



# CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Regular Meeting  
March 21, 2016

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:10 P.M.

Present: Berman, Burt, DuBois arrived at 6:40 P.M., Filseth, Holman, Kniss, Scharff, Schmid, Wolbach arrived at 6:35 P.M.

Absent:

## Study Session

1. Presentation From Stanford University Representatives Regarding a Project Filed With the County of Santa Clara to Reallocate and add New Housing Units.

Mayor Burt: Our first item tonight is a Study Session which is a presentation from Stanford University representatives regarding a project filed with the County of Santa Clara to reallocate and add new housing units. Welcome.

Jonathan Lait, Planning and Community Department Assistant Director: Thank you, Mayor Burt, members of the City Council. I would like to introduce Shirley Everett, who will come up and make a presentation before the City Council. I wanted to let you know that Fire Chief Nickel is here to answer any questions that you may have about fire services. Following the Study Session discussion and some of your other items on the Agenda, including the Consent Calendar, there will be an opportunity to have an Action Item discussion on this particular topic. With that, I'd like to ask Shirley to come up and make her presentation.

Shirley Everett, Stanford University, Senior Associate Vice Provost: Thank you. Good evening. I am really pleased to have this opportunity to share with you the importance of building 2,000 net new beds on the Stanford campus in Escondido Village. I have a vested interest in this project, because I oversee housing and dining on the Stanford University campus. This housing project is one of the most critically important initiatives undertaken on behalf of the University community in my 25 years as a leader on the campus. What we want to do at Stanford is to provide on-campus housing to a greater proportion of our graduate students. It clearly is essential and a really high priority for the University. We met with

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students beginning last October to introduce this outstanding—I call it a really exciting concept. As a result, in introducing it and listening to our students, we made some changes. Catherine Palter, our next speaker, will speak to those changes. We currently house 97 percent of our undergraduate students, but we're only able to house 55 percent of our 9,000 graduate students. You can see there's a huge disparity. This new housing project will be a great benefit to our graduate students, because then we'll be able to house 75 percent of our graduate students, which is about a 40 percent increase in bed spaces on the campus. This project also helps us solve our current housing project, which is really essential for us. We also believe that this project is transformative. It will enhance the quality of our graduate students' educational experience. It brings them in close proximity to the abundance of essential resources that support their academic disciplines. Many of our graduate students work late in the evening to advance their research, but we want them to avoid those long commutes going back to their apartments off campus. This also will help them to relieve the distractions that many of them face and the burdens that they have in living in off-campus housing. In summary, this project addresses a critical need for our students. It also benefits our neighboring communities. It will help alleviate the profound housing shortages in the neighboring communities and provide additional housing for 2,000 students. It also provides a vibrant community in Escondido Village which is at the heart of our students' social, recreational and overall well-being. Lastly, we are proceeding carefully to ensure that the needs and concerns of both on- and off-campus communities are addressed in the process. We thank you for listening to this. Catherine Palter will be coming up next to share the specifics of the project. Thank you.

Catherine Palter, Stanford University, Associate Vice President for Land Use: Good evening. My name is Catherine Palter, and I'm Stanford's Associate Vice President for Land Use and Environmental Planning. I wanted to give you an overview of the project that we're talking about and the approval process going forward. We'll start back with some background on the 2000 general use permit which was approved in 2000. That County approval allowed Stanford to construct 3,018 housing units or, in the case of students, beds. As of today, all but 581 of those housing units have been constructed or are currently under construction. Interestingly, the County approved a condition of approval which was F7, which stated that Stanford could seek to build even more housing beyond that initial allocation with an environmental assessment and approval by the Planning Commission. What Stanford has requested to do is implement that condition of approval to allow additional housing units to allow this Escondido Village graduate housing project to go forward, specifically requesting 1,450 additional housing units beyond the 3,000 that were originally allocated. We're talking

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about this 2,000 net increase. The project site in Escondido Village has low-density housing in it right now with about 400 beds for the graduate students. Those would be demolished and 2,400 new beds would come in, which is the net increase of 2,000 housing units. On that site there are also 600 parking spaces. This project would build 1,300 underground parking spaces below the buildings, which is a net increase of 700 parking spaces. These beds would be available to single students and couples only. They are not intended to support the families. We have other units in Escondido Village that support the families. To give you an idea of the location of this project, the white boundary that you see is the current boundary of Escondido Village. The wider road to the northeast is El Camino Real. The boundary to the southeast is Stanford Avenue. You can see in purple the future housing site is on the innermost boundary of Escondido Village toward campus, along Serra Street, near the gas station and Campus Drive. That's the housing location we're talking about. The project hasn't been designed yet; it's anticipated to be four buildings with open space and courtyards in between them, the underground parking. The heights of the buildings of the different wings would range between six, eight and ten stories tall. It's surrounded by the existing mid and high-rise buildings in Escondido Village. In order to support the environmental assessment that was required for this additional housing, Stanford prepared several technical studies that it submitted to the County for their review. The first is a General Use Permit (GUP) intersection analysis, which was prepared by Fehr & Peers, and we'll go into this in a little bit more detail. That study looks at whether there are any impacts to the exterior intersections around campus as a result of adding this housing, that would go above and beyond the significant impacts that were identified in the GUP Environmental Impact Report (EIR). We also wanted to do a parking analysis that was done by Stanford's Parking and Transportation Department, that verified that we were providing sufficient parking for this housing that was coming online. Additionally, there was a checklist that went through every single environmental impact that was identified in the GUP EIR and just methodically made sure this addition of housing did not create any new significant impacts beyond what was already disclosed in 2000. Lastly, we prepared some visual simulations from viewpoints off campus based on some conceptual massing just to see how visible it was. We'll walk through some of the details there. For the traffic analysis, I'm going to ask Ellen Poling from Fehr & Peers to joins us.

Ellen Poling, Fehr & Peers: Thank you. Good evening, Council People and Mayor. My name is Ellen Poling with Fehr & Peers. We've been doing the studies that are required under the GUP as well as other planning studies for Stanford for a number of years. This is one of several that I've done personally since the GUP was completed in about 2002. Catherine stated the purpose of the analysis, which is to reassess any external locations, not

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on-campus locations, but external, non-Stanford locations that were analyzed in the GUP EIR that might have different impacts or more significant impacts than the GUP EIR identified. We've been doing these studies and generally have not had to look at external locations up to this point, because the projects that are specified to be analyzed in the conditions of approval have not required it. In this case, we're going beyond the number of units that was really studied in the GUP EIR. We did do an assessment of the full project including the part that actually is covered under the 581 units and did essentially a little, focused TIA, traffic impact analysis, which starts with trip generation which is what you see on the first slide here. The top chart shows that, using the trip rates that were developed for the GUP EIR that looked at residential trip-making and commuter trip-making based on actual surveys of those two groups back when the GUP EIR was developed, residents do generate trips, but they generate trips at a slightly lower level than commuters during the peak hours. You see a drop; the blue bars at the top are the drop in commuter trips, because we are bringing current commuters onto campus. The green bar is the new residential trips generated. The red bar is kind of the net change which is a slight decrease campus-wide in traffic during the peak hours coming to and from campus, in particular, in the peak directions which is most important from the GUP perspective, inbound in the morning and outbound in the evening. The second bar chart shows that near the project, which is where most of these new residential trips will probably travel when they go external to the campus, there will be a net increase because these commuter trips that are currently coming into campus are coming from all over the place, using all the many gateways to campus; whereas, these residential trips are most likely going to use Serra Street as their main way to come to and from the parking at the site. Some external trips may use other gateways certainly but, to be conservative, we assigned all of the traffic to the Serra gateway in the feeling that certainly most of them would use that gateway. When we did that—I'll show a couple of slides that show how we did that—we found that Level of Service C, which is what El Camino Real and Serra Street operates at now during the peak hours, would be maintained because the increase in trips, which is a little under 300 trips, is still less than 10 percent, probably less than six or seven percent, of the total traffic at that intersection. This is just a map showing, kind of illustrating what I just described, where the large green arrow at Serra Street represents the bulk of the residential trips using that gateway to get to the project site. By the way, the parking access will be most likely from Serra Street and possibly with a driveway on Escondido Road; that has not been determined yet. Even if a second driveway were to be located on Escondido Road, there are bollards that prevent traffic from using that road to exit onto Stanford Avenue. We feel that Serra Street would still be the primary way that those residential trips will want to leave campus. You can

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see the little red arrows that kind of demonstrate that the people that are going to live here in the future are currently commuting and would be using multiple gateways. This is my final slide, and it just illustrates the specific assignment that we assumed. We took new counts as part of this study at El Camino Real/Serra Street and El Camino Real/Stanford Avenue which were the closest intersections to this primary gateway. Those are the two we looked at. Based on those counts, which actually were lower than the 2010 projections in the GUP EIR, which is probably due to a number of things, the economy that has changed and dipped and come back since that EIR was prepared as well as the no net new trips goal that Stanford has been pretty effective at meeting. Those counts led to this 33-5-62 percent distribution to and from the north, east and south at El Camino Real/Serra Street. That's directly from the counts. We usually like to use actual counts to show us what the trip patterns are, and then assign the trips based on that pattern. That essentially concludes my little description of our traffic impact analysis. As I said, no new impacts were identified as part of this analysis. I'll certainly take questions at any time. Thanks.

Ms. Palter: Thank you, Ellen. Moving to the parking analysis. When the team got together to think about how many parking spaces were going to be appropriate to support this housing, they looked at the trends of parking need for this particular demographic on campus. About 10 years ago, we had a parking permit per bed ratio of 0.76, which means about three out of every four graduate students wanted to buy a parking permit to store their car. Through the time, that has decreased steadily as it has kind of nationwide in terms of this generation of students and their need for owning a car. It's now about 0.56 parking permit per bed. In other words, one out of every two students wants to have a parking permit. The parking at Stanford is done on a district basis, so it isn't assigned based on a building, etc. This blue area that you see is the parking district that coincides with Escondido Village. Within that district, when this project is over adding its 700 new spaces, the parking supply will be at a ratio of 0.61 spaces per bed. The supply will be much higher than our current demand, which is 0.56 spaces per bed. That actually brings us to one of the most exciting aspects of this project as far as we're concerned. We're seeking a way to decrease for the entire Escondido Village and drive down even lower parking space per bed, and that's through really ramping up a residential Transportation Demand Management (TDM) Program. I know you're aware; we spoke last week about our commuter TDM program. This is more about how do you provide support so that a student doesn't need to have the expense of bringing a car to campus. That's a combination of onsite amenities that they don't need to go off campus anymore for it or, for those things that they really do need to go off campus, can you provide Zipcars, can you provide Enterprise rental car. These amenities, while centered in this new project,

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are very centrally located for all of Escondido Village and are meant to support that population as well. This is a very exciting part of the project for us. Brian Shaw is here from Parking and Transportation Services if you have any questions when I'm done about that. Lastly as I mentioned, we did some visual simulations based on sort of conceptual massing of what we're talking about. These figures show in white the outlines of the existing mid and high-rises at Escondido Village. The red indicate the conceptual massing of the proposed project. We've picked three sites. This one is actually in College Terrace. You can see in the inset map it's sort of central College Terrace, looking across Cameron Park, trying to get as much view as we could of the site. You can see it's largely obscured by vegetation and other structures. Probably the most visible view that would occur is at El Camino Real/Serra Street if you're standing in that intersection, looking directly into campus. You can see the red peaks out a little bit behind the existing trees. That's probably the most visible as you'll get for the project. The third was probably the more common view, heading south on El Camino Real, looking across the athletic fields. There may be little pieces peeking out beyond the vegetation, but it is largely obscured. Finally as I mentioned, we applied in January for the ability to get allocation of an additional 1,450 housing units beyond the 3,000, and that has been processed and analyzed by the County. They have it on their agenda for approval at the Planning Commission on Thursday. We are continuing to work on the design of the project. That is expected to go for architectural and site approval, which is the County's sort of Architectural Review Board (ARB). That would happen this summer. The goal is to move through that permitting and hopefully start construction in the fall. With that, we're available to answer any questions you might have.

Mayor Burt: Thank you. Colleagues, is there someone who would like to start off with any questions? Council Member Berman.

Council Member Berman: Thank you for the presentation and for coming and chatting with us about this. Even though we play no formal role in your approval, it's always nice to have that open back-and-forth between the City and the University. The one question I had. I know there was some back-and-forth between some of our Staff and you guys on concerns about some of the off-campus graduate students and what that would mean to the studies and that kind of thing. I think you guys did a good job of answering. My question is am I going to wake up six months from now and see that Stanford has plans to increase its graduate student population by 2,000 students, which would thereby make null the gains that are made from bringing 2,000 off campus onto campus. I know you guys can't predict what will happen in the future, but I'm sure you'd be honest with us if there were kind of plans under foot to do something like that. Is there somebody from

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Stanford that can mention kind of what those plans might be or if they don't exist?

Jean McCown, Stanford University, Assistant Vice President: We don't have those plans at this point. Just as you heard, this is absolutely about addressing 4,000 of our students who live off campus today, are coming to the campus today and trying to find an opportunity for them to live on the campus. That's what this is about. It's not about plans for future graduate student growth.

Council Member Berman: Thank you.

Mayor Burt: I'll ask a—Council Member Filseth.

Council Member Filseth: Thank you. I just wanted to ask of the 14— basically what's going to happen is this will presumably vacate 1,450 units in the surrounding area as they move into the housing. Have you guys got any idea—presumably an awful lot are in Palo Alto. Do you guys have any idea how much is in Palo Alto versus how much is in Menlo Park or San Francisco or anything like that? Have you guys looked at that?

Ms. McCown: First of all, it will be 2,000 people moving, not just 1,450. Two thousand students who are living off campus today will come. We don't have a specific address-based thing. Just based on the challenge of the affordability of where to live, I think it's probably pretty widely distributed out to other communities. For example, there's a lot of graduate students that have traditionally lived in East Palo Alto, in the apartment units over there, Mountain View, Redwood City. I think it's probably pretty widely distributed up and down from San Jose to San Francisco.

Council Member Filseth: Thanks.

Mayor Burt: Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. A couple of questions. First of all, why 1,450? Why not house all of the students living off campus? Why did we choose that number?

Ms. McCown: Again, let me clarify. It's actually going to house 2,000. The 581, we pull that apart from the 1,450 because that's an amount we already had permission to build under the current GUP.

Vice Mayor Scharff: It's 2,000.

Ms. McCown: Those were originally actually designated for some medical residents. Now we're saying we'd like to build those for graduate students,

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and then we're adding 1,450 to that. We'll have 2,000 more that can come and live on the campus. I think candidly it's about how much can you really challenge yourself to accomplish and fund. This is going to be a three year construction process. I think doing something significantly larger than this—I think we just felt this was sized for something that could be accomplished in a relatively, reasonably, immediate period of time and make these units available to the students that need them.

Vice Mayor Scharff: I don't remember where I saw it, but I saw questions like Stanford owns housing outside of the campus that they have long-term leases for and all of that. Will there be any vacation of that housing or is Stanford going to keep that housing that they have under long-term—maybe they don't have such housing. I read in the paper they did. I was curious as to how that all looks.

Ms. McCown: Shirley may be the best person to answer that. To meet some of this need for undergraduates and graduates, we have been renting some units like at Oak Creek Apartments in the short term. That's not owned by us; it's just rented for short-term needs that we have.

Vice Mayor Scharff: That's my question. Is this going to up housing opportunities for people who aren't Stanford because you're bringing the people to campus basically? I assume it does some of that. I was curious as to the answer to that question. Maybe Shirley can answer it. I have another question while you're up there, since this is probably directed to you. Last time we went through the Regional housing Needs Assessment (RHNA) cycle, we wanted some credit for the housing built in our sphere of influence. We ended up coming to a deal with Stanford on that, if I recall. I guess I'd like to start the negotiations now. I'd like some credit for that. What do you think about that?

Ms. McCown: Your recall is right. I believe the three parties, Palo Alto, Santa Clara County and Stanford together, wound up doing some shifting of the RHNA allocation to the County because we knew that Stanford was going to be building units that would meet that requirement. These are obviously well over and above, when they eventually come online, any RHNA obligation that the County has, I believe.

Vice Mayor Scharff: I mean, dramatically.

Ms. McCown: I think they all qualify. Catherine can maybe correct me if I'm wrong. A true student bed doesn't qualify, if it doesn't have a kitchen. I think these would qualify under a RHNA analysis. I think we also believe that the rent levels of these units will be in that lower affordability category for RHNA. I think it's a worthy point to be discussing.

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Vice Mayor Scharff: I think this is a big deal to Palo Alto. I believe in the next RHNA cycle—I'll go out on a limb—that our housing allocation will be closer to like 4,000 units than the 2,000 we currently have. I actually do think this is a big deal to us. I would encourage Stanford and Staff to start thinking about that and working towards that as soon as possible. I just wanted to get some commitment from Stanford that, if we're supportive of this, Stanford will be supportive of us getting some credit for the RHNA allocation.

Mayor Burt: Council Member Holman.

Council Member Holman: I didn't see a nod of head or any response to Vice Mayor Scharff's last question, last query.

Vice Mayor Scharff: I was waiting for a response. I appreciate that.

Council Member Holman: Jean, would you care to...

Ms. McCown: I think we're absolutely open-minded to it just as we were before. This may not be exactly right. We may be a little bit agnostic as between how Palo Alto and the County want to kind of share this. We're obviously motivated; our self-interest is getting these units online for our students. How that serves your RHNA needs and the County's RHNA needs, we're open to talking about that, absolutely.

Council Member Holman: Based on that, we're open to saying yes to your project. Anyway, Council Member Filseth and Vice Mayor Scharff have asked a couple of my questions. The other questions that I have are a little more fine-grained. If I could get some response to those, it would be really helpful. The environmental analysis recognizes that Robert Royston was the landscape architect for at least a good part of—a good amount of the landscaping here. The screening that was shown from different angles of the new development, what commitment is—we don't have the full plans and all that sort of stuff—Stanford making in the plans to have a noteworthy architect/landscape designer not only work on the plans but to help retain and maintain the landscape screen that's shown in the plans, so that we don't, 10 years down the road, have dead and dying trees? Stanford's very good about trees, but I just want to know what the ongoing plan is to maintain the screening of the development. Maybe along the line of Royston.

Ms. Palter: As part of the Architectural and Site Approval (ASA) application that we'll come forward with, we will be proposing the landscaping that's within that project site. I'm not sure if you're talking about screening that is outside the project site.

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Council Member Holman: I'm talking about the screening that was shown in the presentation, that I saw once before how the project won't be visible because it's going to be screened by trees and vegetation. I want to know on a long-term basis that that screening is going to be preserved or, if there's a deteriorating effect over time, it's going to be replenished.

Ms. Palter: I think that will be part of the ASA considerations, when they see the proposed landscape plan and take into account what's around it as well. That's part of what will happen during the summer.

Council Member Holman: I understand that's the case. I'm just saying is there any information that you can be forthcoming with about it now.

Ms. Palter: I don't know of any plans that would remove that. Stanford does, as you mentioned, take very good care of all of its vegetation. There isn't any plans to remove that screening.

Council Member Holman: I wouldn't imagine that it would be removed. I'm talking about maintaining and replacing because trees to die over time. Things happen; we have drought conditions that might return. I'm not hearing much assurance here.

Ms. Palter: I mean, I will add that the—we have an entire grounds department that does go out and monitor all the trees, see the ones that are stressed, and have a proactive approach to maintaining the vegetation and canopy in our campus.

Council Member Holman: Another question is most of what was identified as to noise in the environmental analysis had to do with construction noise, especially around demolition. We have a situation in Palo Alto, as I think a lot of places do, that noise-producing equipment—although, Heating, Ventilating and Air Conditioning (HVAC) equipment has gotten much quieter—is being placed on rooftops, so the ambient noise gets higher. Do you have any notion—it is a fine-grained question—of where the HVAC equipment is going to be? Is it going to be at ground level and enclosed? What are you going to do to attenuate the ongoing noise impacts?

Ms. Palter: Again, that's something that would be addressed during the design. We don't have any information on that today.

Council Member Holman: Note that it is a concern, if you would please.

Ms. Palter: Sure.

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Council Member Holman: The other thing having to do with trips, is there a "what if" or a backup plan if the trips analysis ends up to be not accurate? Is there a "what if" or a backup plan to help mitigate traffic impacts?

Ms. Palter: We do still ultimately have our no net trips goal that we have been performing under.

Council Member Holman: Thank you very much.

Mayor Burt: Council Member Kniss.

Council Member Kniss: It's nice to not have to vote on the outcome of this, believe me. A couple of questions about Escondido Village. How does that change what is going on there? What's the impact on the Village versus your new construction and so forth? Can one of you answer that? Essentially, you're really changing things around a bit. You're not going to have families in the high rises obviously. You are going to continue to have Escondido Village pretty much as it is currently?

Ms. McCown: Yes. The 400 beds that are in the location where these new units will go are, as Catherine said, the low-rise units. It's a mix today of families and single students that live in those. In the remainder of Escondido Village, it's not being touched by this. There's a large number of those similar style of units. One of the things that Shirley's group is working on is providing the opportunity for the family-level setting to be located in these other locations that are a similar style of unit, again that have a mix of singles, families. The accommodation for that family-style unit will be absolutely present in Escondido Village even with the addition of this housing.

Council Member Kniss: Probably a sociology question, but given that there are dramatic changes that are taking place, especially since you have primarily millennials, I'm gathering, in this setting, is that changing the number of families and kids dramatically from what it used to be?

Ms. McCown: I'm going to let Shirley, who's the expert of her graduate student community over there ...

Council Member Kniss: My guess would have to be you have a lot more single people than you did before.

Ms. Everett: You are absolutely correct. We will be adding 2,000 more single students and couples. Currently, we have about 260 families that live in Escondido Village that are guaranteed housing. What we're doing is upgrading and refurbishing the family houses that we had, I would say,

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several years ago in hopes that if more families do come and want to live on campus we have more than adequate housing for those students. We're also adding amenities like either a store or a pub, fitness centers so that students can enjoy the campus and not have to get into their cars, etc. We're trying to build a vibrant community and have the amenities as a gateway so that not only graduate students but the campus community can come together as well.

Council Member Kniss: As we understand, the millennial generation has a different focus on a number of different issues. That's very good to hear. I think having Escondido Village there has made a big difference to lots of families through the years. Knowing that that change must be coming or has already happened, that's really going to be a big change on campus too, isn't it?

Ms. Everett: Yes, absolutely.

Council Member Kniss: Thanks very much.

Ms. Everett: Thank you.

Mayor Burt: Council Member Schmid.

Council Member Schmid: A couple of follow-up questions. In the Stanford response letter on packet Page 13, it mentions that the trip generation numbers come from the 2,000 general use permit EIR. I know we have troubles with the trip generation manual 2014. Is the 2,000 number antiquated, outdated? How dependable is it to use a number like that?

Ms. Poling: Yes, it certainly is dated at this point. We have not done follow-up surveys under the current GUP to document whether things are exactly the same. Undoubtedly, any given day actually that you do surveys you're going to find some kind of different behavior. I think the fact that the University's been able to meet its no net new trips commitment in spite of the really substantial growth both in people housed and commuters is a good sign that we're doing something right. It is certainly true that things may have changed. If anything, they're probably changing downward given the kinds of demographic changes that we've been hearing about with less interest in auto ownership, less purchasing of parking permits for residents. Again, the commuting traffic entering the cordon that gets measured eight weeks out of every year has been relatively constant over the last 10 years. Those two things point to ...

Council Member Schmid: I guess there's a follow-up question then. The City has problems sometimes doing monitoring of conditions. You say that

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once a year, several weeks over the year, you do a monitoring of the known net new trips. How do you do that?

Ms. Poling: We don't do it; we review the results. The County does it with their own consultant; although, Fehr & Peers set the standard when we were doing the due diligence for the Conditional Use Permit (CUP) 14, 15 years ago now. What we did and what they do now is—I think it's two weeks in the fall and six weeks in the Spring, a total of eight weeks—they measure the traffic in and out during the peak periods at all the 16 campus gateways. They then measure what kind of through-traffic there might be to extract that. They measure what kind of hospital traffic might be caught in that, and they extract that. They do a really quite scientific job of measuring what traffic is entering and exiting the campus during the peak hours as compared to what it was when the GUP was approved.

Council Member Schmid: Those are actual counts?

Ms. Poling: Yes.

Council Member Schmid: All of us have experience running into grad students from Stanford who talk about their jobs of "I'm working with this startup company, having a wonderful time." Have you taken that kind of activity into account in your trips?

Ms. Poling: I think the trip rates actually kind of reflect some of that activity, because you see residents that travel out in the morning and back in, in the evening. Some of that is spouses, and there is a small, about 10 percent total—eight percent non-Stanford spouses in the mix at Escondido Village. I think it's also reflecting some of that, people going out to do jobs off campus during the typical commute hours. They're going off peak away from campus in the morning and back in, in the evening. It's not a large effect, but I think that explains some of the trip making that we see with the residential rates. The residential rates for the GUP were developed by counting all of Escondido Village for a number of days and just measuring what was happening.

Council Member Schmid: I guess what I'm trying to count, though, is the new trips you'd be generating from people who are currently in the community doing job-to-home as well as job-to-school who now do that from Escondido.

Ms. Poling: I think it all comes out in the rates, because we've got commuter rates and we've got residential rates. Theoretically they're—again, it's many years ago now, but it was capturing all the trip making by a resident including job-related trips.

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Council Member Schmid: One other question I had. You had a very nice graph showing that the share of students who want a permit has been going down. Part of that is because of lifestyle, but I'm sure part of it is because of cost. Can you give an idea of what you charge for a permit and has that changed over the decade?

Ms. Poling: I think I'm going to let Brian Shaw answer that one.

Brian Shaw: Stanford University, Parking and Transportation Services Director: Good evening. Parking permit prices have gone up every year since that graph was put into place. Percentages vary quite a bit. It's been as low as, say, two or three percent, and it's been as high as up to 20 percent throughout that time. We can provide that data set if you're interested under separate cover. We've got that information going back years. Price does have an influence on the choice of whether someone chooses to buy a permit. Certainly it does. We also believe there's changes in the younger demographics. A proclivity to own and need to use automobiles also plays into that declining rate of parking permit purchases in addition to the increasing price that the permit does have. The C permit, which is the cheapest permit that we have that residents are able to buy is roughly \$30 a month. Students can purchase that on a monthly basis; they can purchase it for the entire academic year or the entire 12-month calendar year depending upon their residential period of time that they're on campus.

Council Member Schmid: That's very helpful. One last question on the Staff Report, second page of the Staff Report. It says Stanford's housing proposal comes at a time when the City is considering ways to address the impact of its ratio of jobs to employed residents. This University's proposal is in keeping with our ongoing discussions. I think one of the things that struck me was your number of what? About 32 percent decline in trips by moving people closer to where their activity center is. I would like to ask Staff whether that is not a good and effective proposal for dealing with the Stanford Research Park.

Hillary Gitelman, Planning and Community Environment Director: Good evening, Mayor Burt, Council Members. Hillary Gitelman, the Planning Director. I think I wrote the sentence that you're referring to in the Staff Report. It was really meant to say that the City is having this larger conversation about the ratio between jobs and employed residents. To the extent that additional housing is proposed, whether it's in the City or in the sphere of influence, which is the campus, it contributes to adjusting that ratio. I'll let you infer what that means for other parts of the City, but that's all that we meant by that sentence.

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Council Member Schmid: I guess I just note that in the Stanford materials, they say very clearly that housing additions are important to deal with local traffic issues. Certainly it would seem to imply that that would be true for the Stanford Research Park as well.

Mayor Burt: My questions have to do principally with transportation. Can you share how extensively Zipcars are currently used? I heard from one local entity that they're so widely used on campus that there's difficulty in getting availability off. If that's true, that's a good thing. I'm just wanting to have a better understanding of how pervasive are they, how much of the mix of automobile trips is being pick up through shared vehicles.

Mr. Shaw: Stanford University has the largest Zipcar program in the country. We've always had that. We have our 67 Zipcars on and around campus. Our cars are some of the busiest cars in the Zipcar fleet across the country. You're exactly right. We work very closely with Zipcar on an annual basis to determine the right mix of vehicles, how many vehicles we can accommodate on campus, where best to place them, so that we make sure that that balance is there. Primarily, they're students using the vehicles. It's mainly night and weekends. They have a vehicle where they can get to one whenever that's necessary. We seem to be doing a pretty good job with that. As Catherine stated in her remarks to you earlier, this location will have a significant number of Zipcars located within the parking garage that we'll be putting into place for this project. The exact number has yet to be determined. We'll be working with Zipcar very closely to figure out what the right number should be for the size of project we're talking about and the demographics that will be located within the project. It could be, say, as much as 20, could be maybe 100 cars that are dedicated for the Zipcar functionality. We'll also be looking at longer-term rentals. There is a need for our graduate students to rent cars, perhaps for weekends or longer periods of time. They'll be able to do that onsite. We have a similar arrangement today on the west side of campus at our stock farm garage. We'll be doing the same thing on this side of campus, so we're essentially bookending campus with that functionality, giving one less reason for a graduate student to need to bring and park a car on campus while they're on campus at Stanford.

Mayor Burt: Do you have any approximate data of adding a Zipcar for a shared use, how many individual cars are removed in that student environment as a result?

Mr. Shaw: A rule of thumb probably can't apply universally. With undergraduates, it's a little different because the freshmen are prohibited from buying parking permits. It's artificial, arguably, for them. For

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graduate students, that ratio is probably a little lower than it will be for undergrads. In general, it's probably in the neighborhood of 10 to 15 cars are not needed to be parked on campus for every Zipcar that we have on campus. That's in general. We haven't done the exact math on that, but those are the numbers that we're told by Zipcar.

Mayor Burt: I'm not sure who will be the best to answer these next questions. You spoke briefly about kind of a reverse commute to some degree historically on the campus in the morning and off in the evening. It sounds like we'll have probably some set that will be going from campus to jobs, either spouses or even grad students with jobs off campus. Do we have any sense of what that volume will be? Right now, the Marguerite fleet, which is very strong, is oriented toward moving people to campus in the morning and off campus in the late peak hour. I assume that those buses then are pretty empty when they leave campus in the morning and pretty empty when they're coming onto campus in the afternoon. Have you been thinking about serving that reverse commute need more deliberately than in the past or is it just going to kind of hit an equilibrium that—are the destinations different, if you're thinking about the reverse commute, than what you've historically had?

Ms. Palter: What the trip rates tell us does show clearly that there's some reverse commute, travel being made by residents, and some of them may be spouses, and some of them are certainly the students doing various things. Part of the project is going to include some sort of transit hub and some really careful probably surveys of the folks that live in Escondido Village now to get a sense for is there a need for that. I know that the Marguerite service planning and adjustments goes on regularly. As soon as there's a need observed, that service can be adjusted to provide more off-campus travel in the peak times.

Mayor Burt: In this slide of the residential trip distribution, we have 62 percent going we'll call it south on El Camino Real, which presumably go to that intersection of El Camino Real and Page Mill Road. I don't know if you've done a distribution on what portion of those who go toward Highway 101 and what portion to Highway 280. I'm guessing majority toward Highway 101, which is a—either direction is very congested right now. Do you have tentative plans on how to reduce the impacts of those trips either through additional Marguerite service or any other means?

Ms. Palter: I think the key is the additional amenities that were referred to and this transit hub. The more that we can provide services and recreation onsite, hopefully these trips that we're analyzing will be even lower because these are new elements of Escondido Village that aren't there now. They're

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certainly not going to make the trips go away. Page Mill Road/El Camino Real is a really big problem, congested intersection. The trips that make it there are not really going to make a noticeable effect on what's already a very bad situation. I think it's the amenities and the adjustment of transit service to serve new demand that we see.

Mayor Burt: I appreciate that the onsite amenities of this little village that's going to be created there reduces the trips, but I'm actually thinking about in addition to whatever reduction you have are there any intentions on figuring out where those trips are going and whether they can be served more effectively by a modification to the Marguerite destinations.

Ms. Palter: I think I may let Brian step up again and talk a little bit more about how they monitor what the needs are for Marguerite and how they can make adjustments hopefully as efficiently as possible.

Mayor Burt: Thanks.

Mr. Shaw: That's a great question. We need to find out the behavior of these folks that'll be moving into these new units to really figure out how to fine tune Marguerite. As we stated, we plan to do a transit hub at this facility. It'll be the first of its kind on campus, where it's a dedicated location for Marguerites to function, where folks can interface with multiple routes as well as access the Zipcars I mentioned earlier, perhaps also get access to bike facilities that we'll be putting in. That'll help us figure out perhaps where else we need to be moving Marguerite service. They'll be able to use the Marguerite that's going to be brought to the site to get to the Palo Alto Transit Center, Downtown Palo Alto, perhaps also make connections to the San Antonio Shopping Center. Those are areas we already serve with Marguerite. The question is are we providing enough service to meet the needs of the folks living in these new units. Those are the types of data sets we're going to be running right now as we're working on that to develop the transit center to function at a high level for the people that'll be living on that location. That's part of our planning work; we haven't done all the math yet. Those are things we're definitely keeping in mind and considering as we plan this project.

Mayor Burt: One mode that we heard a week ago on the Stanford Research Park Transportation Management Analysis (TMA) is looking at that kind of mid-distance where electric bikes may serve beyond what people would typically use their pedal power and something less than—replacing what they otherwise might go by car. Is there any plan to begin to roll out shared electric bike use?

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Mr. Shaw: We did a pilot of that last summer and had some mixed results from that. We continue to look at it. There's some others in the Valley that are doing a similar sort of thing, so we're going to keep an eye on their activities and how well it's working. There is potential there. It is possible that perhaps some of the new residents in this project that are needing to commute within a reasonable distance that an electric bike would work, that that might be a mode for them to use. We will be supporting the use of bikes at the building with plenty of bike parking as well as bike maintenance and perhaps bringing onsite periodically vendors to help repair and maintain bikes as well. That's a plan we do have. E-bikes are a new phenomenon, certainly to the United States. Whether they will pick up steam is really yet to be seen, but we're monitoring it, and we have been testing it. Hopefully, we do see it having an effect in the future.

Mayor Burt: Final question. I know that we have new bike routes along El Camino Real and Stanford Avenue that are coming in, bike paths. One of the things that we as a City and, I think, Stanford as a University have not worked together on effectively enough is a more direct bike route in between, I'll call it, El Camino Real and Junipero Serra. Essentially we have all the way from Gunn High School. We have a path that spills out onto Hanover; it goes right through College Terrace. As it goes onto campus, it's a less direct route all the way out to Sand Hill Road. Part of what brought this to mind is a Stanford surgeon who was telling me about having to drive his daughter to Gunn High School. I said, "It's not that far," but the more I thought about it, we really have never established a real direct, efficient bike route through campus, through College Terrace, all the way south, kind of that third major bike boulevard in the City. Have you had consideration on that? Is that part of the design of this project?

Mr. Shaw: I'm going to have Jean talk mostly about it. I'll just say that we are looking at how the project facilitates bike use. There is a greenway established already in Escondido Village that acts as its spine. This project will have connections to that spine to facilitate use of bikes by all Village residents accessing the campus at Serra Street and Campus Drive with that connectivity. Using a bike with Escondido Village will be very well facilitated by the design and the existing infrastructure that's already in place in the area. I'll have Jean talk more about the (crosstalk).

Mayor Burt: I'll just add to clarify. Not only am I thinking of use of bikes within campus, but it's really across campus from your properties on Sand Hill and the hospitals, all the way south to southern parts of the City.

Ms. McCown: I think you are aware that the Research Park is very interested in the Hanover Street, Bowl Park, that part of that route that

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you're talking about. Exactly how it makes its way through College Terrace and then through the campus, I think that's a really important point. We have definitely focused on bicycles in, for example, the new roundabouts on campus, like at Escondido Road and Campus Drive. Whether Escondido Road, there's some jog, you come through College Terrace and then Escondido Road, coming through the residential area and then on through the middle of campus, I think that's a really interesting point to think about, how to make that a much more navigable, easy path for people. It's an important priority for us.

Mayor Burt: The only thing I'd want to do is make sure that the design of this new development doesn't put a building in the middle of what would be the most efficient route there. It sounds like that hasn't necessarily been a deliberate part of this design. Maybe there's no conflict, but that would be one area that I'd want to really encourage thoughtfulness on how that route goes all the way through campus.

Ms. McCown: Just looking at the location, the route that I think is interesting and most logical is Escondido Road. That's to the—whatever direction it is—west edge of this. I think the concern you're raising, Mayor Burt, about is there a building that's going to interfere with that, I don't think that's going to be the case. I think the most logical cross path is not in the location of where this site's going to be. We'll keep it mind, absolutely.

Mayor Burt: I would suggest that going from—I think it currently shows Escondido Road going all the way out to, I think, Campus Drive, and then looping around. That's not a bad route, but it's not the most direct. I just want to make sure that it's been thought through. Ultimately, I think that's going to be an important bike boulevard, bike highway, whatever we want to call it, in the long term. Thanks for all of your thoughtfulness on how to make this a low trip-generating project. Council Member Kniss, did you have a follow-up?

Council Member Kniss: Just one (inaudible) question, as we say. Regarding the RHNA numbers that the Vice Mayor spoke of, you talk about 2,400 beds, 2,000 net increase. If we were counting these for RHNA numbers, what are we actually counting? Is this apartments? We're discussing housing later tonight. I want to know how to reference this number.

Ms. Palter: The best way to do it is to count kitchens. We don't know the exact mix, but there's going to be some two-bedroom units in here, which counts as two beds because it houses two students. That's one RHNA unit. There are some studios that would count as a RHNA unit. If we say it's 2,400, it's going to be somewhere between—if they were all two bedrooms,

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it would be 1,200 RHNA units. It's going to be somewhere between 1,200 and 2,400. We don't know the exact mix yet.

Council Member Kniss: What number would you suggest we use? Would it be 1,800, 1,900, 2,000?

Ms. Palter: You could split the difference and say 1,800. We just don't know.

Council Member Kniss: Knowing we will be using that number somehow and perhaps in negotiations, that's really helpful. Thanks.

Mayor Burt: Thank you. That concludes this Study Session. We'll see you later this evening I assume. I'm sorry. We have one member—before we begin the next item, I neglected. We have one member of the public who wants to speak on the Study Session item, Sea Reddy. Welcome.

Sea Reddy: Thank you, Mayor. I wanted to ask and request a follow-up on the Stanford planning. We did hear this at the College Terrace Residential Association (CTRA), College Terrace Association, meeting about a week or 10 days ago. The thing is in campuses, including Berkeley, you try to go to a grocery store, and you can't find anything that's reasonable. They're 10-20 percent more expensive. I lived through that with my daughter going there. I've seen it here. We as College Terrace residents don't have a reasonable grocery store to go to. We have to go all the way to Menlo Park or go to Middlefield Road, and it's still not a full-blown service. Please consider affordability. You were saying that affordability—(inaudible) looking for affordable units. You have 2,000 people that are coming in there. I'm sure they get hungry, and they all have to travel. Even if you have residents halls and all that, we probably don't want a Bristol Farms or a Whole Foods type service. I think it's the City and the Stanford, they could work amiably for having affordable grocery stores in the area. We have a couple of things coming up, 2100 El Camino Real. We'd greatly appreciate it. We want to welcome you, but we want to take advantage of your power to bring an affordable grocery store that we can all live happily. Thank you.

Mayor Burt: Thank you.

## Special Orders of the Day

2. Community Partner Presentation: Palo Alto Players at the Lucie Stern Community Theatre.

Mayor Burt: We'll move on to our second order of business today which is a Special Order. It's a community partner presentation of the Palo Alto Players at the Lucie Stern Community Center.

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Rhyena Halpern, Community Services Assistant Director: Good evening, Mayor and Council. I'm Rhyena Halpern, Assistant Director for Community Services. It's my pleasure tonight to introduce to you the Palo Alto Players. Tonight we have with us the Managing Director, Diana Berenstein. We have Elizabeth Santana, the Development Director, and the Artistic Director, Patrick Klein, who's going to speak to you. Because Council Member Kniss was so disappointed last time we came with West Bay Opera that we didn't have live entertainment, we have some for you tonight. With that, I'm going to turn this over to our partners and good friends at the Palo Alto Players. Patrick.

Patrick Klein, Palo Alto Players: Thank you, Rhyena. Good evening, Mayor Burt and Council Members. Thank you so much for having us here this evening. Long before there was Silicon Valley, there was Palo Alto Players. On the night of June 29, 1931, over 100 actors, directors and enthusiastic community members gathered at the Palo Alto Community House, now MacArthur Park Restaurant, to mount a theater revival. Within a month, they had organized the Players, and within a year they were performing plays, original works by local authors and the famous melodrama, *Ten Nights in a Bar-Room*. The admission price was 25 cents. Sitting in the front row of that evening's performance was Lucie Stern. It was her love and devotion for the Players that gave us our permanent home in 1933. Eighty-five years and 472 productions later, Palo Alto Players now employs over 200 local artists each season, that live and work in this community. It's proud to have its programming enjoyed by over 14,000 audience members annually. Much has changed in the 85 years since Palo Alto Players began, but the Players' commitment to theater born of the community and for the community has not wavered. On Saturday, April 9th, we celebrate our 85th anniversary with a gala benefit at the Lucie Stern ballroom. We invite you to come and show your support for your local theater company, because this is not just a celebration of our artistic achievements. It's a celebration of you and our City leaders that help make the work we do possible. Our next production is the modern classic, *Into the Woods*, by Stephen Sondheim and James Lapine. Our innovative production will perform April 22nd through May 8th. Following that, we have the Tony Award-winning Best Play *Vanya and Sonia and Masha and Spike* by celebrated satirist Christopher Durang. That performs in June. We also hope that you will join us starting in September for our 2016-2017 season which is entitled "From Stage to Screen and Back Again," celebrating plays that have seen enormous success both on screen and on the stage. We're grateful to you all for having us here this evening and for your continued support of the performing arts through your patronage, advocacy and philanthropy. For a taste of what you're going to see at the Lucie Stern next month and *Into the Woods*, here

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are Steven Ennis and Drew Reitz, that's Rapunzel's prince and Cinderella's prince, performing "Agony" from *Into the Woods*. [Performance of "Agony."]

Ms. Halpern: That's it for tonight. Did we redeem ourselves, Council Member Kniss? Thank you so much for having us.

Mayor Burt: Thank you. Good luck to ...

Council Member Kniss: Could I ask, Pat?

Mayor Burt: Yes.

Council Member Kniss: I probably should know what it's from; I don't.

Mr. Klein: The song they just sung?

Council Member Kniss: Pardon?

Mr. Klein: Are you asking about the song they just sung?

Council Member Kniss: Yes.

Mr. Klein: It's from *Into the Woods*. It just was made into a movie recently. It's by Stephen Sondheim and James Lapine. It came out in '87, 1987, and it saw a Broadway revival in 2002. We're really excited to bring it. It's basically a giant mash-up of all children's fairy tales, and then what happens when happily ever after ends.

Council Member Kniss: A little dark.

Mr. Klein: Depends on what you're watching. The first act is very much a fairy tale, and the second act becomes a little dark. It's a very funny show.

Council Member Kniss: Thanks very much.

Mr. Klein: Thank you.

Ms. Halpern: I just wanted to close that each one of you has received this about the players.

Mayor Burt: Council Member DuBois.

Council Member DuBois: I just wanted to thank you guys. That was awesome. My daughter loves *Into the Woods*, and I like it too. I was looking ahead. I'm looking forward to *Spamalot* myself. It looks like a good season.

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Mayor Burt: Thank you and congratulations on your 85th season, the longest running community theater on the Peninsula. The founding community theater of now Silicon Valley. Thank you very much.

3. Awarding of Certified Fire Chief Designation to Fire Chief Eric Nickel by the California State Fire Marshall Tonya Hoover.

Mayor Burt: Welcome, Chief.

Eric Nickel, Fire Chief: I think we're in trouble. You never want to follow kids, pets or the Palo Alto Players.

Mayor Burt: We're now proceeding on to Agenda Item Number 3 which is the award of a Certified Fire Chief designation to Fire Chief Eric Nickel by the California State Fire Marshall, Tonya Hoover. Welcome.

Tonya Hoover, State Fire Marshall: Thank you. No, I'm not going to break into song, but *Into the Woods* did have Chris Pine as the prince. I was targeted on that.

Mayor Burt: May I just say that we are privileged to introduce the California State Fire Marshall, Tonya Hoover, who will provide an overview of the Fire Chief Certification program, the process to achieve certification, and then award the designation of Certified Fire Chief to our Fire Chief, Eric Nickel.

Ms. Hoover: Thank you very much. Mr. Mayor, members of Council. It's a privilege and an honor to be here before you this evening to honor your Fire Chief. A little bit about the Certified Fire Chief. The Certified Fire Chief is the final level in a fire officer track. This level utilizes the performance assessment process that is built on all forms of education and experience exposure. This level is only awarded after the performance assessment competency has been conducted by a peer review assessment committee. That peer review assessment committee is the State Fire Marshall, another Certified Fire Chief and a member of local government. The committee evaluates specific competencies and technical knowledge, management and leadership. There are several steps to complete this level. Not only must the person have completed all the Chief Officer certification classes—there are many—and have both defined experienced level and time in the position, but the person must also possess a minimum education level of a bachelor's degree, have an advocate, develop a detailed portfolio of life experiences in the fire service, provide letters from other fire chiefs and non-fire service personnel as reference, make all the appropriate notifications and submit to the Office of the State Fire Marshal (OSFM) the application. And then the patient waiting begins. The individual waits patiently for notification of acceptance and scheduling, and waits patiently for the scheduling, and waits

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patiently for the scheduling of the review committee, makes a verbal presentation which, by the way, is about four hours long. The Chief sat before his review panel for 3 hours, and I think it was 43 minutes, if I remember correctly. And be interviewed by the committee. If the candidate is successful, they are notified of their success and receive the Fire Chief Certification. With almost 1,000 fire departments in the State of California, if you consider each department has a fire chief or a fire executive officer, with the dedication required to complete the process for a Certified Fire Chief, you can see why there are only 30 in the State of California. Tonight it's with great pleasure that I have the opportunity to present to Chief Eric Nickel the prestige of being the 31st Certified Fire Chief in the State of California. Chief Nickel, I'd like to present you with your certification and your Certified Fire Chief collar brass. Congratulations Chief.

Mr. Nickel: Thank you. I'll take a quick moment. Mr. Mayor, members of the Council. First off, I'd like to thank Chief Hoover for taking the time out of her busy schedule to come down from Sacramento. I also want to thank all of you, the Council and the City Manager, for your shared investment in professional development. Finally, I'd like to express my appreciation for my wife, Mariana, and my daughter, Bella, who are sitting back here. This career capstone serves as my professional commitment to our community. Education and professionalism are two key values of the Palo Alto Fire Department. You will find dozens of these same commitments from the 100-plus members of the Fire Department. For example, Deputy Chief Catherine Capriles just finished her second year in the Executive Fire Officer program and wrote one of the first research papers on the importance of good data collection and measurement in the fire service. Essentially, you can't improve your performance if you can't measure it. Deputy Chief Geo Blackshire will complete his Fire Service Executive Leadership Institute later this year, and he's already being asked by other agencies across the country to share our secrets of our diversity recruitment process. These two elite programs are very competitive, reflect well upon the City of Palo Alto. We can all appreciate the price; they're free. Finally, Battalion Chief Kevin McNally was recognized this last week in Orlando, Florida, for his Fire Officer designation by the Commission on Professional Credentialing. He joins a small group of approximately 340 officers across the country who have achieved this designation. What does all this mean to the community? In an era where experienced fire officers are retiring, our community is gaining better trained and more experienced fire officers who are dedicated to continuously improving the Fire, Rescue and Emergency Medical Services Department. This support better serves the evolving needs of our community. We define excellence as making progress towards the worthy goals of community risk reduction, superior community service and enhanced operational efficiencies. We're passionate about continuous

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improvement. Thank you again for taking the time to recognize me and for a little bit of good news from the Fire Department. Have a good evening.

Mayor Burt: We want to express our appreciation for both your achievement, Chief. It's an exceptional achievement, and it reflects not only on yourself but on the entire Department and the City. We're very appreciative of the dedication and work that you've put into this and the dedication and work of the other members of the Department who have been pursuing similar professional achievements.

Mr. Nickel: Thank you.

Mayor Burt: Thank you. Council Member Holman.

Council Member Holman: Before you leave, Chief. You're getting a little workout tonight. Last year I had the privilege of attending your promotions event for Fire Staff. It became so clear, as if we didn't know that before, that the Fire Department is a family. It's a family of Fire Staff and the members of their family. I just wanted to say that I think we're very fortunate to have you and your Staff and the kind of service that you instill in others to be a part of our family in Palo Alto. Thank you so much.

Mr. Nickel: Thank you.

Mayor Burt: Thank you, Chief. We have one more. Council Member Kniss.

Council Member Kniss: I think, Eric, on a much lighter note, we should talk a little about the Palo Alto Rotary Crab Feed where you offered a meal in the firehouse. Do you know how much it went for?

Mr. Nickel: I'd love to hear.

Council Member Kniss: It went close to 2,000. Wow. That's really a compliment either to the cooking or to the firefighters. I think it's a little of each.

Mr. Nickel: That's where we're at our best. When you can sit down and break bread with people and ride along a little bit and understand what we do, that's—plus, we're pretty good chefs.

Council Member Kniss: I can't remember the exact amount, but I remember it was a very generous amount that somebody donated both to the Rotary Foundation, also certainly underscored the stature you have in the community.

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Mr. Nickel: It's a joint project between labor and management. Labor puts up all the money to pay for the goods. Basically the folks from IFF are doing all the cooking at the fire stations. It's really a joint effort. Thank you.

Council Member Kniss: Thank you for doing that. That was a nice donation.

Chief Nickel: You're welcome. Thank you.

Mayor Burt: Thank you.

Chief Nickel: Have a good evening.

## Agenda Changes, Additions and Deletions

Mayor Burt: Our next item is Agenda Changes, Additions and Deletions. I just want to clarify that we have—at your places you will see that we have changed the sequence of the Action Items. Formerly Item 13 is the first Action Item; 12 remains the second; and Item Number 11 is the final Action Item. The Stanford housing units will be the first one. The Comp Plan housing update, the second. A mitigated negative declaration on a sludge handling facility at the wastewater treatment plant will be the final.

## City Manager Comments

Mayor Burt: Our next item is the City Manager Comments. Mr. City Manager.

James Keene, City Manager: Thank you, Mr. Mayor, members of Council. I guess Chief Nickel has exited the building. I just would not only acknowledge him, but just by the classiness of his comments here before the Council. I think shifting the attention to his staff and his team is just symbolic of the kind of culture he's working hard to cultivate in the Department. I'd also just say if we could just sort of think over the course of a year how many recognitions for various departmental accreditations or excellent service the Council gets to see both from your City Staff, but also from volunteers and other groups throughout our fine City. I have a couple of things to report. A few of them are a little bit—they sound a little bit longwinded, but I just wanted to be sure that we were sharing all of the information relating to these items. First of all, one of our favorite topics in town, leaf blowers. I did want to make clear that over the next month or so, our public should start to see information in their utility bill and other outreach materials, reminding our community not to use gas-powered leaf blowers to clean up their yards. While this ordinance has been on the books for more than a decade, we continue to receive complaints about the noise and emissions associated with gas-powered leaf blowers. We are asking our

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residents and the gardeners who work in Palo Alto to stick to electric blowers or rakes for landscaping and garden cleanups. If you see or hear somebody using a gas-powered leaf blower, there are a couple of ways to report it. You can submit a report using the City of Palo Alto's 311 mobile app with the day of the work and time of violation or you can call the City's Police Department non-emergency line at 650-329-2016. The City will send a warning to the address provided when you make a report, and a citation may be given to property owners or their gardeners if a violation is confirmed. We have on Staff a Code Enforcement Officer available, and we'll be making efforts to be proactive in being sure we respond to complaints, both with residents and gardeners as possible. Secondly, just a reminder that the Downtown RPP Phase 2 permits are currently on sale. They're available at the parking website [cityofpaloalto.org/parking](http://cityofpaloalto.org/parking) and by visiting our customer service representative at the Utilities counter on the ground floor of City Hall. Maps of the program boundary, employee parking zones and a host of FAQs are also available on the parking website. Customer service is also available by phone and email at [paloaltopermits@spplus.com](mailto:paloaltopermits@spplus.com), and by calling 650-440-8074. An informational session for Downtown employers was held in the Community Room at City Hall on March 16th for those employers. It was attended by about 20 employers, employees and concerned residents. An earlier informational session for residents was held on March 8. Associated signage is scheduled for installation at the end of March. I would just comment that I think the new website is improved and enhanced. It was pretty simple for me to go on and both renew my permit and buy and pay for online a second permit. El Camino Road at El Camino Real improvement project. I know the Council gets almost daily questions and comments and gripes about where we are on improvements in that area. I just want to report where we're going in the nearer term.

Mayor Burt: Mr. City, did you mean Embarcadero Road and El Camino Real?

Mr. Keene: I'm sorry. Did I say something else? Embarcadero Road at El Camino Real. Excuse me. Phase 1 of the Embarcadero Road at El Camino Real improvement project was completed at the end of 2015. This included the upgrade of the traffic signal equipment at the Town and Country driveway and the pedestrian crossing in front of Trader Joe's. These two signals now communicate, and the timing was adjusted to allow vehicles exiting Town and Country to hold the green signal at the crosswalk. Previously the crosswalk signal was back up traffic into the driveway intersection. These signals still do not communicate with our new Citywide traffic control system, because they're not linked by fiber optic cable to the other 99 signals in the City. However, we will be installing a wireless modem to connect those signals to the central traffic control system via the cellular network in the next several weeks. The traffic signal at

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Embarcadero Road and El Camino Real is controlled by Caltrans, the State Highway Department. We cannot communicate with it or modify the signal timing certainly unilaterally. As would be expected Caltrans prioritizes travel along El Camino Real which often causes delays for folks approaching on Embarcadero Road. Once we link the two other signals into our Citywide traffic control system, we plan to retime all of the City-owned signals along Embarcadero Road from East Bayshore to the Town and Country driveway. That is scheduled for this year. Caltrans will provide their timing plan, and we will then be able to make some effort to better sync our signals to theirs. At the end of 2015, we also kicked off the planning and design of Phase 2 of the project which will make additional bicycle, pedestrian and traffic circulation improvements along Embarcadero Road between Bryant Street and El Camino Real. We held a public meeting back in December to solicit feedback on the most important issues and developed some alternative concepts for review. Since then, we have conducted traffic counts, performed some existing conditions analyses and refined three alternatives. We presented these to the public at a meeting at Palo Alto Unified School District headquarters on Tuesday, March 15th, and welcomed about 20 attendees. In the next several months, we will work to identify a locally preferred alternative and will bring it to the Council for adoption and move into the final design phase. During the initial traffic study, we looked at what specific elements of the roadway were causing delays for motorists. We determined that the traffic signal to the crosswalk was not an issue; however, we did identify the Trader Joe's driveway as a significant contributing factor. Motorists existing the driveway were not yielding as required, and they were causing gridlock in the curb lane for those waiting to access the shopping center or northbound El Camino Real. In order to address this issue, on March 16th we made signing and striping changes at Trader's Joe driveway to encourage more motorists to yield as required, and our initial observations during the mornings after and lunch-time peak hours showed that the treatment is proving to be effective. More to come on that. In relation to our comprehensive traffic safety program, we did want to again advise the Council that throughout 2016 we hope to initiate a more structured traffic safety program that will address a series of intersection and roadway segment with a history of crashes and a potential for collisions in the future. This program will utilize crash reporting software named Crossroads, appropriately, which has been adopted by many other jurisdictions throughout Santa Clara County to identify candidate locations. Those locations could also be submitted through the Palo Alto 311 system and through the various regular transportation stakeholder meetings which include Payback, the City-School traffic safety committee and others. Goals and performance measures for the program will be developed within the next several months consistent with the already adopted plans and policies. As a first step in the rollout of the comprehensive traffic safety program, our

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City Staff is moving forward with some experiments on two spot safety pilot projects starting April and May. In each case, alternatives will be developed in consultation with stakeholder groups. Mailers will be distributed to the abutting properties, and signs will be installed to seek public input during the trial. The first project involves the installation of a temporary traffic circle with signage and striping at the intersection of Coleridge Avenue and Cowper Street near Walter Hays Elementary. This pilot will be installed before April 10th, when Walter Hays Elementary returns from spring break, and remain in place for 3 months at which point a permanent traffic circle may be installed as part of a planned Public Works projects and informed by the results of the pilot. If the public is not supportive of the traffic circle, we'll look at other alternatives as a follow-up. This project was developed as the result of a series of requests submitted through Palo Alto 311 and concerns voiced directly to City Staff by PTAs. The second pilot project will be located at the intersection of Embarcadero Road and High Street along the route to Palo Alto High School. There are several alternatives under consideration for this intersection with the primary goals being to reduce the speeds of motor vehicles using the westbound ramp to Alma Street, increase the number of vehicles yielding at the existing crosswalks across the ramp, and better facilitate bicycle and pedestrian traffic to and from Palo Alto High School. This trial will begin in May after a preferred alternative is identified and refined through consultation with our transportation stakeholder groups, and the same public engagement strategy will be used for all pilot projects. I would encourage the Council or any interested members of the public to feel free to direct questions directly to Josh Mello, the City's Chief Transportation Official. Moving on. The Palo Alto Human Relations Commission invites the Council and the community to a community-wide forum to raise awareness on the issues of implicit bias and to promote diversity and inclusion. The event is titled "Being Different Together – Experiencing Palo Alto, Perception and Reality," will be held on Wednesday, March 30th from 7:00 to 9:00 p.m. at the Mitchell Park Community Center. Through storytelling, listening and dialog, participants will be able to examine our own implicit biases, encourage understanding and move the conversation forward towards building a stronger, more compassionate and inclusive community. The keynote speaker will be Dr. Joseph Brown, Associate Director of Diversity and First Gen Office at Stanford University. We will be having—thanking in advance Council Members Berman and Wolbach for being able to be available for making some opening and closing remarks at the event. Thank you. The City Clerk wanted me to again put out a reminder that the City is looking for citizens who want to make a difference in our community by serving on the Utility Advisory Commission. The City is seeking applicants for the Utilities Advisory Commission, three terms or positions. The deadline to submit an application for this Commission has been extended to March 23rd, which is this Wednesday, at

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5:30 p.m. The application deadline for Boards and Commissions is extended if an eligible incumbent does not reapply. Utilities Advisory Commissioner Steve Eglash and Jonathan Foster did not reapply. For more information, you can contact the City Clerk's Office at 650-329-2571 or contact David Carnahan in the Clerk's Office at david.carnahan@cityofpaloalto.org. I did want to also announce another upcoming community meeting on four proposed bicycle boulevards. A lot is happening on our Bike and Pedestrian Plan this year. The final drafts of the concept plans for several bicycle boulevard projects will be presented at a public meeting on Tuesday, March 29th, from 6:30 to 8:30 p.m. in the multipurpose room of the Ohlone Elementary School at 950 Amarillo Avenue. The following bicycle boulevard projects will be presented at the meeting: Amarillo Avenue to Moreno Avenue; the Bryant Street update; the Louis Road/Montrose Avenue bike boulevard project; and the Ross Road bicycle boulevard. Approval of the concept plans is the first step in the design process for each project to move forward. Bike boulevards are local streets prioritized for travel by bicycle. They typically include special signage and marking and traffic calming measures that discourage automobile traffic. Lastly, Cubberley Day hosted its second annual Cubberley Community Center Day this past Saturday, March 19th. It was a huge success. In the morning, about 60 volunteers led by Canopy planted more than 41 plants, shrubs and trees and laid fresh mulch in all planters around the campus. They even arranged for a visit from Smokey Bear. At 11:00 a.m., the campus was filled with hundreds of visitors enjoying art, music and kids activities, carnival games, face painting, bouncy houses and dance performances and demonstrations by 12 Cubberley lessors and renters. That could come in handy. Additionally, guests had an opportunity to visit an information desk hosted by 30 Cubberley groups to learn about their programs. New this year was an opportunity to share memories of Cubberley of the past with photos and yearbooks from the high school days—we did find Greg Betts' yearbook picture at the event—and to share dreams for its future. The success of the event was attributed to the hard work of our City Staff and Canopy and 20 Kiwanis Club volunteers along with 10 Key Club youth volunteers and the Greenmeadow Community Association. Thanks to Rob de Geus and the Community Services team and everybody else who helped out. Lon, thank you. Lastly, I had one quick item. We got a very late question related to the Consent Calendar. I'll just do it right now, since it's just before then. It was related to Item Number 9, which is essentially a renewal for maintenance and work performance on our emergency telecom gear. One was a question of is this sort of ongoing operational support. The answer is yes. Secondly, recently back in early February, the Council actually approved the purchase of a whole series of replacement radios and consoles related to our 911 system. There was a question as to whether or not these were different system. They are. This item is an annual contract mostly

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related to maintenance related to our Mobile Emergency Operation Center (MEOC), mobile command center, some of our other mobile commitment. That's all I have to report. Thank you.

Mayor Burt: Thank you.

## Oral Communications

Mayor Burt: At this time, we will move on to Oral Communications. This is an opportunity for members of the public to speak on items that are not otherwise on the Agenda. The Council cannot engage in dialog on those items, because they are not agendized. Our first speaker is Kate Downing, to be followed by Herb Borock. Each speaker will have up to 3 minutes.

Kate Downing: Good evening, Council Members. I'm Planning and Transportation Commissioner (P&TC) Downing. The Council has asked the P&TC to assist it in community outreach and engagement. I'm here to communicate some concerns I've received from several members of the community over the last few weeks. They have indicated that they have been surprised that the Council has chosen to make comments to Staff before allowing the public to speak, because they've seen previous Councils allow the public to speak first. In particular, people have expressed their desire for Council to take their comments into account before making up their mind. They've also felt like the process is discouraging because they're forced to wait for several hours to make comment, and they simply can't spend that sort of time here on a regular basis, though, they wished they could. This is a particularly salient issues for people who work multiple jobs or have kids to get back to. I think this is low-hanging fruit to encourage more members of the public to participate. I hope the Council takes these concerns to heart.

Mayor Burt: Thank you. Our next speaker is Herb Borock, to be followed by our final speaker, Mike Francoise.

Herb Borock: Mayor Burt, and Council Members. There are two statewide initiative petitions being circulated that are related to High Speed Rail, and the proponents are the same proponents of both initiatives. One of them is mainly about a bond measure and Constitutional amendment for water storage projects which would change statewide policy and essentially remove protecting the environment from the water project money. That initiative would transfer \$8 billion of remaining High Speed Rail bond funds to the water storage projects. The second initiative is just to terminate High Speed Rail. If there was some other measure passed that would allow that money to be transferred to the other measure, that would happen but, otherwise, it's possible for just the High Speed Rail measure to be

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terminated, and that money not to go someplace else. I was concerned that only the first measure would actually be circulated, and that appears to be what's happening. Last Thursday, the proponents notified the Secretary of State that they had collected 25 percent of the signatures needed. That initiates a process in the Legislature for a joint committee hearing on the initiative. I would urge the Council, the Staff and lobbyist to pay attention to when that hearing is happening, because the City may want to participate. It could happen as late as June 30th, which is the last day to qualify a measure for the November ballot. On the timing, if the proponents want to have time for an actual signature count of every signature, they'd have to turn in their petitions next week, because there's a three-stage process. First, counting how many signatures have been turned in, then doing a random sample. If the random sample is not more than 110 percent of the number needed, counting every signature. They cannot do that on their present schedule. They've been asking people to turn signatures in by April 26th, and that would meet the May 9th deadline of qualifying by random sample. They would have to get more than 110 percent valid signature of the 585,407 they would need for a Constitutional amendment. The other thing that I would urge Council, to the extent that it can have any influence over these proponents, is to circulate the other initiative which is just about High Speed Rail. It only requires 365,880 valid signatures because it's only a statute and doesn't involve a Constitutional amendment. Thank you.

Mayor Burt: Thank you. Our final speaker is Mike Francois. Welcome.

Mike Francois: Welcome, Mayor and Council Members. I'm just going to share some information with you, because you're my neighbors. I did with Menlo Park already. Roundup which is the pesticide which Monsanto uses, we're going to try to get rid of it in East Palo Alto. Menlo Park already banned it. I'm bring this information to you because Parilman Law Firm down in San Diego, we have a—it's 800-908-5770, Parilman Law Firm. What they're going do is go against Monsanto. The attorney down there is named Joseph Eaton. He's representing all 50 states in the United States to rid the United States of Roundup. One of his reasons are there's a girl in Texas who got—Roundup was in their recycled water. Not the recycled water, in their groundwater. That Roundup contained glyphosphate which gave her cancer. Somehow it got into her ladies' garment, her tampon, and it got down there. She's allegedly losing her leg behind this. She was an athlete. I'm just passing the information on to you. If you are using Roundup, maybe you want to study it or check your groundwater and see if you have this glyphosphate, because it—this attorney, Joseph Eaton, wants to know if anybody has symptoms of non-Hodgkin's lymphoma. If they have that, they need to call him because he's representing all 50 states, and he's

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representing people who could possibly have this disease that is carcinogenic. Thank you.

Mayor Burt: Thank you.

## Consent Calendar

Mayor Burt: We will now move on to the Consent Calendar. I see we have speaker cards. We have four speakers. If anyone else wishes to speak, please fill out a card and bring it forward promptly. We'll be moving on from public speakers shortly. Our first speaker is Bruce Hodge to speak on Agenda Item Number 5. You have up to five minutes to speak. Welcome.

Bruce Hodge, speaking regarding Agenda Item Number 5: Thank you, Mayor Burt. I'm Bruce Hodge from Carbon Free Palo Alto. A few days ago while idly perusing the upcoming Agenda for tonight's meeting, I was very surprised to see an item on the Consent Calendar that would largely reset Palo Alto's plans for local solar. Being a close observer of Palo Alto's policy on these matters, I was stunned. Why had I not heard of this before? Guess what? No one else had heard of it either. I find this tactic to be profoundly disturbing and undemocratic in nature. This is not what I expect from Palo Alto's City government. Members of our community have worked diligently over a few years, more than a few years, to ensure that the City has a reasonable for local solar. It would be almost criminal to see all that undone with so little consideration. The Committee's recommendation would essentially kill the Palo Alto CLEAN program as well as plans for a community solar program. This flies in the face of both Staff and Utilities Advisory Commission (UAC) recommendations and is incongruent with the direction being set by the upcoming Sustainability and Climate Action Plan (S/CAP). Frankly, this is meddling in a complex area for the wrong reasons with very negative consequences. The City had previously set a goal to obtain four percent of its total energy from local solar. Terminating Palo Alto CLEAN would blow a hole in those plans. There are ample opportunities for the City to modify the Palo Alto CLEAN program in ways that serve the goals of the program. There's absolutely no need to apply such a sledgehammer approach. With net metering being phased out, Palo Alto CLEAN now becomes the central mechanism for encouraging local solar in a cost-effective way. For various reasons, Palo Alto has had a difficult time in building out local solar. I thought we were on a pathway to exit our doldrums. Let's not throw yet another monkey wrench into Palo Alto's local solar future. Please enough of this undemocratic and unhelpful behavior. Thank you.

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Mayor Burt: Thank you. Our next speaker is Jeb Eddy, also speaking to Number 5, to be followed by Vanessa Warheit.

Jeb Eddy, speaking regarding Agenda Item Number 5: Mayor Burt, thank you for your bringing up the subject of electric bicycles. Some of you know that I rode my electric bicycle into this room here several years ago. Larry Klein was worried about dirtying the carpet. I am a co-chair green sanctuary committee of our Unitarian Church here in Palo Alto. I'm on the Board. We just within the last 3 weeks or so signed a \$1/3 million contract to put solar panels on the parking lot of our church for distribution to the City of Palo Alto. We are concerned that we would lose the possibility of the CLEAN program. We would encourage you very much to—we're looking forward to a discussion of it next Monday when you take it off the Agenda tonight. Last item. I wonder how many people here have any experience driving a sled dog team. I don't see any hands. I mention this because many of you may have read the temperature in Fairbanks, Alaska, at the start of this year's Iditarod was five degrees Fahrenheit above the long-term average. They had to bring in snow by train to allow the dog sleds to start the race. Let us not have that move south into our area here. Let's get the Agenda up for public discussion where it deserves to be. Thank you.

Mayor Burt: Thank you. Our next speaker is Vanessa Warheit on Item Number 5, to be followed by Craig Lewis.

Vanessa Warheit, speaking regarding Agenda Item Number 5: I'm another voice encouraging you to pull the Palo Alto CLEAN item off the Consent Calendar and to remind you that, as Bruce pointed out, that four percent is actually a pretty small percentage. We are nowhere near getting to it. Palo Alto CLEAN enables progress towards this goal. One of the intents of the pilot is to—it's a pilot. It's only halfway there. If we kill it before it actually has a chance to do what it's designed to do, we're not going to actually learn much from it. I think we need to let the pilot do its job. We still, even once it's done the way it should be done, have a long way to go. I'd also like to point out like 44 percent of Palo Alto residents, I rent my house, which means I can't put solar on my roof. Non-owner-occupied commercial buildings are in a very similar position. They're totally disincentivized to put solar on their roofs. Not only do I want you to not kill Palo Alto CLEAN, I want you to seriously consider expanding to community solar using many of the same mechanisms that you're going to learn from the pilot program, if and when you allow it to actually do its thing. Again, Jeb mentioned the Iditarod. I'd also like to put tonight's discussion in a little difference context. Today the journal *Nature Climate Change* published a study about the actual economic and social costs of rising CO<sub>2</sub> emissions and the nearer term possibility of passing tipping points in the Earth's climate system. The

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results of this study show—I'm just going to quote here—increases in the present social cost of carbon are nearly eight fold. They're currently set at \$15 per ton, and they should be \$116 per ton. If you're trying to save money, maybe you should consider that fact as well. Their advice was that the corresponding optimal policy should involve an immediate, massive effort to control CO<sub>2</sub> emissions. Getting us to four percent is just the beginning. Thank you.

Mayor Burt: Thank you. Our final speaker is Craig Lewis also speaking to Item 5.

Craig Lewis, speaking regarding Agenda Item Number 5: Thank you, Mayor, Council Members. My name is Craig Lewis. I'm the Executive Director of the Clean Coalition. The Clean Coalition has a long history with the Palo Alto CLEAN program as well as several other Palo Alto initiatives. The Clean Coalition helped to design the Palo Alto CLEAN program several years ago. We also were hired to design the Request for Proposal (RFP) that resulted in the five—at least four out of the five City-owned parking structures to get solarized under the Palo Alto CLEAN program. That was an RFP that we designed, and we helped administer that and get it to a solar owner-operator that's going to lease those parking structures. Also, recently the Clean Coalition was hired by Palo Alto's Office of Emergency Services (OES) to specify how to get a solar-driven, solar emergency micro grid, so that solar power can indefinitely provide power backup to OES, Emergency Services, here in Palo Alto. All of this leads me to requesting that the Palo Alto CLEAN program be allowed to live its full course in its form so that it is economically viable for people to pursue. It is only recently, after 3 years, that the price got to a level—the price of solar has been coming down. The price got a level just recently where the Palo Alto CLEAN program was economically viable. Now we have several projects that have applied and are going to be built out. At this point where the market meets—the program becomes economically viable, that is the wrong time to drop the floor on the price. That is the right time to allow this program to fulfill its course. It is a pilot-scale program. We need more projects to come through it. Very importantly, the Palo Alto CLEAN program was designed to get projects in the commercial scale, the commercial market sector. The commercial sector in Palo Alto is almost entirely non-owner occupied. This means that the only way that the commercial market sector can participate in local solar is to have the energy sold directly to the utility, which is what Palo Alto CLEAN does. Net metering requires the tenant to be the benefit of avoiding that retail purchase from the grid. Net metering is not applicable to the vast majority of the commercial market sector in Palo Alto. If Palo Alto is going to come anywhere close to achieving its four percent local solar objective, it absolutely has to have the commercial market sector

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participating. That's what Palo Alto CLEAN is all about; it's getting the commercial market sector. Also, I will add that there's been a false comparison of local solar priced against—can I have another moment?

Mayor Burt: (inaudible) seconds.

Mr. Lewis: Priced against central generation solar, that is a terrible comparison. Local solar provides the community with resilience. That is something that remote generation can never provide to Palo Alto or any other local community. I've got a lot more to say. I'd like the item pulled. Of course, I'll have plenty to say next week as well and throughout the week.

Mayor Burt: Thank you. We'll now return to the Consent Calendar and a Motion. Council Member DuBois.

Council Member DuBois: I'll move to pull Item Number 5.

Council Member Berman: Second.

Council Member Holman: Third.

**MOTION:** Council Member DuBois moved, seconded by Council Member Berman, third by Council Member Holman to pull Agenda Item Number 5-Finance Committee Recommendation to Adopt a Resolution Continuing the Palo Alto Clean Local Energy Accessible Now (CLEAN) ... to be heard on March 28, 2016.

Mayor Burt: We have Council Members DuBois, Berman and Holman who have moved to pull Item Number 5. Item Number 5 will be removed. Do we have a date to reschedule that?

James Keene, City Manager: Yes, Mr. Mayor. I think that actually we have some openings on next week's Agenda for your meeting. That would be the meeting of the 28th. It would be on Action Item.

Mayor Burt: Thank you. Do we have a Motion to approve the balance of the Consent Calendar excluding Item Number 5?

Vice Mayor Scharff: So moved.

Council Member Kniss: Second.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Kniss to approve Agenda Item Numbers 4, 6-10.

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4. Resolution 9578 Entitled, "Resolution of the Council of the City of Palo Alto Approving a Power Purchase Agreement With Hecate Energy Palo Alto LLC for up to 75,000 Megawatt-hours per Year of Energy Over a Maximum of 40 Years for a Total Not-to-Exceed Amount of \$101 Million."
- ~~5. Finance Committee Recommendation to Adopt a Resolution Continuing the Palo Alto Clean Local Energy Accessible Now (CLEAN) Program and Decreasing the Contract Rate: (1) for Solar Resources to 8.9c/kWh to 9.0c/kWh, and (2) for Non-Solar Renewable Energy Resources to 8.1c/kWh to 8.2c/kWh; and Amending Associated Program Eligibility Rules and Power Purchase Agreement Accordingly.~~
6. Approval of Amendment One to Contract Number C15157200 With Walker Parking Consultants to add \$29,330 for Design of Automatic Parking Guidance Systems (APGS) and Parking Access and Revenue Controls (PARCs); Approval of a Transfer of \$29,330 From the University Avenue Parking Permit Fund to PL-15002 and Approval of Budget Amendments for PL-15002 in the Capital Fund and the University Avenue Parking Permit Fund.
7. Recommendation Regarding the use of the Remaining Library Bond Funds and De-commissioning the Library Bond Oversight Committee.
8. Approval of Amendment One to Contract Number S16155217, Utilities Underground Locating Contract With MDR Utility Locating Specialists, Inc. to Increase the Not-to-Exceed Amount by \$75,000 Annually to \$160,000 per Year, for a Total Not-to-Exceed Amount of \$480,000 Over Three Years to Provide Utility Locating Services With the Underground Service Alert of Northern/Central California for Identifying and Marking the City of Palo Alto's Underground Facilities.
9. Approval and Authorization for the City Manager to Execute a Contract With Public Safety Innovations in an Amount Not-to-Exceed \$250,000 to Perform Work Across a Facet of Network, Computer, Data, Radio, and Other Telecommunications Systems That Reside in Vehicles, Portable Platforms, or in Fixed Locations in Support of the Palo Alto Public Safety Team for a Term Through June 30, 2021.
10. Ordinance 5381 Entitled, "Ordinance of the Council of the City of Palo Alto Amending the Palo Alto Municipal Code Regulations Related to Hazardous Materials use, Storage and Handling in the Office, Research and Manufacturing Zoning Districts and Nonconforming Uses and Facilities (FIRST READING: February 28, 2016 PASSED: 9-0);" Ordinance 5382 Entitled, "Ordinance of the Council of the City of Palo

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Alto Regarding Amortization of Nonconforming Uses at Communications & Power Industries LLC (CPI) Located at 607- 811 Hansen Way (FIRST READING: February 28, 2016 PASSED: 9-0);" and Approval of Related Terms of Agreement Between the City and CPI.

Mayor Burt: That's a Motion to approve by Vice Mayor Scharff, seconded by Council Member Kniss. Please vote on the board. Council Member Wolbach, did you vote?

Council Member Wolbach: (inaudible).

Mayor Burt: That passes unanimously. We'll move on to Action Items.

**MOTION FOR AGENDA ITEM NUMBERS 4, 6-10 PASSED: 9-0**

Vice Mayor Scharff: Can I just make a statement?

Mayor Burt: You didn't vote against anything, so it's not really in order to make a statement.

Vice Mayor Scharff: I just want to congratulate the people from Communications & Power Industries (CPI) (inaudible).

## Action Items

13. Discussion of Reallocation and Increase of Housing Units at Stanford University for Graduate Students and Possible Direction to Prepare a Comment Letter Regarding the Project to Santa Clara County.

Mayor Burt: Our next area of business is discussion of reallocation and increase of housing units at Stanford University for graduate students and possible direction to prepare a commend letter, comment—I was wondering what a commend letter was—a comment letter regarding the project to the County of Santa Clara. Welcome.

Jonathan Lait, Planning and Community Environment Assistant Director: Thank you, Mayor. As we heard during the Study Session, there was a presentation from representatives from Stanford. This item was placed on the Agenda ...

Mayor Burt: Before we go further, I'm being made aware that Council Member DuBois needs to recuse himself. Council Member DuBois.

Council Member DuBois: I thought I was going to get to go home early tonight, but we rearranged the order. Because I have a source of income

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from Stanford, I'm going to recuse myself from this item. I'll wait to be called back. Thanks.

Mayor Burt: Thank you. Sorry. Please continue.

Council Member DuBois left the meeting at 8:05 P.M.

Mr. Lait: Thank you. This item was just placed on the Agenda to see if the Council was interested in City Staff preparing a supplemental comment letter that would go to the County for their consideration. As previously stated, the City of Palo Alto does not have any review authority for the project, but the County would consider any letters that are transmitted. Their hearing is on March 24th. If there's comments, I'll make some notes, and we'll transcribe those into a letter. If there's no comments that you want to forward on to the County, then no further action would take place.

Mayor Burt: Mr. Lait, can you review for the Council the sphere of influence role of the City within Stanford-County lands?

Mr. Lait: To the extent that Stanford has property within the City of Palo Alto and now also beyond in Santa Clara County, we do consider it as part of our Comprehensive Plan, that sphere of influence. When there is development activity that does take place, that is something that we do want to be mindful about and think about in our long-range planning efforts. This is a project that originally was approved back in 2000. It contemplated some additional housing units beyond the amount going forward, which is why there is a review process to go to the County Planning Commission. I think it's appropriate certainly for a city like Palo Alto to offer comments for the County's consideration. That's the effort that we're going through today.

Mayor Burt: Thank you. Vice Mayor Scharff, you have questions?

Vice Mayor Scharff: I do. My question was would it be appropriate to put our comments regarding the Regional Housing Needs Assessment (RHNA) issues in this letter and that we'd like to see it at least along the lines that we did last time, where we got credit for it? Is that a good time to put this in or do you not think it's a good time to put it in?

Mr. Lait: As I understand, the previous transfer, there was a conversation, I think it was in 2013, where Association of Bay Area Governments (ABAG) had approved, I think it was 200 units going from Palo Alto to the County. Those were moderate income units as best as I come up to speed on the topic. What's different this time is that we've completed that review cycle. We are not currently in a—our current RHNA schedule goes out to—I don't know. What is it? 2021, 22? Twenty-three.

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Vice Mayor Scharff: I understand that. My sense of it was this. The way they're going to do the next RHNA cycle, I hear, could very well have a strong impact on how well you achieved your last RHNA cycle. I thought we should get some credit for some of these units. When they look at the next RHNA cycle, we get credit for some of the housing that was done on Stanford, because this was a large. It's really one group of housing. If Stanford builds 2,000 units and we build a number, we should get credit for some of that when people look at how much housing Palo Alto has built. That's really my comment on this. I would like to see us get some of that credit, because that will inform the next RHNA cycle.

Mr. Lait: I guess the short answer to that is we can include a comment to the County stating our interest in having a conversation with the County and with ABAG when we consider the next RHNA allocations. I don't know that we'll get credit the way that you're thinking, a unit for unit credit. We've already demonstrated that we can build the type and amount of housing that we are required to do as part of RHNA. What we might do is what we've just done, what we did in 2013, which is, "County, we'd like you to take a certain amount of our units that have been allocated to us by the State." That's a negotiation that we would have. We can reflect back on this conversation about the units that were produced here as part of the project of the County's review.

Vice Mayor Scharff: Just briefly. They're going to look back and see what you accomplished on your RHNA numbers, not just that you zoned for? That may inform the next cycle.

Mr. Lait: They will look back and see what was accomplished as they do with—I mean, that's one of the things that you report out on. If you fail to achieve your numbers, it's ...

Vice Mayor Scharff: You'll get a larger allocation the next cycle. That's my sense of what's going to happen.

Mr. Lait: Not for failing to meet your numbers. There may be other factors that result in a larger number.

Vice Mayor Scharff: I think they're talking about when they do the factors next time, that's what they're going to do. You never know, but that's a big discussion going on at ABAG at the moment.

James Keene, City Manager: Can I just add to this?

Mayor Burt: Sure.

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Mr. Keene: I don't see how our position is harmed by us making a statement to this effect. Even to the extent that there isn't just a kind of direct correlation as far as sort of the public perception and perspective about what has happened in Palo Alto. It seems that we want to put ourselves in a position to be able to make that case, that additional housing has taken place here.

Mayor Burt: I see no other questions of Staff at this time. Council Member Schmid.

Council Member Schmid: I think Stanford made a very effective case that building housing on campus would be helpful for Palo Alto, and it had a positive impact on traffic. I appreciated your letter, Jonathan, that you sent to them. I think it would be helpful to support Stanford in this and also to make the case that it's important for us. I would like—on Packet Page 14, there are ...

Mayor Burt: Sorry. Council Member Schmid, this is the question period.

Council Member Schmid: Not comment?

Mayor Burt: Correct.

Council Member Schmid: Then I'll hold off.

Mayor Burt: Council Member Holman.

Council Member Holman: This is the letter going to the County. Question is can we get as fine-grained in our addressing of the project to the County, such things as I raised earlier which were about maintenance of the landscape screen and Heating, Ventilation and Air Conditioning (HVAC) equipment noise. Can we get that fine-grained?

Mr. Lait: We can make a comment. As I understood it, even the building placements haven't really been fully vetted out yet, so I'm sure items related to mechanical equipment has not been developed yet either. We can express our interest in compliance with noise standards that are comparable to the City and also our interest in having the landscaping, that screening the development, be maintained and encourage that those be incorporated as conditions.

Council Member Holman: Who has the more stringent noise standards, the County or the City?

Mr. Lait: I don't have that information, but we could look into it and request that it be set to the more stringent standard.

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Council Member Holman: Thank you very much.

Mayor Burt: We will now hear from members of the public. I have two speaker cards. Herb Borock to be followed by Phyllis Cassel. If anyone else wishes to speak, please bring your card forward at this time.

Herb Borock: Thank you, Mayor Burt. Council Members. Stanford's general use permit defines the level of noticing required for projects depending upon their level of environmental review. In this project, their noticing involved is notifying City Staff. The noticing requirements don't define how Palo Alto reviews an application such as this. I believe it's appropriate for the City Council, based upon a recommendation of its Planning and Transportation Commission (P&TC), to make a response to the application to the County Planning Commission. Staff has essentially decided since they're the ones who are receiving the notice, they determine whether they're going to notify Council at all. For example, last year they didn't place on either the Council's Agenda or the Planning and Transportation Commission Agenda the fact that Stanford wanted to remove and change the housing designation near the hospital, so they would no longer be for residents and instead be for other students. This year, essentially Staff has said they're going to be writing the letter, and they want to have Study Sessions with these two legislative bodies rather than doing what I believe would be the proper thing to do, to place it on a timely basis on the Commission's Agenda and the Council's Agenda as a decision-making action by the Council as to what to say. In regard to the project's effect on Palo Alto, you heard recently from the residents of Evergreen Park or their request for a Residential Parking Permit Program because of cars coming from Stanford and parking the neighborhood rather than paying permit fees. That's one thing that the Council can do in response to this. Another as Vice Mayor Scharff has said is to begin those discussions of how many of these units we should get credit for. Two thousand units, that covers our entire regional housing allocation for the current period. I believe that some kind of condition to the approval to get those discussions going with the County. Finally, this is some housing that's being done for the current use permit and the current entitlement for academic floor area. Stanford tends to do things piecemeal. They may think that if they do this housing now, then the next time there's a use permit, they get credit for the academic buildings. It should be clear in the Council's comments that this has nothing to do with a future increase in their academic square footage entitlement. Thank you.

Mayor Burt: Thank you. Our final speaker is Phyllis Cassel. Welcome.

Phyllis Cassel, League of Women Voters: thank you, Mayor Burt and Council Members. I'm speaking for the League of Women Voters for Ellen Forbes,

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our President. The League of Women Voters would like to support this project. It is 2,000 people who are being housed. Unfortunately, it's not 2,000 units. It would be nice if we really had 2,000 units, but this is a significant amount of people who will no longer be seeking housing in our community in the mid-Peninsula area. Again, not all in Palo Alto, but house them someplace and they're not seeking housing in our community. In addition, we support the reduction in traffic through our community. It will make a difference. It will be less with some very small numbers in one or two intersections. In one part of the day, we actually get an increase, but this is a decrease overall in traffic through our City and an improvement in the air pollution situation that we have. I won't read the whole letter, but please do move this forward positively. It's a big difference for our community.

Mayor Burt: Thank you. We'll now return this to the Council. I guess, perhaps if the Staff could comment on the one issue that Mr. Borock raised. The letter that the City would provide to the County Planning Commission, would it be as a Staff letter or would it have the weight of the City Council and policy position?

Mr. Lait: Either way is fine; it's just logistics. We can prepare that for your signature. Through the City Manager's Office, we can route that to you.

Mayor Burt: We'll hear Council Members' thoughts on that issue as well. Colleagues, let's return for discussion of this item. Vice Mayor Scharff.

Vice Mayor Scharff: I think it would be appropriate for the letter to come from the Mayor. I think that's something that's good. I also think we should take a supportive position of this right out the gate and say we support Stanford on building these units, that it'll reduce traffic and will be a positive for our community. With that, I'll move that we take a supportive position. I assume other people can add ...

Council Member Kniss: Second.

Vice Mayor Scharff: ... amendments as they want.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member Kniss to direct Staff to prepare a comment letter to Santa Clara County, for signature by the Mayor, supporting the Stanford housing project.

Mayor Burt: That's Motion by Vice Mayor Scharff, seconded by Council Member Kniss. Would you wish to speak further to your Motion?

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Vice Mayor Scharff: Yes. I think this is a really good thing that Stanford's doing. I think it will actually reduce traffic, bring people out of other housing, house them on the campus, will have minimal impacts on a range of things. We'll have actually a bunch of positive impacts in terms of traffic and congestion and all of that. I think this is something that we should definitely support and be on records as supporting. I think that's important.

Mayor Burt: Council Member Kniss.

Council Member Kniss: I'm glad to support this Motion. This is moving us in a very good direction tonight. I don't think it was accidental that Stanford's addition to the community in the way of housing is on our Agenda the same night that we're having a long discussion on housing very shortly. Yes, we do have something to say as we are within certainly the boundaries of Stanford as far as commenting. However, I am reminded that the County will actually make a final decision on this. I know they'll be interested in what we have to say but, at the same time, they will make that final decision. As I recall, I think they're either bumping up against the General Use Permit (GUP) or into the GUP with this. The fact that it is housing and is going to relieve the situation both in the mid-Peninsula as well as on the campus, I think, will make a great deal of difference. Thank you.

Mayor Burt: Mr. Lait, maybe it'd be helpful to just clarify the relation between this proposal and the general use permit, just so that everybody's clear. It's the amount that exceeds what is currently authorized.

Mr. Lait: I don't have the precise number, but the general use permit that was approved in 2000 accounted for, I believe it was some 3,000 housing units. What the proposal is to the County that they're requesting to do is move about 500 units from other districts or other campuses to the Escondido Village, in addition to that the 1,450. Again, the GUP did establish that hard, I think it was 3,013 or 3,015 cap, but it did not preclude the opportunity to go beyond that through the Planning Commission as long as there was sufficient environmental review. This is not an amendment to the GUP. This is just implementing part of the entitlements that were granted.

Mayor Burt: Thank you. Council Member Filseth.

Council Member Filseth: If you're going to add housing, I think this is a very reasonable way to do it. I think we should support it. I do want to second, third and fourth the Vice Mayor's comments about let's see how this relates to our RHNA allocation, because it does increase housing in this area. The only other thing I would comment—probably I should have asked this while the Stanford folks were there—is the traffic estimate that it actually reduces

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traffic slightly. I assume that movement of the Stanford grad students but doesn't include the new residents in Palo Alto who will backfill the units that they're moving out of. My guess is that if you included all of those people, it's probably neutral. My guess is that the reduction is muted, let's put it that way. Thanks.

Mayor Burt: Council Member Schmid.

Council Member Schmid: I'd like to endorse this, and to be specific in the language we use. I would request that we use the language in the Stanford letter on packet Page 14, paragraph 3, where it says construction of higher-density infill housing near jobs is precisely the type of project the Governor's office has determined will reduce vehicle miles traveled.

Vice Mayor Scharff: You want to (inaudible) what?

Council Member Schmid: Fourteen, third full paragraph.

Council Member Berman: (inaudible).

Council Member Schmid: On one, yeah. Let's see. Just let me add a comment on the RHNA. I think it's a good idea to get credit for RHNA in our sphere of influence, but we should be careful. In the '99 to '06 period, Palo Alto reached 120 percent of its RHNA allocation, and the RHNA allocation doubled in the '07-'14 period. We should be careful.

Mayor Burt: Vice Mayor Scharff, are you accepting that amended language?

Vice Mayor Scharff: All you're asking is that we include this language somewhere in the letter?

Council Member Schmid: Yeah, that we're supporting Stanford by using their language.

Vice Mayor Scharff: I'd like us to say we support the project. I'm happy to have a sentence that says construction of higher-density housing is precisely the type of project. That's fine.

Mayor Burt: Council Member Kniss, you also accept that?

Council Member Kniss: Yes. If the Vice Mayor accepts it, I will accept it.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "incorporating the following language, 'construction of higher density infill housing near transit centers and jobs is precisely the type of project the Governor's Office has

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determined will reduce vehicle miles traveled, and associated greenhouse gas emissions.'"

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: I'll be supporting this, and actually just wanted to weigh in on something that was just mentioned by Council Member Filseth. I don't want to assume that the people who are going to moving into this housing are going to be moving out of other Palo Alto housing. That's something that I don't think we've got clarity about. (inaudible) they might be coming from other cities, and so it might really have a negative—in the positive sense, but negative numerical impact on the number of car trips to Palo Alto. Just wanted to throw my two cents on that one.

Mayor Burt: Council Member Holman.

Council Member Holman: As I mentioned earlier, I'm actually happy that this is happening. It is a good location, and it's a good outcome for the community overall. I think it's good for us to include the paragraph that Council Member Schmid has asked to be added. I'd also like to ask for the following to be included: as project plans are developed, attention be paid to continuing the tree canopy as ongoing screening and that ongoing HVAC impacts be considered at a level whichever is more restrictive, either County or City standards.

Vice Mayor Scharff: That's fine.

Mayor Burt: We don't have Council Member Kniss present, so we'll await her consent on that amendment as well. I will just add my support. Maybe somebody can see if they can get Council Member Kniss. One of the questions of where these new tenants currently reside, I think, is important information. Stanford said that they didn't have really that data. They assume it's from both Palo Alto and other surrounding communities. I was assuming that data would have been available to Stanford. It seems like it would be pretty easy to obtain its current grad students or maybe not these specific students, but what is the geographic distribution of residency of grad students who don't currently live on campus. I think that's important just for planning purposes and understand the impacts of this project. I support the letter and support the project. Council Member Kniss, do you support this latest amendment?

Council Member Kniss: Yes, it's fine.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "and include, 'as project

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plans are developed, attention be paid to continuing the tree screening and ongoing Heating, Ventilation, and Air Conditioning (HVAC) impacts mitigated at whichever threshold is more restrictive, those of the City of Palo Alto or the County of Santa Clara.”

Mayor Burt: I see no more comments.

Mr. Keene: Mr. Mayor?

Mayor Burt: Yes.

Mr. Keene: If I just might make just a quick comment just more for the record. The Council discussion is focused on really the kind of core land use issues of the project. I would just say that we do have a lot of interrelationships with Stanford on a host of other issues that are separate and outside of this particular letter. We haven't looked at identifying every potential impact. For example, we provide fire and rescue services to the campus. There's a potential in the future that this has impacts on services, but we have a vehicle for working that out separate from this letter and that sort of thing. I don't think it's a necessity to include anything like that, but I didn't want it to be misunderstood that we thought there were no potential impacts of the project. Thanks.

Mayor Burt: Thank you.

**MOTION RESTATED:** Vice Mayor Scharff moved, seconded by Council Member Kniss to direct Staff to prepare a comment letter to Santa Clara County, for signature by the Mayor, supporting the Stanford housing project, incorporating the following language, “construction of higher density infill housing near transit centers and jobs is precisely the type of project the Governor’s office has determined will reduce vehicle miles traveled, and associated greenhouse gas emissions.” And include, “as project plans are developed, attention be paid to continuing the tree screening and ongoing Heating, Ventilation, and Air Conditioning (HVAC) impacts mitigated at whichever threshold is more restrictive, those of the City of Palo Alto or the County of Santa Clara.”

Mayor Burt: Please vote on the board. Council Member Holman, did you mean to vote no?

Council Member Holman: Hit the wrong button, sorry.

Mayor Burt: I suspected as much. That passes unanimously with Council Member DuBois recusing himself. Thank you everyone.

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**MOTION AS AMENDED PASSED:** 8-0 DuBois not participating

Council Member DuBois returned to the meeting at 8:29 P.M.

12. Comprehensive Plan Update: Housing Sites and Programs.

Mayor Burt: We will now proceed with Item Number 12 which is the Comprehensive Plan Update, housing sites and programs. The Staff has requested that the Council provide guidance on housing issues and programs for consideration and implementation concurrent with the Comprehensive Plan Update. They've listed a number of potential issues. I would say that one of the things that we will want to be considering tonight is not only the question of which of these proposed programs and the Council would like to provide guidance on or support for, but also to identify any that we are interested in having proceed ahead of the Comprehensive Plan schedule. As we have that—should we have any in that category, we'll need to have an understanding from Staff on how that would impact Staff resources. I anticipate that this would be somewhat of an iterative process if we were to consider any of these items to move forward more aggressively. On that note, Director Gitelman, welcome.

Hillary Gitelman, Planning and Community Environment Director: Thank you. Mayor Burt and Council Members, Hillary Gitelman, the Planning Director. Before I start, let me thank the Staff who contributed to this item. No doubt they are having a delicious beverage as they watch from home. This evening is one in a long series of Comprehensive Plan Update discussions, this one focusing on housing. There's a lot of materials and a lot of ideas in the Staff Report that we sent to you. I'm not going to repeat all of those. I have a high-level summary; it's about 20 slides that I'm going to go through pretty quickly. Then we can answer any questions you have. The goals for this evening. The primary goal is to receive your input and guidance on housing issues and programs for consideration and implementation concurrent with the Comp Plan Update. It's an opportunity to inform the Citizens Advisory Committee's (CAC) work on the Land Use Element. We have a delegation consisting of four members of the CAC here this evening. I don't know if you recall, but originally this discussion of housing was going to be a joint meeting between the CAC and the Council, but our scheduled got modified, so we've ended up with a delegation of these four members representing a diversity of perspectives. I'm hoping that the Mayor will give the delegation collectively 10 minutes to address the Council before the public comment period. Tonight's discussion also provides an opportunity for the Council to inform development of this fifth scenario that you've directed us to include in the Environmental Impact Report (EIR) that we'll be preparing for the Comp Plan Update, and

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discussing with the Council later in April and May. Finally, it's an opportunity to address—I think we all recognize one of the significant planning issues of the day. Some of the issues that we will have the opportunity to discuss this evening and that we hope to get your input on include the potential relocation of some of the housing sites. We'll talk about those sites in south Palo Alto that we committed in our Housing Element to reexamine. We also want to get your input on some new ideas like potentially changing zoning regulations to replace non-retail, commercial Floor Area Ratio (FAR) with residential FAR in certain parts of the City; also potential changes to zoning to encourage small units, micro units, accessory dwelling units and other forms of housing. I'm sure the Council will have some additional ideas to put on the table this evening for discussion. The context of these discussions, I think you know, is increasing housing costs throughout our region and in the City, changing demographics and long commutes. We've had many conversations with the Council about the impacts of growth and what's happening over all in the region. This is just part of that story. Also part of the context is the ratio of jobs to housing. We talk about it here as a ratio between jobs and employed residents. This chart is showing the ratio in the region, the County and the City. As we've talked about in the Council meetings quite recently, the ratio in the City is almost 3:1. The bottom line really is that we are not producing housing in our region enough to keep pace with job growth. That's true anywhere and also in Palo Alto. This is just a bar chart showing units produced per year. You'll see in some years we do a really great job and produce a lot of housing; in other years, not very much at all. We have a long-term average—I meant to find out how many years are in this average, but I didn't—of about 149 households per year which equates to 160 units or so. Also in terms of the City's plans, the context of what we're talking about here this evening include the City's adopted Housing Element. We adopted the Housing Element in December of 2014, and then it was certified by the State in January 2015. We also, as you know, have the ongoing Comprehensive Plan Update. We're setting the City's goals, policies and programs for Land Use, Transportation and the rest through the year 2030, which is quite a bit longer, a longer look than the Housing Element. We're also preparing the program-level EIR for the Comp Plan Update. There's the promise that we will do implementing regulatory changes, changes to our zoning regulations either concurrent with or following adoption of the Comp Plan Update. Those are all part of the context of what we're talking about this evening. Let me just go into a little more detail about the Housing Element. A lot of this is in your Staff Report. This Housing Element was adopted at the end of 2014. It basically contains an analysis of housing needs and constraints. Then it talks about how the City will meet its Regional Housing Needs Allocation (RHNA), contains an inventory of sites and contains a number of quantitative objectives and implementation programs intended to facilitate the provision of housing for

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all levels of affordability. Importantly, all Elements of the Comprehensive Plan including the Housing Element have to be internally consistent. The fact that we're updating the rest of the Comprehensive Plan right now doesn't mean that we can ignore the Housing Element. We really have to look at the Housing Element and make sure we're not creating any inconsistencies. Of course, if we decide to amend the Housing Element, that's something that we have to do in consultation with the State Housing and Community Development, (HCD). The sites map. I think you're familiar with the map, the inventory of sites that came out of the Housing Element update. It's in four principal areas, Downtown, the California Avenue area, the El Camino Corridor, and then there's San Antonio Road sites. The sites in south Palo Alto are the ones that we actually included a program in the Housing Element saying that we would reevaluate these sites and determine whether they should be eliminated in favor of either increased densities or new sites closer to transit and services. We'll talk about that in a minute. The Comp Plan Update can complement and support the Housing Element Update in a variety of ways. It doesn't necessarily mean that we have to amend the Housing Element. It's an opportunity to include programs and policies in the Comp Plan to support the goals and objectives of the Housing Element. The Comp Plan EIR tests a number of build-out scenarios ranging from what we call business as usual to this Scenario 5 that the Council has requested and that we have not yet fully defined. I should say that, when it comes to housing, these scenarios are really kind of additive. For example, Scenario 2 adds a concept of small units, accessory dwelling units to the business as usual scenario. It has the same number of units, but they tend to be a different size. We've assumed that they would be a different size or type of unit. Likewise, Scenario 3 adds to that kind of policy around small units the idea of increased densities at existing sites in exchange for eliminating the sites in south Palo Alto. As I mentioned, we haven't defined Scenario 5 yet; we hope to do that with your help in April and May. We really have to collectively decide how bold we're going to be in terms of the housing numbers for this scenario you've talked a bit about, that you want lower job numbers in this scenario, but it would be great to hear this evening what your thoughts are for the housing side of the equation. Here's a figure that shows Scenario 2 from the Draft EIR. It's basically showing you that the sites remain the same, but there's a policy focus on smaller units. This is Scenario 3. It proposes eliminating the sites on San Antonio Road and on South El Camino Real and increasing density at other sites in Downtown and the California Avenue area. That includes potentially adjusting some of the nonresidential FAR and trading that out for residential FAR in Downtown. Scenario 4 adds to that; it has some of the same changes in unit size and policies around density, but it also suggests that we could add new sites along El Camino Real, the frontage of the Research Park, and the frontage of the shopping center, would be new sites in exchange for

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those sites that would be eliminated on San Antonio Road and South El Camino Real. This is a picture of one of the sites on San Antonio Road. It's from a planning perspective. It's not a terrible looking site for redevelopment as housing. It's just not as close to services as you could imagine some of the other sites would be. The questions we have for the Council this evening. Should we follow through with this idea and eliminate sites in the south and place them with higher densities elsewhere or should we replace them with new sites or should we replace them with both? Then what policies and programs can we include to encourage the type of housing that we want. All of these questions relate not just to planning and zoning, but to design issues. Design is a factor in a variety of ways. It can affect the character of the corridor or the community and neighborhood that the housing is located in. It can affect unit types. It can affect aesthetics or compatibility. This is a picture from the South El Camino Real Guidelines, dates back to 2002. I think it advances this idea of nodes along a commercial corridor. That is one possibility of what you can achieve with higher-density housing. The City Council has talked about unit types and potentially reduced parking standards. This is going to be critical if we start thinking of higher densities in Downtown or substituting residential FAR for commercial FAR in places like Downtown where it's very constrained. Reducing the amount of parking reduces the costs and the traffic impacts of units because people are encouraged or really forced to take alternate modes. The Council has also talked at length about good design and about compatibility and the ability of design to reinforce neighborhood fabric and great streets. In fact, I think this is really—we don't say it this way—one of the Council's and community's core values when it comes to new development. I've thrown a lot at you both in the Staff Report and in the presentation. Here are some suggested discussion questions for this evening, if you'd like. Number one, as I indicated, we're looking for your input on whether we should eliminate those housing sites on San Antonio Road and South El Camino Real. If so, should we replace them with higher densities or with new sites or with both? What additional information, if any, do you need to make that decision? Also, should we explore this idea of eliminating non-retail commercial FAR and substituting it with residential FAR in mixed use areas? If so, which mixed use areas? Would new types of housing, small units, reduced parking requirements be acceptable in these areas? Are there other incentives or types of housing that we should explore? How can the CAC help to advance this conversation during their work on the Land Use and Community Design Element? Very important. With that, I look forward to the Council's questions and comments. I was hoping that you would hear first from the delegation from the CAC, and then from the public.

Mayor Burt: Thank you. Before we hear from the members of the CAC, we have already 23 cards. If anyone else wishes to speak, they need to bring

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their card forward at this time. We'll be cutting off submission of speaker cards momentarily. Just so everyone can prepare. Because of the large number of cards, we will be limiting comments to two minutes for each speaker. We have even more cards. You're not obligated to even take the full two minutes, because we're looking at probably in the neighborhood of an hour just for the public comments. We had budgeted an hour and a half for the item. That doesn't look like it's going to be very promising, if we're looking for substantive questions and comments by the Council. Just to make everyone aware of that reality for ourselves. We have, I think, four members of the CAC here. You have approximately 10 minutes amongst the four of you, if you would like to orchestrate how you'd like to do your comments.

Ms. Gitelman: While they're getting assembled, I should say the Committee is doing fantastic work. They started their discussion of the Land Use Element at the last meeting, and they'll continue it in April. It's, as you can imagine, a very robust conversation. A lot of different opinions, but also a lot of similar opinions.

Elaine Uang, CAC Member: Should we begin?

Mayor Burt: Yes, go right ahead.

Ms. Uang: The four of us are-I'm Elaine Uang.

Julia Moran, CAC Member: Julia Moran.

Doria Summa, CAC Member: Doria Summa.

Lydia Kou, CAC Member: Lydia Kou.

Ms. Uang: We're here just to kind of give you a sampling of some of the thoughts that the CAC as a body, points of agreement, areas of differences. We just are trying to represent the totality of some of the discussions that have been happening. Just want to share a few thoughts with respect to the items that are on this packet. First, with respect to small units, I think there's some broad consensus that the best place for small units is in the C zones in mixed use buildings with retail on ground floor and some or no commercial office space. There's some sense that increasing density limits can assist with the creation of smaller units. Some CAC members have expressed support for increasing the density limits or maybe even having no density limits. Adjusting parking ratios, but not abolishing them. For example, one car per unit or maybe even a little bit less. Coupled with car sharing or other incentives to reduce parking demand and car trips. Others definitely felt too that increasing density limits could be explored, but only

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within existing height limits, setbacks, site development standards, etc. I think slightly more than half of the CAC members were open to some height increase for strategically placed housing, especially affordable housing. Again, this is housing for seniors, housing for adults with disabilities, and again along those C corridor areas. A few other CAC members have expressed an interest in what is known as car-lite micro units, again going back to the sort of parking reduction idea. Some CAC members are obviously very concerned about the parking requirements and want to ensure that there's adequate parking onsite. I think that kind of captures the range of ideas that are offered on the CAC with respect to small units. Overall, there is interest in it and placing that in the C zones. With respect to mixed use, there's definitely a broad sense that there's support for retail/residential mixed use designations. Comp Plan Policy L-10 already supports this, the idea within the C zones of allowing greater residential floor area ratios. If you were allowed 2.0, maybe increasing the residential share to 1.5 or 1.75, something a little bit higher or having a pure retail over residential mixed use zoning designation would help. I think there's also some concern from several CAC members recognizing that there's a finite amount of expansion that the City can provide, and any time redevelopment occurs there may be a displacement of existing tenants, whether that's small commercial or residential who might not be able to find new or afford more expensive rents. There's interest in retaining members of our community who have already made the commitment to being in the City. CAC members included support for including office space, maybe like the idea of a single-story, ground floor retail, single story office, and then additional stories of residential. On San Antonio Road, it's a little bit of a mixed bag. There's not a lot of consensus, but a couple of ideas. Some members are open to keep San Antonio Road sites, because the services might be there given what's happening kind of southward. Again, there's the concern, however, that anytime you redevelop it may displace the existing tenants. Retaining those community members in the existing sites along San Antonio Road is important to several of the members.

Ms. Summa: Thank you, Mayor and City Council. Moving on to the Fry's site. We felt like this was one of the most important opportunities that could yield more housing and other exciting ideas. The Fry's site provides a unique opportunity as it will be a clean slate and can be designed from the ground up to benefit what the City needs most and what residents need the most, with possibly potential for some higher buildings and density towards the center of the development that transitions on the perimeters so it can coexist and be compatible with existing neighborhoods. We're also thinking there definitely of parkland opportunities and even maybe daylighting or unchannelizing Matadero Creek. That's an exciting opportunity. The affordable housing overlay. There was general agreement that this should

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be only done in specific locations. We thought that the most promising were University Avenue, California Avenue and Fry's. The CAC has mixed views on increasing height limits. Some CAC members were in favor of increased heights, FAR and densities. Other were concerned about the negative impacts of doing so and felt present site development standards should be maintained and compatible in terms of scale, massing, style and FAR. In the future, I think we all agree that we would like to move to a future where cars would be less emphasized. There were also two members on the group that were concerned that we call out the high standards that we use for all other development and building design should be applied to affordable housing, and that the public process for affordable housing should be maintained. The transparency should be maintained so that the public can be informed and participate. On El Camino Real, we would consider moving El Camino Real sites to the Stanford Research Park and look forward to finding more sites there. University Avenue and Fry's, we think there should be a coordinated plan, especially for South El Camino Real. When it comes to second units, we were also of two minds about these. Some CAC members thought units should only be allowed on standard size, R-1 lots with flexibility in parking perhaps. Current ordinance allows second units only on lots 35 percent larger than a standard lot. Other CAC members felt second units should conform with existing daylight plane, setback, FAR, lot size minimums and parking requirements and should not be allowed on substandard lots. We noted that it's a community-friendly way to provide additional housing for caretakers, adult children, grandparents, and that that should be encouraged. We believe that the design guidelines should be followed to maintain privacy on adjacent sites. We feel that we need policies to discourage or not make them available for short-term uses and turning them basically into rooming houses and hotels. I wanted to thank you on behalf of the four of us. We all participated equally. I'm sorry, we had a really, short, short, short amount of time to do this is time, so we didn't get to probably touch on as many topics as we would have liked. Thanks.

Mayor Burt: Thank you. Before proceeding to members of the public, does the Council have any technical questions of Staff? I see no questions. We're now up to 31 speaker cards, and we'll be ...

Council Member Kniss: Could I ask just one quick one?

Mayor Burt: Sure. Council Member Kniss.

Council Member Kniss: We're hearing so much about affordable housing. Would one of you define it for me?

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Ms. Gitelman: Thank you, Council Member Kniss. Normally when we say affordable housing we mean housing that's affordable to these categories: extremely low income, very low income, low income and moderate income as has been defined in Table 1 on Packet Page 767. Basically extremely low income is anywhere from 0-30 percent of area median. Moderate income goes up to 120 percent of area median. That's in our area an income of about almost \$130,000 for a family of four. You can make quite a tidy income and still qualify for subsidized housing in our region because the costs are so extraordinary.

Council Member Kniss: When the time comes, though, I'll go more into what I think affordable housing is, which is it must be subsidized.

Mayor Burt: I have one quick related question to that. When the units are defined as you just described, if we have smaller units with, say, the same number of bedrooms, does that in any way alter its affordability other than what its asking price would be? Say you have a—if it's a two-bedroom unit that's 1,500 square feet and instead we have a two-bedroom unit that's 700 square feet, does that potentially move it into being affordable because that unit at 700 square feet is rented or sold for a price that would fall into these income categories?

Ms. Gitelman: I'm not sure if I understand the question. I mean, presumably a landlord would rent a smaller unit for less than they would rent a larger unit. In that sense, I think it would be more affordable. If you're looking at the definition of subsidized housing, it really wouldn't change. That's based on what's affordable to the certain household size based on area median income.

Mayor Burt: If it's not subsidized but market rate and we have these categories, as we have smaller units, does that drive more units in all likelihood into the more affordable categories?

Ms. Gitelman: As I indicated, presumably a landlord or a seller would charge less for a unit that's smaller than a unit that's larger.

Mayor Burt: It's not based upon unit size per se; it's based upon the sale or rental price. Correct? Just want to make sure we're all clear on that. Is that correct?

Ms. Gitelman: Yes.

Mayor Burt: Thank you. Vice Mayor Scharff.

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Vice Mayor Scharff: You said 120,000 for four, for a family of four. What I'm interested in is figuring out housing for public service workers, teachers, that kind of thing. I'm really curious as to what would be one person for the moderate income or two people.

Ms. Gitelman: I'll have to look that up, Vice Mayor Scharff, and get back to you.

Vice Mayor Scharff: If you could. I don't know if it'd be possible tonight. It would be helpful.

Mayor Burt: We will now turn to members of the public. Our first speaker is Herb Borock, to be followed by Rebecca Byne, if I'm reading this correctly. Welcome. If people could move toward the front, that'll help make things more expeditious.

Herb Borock: Thank you, Mayor Burt. Having Staff hand out a correction to the last paragraph of the letter that you have at places—for those who don't have it, I'll read it into the record. It's on the second side of my letter received at 5:11 p.m. following the words "accommodated by." That refers to the amount of housing that I calculated for the Research Park to meet our RHNA needs at the advocated use of some people of 200 square foot living units which would result in 586,384 square feet of residential area which, I said, could be accommodated in the Research Park. The language that is the new language is accommodated by reducing the Research Park entitlement of floor area by 234,554 square feet of research space. The reason I chose the Research Park is that that's an area that can be controlled who lives considering who owns the property and who the leaseholders are. In all these other areas that you've been talking about, some of them could rent or buy a new unit near a train station and go to their job in San Francisco or San Jose. It doesn't solve our problem. Parking is a problem. If you want to do away with parking, then we already know from Downtown that people are going to want to park in the neighborhoods. There needs to be a mitigation of essentially telling people if there's no parking for your unit, you're not going to have a place to park anywhere. In regards to what other people think, Steve Levy was quoted in the draft Business Plan for California High Speed Rail, "the Bay Area economy is threatened by a shortage of housing and high housing costs that make it difficult for many workers and their families to live in the region where they work. This is both an economic competitiveness and family challenge. High speed transportation connections between the Bay Area and adjacent areas including Central Valley communities, can provide affordable housing and fast car-free commuting while at the same time providing support for vibrant Downtown areas in these communities." To which the

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*Mercury News* replied the next day that the only people who could afford the tickets were high-priced tech workers who could then live in Madero. Lucky them, said the *Mercury News*. Thank you.

Mayor Burt: Thank you. Rebecca Byne or Byrne to be followed by Ellen Forbes.

Rebecca Byrne: Hi, guys. I'm Rebecca Byrne. I'm here on behalf of the Housing Choices Coalition. We are a nonprofit that focuses on finding housing for adults with developmental disabilities who are looking to be independent. I just wanted to start by commenting on some of the numbers that were in the Housing Element. They differ from some of our numbers quite dramatically. In the Housing Element, it says that there are 42 people with developmental disabilities living in Palo Alto. According to the California Department of Developmental Disabilities, there are actually 473. We'd love to work with you guys on this just to find the correct number, because there is such a dramatic difference. Of that 473, 216 are adults, and only 48 of those are living independently. Currently we're working with 51 adults in Palo Alto looking to find them housing but, of course, that's extremely difficult. We're hoping that within this Comp Plan that you consider making high-density, transit-oriented housing specifically for adults with developmental disabilities. This is the last thing I'll say. Many of these people are extremely low income. If you could be conscious of that too, that would be wonderful. Thank you so much.

Mayor Burt: Thank you. Our next speaker is Ellen Forbes, to be followed by Bonnie Packer. Welcome.

Ellen Forbes: Good evening. As President of the League of Women Voters of Palo Alto, I wanted to read the letter that we sent to the Council today. Many cities view affordable housing as a bitter pill, a necessity perhaps, but one that provides no amenities and improvements to a community. The League of Women Voters of Palo Alto would like our City instead to think of affordable housing as one tool to help build more walkable and vibrant communities that offer strong support for retail and lessened dependency on auto trips. At the time same, encourage population diversity. In this spirit, we urge you to move forward with many of the visionary goals and programs suggested tonight by City Staff. In particular, we support efforts to build housing in transit-oriented zones along El Camino Real, that is appropriate to seniors, millennials and low-income workers, by rezoning to favor smaller-sized units. Steps can be taken to ensure that these folks do not rely on cars for transportation, thus fostering walkability and strengthening local retail. To achieve this, zoning densities must be increased where appropriate, and parking restrictions relaxed wherever

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feasible. We also support many other strategies mentioned in the Staff Report, such as steps to support co-housing and accessory units. Park restrictions should be reduced for accessory units. Additionally, we support minimum densities for certain zone districts such as RM-15. We would like to see the Fry's site included as part of the transit-oriented zone surrounding California Avenue. We do not support removing South El Camino Real sites from the housing inventory since sensitively designed affordable housing could actually enhance this part of our community for everyone's benefits. In general, in order to allow homebuilders and citizens to choose the most effective tools for a given site, we recommend that the City provide a flexible toolkit rather than set immutable requirements. In certain cases, this might even include exceeding the height limit in transitory unit areas where the effect will be to create more openness and community at those sites. Although our comments tonight are primarily focused on affordable housing, increasing the overall housing stock can slow the upward pressure of rents and prices for all income levels. We'll hope you'll support efforts for a diversity of housing types tonight. Thank you.

Mayor Burt: Thank you. Our next speaker is Bonnie Packer, to be followed by Robert Moss. Welcome.

Bonnie Packer: Good evening, Mayor Burt and Council Members. I'm not here to represent the CAC, even though I'm on it. They did a great job summarizing our 24 different views. I'm speaking for myself as a citizen of south Palo Alto and an advocate for affordable housing and as a member of the board of Palo Alto Housing which is a major provider of affordable housing in the City. There really are a lot of great proposals in the Staff Report. I hope you consider all of these or most of these, if we're going to continue to have Palo Alto be vibrant and economically diverse. The issue I want to speak to, however, is the proposal or the idea to consider moving some of the housing site inventories from San Antonio Road, between Charleston Road and Middlefield Road and South El Camino Real. This idea came up before we knew about what Mountain View was thinking about in the North Bayshore precise plan. In November of last year, they said, "Let's look at 10,000 units there." I think what's going to happen is that there will be more services in south Palo Alto and along San Antonio Road, and we should consider that before we prematurely decide to remove those housing sites from that area. I think what you might want to consider doing—I don't know if it's feasible—have some kind of cross-jurisdictional relationship with Mountain View for that area, perhaps a coordinated area plan or some such vehicle to look at what might be happening in that area. When you increase the density of people, you're going to provide the support for good transit to connect to Caltrain and to connect to the buses on El Camino Real. There is shopping there; there are services there. I know; I live in south Palo Alto,

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and that's where I shop. That's what I want you to consider doing. Don't remove those sites. Also, keep the densities that are being proposed for Fry's, etc., because we can use it all. Thank you.

Mayor Burt: Thank you. Robert Moss to be followed by Linnea Wickstrom.

Robert Moss: Thank you, Mayor Burt and Council Members. There are a couple of other aspects of housing that ought to be considered, and they've been overlooked. One is called traffic. Every multifamily unit generates about six trips per day. Look at that when you're looking at where housing is going to go. Second, cost. Every housing unit costs the City almost \$2,700 a year more for services than it pays in taxes. Think of that also. As for the specific discussion questions, I think it's a good idea to eliminate housing sites on El Camino Real and San Antonio Road. When all the housing that Mountain View is building along El Camino Real is completed and occupied, San Antonio Road will be even more of a traffic jam than it already is. More housing in that area is totally impractical. I think you ought to consider very seriously eliminating nonresidential uses on the upper floors in the Service Commercial (CS) and Neighborhood Commercial (CN) zones. Make that residential only; I think it's a good idea. As for granny units, I think if you said if somebody puts in a Below Market Rate (BMR) granny unit, they can increase the FAR on their property by, let's say, 10 or 15 percent, so you have an incentive. We also should consider incentives for subsidized housing or lower income housing in the other residential zones, RM-15 and RM-30. Perhaps if they want to put in some number of BMR units, they get an FAR increase of, let's say, 10 or 20 percent. I'm not going to give you the numbers right now; I'm just saying this is something that ought to be discussed and come up with some figures that are rational. Finally, one of the real problems we have in Palo Alto is it's the highest cost housing in the entire country. It's going to be extremely difficult to get affordable housing without being very creative. One of the things you're talking about is smaller units. Very small units are not going to sell. Seniors are not going to move from their existing housing to a very small unit. Define small as 500 or 600 square feet.

Mayor Burt: Thank you. Linnea Wickstrom to be followed by Winter Dellenbach.

Linnea Wickstrom: Good evening, Council Members. I'm a 40-plus year resident of Palo Alto, also south Palo Alto. I have a 24-year-old son with autism. I'm here to speak for housing for the developmentally disabled. It's important to all parents, especially those of us who are aging. We can't our house kids forever. Independent living skills take a long time to teach, so we need a running start. The struggles are there are too few units. We

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need units that are affordable for extremely low income. One of the big problems is that the units that do exist are too far away from city centers and/or from transit for people who don't drive. I'd like to emphasize for the City of Palo Alto these are people who don't drive. They don't have a car; they don't need to park. Just one my little hobby horses. I'm hoping that the City will partner with agencies such as Housing Choices to build close-in, affordable, high-density housing for people with developmental disabilities. One of the innovative things that Mountain View has done is to put up 1585 Studios on El Camino Real in Mountain View. That's worth a look. In addition, just as my personal ax to grind, please consider an additional solution, granny units or accessory units. They're a highly desirable and affordable approach that can also help Palo Alto with their housing goals and help with residents' needs. It's my hobby horse because I have a large lot. I'm 200 yards off El Camino Real. My son can take the bus, the train. He can walk to stores, etc. Thank you for helping it possible for people like my son, who can hope to live and work relatively independently in his home community to do that. Thank you.

Mayor Burt: Thank you. Winter Dellenbach to be followed by Drew Lusebrink.

Winter Dellenbach: There are two types of housing in Palo Alto: market rate housing and below market rate housing. Only one, BMR housing, guarantees affordability long term. Market rate housing is always as expensive as the market allows. Just look at Palo Alto over many decades through booms and busts. No so-called affordable housing is left other than BMR. Working class people once lived here in an economically diverse community with professionals and academics, but now this is a rich person's town or it's becoming so. Surely we don't suffer the illusion that we can build our way to affordability. We now have about 26,000 units of housing and three times as many jobs. We cannot possibly build enough housing, even going dense, even going high, to actually bring down housing expense. That is voodoo economics' trickle down housing policy magical thinking, ineffective and illusory. We are a job center. We've had more jobs than residents since the late 1960s. I came here in 1970; it was a 2:1 ratio. This is not new and not bad, and it's not going to change. The thing that has changed is that housing around us has also become expensive, creating a regional housing crunch. We can't fix the region, but we can build some smart housing that avoids burning down the cathedral to warm ourselves. We can expand and strengthen the office cap and utilize affordable, environmentally sound transportation modes for commuters. Unlike market rate housing, below market rate housing remains affordable over the long term, now 55 years, due to such devices as deed restrictions. BMR housing is the way to build housing that will remain affordable and avoid a cycle of

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building market rate housing that becomes unaffordable, and then feeling the need to build more, on and on, until we have a civic nervous breakdown. Let's avoid that. As the *Weekly* says, laser like concentrate on building below market rate housing for people of all ages and family configurations. Thank you.

Mayor Burt: Thank you. Drew Lusebrink to be followed by Anita Lusebrink.

Drew Lusebrink: Hello. I am Drew Lusebrink, and I am one of the developmentally disabled adults who lives in Palo Alto. I have no source of income other than Social Security, so my income will stay the same unless I am able to find another source of income. This means that I need to find somewhere that I can afford on my current income. However, when I have looked for such a place, no places existed. I also have a boyfriend who works in the area and would also be completely unable to afford housing around here. I know that we are not the only people who have this problem. Neither of us drives, so any housing that we would have would need to be accessible by public transit. Now the thing is that I have issues with speaking, but I felt that this was important enough that I would need to say something for everybody else who has these issues and will not or cannot. That is why I have said this.

Mayor Burt: Thank you. Anita Lusebrink to be followed by Anne Hare.

Anita Lusebrink: Hello. My name's Anita Lusebrink. Drew is my family member with developmental disabilities. We were told about this program through Housing Choices Coalition who has spoken already on our behalf. In general, I think that Palo Alto prides itself on being a very sort of forward-thinking and thoughtful, intelligent, creative community, and yet we're in great danger of becoming very homogenous to the top 1 percent of people, because that's who can afford to live here now. Drew's grandmother, who is 92 years old and who Drew lives with right now, has owned her house for—I don't know—probably 40 years. She's still there, but it's a little, tiny house next to a new basically three-story house that was bought by a person in this 1 percent that bought the house next door too while they were building this new house. The demographic is pretty diverse in that the old school is going to be kicked out. I just would like to say let's think of diversity in many different ways, what all kinds of people can bring to this community, not only the very wealthy 1 percent. People without cars and without high-paying jobs add quite a bit to the community as well. Even though it's not a tangible thing, it's not tax-based income, it's not flash, it's the intangibles that will hopefully help our community be an example going into the future for the long term, not the short term. Thank you so much for listening.

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Mayor Burt: Thank you. Anne Hare to be followed by Vanessa Warheit. Welcome.

Anne Hare: Hello, Council Members. Thank you. I think word must have gotten out, because I'm the mother of a young adult with developmental disability and autism. I will say, though, that since Rebecca, Linnea, Drew and Anita have spoken so eloquently on the topic, I will only say this. I believe strongly that where my son lives now in Mountain View in a brand new development for individuals with developmental disabilities that was built by Housing Choices Coalition that they are able—I would ask the City Council to please consider partnering with them because they have built some very smart and creative housing. I would say that it would make a lot of sense to put that housing in high-density, transit-oriented areas that are accessible for people with developmental disabilities, who also have extremely low incomes. Thank you to everyone, and thank you very much, Council Members.

Mayor Burt: Thank you. Vanessa Warheit to be followed by Peter Taskovich. Welcome.

Vanessa Warheit: Hi. I'm here to advocate for many more smaller units which, as our Mayor has pointed out, generally end up being cheaper. Just to give you a little story. I lived in Palo Alto when I was in—many years ago, let's just say. It was in the 1980s. I lived in a house that at the time had, I think, six units. There were approximately ten people who lived in our building. That home, as many others, has been turned into a single-family home. I bike by it regularly. Our apartment, I think, was maybe 500 square feet for myself and my single mother. It allowed me to attend Jordan and to attend Paly of which I'm very proud. I don't think that we need necessarily to build many high rises; although, I would encourage to not be too firm in holding that height limit. I think that densification around transit is really smart. We are a City that prides ourselves on being smart, so we should continue to look at that as a really viable option. We should definitely look at small units and infill units. We should build as much housing as we possibly can, because we need it. Thanks.

Mayor Burt: Thank you. Peter Taskovich to be followed by Craig Lewis. Welcome.

Peter Taskovich: Hello. I'm not going to be talking about micro units or co-housing or most other of the things mentioned in the Housing Element. What I want to focus on is the Accessory Dwelling Units, the (ADUs), and their impact on the R-1 neighborhoods. Palo Alto's R-1 neighborhoods are Palo Alto's crown jewels. This is why many people have paid so much

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money to move into Palo Alto and to stay living here. The quiet, tree-lined streets, uncrowded neighborhoods is what makes Palo Alto so special. Right now, ADUs are allowed in R-1 neighborhoods, but I would like to keep the current development standards and zoning restrictions on ADUs as is. We don't need to loosen them. We don't need to make it possible so substandard lots can have ADUs now built. This going to help destroy what makes Palo Alto so special. Please keep the ADU zoning as is. Thank you.

Mayor Burt: Thank you. Craig Lewis to be followed by Bill Ross. Welcome.

Craig Lewis: Thank you. I've been moved by much of the commentary here tonight. I'm here to speak as an employer. Housing markets move just like every other market do; they move on the margin. If you increase the supply of housing, you are going to incrementally decrease the price. The more you do that, the more affordable it becomes. As an employer with offices in Palo Alto Square, I'm in one of the areas that would, I guess, benefit from the higher-density housing that's being promoted here. I would add to that promotion. Palo Alto Square and that vicinity is walkable to Caltrain. Nobody else on the Clean Coalition team can live in this area, so everybody is coming in from outside, many of whom take the train. Many of our visitors who come to meet with us take the train and walk from Caltrain to Palo Alto Square. It's about 9/10 of a mile, easy walk. Housing in that area would be an easy walk to public transportation. I've got an everyday example of it. I would just say it would be awfully nice if some of members of the Clean Coalition team could actually live close to the office and walk to and from. Thank you.

Mayor Burt: Thank you. Bill Ross to be followed by Steve Downing.

Bill Ross: Good evening, Mayor and Council. My questions are profoundly procedural. Substantively, I think I agree with the letter that Mr. Keller sent to you. Procedurally, I'd ask this question. Issues that are advanced to you by Staff deal with land use and intensity that is most appropriately dealt with in the Land Use Element which must, as several individuals who have appeared before the CAC, be correlated with the Transportation and Circulation Element. That assures concerns with respect to traffic are met at the same time that the land use density is addressed. I would reference specifically Government Code Section 65.302(b). If you choose to proceed with a standalone amendment of the Housing Element, I would discourage that. One, it's one of the two mandated State elements. If you did that, it would be internally inconsistent with the existing Plan. I would encourage you also to provide for more public participation. The restriction tonight for 2 minutes, the restrictions before the CAC is directly contrary to the

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governmental policy of the Legislature about this type of decision. You should encourage public participation. Thank you.

Mayor Burt: Thank you. Steve Downing to be followed by Amie Ashton.

Steve Downing: Good evening, Council Members, Mayor. I came here to speak in favor of more housing in general, especially dense housing near transit corridors. The zoning restrictions here in Palo Alto have made it very difficult for anyone to find apartments near where they work. I've lived and worked in Palo Alto for many years now. I actually don't really like driving. It's not the worst, but I'll do it. The last time I moved, five years ago or so, within Palo Alto, I looked obviously for an apartment or some such near Downtown. There are very few of those, and there is very little liquidity in that market. I ended up further away in south Palo Alto, in a nice neighborhood, in actually a nice house. It's much bigger than we need. It's much bigger than what I was looking for. Now, I drive to work every day or almost every day. I'm not saying this to complain. This is not a bad existence by any stretch, but it does mean that I clog up the roads for all of you. I'm taking up a bigger house than I needed. Presumably I pushed another family out who actually would have used the space. This has happened with many colleagues of mine as well. Many of them have been pushed even further out, and they create more traffic for all of us. In summary, more diverse housing stock would benefit us all. I favor more density and more choices, particularly near transit. Thank you.

Mayor Burt: Thank you. Amie Ashton to be followed by Becky Sanders. Welcome.

Amie Ashton: Hello. I'll just speak quickly. I wanted to express my support for housing density, in particular near transit. I live Downtown. I pay an exorbitant amount of money to live in Palo Alto. I love living here because I don't have to drive anywhere. I bike, I take Caltrain, and I walk. I support density because to me it means that we have a more vibrant Downtown. That's what's exciting to me. Increase the height, increase the types of units. I don't care if they're luxury, micro, anything. Get the density here because to me it's so exciting to have all these great uses Downtown or to bike over to Cal. Ave. and have all these fun places to shop and walk around. This is what life's all about, and it's very exciting. Living Downtown and taking advantage of all this, I just wanted to share how important that was to me, that you call consider it. It's the environment; it's the quality of life; it's health. Please support housing density near transit. Thank you.

Mayor Burt: Thank you. Becky Sanders to be followed by Suzanne Keehn.

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Becky Sanders: Good evening. I live in Ventura which I can just feel the pave-over happening there. We have monthly meetings of our association. Most of the people that attend do own homes, but we do have some renters that live in Ventura, that come to the meetings. Shout out to Steve, who's wonderful. I really understand and hear and empathize with the desire of people to live here in this beautiful City. I get it. Everything I've heard here, I mean, it's all good. However, the preservation of residential neighborhoods is the first goal listed as a high-level goal on Page 4; however, most of the underlying recommendations strip that goal of any basis in reality and reduce it to mere lip service, I think. Remember that the City is made up of citizens, not corporations. Corporations are not people. Let's remember whom Council is here to serve, and it is the people who vote and live here. To say that at the very least the aggregate long-term impact on residents of all these developments that are in the pipeline have really not adequately been considered. As someone pointed out earlier, the jobs/housing imbalance didn't happen overnight. Rushing to build more housing is really not going to solve this problem. We have Fry's; we've got the Footlocker; we've got—what is that? The multi combination of residents that have been bought at the corner of Ash Street and Page Mill Road. Then we've got Palo Alto Square. I don't know what's going to happen. It's really scary. In Ventura, we're kind of the last affordable neighborhood in Palo Alto. I'm very concerned that the developers are just eyeing us, all those eyesore properties on El Camino Real in Ventura. I just recommend that you think about neighborhood quality of life before you approve all the wrecking balls. Thank you.

Mayor Burt: Thank you. Suzanne Keehn to be followed by A.C. Johnston. Welcome.

Suzanne Keehn: Hello. I would just second everything Becky said. The other thing I would add is that when we talk about sustainability, we just don't have supplies of everything for all these people. This is a problem in the whole Bay Area. Look at San Francisco now. Where's all this water coming from? Sure, we've had a little rain now, but we are not anywhere near making up the deficit. This is what bothers me. I think about America, but here we are in this very wealthy, well-to-do, educated people, and yet we don't look at the long-term overall. This housing imbalance happened way a long time ago. Like you were saying, it has gone back many, many years. Why didn't we look at it then? We've let developers really have their way. I think residents are not listened to the way they should. I definitely think that we have to be a lot more connected to this planet if we're going to have one to live on. Thank you.

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Mayor Burt: Thank you. A.C. Johnston to be followed by Dan Garber. Welcome.

A.C. Johnston: Mayor Burt, City Council, I'm A.C. Johnston. I live in University South. I'm going to be brief because you've heard much of this already. I just want to urge the Council to take steps to encourage the development not only of affordable housing, but what I'll call reasonably priced housing. Housing that young people, that seniors, that members of our—people who serve the community like our teachers and our police could afford to live here, so they could live in our community. In particular, I hope the Council will encourage development of accessory dwelling units, micro units and encourage increased density particularly near transit centers, jobs and services. Thank you.

Mayor Burt: Thank you. Dan Garber to be followed by Arthur Keller. Welcome.

Dan Garber: I'm Dan Garber; I'm here as a citizen this evening. I'm going to forego most of my comments and simply mention that there is—in the conversations that have been going on at the CAC, there's a tremendous amount of flexibility on these issues. They are not as black and white as they're often portrayed here. There's lots of opportunities that people have begun to think more broadly about things. The last thing I wanted to say was I really wanted to thank Julia and Lydia and Doria and Elaine, who did an amazing job in coming up in just a few days here and then getting together last night 2 1/2 hours to pull together the comments which are extremely disparate, but very robust has been described. I think they did a really great job trying to pull that series of comments together.

Mayor Burt: Thank you. Arthur Keller to be followed by Diane Morin.

Arthur Keller: Thank you. I'm speaking as an individual and not as a Co-Chair of the CAC, but I do echo my fellow Co-Chair's comments about the quality of the comments by the four CAC representatives on housing. One thing about density is we seem to be confusing two things because of how our Code works. That is density in terms of number of housing units per acre and density in terms of FAR. We might want to think about increasing the number of units per acre through smaller units without necessarily increasing FAR, increasing height, and all of that. I think that's maybe the direction we need to go. I think we should think about that and make more (inaudible) requiring smaller units, because that's the kind of units that are not as profitable for developers. They don't necessarily want to build that. We need not necessarily up-zone FAR and height in order to be able to have more housing units and whatever. We should require parking to meet

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demand for all developments as parking demand is demonstrated to decrease, then fewer parking spaces can be required and excess parking spaces can be leased to under-parked properties. The Fry's site needs a coordinated area plan and designed as nice as South of Forest Avenue (SOFA 2) along with dedicated parkland. The existing Comp Plan called for a coordinated area plan for South El Camino Real; we need to proceed with that. We should focus new housing near services and transit. ADUs don't do that. San Antonio Road doesn't do that. We need to think about what we can do in terms of new housing that minimizes the impact. I've give you a longer letter that you can study at your leisure, but I figured I'd give a few comments now. Thank you.

Mayor Burt: Thank you. Diane Morin to be followed by—Diane is gone?

Female: Diane is (inaudible)

Mayor Burt: Okay. Cathrine Aulgur to be followed by John Kelley.

Vice Mayor Scharff: Did John leave? Is John here?

Council Member DuBois: No, Cathrine's first.

Vice Mayor Scharff: it's Cathrine, right. Is Cathrine here? I'm sorry.

Cathrine Aulgur: Mr. Mayor and Council Members. I'd like to follow up on some of the input you've already heard from both parents and advocates for those with severe developmental disabilities. We have two adults in their mid to late-40s with severe autism. For instance, just to give a picture to you of what it would be like to have my son closer. Easter morning, I have to leave early, drive to Novato, pick him up, drive him back here, get my daughter in Campbell, drive her there, cook, feed them, take them for a walk, take them back to their home, take them back to Marin. That's 12 hours of driving. It's not easy when you have family members who cannot be living closer. They're very severely autistic, and they would need transportation with a caregiver. I did want to bring out that there are some laws you may or may not be aware of. The Supreme Court landmark decision, it's called the Olmstead decision. It mandates that you serve—that's U.S. Supreme Court, 1999—requires that meaningful opportunities be created for individuals with developmental disabilities to reside, work and receive support in their own communities in integrated settings. I'm going to just sort of touch through some of these. There are some U.S. Department of Housing and Urban Development (HUD)-issued guidelines also that help and encourage the planning. They do require set asides specifically for people with developmental disabilities. Developmental disabilities would mean those who would not be able to live probably

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independently. These are people who have agencies. There's HUD guidelines, and there's the Supreme Court decision that are requiring that. We're not meeting it. Believe me, I think the numbers are in the hundreds. We just don't have places for them nearer to us. Thank you.

Vice Mayor Scharff: Thank you. John Kelley to be followed by Jeff Lewinsky.

John Kelley: Mayor Burt, Vice Mayor Scharff, Council Members. I've sent you a letter that talks about my views on ADUs, so I won't repeat all that. I'd like to use this limited time that I have to address—some of the issues have been raised tonight, but I'd like to take them sort of more globally. I think there are two big arguments that people who oppose more housing in this community tend to make. The first is essentially an economic argument, that we can't move the needle at all, that we are so incapacitated by the market, that we really can't change rents or housing prices. I think that's fallacious for two very simple reasons. As Craig Lewis pointed out, if you increase supply, you're going to change demand and you're going to change prices. It's just that simple. That's not voodoo economics; that's real economics. If we change the supply, if we make more housing available in Palo Alto, we will move the price for everyone, especially the kind of housing that A.C. Johnston's talking about, reasonably priced housing, down. I think that's good. The second argument that people have been making is that somehow by creating more density or creating ADUs or doing something else, we're going to fundamentally change the character of Palo Alto. In some sense, that's right, but I think we will be changing the character of Palo Alto for the better, not for the worse. It's not traffic or the lack of traffic. It's not parking or the lack of parking that is the fundamental value of Palo Alto. To me it's the people who live here. When we make housing more affordable, when we distribute additional housing throughout the community such as ADUs would do, we are going to have better, stronger communities. We're going to have better, stronger neighborhoods, and we're going to have better, stronger families. I would encourage you to go for more density throughout the City, particularly by ADUs. I would encourage you to think that by doing so we will actually be improving the character of life here in Palo Alto. Thank you.

Mayor Burt: Thank you. Jeff Levinsky to be followed by Leslye Crosiglia.

Jeff Levinsky: Good evening, Mayor Burt and Council Members. I actually come from a multigenerational line of multiunit property owners. I'm not going to speak as an individual; I'm going to speak as a developer and operator of the very properties that you are thinking about tonight. There's two factors here that I haven't heard mentioned at all. The first—this comes from growing up in a family that deals with these issues—is that the old rule

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of location, location, location applies. Palo Alto is going to become a more expensive community no matter what you decide tonight or at all. It's going to become that because of outside forces that drive people to better communities, and Palo Alto's going to remain where they go. The second is that people have known for millennia how to make housing cheaper, and that's to share it. That happens in communities all over the place, and it happens in Palo Alto. It means that a four-bedroom house is going to be more affordable than a micro unit, because that four-bedroom house can be shared by four or eight people. That's going to happen no matter what you do. We're going to see more parking problems, because you're going to have four or eight separate people living in that house. You're going to see more traffic, and that's all going to happen independently. My concern is that hasn't been accounted for in any of the studies and such, because everybody is looking at today, and they're not looking at the forces that are going to happen in Palo Alto over the next decades regardless of these choices. I'd ask that you factor that in. I think when you do, you're going to see that we're going to have different ways of solving these problems. That may be to have to adjust parking upward and traffic needs upward to accommodate what's going to be coming. Thanks.

Mayor Burt: Thank you. Leslye Corsiglia to be followed by Lydia Kou.

Leslye Corsiglia: Mayor and City Council, my name's Leslye Corsiglia. I'm Executive Director of Silicon Valley At Home. We're the voice of affordable housing in the Silicon Valley. We represent a lot of the leading employers in this region as well as nonprofit and for-profit developers and a lot of citizens of the county that are interested in affordable housing. On behalf of my members, I really commend you for the conversation you're having around housing and especially around affordable housing, because it really is a housing crisis. Some of the folks who have talked before have talked about this is just situation that we have and that there's nothing we can do about. I really disagree with that. Last year alone in the county, we created 64,000 jobs and only 5,000 housing units. We continue to exacerbate the problem that we have. The other thing I think is really important to recognize—people will talk about transportation as being a problem. You build more housing, you create transportation problems. It's really the opposite. Our transportation problems are created because we do not have enough housing near our jobs. We need to be worried about the fit of our jobs and our housing. Without that, we have people who are driving. We have 100,000 people in this county that drive into the county every day, net, because we don't have enough housing here. What we encourage the City to do is to plan and build for more housing, especially for affordable housing. We really support density whether it be smaller units, whether it be height. We need to use our land better. We have very few land opportunities in this

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county because we are so built-out. We need to be more innovative. We need to use our publicly owned lands better. To the extent that Palo Alto has publicly owned lands, we encourage you to proactively set aside those lands and also look to—lastly, we're very supportive of second units and any innovative housing types like that that again use our land better. Thank you.

Mayor Burt: Thank you. Lydia Kou to be followed by Rita Vrhel.

Lydia Kou: Good evening, Mayor and Council Members. My name is Lydia Kou. I'm here today as a resident, not a member of the Citizen Advisory Committee for the Comp Plan. I think the greatest concern is the kind of schizophrenic approval of development continuing now in the name of providing housing. Residential growth has its own impacts, the need for parks, community centers, community and recreation services and schools. Building housing has impacts as well. If the current cumulative impacts are not addressed, it will only further compound the issues. Let's face it, without clearly and boldly expanding the office/R&D building cap to become a Citywide cap with no exceptions and no unmonitored areas, data collected is fudged. Then it becomes people's every day experience which become better evidence of the inconveniences that they encounter day in and day out. There seems to be an inordinate focus on young, well-paid professionals who spend most of their time at work and their need for housing. Also many have mentioned the concern of the loss of socioeconomic diversity with housing prices continuing to rise. They are the community members, volunteers, the teachers, the service workers, the mom and pop store owners, the faith-based community members, childcare providers, seniors in our community and also those who have special needs. These are people who enhance our community. I want to give you a little rundown of what Mountain View has available in their newly built apartments, Carmel Village at San Antonio Center. They have a total of 330 units; 19 apartments available right now. Their range for the rent is \$3,015 for a 500 square foot studio, \$5,000 for a 690 square foot one-bedroom, and a two-bedroom of approximately 1,051 square feet for \$8,850. The complex is also now offering free rent for one-bedrooms until April 1. The reason I bring this up is when Mountain View is building the way it is and you build over here high density, what is going to happen when demographic changes, when the older millennials start having babies and wanting the yards? Think about that.

Mayor Burt: Thank you. Our speaker is Rita Vrhel to be followed by Peter Stone.

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Rita Vrhel: Thank you. I don't envy you. I've been sitting here tonight listening to everyone who has their special request. This is such a complex problem. Good luck. I've here in Palo Alto since 1983. There's been so many changes, especially in the last 10 years. I think that with the increased development, we're all now looking at traffic. Certainly those issues with traffic have not been resolved. The resolution is just getting started. I would encourage you to take a measured approach to housing increases. You can always increase housing once it's built, once it's approved, once it's planned. You can't take it down. I think with the 2,000 units that Stanford is putting up, that is going to free up some housing. Also, it's probably going to create some traffic. I live in the Crescent Park area. There are so many houses in Crescent Park and Community Center that are not occupied. They're owned as an investment. The shutters are drawn; the house is empty day after day as I walk my dogs. I'm wondering if you do increase the housing stock, especially if its affordable, how are you going to make sure that the person who buys that stock is actually going to live in it rather than have it as an investment, which is not occupied. Also I think that—it's awful to say—not everyone is going to be able to live in Palo Alto. It used to be you moved to Redwood City. You can't afford to live in Redwood City now. I think that this topic deserves a lot more discussion, a measured approach. Please don't ruin Palo Alto while you're trying to accommodate everyone else. Thank you.

Mayor Burt: Thank you. Peter Stone to be followed by Vijay Varma.

Peter Stone: Good evening, Mayor Burt and members of the Council. I'm Peter Stone speaking on behalf of the Chamber of Commerce to go on the records that the Chamber is very supportive of the initiatives to increase smart housing inventory in Palo Alto. We are very concerned about housing more of our workers closer to their jobs. To the extent that we make housing somewhat more affordable, we think there will be more opportunities for people to live and work and perhaps not have to use their cars to get between their housing and their jobs. We are appreciative of many of the ideas that the Staff has brought forth in their report and that are coming out of the CAC. Certainly transit-oriented housing, mixed use development with ground floor retail to encourage walkable neighborhoods and perhaps encouragement as well of smaller units that presumably will be more affordable. Just want to conclude by saying we're very appreciative of the Council's openness to the creative and innovative approaches that are being supported from many quarters here tonight. Thank you.

Mayor Burt: Thank you. Vijay Varma to be followed by Joe Hirsch.

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Vijay Varma: Good evening. Vijay Varma. Some of the things I was going to say Lydia has already said. My comment is growth is not always good or better. We got into this imbalance because we let other area of the economy grow. We can't fix that or other area become worse, which is housing. We have a limited number of green space per person who lives here. We can't cut it down; that impacts the quality of life. If somebody doesn't believe it, they can go see the third world countries, how they've grown. My own native city is the worst city in the world today to live. We don't want that to happen here. We need to make sure there's enough water, enough clean air for the residents who live here. We cannot compromise on the health and the quality of life of the people living here. That's the only comment I have at this point. Yes, we can go on building more; we'll be living in pigeonholes. That's not the way of—the more you encourage, more problem you're going to have. Just like we had on the commercial side of the development. Thank you.

Mayor Burt: Thank you. Joe Hirsch to be followed by our final speaker, Stefan Heck.

Joe Hirsch: Thank you, Mr. Mayor. Many people have talked this evening about very compelling needs which obviously need to be addressed. However, others have talked about the jobs/housing imbalance which was around 2.7 when I was on the Planning Commission in the '80s, and is now well over 3:1. This has been growing for many years, and now the City proposes to mitigate that by belatedly building more housing, which no matter what is said and done will make traffic and parking and quality of life in Palo Alto worse, maybe much worse on top of the current situation which we all know is extremely bad. Traffic jams, heavy traffic, gridlock on freeways any time, day or night, is common. Council Member Wolbach and I agreed last year that traffic on San Antonio Road at times is gridlock, and that hasn't changed. Putting more housing or hotels down there will only make it worse. Traffic and quality of life are the key to the residents of this City. There are other factors, of course, but new housing, particularly high-density housing, will not make the situation better. Most people have cars, even those who walk or bike frequently. I happened to walk by the parking spaces for the Council Members tonight, and they were all filled with cars. The nature of the Bay Area is such, with its traffic layout, that cars are needed by the vast majority of people. At the same time, yes, they're on the freeways; yes, they're on the roads of Palo Alto. It takes a lot longer to go everywhere. People are thinking about leaving the Bay Area. I had a conversation yesterday with a woman from Menlo Park who was so fed up with the situation and the lack of responsibility of the City Council there that she's selling out and moving to Oregon. Affordability—one final point. The

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land that I'm aware of, Maybell site, sold for \$9 million an acre. With those land prices, how do you convert something into affordable housing?

Mayor Burt: Thank you. Our final speaker, Stefan Heck. That concludes our public comments. Let's return to the Council. Let me ask just any members of the public who are here to speak on our final item, just raise your hand if you are. One. Colleagues, I suspect that the public hearing on the negative declaration will be relatively brief, but we're well behind schedule on this item. Ten to 10:00, let's just see how it goes. This is probably going to be a substantive discussion. Yes.

James Keene, City Manager: Is your thinking we could get later in the evening and the ability to actually make a decision on the next item on your Agenda could—you've got a public hearing. You have to hold that. Whether or not we actually have to work through the whole process and make a decision tonight on that item could be something that might be carried forward to another meeting after you've heard from the public.

Mayor Burt: That's a possibility if it takes any prolonged period of time. I suspect it'll go quickly.

Council Member Wolbach: I was just going to point out that I think the last member of the public who had signed up to speak might have just stepped out of the room but just walked back in, Mr. Heck.

Mayor Burt: Mr. Heck, if you would like to speak, you're our last speaker.

Council Member Wolbach: Also, if it would please the Chair, if any members of the public arrived and had not had a chance to speak, I'd be willing to hear them speak.

Mayor Burt: Thank you for your comments.

Stephan Heck: Thank you very for the opportunity to speak, especially since I was a little bit late. As you know, I fully support the concept of moving more of the housing nearer the transit locations that we already have along Caltrain. I think the efforts to make that shift are really important. The data clearly shows that having both work and home locations near transit makes a big difference to the modal share, to how many people use transit versus car trips. If we are going to keep growing as a region and we have a massive jobs imbalance, as you've already heard, with a lot of jobs and not enough housing, we need to add housing. The best place to put it is near transit and take advantage of the system that we have, particularly in light of the upgrades that are already being planned for capacity in that system. That was really all I wanted to say. Thank you for your time.

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Mayor Burt: Thank you. Returning to the Council, we have kind of several categories of discussion. One that I didn't layout earlier that Staff has in their Recommendation A is the issue around replacement of housing inventory sites on San Antonio Road and South El Camino Real with either increased densities in the Downtown and the California area or other new housing sites. We have essentially that issue. We have issues of our feedback on some of the alternatives that Staff has laid out in the Staff Report. We're not limited to those. That's a pretty comprehensive set of alternatives. Within those alternatives, we have the discussion of which of them, if any, we would like to have Staff return with feasibility of pursuing sooner than the Comprehensive Plan adoption. Council Member Kniss.

Council Member Kniss: Let me strike out on San Antonio Road. I don't mean striking it out; I mean just going forward on it. I lived on Fern Avenue, which is one block from San Antonio Road, for quite a length of time. I don't recall a lack of services whatsoever. When we're talking about San Antonio Road, I think we're also talking about the same road where the Greenhouse is located. Am I correct? With how many people in the Greenhouse? It must be 300, right? Somewhere in that. A whole string runs along there. As you go around the corner, just beyond the gas station, it starts up once again with residences. You could walk to Cubberley or to Piazza's market from there, I would guess, in seven or eight minutes. You would have to obviously cross San Antonio Road. I cannot see that as being so service-deprived that we would take a really good area for housing off our map at this point. That's where I am on it. I'm speaking from the point of somebody who lived there and still know a great number of people who live there. I don't think they would see it as quite the wasteland that we've described it as being. That's it.

Mayor Burt: Thank you. Council Member Holman.

Council Member Holman: A procedural question first. Are you looking for questions, questions and comments? Do you want us to address the first four, like "A" through "D," to being with or how do you want to structure the conversation?

Mayor Burt: First, it can be questions and comments. As far as the structuring, we not only have the "A" through "D," we have really on Pages 7 and 8 of the Staff Report a more deep discussion of what are some of the other alternatives. I think we're open to the whole range there, unless Colleagues want to break up the discussion into pieces. We could begin with just discussing the relocation of sites or we can do a round hearing general input and then try to narrow the focus for potential Motions.

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Council Member Holman: Thank you for that. I have a few questions and a number of comments. The questions—because Council Member Kniss just went. I actually concur, I think especially with the more recent development that's happened in Mountain View on and along San Antonio Road. I don't think it is so disparate from services, and it is near Highway 101. I mean, transportation is transportation. It's an easy jump on/jump off to Highway 101. I don't see a need really to replace those sites. Questions are around co-housing. I'm in favor of co-housing, but there's no indication of how we would go about locating that in what zones. Would it be a different zone? What's Staff's thinking on that?

Ms. Gitelman: Thank you, Council Member Holman. It is one of the issues that we identified for exploration on that list that Mayor Burt referred to as Item 3 on packet Page 771. It's also, I think, called out in one of the programs in the Housing Element that was attached to the Staff Report. Essentially, I think, it would take amendments to our Zoning Ordinance to define that as an acceptable use and articulate where in the City's zoning districts we would allow co-housing. Is it something we would allow in the R-1 district or are we thinking that it would be permissible only in multifamily districts? I think that's something we would want to get the Council, the Planning and Transportation Commission and the public's input on as we developed an Ordinance.

Council Member Holman: Right now, it's out there as a topic, and Staff has not fleshed anything out yet.

Ms. Gitelman: I think we're interested in hearing the Council's appetite and interest in pursuing legislative changes to accomplish that as a goal.

Council Member Holman: We heard this evening about housing for developmentally disabled. Also I know in Austin, when some of us visited there a couple of years ago, in touring some affordable housing projects there, Austin actually dedicates a percentage of their affordable housing units to artists, because artists are sadly often lower income persons in the community. Did Staff give any consideration to that? I didn't read anything about that, either the developmentally disabled or artists.

Ms. Gitelman: Special needs populations like developmentally disabled are addressed in our Housing Element. I could spend some time looking through that and get back to you on policies and programs. With that in mind, we do not currently have policies and programs related to artists. They're not part of that definition of special needs population.

Council Member Holman: I would be in favor of exploring that. The question that does come up, and it comes up frequently, is decoupling land

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use from transportation. How does Staff want to respond to that? It does seem to be they are intrinsically related to each other.

Ms. Gitelman: Thank you, Council Member Holman. You're absolutely right. They're intrinsically related, both Housing and Transportation and the Land Use Element. It just is a kind of chicken and egg thing; you've got to get started on one of them. Then you've got to go to the next one, and you've got to make sure that they all work together at the end of the day. That's going to be one of the challenges that the Council will face as they start to get the input from the CAC. As the CAC makes progress and the Council makes progress on all of these Elements, they have to be internally consistent and supportive of each other.

Council Member Holman: Impacts not going unaddressed with land use recommendations for the Comp Plan. That's what you're saying, they need to be integrated and considered (crosstalk).

Ms. Gitelman: Correct.

Council Member Holman: The Fry's site which is mentioned quite often. I know we've talked about doing a specific plan for that. My person view on that is that if we just develop the Fry's site or plan the Fry's site for housing or housing and retail or housing and retail and services, they'd be required to put in some parkland, but we're missing all kinds of opportunities, creative opportunities, there if we just do basic, typical zoning at that location given the size of the property and the opportunities that exist there. What are the mechanisms that are available to us to associate or tie rental housing, especially, with job locations? Let's just say for instance—probably the easiest one to address is probably Research Park. If there was housing built in the Research Park, what mechanism does the City have to associate those units to be linked to the jobs there?

Ms. Gitelman: Very good question. I think the answer is a little complicated and would depend on the circumstances. In general, there's a way to structure housing opportunities to give preferences for workers who work in Palo Alto, for example. I think we would have to talk to the City Attorney's Office and develop that idea more fully in the context of a specific proposal. In general, preferences are acceptable.

Council Member Holman: To go along with that—we won't have the answer to this—is let's just say someone works at Tesla and they get a unit that's built in the Research Park, then if that employee moves to a job in San Jose, then what? I won't expect an answer to that this evening, but is a question on the list for me. There's a policy, H-29. I know this Staff Report, because of the work of the CAC, is looking at programs. There is a policy, H-29, in

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the Comprehensive Plan currently. It talks about where there are three or more units existing and if somebody wants to replace all of them, then there's a restriction on doing that. When we first started this journey of updating the Comprehensive Plan, there was a commitment by the then Staff that that would be addressed in an updated Comprehensive Plan. I know there are some things that are approaching that, but not really getting there. For instance on packet Page 777, there's a program, H-1.1.3, that says provide incentives—I would say eliminate the words "to developers," because it's not just developers—such as reduced fees and flexible development standards to encourage the preservation of existing cottages and duplexes currently located in R-1 and R-2 neighborhoods or residential areas. That talks about it, but doesn't really get us anywhere. I'll put that out there too.

Ms. Gitelman: I'm sorry. If you could articulate what it was that you thought you wanted to achieve? I didn't quite follow that.

Council Member Holman: Policy H-29 in the current Comprehensive Plan talks about if there are three or more units on a parcel and someone wants to eliminate them, then the Comprehensive Plan at least—I don't remember the exact wording. Basically you can't do it. You have to replace some of the units with other units. I don't see that being addressed as a requirement anywhere in the Comp Plan. It was committed again, like I say, by the then Staff. There's also something else that I think needs to be addressed. I'll stop after this because I do have more, but I'll stop after this or maybe one more. Addressing the loss of housing units. I talk about this and have talked about it for a very long time. We don't really have much discussion in here about minimum densities. Most especially, it's of a concern to me when we are losing housing units. Let's just say for instance, somebody buys a lot, and there's, even in R-1, a house and a cottage. I'm not sure—at least to my recent knowledge, we don't even track the lost residential units. If someone buys a parcel and there's a house and a cottage on it, the cottage can be eliminated and just build a single-family home. Same thing when somebody buys a parcel. Let's just say there are eight apartments. Somebody can redevelop that with four much more expensive, for-sale units. We're not doing anything to stop the erosion of our housing stock. I think the last couple of things I'll mention right now is—I would confirm. I think we really need to focus on affordable housing. Affordable here is "oh, my goodness," if you could look at other areas in the state even. I think we do need to focus on affordable housing. The look and feel is actually very important. I refer again to the Colleagues Memo that was signed onto by Vice Mayor, then Council Member Scharff, Council Member Schmid and myself and then Council Member Gail Price, talking about the design of buildings. I'll refer to something that I know Mayor Burt

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is well familiar with. The appearance of single-family houses in the SOFA area that were actually RM-40, because they were large houses that had been divided into four or five units, but they were well integrated into the community. It's because of how they looked, and they were traditional. If you look at Oak Court that was developed in SOFA 1, how well integrated that is into the neighborhood. I think whatever we do it's really important for the community and us as a sense of pride that whatever we build or whatever we design and our Comprehensive Plan as far as developmental standards, that they be really compatible with existing community. I think I'll stop there. Thank you.

Mayor Burt: Council Member Berman.

Council Member Berman: Thank you. Thank you to all the members of the public who came to speak tonight on all sides of the issue. I thought that was really a good group of comments. Clearly this is an issue that people care a lot about, and it's an issue that I care a lot about. We have a housing crisis in Palo Alto. We have a housing crisis on the Peninsula. We have a housing crisis in the Bay Area. I'm not going to pretend to know exactly what the solution is. I support a lot of the proposals that Staff have kind of offered up in the Staff Report. My hope is that a combination of things including building higher-density housing in and around our commercial districts, supporting housing over additional commercial space in mixed use developments, supporting micro units will lead to a situation where people that live in larger, single-family homes and want to downsize to an area that's walkable to services, which I hear a lot about from folks in the community. My hope is that if we build that supply, then that will happen, and that frees up single-family homes for families. It's this trickle-down effect and all these different moving pieces that might not necessarily lower the cost of housing in Palo Alto, but might either slow or stop the growth of the cost of housing in Palo Alto. Do I know that's going to work? No, I don't. Do I know what won't work? Doing nothing. Doing nothing won't work. If we really care about the cost of housing in Palo Alto and if we care about the cost of housing in Silicon Valley, we need to be honest with ourselves that the answer isn't do nothing because we don't know if doing something will work. We have to try to do something. We have to do it in a deliberate manner. We have to be strategic about it. We have to look to best practices from other communities. I think that personally is my philosophy and my kind of outlook on this problem. It's not to kind of despair at the fact that we in Palo Alto can't solve the whole problem. We in Palo Alto won't solve the whole problem, but we in Palo Alto have to try to do our part to address what is a larger problem. I'm very intrigued by a lot of the ideas that have been forward. I'm especially curious about the affordable housing overlay zones in strategic areas. I hope that as a

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community we're not going to let the perfect be the enemy of the good. I think we kind of fall into that trap, where we identify all of the problems with certain housing proposals, and we use those little problems to stop something from happening. The folks that can't find housing won't mind those problems. They just need housing. A member of the public alluded to the site of Maybell and the cost of housing there and how much it sold for and said with that cost, how can we possibly create affordable housing. We had a plan to create affordable housing there, but that didn't pass the community's approval. I hope that as we move forward and try to identify other sites for affordable housing, try to identify other sites for housing for the disabled, try to find other sites for our teachers and our public safety officers and the people who support us in the community, that we take a little bit more kind of understanding of an approach to the fact that it might not be within a quarter of a mile or a third of a mile or walkable distance to certain things, but we're passed that in the Bay Area. We really need to start to learn how to get to yes as opposed to always ending up at no. Those are kind of some macro comments. The affordable housing overlay zones, I think, are something that need to be discussed. My Colleagues' comments are right that San Antonio Road is an area under transition. I don't necessarily think—I think it might be getting to the point that it can accommodate housing. I'm more interested in identifying more sites that accommodate housing, not eliminating others. I'm intrigued by the idea of focusing more on FAR and less on units per acre and a lot of the other proposals. I know this is going to be a long conversation; I won't talk for the half an hour that I want to. I'm looking forward to hopefully getting to yes by the end of the night.

Mayor Burt: The City Manager was just informing me that Staff is comfortable with postponing the decision on—listed as Item Number 11, the public hearing. We're obligated to open and close the public hearing. If it's all right, what we'll do is ...

James Keene, City Manager: Or open and continue the Public Hearing. That's what you would do, open and continue the Public Hearing.

Mayor Burt: That's fine. We can do that and thereby allow the balance of this evening to be on this housing subject. If it's all right, we will pause this item, continue to Agenda Item Number 11.

At this time Council heard Agenda Item Number 11.

11. PUBLIC HEARING: Adoption of a Mitigated Negative Declaration and Approval of a Site and Design Review Application for a new Two-Story, 7,500 Square Foot, 50-Foot Tall Building Designed to Handle Sludge

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De-watering and Truck Load-outs, With Adjacent Stand-by Generator, and a new Outdoor Equipment Area Next to the Existing Incinerator, to be Placed Centrally on the Regional Water Quality Control Plant Site at 2501 Embarcadero Way.

Mayor Burt: It's a public hearing, the adoption of a mitigated negative declaration and approval of a site and design review application for a new two-story, 7,500 square foot, 50-foot tall building designed to handle sludge, dewatering and truck load-outs with adjacent standby generator and a new outdoor equipment area next to the existing incinerator to be placed centrally on the Regional Water Quality Control plant site at 2501 Embarcadero Way.

Public Hearing opened at 10:17 P.M.

Mayor Burt: We have one speaker. Mr. Borock is allowed speak when we rescheduling this hearing. I will close the public hearing. He said it's fine, Jim.

James Keene, City Manager: (inaudible)

Mayor Burt: We're going to continue this item. Closing the Public Hearing, and we will continue the item to a date to be determined. Is that correct?

Molly Stump, City Attorney: Sorry for the confusion. We had originally set up that procedure to allow the public comment to occur tonight. It sounds like it's going to occur another night. You actually don't need to open the public hearing, and you certainly shouldn't close it.

Mayor Burt: We've done it already.

Ms. Stump: You can open it, but don't close it. You need to hear the public comment when the item gets continued.

Mayor Burt: We would open; is that ...

Ms. Stump: Yes, please, and leave it open and continue it to—I think we need a date.

Mayor Burt: The public hearing will remain open and continued to a date to be determined.

Mr. Keene: We will confirm that tomorrow. I would expect we can continue it to your next meeting on the 28th, but I'll confer with the Mayor on that.

Mayor Burt: Thank you.

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Staff requested Agenda Item Number 11 be continued to March 28, 2016.

At this time Council returned to Agenda Item Number 12.

12. Comprehensive Plan Update: Housing Sites and Programs.

Mayor Burt: We'll now return to our discussion on housing. Next is Vice Mayor Scharff.

Vice Mayor Scharff: Thank you.

Mr. Keene: Mr. Mayor, may I just interrupt.

Mayor Burt: Yes. Sorry.

Mr. Keene: I apologize. Excuse me, Mr. Vice Mayor. The Clerk's Office informs that actually just as a public hearing if we're going to pick a date, we need to do that tonight while the meeting is going on. I would recommend that we do carry this forward to the meeting on the 28th, next week.

Mayor Burt: All right. Then this item is continued to March 28th.

Mr. Keene: Thank you. Item Number 11.

Mayor Burt: Item 11. Vice Mayor Scharff.

Vice Mayor Scharff: Thank you. First of all, I guess I'll comment on the San Antonio Road sites. Whereas, they're not bad sites for housing. The issue is that they will actually create quite a bit of traffic and will have impacts on the community. Whereas, if you move those housing sites to Downtown, for instance, I think you could eliminate those impacts to the community, because they'd be much closer to transit, and you wouldn't have to have a car. I think you have to have a car if you live on San Antonio Road. I think we should move those housing sites to Downtown or possibly California Avenue. I think what we need to do, though, is I'm willing to move forward on some of these items before we finish the Comprehensive Plan. I think if we do so, we should do so in a very moderate and pilot-type project. I really want to see what the fifth scenario looks like. I want to see how we can reduce impacts to the community, because that's what all the speakers are concerned about. What I don't want to do is to go approve a lot of housing, and let's watch all the traffic. All the things we talk about in the community, about reducing traffic and making Palo Alto a more livable place, we don't want to undermine all of that. We want to do this in a smart way that doesn't do that. I think part of that would be moving those housing sites from San Antonio Road and maybe building micro units Downtown.

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You could look at how we could decouple parking from that. We could have it so they couldn't get a parking permit if you had a unit there. I think micro units, for instance, should be rental housing, should not be for sale for a whole host of reasons I don't think we need to go into necessarily. People will move out of them; you don't want people that's going to be raising families in micro units. I think we want to think carefully through those kind of things and look at that. I do want to move forward on Accessory Dwelling Units (ADUs). I know Staff's working on it. I'm hoping we're continuing to work on it, given that we had a Colleagues Memo and a vote on that to move forward. Of these priorities on Packet Page 7, the one I think is funny enough is one with the least priorities is probably the land assembly incentives, but yet that's what we agreed to do in the Comprehensive Plan, so I think we have to do it. From my point of view, I would not be supportive of reduced parking unless it is in areas in which you are going to not need that parking. I don't want people to be parking in neighborhoods and exacerbate the parking issues we had. I would not be supportive of reducing retail requirements. Height or density are all location specific for me. I wouldn't want to have a blanket rule that says we could do greater height on these or greater density. I might at some point be okay with affordable housing overlay zones, but in general I have strong concern that—we have the rules for a reason. If the rules that we're going to change are going to make things worse in those particular projects for the people that either live there or for the community as a whole, I wouldn't support that. I think that we want to basically build as much housing as we can without having impacts to the community. Therefore, I think we want to think carefully about why we have the rules and what we're doing with them. I also want us to look at eliminating or the reasons why we have special setbacks throughout the City. I understand from a lot of people that special setbacks are a cause to make it difficult to actually building on sites and things like that. I want to look at that. I am supportive of Downtown in lots of times of possibly moving towards looking at your Floor Area Ratio (FARs) and envelope and not having a number of unit count and letting people decide how they want to do that. I would be supportive in places like Downtown, but probably not other places, of having different height limits for that if you built within the FAR zone. I actually think you get some very attractive buildings I've seen Downtown which are much higher than 50 feet. I'm not thinking a lot; I'm thinking like a 65-foot height limit. They're within the FAR, so you can do more with that. You have more of a form-based zoning that creates much more attractive buildings as opposed to building these boxy things that are completely designated by your building envelope. I think that gets to Mayor Holman's point about attractive design. Again, in terms of unbundling parking, I'm only willing to unbundle the parking if we're not going to have impacts on the neighborhoods and the people actually aren't going to have cars. I think that's very location specific. Co-

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housing, whereas, I'm probably supportive of co-housing in places that are like California Avenue, in a multifamily setting. I don't think I'm really supportive in single-family neighborhoods of co-housing. I might be, but I also don't view this as a priority item. I think we have so many items and Planning is so overwhelmed, that I don't quite see spending a lot of time on co-housing. I might be convinced otherwise if people thought it was a strong reason to go forward. Our first paragraph. Let's see. On the Fry's site, again, my recollection is that the developer came forward and said they had a new lease with Fry's, and we had some time on this. I don't think Fry's is where we should be spending our time right now. We made that decision earlier. I do think we have to decide and we should do a—what do we call them? Not a plan. A coordinated area plan for Fry's and move forward on that, but the question is when and what is the timing. I believe my recollection is that we have time, and we made that decision at some Council meeting, and we put off that given the workload that we have. On affordable housing, I think we have to also think about—we mix up a lot of concepts when we talk about affordable housing. We talk about teachers. We talk about firefighters. We talk about people that work for the City. As far as I can tell, none of those people qualify for affordable housing. What we have to figure out is how we can do subsidized housing that works for what I would consider the "new middle class" which would be our firefighters, our teachers, those groups, so that they can stay in Palo Alto. At the moment, if we build affordable housing, especially with the numbers we look at, I don't think any of those people qualify. I'd be interested if we had metrics and figuring out by Staff how we can make those qualify. That may be changes in what we can collect our affordable housing fees for and how we can use our affordable housing dollars, so that we can subsidize not traditional low-income housing, but more moderate income housing for people who actually make more than 120 percent of the median income. That's what those people do. Those are my initial thoughts on this. I think this is really complicated. I actually think this is almost too complicated for the time we have allotted tonight.

Mayor Burt: Council Member Wolbach.

Council Member Wolbach: The first thing I want to say is thanks to every member of the public who showed up tonight to speak or who emailed or called us or met with us outside of tonight's meeting. I think that the range of views that we've seen expressed tonight really demonstrate that there's not really consensus yet in Palo Alto. There's probably not a consensus on Council yet about what exact policies we want to pursue. There are two key themes that I'm really hearing. One is a recognition that our supply does not meet our demand for a diverse range of groups. People have different thoughts about whether we should try to address those various supply

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problems or how to do that. The other big theme I see is that whatever we do, however we add housing for whichever groups, we have to be really thoughtful about what the impacts are on our R-1 neighborhoods and on quality of life throughout the City. My big picture thoughts on this is that when we're talking about housing programs, which we're talking about housing programs (inaudible) tonight. When we're talking about housing, we really ought to think of it as a three-legged stool. Leg 1 of that is the total supply. Leg 2 of that is having as many BMR units as possible. Leg 3 is preservation. This is in part for Council Member Holman, but something I've thought for a long time. We really need to talk about preservation both of the supply that you have and also preserving opportunities for people who are here now to remain here. Just anecdote that I heard recently. I met somebody who had just left Palo Alto. He'd lived here for many years with his wife and their kids. They got divorced. As two separate incomes, they were able to together afford to live Palo Alto. They're no longer able to. Now there's the question of where are the kids going to go, what's going to happen to the family. I think that's just one more example of the kinds of people who are hurt by the crisis that we have. Of course, in the context of this, I think we should keep a real laser-like focus on the potential negative and the potential positive impacts of housing with traffic and parking really at the top of the list, but also including parks, utilities, schools, City finances as well as the aesthetics of design and making sure that the process really includes the community, which is why I think that coordinated area plans, especially for the Fry's site but potentially for San Antonio Road, potentially for South El Camino Real or other sites, is a smart way to include the community at a high level and at a deep level in planning. Just a couple of things though. I want to go back to this total supply issue. From 1970 to 2010, Palo Alto's population grew by about 15 percent. If I'm wrong on these numbers, feel free to correct me. My understanding is Palo Alto's population grew by about 15 percent from 1970 to 2010. Santa Clara County's population grew by 62 percent during that same timeframe. I'd like to address this anti-housing fallacy that market rate housing does nothing to address housing cost in the region. The California Legislative Analyst's Office and academic research increasingly confirm what logic tell us. If there isn't enough market rate housing, then people who could afford higher-end market rate units move instead into what would have been lower-end market rate housing. Because they can afford to pay more, the lower end of the market becomes more expensive. This means the people who can afford only the mid to low-ranges of the market are squeezed into overcrowding housing or out of our City or out of the region entirely. Obviously this isn't a Palo Alto problem. This is a regional problem. It's a classic collective action problem. If ever city says we want jobs, but we don't want homes for years, we end up with the housing crisis. That's where we are. Palo Alto can, however, do our part to not—even if we can't make

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Palo Alto any cheaper, we can at least do our part to keep the region from becoming more expensive. Yes, we do need to provide some market rate housing, and we also need more Below Market Rate (BMR) housing, lots of BMR housing, really as much as we can get. Recognizing of course that the economics of BMR housing is extremely challenging as are the politics as we know all too well. We also, I think, need to explore—back to that third leg of the stool—policies that reduce the chances of displacement for current, existing renters especially. The political reality is that Palo Alto's really unlikely to approve more housing than our Regional Housing Needs Assessment (RHNA) obligations. I accept that; I understand that. At least we can make sure that we actually produce more of that, rather than zoning for it, planning for it, and building any of it. I do think that we should move towards Scenario 4's housing production as a real target, the housing, not the jobs side. I think we should set that Scenario 4 housing as a target that we'll really try and meet. Housing growth beyond that. If we do consider anything beyond that, it should be conditional based on meeting certain impact targets like infrastructure, traffic and parking. There was something mentioned—I think it was by Arthur Keller earlier—that we should provide the appropriate amount of parking for a site. I think that's really important. What's appropriate might change depending on what kind of housing we're providing. When we talking about micro units or higher-density units within the same FAR and height limits that we already have, but maybe removing or raising the maximum densities of units. Maybe even also adding minimum densities with the goal of it being car-lite or car free. There are a couple of things that I think we're going to need to eventually give City Attorney Staff direction to go explore or Planning Staff. Those are, one, could we have buildings in which residents are not eligible for Residential Parking Permit (RPP) permits. If you build, say, a micro apartment building in a Downtown area with very little parking, could you have it as a condition of approval that nobody who leases an apartment in that building is going to be eligible when they come to the City or go on our website and ask for an RPP permit. Second, this would be the next step beyond that and potentially more complex to enforce, but I'd like to at least know if it's an option. Could we have buildings in which residents are required to sign a lease agreement committing to not own a car at all? If they do register a car with the Department of Motor Vehicles (DMV), they're in violation of their lease agreement. Not sure we want to go down that path, but that's the kind of thing where I want to at least know what are our options. When people say micro units without parking sounds like a nice unicorn idea, I want us to be able to say we're actually going to enforce the lack of cars and the lack of parking. Getting onto some more specifics. I think we should think about whether we want another Channing House or something like that. Whether we want another Opportunity Center or something like that. Whether we want housing for the developmentally disabled and extremely low income

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especially near transit services. We heard a number of speakers about that tonight. I'm generally supportive of all of these. When it comes to co-housing, in Mountain View they have a co-housing site that was built not long ago. I believe it's for seniors, but I'm not positive. When it comes to special setbacks, I think this is something we should look into. I've heard we have places where the site is zoned for a certain number of units, but because of special setbacks that might take away half of the property it's almost impossible to build the number of units that we've already zoned for. That doesn't mean I want to get rid of them throughout the City, but I want to at least have some discussion about that at some point. As I mentioned before, when it comes to micro units, that's something where I think maybe we want to look at doing an overlay for Downtown. I'm not sure we're ready to do that at the Citywide level or in other areas, but I think Downtown is the right place to start. We already have RPP set up. Maybe an overlay for Downtown for multifamily housing without a maximum density limit, but instead with minimum density limits, retaining FAR and height limits and no eligibility for RPP permits, as I referred to earlier. I'm open to considering increasing residential FAR, at least in certain places. I'm not going to advocate for increasing the height limits. When we have apartments that are decoupled from parking, we really ought to talk about residential Transportation Demand Management (TDM). The kind of stuff that we're doing in TDM for commercial spaces, we need to start doing for residential as well. That's whether it's micro units or not. That means Zipcars onsite, bike share onsite, Caltrain, Valley Transportation Authority (VTA) passes. That would even be for pretty much any new apartments. As far as location rearrangement, for me it's too soon to say. I'm not ready to say at this point that we should move housing away from San Antonio Road. I think that San Antonio Road—there's a lot going on there. There is a Caltrain station there. Like Cal. Ave., it's not well served currently. I'm not sure yet what the future of San Antonio Road and the area around San Antonio Road looks like. This might be another area for a coordinated area plan. I agree we should be working closely with Mountain View. Between what's happening at San Antonio Road and El Camino Real in Mountain View and what's happening at North Bayshore and how congested San Antonio Road is, I think we should start really looking at San Antonio Road and maybe partnering with Mountain View and seeing if we can make that a place that's really well served by shuttles, even if it means we're joining forces with other cities or businesses in the area. The congestion on San Antonio Road is really awful. Until we have some shuttles running frequently, regularly and long hours on San Antonio Road, I can't advocate for more housing there. Bob Moss mentioned for BMR ADUs that maybe we should allow extra FAR. I'm not sure if I'd advocate for that. I'm interested in that idea. I would think we should also at least look into that concept of maybe offering a low interest loan, perhaps using our affordable housing funds as a source, low

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interest loans for an individual who says, "I qualify for whatever the rules are, current or future. I qualify for the rules for a BMR unit, but I'm on a fixed income and I can't afford the construction cost." The ADU, whether it's a freestanding structure or just remodeling inside my existing home, so it blends in, but I can't afford it. If the City said, "We'd be willing to make available or help you find a low interest loan if you commit to listing your ADU as a BMR unit for X number of years," I think that would be really great. These are complex discussions. Going back to the idea of preservation. I don't think we can get into it a lot tonight. I want to make sure it's mentioned. One is the question of right of return. If a small, multifamily housing complex is replaced with a larger, higher density, multifamily housing complex, is there a way we can make sure the people who are there now don't get displaced permanently, but could come back after the remodel is done. Two, a voluntary program to encourage landlords not to increase their rents rapidly. Just as one example, Redwood City has a program that, I understand, works like the City says to a landlord, "If you agree for X number of years to moderate your rental increases, we'll help you pay for your fire sprinkler upgrades," which is actually a pretty big debt. Third, I think we do need to talk about ghost houses at some point. Fourth, a year ago we asked City Staff to come back in a year—we're coming up on that—about short-term rentals. I think we need to look to what other cities have done to have better regulation, clearer rules about short-term rentals. I've become very concerned about what short-term rentals, Airbnb, etc., what that means for the loss of housing stock, whether it's somebody's ADU or their whole house they're renting out or even whole apartment buildings. They get taken off of the market to be regular rental housing, market rate housing, and they get turned into hotel rates which are far beyond what almost anybody can pay on a monthly basis. Those are my thoughts for now.

Mayor Burt: Council Member Filseth.

Council Member Filseth: Thanks very much. I'm going to try also not to take up all the time that Marc Berman said he wasn't going to take up. I want to make a few very sort of more high-level comments on how I think we should look at that and reserve the right, if there's time remaining, and come back and talk in detail. First, I want to note that we just approved a supply increase in town of several hundred or as many as 1,800 units of market rate housing, depending on how many of those are in the City as those folks migrate into the Stanford housing development that's going to come online in a few years. We've had a pretty big increase tonight in City housing without actually even building anything. The main challenge here and the reason we've all been in here and are still here late at night is this is not an easy problem. The reality is we can't possibly house everybody who

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would like to move to Palo Alto. The concern is we could do a lot of damage trying if we're not very careful about how we go about it. That's what we're all talking about here. I think the real questions about housing are how much should we build and who should it be targeted for. If you answer those things, you sort of get cues of where to build it and what kind and so forth. Given that we probably can't help everybody right away at least, who should we help first? I'm going to weigh in on—I think the Vice Mayor said this very eloquently. I really think you've got to look at the affordability issue, but it's kind of an expanded definition of affordability. The classical affordable housing was sort of low-income people. I think in this town it's expanded to cover a lot of middle income people who are kind of stuck in the middle. They make too much to qualify for BMR housing, but not enough to actually live in town on a sustainable basis. A couple of people in the audience brought up how do you define affordability. I think anybody who can't afford to pay market rate in town basically falls into the affordability bucket. That includes people like teachers, City Staff, other Palo Alto employees, white collar folks, accounts payable people, Human Resources (HR) staffers and so forth. These are people that are middle class but can't afford to live in Palo Alto. The reason it's relevant is because there are people who can afford to live here. There's actually supply in town for those kinds of people; it's expensive. You're talking basically about people who own their own home already, maybe for a long time and it's a huge asset, maybe their seniors who own their home, or they earn enough to pay market rate. If you work for a tech firm or you're an associate attorney or something like that and you make \$120,000, \$150,000 a year, yes, you can afford \$2,000 or \$3,000 a month for housing. I mean, you grimace while you write the check, but you can afford it. The housing crisis was mentioned before. I think it's probably more accurate to call it a housing affordability crisis. If you can afford housing, if you can afford to pay market rate in Palo Alto—that's not saying it's all roses for the market rate people, but there's options out there. I think that needs to be the major focus here, on affordability, and it's the expanded definition of affordability. The second thing I want to talk about briefly is sort of this idea—Winter Dellenbach was pretty eloquent about it—of you can't build your way out of affordability. I think that's exactly right. I know there's been some discussion but, for example, I've been watching Craig's List for a few months now about rentals in Craig's List. In Palo Alto, typically they're somewhere between 250 rentals advertised on Craig's List at any given time. A quarter of them are under \$2,500 a month, but not much. This is from a couple of weeks ago. Here we go. This is the cheapest you can find in Palo Alto: 415 square feet, \$2,100 a month; 360 square feet, \$1,900 a month. I didn't see anything less than that. I mean, that's a micro unit. When we talk about micro units, I think there may be good reasons for building micro units, but there's not a lot of evidence they're going to be dramatically less expensive than existing

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units, particularly to the point where middle income folks, teachers, other School District staff, City Staff and so forth, are going to be able to afford them. I'll give you another example. The lady next door to me rents out a studio over a garage; it comes with the garage. Tiny place. It's over \$3,000 a month. The guy that lives there, a nice kid from Texas, works for Google. That's almost a micro unit there. I think there may be good reasons for micro units, but it's certainly not proven that affordability is going to be one. I think right behind that is sort of this idea that if we have micro units, then we're going to have RM-80 zoning as well. I think that's a separate issue we need to think about as well. The second thing I want to talk about in terms of affordability is one thing that doesn't get mentioned too much is that a major component of the cost of housing in Palo Alto is actually the brand image of the Palo Alto School District (PAUSD). A couple of years ago, Anne Duncan who used to be the District analyst estimated that on average being inside Palo Alto School District boundaries added \$500,000 to the price of a home in Palo Alto. That seems like a lot of money. Yet, if you look at price per square foot in Palo Alto versus neighboring cities, Menlo Park is 25 percent less per square foot than we are. Mountain View and Redwood City are less than that. A bunch of that can be attributed to the School District. My point is that just building a lot more market rate housing isn't going to reduce that. You're still going to have that unless you build so much that you trash the school system, which obviously we're not going to do. Again, I'm not saying it's all roses for the market rate people, but I think our focus as Council, particularly given that we just approved a big increase in market rate housing availability, (inaudible) on *Weekly* said was the laser focus on the affordability problem (inaudible). I realize that's a really, really hard problem. Who's going to pay for it is inevitably. If we want to be in the long term a moderate-density, family town with great schools and great services, then we want these kind of people here, and they can't afford to live here now. I actually think this is the formative housing problem here in town. I hope as we go through these things and the Comp Plan and so forth, that's the filter we ought to look at that. Is this going to help us achieve that end? Again, I think the market rate folks—it's not perfect, but they've got options. I think this is where the focus needs to be as we consider accessory dwelling units and micro units and so forth. The question we've got to ask is, is this going to help us keep people in town who can't afford to live here right now. Thanks very much.

Mayor Burt: Council Member Schmid.

Council Member Schmid: Just a couple of general comments. We heard a lot today about affordable housing, a balanced, diverse community. I think that the heard of a lot of the residential concerns is traffic. Community survey certainly says that. Our 3:1 ratio that we are a major commute

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center, which makes affordability for housing extremely difficult. Stanford gave us the hints of a solution. They said dense, infill housing near transit and jobs cuts traffic. They didn't add especially when the number of graduate student places remains the same. That's an important lesson. We can make a difference if we balance jobs and growth and put the jobs where they make the most sense, near jobs, near services, near transit, near entertainment where you have options, walkable options, and full of life. That's in places where you have blocks, where you can walk in different directions, not in strings where you walk along a single path. All the maps from the Housing Element go back to the issue that the housing committee ended up with. We have now our housing sites dispersed. There's one-third in the Downtown area, one-third in the Cal. Ave. area, one-third strung out along South El Camino Real and San Antonio Road. If you look carefully, there's a very strange thing in there. The two places that are most walkable, the Downtown center and the Cal. Ave. center, only account for about 20 percent of those housing sites. The places that make the most sense are where there are the fewest number of these houses. I would be very much in favor of targeting housing growth in the Downtown area, in the Cal. Ave. area and in the Stanford Research Park where the jobs are and they're trying to create a balanced community. Bottom line for me, I guess, is moderate growth with a balance of jobs and housing, I think, would give us like Stanford has given us a lesson tonight a way to begin to change the 3:1 ratio and the issues and problems that we seem to have created.

Mayor Burt: Council Member DuBois.

Council Member DuBois: If anybody's still awake, I have three ideas I'd like to try to get across, maybe broaden the discussion a little bit. (inaudible) recovering houses in our neighborhoods. The new mixed use definition, this residential and retail (R&R) zone in Downtown and Cal. Ave. Three is really, I think, building on Council Member Filseth's idea of targeting housing for specific users. We really haven't talked much about recovering housing. I think we could probably most quickly, simply by enforcing some of our residential ordinances, actually get back a lot of existing housing. Again, we just recovered potentially housing tonight by approving the Stanford project. I am very concerned about short-term rentals, Airbnb. I've been tracking it for the last year. We have a huge number, as much as San Jose, probably over 600. I think many of those, you can tell they're clearly speculators. A hundred percent of the house is rented out on a daily basis. They advertise as they're in nice, quiet neighborhoods. They're very expensive. The quickest way to actually add housing would be to eliminate speculation in our neighborhoods, short-term rentals, and turn that into long-term rentals. I also think we need to enforce prohibiting businesses running out of neighborhood houses. I think we've probably all heard stories. I mean, I've

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had people come up and say, "There's ten cars every day at this house." Again, if we just enforce that and rent it as a house, we're recovering housing stock. We talk a little bit about ghost homes. I think Vancouver is trying something really interesting. They have a tax. If you buy a house and it's not occupied—it doesn't have to be owner occupied, but it needs to be occupied. They're projecting raising about \$90 million, and they're going to return that money to homeowners and to renters. That's a very interesting idea, and I'd like to see us evaluate kind of creative ideas like that. That's recovering housing. On the R&R zone, we actually have a surprising amount of middle housing in Palo Alto. I think Karen mentioned these kind of well-integrated, multiunit housing in transitions. I think where we need to focus is, again, in Downtown, Cal. Ave. I think we should really try retail residential. I think it limits office in our most densely impacted areas, and it's a good place to try micro units. I do support moving the housing away from San Antonio Road and shifting those micro units. Nobody's really talked about protecting affordable business. That part of San Antonio Road that we're talking about is probably the last kind of affordable semi-industrial business district. To me, that's kind of more interesting than almost any other reason to try to protect it. This last one, targeting kind of the middle income housing. I think we should seriously look at an active program for teachers and City Staff. Teachers should include preschool teachers. By working jointly with PAUSD, I've heard from School Board Members that they're actually very interested in exploring this. They're looking at working across multiple school districts to create teacher housing. As we know, the School District owns a lot of sites they're not using as schools right now. If the School District contributed the land and the City contributed building, I think it could be really interesting. I think we could actually get it done, and we could have some housing. It could be land that the School District continues to control, if they ever need it back for a school. I think they have more sites than they need to use. Also in this kind of, low income, affordable and middle income, I think we need to stay focused on Buena Vista, anything we can do to resolve the lawsuit there. I think the idea about preserving housing is really important, not letting it be torn down. I think the program that Karen was citing was pretty interesting. I would be supportive of some kind of program for disabled housing in the Comp Plan. I'm less bullish on ADU changes. I think we could do some minor tweaks. We get relatively few number of new housing units that way. If we did major tweaks, I don't think it'd be supported by the majority of people in Palo Alto. I'm a little concerned that we're spending a lot of time on ADUs for potentially a small return. Those are my main three points. Let's recover the housing we already have and make sure it's being used as housing. I'd like to try this R&R zone. I'd like to see if we could really create some teacher or Staff housing. In terms of timing, I think we could recover some of that housing right away; we don't need to

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wait for the Comp Plan. I see the R&R zone and the teacher housing as more Comp Plan-types of ideas. I'd like to see the Citizens Advisory Committee (CAC) really pick up on this issue of recovering housing and maybe discuss it and see what they think about this idea of short-term rentals, businesses in neighborhoods and empty houses. Thank you.

Mayor Burt: I think we've had a lot of good thoughts tonight. I'm going to add a few of my thoughts. We haven't really zeroed in on whether we want any of these initiatives to precede the completion of the Comp Plan. Colleagues really haven't spoken specifically to that. We're going to need to think about what our process might be going forward. Let me just offer a few of my comments. On accessory dwelling units, we've had them in my neighborhood, got them all over the place, principally in alleyways. They really are well integrated in the fabric of the neighborhood. I am sensitive to this newer problem which is how we contend with those becoming short-term rentals if we expand that. I think the two things are going to have to be dealt with hand in hand. On micro units, my wife and I—actually the first place we rented in Palo Alto was in College Terrace. We didn't think it was a micro unit. It was half of a small duplex, but it was about 400 square feet, and we lived there almost four years. We had parties in the park; we didn't have them in the home. Other than that, it's not unbearable especially for young couples or singles. Whether they're in Downtown areas or elsewhere, I don't think this is really a bizarre concept. In the Downtown area, I think the one thing if we want to see them built, we'll need to look at the parking requirements, because that drives so much of the housing. It's one of the benefits of having implemented the Residential Permit Parking. Up until then, whether we might have been able to prove or be convincing that in theory the parking could be reduced for certain types of units at certain locations, if they were under-parked, they could just get spilled over into the neighborhoods, we'd still have a big problem. I think that we should prohibit residential permit sales for all development in the Downtown areas. That's both commercial and residential; they're just ineligible. I think that would be one of the best things to do. Right at the outset, it's an easy call. I don't think there's any legal constraints on that. Maybe the City Attorney can loop back to us later on that. I think that's easy to do. Then we get into a serious discussion about what is appropriate parking. A lot of folks actually don't realize that we have some of these examples already existing in our Downtown area. The one that comes to my mind is Alma Place, which is a single-room occupancy. It was built now 18 years or so ago. It's also essentially a co-housing unit. They have minimal—a microwave or whatever in the rooms. The rest is shared. I went in their garage and hadn't checked it out in a while. I recalled it was under-parked. Hillary, I don't know if you know how many units are at Alma Place.

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Ms. Gitelman: Yes, Mayor Burt. In Alma Place, there are 107 affordable single-room occupancy or studio apartments. The average unit size is 238 square feet. There are 71 parking spaces, 13 people are currently on the waiting list to get a parking space. They share with the staff who work there during the day.

Mayor Burt: When I went in their underground garage on Sunday, there were available parking spaces but no available bike racks. The bike racks were overflowed. It's kind of goofy to me that we continue to—we saw in our survey Downtown how many people would avoid driving Downtown if they had more, better bike storage. Talk about low hanging fruit. I think that that concept is one that we should be proceeding on. I think that couple with that would be we establish what is an appropriate floor area ratio that we want to allow. That has to consider the impact of housing density bonuses, so that we don't think we've put one standard in. Then with the density bonuses, it's 30 percent more than what we intended. We have to anticipate that most housing developers are going to take advantage of the housing density bonuses. The way we drive those small units is to have a certain FAR, and developers are almost invariably going to go up to the max FAR and put a minimum number of units. Right now, we tend to constrain the number of units. We put a minimum level of units, and you can kind of establish a range of small unit sizes by a min and perhaps a max under a given floor area ratio. Making them own the consequences of the parking, no spillover, we can have units that have less parking. They'll be a lot more likely to get built. They won't have impacts on the schools. Despite what some people have claimed, you're just not going to have families in units of a few hundred square feet. I think that's something that we should look at doing sooner. I agree with Vice Mayor Scharff that while we embrace pursuing some of these options, these are new innovations. We want to go at it in a moderately measured way and see results. We could take certain that we say we'll have initial implementation of these practices in. Something that allows us to look at doing some of these innovative measure and establish, not only to ourselves but to the community, that it doesn't have unintended consequences. The co-housing, I don't know why we're even talking about this in R-1. That's not where co-housing is going to happen. I think it's a moot point. As far as in multifamily areas, I don't see what the big issue is. I don't know why we would care about regulating lifestyles or how people share kitchens or don't share kitchens. If it's more efficient, that's fine. If somebody wants to build it and people want to live in it, I don't have sweat either way on that. Then we have these important issues of reducing commercial density and increasing residential. I think this goes back to some of the things that we've talked about. Not only has the RPP helped enable more housing to be built, but the office cap has as well. As long as there is a more attractive alternative, we could incentivize

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housing, and it still won't get built as long as there's a better return on investment. We've already done a great deal to curtail that. That should be viewed as part of the success of what we've done with the office cap and other measures where we've eliminated the exemptions on parking Downtown and curtailed Transfer of Development Rights (TDR) for commercial. I think all those things have teed it up for being able to actually implement some of these new housing approaches and see them actually getting built. I do think unbundling parking is another component of these small units. People should rent the unit; if they have a car, they rent a parking spot. Finally, this affordable housing overlay, I do have a questions. It doesn't necessarily have to be answered now. This paragraph talks about strictly carrots rather than sticks. I'm not sure why we couldn't create some form of an overlay that has certain requirements, not just carrots. I'm not sure that we'd want to have an overlay that is exclusively affordable. I don't want to see ghettos of certain housing types. As Council Member Holman talked about, in the SOFA areas we really deliberately looked at integrating affordable housing in neighborhoods and embracing it, but not putting big islands in town that are all affordable. If we had an overlay that required a certain percentage to be affordable under whatever development standards we have, I think we could increase the proportion of affordable housing and get it in a right mixture. I think that's an interesting approach. I see Vice Mayor Scharff has his light—I suspect you're going to try and put something forward here. We're now after 11:00 p.m. I'm not sure how easily we're going to be able to move forward if we want to have actual direction rather than guidance. I'm open to hearing what Vice Mayor Scharff has in mind. Unless we are able to pull this together, we're going to have to figure how we will move from what I think has been a really good discussion to actually the guidance on what we want to do on the housing sites, what we want to support in Comp Plan housing policies and programs and what we might want to do before the Comp Plan is complete. Those are the three open issues in my mind. I do think that there's moderate amount of consensus on the various directions that would be constructive. I think more than maybe a lot of us thought we would have six months or a year ago. I want to also commend Staff for coming forward with a whole set of alternatives that were framed in ways that allowed us and the public to really start sinking our teeth into it. Thank you. Vice Mayor Scharff.

Vice Mayor Scharff: First of all, I actually did want to know how many units in San Antonio Center are we talking about moving? If we did those three sites. I didn't see a number.

Ms. Gitelman: We calculated there were about 250 units in the Housing Element in San Antonio Center and the very end of South El Camino Real.

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Mayor Burt: Can I make one comment?

Vice Mayor Scharff: Sure.

Mayor Burt: I neglected to make one comment on the San Antonio Road sites. That's to bear in mind, right now we don't have very good transit down there. There's some services, but it's not a service rich area. We have on the horizon electrification of Caltrain, which will—if it happens by 2021 as it's scheduled, it will drastically alter the service levels at both Cal. Ave. and San Antonio Road. We should really be thinking about that. This housing, how soon would it get built? We're 2016 now. We wouldn't have projects submitted for another year or more, and then these tend to take a couple of years. We're talking 2019 probably, pretty much at the earliest, before we actually see very many things start happening. That's only a couple of years away from when we'd have Caltrain electrification. Since we're thinking about these as development that's going to be there for 50 years or so, we really ought to be bearing in mind that change that's going to happen in the Caltrain Corridor. The land value increase that is happening right now for commercial land, I've been told within a half mile of Caltrain, it's like 30 or 50 percent higher than a mile or more away for office. That maybe more so on office than residential. In this environment and our future environment, that's really valuable land. We also haven't figured out any way to monetize that increase of land value around transit to help pay for transit and to help pay for parks, common space, all these things. That's another meta issue that we haven't had here, but I just want people to start thinking about that and for Staff to start thinking about it. I think that's really crucial as we go into all these other things. We're going to create a whole bunch of value. We may get housing out of it, and we'll create value for developers and not necessarily for government to be able to help provide the very important things that have to go hand in hand with that. I don't have those answers. I just want people to start thinking about it. Sorry I went back.

Vice Mayor Scharff: It's all good. There was a couple of things on my list here. The first thing is a number of my Colleagues spoke about the need for housing for moderate income Palo Altans, teachers, firefighters, employees of the City. What we need to do is figure out how to do that. I would like to make a Motion that Staff come back to us with how we could achieve that. That includes in my mind what dollars can we use from our affordable housing funds, what rules do we need to change so, as we collect fees in the future, if we can't use those funds how that would work. We're about to look at our new impact fees, how those impact fees could be used for these projects. What are the barriers to doing that and how we can overcome it.

# TRANSCRIPT

Council Member DuBois: Can I ask a question?

Vice Mayor Scharff: Sure.

Council Member DuBois: Is this in the context of a program or policy for the Comp Plan or is this more detailed?

Vice Mayor Scharff: I think this is more detailed to be able to do this now frankly. This is the stuff I think we should do before we finish the Comp Plan.

Council Member DuBois: I just wanted that clarification.

Vice Mayor Scharff: I think there's specific rules that we need to change possible. That's my understanding. I wanted Staff ...

Council Member Kniss: You want this (inaudible)?

Vice Mayor Scharff: Yeah.

Council Member Kniss: Do you want a second?

Mayor Burt: He's still working on the Motion.

Council Member Kniss: You're not done.

Vice Mayor Scharff: I don't know how you'd like to do it. If you want me to break these up. I have three different things if you wanted to break—I could put them altogether and then it could be up to the Mayor if he wants to break it up.

Mayor Burt: Why don't you lay them out in components, and then we can see whether they should be broken apart.

Vice Mayor Scharff: That's the first round. I'll work with you to make sure. I'd move that Staff come back to us with a program for micro housing units Downtown. That could be specific sites or it could be an overlay for the entire Downtown. What that looks and what are the different options for Council. I think we need to include the issue of decoupling parking, the issue of not selling parking permits, possibly the issue of lease restrictions depending if that's legal. I want Staff to come back with a plan of how we could do that with minimum impacts and what that would like. How many units, frankly, is a pilot program? I don't think we want to suddenly have 1,000 micro units. I want there to be some metering on this where we try this, see how it goes. The first people that get to do it, get to do it or something like that. The third thing is I think Staff should come back to us

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with a plan for more bike storage Downtown. It is low hanging fruit. We shouldn't just talk about it.

Mr. Keene: Bike storage?

Vice Mayor Scharff: Yeah, bike storage. We should do it.

Mr. Keene: That's the one thing we can do.

Vice Mayor Scharff: I'm going to speak to this a little just to put it in context. I think we should look at changing our Housing Element from the San Antonio Road sites to Cal. Avenue and Downtown. That can be part of the micro housing or it can be different additional sites.

Council Member DuBois: This is "D"?

Vice Mayor Scharff: Yes, this is "D." I'll make that, and then I'll speak to the Motion about why I think we should do that. I'd just say that I don't think that precludes necessarily doing housing there in the future, but I think we want to move forward in that direction.

Mayor Burt: To try to be expeditious, let me just take a straw poll. If anyone has strong feelings about wanting to separate any of these into separate votes.

Council Member Kniss: I'm fine with everything but "D."

Mayor Burt: Let's take them one at a time. I've got basically three people over here, and I didn't even look this way. We're going to separate the Motion into four components, some easier than others. I imagine the bike storage will be easiest.

Mr. Keene: Clarifying questions. I don't know how in-depth you're going to get on each one of these discussions. Even for this moment, could we be thinking about—I don't want to say these votes as straw votes, but there are follow-up. You may say we want Number 1, but then there are all these questions about how much of it is for the Comp Plan versus now. We probably would need to come back and flesh some things out in more detail. We wouldn't walk away feeling that everything was locked in concrete. You're pointing in a direction that you would want us to go.

Mayor Burt: Would it be acceptable to have these framed as issues that the Council has shown an interest in pursuing these ahead of the Comp Plan and for Staff to return with feasibility of doing so?

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Vice Mayor Scharff: That was the plan. That's sort of how I phrased, that Staff will return on all of these. I didn't mean Council would necessarily do them.

Mayor Burt: Also, Staff would return on the feasibility of them being able to accomplish it before then.

Vice Mayor Scharff: Fair enough.

Mr. Keene: Not to complicate it, in one sense even if you're talking about how could these things happen before the Comp Plan, you would also expect that all of these things have a relevance and a connection to the Comp Plan and incorporation in the Comp Plan. It may be a pilot that ultimately you want the Comp Plan to more expansively talk about the scale or scope. This is going to happen, even if we can do it, in isolation of the Comp Plan. You're asking us to think about a pilot, for example, which would be different than just putting a policy together for the Comp Plan.

Vice Mayor Scharff: The Comp Plan may take a while. I'd like to see these things happen before the Comp Plan.

Mr. Keene: I think if these are directions for us, that'd be good. We can go back and start to figure out the scale and the scope of what's really involved here.

Council Member Holman: Mr. Mayor?

Mayor Burt: Yeah, Council Member Holman.

Council Member Holman: A procedural question. If "A" is to just return for information, fine. "C," fine. The other two and implementing "A," "B," "D," would have to have the environmental analysis that would go concurrent with the Comprehensive Plan. I don't know how we could move ahead with those unless "B" was like a very small pilot program.

Mayor Burt: Let's ask that question, see if Staff has any guidance on what environmental analysis might be required.

Council Member Wolbach: Before we get into the discussion, do we want to get a second out here? I haven't seconded it yet.

Mayor Burt: Let's do that. We're going to—let me ask procedurally. Since we're going to break these up into separate considerations, do they each have to be individually seconded then? How do we do that?

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Molly Stump, City Attorney: If you have a second for the group already, that's sufficient.

Mayor Burt: Can we vote on them individually?

Vice Mayor Scharff: Yes, you as the Mayor could ...

Ms. Stump: Yes, you can.

Mayor Burt: I can divide them.

Ms. Stump: If you add new elements, then you'd want a second on the elements.

Mayor Burt: Good enough. Is there a second that's been made?

Council Member DuBois: I'll second that.

Mayor Burt: Second by Council Member DuBois.

**MOTION:** Vice Mayor Scharff moved, seconded by Council Member DuBois to direct Staff to:

- A. Return with options to provide affordable housing for moderate income government employees including funding options and any barriers to creation of such housing; and
- B. Return with a program for micro-units Downtown, including decoupled parking, not selling parking permits, lease restrictions with minimum impacts, and how many units to include in a pilot; and
- C. Return with a plan for more bike storage Downtown; and
- D. Move housing sites from San Antonio Road to California Avenue and Downtown.

Mr. Keene: There was a question about the Environmental Impact Report (EIR) connection. Before Hillary even answers that, I really do feel we need to keep all of these in the realm of this signifying a direction you would like to explore in more depth coming out of a very broad-ranging discussion tonight. We've got to come back.

Mayor Burt: I think we should have—Vice Mayor Scharff had agreed to this in principal, but let's get this language into the cover sentence to the Motion which is to direct Staff to evaluate feasibility of doing these changes in the nearer term.

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Vice Mayor Scharff: Okay.

Mayor Burt: Then to return ...

Vice Mayor Scharff: Why don't we just say the nearer term (inaudible)?

Mayor Burt: Okay, nearer term.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "evaluate feasibility of these changes in the near term" after "direct Staff to."

Mayor Burt: That means you're going to come back after you evaluate the feasibility, and you're going to tell us what you think can or can't be done in the comparatively near term and what that means.

Mr. Keene: I think it would be pretty—at least a summary return without doing lots and lots of analysis, just to structure the components of this and what the implications are. We'd probably come back with a lot of questions for the Council also. Honestly, the difficulty with this for us is we don't have any existing to do this really without resetting some things. On the other hand ...

Mayor Burt: Except the bike racks.

Mr. Keene: (inaudible) bike racks. On the other hand, the question of actually planning and building and delivering housing is a big issue for the Council. This is a very significant conversation you're having. This is a way to start to try to push in getting more specific than just all the different things you guys said up here tonight. You may have alternatives that are better ways to do that, but I would really caution. I do not think this can be like even a typical Council meeting where you would do a bunch of Motions, and we would walk away and feel like we've got to deliver on that thing in a detailed way. There is no way we can proceed without being able to come back and giving you better thinking about what the implications are, even though all of these can sound really appealing even to us as the Staff.

Mayor Burt: Can we also get any feedback on Council Member Holman's concern on what would trigger environmental analysis?

Ms. Gitelman: Let me see if I can tackle that. Let just step back for a moment. This has been fantastic. First we heard from the CAC representatives that they're conversation had included a lot of different perspectives. Some of them in disagreement with each other, but many, many of them, which I think are looking at some of the issues that you're

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looking at ways to address this issue of housing in a meaningful, that doesn't create unwanted impacts. I think the Council's discussion tonight has been very constructive. We did put this on your Agenda in the context of the Comp Plan Update, thinking that the guidance you gave us would inform the Comp Plan Update and the policies and implementation programs in that update. In addition, we thought that the input you would give us would inform the fifth scenario, the quality of life. I'm actually looking at "A," "B" and "D," thinking that sounds like you're giving us direction on what you want us to analyze as part of the fifth scenario. Saying that, Jim is agreeing that we can come back and talk about whether we can do any of this in advance of the Comp Plan Update, but that was not our intention with this Agenda Item, to create a whole new list of to-do items that will cause us to have to put off other items that the Council has asked for. We can, of course, come back with those tradeoffs. It is true, as Council Member Holman indicated, that before you could move to adopt a new program or ordinance establishing an interim micro unit program Downtown or the like, we would have to not just develop the ordinance and the program and get the Council's approval of that, but we would have to prepare a California Environmental Quality Act (CEQA) document of some kind to assess the impacts, community outreach, outreach to stakeholders and property owners. These are not small discussions that we would engage in. I just encourage the Council, if you can, think of a way to frame what you're asking in the context of the Comp Plan Update. It starts to be much more realistic that we could accommodate your requests and move diligently to incorporate this and get this done concurrent with that effort.

Mr. Keene: May I just sort of ... I agree with everything Hillary has said there, with one possible clarification. I think if the Council were to say you wanted to constrict yourself to giving guidance to the Comp Plan, that you're not in a position to get to that directive even here tonight. You would be doing what you're doing in identifying some particular strategies or themes you want us to pursue. We'd still have to kind of come back to you a little bit and give you more information. You all were a mirror of the CAC, listening to you, as far as the range of issues. How to reconcile that in some way that's something of a strategic feedback to the CAC. I think you need to be indicating where you really want the emphasis to lean towards around the range of issues. We can then come back and say—we have to figure out how we could talk about it both in the context of the Comp Plan and/or if you wanted to begin something concurrently.

Mayor Burt: As I heard Colleagues tonight, if the question was what are we interested in the CAC pursuing, that's a broader set of alternatives than what's in the Motion. I don't think this Motion was intended to narrow the things that we're interested in the CAC to do. It was intended to identify the

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things that we would perhaps want to move forward on preceding the completion of the Comp Plan. Those are two different things.

Vice Mayor Scharff: They did ask us to do that. You did ask.

Mayor Burt: Let me ask for a little more clarification on this CEQA impact.

Vice Mayor Scharff: Can I speak to this a little bit?

Mayor Burt: Yeah, go ahead.

Vice Mayor Scharff: Hillary and Jim, I wanted to speak a little bit to what you just said. I think when we talk about the micro units Downtown, that maybe you come back to us and say you either need to do the CEQA or you don't if you limit it to 50 units. I think that's part of you coming back and saying to us, "Yes, we do this. Yes, we cannot." Otherwise, it has to be included in the EIR. It has to go through the Comp Plan process. That would be an acceptable answer to our question about can we move forward with this now or not. I think that is built into the Motion, that issue you had. I think the same with the site from San Antonio Road to California Avenue. You might come back to us and say as part of the Comp Plan process, we need to move forward in that direction and that's how we're going to do it. What I thought we'd talked about earlier—in fact, it says in the Housing Element—we are going to look and evaluate that. I thought maybe this was something we do in terms of that evaluation now, and that it was appropriate to do so. You can come back to us and say no, we don't have the bandwidth or no, it's appropriate to do it differently. That's coming back to us. I actually disagree a little bit on "A." Let me talk about "A" a little bit. We are raising substantial amounts of money for low income housing. We are about to change our fee structure. There are other sources that may be coming in. I believe we're having a Closed Session on that issue. I want to make sure that we don't lock ourselves into not being able to do moderate income housing for government employees, teachers, and other people who fit that category. If we don't, we will miss that window of opportunity. We'll have a big chunk of money, and you will then tell us we can't use it for this. I think we need to evaluate. I think that actually falls more on legal in lots of ways to come up with what are the legal strictures here, how would we change our Ordinances to do that, than it does Planning. I know Molly has infinite capacity. I'm not as concerned about that. This is not (crosstalk).

Council Member Kniss: Mayor Burt, could I ask the Vice Mayor a quick question?

Mayor Burt: Sure.

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Council Member Kniss: What you've said here is to evaluate feasibility. If that's what you mean, this says to Staff take a look at this and tell us what are the issues here and is this something we can do or is there something that's going to get in our way for months or years. Is that correct?

Vice Mayor Scharff: That is correct.

Council Member Kniss: I think in that case then, I can just accept them all. If we're just looking at evaluating feasibility, that's fine. If the Staff falls over in a dead faint, that's going to make me concerned. Big difference between that and saying let's accomplish it tonight.

Mr. Keene: No, no. I was joking about the bike plan. If the idea was we were really driving towards some—this is an iterative conversation with the Council is the approach I'm hearing put forward, for us to come back and say—I'm sorry about it this way—your move, okay, here's our move back. This is some of the information about what's involved and what does it take. The complicating issue is, is that enough for you all tonight or will there also be more that you're going to put on that list. I really think this is one of those areas where we need to show that the Council direction is tentative in the sense of asking us to be able to come back and flesh out this more, so we can come back and have a more informed discussion, tell you the implications of some things. I was just running some—how many units do you want to do for affordable? It doesn't take that long to figure out we're talking billions of dollars if we have a target of 3,000 housing units that could be affordable versus—there's a lot of things we can do to just sort of put more meat on the bone about the options or what the implications are for some of these things.

Mayor Burt: Council Member DuBois, both has a question and he's the seconder.

Council Member DuBois: It was actually some potential amendments. The first was really getting to this idea of the Comp Plan versus this. Amend that first sentence to say "to evaluate feasibility of these changes in the nearer term as pilot programs for the Comp Plan." I think that's the context you're really suggesting.

Vice Mayor Scharff: I'm not suggesting it for "A." I'm suggesting it for "B." I'm not sure it's a pilot program to move from San Antonio Road to California Avenue or more bike storage Downtown. I think it would be "B."

Council Member DuBois: Just for "B." Okay. That's fine. For "B," I wanted to see if you'd accept an Amendment at the end there to evaluate a new mixed use definition of residential and retail.

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Vice Mayor Scharff: Yes, I think that's a good idea.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add at the end of the Motion Part B, "reevaluate the definition of mixed-use retail and residential in select locations."

Ms. Gitelman: Is that just in Downtown or other mixed use areas?

Council Member DuBois: In select locations. Maybe you could come back and suggest. Is that okay?

Vice Mayor Scharff: That's fine.

Council Member DuBois: I really wanted to add an "E," to return with a plan for ensuring existing housing is utilized as housing, not other uses or unused. Return with a plan.

Vice Mayor Scharff: Everything else is return with options.

Council Member DuBois: Like "C" ... Return with options, that's fine.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "return with options for ensuring existing housing is used for housing and not other uses or unused." (New Part E)

Mr. Keene: I just wanted to clarify. I don't even know that it needs to be exactly in the Motion. To me, everything we're talking about is our doing a preliminary assessment of these directives and potentially coming back to tell the Council what's involved. There is a sort of second ..

Mayor Burt: Necessarily coming back, not potentially.

Council Member DuBois: You can come back and say we can do this in the context of the Comp Plan.

Mr. Keene: Or we can say forget it. I have a ...

Ms. Gitelman: (inaudible) when we're going to come back?

Mr. Keene: No. I don't even know that. That's part of the assessment. We have to huddle as a Staff. We may say we can't even come back for three months, to be honest with you. We'd have to put that in writing and explain to you why.

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Council Member Dubois: I think you could also—one of the questions was how do you go to the CAC. You could share this with the CAC as well. They could have some discussion about some of these options.

Mayor Burt: That starts getting the CAC involved in measures that would be done prior to the Comp Plan which is not really their purview.

Council Member DuBois: I don't know if we're joking about "C," but I'm not really sure. It's assuming we need more bike storage, but what ...

Vice Mayor Scharff: We're definitely not joking about it.

Council Member DuBois: As part of the Housing Element, it just seems out of place.

Mayor Burt: Maybe it is; it's also just easy, low hanging fruit. You're right it's a little out of place.

Vice Mayor Scharff: I think we could tie it there, thinking that we've been talking a lot of how we deal with the transportation issues with the housing. That's the context.

Mayor Burt: It is a little disconnected, but I don't think it does a great deal of harm. Now that we've clarified that we're talking about evaluating feasibility, do we still need to separate these or can we allow Staff to come back with the feasibility? I think I'm going to be inclined to try to have them voted on as one group. Maker and seconder, are you done?

Vice Mayor Scharff: Yeah.

Mayor Burt: Council Member Holman.

Council Member Holman: I think you have some of us that would like to have "D" separated, because I don't think we can support it. I think there are at least three of us...

Mayor Burt: You don't think what?

Council Member Holman: I think there are some of us that cannot support "D." If that could be separated, I would appreciate it.

Mayor Burt: Let's go ahead and separate "D," and we'll vote on that separately. I don't want to vote on all these separately.

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**MOTION PART D SEPARATED FROM THE MOTION FOR THE PURPOSE OF VOTING** "move housing sites from San Antonio Road to California Avenue and Downtown." (New Part F)

Council Member Holman: There's some other things that should be added to this. I think we're going off a little bit sideways here. It's not what Staff came to us for, which isn't to say we can't change direction. I think we're confusing things a bit here. If we are going to go down this path, there's another thing too with "B." I think "B" ought to be divided into two. I think the micro units is a separate issue than reevaluating the definition of mixed use. I think it's a separate issue. Also, I think, with the maker and seconder's approval, I also think reevaluate the definition of mixed use retail should actually be reevaluate the definition of mixed use to consider retail/personal service with housing.

Council Member DuBois: That wasn't captured. If you could just capture what I said, and then we could go from there. Retail and residential.

Council Member Holman: Retail and personal service, right?

Council Member DuBois: No. Retail/personal service and residential.

Council Member Holman: Retail/personal service and residential. Don't you think it should be a separate category? You're not talking about just Downtown for mixed use definition, are you?

Council Member DuBois: After "residential," "in select locations," which was the question Hillary asked.

Mayor Burt: Should it be broken, that second half, into a new "C" and not lumped with the micro units?

Council Member Holman: It seems it's a different topic.

Vice Mayor Scharff: Yes.

Mayor Burt: Let's do that.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to separate from the Motion Part B, "to reevaluate a new mixed-use definition of residential and retail in select locations." (New Part C)

Council Member Holman: Staff has also asked us—hang on just half a second.

# TRANSCRIPT

Vice Mayor Scharff: I haven't agreed to this. I would agree to retail; I don't agree to personal service. I think that personal service includes lawyers and nail salons. I actually want retail.

Council Member Holman: I don't think personal service includes attorneys' offices. Does it?

Vice Mayor Scharff: I think it does.

Mr. Keene: Isn't this a little detailed? I don't mean to be rude about it. We're looking at some conceptual ideas about mixed use with ground floor retail and residential. We'll probably tell you it'll take us five years to work on this.

Mayor Burt: I don't think that's the use definition of lawyers. I think personal service is like nail salons.

Council Member Holman: As long as ...

Mayor Burt: Unless lawyers are doing that these days.

Council Member Holman: As long as Staff understands the general direction. We don't want to be eliminating places for your personal accountant to be.

Mayor Burt: Let's see if we can move the ball forward here.

Council Member Holman: Having to do with ADUs, there were a number of comments that were made...

Mayor Burt: Council Member Holman, I'm just real worried that if we're starting to throw everything that we talked about tonight into the potential nearer-term category, it's just going to eliminate the meaningfulness of being able to do anything nearer term.

Council Member Holman: If we're still thinking about Staff coming back with some of this in the nearer term as far as direction to go forward...

Mayor Burt: That's exactly what this is for. To try to distinguish which things we want them to evaluate the feasibility of doing in the nearer term.

Council Member Kniss: I just think there are enough decorations on the tree now. I think we could move forward and puts the lights on.

Vice Mayor Scharff: Yep.

# TRANSCRIPT

Council Member Holman: If that's the direction we're continuing to go, I'm fine with that. I'm just..

Mayor Burt: That's the direction.

Council Member Holman: You have broken out—I'm sorry, which is it?

Mayor Burt: Council Member Filseth.

Council Member Holman: "E," you've broken out "E" separately, correct?

Mayor Burt: Yes. Council Member Filseth, did you ..

Council Member Filseth: I think we may have gone in the right direction on this. One of the things I worried about on Number B and C—it may be that we've given the Staff enough direction to be general on this. These things seem like the kind of things I'd really like to see Scenario 5 before we start doing policy and spending a lot of time on these. Some of these things, depending on which scenario we pick, may or may not factor. If you look at the Stanford expansion or the recovered housing from the Stanford expansion, potential recovered housing from Hacker Dojos and stuff like that, we may well have recovered most of the housing in some of the scenarios. We're not going to really know that until we get a little further on these things. As long as we're not directing explicit policy or the Staff to spend many man months of effort on this and that's clear, I think it's okay.

Mayor Burt: We're not. It's evaluate feasibility. That's what covers all this.

Council Member Filseth: Is Staff okay with that?

Mr. Keene: Yeah, to evaluate the feasibility.

Council Member Filseth: In the context that we haven't picked a scenario yet. Some of this is going to be very dependent on which scenario we pick.

Mayor Burt: I'm going to push the ball forward here. Council Member Wolbach, I...

Council Member Filseth: Let me make one more comment, please.

Mayor Burt: All right.

Council Member Filseth: On "E" specifically, it isn't clear to me that there's consensus on the Council that we want to do that one. I think that one makes sense ...

# TRANSCRIPT

Mayor Burt: We're going to vote on that separately. That's how we'll figure out what consensus we have. Everybody, it's 20 minutes to 12:00 A.M. I'm going to try to get us to a vote real quickly. Council Member Wolbach.

Council Member Wolbach: My question has been answered. Thank you.

Mayor Burt: See, that worked. Council Member Schmid.

Council Member Schmid: I'm a bit concerned about "A." It reads like we're trying to deal with our employees first. I know both at the CAC and tonight, there's a lot of concern about disabled, seniors, very low income, a diverse community, diverse affordable housing. If we could switch in there to provide housing for moderate income as well as lower income or a diverse spread of incomes, I would be much more comfortable with it.

Vice Mayor Scharff: I'm not going to do that, because we already have that. That's what the rest of affordable housing is about. This is a specific category that's not covered under our existing affordability.

Council Member Schmid: Is this then specifically asking to take some of the small amount of funds we have for affordable housing and put it ...

Mayor Burt: It's asking for return with options. We'll have a discussion around those options when they return. That's provided that Staff has determined that it's feasible to return with options. If we try to make all those decisions tonight, we're not going to be out of here. All this is, is Staff to evaluate the feasibility of coming back with options.

Council Member Schmid: That sounds like we're dealing with our negotiations with the employees.

Vice Mayor Scharff: Why don't we put in (crosstalk)?

Mayor Burt: I think the clarification was a belief that this is an additional category that we are interested in options on, not instead of. That's the intent. Council Member Berman.

Council Member Berman: Maybe this wouldn't belong here. On "B," do we add in the idea of moving away from number of units per acre and towards just having FAR be the criteria with the ...

Mayor Burt: I think Staff has gotten the sense of that being one of the ways to do micro units.

Council Member Berman: Just wanted to make sure. We seem to be having things called out. As long as we're all onboard.

# TRANSCRIPT

Mayor Burt: Why don't we break out "E;" that'll be a second vote. Let's make that a new "F," and make "F" "E." We can vote on "A" through "E."

**MOTION RESTATED:** Vice Mayor Scharff moved, seconded by Council Member DuBois to direct Staff to evaluate feasibility of these changes in the near term:

- A. Return with options to provide affordable housing for moderate income government employees including funding options and any barriers to creation of such housing; and
- B. Return with a program for micro-units Downtown, including decoupled parking, not selling parking permits, lease restrictions with minimum impacts, how many units to include in a pilot; and
- C. Reevaluate the definition of mixed use retail and residential in select locations; and
- D. Return with a plan for more bike storage Downtown; and
- E. Return with options for ensuring existing housing is used for housing and not other uses or unused.
- F. Move housing sites from San Antonio Road to California Avenue and Downtown.

Council Member Kniss: Are we voting?

Mayor Burt: Yeah. That passes 8-1 with Council Member Schmid opposing.

**MOTION PARTS A-E PASSED:** 8-1 Schmid no

Mayor Burt: Now, let's go for—Sorry. The new "F" is what we will now vote on, whether we're going to have—once again, it's still covered by that same preamble, Staff evaluating feasibility of moving housing sites in the nearer term, is basically what we're talking about. Let's vote.

Council Member Wolbach: (inaudible) discussion about this one?

Mayor Burt: Very briefly. Council Member Wolbach.

Council Member Wolbach: This is also one that I didn't feel ready to make a decision on, even this level of moving forward, even having a little bit of iteration on it. I was just curious to hear the maker and the seconder, if they wanted to speak to this one in particular.

# TRANSCRIPT

Council Member DuBois: I'll speak to it too.

Vice Mayor Scharff: I'll speak to it too.

Mayor Burt: Council Member DuBois:

Council Member DuBois: I was in the Housing Element when we worked on this. When we say San Antonio Road, we're talking about a particular portion of San Antonio Road, mostly down, across from the nursery. It's not right where the Caltrain station is. It's further down near the Jewish Community Center (JCC) and the nursery. Again, it's where Hengehold Trucks is. It's kind of semi-industrial. I personally don't feel there are a lot of services there. Yes, you can get to Cubberley and other places. As Council Member Schmid has said, the weighting in the Housing Element was weighted more heavily to South El Camino Real and San Antonio Road. This idea of locating smaller units near transit, University and Caltrain, just makes sense to me.

Vice Mayor Scharff: I'll just go briefly to add to that. When we did the Housing Element, we got the input from—what was your group called? The Housing Element group. We got that input. There was strong feeling on that. I don't understand why Council Member Holman has changed her mind, since she was a strong proponent of this when we actually sat down. I think you were. We sat down and did this. I also think there's a lot of congestion on San Antonio Road. What this does is move these housing sites to places with less congestion, at least to evaluate. That doesn't mean we wouldn't eventually go back to that. San Antonio Road has some really interesting, funky, lower income business-type opportunities where the rents are cheaper. I don't really want to lose that right away when we could actually have the housing sites somewhere else.

Council Member Wolbach: Let me just—thank you for that. I guess my only concern is I do want to make sure that we do focus on improving San Antonio Road in a lot of ways. I don't want to close the door to maybe doing a coordinated area plan and focusing on transportation there. I'm okay with this, as long as that's not shutting the door on the future.

Mayor Burt: It's only what it is. Council Member Berman.

Council Member Berman: I'm okay.

Mayor Burt: Council Member Holman.

# TRANSCRIPT

Council Member Holman: Actually my light was on about something else. You've called on me for now. In the housing, it was just to consider this. That's why I could support it; it's not do it.

Mayor Burt: Please vote on the board. That's closer. That passes on a 5-4 vote with Council Members Berman, Kniss, Filseth and Holman voting now.

**MOTION PART F PASSED:** 5-4 Berman, Filseth, Holman, Kniss no

Mayor Burt: I think that concludes this item. What do we still have to do?

Mr. Keene: I might have missed it. Did you vote on two things?

Mayor Burt: Yeah. Where were you?

Mr. Keene: I'm sorry. I wasn't ...

Mayor Burt: Go ahead.

Mr. Keene: I want to say two things in conclusion. First of all, you did not do what the main intent of this item coming to the Council was, to give the feedback to the CAC ultimately on this issue.

Mayor Burt: Let me say that I think what we did was essentially a Study Session sort of feedback. We had a lot of comments. I think that they were—Council Members spoke clearly enough that they could be consolidated without having to be reduced to Motions. I think we gave feedback, but we didn't—frankly, for the CAC, I'm not sure that we want to be necessarily giving this binding direction. We want to give our feedback. I think that did occur.

Mr. Keene: I didn't mean it as a criticism. I just meant the idea of forming anything as a Motion or directive to the CAC. The other thing, I will just put all of this in perspective. We have a meeting on the 28th, next week, where out of Planning we'll do the user fee update. We have April, May and June before the break. We have 24 planning items, everything from wayfinding and parking guidance system to the Comp Plan Draft EIR to the Transportation Element review again to the Scenario 5. We actually have the Scenario 5 planned to come back to the Council on May 23rd. I don't mean this facetiously. It all going to Council Member Filseth's comment. You very well may have the Comp Plan fifth scenario before definitive solutions.

Mayor Burt: I think this goes into a discussion we've had with you that one of the things that we will find as reasonable is for the Staff to come back and say we could do this in this timeframe, but these things would have to be

# TRANSCRIPT

moved out. This also goes into upcoming Committee as a Whole where if any of these things could also be screened. I know that you've said that Staff's going to need more time to have that kind of master plan of the work plan. We could have some preliminary discussion that allows us to give some feedback without being definitive on that. Council Member Holman.

Council Member Holman: What my light had been on actually for earlier was to add one more item to this. To have Staff return with options on how not to erode our existing housing stock. That's akin to previous Policy H-29. It's not in here. We have nothing that addresses erosion of existing housing stock.

Male: (inaudible)

Council Member Holman: No, that doesn't change anything about housing stock. It just has to do with how the housing stock is used.

Mayor Burt: I would say that we actually have a slew of things that aren't in this motion. They're all things that we commented on tonight and have given feedback to the CAC about an interest in including in the Comp Plan.

Council Member Holman: Agreed.

Mayor Burt: This is only about things that we want evaluated feasibility on in the nearer term.

Council Member Holman: Agree, understood. This is something we haven't given any direction on at all as a group.

Mayor Burt: We did in comments. We just aren't having it in the motion. We had a whole bunch of things that we had in comments, and that was commented on.

Council Member Holman: Is Staff clear on the intention? Is Staff clear on the intention that do we want to have some options coming back to us about how we can stop the erosion?

Mayor Burt: Let me clarify. I wasn't saying that the options on that are going to come back in the nearer term. I was saying that that's something that we gave feedback to the CAC on, and that's amongst another whole ten things or so that are not in this request for nearer term evaluation of feasibility on. They are feed back to the CAC. Everything not covered there ...

Council Member Holman: I'm confused. I thought what Jim just said was what we didn't do tonight, which was on our Agenda was give direction to the CAC.

# TRANSCRIPT

Mayor Burt: I then clarified that we did give guidance to the CAC, but we did not place it in formal Motions. It was in Council comments, extensive and pretty clear comments amongst each of the Council Members that the Staff can summarize for the CAC based upon the comments that were made.

Mr. Keene: We're going to come back with the feasibility assessment on this directive. This items' going to be on your Agenda. You're going to have another discussion and many more on this item.

Mayor Burt: Council Member Berman was raising the issue of in our comments we really didn't talk about these other alternative housing sites that were cited, Palo Alto Square and places like that. No, we didn't and I'm not interested in taking it up at this hour. Not a bad topic, but we just have our limits on what we can do here.

## Inter-Governmental Legislative Affairs

None.

## Council Member Questions, Comments and Announcements

None.

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