requirement for an application. That still leaves some members of the community who are not in support. They inevitably have questions and concerns that require some Staff time to respond to. We're happy to do that, but that's where the time and energy come into play. We'll have to see how much is involved and what the timing is to process these applications when they come in.

Mayor Holman: If they could be at least initiated in that way, the ones who are not in agreement will make themselves known. The motion on the board is by Council Member Scharff, seconded by Council Member Kniss, to direct

TRANSCRIPT

Staff to continue the past practice of treating single-story overlay district, SSO, requests as rezonings initiated by the Planning and Transportation Commission so that no fee would be required, and (b) to return with an ordinance updating the Municipal Code to reflect this change. Vote on the board please. That passes unanimously on a 6-0-2 vote, Council Member DuBois absent. Council Member Wolbach and Vice Mayor Schmid recusing themselves.

MOTION PASSED: 6-0 Schmid, Wolbach not participating, DuBois absent

Mayor Holman: We turn now to consider Part 2 of this, which is to consider referring policy matters that relate to single-story overlays and other neighborhood overlays that could provide neighborhood protections to the Policy and Services Committee or PTC for discussion at a later date.

Ms. Gitelman: Hillary Gitelman again. The next part of this item was placed on the agenda at the Council's request. You asked us to place an item on the agenda so that you could consider referring policy matters that related to single-story overlays and other neighborhood overlays that could provide neighborhood protections to the Policy and Services Committee or the Planning and Transportation Commission to discuss at a later date. Obviously from a Staff perspective, we have this single-story overlay process which has worked to protect, in the Staff Report we identify as Council Member Kniss indicated, 850 lots have been included in these overlay zones as a way to protect the character of the neighborhoods involved. If the Council wanted to explore modification to this process or consider alternates, we would be happy to support that as a Staff; although, it would take some effort. Our hope was that you would identify this as something to be undertaken in the Comprehensive Plan Update that we're doing currently as a priority item when that endeavor is completed. It's just as a way for us to have the time and the energy to do the research that you would want from Staff in terms of investigating best practices, ways that these have been dealt with in other communities. As Council Member Burt indicated at our last meeting, we'd want to get back with the folks that helped us design the IR program to begin with, talk about what's worked, what hasn't, and how that could be adjusted or amended, if that's a course of action that the Council would like to pursue. The City Manager and I are happy to answer questions about this, but we're interested in your thoughts.

Council Member Kniss: I'd be glad to move this on to the Policy Committee. I have a question. It's one that Tom brought up to me. I don't remember too many of the details. He indicated that there is a tract in Sunnyvale where they have guidelines for Eichlers going up. Does this ring a bell with anyone? If not, is it something that we could take a look at? Sunnyvale has

TRANSCRIPT

a lot of Eichlers. Apparently it came to their Council or to their Planning and Transportation Commission. There was a discussion about how this could be done in such a way that it was compatible with the other Eichlers. Maybe that muddies the water at this point. I don't know. It was very interesting. The way people add second stories certainly varies enormously, especially if you ride around town now and look in some of the areas where they have added the second stories where they're primarily single stories. They have been added in a whole variety of ways. Some are certainly very intrusive; others are not at all. If that's something we could look at in the future, that would be interesting. Other than that, Mayor Holman, I'd be glad to move this to the Policy Committee, if you're ready for that. If not, glad to wait.

Mayor Holman: Why don't I come back to you?

Council Member Burt: I'd like to follow up on Council Member Kniss' question about whether we should in the future explore a second alternative to offer neighborhoods, which would be a design compatibility for Eichler-style neighborhoods if they want to elect to allow second stories, but those would be under certain design and compatibility guidelines. I don't know whether neighborhoods would be interested in that. There may be neighborhoods that are predominantly Eichler but already have a lot of second stories and they're not candidates for single-story overlay. It may be that some neighborhoods would say they're interested in that as an alternative. We also may not get any takers, and the neighborhoods who want more protection may just want to go the single-story overlay route. It would be helpful to the Staff and the Policy and Services Committee to hear whether this is a subissue that we should be pursuing if this is referred to us. As far as returning to the original IR review committee co-chairs or other committee members, an additional question for them would be how implementation of the IR review process seems to have occurred over the years compared to its original intent and the early years implementation, and whether that has drifted. That's an important question.

Council Member Scharff: What I heard from Staff is that they don't have the bandwidth to have this go to Policy and Services and work it up. I like Council Member Burt's suggestion of alternative design guidelines in Eichler neighborhoods. That's a much more targeted and shorter discussion than saying other neighborhood overlays. There might be others. If you target it, it's much better. That's a targeted approach that would work. If we're going to do that, if we're going to make it narrow like that, we should refer it to Planning and Transportation to look at it. I'm not sure why we would need to go to Policy and Services, but I'm open to hear why we would want to do that. I might be missing something. That's where I would probably go on this. Let's target it. If there are other neighborhood protections besides

TRANSCRIPT

additional design guidelines for Eichlers, I'm open to hearing them. I thought that was a good one, and we should move forward on that, and we should refer it to the Planning and Transportation Commission.

Council Member Wolbach: I'd concur with the direction that it sounds like this is going. Council Member Scharff, the PTC sounds like a better place next to go, but I'd also be open to an idea I heard from Staff earlier. Perhaps this would be worked through as part of the Comprehensive Plan. I'd be open to thoughts on that. I'm not convinced that Policy and Services is the right place to refer this. I'm supportive of the concept of enabling neighborhoods to be the leading voice in crafting their own aesthetic future. I do like the greater clarity of direction that Council Member Burt was pushing us. Originally it sounded very vague and open-ended. That narrows it and helps the discussion.

Vice Mayor Schmid: Director Gitelman made the case that maybe the Comprehensive Plan is a nice place to look at this in a wider purview. If you look at our current Comp Plan, there's a number of programs and policies that seem relevant. Program L-54 says review and update the City's inventory of historic resources. I note that our historic review depends upon the 1980 consultant report, which has not been updated since then. Of course, there have been dramatic changes. It focuses on architectural things. Some of the key City properties—the Fairchild building, the Federal Telegraph building, tell the story of Palo Alto, where Palo Alto comes from—don't get integrated in our historic review. An assessment of that might be helpful. Policy L-57 says develop incentives for the retention and rehabilitation of buildings with historic merit in all zones. A look at something like that might be helpful. It could look at specific neighborhoods or buildings or characteristics. We are now 35 years past the 1980 date, and there might be a different perception of history and our historical value that generations have gone through. I would encourage doing something at the Comp Plan level following up on some of the policies and programs we already have and asking the question what does it mean now.

Mayor Holman: The Comprehensive Plan Update is a good place to undertake this. To answer, at least partially, Council Member Kniss' question. Cupertino has an Eichler design handbook for the Fair Grove neighborhood. Sunnyvale has Eichler design guidelines. To go broader than that, which was the intention of Council Member DuBois—not to try to speak for him, but I believe this was his intention—is that there are other kinds of overlays too. We're not talking just Eichler neighborhoods. As the Comprehensive Plan talks about to recognize the unique characteristic of Palo Alto's different neighborhoods. There's much written about what conservation overlays are, conservation districts, preservation districts,

TRANSCRIPT

preservation overlays. They're all kind of the same ilk, but applied in different manners. Vice Mayor Schmid mentioned historic neighborhoods. Clearly an Eichler consideration would not cover all of that. We don't have even a conservation overlay in Professorville; everything's voluntary except for demolition, which you've heard me speak about the loopholes in that. The Comprehensive Plan is an appropriate way to address these concerns. The Individual Review does have some failings that have been identified according to a number of people. The three people who were—one doesn't live here anymore—involved previously in the Individual Review recommendations should be consulted at a minimum. Also recognizing that what they were considering was a different program. It wasn't a conservation or preservation overlay, so understanding that. Having to do with incentives, again to Vice Mayor Schmid's comment, there are a number of incentives for historic properties, but they're a little bit hard to find. I think Staff's looking to get those more organized and more findable, if you will, in the City's website. It's probably time to return to Council Member Kniss, who was ready to make a motion, wanting to make a motion.

James Keene, City Manager: I'd like to speak either before or when the motion is placed.

Mayor Holman: Go for it.

Mr. Keene: I have a little bit of an objection with where we are. This is an item that just came up last week or the week before. We haven't clarified what we're trying to do, let alone what it will take to do it. We talked first of all about other neighborhood preservation approaches. We've talked about design guidelines. We've talked about Eichler-specific approaches. We've talked about looking at the IR process. We've talked about four or five different things without clarifying the underlying objective. To me it could be broad, like neighborhood quality and how does that manifest in some different ways. To me, that would be an integral part of the discussion during the Comp Plan. What are the strategies and approaches that we need to have to be sure that we do that? It's not very effective use of the Staff resources. It assumes that we have Staff sitting around waiting for something to do, and this is filling the gap. They're already behind schedule and over-programmed. In these planning areas, we need to have some break and not commit and say, "We'll come back and tell you what it would take to take this on," particularly when it's not defined. Even if we go to Policy and Services, we could have a free-ranging discussion about all sorts of things, and then have to come back to the Council and say, "We could do this. It would take this. We could do this. We could take that. We could do this. We could take that." Even when we're done, it strikes me when we get to the Comp Plan discussion, there will be other angles on that about

TRANSCRIPT

neighborhood quality that will come up, whatever it is. You've talked really big about the importance of having aesthetics and design in general as a factor in our City. That ought to be part of the Comp Plan discussion, rather than figuring out how to pick out a piece. Obviously, we're responsive. We'll go along with whatever you want to propose, but I'd like to get in practice of when something comes up as an add-on to the work plan, that there's some process where we go, "If you want to do that, we want to come back in three or four weeks and give you a better sense." We don't know what you're going to vote. You're going to vote right now, and we're going to say yes, and it's not going to be an honest yes. We're going to have to go to the Committee and work it out. I'm partly saying it for this. I'm worried. I said it this morning. We keep peeling parts off that are related to the Comp Plan. I'm worried it will impact our ability to do the Comprehensive Plan comprehensively and to do it in a timely manner.

Mayor Holman: Appreciate your comments. You heard at least a couple us say that the Comprehensive Plan Update is the place and time to do this. I would argue that the last Comprehensive Plan that was put in place, nothing ever happened to follow up on some of the policies that are in that Comprehensive Plan. I know Director Gitelman knows this, but so it's clear for people who haven't had some experience with this. There's a lot written online; there's a lot of material available for what overlays are. I won't read ad nauseam here. A neighborhood conservation overlay district is a zoning tool used to preserve, revitalize, protect and enhance significant older areas within a community beyond what is specified in the standard code. The conservation overlay regulations are applied in addition to standard zoning regulations and will usually take precedence. Both a neighborhood conservation overlay district and a historic district are overlay districts; however, an NCOD will typically regulate fewer features and will focus more on significant character-finder features such as lot size, building height, setbacks, streetscapes and tree protection. Again, it's looking at what's already identifiable and identified in many different sites on the web about what the kinds of things are that we'd be looking at. Some question was maybe alluded to about what other neighborhoods. I think of College Terrace, which has smaller lots, a lot of bungalow courts, that sort of thing. That might be an area that—some people have mentioned to me that they would like to have some kind of protection for their neighborhood as well. In my opinion, we're not fishing; we're looking to implement what's already in our Comprehensive Plan. I'm certainly willing to do that as part of our Comprehensive Plan Update as opposed to, as City Manager referred to, peeling something else off that's going to interfere with doing the Comprehensive Plan Update.

TRANSCRIPT

Council Member Burt: I'm giving greater consideration to this process and the comments the City Manager made. It's a little confusing, because the second recommendation from Staff is quite different from what I understood the City Manager to say. If we were to think that in the broader discussion around neighborhood preservation would be part of the Comp Plan, would that be an open-ended discussion or would that need any preliminary framing by the Council or Policy and Services Committee or Planning and Transportation Commission as input to the Comp Plan discussion or should it simply be open-ended and allow it to percolate through the Comp Plan process? Do either you or Director Gitelman have any notions of how that would occur if it was folded into the Comp Plan?

Mr. Keene: I'll let Hillary jump in. It's hard to prescribe what the Comp Plan process ought to be as it goes through its one, two, three-year cycle. To the extent that components of it can come into place in an integrated way and be presented holistically, that seems to have an advantage. However, the processes I've been in, things get clarified or the urgency of a particular item gets clarified during the process. It could accelerate out. That seems more methodical to me than what we're doing here. This came up without any greater context. The real concern I have is we're not thinking through the implications of what it takes to do an assignment like this when we look at it like this. I can guarantee you, unless you prescribed it right now and said something very narrowly, we could get in a discussion and the Policy and Services Committee or somebody else is going to have to frame it or reframe it or contain it. I don't even know what's on the Policy and Services docket.

Council Member Burt: I'm hearing several different issues thrown in together. One is needing to integrate whatever we may do within Staff workload. That's entirely appropriate. In fact, the Council has emphasized that at a high level to Staff repeatedly. I don't think you'd have any problem if you'd remind us anytime that we have a new assignment, that Staff needs to request to come back and frame the impact on the work plan and where this would fit within a work plan. That's entirely appropriate. There's another question on the workload of Policy and Services Committee if it went there or if it went to the Planning and Transportation Commission. We have a workload, and we'd have to get a sense from the Council of the relative priority of this. If we had questions, we'd return to Council and say, "Here are choices." The primary thrust of my question is the best process. If this is going to be part of a wider discussion in the Comp Plan, how that would occur. There is a real value of having brought it up under tonight's discussion. Whichever of these directions we give, it has now had a greater attention placed on it for within the Comp Plan discussion than it previously had. That's a valuable usefulness at a minimum. I was trying to think

TRANSCRIPT

through, and you've answered that a somewhat open-ended discussion within the Comp Plan process may be the best way for this to begin to have meat on the bone.

Mr. Keene: That's very helpful. The Council's had discussion as we've been designing the Comp Plan process and the role of the citizens committee and how that's going to relate to the Council and the latticework between the committee's work and Council. The Council has to have a way to communicate and inform the Comp Plan committee. Even a discussion like this or if you had another one agendized, you've suddenly said, "Here's what we're thinking," or "Here are areas of concern." Then it gives a boost to the discussion and the direction. I'm seconding what you're saying about the value of you saying this is important. It makes me feel a little more comfortable that we haven't created an expectation that it's on a particularly accelerated track until we can be more definitive. If we do send this right to Policy and Services, there will be people out there saying, "Geez, this is going to Policy and Services. We're going to have discussion about it. Wonder what's going to happen with it and when." Even if we had to say, "We've got a bunch of things on Policy and Services. We're not going to get to it until October." I'd rather us be able to tell the public that stuff more methodically in advance than have to come back after the fact. It sounds like we're making excuses on the Staff side.

Council Member Scharff: How do we bring this to a conclusion? Do you need a motion that says that through the Comp Plan process we'll look at neighborhood overlays that could provide neighborhood protection? Is that what you're thinking? Are we going to do this anyway without a motion?

Mr. Keene: There's two things. Number one, I don't think it's clear what the scope of what the Council wants to do on this subject is right now. What you just said would be a concern of the Council. Going back to what Council Member Burt said, if that were to be your direction, we would see that that would happen anyway. However, there is value in the Council articulating that even at this point. In one sense, it stresses the importance that you see of this. When Hillary is working and doing orientation with folks, she's able to say, "At the end of June, the Council was having this discussion about the importance of neighborhood preservation and overlays." That helps. I would argue that a motion would be appropriate.

Council Member Scharff: I'll try and make a motion.

Mayor Holman: Council Member Kniss had originally indicated she was interested in making a motion. I'm going to defer to her.

TRANSCRIPT

Council Member Kniss: I'm feeling generous tonight. Let me give Council Member Scharff an opportunity.

Council Member Scharff: Through the Comprehensive Plan Update, we explore giving neighborhoods the option to institute overlays that could provide neighborhood protections.

Council Member Wolbach: Second.

MOTION: Council Member Scharff moved, seconded by Council Member Wolbach that through the Comprehensive Plan Update we explore giving neighborhoods the option to institute overlays that would provide protections and/or alternative neighborhood protections.

Council Member Kniss: Council Member Scharff, you might want to include the alternative protections. I don't want to get in the weeds on this. Knowing that other cities have explored in particular the single-story overlay options. How you're going to get that in, I don't know.

Council Member Scharff: Don't we already have single-story overlays?

Mayor Holman: We do.

Council Member Scharff: It's important that we do this through the Comp Plan process, after listening to Staff. I'm in support of that. I want to make sure that the motion captures two things. One, through the Comp Plan process we have a broad discussion of this. Second, we then provide that it's options for neighborhoods to implement similar to a single-story overlay. We already have the single-story overlay option in there. I wanted to ask Council Member Kniss a question. What part did you think I was missing on that?

Council Member Kniss: Where I think you're missing it is whatever we meant by alternative neighborhood protections. Maybe that's the broad ...

Council Member Scharff: Overlays and/or alternative neighborhood protections. Let's put that in there.

Council Member Wolbach: This is very important. I'm not sure if we should tweak it a little bit.

Council Member Scharff: Before we tweak it, that "and/or alternative neighborhood protections" goes earlier. "Options to institute overlays and/or alternative neighborhood protections that would provide." That doesn't make sense.

TRANSCRIPT

Mayor Holman: The language "or alternative neighborhood protections," Director Gitelman, I don't know of any alternative neighborhood protections other than overlays. Do you? I don't want to complicate things.

Ms. Gitelman: If it simply said "through the Comp Plan Update we explore alternative neighborhood protections," that's broad and it would get to the guidelines that were brought up earlier. It would get to refinements. It would get to additional overlays, conservation districts. We understand where you're heading with this.

Council Member Scharff: I like it the way it is.

Council Member Wolbach: What I'm looking for is a little tweak. I'm trying to figure out how to word it in this new language. Through the Comprehensive Plan we explore establishing a process for neighborhoods to institute overlays or other protections.

Council Member Scharff: I'm good with that.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Motion, "giving neighborhoods the option to institute overlays that would provide protections" with "establishing a process for neighborhoods to institute design overlays."

Council Member Wolbach: Parallel to our single-story overlay, there should be a similar process by which any neighborhood can come to the City and say, "This is an aesthetic design element which is integral to our neighborhood." Maybe it's a single story; maybe it's not. Maybe it's an Eichler. Maybe it's historical. Whatever it is, we want to establish a process by which a neighborhood could initiate that conversation and get the ball rolling. We don't want to prescribe that all from City Hall. We want to let neighborhoods come to us and have a process on the books that says this is how you can get the ball rolling as a neighborhood. That way we don't have to get into listing everything. It's establishing a process like that, that we're looking for. Basically expanding the single-story overlay process to cover other aesthetic design elements or other protections which a neighborhood feels is integral to their character. For neighborhoods to institute design overlays and/or alternative neighborhood protections. Are you comfortable with that?

Council Member Scharff: I am.

Council Member Burt: I'm not so sure that is the right direction. That limits the discussion in the Comp Plan process to ones where neighborhoods would take initiatives on this. For instance, the IR review is a Citywide process.

TRANSCRIPT

We should keep it open in the discussion and see what combination of mechanisms might come out of it, which might be ones that are modifications to our current neighborhood initiated single-story overlays. They might be Citywide things. Who knows? I don't support that language which narrows the discussion. What we had before was good. I'm not seeing it, so I'm trying to recall the language. It was broader and it allows and even implies a process for neighborhoods to initiate overlays. That's what we have on our single-story. It wouldn't limit the discussion to that. I would encourage us to return to the original.

Council Member Scharff: The Comp Plan is a big process. By doing this, would we limit the discussion as Council Member Burt suggested we would? Do we need to go back to the other language? I figured we were going to have that discussion anyway in the Comp Plan about things like the IR process and all of that. I didn't think we were talking about the IR process here.

Ms. Gitelman: There's an opportunity in the Comp Plan Update to look at your specific direction here and other things that accomplish the goals that we're going to talk about as a group at the end of August when come back with the next discussion of the Comp Plan.

Council Member Scharff: The Comp Plan discussion is going to be a large discussion anyway or is it not? The Comp Plan is now not only going to be the discussion of exploring a process for neighborhoods. The Comp Plan is a broad discussion. This is one small element but putting it in this. I didn't understand what Council Member Burt said about the IR process, because I didn't think we were talking about the IR process. That's a separate discussion that we would have. Or would we not have a discussion of the IR process? I'm not sure the IR process is broken. In the Comp Plan, I thought we reviewed all these current policies and looked at it. If not, are we going to have to give direction on each individual one or are you going to bring sections? I'm trying to understand how this works.

Mayor Holman: To Council Member Burt, this is essentially the original motion. Were you trying to make that as a substitute motion or an amendment? The only thing that was added to that was "and/or alternative neighborhood protections." What's your intention?

Council Member Burt: I'd encourage a retraction of the latest amendment that was accepted as a friendly amendment. Let me offer my best understanding of the response to Council Member Scharff's question. On the one hand in theory, the Comp Plan is open to broad discussion. On the other hand, what we're doing tonight is having our discussion as an input to

TRANSCRIPT

the Comp Plan process around certain areas that we want to assure are part of that discussion. No, it doesn't preclude other things elsewhere, but this is our opportunity to give some guidance.

Council Member Scharff: I'm fine with the original language, if Council Member Wolbach is.

Council Member Wolbach: The modified language is better, but I'm open to tacking something on, if there's something that needs to be added to make it more broad. It was important after the comments we heard from Staff to provide a little bit of clarity about what it is we're requesting. I'm open to an amendment.

Mayor Holman: Let's see where we are. Council Member Scharff is okay with the original motion. Do I have that correct?

Council Member Scharff: I'm okay with either to be honest.

Mayor Holman: Now we need either a second to that or for Council Member Wolbach to second it.

Council Member Kniss: That winds us back, right?

Mayor Holman: It winds us back. I'm going to give Council Member Wolbach the opportunity to see if he would accept that, since he was seconder on the motion.

Council Member Wolbach: I don't understand why the original language was superior, so no I don't.

Mayor Holman: Council Member Kniss has seconded that.

Council Member Kniss: Are you asking me?

Mayor Holman: Yes. Council Member Burt went back to Council Member Scharff's original motion, which is now seconded by Council Member Kniss, that through the Comprehensive Plan Update we explore giving neighborhoods the option to institute overlays that would provide protections and/or alternative neighborhood protections.

SUBSTITUTE MOTION: Council Member Burt moved, seconded by Council Member Kniss that through the Comprehensive Plan Update we explore giving neighborhoods the option to institute overlays that would provide protections and/or alternative neighborhood protections.

TRANSCRIPT

Council Member Burt: It's important to remember that in the first half of this item we already gave some more specific guidance on one aspect of the single-story overlays. Trying to be too prescriptive tonight toward the Comp Plan discussion is a mistake.

Council Member Kniss: Council Member Burt just said it.

Council Member Wolbach: To Staff. Between these two, which provides or do either provide the necessary level of clarity for you to move forward with this as useful input to the Comp Plan discussion?

Mr. Keene: Whichever one gets the fastest majority vote.

Council Member Wolbach: All right. I'll retract my motion then. That's fine.

Mr. Keene: This is not the last conversation you're going to have on this subject. You will be informing the Comp Plan process off and on over the next 18 months.

Council Member Wolbach: Yeah, can pull my motion off.

Mayor Holman: We're addressing the substitute motion now. Council Member Burt, one question for you as maker of this. Explore giving neighborhoods the option to institute overlays. That's clear enough for Staff, but you did make a comment earlier about this isn't just neighborhoods. The City could do that as well. Did I understand your comment earlier? I don't want to put words in your mouth.

Council Member Burt: Yeah. I would say "explore opportunities to institute overlays." That would allow for neighborhood initiatives or City initiatives.

Mayor Holman: That's fair. Council Member Kniss as seconder, are you okay with that?

Council Member Kniss: Unless we're going to get the thesaurus out, that's fine.

Council Member Wolbach: I'm hesitantly going to be supporting this. I would warn against, in the future for all of us to be careful about imposing overlays on neighborhoods from City Hall rather than listening to neighborhoods as the starting point.

Vice Mayor Schmid: A couple of people mentioned making sure that this is broad. What we've done is define it in terms of overlays and protections. The City Manager said earlier, "There's a more general question of neighborhood quality." Neighborhoods are interested not just in overlays,

TRANSCRIPT

but in mixed use and biking paths. We had an issue earlier today about putting in a little bike path, a mini park, things like that. I want to make sure that we're not excluding the quality aspect when we look at it. Is that right, Council Member Burt?

Council Member Burt: I was assuming that in the last portion of it, "providing protections" is referring to quality issues. If there's a change that would make it more clear, "provide means to ...

Council Member Kniss: (inaudible) get your vote.

Council Member Burt: I'm not doing vote trading. I'm trying to get a better direction of intent. That's part of the intent. If you had specific language that would clarify that, I'd be open (crosstalk).

Mr. Keene: What if you just said "we explore opportunities to institute overlays or alternative neighborhood protections that promote neighborhood quality."

Council Member Burt: That's fine with me. Liz, are you fine?

Council Member Kniss: I'm fine.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Substitute Motion, "giving neighborhoods the option to institute overlays that would provide protections" with "opportunities to institute overlays."

Vice Mayor Schmid: One other thing about the beginning of it, "through the Comp Plan Update." This April meeting we had where we were given a planning process. It had specific dates of both the community work sessions and the Council work sessions. Under that, we had Council work sessions in December, February and March on land use and community design. I assume what we're talking about today as part of that Comp Plan process would be during those meetings we would discuss policies and programs that had an impact on the things we're identifying. Is that a correct assumption?

Ms. Gitelman: Vice Mayor Schmid, I will have to get you a revised schedule. Subsequent to the schedule you just showed us, the Council added the citizens advisory committee, so there's been a change. We're going to have to update that schedule to reflect meetings of the committee, meetings with the Council, and when the two will come together. Please, if you could, put that schedule aside and I'll get you a new one just as soon as I can. You're right. There will be opportunities when the City Council has an opportunity to discuss goals as well as the policies and programs that come from the

TRANSCRIPT

committee around the land use and community design element. That would be the time that we would try and identify a place to put this kind of program and the larger policy framework around neighborhood quality of life.

Vice Mayor Schmid: As I said earlier, there are some policies and programs already in the existing Comp Plan that seem very relevant and could lead to the discussions we have here. Getting coordination with the other committee and working through with them in a series of meetings is what we're talking about in the Comprehensive Plan Update. That's great.

Mayor Holman: We have on the floor a motion by Council Member Burt, seconded by Council Member Kniss that through the Comprehensive Plan Update that we explore opportunities to institute overlays and/or alternative neighborhood protections that promote neighborhood quality. Vote on the board please. That passes unanimously on 8-0 vote with Council Member DuBois absent.

SUBSTITUTE MOTION AS AMENDED PASSED: 8-0 DuBois absent

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Council Member Kniss: City Manager Keene, this one is for you. I have my wish list while we're on break. When I come back, the lights at Town and Country Village will be miraculously fixed. Number 2, there will be no left turns during high traffic hours on both Hawthorne and Everett, which is not dissimilar from the direction on Alma where you're told not to turn onto either Everett or Hawthorne, I think it's Everett, from 3:00 to 6:00.

Mayor Holman: You're talking about from Middlefield Road, correct?

Council Member Kniss: Off of Alma. You come off Alma, and it says don't turn on, I think it's Everett, between 3:00 and 6:00.

Mayor Holman: Were you not asking for those to be added on Middlefield? Was that what the intention was?

Council Member Kniss: I'm asking for the ones to be added on Middlefield. They exist on Alma.

Mayor Holman: That's what I was trying to clarify.

TRANSCRIPT

Council Member Kniss: Thank you for that clarification. The last is far more pertinent to my neighborhood. Ever since Oregon got fixed, it has been extremely hard to cross from north to south or south to north. The lights are very peculiarly set up. I'm not quite sure how. I told Jim about this before, so I'm going to presume that that will be a County/City issue.

James Keene, City Manager: We're already reaching out to the County. It's their lead on that.

Council Member Kniss: I see near collisions there a lot where they've got the awkward lighting. That's my wish list, just three little things.

Mayor Holman: I want to quickly report that Council Members Kniss, DuBois and I were in Monterrey this last week for a conference there. I found myself saying as yet another presenter was giving a nod to City Manager, "Jim, is there anybody you don't know?" It was worthwhile I'm sure. The three of us will be sending comments and information to you all as we catch up and catch our breaths after tonight about what all we learned there. Prior to that I was the U.S. Conference of Mayors in San Francisco, and same with that. It's been a remarkable last week with Supreme Court decisions.

Adjournment: The meeting was adjourned at 10:18 P.M.