



CITY OF PALO ALTO CITY COUNCIL TRANSCRIPT

Regular Meeting
March 20, 2017

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:07 P.M.

Present: DuBois, Filseth, Fine, Holman arrived at 6:11 P.M., Kniss, Kou, Scharff, Tanaka, Wolbach

Absent:

Closed Session

1. CONFERENCE WITH LABOR NEGOTIATORS.

THIS ITEM WILL NOT BE HEARD THIS EVENING AND WILL BE RESCHEDULED.

Special Orders of the Day

At this time Council heard Agenda Item Number 3.

3. Proclamation of the Council of the City of Palo Alto Honoring Loretta Green.

Mayor Scharff: The first order of business is a Proclamation of the Council of the City of Palo Alto honoring Roy Clay. Roy's running a little late, so we're going to move on to Loretta Green, a Proclamation honoring her. When Roy arrives, we will break from whatever we're doing and then honor Mr. Clay. Rob de Geus, do you want to introduce it?

Rob de Geus, Community Services Director: Good evening, Mayor and Council Members. I'm happy to do that. Rob de Geus, Director of Community Services. Happy to be here again this evening to introduce two individuals. Of course, Roy will come a little bit later, we hope. As I shared a few weeks ago, just in terms of background, at our annual Marin Luther King Jr., event, East Palo Alto Mayor Larry Moody and our Mayor, Mayor Scharff, had a conversation about the important contributions African-Americans have made to the City of Palo Alto and our community. With that in mind, we continue to show our appreciation and our gratitude as we honor the significant contributions of Roy Clay and Loretta Green. They've helped

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build and strengthen our community. They're individuals who have shown exceptional leadership and integrity and made a positive difference locally and beyond. With that, we just feel a little appreciation for having them in our community.

Mayor Scharff: Thank you very much. I've asked Vice Mayor Kniss to read the Proclamation honoring Loretta Green.

Vice Mayor Kniss: I requested reading it. Loretta, could you come up closer to the mike so that we can have you right in our sights while I read this? She read the proclamation into the record. What a perfect award for you. Thanks, Loretta.

Loretta Green: Thank you so much. It's an honor to receive this award. It's been a special honor to live in this City and serve the City both as a volunteer and as a journalist. Thank you so very much.

Mayor Scharff: Don't go anywhere, because I need to come give you the Proclamation. It's an honor to present you with this Proclamation.

Agenda Changes, Additions and Deletions

None.

City Manager Comments

Mayor Scharff: Now, we're to City Manager Comments. Welcome back, Mr. Keene. It's so good to see you.

James Keene, City Manager: Thank you very much. I apologize. I was just doing my own personal Forest Gump. I just started running, and I just kept going for 7 weeks, and I finally stopped. No, I had a health challenge that should have been perfunctory, had a little complication, had to go through the repair work on all of that. I'm really glad to be back. I really thank the Council support and our Staff. Particularly thanks to Ed Shikada for the great work that he did as Assistant City Manager. I'm going to do the Manager's comments and then split for the rest of the night, let Ed take over. Just kidding. You're all familiar, of course, that we're in the second phase of the RPP Program in Downtown and the first phase for the Evergreen Park/Mayfield district. As of Sunday night, our vendor reports that we've sold over 1,200 resident permits for Downtown and are just starting to sell resident permits for Evergreen/Mayfield with about 50 sold in the first few days of availability. This week, we'll continue to get the word out to residents, and we'll start spreading the word to businesses, employees. Permits in these districts will become available as follows.

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Downtown employee permits for low-income workers will be sold beginning April 2nd. All employees in the district will be eligible to purchase permits starting April 9th. For Evergreen/Mayfield, employee permits will be available in three phases as follows. Employees on the waiting list for parking lots and garages in the area were eligible to purchase permits beginning last week. Secondly, low-income workers will be eligible to purchase permits beginning March 26. All other employees will be eligible to purchase permits beginning April 9th. It's at that point the City will be able to fully evaluate the concerns and requests for additional permits specific to medical and dental professionals in the area of that RPP district area. There were apparently some serious issues with the website people used to purchase permits the first couple of days. We think most of those issues have been resolved. There's still some fine tuning underway. I ask the Council if you hear otherwise to pass those comments onto us. Our consultant will be stationed at the customer service counter on the first floor in City Hall during business hours to help people who are having difficulty, if they're having it, purchasing permits online. We'll bring back up support as needed. They've also committed to allocate the resources necessary to promptly return email and voicemail to their customer service phone number and email box. During this same period, contractors will be busy installing signs out in the field. Staff has sent a survey to Southgate residents regarding establishment of an RPP Program in their neighborhood. Staff will also be hosting a business open house for employees in the Evergreen Park/Mayfield district on March 22nd and one for employees in the Downtown district on March 29th. We know there's a lot going on. We ask Council Members again to help steer constituents to our website and to defuse some of the anxiety out there. Everything will be okay. I wanted to share an update on significant structure fires we've had in the past 10 days, a really bizarre situation. We've had four structure fires in the past 10 days, which is about what we have in an entire year typically. First of all, March 10th, Friday, at Town and Country Village a two-alarm structure fire occurred at Jamba Juice, and the fire burned a rear storage area but didn't extend to other businesses. All businesses were able to continue operating by Saturday morning. Secondly, on Saturday, March 11th, at the Stanford Medical School building a three-alarm structure fire and hazardous materials incident occurred in the research lab attached to the hospital. A total of 61 firefighters from fire departments in Santa Clara and San Mateo Counties responded to the incident. This is the most significant incident on Stanford in the last 44 years. Third, on Saturday, March 18th, a one-alarm structure fire burned a bedroom and attic of a two-story home in Midtown on Toyon Place. The family was displaced because of the fire. Yesterday, on March 19th, a two-alarm structure fire burned an attic area and roof of a single home on Seale Avenue in Old Palo Alto neighborhood. The family was displaced. All of these incidents are unrelated and under investigation.

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Fortunately, no injuries to citizens or firefighters. For the longest period of time, we've had less than ten structure fires in the course of a year. City of Palo Alto Staff and Cubberley tenants will be hosting the Third Annual Cubberley Community Day this Saturday, March 25th. The day will begin at 9:00 a.m. with Canopy and Kiwanis leading volunteers in tree planting and mulching projects around the front of the campus. At 11:00 a.m., there will be performances and demonstrations on the stage in the outdoor Cubberley amphitheater. Please come and enjoy the vibrant community at Cubberley and see all the opportunities and activities available to the public. It's always a great way to show support for the artists and other folks who make Cubberley their home. Volunteer activities will run from 9:00 a.m. to noon with demonstrations, food, and activities running from 11:00 a.m. to 1:00 p.m. March 31st marks the deadline for businesses currently enrolled in the City's Business Registry to renew their registration. New businesses are also required to register with the City through the online tool. To make the process as simple as possible, the City has developed an easy to use website for online registration at <https://registermybusiness.cityofpaloalto.org>. Thousands of businesses were notified over the past 2 weeks about the deadline, including information about how to register online. The registry flat fee covers only the administrative expenses of the program and is not a revenue-generating tool of any sort for the City. Most businesses should have the necessary data readily available and be able to fill out the questionnaire and pay a fee online in a few minutes. We'll certainly give the Council a follow-up report on the reregistration process on this year's Registry. From the City Clerk, just another reminder that the City is looking for engaged community members to serve on the Human Relations Commission, the Library Advisory Commission, the Public Art Commission, and the Utilities Advisory Commission. Applications are available on the Clerk's webpage at cityofpaloalto.org/clerk, and the application deadline is April 4th at 4:30 p.m. Finally, tomorrow night, March 21st, celebrated author Shaka Senghor, author of *Righting My Wrongs: Life, Death and Redemption in an American Prison*, will be speaking at Cubberley Theatre at 7:00 p.m. This is part of the annual Silicon Valley Reads program and is sponsored by the Friends of the Palo Alto Library. This year's theme is justice for all. You can find more information on the Library's webpage. That's all I have to report. Thank you.

Mayor Scharff: Thank you very much.

Oral Communications

Mayor Scharff: Now, we'll move on to Oral Communications. We have Sea Reddy to be followed by Mark Petersen-Perez. You'll each have 3 minutes.

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Sea Reddy: Good evening, City Council. I'd like to thank Mayor Greg Scharff, Lydia Kou, Greg Tanaka, and Adrian Fine who attended the College Terrace annual meeting last Saturday. We got to know our Mayor's views a lot more. I appreciate the time they spent with us. The second item is near and dear to all of us. This is the time of the week that our seniors in the accomplished Palo Alto high schools get college notifications. We've all been parents. Some disappointments, some congratulations, but nothing matters more than graduating. I can assure the children, the families that they're going to do fine. They're going to do much better than they might be thinking. It's time to reflect and congratulate them. Also remember that, if you are absent for more than six times in a class, you could get an "F," and you have to be here for summer. We have to manage our children's whatever, glory or disappointments. Please allow that. Third thing, great news. There's a lot of talk about President Trump doing this and that. I'm happy to inform you that one of my customers, managers that I supported at Boeing has been picked to be the number one Pentagon official. His name is Pat Shanahan. He is an outstanding person that has the greatest way of troubleshooting programs, problems, people, and technical issues. He was the one that recovered the 787 program. Pat has been the senior vice president of supply chain at Boeing, and he is going to work under General Mattis. I assure you that he'll do the best for the country. Thank you.

Mayor Scharff: Thank you. Mark Petersen-Perez to be followed by Ryan Rzepecki.

Mark Petersen-Perez: [Spanish] I'm going to be returning to Nicaragua, so I probably won't be back for 6 or 7 months. I've enjoyed coming here and standing before you as a standup comic. I know that a lot of what I have said over the years—everyone treats it as a joke. I have been studying First Amendment law now for nearly 30 years. My mentor is Hayden Covington, Senior Chief Legal Counsel for the Watch Tower Bible and Tract Society. That individual won more First Amendment Supreme Court decisions than any other person in history. A lot of our First Amendment rights that we have today and enjoy is the direct result of Jehovah's Witnesses. Liz, I take issue with you on the First Amendment issue, and I'll explain to you why. This chamber is a quasi courtroom. There are decorum which we follow and quite naturally. When you say no booing, hissing, clapping, etc., that is simply not true. We have a First Amendment right in order to do so. What I have found over the years, ladies and gentlemen, is that you clap in happy talk. When there is an issue involving police issues and you're criticizing the police chief or any other racist activity in this City, you stand up, and you say "No, you shouldn't do that." That is totally false, and it's a disservice, Liz, to the First Amendment. Please make a note of that. Thank you.

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Mayor Scharff: Thank you. Ryan Rzepecki to be followed by Dan Garber.

Ryan Rzepecki: Hi, how are you doing? I believe I've addressed some of you guys before. I'm the (inaudible) of Social Bicycles. We've been talking with your transportation team for almost a year, working on a bike share project for Palo Alto. I just wanted to come and say again that we hope the measure will be reintroduced to Council for vote. We have an established solution. We've been in the market for 8 years, perfecting the technology. We're really excited about the idea of bringing it here to this City. Our proposal ensures a high quality of equipment that maintains service levels and is here for the long term. The final proposal that we submitted has us assuming all the operating costs. After the initial capital investment, we will assume all the operating costs and have incentives to actually grow and expand the program. The new players that are entering the space do not have any sort of track record or experience. We've seen in other cities a product actually falling apart on the street. There's a lot of photos and documentation of that. For having a long-term system here that meets the transportation goals and addresses the transportation challenges in the City, we hope that we have a chance to partner and work with your Transportation Department to bring a large-scale bike share system to this City. We've operated in 35 locations across the U.S., Canada, Europe, Australia, including a 1,000-bike system in Portland, Oregon. We're bringing all that experience and that history of working with cities to achieve these transportation goals. If you have any questions over the next few weeks as you think about this item, I'd be happy to talk to you. The City Staff have my contact. I'd love the chance to speak to you guys.

Mayor Scharff: Thank you very much. Dan Garber to be followed by Monty Frost.

Dan Garber: I'm Dan Garber. I'm a resident, and I own the business at 81 Encino, which is a small street behind Town and Country Shopping Center. The difference between us and the homeless is very slight. A slight bump in our societal construct or a slight change in our chemical construct of our own persons, we would all be on the street as many of our fellow citizens are. As a result, we work very closely with the Opportunity Center, which is right down the street from us, and deal with many of its occupants. My business has a driveway and a carport, which is often used as or seen as an opportunity for the homeless to use overnight. We've worked, as a result, with Philip Dawe at the Opportunity Center closely over a number of years to resolve a variety of these issues. The police have been called a number of times. I will point out that they have been uniformly professional, humane, and very supportive of us as well as very respectful of those that we've had to deal with there. However, my business is now 30 years old this year. It

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was started by a woman, my wife, and we now have two female partners. It has been a majority female business for that 30 years. There are more women than there are men there. Not that that is a particular difference, whether it's men or women. We have been dealing with some derelict trucks on our street, one that was parked in front of our business as of last week and has now been moved several spaces away from our business. However, it has a resident in it that has now been banned from the Opportunity Center and was jailed apparently for several days as a result of an altercation there. This is a particular threat to my employees and my clients. It is an issue that could potentially be resolved by simply having the police deal with those trucks the way that the posted parking would require them to be removed at the end of the day. However, as we've understood in two discussions with the police, the reason that they do not tow them is because the likelihood of recovering the cost of that is extremely low to nil. No one would ever come and claim those cars, and then the City would have to bear the cost of the towing as well as the storage of them. That does not negate the impact that it has on both my employees, which are there many times after dark and often at 6:00 a.m. in order to beat traffic. I would like to ask the City's help in dealing with these two trucks and any further trucks, to be able to get them off our street, to get them towed, and get rid of this particular problem that we're having. Any help that you could offer in encouraging the police to act on this would be very helpful to us. Thank you.

Mayor Scharff: Thank you very much. I would ask the City Manager to look into it. Next up we have Monty Frost.

Monty Frost: Members of the Council, I'm Monty Frost. I'm a resident, and I'm here to support Dan Garber, the previous speaker. I and my wife own two buildings on Encino Avenue. We are impacted by the trucks that are there. I thank you for your request to deal with them. I just want to point out that Dan and his architecture firm with many women in it do inhabit one of the buildings that we own. The other is used by the Palo Alto Medical Foundation. Palo Alto Medical Foundation uses it for a combination of medical records storage, for which there are many women there that are attending to those records. They also use it for yoga, partly for young people to come and get yoga as a community service as given by the Palo Alto Medical Foundation. Dan sent an email in with some pictures of these trucks. I'll tell you they're scary looking; they're derelict trucks; they're just parked there. They don't really exude safety. I wouldn't want my wife to walk past a derelict truck parked there at dusk. I think it's a safety issue. As far as I'm concerned, I need to provide a safe space for my tenants. There is signage there, which prohibits overnight parking. You heard Dan's explanation of why the police aren't towing because it might be expensive to

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do that. I just want to support him and the Palo Alto Medical Foundation in saying that I would urge you to do whatever you can to help the police get rid of the trucks. Thank you very much.

Mayor Scharff: Thank you.

Minutes Approval

4. Approval of Action Minutes for the February 13 and 27, 2017 Council Meetings.

Mayor Scharff: That brings us to the Consent Calendar. We have one speaker on the Consent Calendar, Herb Borock. The Minutes, I forgot the Minutes. I need a Motion on the Minutes.

Council Member Filseth: Move to approve the Minutes.

Council Member Fine: Moved.

MOTION: Council Member Filseth moved, seconded by Council Member Fine to approve the Action Minutes for the February 13 and 27, 2017 Council Meetings.

Mayor Scharff: Moved and seconded. Moved by Council Member Filseth, seconded by Council Member Fine. If we could vote on the board. That passes unanimously.

MOTION PASSED: 9-0

Consent Calendar

Mayor Scharff: Now, we come to the Consent Calendar. Herb Borock, welcome.

Herb Borock, speaking regarding Agenda Item Number 13: Thank you, Mayor Scharff. This is on 429 University Avenue. I'd like to repeat what I said at your meeting on February 6. There is substantial evidence provided that this project has an unmitigated, potentially significant impact in that it's using floor area from 340 University Avenue, which is a demolished building, when it can only use floor area from rehabilitated buildings. Demolition is not included in the term "rehabilitation." For that reason, I believe you need an Environmental Impact Report. I had previously provided you evidence from an executive branch in California and Oregon to demonstrate that rehabilitation and demolition are different terms. There's additional evidence from the judicial branch in Connecticut saying the same thing. Thank you.

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Mayor Scharff: Thank you very much. Council Member Holman.

Council Member Holman: When we vote, I'll be voting against Item Number 13, 429 University, as I did before.

Mayor Scharff: Council Member Kou, did you ...

Council Member Kou: I didn't hear the Motion.

Mayor Scharff: There's no Motion. Council Member Holman was basically stating that we should record her as a no vote on 429 University.

Council Member Kou: I see.

Mayor Scharff: Do you also wish to be recorded as a no vote or not?

Council Member Kou: Yes, I'm a no vote too.

Mayor Scharff: Seeing no other—Vice Mayor Kniss.

Vice Mayor Kniss: On the same item, I am going to recuse myself because I wasn't here and have not had sufficient time to review the record from that night.

Council Member DuBois: I want to vote no on that (inaudible).

Mayor Scharff: Council Member DuBois is also going to record a no vote on that. If we could now vote on the board with the recorded no votes.

Council Member Holman: We don't have a Motion yet.

Mayor Scharff: I thought we made a Motion. That was the Minutes; you're right. I need a Motion to approve the Consent Calendar.

Vice Mayor Kniss: So moved.

MOTION: Vice Mayor Kniss moved, seconded by Council Member Fine to approve Agenda Item Numbers 5-14.

5. Appointment of 2017 Emergency Standby Council.
6. Authorize Acceptance of Relinquishment of one Parcel From the State of California (Caltrans) and the Release and Quitclaim of Nine Parcels to the State of California (Caltrans) for the 101 Auxiliary Project Between the State Route 85 (SR 85) Interchange in Mountain View and the Embarcadero Road Interchange and the Replacement of the San Francisquito Creek Bridge.

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7. Ordinance 5406 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Palo Alto Municipal Code (PAMC) Title 18 (Zoning); Chapters 18.04 (Definitions), 18.30(F) (Automobile Dealership (AD) Combining District Regulations), 18.52 (Parking and Loading Requirements), and 18.54 (Parking Facility Design Standards); Adding Sections 18.40.160 (Replacement Project Required), 18.40.170 (Deferral of Director's Action), and 18.42.140 (Housing Inventory Sites Small Lot Consolidation); and Repealing Chapter 10.70 (Trip Reduction and Travel Demand). The Proposed Ordinance is Exempt From the California Environmental Quality Act (CEQA) per Section 15061(b)(3) (FIRST READING: February 27, 2017 PASSED: 8-0 Tanaka absent)."
8. 1470 Monte Bello Road [16PLN-00180]: Approval of a Site and Design Review to Allow the Replacement of an Existing 24-foot Long Wooden Bridge Across an Unnamed Tributary to Steven's Creek With a new 45 to 50-foot Long Steel Bridge and to Construct a new 45 to 50-foot Long Steel Bridge Across Steven's Creek. Environmental Assessment: The Lead Agency, Midpeninsula Regional Open Space District, Prepared an Initial Study/Mitigated Negative Declaration, Which was Adopted by the District on March 9, 2016. Open Space (OS) Zoning District.
9. Approval of a Construction Contract With Alcal Specialty Contracting, Inc. in an Amount Not-to-Exceed \$364,728 to Provide Construction Services to Replace the Existing Roof at the Cubberley Community Center Auditorium Wing.
10. Approve and Authorize the City Manager to Execute Contract Amendment Number 1 to Contract Number C15157280 in the Amount of \$30,000 With Project Consultant David J. Powers for Historical Evaluation of Rinconada Park Additional Services; and Approve a Budget Amendment in the Capital Improvement Fund for Rinconada Long Range Plan (Project PE-12003) in the Amount of \$45,000.
11. Approval of a Professional Services Agreement With SRT Consultants for a Total Not-to-Exceed Amount of \$708,736 for Assessment of the City's Current Water System Configuration and Recommendations to Enhance the City's Emergency Water Supply.
12. Approval of Contract Amendment Number 2 With SP Plus in the Amount of \$368,390 for Additional Services for Parking Permits and On-site Customer Service and to Extend the Term of the Agreement to March 15, 2019; Approval of Contract Amendment Number 2 With Serco, Inc. in the Amount of \$751,224 for Enforcement of Evergreen Park-Mayfield Residential Preferential Parking (RPP) District and to

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Extend the Term of the Agreement to May 31, 2019; Approval of Contract Amendment Number 2 With McGuire Pacific Constructors in the Amount of \$181,035 for Construction Services for Evergreen Park-Mayfield Residential Preferential Parking District.

13. 429 University Avenue [14PLN-00222]: Adoption of a Mitigated Negative Declaration, a Mitigation Monitoring Plan, and a Record of Land Use Action Approving a Mixed Use Project With 28,547 Square Foot of Floor Area and two Subterranean Levels of Parking on an 11,000 Square Foot Site. Environmental Assessment: Mitigated Negative Declaration was Circulated From November 17, 2014 to December 12, 2014. Zoning District: CD-C (GF)(P).
14. Ordinance 5407 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Chapter 18 of the Palo Alto Municipal Code Making Permanent Interim Urgency Ordinance 5330 (Limiting the Conversion of Ground Floor Retail and Retail Like Uses), With Some Modifications; Extending the Ground Floor Combining District to Certain Properties Located Downtown; Modifying the Definition of Retail; Adding Regulations to Improve Pedestrian Oriented Design Standards in the Downtown; and Related Changes. The Proposed Ordinance is Exempt From the California Environmental Quality Act (CEQA) per Section 15308. The Planning and Transportation Commission Recommended Approval of the Proposed Ordinance (FIRST READING: February 13, 2017 PASSED: 6-3 Fine, Kniss, Tanaka no)."

Mayor Scharff: Moved by Vice Mayor Kniss. Seconded by Council Member Fine. Let's vote on the board. Council Member Kou, are you voting? That passes unanimously with the recorded no votes and one abstention.

MOTION FOR AGENDA ITEM NUMBERS 5-12, 14 PASSED: 9-0

MOTION FOR AGENDA ITEM NUMBER 13 PASSED: 5-3-1 DuBois, Holman, Kou no, Kniss abstain

Special Orders of the Day

At this time Council heard Agenda Item Number 2.

2. Proclamation of the Council of the City of Palo Alto Honoring Roy Clay.

Mayor Scharff: Mr. Clay, welcome. Thank you so much for coming. Right now we will proceed to the recognition of Roy Clay. If you could come up to the podium, Mr. Clay. Rob, do you have any further comments you'd like to make? No. I've asked Council Member Fine to read the Proclamation.

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Council Member Fine: Mr. Clay, we haven't met before. I'm truly honored to read your Proclamation just from doing a little bit of research. This is honoring Roy Clay. He read the proclamation into the record. Congratulations, sir.

Roy Clay: Thank you kindly. I've spent many nights in this building, many of which were enjoyable. I'm happy to come back after many years and to see Palo Alto become the City it is. I just simply want to say thank you kindly for recognizing me tonight. I'm happy to be here. Thank you.

Action Items

15. TEFRA HEARING: Resolution 9672 Entitled, "Resolution of the Council of the City of Palo Alto Regarding Conduit Financing for the Channing House Project Located at 850 Webster Street, Palo Alto, and Approving the Issuance of Revenue Bonds by the California Municipal Finance Authority for the Purpose of Financing and Refinancing the Acquisition, Construction, Equipping and Furnishing of Improvements to Channing House."

Mayor Scharff: Now, we move to the main event of the night, the TEFRA hearing. Does Staff have a presentation?

James Keene, City Manager: A very quick comment, as I understand, Mr. Mayor.

David Ramberg, Administrative Services Assistant Director: Good evening, Mayor and members of the City Council. My name's David Ramberg, Assistant Director of the Administrative Services Department and the lead department on the TEFRA hearing. I want to provide one correction for the record to the Staff Report on Page 2 of the Staff Report. This is Staff Report 7801. Page 2, the second paragraph under discussion references a publishing of a public notice. There's no date in there. The correct date for the publishing of the public notice was March 3, 2017. It occurred in the *Palo Alto Weekly*. I wanted to make that for the record. Thank you.

Public Hearing opened and closed without public comment at 6:45 P.M.

Mayor Scharff: Thank you very much. Now, we'll open the public hearing. Do we have any speakers? Seeing no speakers, we'll then close the public hearing. We come back to Council for Motions, comments, whatever you want to do. I see no lights. It'd be nice if someone moved the Staff recommendation.

Council Member Filseth: So moved.

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Council Member Wolbach: Second.

MOTION: Council Member Filseth moved, seconded by Council Member Wolbach to adopt a Resolution approving the issuance of the bonds by the California Municipal Finance Authority (CMFA) for the benefit of Channing House (Borrower).

Mayor Scharff: Moved by Council Member Filseth, Staff recommendation, seconded by Council Member Wolbach. If we could vote on the board. That passes on an 8-0 vote with Vice Mayor Kniss not currently present.

MOTION PASSED: 8-0 Kniss not participating

16. PUBLIC HEARING: Comprehensive Plan Update: Public Hearing on the Supplement to the Draft Environmental Impact Report and Revised Fiscal Study; Council Discussion and Direction to Staff Regarding a Preferred Planning Scenario; and Council Discussion and Direction to Staff Regarding the Organization of the Comprehensive Plan.

Mayor Scharff: Now, we move on to Item 16, which is the Comp Plan discussion. We have a Staff Report. As soon as you're ready.

Hillary Gitelman, Planning and Community Environment Director: Thank you, Mayor Scharff and Council Members. I'm Hillary Gitelman, the Planning Director. I'm joined by Elaine Costello, our Project Manager on this project. We will shortly be joined by Joanna Jensen from our consultant, PlaceWorks. She's on the road. Tonight, we're here to talk about the Comprehensive Plan Update, which we have done, as you know, many times. Specifically, this evening we're asking the Council to conduct a public hearing and receive comments on the supplement to the Draft EIR. We are also hoping the Council will assist us in identifying a preferred scenario for description in the Final EIR. We've provided some recommendations on that based on your direction to Staff on January 30th and earlier. No final decision on anything is really going to be made tonight. This is for the purpose of gathering comments and direction on what should be in the Final EIR, not a final decision on what should be in the Comp Plan. We're also hoping this evening that we can clarify and receive additional direction from the Council on placement of programs in the Comprehensive Plan Update. In terms of some background, you all know that this process to update the Comp Plan started back in 2008. We've been going through a long series of twists and turns on the road. We're now at the point in the process where the Council is reviewing and refining the work products of the Citizens Advisory Committee, and we are concurrently undertaking the CEQA review process. It's really that CEQA review process that we're focusing on this evening when we talk about the supplement to the Draft EIR and the preferred

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alternative. Just briefly, the purpose of the EIR is to analyze potential impacts under the Comprehensive Plan that will be [video malfunction] scenario in the Final EIR. We will be explaining in that document how the Comp Plan that's adopted by the Council falls within the range of all of the scenarios presented. It's important to understand that the EIR and the preferred scenario are descriptive of the Comprehensive Plan Update and its impacts; they're not determinative. In other words, what you put in the Final EIR isn't an action that's an approval action. You actually will be taking a separate action to approve the Comprehensive Plan Update. That will be the determinant of what's in the Comp Plan for the next generation here in Palo Alto. The six planning scenarios that have been analyzed, the first four in the Draft EIR and the last two in the supplement to the Draft EIR, range in intensity—I'm just going to skip to that slide that shows all six of them together. You'll see Scenario 1 is intended to represent business as usual; that's what we project will happen in terms of growth here in Palo Alto if nothing is changed about the current Comp Plan, and we just continue on the road we've been on. All of the various Scenarios, 2, 3, 4, 5, and 6, test different ideas about slowing growth, adding housing, slowing job growth, focusing on sustainability and performance metrics, and things like that. We can come back to this slide later if you need a refresher on the assumptions and the characteristics of these scenarios. The supplement to the Draft EIR that we wanted to hear comments on this evening focuses on the last two Scenarios, 5 and 6, that were added by the Council. We've also updated some of the information in the Draft EIR from February 2016. We are right now in a public review period where we're accepting comments on both of the documents, the original Draft EIR from February 2016 and the supplement to the Draft that we published this February. Comments are due to the City by the close of business on March 31st. Of course, this evening's public hearing would be a good time for people to comment. We also have a hearing scheduled at the Planning and Transportation Commission next Wednesday, the 29th. Just at a high level, the supplement to the Draft EIR concludes that Scenarios 5 and 6 would not result in any new significant impacts that weren't already identified in association with Scenarios 1-4. Many mitigation measures would be required with any of the scenarios. We've worked on the wording of some of those mitigation measures to provide the Council with a little more flexibility when you're adopting the Comp Plan policy language itself but maintaining the effectiveness of those measures. The conclusions regarding impacts and mitigation measures for greenhouse gas emissions and the population and housing sections have been adjusted for the first four scenarios as well. That's explained in the document. We've also produced a revised draft of the Fiscal Study. If you recall, the draft Fiscal Study was reviewed by the Finance Committee the last time around, and then the full Council had an opportunity to review it. We have updated the Study to include responses to

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the questions that the Finance Committee raised and to include the additional scenarios. Bottom line is all of the six scenarios would have a tiny positive impact in terms of revenues, an impact on the General Fund. I think it's probably better to say the conclusion is they would not have a negative impact on the General Fund because the positive increase is so slight. Also, if you remember last time around, we were really focusing on trying to quantify the impacts and benefits of residents versus employees. The conclusion was that the expected fiscal benefit of a new resident, again, is slightly greater than the expected benefit from a new employee. I think our consultant will be here this evening to answer questions, if there are any, on the Fiscal Study. What we're looking for tonight, in terms of the public hearing on the EIR portion of the evening, any questions or comments from the public or from the Council on the methodology or conclusions of the analysis, anything about the mitigation measures we proposed, anything about the significant unavoidable impacts that will require a Statement of Overriding Considerations when the Council adopts the Plan. Those are specifically related to air quality and traffic. Any other topics or issues within the scope of the EIR would be welcome this evening. When we get through the public hearing process, again, we're hoping that the Council will help us shape the preferred scenario as it's described in the Final EIR. Essentially, the point of identifying a preferred scenario is so that we can demonstrate how the Comp Plan that's ultimately adopted falls within the range of scenarios that have been analyzed in the EIR. What we've done in your Staff Report is try to tease out from the Council's direction on January 30th and in previous meetings what the Council's direction has been and suggested to you what we think the preferred scenario might look like. The main characteristics that we're looking at are the number of housing units and, therefore, population, the amount of square footage, nonresidential square footage, the amount of jobs, and then other characteristics like transportation investments and zoning changes. Looking at housing. If you recall on January 30th, the Council asked us in the Comp Plan to eliminate the housing sites on San Antonio, which is not really transit accessible or not really well-served by transit, and instead increase densities in Downtown and near Cal. Ave. You asked us to look at adding housing sites in the Stanford Shopping Center as long as we preserve parking, in the Stanford Research Park, and near the Medical Center. You asked us to also pursue policies that convert some nonretail commercial, in other words office space, development potential to residential development potential. You asked us to bring forward policies that encourage a mix of housing types, including policies that support small units. If you kind of add all these policy directions up and compare them to the assumptions in the various EIR scenarios, our feeling is that the total would fall between Scenario 4 and Scenario 6. On the high end, those policies are very supportive of housing. We think they would fall on the high end of the range between Scenario 4

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and Scenario 6. Moving on to nonresidential square footage. We had a discussion with the Council about the growth cap that's in the current Comp Plan, Policy L-8, and got your direction about that. Basically, the Council directed us to update that cap and include 1.7 million square feet, which is what's remaining under the original cap, with some updates and changes to focus on office/R&D. If we do that—in our opinion it's what the Council has articulated—the way it would play out in one of the EIR scenarios is to really be like Scenario 2, which assumes 3 million square feet of nonresidential space. Of course, 1.3 million of that has already been approved at the Medical Center. Moving on to jobs. Again, the Council had a discussion about the office annual limit, which is the one policy lever we think of that can really contribute to the amount of nonresidential development that happens in Palo Alto over the next 15 years. I should say that job growth is one of the hardest things to project because—you know this—we don't always see a proportional relationship between new development and new jobs like we do on the housing side. It tends to be a pretty proportional relationship. On the job side, with economic cycles the employment density sort of wax and wane. You can have a lot of job growth even if you don't add a lot of square footage. It becomes a little bit of an art to try and project what job growth is going to look like. The office annual limit is one of those things that the Council has directed us to pursue as an Ordinance. That, we know, does have an impact on the amount of development that happens and, therefore, the amount of jobs. Just thinking about it big picture, our thought was that the preferred scenario, therefore, would fall between the job numbers for Scenario 2 and Scenario 3. These are the middle-of-the-road scenarios in the EIR. The Staff Report talks about some of the transportation investments that we think would be appropriate and the preferred scenario. This is based on the list that's in the Transportation Element, that the Council didn't quite have time to get to the last time we talked about it on January 30th. We're bringing that back to you on May 1st. Obviously, the Transportation Element is full of policies about reducing reliance on single occupancy vehicles and the like. We know all of that will be in the preferred scenario, but this is specifically a list of investment or capital improvements related to transportation that we want to try and refine with you this evening, if possible. If not this evening, then on May 1st. Similarly, there are a number of other zoning changes and policies related to sustainability. We would like to confirm with you whether these reflect your understanding of the direction we're going in and whether we can articulate them as part of the preferred scenario. This is really a three or four-part meeting. The last part of the Staff Report deals with this question about the placement of programs in the Comprehensive Plan itself. We provided some information in a memo to the Council just summarizing where we are with implementation programs. In the current Comp Plan, there are 266 programs. This is the second column there. This does not

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include the Housing Element. We have completed, since the Plan was adopted in 1998, about 40 of them. The new Comprehensive Plan Update that the CAC is working on at this point includes 368 programs, again, not counting what's in the Housing Element. This figure is updated from the number that was in your Staff Report because the CAC has a subcommittee that has already been working with Staff to try and consolidate programs. The Council made some recommendations about programs that could be eliminated when we met with you in January. The number is trending downward from the 400-something that was in your Staff Report. It's now at 368. There are two options for the Council presented in the Staff Report. The first option would implement your direction on January 30th and put the programs in an implementation plan at the back of the Comp Plan. We outlined some ways that we would recommend doing that in the Staff Report in the recommendation section. The second option is to reverse course and continue with the formatting that we've been using, that the current Comp Plan has the implementation programs both in the—implementation plan at the back of the book but also interspersed throughout the elements. Briefly on next steps. This evening, again, we're holding a public hearing on the supplement to the Draft EIR, and we'll have another hearing with the Planning Commission next week on the 29th, and then the comment period will close at the end of the day on March 31st. On May 1st, we're coming back to the Council to finish your work on your initial review of Land Use and Transportation. If you remember, we ran out of time at the end of the last meeting. We'll be back on May 1st with that. On May 15th, our plan is to bring to you the last three elements that the CAC completed, which is Natural Environment, Safety, and Business and Economics. We're hoping that period, mid-May, will conclude the CAC's work and you will be able to offer your thanks and acknowledgement of their work at your meeting of June 5th. June 12th, you'll review the last pieces before your break. We hope, at that point, you will refer the document to the Planning and Transportation Commission for their review over the summer. Just put our recommendations on another slide. Elaine and I are happy to answer any questions at this point about what we're looking for this evening. Of course, we look forward to the Council's comments and those of the public.

Mayor Scharff: Thank you very much. We have a bunch of different items that this can be broken up into. I thought, before we go to the public and before we take these individually, I know a lot of Council Members like to ask questions and get stuff off their chests. I think we'll have a 3-minute round, which we'll time over here. Please try not to go over your 3 minutes. I won't let anyone go over their 3 minutes. Ask questions or make comments or whatever you feel you need to do. I was going to actually start; I don't mind starting at one of the other ends and moving forward, if that's all right. Council Member Holman, would you like to go first?

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Council Member Holman: That's fine. Thank you. A couple of things. Scenario 6, we had—before you start the timer. Can we start now? Scenario 6, we had voted that would have 10 percent less square footage of commercial, but yet—this has been brought up before—the number of jobs are the same. Could you explain that?

Ms. Gitelman: I would have to go back in my notes to recreate exactly how we got to these scenarios. I believe it was with very specific direction and a very specific Motion from the City Council that directed us to include the square footage of 2.4 million square feet in both Scenarios 5 and 6 and, at that point, did not modify the job number downward. We as professionals still think that job number would be difficult to rationalize given the amount of office and other space that already exists in Palo Alto, and this phenomenon that I mentioned, that job growth is not just tied to new development space; it also has to do with how many workers are going into existing space. I know this has come up a number of times. These are the scenarios we've analyzed.

Council Member Holman: Maybe some of my Colleagues can recall. We did reduce the floor area ratio (FAR), the square footage of office in Scenario 6.

Ms. Gitelman: That's reflected in this number. 2.4 is the number that was directed by Council.

Council Member Holman: It's the same as Scenario 5.

Ms. Gitelman: they were both directed to have the same square footage. That reflects the Council's direction.

Council Member Holman: I have a different memory—I could be wrong—of that. In some of the things we have here—we recently, the majority Council, approved an ADU Ordinance that has not been analyzed in the EIR. It essentially is like a zoning change. Some people would say it basically changes much of Palo Alto to R-2 and allows a lot more housing density. Should that be included in analysis in the DEIR?

Ms. Gitelman: That's a really good question. We'll, of course, provide a complete response in the Final EIR. The scenarios did assume some evolution of the City's policies on ADU. If you recall, the Council had a Colleagues' Memo that had been referred to the PTC. When we were crafting scenarios, at least some of the scenarios assumed a policy to encourage additional ADUs. I think we're covered there.

Council Member Holman: There could be a case made also that that goes a lot further than what we probably anticipated happening because there's no

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minimize lot size now. A couple or three areas in the DEIR—I guess we're talking about anything.

Mayor Scharff: Council Member Fine.

Council Member Fine: Thank you. Thank you very much for the report and all this hard work. We're closing in on some choices here. Three quick questions. One, a number of cities nearby us have recently adopted amendments or new General Plans. I'm wondering if you can give us—I should have asked you this last week; my apologies—some ballpark figures on what some of our nearby colleague cities have done in terms of new housing numbers, new job targets in their Comp Plans.

Ms. Gitelman: I'm afraid I just can't do that off the top of my head. We'd be happy to get back to the Council on that and include that in the Final EIR as a comparator.

Council Member Fine: That'd be helpful if we can see ourselves, in the next meeting, in comparison to some of those cities. Two, I'm just looking at some of the provisions along Stanford Research Park and the shopping center potentially providing housing sites along El Camino and towards our Caltrain stations. I'm wondering are those additive to the Research Park's current commercial areas or would they subtract from it.

Ms. Gitelman: I think the suggestion was that it would be additive. In addition to the nonresidential development potential in the Research Park, there would be an encouragement or provision of residential uses in that area.

Council Member Fine: Thank you. Last question. When looking at the different scenarios, I really appreciated all the different EIR measures on them. One that stood out to me is Scenario 6, which has the lowest SOV trips, kind of the highest percentage of folks not driving alone. I'm wondering if you can figure out or explain why that is, what's helping to move folks away from cars in that scenario.

Ms. Gitelman: Thank you for that question. It's a good observation. I think all of the alternatives—the differences between the alternatives are pretty slight. As you observe, that alternative has a lower SOV rate. I will have to ask the transportation professionals who developed the travel demand model exactly which of all the levers they pull and push resulted in that outcome. We can get back to you and certainly respond to that in the Final EIR.

Council Member Fine: Thank you.

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Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: Quick question. On Slide 9, you have expected fiscal benefit of a new resident is greater than the benefit of a new employee in the City. Looking at Packet Page 446, it shows the marginal cost burden on the General Fund. Per resident, it's 382. Per employee, it's 258. Is it a typo on the slide or a typo in the book?

Ms. Gitelman: I'm sorry, Council Member Tanaka. I had trouble hearing your question.

Council Member Tanaka: On Slide 9 of your presentation, the fourth bullet says the expected fiscal benefit of a new resident is greater than the benefit of a new employee in the City. If you look at Packet Page 446, it shows the numbers, and they're different. It shows it actually costs more per resident than per employee.

Ms. Gitelman: I think this Packet Page 446 shows the cost burden to the City. The residents cost slightly more.

Council Member Tanaka: It costs the City more per resident than per employee.

Ms. Gitelman: Correct.

Council Member Tanaka: How come on Slide 9 you say just the opposite?

James Keene, City Manager: Aren't you building in the tax contribution from the different ... I would say in our situation, given the tax structure and the high property values in Palo Alto, the tax benefit that we get from a resident pushes that cost burden a little bit ahead on the employee side. In general, that's a departure from what the standard practice usually is in most jurisdictions that are very much due to both the situation with being able to collect property tax revenues from commercial in California and the high property values in Palo Alto for residential property.

Ms. Gitelman: When we get to the public hearing, our consultant who did the Fiscal Study is here and can answer further questions.

Mayor Scharff: Council Member Filseth.

Council Member Filseth: Thank you. When we do the Final EIR, there is some stuff going on with Stanford during the same timeframe, both the existing 2,000 graduate student expansion and the GUP expansion. What's the interaction between that and the EIR? Is the EIR going to consider that as well or how is that going to work?

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Ms. Gitelman: I'm going to start the response, and then I'll let Joanna Jensen, who's joined us, maybe polish up. There are really two responses to that. First, it's hard to—EIRs take a long to prepare. The rule basically is when you begin, when you issue your Notice of Preparation and start the process, you're required to use the information that is known at that time about the future. We did that. As you say, things have transpired since then, the additional housing units at Escondido Village and now the new GUP proposal. We do talk about cumulative impacts in this EIR in a non-quantified way. We've tried to draw a broad-enough net that we have some coverage for this additional development. Joanna, did you want to add anything?

Joanna Jensen, PlaceWorks: I think that's accurate. We'll be able to provide more specific quantification in the Final EIR about what is included in the cumulative impact analysis for the Stanford area.

Council Member Filseth: The Stanford expansion is like 4 million square feet or something like that. It's a lot. It's as big as another Downtown in Palo Alto. It's an outlier. It's a fairly material case. If we don't factor it in, the odds of us being off and skewed are pretty high. I understand the issue.

Mayor Scharff: Vice Mayor Kniss—Vice Mayor Kniss, sorry.

Vice Mayor Kniss: Earlier today Ms. Gitelman, we had a conversation about numbers. I thought if we looked at the past briefly, that might help us predict the future. My recollection is in 1970 we had around 55,000 people, as we did in 2000. By 2012, we had about 65,000 people. We've had one period where we've jumped ahead almost 10,000 people. My question back to you was how many houses were built during that time that accommodated an extra 10,000 people. Roughly, I know it doesn't quite go in 10-year increments.

Ms. Gitelman: I'm not going to be able to answer with specificity. We do have a range of assumptions here. Scenarios 1 and 2 reflect our long-term average in terms of producing housing units. There have been some periods in Palo Alto where we've produced housing units at a faster rate. The period from 1998 to 2006, we produced over 200 units per year; 214 was the number. Overall in this period that we look back on, it was about 180 units per year. Again, the scenarios reflect that; although, some of the higher scenarios go beyond our historic average by quite a bit.

Vice Mayor Kniss: My point being that even in that period of time—I know in 2008 or 2009, somewhere in that period of time, it was perceived that we built a great deal of housing in Palo Alto. Yet, it doesn't sound as though it ever averaged over about 200 houses a year. Is that right? As we look at

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this tonight, I know there's a lot of hope about more housing. I'm delighted we've added the ADUs. Unless things change dramatically—we'll probably discuss that during the evening—it's difficult to find the land, the permits and so forth to go over that 200, I think you said. Maybe one year there was actually 241 homes built. That was probably an unusual year. I've run out of my time. Thanks.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: David, if you could put up those slides I sent you. In order to create a readable document and to ensure some options for the future, I suggested in January that we do with the Comp Plan what we decided to do with the S/CAP, the Sustainability/Climate Action Plan, namely to maintain the programs in the implementation plan, which would be—I'll take credit for not being very clear about this in January—which we could then update every 5 years as appropriate. That's what we thought was a good idea with the S/CAP. I thought why don't we do it with the Comp Plan too. However, given the number of excellent conversations with members of the CAC and the general public, I have come to view the best step for this Plan is to keep the programs in the Comp Plan main body, directly following the policies with which they're associated. This was not because of the inaccurate op-ed by a Colleague nor misrepresentations by a past Mayor who badgered CAC members. My mind has been changed because of reasoned, civil discourse. We've had a vibrant set of discussions over the last couple of months about what programs do and should do in the Comp Plan, where they should be placed, and how future Councils can lean upon today's guidance while retaining the capacity to adapt to changes in technology, economy, climate, and the community in the future. The State of California has a guidebook on how to write a General or Comprehensive Plan. The idea of having us review and update the programs every 5 years is clearly supported by State guidelines and, in fact, they go further by calling for annual program review and for a 5-year review and revision of the entire Comp Plan. If you were to look at Page 14 of the State of California Office of Planning and Research General Plan Guidelines from 2003, it says the General Plan should be reviewed regularly regardless of its horizon and revised as new information becomes available and as community needs and values change. If we could go to Slide 2. The California OPR says that we should review and amend programs annually, which is five times more often than I think we need to, but that's the State guidelines. That's on Page 46. If you go to Slide 3. The State says we should actually review and revise the entire Comp Plan every 5 years. Again, this is not what I'm recommending. It's not what I recommended in January. Again, given the conversations we've had, I'm fine with leaving the programs in the main body of the Comprehensive Plan. When it comes time for making motions,

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I'd be happy to make a Motion to keep the programs prominently in the main Comp Plan text. I think it's important for us all to remember, whichever programs we personally have our hearts set on—I like a lot of them—according to State guidelines, this is meant to be a living document. Thank you.

Mayor Scharff: Thank you. Council Member Kou.

Council Member Kou: Having worked on the Comp Plan, I would find it hard pressed to find any members of the community who wants to revisit it every 5 years. My question is mainly how much interaction and communication have you had with the schools in terms of looking at all these numbers that are coming up with the growth rate.

Ms. Gitelman: Let me start that, and the City Manager Jim Keene had a recent communication with the School District as well. Our consultant team and Staff coordinated with the District when we were preparing the analysis in the EIR. In fact, the student generation rates that we used reflect updated information from the District. We did coordinate with them. I know we've gotten some comments from members of the School Board today we're happy to respond to. I think there are responses, and we can respond in more detail later this evening if you have specific questions about those remarks. Jim.

Mr. Keene: Thank you. If I could just add to that. I got some word from Staff and others—actually at the Barron Park neighborhood meeting this weekend this question came up. I called the Superintendent just to check in with him today, and he did mention that they were not going to be able to be here at the meeting. He did really express a desire to be sure that there was an opportunity for their staff to meet with us prior to the Council really taking particular action, so that they had a better understanding of the implications. I did share with him the fact that, even though the Council has the hearing tonight, our current schedule has us taking comments through March 31st. He was heartened to know that they had that opportunity. I would expect we will get some—we'll meet with them in this next 10 days. I think they'll have some opportunities to submit some of their written comments. That being said, Hillary later on may ultimately go in more detail about even the subsequent interface, coming back to the Council on the Land Use and Transportation Elements in May, where in addition to what you're going to deal with in the Final EIR, there will be the chance for the Council to give further direction.

Council Member Kou: I just want to ensure that with Palo Alto's rate of growth we have to also take into consideration the Stanford GUP, where

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they have a whole bunch of housing coming up as well. That's a large number for the schools to accommodate.

Mayor Scharff: Before we get to Council Member DuBois, I wanted to tell everyone we're right at the cusp of where I would go from 2 minutes to 3 minutes. At the moment, I'd still give 3 minutes, but I want to see how many people we put in. That means I want you all to get your speaker cards in, because I don't want to have to make the decision between 2 and 3, and then not see how many speaker cards I have. If everyone could put their speaker cards in now, I'd appreciate it. Council Member DuBois.

Council Member DuBois: Several questions, so short answers are appreciated. How will significant impacts in the EIR be determined when we're mixing and matching? There are several that say they have significant impacts. If we pick the largest jobs growth and the largest population growth, how will we know if that triggers immitigable impacts?

Ms. Gitelman: That's really one of the reasons we're hoping the Council will give us some direction this evening on the preferred alternative. Once we know what it is, we want to do a confirming check and analysis to make sure we're still falling within that range. That's part of the reason why we'd like to move forward on this discussion this evening, because we have some work to do to put together a Final EIR and confirm that we haven't broken out of the brackets that we set in the documents before.

Council Member DuBois: You kind of touched on this, but it's still not clear. We had this 2014 Notice of Preparation. We've included some updates. How are you deciding what to include, things that have changed? We added the S/CAP impact, I think. What are we including, not including as we update?

Ms. Gitelman: We've tried to include in the scenarios changes in policy and direction that came from the Council. Where we couldn't possibly make sure to capture everything is changes in the external world. Really the CEQA law is pretty specific that once the EIR process is underway, you just can't change your assumptions every time the outside world changes. We can do what we can, but ...

Council Member DuBois: I would echo Council Member Filseth about very large impacts. Just real quick to react to Council Member Wolbach, that was kind of a false accusation. I don't think my op-ed was inaccurate. The video record will show that the motions were clearly made to remove the programs from the Comp Plan. Explicit statements were made that only those that were legally required would be part of the Comp Plan. The process used at that meeting of needing five votes to discuss an item is not

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our practice. It's clearly against our established protocols. I think it was clear that the community was blindsided by that late-night Motion. I'm happy to hear that you've reconsidered it. Thanks.

Mayor Scharff: Now, we'll move to the public. We probably have a long night towards us. I'd like to move to the public. We now have reached the threshold. Everyone will have 2 minutes. Are you going to put it up on the board?

Council Member Holman: Mayor Scharff, can I ask a procedural question?

Mayor Scharff: Yeah, sure.

Council Member Holman: Among the things that are on our agenda tonight, which are myriad, I don't see commenting on the programs. We were starting to do that at the last meeting but ran out of time for both Land Use and Transportation. I don't know if we're going to do that tonight as well because the CAC is going to take those up just this next week.

Mayor Scharff: Let me answer your question.

Council Member Holman: Please, and put them in some kind of order of priority about what we're going to do. I ...

Mayor Scharff: In fact, it's probably worthwhile to go through how I anticipate the evening going. I think that might help everyone. To Council Member Holman's question, this is coming back to us on May 1st where we'll have an opportunity to comment on the programs in the Transportation Element and the Land Use Element. There will be other opportunities as other things come back to us to comment on the programs in other elements. We don't need to do that tonight in terms of Transportation or the Land Use Element tonight. We'll do that on May 1st.

Council Member Holman: It wouldn't be—appreciate that. Also, look to the Director just real quickly. Any comments we would make tonight isn't going to affect one way or the other what the CAC does this next week in working on programs?

Ms. Gitelman: The CAC is scheduled to meet tomorrow night. Among other things, they'll hear a presentation or summary of what the Council's direction was this evening on the programs. We're also asking the CAC to help us identify programs that can be consolidated and to help us by indicating what they would recommend the prioritization would be. That information, of course, will come to Council like all of the CAC's recommendations at some point for your review.

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Council Member Holman: Apologies for the follow up. If we don't give the CAC some comments about what we want included or not included without wordsmithing—obviously we don't want to do that—this will be the last time they look at, I would presume, the Land Use and Transportation programs. I'm a little bit unclear yet how this is a coordinated effort.

Mayor Scharff: To your question, Council Member Holman, I think the purpose is for the CAC to go ahead and come up—they give advice to Council, and then it comes back to Council, and then Council decides. We shouldn't be giving direction to the CAC on the programmatic tonight. We're basically looking for them to come up and give advice to us, and then we go ahead and make the decisions when that comes forward to us on May 1st. It may take another meeting; I don't know. I assume we can get it done on May 1st. If it takes more time, we'll just have more meetings.

Council Member Holman: I saw it as different the previous time, so maybe we've changed direction a little bit.

Mayor Scharff: To your other implied question, which is a good thing, we really have what I'd call—let's see—four items tonight before us. Item Number 4 is clarify and provide direction regarding the placement of programs in the Comprehensive Plan. We'll take that up. I think we'll take that up right after the public speaks. We'll move on to Items Number 1 and 2, which I believe we can take up together, which is the Fiscal Study and comment on the EIR. Feel free to speak on that. I'm hoping, frankly, that we can limit Council Member comments on that to somewhere between 5 and 8 minutes if we're going to get through this tonight. When I add up the time on these four items, I come up to about 1:00 unless we're somewhat succinct on this. If we can try and limit it to 5—I'm not going to cut you off after 5 minutes, but I wanted you to try and think about that a little bit. We're going to move to Item Number 3, which will be the last item, which is identify the preferred scenario. That was the plan for the evening. Hopefully that works for everyone.

Mr. Keene: Mr. Mayor, if I just might repeat. That sounds like a good structure to me. The Mayor is speaking to the Staff recommendation, the way it's organized, on Page 1-4 or Packet Page 388-391, for folks to be able to track. Thank you.

Mayor Scharff: That was very helpful. Thank you. Now, we'll go out to the public. They're all in here; it's up on the board. You'll have 2 minutes. Neilson Buchanan to be followed by Herb Borock. Do we have Neilson? I guess we lost Neilson, so Herb Borock. I'll come back to Neilson if he shows up.

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Public Hearing opened at 7:29 P.M.

Herb Borock: Thank you, Mayor Scharff. I had sent you a letter earlier this afternoon. Those of you who haven't had a chance to see it yet, it's in the compilation, which has this list of 37 names on the front. It's a little bit past the halfway mark. It describes the relationship of programs to the other items in the Comprehensive Plan, goals, objectives, and policy. Council Member Wolbach was helpful in indicating that he now wants to have the programs in the body of the text of each element. What I have provided you in the letter is background with the definition of various terms, such as goal, objective, policy, and program, from the California Planning Roundtable's glossary of planning terms, whose primary author was our first Director of Planning and Community Environment, Natalie Knox. As you know, we have a Housing Element that's been approved by the State with a certain number of units already through 2023. That's organized in the same way. I don't believe it's appropriate for the Plan to have vision statements. This is not about something that we think may never happen, but rather about development through a specific period of time. In regards to the housing allocation set by the State and by ABAG, we'll essentially have a check-in point somewhere in the middle of the current Comprehensive Plan, in 2023. Perhaps the EIR can be looking at how that time point can be used in determining decisions to go forward rather than having a firm number of units past that date. I'll give it to the Clerk to hand you copies of an excerpt from that letter on the definitions.

Mayor Scharff: Thank you. Hamilton Hitchings to be followed by Bob Moss.

Hamilton Hitchings: The following are my personal comments. Many people have expressed the desire to focus on housing rather than office. Housing is the primary limiting factor for regional job growth. New office development removes sites and square footage that could be used for housing. San Jose continues to remain a better-suited place for job growth because of its superior transportation infrastructure and location to support it in a way that Palo Alto will never be able to match. Every time you allow more office growth, such as by removing the limit on office growth Downtown or watering down an office cap with multiyear rollovers, you're reducing the rate and amount of housing that will be built in Palo Alto. The EIR makes optimistic assumptions about transportation infrastructure, such as a 45 percent reduction in peak car trips Downtown via a TDM. Let's not base growth plans on best case scenario assumptions to support a 21 percent population growth in 15 years. The programs in the Transportation Element do take a step towards that. I'm encouraged to hear that we might put them back. I would be very appreciative if we do. I was particularly concerned about the Safety Element. In the Safety Element, safety is

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actually in the programs. It's not so much in the policies. I want to thank you for continuing to listen to the public. Thank you.

Mayor Scharff: Thank you. Bob Moss to be followed by Mark Mollineaux.

Robert Moss: Thank you, Mayor Scharff and Council Members. First, I found the statement in the Staff Report that none of the scenarios will have any fiscal impact to be very strange. As all of you probably know, every housing unit costs the City more for services than it pays in taxes. The City Manager has even given you some data on that several years ago. His figures were \$2,800 a year per housing unit. When we incorporated Rancho Palos Verdes, I did a similar study. At that time, 45 years ago, the net cost was over \$750 per housing unit per year. Even if you just talk inflation, we're in the same range, \$2,500-\$3,000 per year. If we add 4,000 housing units, the net cost to the City will be more than \$11 million per year. If we add 6,000, it will be more than \$16,000 per year. That is not taken into account anywhere. The traffic counts. You look at the table, and it talks about a lower increase in traffic with 6,000 units than 4,000 units. The only way that happens is if the new process that's being worked on secretly by Google really works, teleportation. The actual number of housing units is going to increase the number of car trips by at least eight car trips per unit per day. That's a real number. If they're single-family housing units, it'll be ten car trips per day. That's not taken into account. You have letters from School Board Members about the impacts on the schools. That is also going to have an impact on traffic. That's not taken into account. This study needs to go back for an awful lot more work.

Mayor Scharff: Thank you. Mark Mollineaux to be followed by Grant Dasher.

Mark Mollineaux: Hi, there. My name is Mark Mollineaux. I graduated from Stanford. The basic task here is to allocate the land of Palo Alto and allocate something which is intangible, which is the right to build something that doesn't exist but is just given by the Council to create a functioning community. You have to look at how well this works. There's a lot of different ways we could be doing this. The way Palo Alto does it, we have a Comprehensive Plan, and then you have an approval process. I would just say it doesn't work. If you look at the basic ways you can score how this works, what do you need out of a city? You need a city that has affordable housing, that funds its own infrastructure, that allocates scarce resources such as water, that doesn't have too much congestion, that is functioning economically. In some of these, Palo Alto does very well. In most of these, especially housing, Palo Alto is one of the biggest failures in the country. This is showing some ability to change, but I would say not nearly enough. I

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would just say the overall system just makes it so. Bob Moss a few seconds ago saying that new housing won't fund its own infrastructure, that's not really true. The overall average includes the fact that so many residents are subsidized through Prop. 13. New houses pay for more than their share. He does a make case. Prop. 13 limits how much every bit we allocate land can fund itself. This is large, structural changes that really we need to work with Sacramento to fix. I appreciate the challenge to all of us, but I just think we have to look at new solutions. Thank you for your time. Option 6 is obviously the best of what we have here, but it is clearly not enough. Thank you very much.

Mayor Scharff: Thank you. Grant Dasher to be followed by Betty Jo.

Grant Dasher: Hello. I'm Grant; I live in Midtown. I wanted to make two quick points. First, on this implementation plan debate, I never really understood exactly why so much political energy was being wasted on this on both sides. It really distressed me, the whole debate. It felt more like national politics than it did like local politics that I like. I'm glad we seem to have come to kind of a compromise to defuse this as a political issue. It felt really more like a political issue than a policy issue. I'm really quite heartened to see some sort of stand-down on that front. On the substance of the policy here tonight, even though we are addressing a descriptive question, the question here is not how many housing units should we build, but rather how many housing units do we think the policies that we're setting out will build. I do think it has a normative component to it that can't be overlooked, which is to say these Comp Plan policies are pretty vague, like everyone will use them to justify whatever their preconceived growth plans are regardless of what they say. The assumptions that we state, that we are purporting to believe in, in the EIR demonstrate what we want the Comp Plan to mean. I would strongly encourage the Council to adopt at least the 6,000 unit growth proposal from Scenario 6. To Vice Mayor Kniss' point that maybe it's over overly aggressive, that's probably true historically. If we really are serious about densifying Cal. Ave. and the Downtown areas to support housing growth, it's a pretty reasonable number, especially compared with, say, North Bayshore in Mountain View, where I work, which is proposing 10,000 units over their planning window. There is a normative impact to what we choose in the EIR, even though it's just a descriptive decision. I would encourage the Council to support going big on housing since we've said politically that's what we want to do, but the details matter.

Mayor Scharff: Thank you. Betty Jo to be followed by Tiffany Griego.

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Betty Jo: I appreciate Mr. Hitchings and Mr. Wolbach's comments. I request that the Council reconsider the action stripping the programs from the Comp Plan elements with neither consideration nor debate. Unlike the previous speaker, I think it is important the manner how the Council makes its decisions. The way this decision was made dismisses the value of collaborative and consensus-driven government, as demonstrated by the City's Citizens Advisory Committees and Commissions. This is our democracy, and we ought to stand up for it. The Council's wholesale removal of programs to appendices rejects out of hand without public debate years of work of City Staff and citizen volunteers to develop a proactive plan with policies and programs to address the issues of greatest import to our citizens. The Citizens Advisory Committee recommendation considered programs and policies together because one informs the other. It was further not only the hundreds of hours of collaborative effort by Staff and CAC members that were disregarded by Council actions in January, but also all the other Palo Alto residents who are represented by them, citizens who take to heart the importance of participatory democracy. I fear both Council and community will rue the day when such cavalier disrespect for both democracy and citizen participation drives away those volunteers who do so much to make this a community where we wish to live. Why should any answer calls to donate their time and effort providing volunteer staffing for all the Commissions you recruit for and the City depends upon? I appreciate the efforts of citizen volunteers on our City Commission, Committees, Boards, schools, and services. I value the quality of the work product produced by the CAC, and I want and expect and hope the City Council will respect it as well. Thank you.

Mayor Scharff: Thank you. Tiffany Griego to be followed by Greg Schmid.

Tiffany Griego: Good evening. My name is Tiffany Griego; I'm Managing Director of Stanford Research Park. We have now thoroughly reviewed the preferred scenario as described in tonight's Staff Report. As we discussed on January 30th, Stanford and the Council have a shared vision of encouraging a mix of uses in the Stanford Research Park. Where we see great opportunity in the preferred scenario is the encouragement of housing in the Stanford Research Park in close proximity to jobs and to transit. We are further encouraged by the fact that the proposed scenario does not include certain regulations or policies that I fear would have been detrimental to the economic vitality of Stanford Research Park. As several of the Research Park employers and as I said to you on June 6th of 2016, last year, the Research Park employers and I were concerned about Conditional Use Permits and other similar mechanisms, regulations, and fees designed to control the number of employees a business can hire in Palo Alto or to control the proportion of office versus R&D uses in the Stanford Research

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Park. Stanford expressed our concerns that proposed employee headcount caps would have had unintended consequences of undermining the ability to attract the employers that support long-term economic vitality and stability in our Palo Alto. Predictable Comp Plan policies and zoning Ordinances have attracted newcomers like Tesla, Ford, and Jazz Pharmaceuticals and have been Palo Alto's vital contribution to the success of the Research Park. One additional item that I did want to bring to your attention tonight in the proposed scenario is language that supports the conversion of nonresidential FAR to residential FAR. When discussing our shared vision for the diverse mix of uses in the Research Park, it was our intention to express additional or supplemental housing growth on top of commercial growth. I wanted to make sure to make that clear to you. We ask that you take an action to make that clear, that any housing in the Research Park would add to and not subtract from any commercial growth that is currently available under current zoning. We will also submit some additional comments in writing by the deadline. Thank you very much.

Mayor Scharff: Thank you. Former Vice Mayor Greg Schmid to be followed by Bill Ross.

Greg Schmid: Good evening. It is a great opportunity for the Council who's now beginning to look across the elements, looking for consistency. It's important to be explicit in that consistency. I'd like to just spend my time talking about the 3 million job growth in the new Comp Plan. Three million is a lot; 1.3 is already voted on, but that doesn't mean that the impacts have been felt yet. They will be felt during the course of the new Comp Plan. The 1.7 by itself is twice as high a growth rate in new commercial square footage as was true between 1989 and 2015, twice the rate of growth. Already you have spent time in the last few weeks looking at TMAs, RPPs. How do we deal with the existing problem of traffic and congestion? The City themselves have been monitoring in the Downtown area congestion, and they admit there are 770 spaces needed in the residential areas to fully park. When they asked for commercial permits in the residential area, they asked for 1,400. Even dealing with the current situation costs money. Where does the money come from? The only effective TMA in the City is the SUMC, in which Stanford Medical Center has pledge \$2.5 million per year to make it work, to get one-third of the people out of cars.

Woman: Can you speak louder?

Mayor Scharff: Thank you very much. Bill Ross to be followed by Don McDougall.

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Bill Ross: Good evening. My comments focus on the proposed draft supplement to the DEIR, which on Page 4 incorporates the reference to that document. A review of that document would indicate that it does not contain a current, accurate project description reflecting your actions of January 30th. For example, in looking at the Action Minutes, Attachment F to the Staff Report, at Page 11, there's no indication of the action required by a Board majority of Wolbach, Kniss, Scharff, Fine, and Tanaka, directing Staff to remove from the final draft of the Comprehensive Plan all programs from the Land Use Element not required by State law and to take them up at a later time. There are four other substantive Council actions that affect the project description, that is the substantive content of the Comprehensive Plan. I would also ask—I think there's another person that has yielded their time to me. If you examine the substantive sections of this supplement, those project changes aren't set forth. This is true with respect to the executive summary, the introduction, the project description particularly. If the project description is not accurate, then the alternative sections, .6, .1, is also inaccurate because you have no way to determine what's a reasonable alternative. The same is obviously true with respect to the traffic section. I would respectfully suggest that the appropriate action is to get a proper project description in the supplement to the Draft EIR for the project before you proceed. Right now, those substantive changes aren't reflected there. How can any member of the public much less members of your Council comment on that supplement to the DEIR?. Thank you.

Mayor Scharff: Thank you. Don McDougall to be followed by Ken Joye.

Don McDougall: Mr. Mayor, Council Members, good evening. All I want to do tonight is comment, in the time I have, on the programs and the allocation of the programs. As I've said and as I've written, the draft of the Comprehensive Plan that we have today represents a great deal of time, effort, and thought and compromise and an awful lot of broad citizen input. I think it is a good and complete work as it is. It is a strong guideline. A guideline, not rules, for action. It's not something that has to be followed. I'd like to urge Council to, number one, keep the number of programs that are already there, maybe even some of the deleted ones. Keep the programs with the policies. That's the way we developed them in the first place. Repeat the programs in an implementation section and element if that's necessary and useful. Lastly, I would say properly finish the Plan not by trying a prioritization but, in fact, defining which programs would be reviewed and initiated or deleted in 1, 5 or 15-year periods. In terms of the number of programs we have, I'll share my analysis with you. It's not as dire; it's not as large as you think it is. The places where we have added more programs should be informational to the Staff, the Council, and even the citizens. We've added programs in Community Services because this is

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a much more compassionate Plan than we had before. We added them in Transportation because that's what everybody talks about, reducing single occupancy vehicles. We added them in the Natural Environment because we understand the natural environment and the importance of the urban forest and water and energy to our City. I urge us to simply go ahead, put them into timeframe buckets, initiate the review process, and get on with using the Comp Plan as it is. Thank you.

Mayor Scharff: Thank you. Ken Joye to be followed by Arthur Keller.

Ken Joye: Good evening. I'm a resident of the Ventura neighborhood. I want to thank the CAC, Staff, and consultants who have worked on this Comprehensive Plan. It's a gigantic effort, and I appreciate their work. I have taken one thing primarily from that, which is the jobs/housing number. I encourage you to make that number as small as possible. Thank you.

Mayor Scharff: Thank you. Arthur Keller to be followed by Andrew Granato.

Arthur Keller: Thank you, Mr. Mayor, Council Members. Firstly, Dan Garber and I as co-chairs submitted a letter to Council, which didn't seem to make it into your Packet. Can I give it to Staff? The next comments are going to be my personal comments. First, I have a concern about the impacts on schools and that we're not really taking into account how many additional schools we'd need, how much crowding we'd have on these schools. As I long say, we can build two-story school buildings, but we can't build two-story playing fields. I have concerns about adding more jobs and increasing the employed residents under the various scenarios. I actually have concerns about choosing a scenario before all the comments of the DEIR have been in, which isn't until about 10 days from now. I didn't hear it, but I read the comments and the reports of the State of the City address, where Mayor Scharff promised that single-family residential neighborhoods would stay the same. That won't be the case with the increases in FAR and lot coverage and reductions in setbacks that were proposed by certain Council Members for accessory dwelling units. I also have concerns about overly optimistic and unproven traffic reduction predictions and our predictions in terms of vehicle miles traveled. Our predictions—I didn't see in terms of LOS—in terms of this, were based on a Downtown TMA that has not proven itself, of TDM programs where we haven't enforced them ever except for the Stanford Medical Center. Therefore, essentially we need to prove and show that these work before we can rely on them. Thank you.

Mayor Scharff: Andrew Granato to be followed by Stephen Levy.

Andrew Granato: Hello. My name's Andrew Granato. I'm an undergraduate student, who has been writing about housing politics and policy in Palo Alto

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and the Bay area for the past year. I'd like to speak strongly in favor of Scenario 6. If anything, I would go further in increasing the number of housing units in the Palo Alto area. As has been said before, Mountain View is adding about 10,000 housing units in North Bayshore. I certainly think it's feasible for Palo Alto to add 6,000 units, especially given the height limit and the opportunities, including in the Stanford Shopping Center. This year, me and my fellow seniors are going on our first job hunts. What I hear from a lot of people is that they would love to be able to join local Bay area communities and become part of those communities and support them, but they simply cannot afford to stay in the Bay area. The only exceptions being people who are going to be making extremely high salaries just out of undergrad, salaries that are way up on the tail of salaries in the United States, and that a vast majority of people do not have. Because housing prices are after all at the end of the day just a function of housing supply and housing demand, the cumulative effect of the Bay area's housing restrictions has been the kinds of prices that we've seen in Palo Alto and across the South Bay in particular, which also has the effect of disproportionately locking out Black and Latino citizens who elect to contribute to these communities as well. I do think it's very important that Palo Alto and other South Bay communities do their part to make these places more accessible and affordable. I urge Palo Alto to adopt Scenario 6. Thank you.

Mayor Scharff: Thank you. If we could have Stephen Levy, to be followed by Penny Ellson.

Stephen Levy: I'd like first to respond to Liz's question about how could we build so many more units than we did in the past. Both Tiffany Griego and Hillary laid that out. We have so many different areas and policies now, the Research Park, the Medical Center, El Camino, your action on accessory dwelling units, and the idea of converting not in the Research Park but in Downtown and Cal. Ave. some commercial FAR to housing and mixed use. We can do a whole lot better. Can we do 6,000? I don't know. Some number between 4,500 and 6,000 certainly seems possible if we want to do it. Jim, after hearing that school discussion, I went on my iPad. When you sit down with them, they need to know that DOF is projecting that this County will add 300,000 people between 2015 and 2030 and have 100,000 fewer students. I think the idea is they only looked at the added units; they didn't look at the reduced number of children that would be in the existing units from aging and falling birth rates. I just tell you that that finding is way different than what is projected for this County. On the Comp Plan, I hope, Cory, when you make the Motion you add some of the things that we've heard, that the programs go under the policies, that Staff be encouraged not to dismantle but to consolidate a whole bunch of programs

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under a heading. For bicycles, we probably don't need 20; three or four would do and keep that breadth. I don't know. I thought your idea about priorities and flexibility and coming back to it every year was pretty good. Given that, I don't much care where they go as long as they aren't overwhelming, they're under the programs. One last thing. We asked somebody from the League to come and read that letter. We told them it was 8:00; if they come here before public comment, please let them read the League's letter.

Mayor Scharff: Thank you. Penny Ellson to be followed by Jeff Levinsky.

Penny Ellson: You'll be glad to know that I checked a whole bunch of things off my list because other people have said them. A couple of things. I first of all want to say I'm glad to hear that a lot of people are thinking about school impacts. That's a good thing. I also have some concerns about overly-optimistic projections on TDM opportunity. I think we should really look carefully at that. I wanted to thank Council Member Wolbach for listening to the public. I listened to a lot of you. I called some of you to understand about the programs and your thinking around that. I have to say that the programs belong with the goals and policies. I remember the first time I read the Comp Plan. It took me a long time to get to the appendix. I think this is a document for the citizens as much as it is a document for you on the dais and for our City Staff. It's important that it's accessible for people the very first time they come to it. I'm glad to hear that. I hope you'll keep the programs in there. Finally, I want to comment that when I took a look today at the changes in the Comp Plan, I noticed—I have to sum up—that taking the programs out really created a lack of alignment between the Land Use and Transportation Elements. That's my final reason for keeping that in there. There are some details on that. I had one other thought, but it's gone now. Thank you.

Mayor Scharff: Thank you very much. Jeff Levinsky to be followed by Katie Talbot.

Jeff Levinsky: Good evening, Mayor Scharff and Council Members. Just a few years ago, the Council and City Staff sent a letter to ABAG that pointed out adding 2,860 units was "completely unachievable." It called such a goal "an exercise in futility," citing impacts on neighborhoods and infrastructure. It said the effect on our schools "cannot be accommodated." Why tonight are we even talking about such growth or more? You can look at my neighborhood as a good example of what happens when the City believes it can ignore these realities. We were promised for the Edgewood Shopping Center that putting in new housing in the parking lot would not impact parking. Yet, it has. Even with the center half occupied, parking there is so

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bad that it turns out the owner, Sand Hill Properties, secretly asked the City to let them put cars onto neighborhood streets without, by the way, notifying neighbors. We were told traffic wouldn't be a problem, but the neighbors all point out how bad it's become. Most ironically, we were told that adding housing would help, but it turns out the houses that were added sold for about \$3 million each, more than the cost of the single-family homes around them. It actually made affordability worse. In summary, the City in the past did not think we could grow much. When we were promised growth that wouldn't impact parking, traffic, or affordability, the City was wrong on all three counts. Please remember that tonight. Thank you.

Vice Mayor Kniss: If any of you have not turned in your cards yet, could you turn them in now so that we can add you to the list and have some kind of tracking of how many will be speaking tonight? Thanks. Katie Talbot.

Katie Talbot: Good evening. More and more people want to live in Palo Alto because it is beautiful, it is filled with interesting people, it is a home of innovation. Some people want to live here because it's home. For whatever reason, Palo Alto needs a lot of housing, a lot more housing. When you're planning for that housing, I am going to ask you to keep in mind the needs of your most vulnerable population, the developmentally disabled. They grew up here. They're members of the community, and they add lots of diversity and vibrancy to the community. Palo Alto has a persistent problem with housing the developmentally disabled. I hope that you will consider that when you are looking into your housing discussion here. Thank you very much.

Mayor Scharff: Thank you. Amy Sung to be followed by Annette Ross.

Amy Sung: Good evening, Mayor, Vice Mayor, and the members of Council. Thank you. My name is Amy Sung. I am here to speak before you. I am very excited to see that Scenario 6 is calling for at least 6,000 units to be built. Let's be honest about housing. Housing is short. There is a severe housing shortage up and down the Peninsula. Looking at San Francisco all the way down to San Jose, all our neighboring cities are doing something to try to address this issue. There is growing pain, and the pain it is. We are looking to the Council for leadership. (Inaudible) taking us to the moon, and anything could happen. That is one. How are we going to address this sound like a lot of units. Six thousand units in 10, 15 years really is not that many in a per year. There's a range of housing types that can be imagined between single-family homes and apartments. There's duplex, condos and townhouses and multiplexes. Finally, I actually wanted to address—as a member of the CAC, I just really applaud that Council Member Wolbach for the proposal to separate the programs from the Comp Plan. I just heard

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that the old Comp Plan has about 266 programs. During the course of its existence, about 15 percent of it has been implemented. Our current Comp Plan that I am member of, that we are working on, has more than 400 programs. It is really just a good idea to have it consolidated in one place and prioritized. Thank you.

Mayor Scharff: Thank you. Annette Ross to be followed by Shani Kleinhaus.

Annette Ross: Good evening. Council Members Filseth and Kou covered my concerns about what Stanford is doing. I hope that you will factor that into your decisions tonight. I think Greg Schmid's comments were right on point. I urge practicality. I think there's no question that Scenario 6 is what we need, but we messed things up over the last several years and took away some of our opportunities to do it land-wise. We have to be practical; we have to fix some of our problems before we proceed and make decisions that will make our problems worse. You'll end up back in this same place in 10 years trying to fix bigger issues. That's really all I have to say tonight. Thank you.

Mayor Scharff: Thank you. Shani Kleinhaus to be followed by Diane Morin.

Shani Kleinhaus: Good evening, Mayor Scharff and City Council. First step in the redemption seems to be taking place. Thank you. The next one that I want to ask you for is to not ask the CAC to do a prioritization exercise tomorrow. We've done that in the subcommittee. We found that to be extremely stressful, Sophie's choice. Do you want this one or do you want that one? A few people, let's put all our eggs in one basket. There's what is the process for that. I don't think we need to do that. You can keep all the programs. We should work on consistency. We should make sure that everything fits together. We don't need to start prioritizing because, when you do that, the small voices are lost. The people who came to speak on very specific issues and actually made it into a program may end up not being represented there. I ask you for the next step in that Motion that is coming up, don't ask the CAC to do prioritization. Focus on consistency. Focus on the Plan working together. Focus on prioritization in some future special meeting for prioritization of programs every year, if you like, like other cities are doing, but not in this format. It's wrong, and it's really, really stressful. If that happens tomorrow, I'm not going to go there, I can tell you now. It's just too much stress. Thank you.

Mayor Scharff: Thank you. Diane Morin to be followed by Former Mayor Pat Burt.

Diane Morin: Mayor Scharff, Vice Mayor Kniss, and Honorable Council Members, I ask the Council to support a goal of 6,000 new homes in the

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Comp Plan scenario as a minimum in this case. For me, it's a matter of—a gentleman spoke before about normative. I believe it's what people are doing largely in this City at this point. The culture so far has been let's look at traffic and safety, but let's not focus on people's needs. First, you can focus on people's needs, and then you can creatively deal with transportation solutions, which work to the advantage of both. Tonight, I implore you to support the addition of more housing in Palo Alto. Serving on the Human Relations Commission for 3 years recently, I came to understand there's a serious need for more housing in Palo Alto. I'm particularly interested in seniors, as you know. The issue of housing is widespread, however, among all sorts of members of our community. I feel that the population of over 50-year-olds would greatly benefit from scenarios that would allow them to live in smaller units in communities of many, close-knit, and more-densely living together groups. This would allow them to be nearer to stores and walkable areas and to benefit from shared services, including shared transportation. I support the concept of converting commercial FAR to residential units. This would benefit mixed-use projects Downtown. All of the above, if done respectfully, could reduce the demand for cars and transportation. The culture of our community could be redirected towards the use of public transportation, particularly if the City creates different kinds of transportation alternatives such as small buses or cars, etc. We need to have diverse housing for the diverse community that has come to Palo Alto and also to help regional needs. As an anecdote, as a defense attorney I have to deal with old people living alone in the residential houses here. They were losing their driver's license, and this was a shame. I ask for more housing and different kinds of housing. Thank you.

Mayor Scharff: Thank you. Former Mayor Pat Burt to be followed by Deb Goldeen.

Pat Burt: Good evening. The CAC and Staff agree that the Plan would benefit from streamlining the programs. Also, there's been a concern expressed by the Council that the current Plan embraces contradictory objectives. While I'd describe the Plan as having deliberate tensions rather than contradictions, that problem should be solved rather than abrogated. Either way, programs provide greater clarity rather than less. The issue was raised at the end of a long meeting without forewarning to the public or thoughtful discourse. As the Mayor emphasized in his State of the City speech, Palo Alto places high value on transparent and meaningful public participation. Clearly, this recent action did not meet that standard. There have also been misrepresentations about what actually occurred at your January meeting. Removal of the programs was not merely a formatting change. As was made explicitly clear at the meeting, the intention was to eliminate all programs. The programs would be referenced merely as an

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addendum and as alternatives to be considered by a future Council and not adopted in the Plan. This is a striking difference from the current Plan where all programs are officially part of it. Elimination of programs results in greater arbitrariness in decisions by Councils. Programs provide essential guidance to Staff on how to review future projects. The Comp Plan needs to be enduring and represent the community consensus. That's why last year we did not rush to forward the Plan under the prior Council. We agreed to proceed deliberately, allowing the CAC to work to reconcile different viewpoints of the community.

Mayor Scharff: Thank you. Deb Goldeen to be followed by Bonnie Packer.

Deb Goldeen: I'm here to speak in favor of the 6,000 housing units. In my opinion, it's not whether or not; it's how. If they're well planned and implemented, it's not going to be a problem. Fortunately, on this Council we have some brilliant planning minds. Thank you, Greg. I feel confident that that's possible. As for you—it's just a drop in the bucket. Lives are being crushed from lack of housing. It's been horrible. I've watched it all my life. This is just a drop in the bucket, but we owe to the greater community to provide our little drop. As far as your Comprehensive Plan goes—Lydia, please listen. Thank you. As far as our Comprehensive Plan goes, man proposes and God disposes. The question is are you going to make a righteous decision or as selfish one.

Mayor Scharff: Thank you. Bonnie Packer to be followed by Trina Lovercheck.

Trina Lovercheck: I'm taking the place of Bonnie.

Mayor Scharff: You need to state your name.

Ms. Lovercheck: Trina Lovercheck.

Mayor Scharff: Bonnie's not speaking tonight.

Ms. Lovercheck: Right. I thought this discussion was starting at 8:00. When she didn't see me here earlier, she stepped up. Good evening, Mr. Mayor and City Council Members. My name is Trina Lovercheck. I'm reading this letter on behalf of the League of Women Voters of Palo Alto. Dear Mayor Scharff and City Council Members, the League of Women Voters of Palo Alto has longstanding positions in support of diverse housing opportunities for all, particularly for very-low, low, and moderate-income people, and in support of an efficient and effective transportation system to serve all, particularly those who are transit-dependent. Accordingly, we take this opportunity to make the following points regarding the supplement to

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the Draft Environmental Impact Report, EIR, on the update to the Comprehensive Plan and on the draft Plan itself. There are many policies in the draft Comprehensive Plan, which if implemented could result in a large number of additional housing units. The existing housing crisis will most likely not go away over the life of this draft Comprehensive Plan. Thus, we urge you to support these policies and to include in the Draft EIR preferred scenario the number of housing units denoted in Scenario Number 6, 6,000. Including this high number of housing units in the preferred scenario would provide you with the information you need regarding the environmental impacts of these housing policies. There are a number of policies in the Transportation Element of the draft Comprehensive Plan regarding adequate transit options for all. We urge you to ensure that the Fiscal Study contains an analysis of the cost for the expansion of the City's shuttle service or a comparable program to greatly improve transit in Palo Alto and to reduce traffic congestion. Thank you for considering our comments. The letter is signed by Mary Alice Thornton, the first vice president of the League of Women Voters of Palo Alto. Thank you.

Mayor Scharff: Thank you. Judy Kleinberg, former Mayor, to be followed by John Kelley.

Judy Kleinberg: Thank you. Thank you, Council Members. I'm going to make this quick. I want to congratulate you on your vote to add accessory dwelling units, not granny units. Now that I'm a granny, I don't like that term. Thank you for adding housing in the residential areas and doing it in the way that you did, which was thoughtful, so that it's not compressed and adding problems in the neighborhoods. Now, you have another opportunity, a bold opportunity to add housing in transit-oriented areas, where it can be built conveniently, effectively, and where developers can make it work. They can do mixed use and have retail on the bottom, housing on the top, and some offices in the middle. I support having the housing, not have as much parking because we hope those people will be self-selected, and they will be taking public transit or biking or walking to work. It is the retailers and the office people who actually need some place to park. As a matter of fact, it's the old buildings where there isn't any place for retail to have parking that really have been creating a problem. Thank you for taking this up tonight. We support Scenario 6. Be bold, go for it. Let's get the housing Downtown and in areas where there's transit. Let's help solve some of this housing/jobs imbalance. Thanks.

Mayor Scharff: Thank you. John Kelley to be followed by Lisa Van Dusen.

John Kelley: Mayor Scharff, Vice Mayor Kniss, Council Members, coming after Former Mayor Judy Kleinberg is a tough act to follow. I can start off by

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saying I support everything that she just told you. The one thing I'd really like to add, however, is how the Resolution that you adopted previously concerning ADUs impacts your decision tonight. I too would like to commend you and congratulate you on making the proper decision about accessory dwelling units. That's a really important step forward for the community. What I've found over the last couple of years, ever since the Comp Plan's been going, however, is that too little attention has been paid to the impact that accessory dwelling units can have on the overall housing count, especially on the housing diversity issue. It's been mentioned before that we don't just have a housing crisis, we have a housing diversity crisis. ADUs are going to be an important step. I think, given your prior decision on the ADU issue, not only can you go with Scenario 6 but I would encourage you to go a step further. Maybe it was a year ago, someone was asking at one of these earlier Comp Plan review meetings how many units. I got up here and told you 10,000, which probably sounded absurd. I'm going to repeat that tonight. I actually think 10,000 is the correct number that our community is going to need over the lifetime of the Comp Plan revision. If you think about it, over that period of time, more than a decade, ADUs can contribute a substantial amount. Given what you've already decided, I would encourage you not only to adopt Scenario 6 but to consider going further. Maybe you're not going to see 10,000 being the right number. Maybe something closer to 7,500 would be appropriate in your judgment. In my mind, 10,000 units is what we really need in this community. We need many, many more smaller units. We need something that's going to accommodate seniors, young people, young families so that we don't lose what's really vital about Palo Alto. It's not parking, and it's not traffic-free movement from Point A to Point B. It's the people that really constitutes the most important thing we have in our City. Thank you.

Mayor Scharff: Thank you. Lisa Van Dusen to be followed by David Fudenberg.

Lisa Van Dusen: Good evening, Mayor Scharff and Council Members. I will try to be very brief here. I echo the 6,000 or greater number of Scenario 6 in the Comprehensive Plan. I hope that you will make the most of what you've already started with the accessory dwelling unit initiative that was voted on recently. Congratulations on that. I just wanted to share a couple of brief stories that have stuck with me. The battery in my Prius has died a couple of times recently. Both times recently, the people who came to help me from AAA brought up, without me mentioning it, that they were moving away because of housing costs. They were already living in pretty compromised circumstances. I'm just seeing the people that are part of our community and part of helping us live our lives, cars or no cars, are getting squeezed out. I'm just wondering who's going to be doing a lot of the jobs

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that we need to survive. I think it's interesting to think about that. In addition, I hope we can continue to be really creative about both transit and transportation and about our housing. Many people can live and want to live actually in very small spaces. Don't forget about micro units in addition to ADUs. I personally would love to be able to ride my bike not with cars but away from cars on bike paths and places like by the creeks and other off-road areas. I just urge you—a lot of people have talked about the planning minds up there and the creativity. I'd urge you to be as creative and out-of-the-box in the way that you think about how we might achieve these goals. Thank you, and thanks to the Comprehensive Plan for all their work.

Mayor Scharff: Thank you. David Fudenberg to be followed by Stephanie Munoz.

David Fudenberg: Mayor Scharff, City Council, over the past 10 years, traffic and congestion in Palo Alto have become significantly worse. This is a major problem for residents and employees. Rather than discussing mitigating effects of jobs and housing on traffic, we should require a net decrease in traffic, not a reduction in rate of increase, as a condition to approving any more large-scale growth. My request to you, the Council, please ensure we have in place an effective, net traffic reduction program in place before approving any major new additions. Thank you.

Mayor Scharff: Thank you. Stephanie Munoz to be followed by Bruce Chen.

Stephanie Munoz: Good evening, Mayor Scharff and City Council. I'm delighted to see so many people mentioning the word small, smaller units. I think that's where we got off the track a long time ago, thinking that luxurious and nice and beautiful had to be large or at least medium-sized. I'd like to be able to show you that small is beautiful. I'd like to approach it starting with a different point. The Council has done a lot to punish people for riding in their cars. We slug-a-beds, we slackers, we unfit, it's just awful. I would like to suggest that instead you do something positive for people who don't want to use cars or can't use cars. Their licenses have been taken away. They have glaucoma. They have whatever. I'd like to suggest that you start by having on El Camino—that would be the 22 and the 522—the same FAR, the same net square footage but divided up into small, like hotel residential homes. They could be beautiful. You could be the Fairmont Hotel. They could have marble showers, but they could still be very affordable because you could put a lot of them, twice as many, three times as many, as you could put, for instance, in 600 square feet apartments. I would like to suggest that one way that would make them elegant would be if they were built like 101 Alma with room-size balconies straight across. That's my contribution to this. Good luck.

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Mayor Scharff: Thank you very much. Bruce Chen to be followed by Becky Sanders.

Bruce Chen: Good evening. I strongly object to Scenario 6. The City needs to take an approach to look at our sustainable growth. Everybody looking at this, how we can grow, but you have to look at not only the road but also how we can build the City infrastructure to support this additional 600 unit. You are talking about 20,000 people that could live in, that the City's water facility can support this. Not to mention whether the school have the resources to support the next generation of the City. I have two kids in the school. Right now, Palo Alto school has very good teacher and student ratio at around 22 for elementary school student. If you think about this additional people moving into the City, how we can solve that, how we can let them (inaudible) the high quality of the City's education without sacrificing the quality of our education for the next generation. I also want to say that City needs to proceed with caution with this Motion, whatever. You guys need to listen to more. I talk with my neighborhood about this scenario. It seems don't have enough information yet. They really want to know more. I trust you guys' instinct and experience, but I think the City's residents need to have more say in these different scenarios. Not to mention, there's a State investigation going on. I highly doubt some of the motivation behind the scenario proposals. That's from me.

Mayor Scharff: Thank you. Becky Sanders to be followed by Dan Garber.

Becky Sanders: Good evening, City Council Members. Thank you for your service. Listening to the debate tonight, we have had an interesting marriage between the disparate voices for housing. May I ask housing for whom? Will this housing be made available to the developmentally disabled or the most vulnerable, the low-wage workers, seniors, or to the most privileged, to the people that can afford? Developers understandably seek to maximize the profits. You see the disconnect between cravers of rabid growth and seekers for social justice. I challenge you to how can you solve that disconnect. So much money has been thrown into lobbying for pro-growth in this town. Those of us without the money or the lobbying access are left blowing in the wind. Therefore, I can't in good conscious support Scenario 6 because I believe the housing will go to serve the most privileged. Also, just as an aside, I actually couldn't believe my ears. I believe City Council Procedures, Page 3, Section D, Bullet 1, says all remarks shall be addressed to the Council as a body and not to any individual. I would really suggest that Council pay attention to that rule and admonish people not to address Council Members individually. I found some of the remarks earlier a little bit disconcerting. Thank you.

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Mayor Scharff: Thank you. Dan Garber to be followed by our final speaker, Joe Hirsch.

Dan Garber: Dan Garber, Co-Chair of the CAC. Just a couple of topics. The Co-Chair and I—Arthur Keller and I have submitted a letter, which you have received. I'd like to thank Council Member Wolbach for reconsidering his position on the location of the programs in the Comp Plan. If the Council decides to not do that, we also suggest that the Council consider how the CAC should be used going forward. We would recommend further work by the CAC to support the Council in working through the programs and policies, potentially reconsidering which are to be in which bucket. Regardless of which way the Council goes, I would appreciate some discussion around how the Council would like to utilize the CAC's efforts, particularly in regards to prioritization of the programs and policies that are in place. We've assumed that we should be doing that. If you have other thoughts that we should not be or ways that we should be directing our focus, I'd appreciate some comments regarding those topics. Thank you.

Mayor Scharff: Thank you. Our final speaker, Joe Hirsch.

Joe Hirsch: Mr. Mayor and City Council Members, I had not planned to speak tonight, but a couple of comments caught my ear. Yes, we are looking for leadership, thoughtful, sound leadership going forward. Another person mentioned focusing on people's needs. We need to focus on the needs of the current residents who are here now. More and more people bring more and more cars. No matter what people say, you need a car in this area. You can use traffic every now and—mass transit, trains, whatever—then, but ultimately you will fall back on a car. That leads to greater and greater congestion as I found out driving to the city three times in the past week. I couldn't believe how bad it was. It started out being bad in Palo Alto and then all the way up to the city. Fix the traffic and parking problems first if you can. Have a plan in place that will mitigate the problems we have now, and then gradually expand housing to the extent it can be accommodated without adversely affecting the quality of life for all of us, those who are here now and those who will come afterwards. I feel that we're at a tipping point. I've always said this area, since I've been here since 1972, is paradise. I am very fearful we are going to paradise lost. We need thoughtful leadership about how we can grow without ruining what we already have. Thank you.

Public Hearing closed at 8:31 P.M.

Mayor Scharff: Thank you. Now, we'll return to Council. We're going to take up Item Number 4 on the Staff Report, which is Packet Page 300 for the

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audience, which is clarify and provide additional direction regarding the placement of programs in the Comprehensive Plan Update, specifically select either "A" or "B." Council Member Wolbach, is your light on?

Council Member Wolbach: I've sent a Motion to the City Clerk. I would like to make a Motion regarding this portion, that's Part 4 of Item 16. I'm open to possible Amendments especially in light of some of the comments we heard from CAC members, including Shani Kleinhaus and Don McDougall, about the question of how the CAC can best be utilized to help with the questions of prioritization, timing, etc. Here's the Motion as a starting point. Staff to proceed with Option 4-B to include the programs in the implementation plan and also in the main body of the Comprehensive Plan. "B," Staff to complete the process of consolidating redundant programs and eliminating infeasible policies and programs. "C," Staff to incorporate suggestions from the CAC and the public and use their own judgment to identify relative priority and timeline for implementing programs, such as maintaining current practice, short term, medium term or long term, or current, 1-year, 5-year, 13-year, and estimate level of effort or cost associated with each program, such as low, medium, or high. "D," Staff to return to Council to review the above prior to adoption.

Council Member DuBois: I would second that.

MOTION: Council Member Wolbach moved, seconded by Council Member DuBois to direct Staff to:

- A. Proceed with Option 4B to include programs in the Implementation Plan and also in the main body of the Comprehensive Plan; and
- B. Complete the process of consolidating redundant Programs and eliminating infeasible Policies/Programs; and
- C. Incorporate suggestions from Comprehensive Plan Update Citizens Advisory Committee (CAC) and public and use their own judgment to identify relative priority and timeline for implementing Programs (e.g. maintain current practice, short-term, medium-term, long-term; or current, 1-year, 5-year, 13-year) and estimate level of effort/cost associated with each Program (e.g. low, medium, high); and
- D. Return to Council to review the above prior to adoption.

Mayor Scharff: Would you like to speak to your Motion?

Council Member Wolbach: I spoke quite a bit to this issue prior to going to the public. Again, especially for those who came in after those initial

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comments, I think we've had a really robust conversation over the last couple of months. There's been a good civic discourse. I actually thought it was important that on the 30th we had greater discussion about this than some of the other items. That was a request that was made. I thought that was important, that we did a full round of conversation about this item. We continued the item. We did not lock this Motion in, the prior idea of moving the programs only into the implementation section. We did not lock it in stone. We've had that public input. I've very much valued that. As I said before, I didn't do a very good job articulating what I really intended and my reasoning in January. If I'm ever lucky enough to have kids and raise them in Palo Alto, I'll tell them when they make a mess, they should clean it up.

Mayor Scharff: Council Member DuBois, would you like to speak to your second?

Council Member DuBois: Yeah. We got several letters from the CAC, from both Chairs of the CAC, from PAN, several other neighborhood associations, lots of voters. I think this is the right thing to do. A couple of quick comments and a question. We got some information on how many programs were completed in the past. I didn't have time to go through the Comp Plan. I saw there were a lot of programs that were essentially overlays. Around grocery stores, I saw three, like trying to seek public bathrooms, trying to stripe parking lots. Those programs are always in effect. Do we count those as completed? When I look at it, I have a feeling we actually act on more than we reported in that total.

Ms. Gitelman: Thank you, Council Member. You're saying there are some that are ongoing, that maybe we should consider completed.

Council Member DuBois: We've been following them. They're kind of always in effect.

Ms. Gitelman: I'm sure we could count the number slightly differently. I appreciate that point.

Council Member DuBois: Will this draft, once we consolidate and prioritize, go to the PTC?

Ms. Gitelman: I'm sorry. You were talking about the implementation or the whole document?

Council Member DuBois: The Land Use Element and Transportation Element.

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Ms. Gitelman: Our idea is to get the City Council input on all of the elements. We're hoping that you will refer all of them as a package to the PTC before your break in the summer.

Council Member DuBois: I don't know if we need to add that to "D." As long as that's understood, I would suggest it does go to the PTC. I was going to make a Motion; this is almost identical, so I will support this Motion.

Mayor Scharff: Council Member Kou.

Council Member Kou: I just want to say thank you very much, Council Member Wolbach, for bringing back the programs. As one of the member in the community said, I think it was Betty Jo Chang who said the policies and programs go together because one informs the other. That's absolutely true. I really appreciate it.

Mayor Scharff: Council Member Holman.

Council Member Holman: A couple of things. One touches on what Council Member DuBois said, which is some of them are ongoing. Some of the programs are ongoing, so they're probably not counted among the done or accomplished. Otherwise, some of the programs are also referred to—some of the policies, goals, and programs are referred to also when something comes before the Council, before the City Staff, before the community, about being consistent with. They also provide benchmarks. I think they provide value that way as well. Question about "B," the second part of that, and eliminating infeasible policies and programs. The question around that one is who determines if they're infeasible policies or programs. The other is—the part of me that's a bit idealistic is why shouldn't we dream. You never can tell; something might change, and the life of the Comp Plan is for quite some while. Are we going to have 42 acres of parkland in town? Of course, there's not land available, to use an extreme example that obviously is infeasible. What were you intending by that, maker of the Motion?

Council Member Wolbach: I'm not sure if there are any that aren't feasible. I did intend for that to go to Staff to continue the process that, I understand, Staff has already begun. I'll just add that I understand you've already brought the number of programs below 400. If you remove the Public Safety and Environment Elements, we're actually within two programs as far as the numbers compare to the '98 Comp Plan. We're already on the right track, I think. I did intend for that to go back to Staff for that work. Also from those OPR guidelines I mentioned before, there's something that says—also on Page 46, it says adopting infeasible planning policies and implementation measures is a waste of time. To avoid this, the planners

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who will be implementing the Plan should be involved in its preparation. I meant that Part B in the Motion to reflect that guideline from the State.

Council Member Holman: That could be addressed, I would think, as part of the prioritization. Does Director Gitelman have any comments on that?

Ms. Gitelman: Obviously our intention is not to include programs that are in themselves infeasible in the document. If there are any, we would highlight those and not want to carry those forward. In terms of the implementation programs, we think of feasibility more, as Council Member Holman suggests, in the prioritization process; we all acknowledge that it's not going to be feasible. We're not going to have the resources to implement all of them. It is going to be an exercise in prioritization in the Plan and then in subsequent annual reviews to make sure that we're prioritizing what we should be.

Council Member Holman: Thank you. I appreciate that this has been—that the programs have been restored to the Comprehensive Plan. I was a little bit uncomfortable with the comments. I've been going back and forth whether I would make a comment about this or not. I appreciate this action, but I was also uncomfortable with how it was presented with accusations about others. I would hope, as we go forward as a Council, that we're respectful of each other and just maybe have disagreement but not make accusations about others. With that, I appreciate the Motion.

Mayor Scharff: Thank you. Vice Mayor Kniss.

Vice Mayor Kniss: I would echo what Lydia Kou said, which is congratulations to you, Cory. It's important to listen to the public. We certainly heard from the public on this one, very clearly. Again, I would look at "B," which talks about the process of consolidating redundant programs and so forth. I think that's one of the most important parts of this Motion. One of the conversations we've had earlier about this, Hillary, as I recall, we talked about the number of programs that had been implemented in the last Comp Plan. Was it roughly 15 percent? If we look at a Plan that had 200-plus programs in it, at 15 percent we're done after 15 years-plus. As we look at this, the consolidation and elimination, where possible, is really important. These programs should really complement the policy. That's precisely what you've said tonight. That's why—did you want to make a comment? I think that's one of the most important parts of this. Putting it back in clearly is the right thing to do. Also making it really fit, as they say, the jacket in this case would really make a difference. You don't want to be, as they say, straitjacketed, but you do want that jacket to fit the policy. I think that is where this is heading. Again, thank you to Council Member Wolbach for, as he said, cleaning up his mess. I'm voting yes.

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Mayor Scharff: Council Member Filseth.

Council Member Filseth: Thanks. The point about the relation of the program to the policies is really important. The original action was pretty late at night, and maybe we were a little bit quick to do that. I'm glad to see we're going to revisit that. These Comp Plan issues are such long-term impacts that we really need to think carefully through stuff that affects the Comp Plan. I'm glad to see this happening.

Mayor Scharff: Council Member Fine.

Council Member Fine: Thank you, Mr. Mayor. Thank you, Council Member Wolbach, for this. Obviously, we did act a bit rashly. We heard loud and clear from the community. That's democracy in action, isn't it? It's important to underline what our intent was when we made this Motion and voted on it after midnight a month and a half ago. As I understood it, I think our intent was to streamline the programs and at times eliminate redundancies or programs which may have been out of step with their policies. I was pretty interested in Co-Chair Garber's comment about what role the CAC should play going forward. We have an opportunity right now to help them support this community and the Council to move forward. It is important for the CAC to make sure that programs do support the policies, that each program within those policies is supporting it, and we're not going beyond that. It's also important to prioritize them. The word infeasible is helpful in some ways. There are certain programs that we'd love to see done, but they may not be feasible in Palo Alto at this time. We should note that and perhaps remove them if so. Finally, to Vice Mayor Kniss' point about the number of programs, one of our reasons for thinking of shifting where these programs are is the sheer number of them and what burden that caused Staff. If the CAC would be aware of that as well, that's an important consideration. Otherwise, I'd be happy to support this.

Mayor Scharff: With that, let's vote—Council Member Wolbach, you've spoken once. Is it really short?

Council Member Wolbach: Yeah.

Mayor Scharff: Go for it.

Council Member Wolbach: I haven't heard any suggestions. As I indicated before, I'd be open to amendments because I have heard some concerns. We heard tonight concerns from some CAC members about the process, the stickering process that has been tried in the CAC, where they each provide a priority or try to identify their favorite programs within each element. There's a lot of consternation about whether that was the right process or

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the wrong process. I don't think we should be giving the specific direction to the CAC and Staff for how to conduct the meetings, especially tomorrow. I just would comment that I'd encourage the Staff and the CAC Chairs to think creatively about a process where people feel like (crosstalk).

Mayor Scharff: Thank you, Council Member Wolbach. Now, if we could vote on the board. That passes unanimously.

MOTION PASSED: 9-0

Mayor Scharff: Now, we get back to the next Staff recommendation, which is to conduct the public hearing, which we've done, on the supplement to the Draft Environmental Impact Report and come back to Council Members for Council Member comments on the Draft EIR and also on the draft Fiscal Study. I'm just going to watch for lights and make any comments on those issues. I see—Council Member Fine. I thought maybe we'd just have no comments.

Council Member Fine: No, not no comments. You're not going to get away with that. Just a high-level thing. I do want to thank Staff and our consultants for all the work on this. I know EIRs are a total pain, but it is important for us to go through it. I think they're good benchmarks. We could all poke holes at any number of the figures in here, whether it's trip reduction numbers, traffic models, housing, population numbers. I don't think that's the point of EIRs. They're meant to lay out a number of scenarios on a spectrum. I guess I want to thank Staff. They've been very informative for me in considering these different scenarios that we have at hand.

Mayor Scharff: I see no other lights on the comments on this. Council Member DuBois. Did you have your light on? I didn't see your light go on; I saw you smile. If you want to speak, go.

Council Member DuBois: I'll go. Everybody's playing chicken. First some comments on the EIR, and then I'll go to the fiscal. I was at Barron Park Elementary this weekend. Dr. McGee spoke. I guess there were some recent rankings. Barron Park Elementary has been one of our lower elementary schools. A recent ranking actually ranked it Number 12 in the State. Palo Alto elementary schools are ranked 1-12. Gunn High School is ranked Number 1 in the State. Pretty impressive. We're a community that's very proud of our schools. This body recently discussed over 3 million, close to 4 million square feet of development. I bring this up because I'm concerned that the EIR doesn't accurately capture those impacts to our schools. I did see a couple of letters come in today from the School District. I think it's something we need to be aware of. It looked like there was a

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need potentially for land for eight new schools. I would also just say as I look at the assumptions, I hope we will take a balanced approach tonight. We need to manage growth in a way that pays attention to the social impacts, the economic impacts. We should be asking ourselves as we look at these scenarios who do they benefit. We've heard a little bit about kind of affordable housing and serving the disabled. I am concerned that with the current scenario outline based on the January 30th meeting without breaks on office development, we may say that we're looking at 6,000 units of housing, but they'll never get built competing with also unfettered office growth. In terms of the Transportation Element, I'd like to see more teeth in there, specifically feedback. I'd like to see us add implementing the County expressway plan. I'm concerned that we're looking at a scenario with a lot of job growth and a lot of housing growth, and none of our transportation elements are dealing with road capacity. In the EIR, there's significant impacts mostly in the transportation section. If you look at the end, the unavoidable impacts are almost all transportation. I'm concerned about transportation eight, creating demand on our local streets. We may even need to consider increasing capacity in our arterials if we're going to keep traffic away from impacting the local streets. I'd like to understand—the assumption here is that we're going to have grade crossings. I'd like to understand the impacts if we don't have grade crossings or if we only have a subset of grade crossings. It seems to be the most major transportation assumption in the list currently. In terms of land use impacts, there were significant impacts for Scenarios 5 and 6. Again, we've included some recent changes like the S/CAP, but we need to consider future housing in the sphere of influence and the new GUP request that we're getting. Quickly on the Fiscal Study. I know the conclusion is it's not really impactful either way. It does seem inconsistent with past analysis that we've done. We also know that pension is going to be taking a larger and larger piece of the General Fund. I saw an assumption that we're not going to decrease service. I'm wondering how those things were balanced out. It seems like either we have to hire a lot more Staff or we have to have a decrease in service. I'm not sure if this question is coming through properly. Essentially for a dollar of revenue in the future, a huge chunk of that is going to go to fund pension costs. It seems like we need either 50 percent more people or we would deliver much fewer services. Could you guys comment on that?

Ms. Gitelman: I'll invite our consultant, Mr. Sigman, to come to the microphone and offer a response. I'd just say that the Fiscal Study, like the EIR, looks at one point in time. It's not really looking at a trend, like you would look at a forecast. It's just in the year 2030, which is the year we're using, what would the impacts be on the General Fund, positive or negative. Ben, do you have something to add?

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Ben Sigman, Economic and Planning Systems: Sure. Thank you, Council. Good to be here tonight. My firm, Economic and Planning Systems, conducted the Study. First off, to the point about inconsistency with past studies, we carefully look forward rather than backward when we're looking at revenue projections. We're looking at the marginal contribution of new housing and the price points that come with that and the tax revenue that comes with that. If you look across Palo Alto today and you took the average tax revenue, property tax in particular, because of Proposition 13 and other factors, it's not going to necessarily have the same result as what we're finding looking forward. Concerning costs, just to echo the Director's statement, it's a snapshot of the 2015 Operating Budget. We're assuming that cost controls where necessary are put in place to rein in anything that might be growing now and looks to be growing in the future. The pension piece is not explicitly captured. If the expectation is that it's going to grow beyond today's or 2015's as a share of the total Operating Budget, then those are additional costs that aren't in the Study.

Council Member DuBois: We certainly have had a lot of forecasts that that is true. If I could ask you one more question. We've had projections that pensions are going to take an increasing amount of revenue. The other one is a lot of this seemed to be sensitive to property tax and the turnover of properties, particularly residential. Did you make any assumptions in terms of a shift of rental properties versus owned properties that might be resold?

Mr. Sigman: The split is fairly similar to what we have in the City today. We did conduct sensitivity analysis that's documented in the appendix, that looks at if turnover rates were to shift upward or downward pretty dramatically, what would be the effect on the findings of the Study. We found the sensitivities to be really modest.

Council Member DuBois: Thank you.

Mayor Scharff: Council Member Kou.

Council Member Kou: Let me see here. With regards to the Bay Area Clean Air Plan, I see that it's from 2010. We measure air quality here based on that plan. Do we have our own thresholds?

Ms. Gitelman: We have thresholds of significance. One of them is consistency with the Air Plan for the region. We find a significant impact there primarily because it hasn't been updated and it didn't anticipate what we're doing with this General Plan. It's just one of several thresholds we use.

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Council Member Kou: With the growth in the entire Bay area, if they haven't updated it, then there is a concern there. Is there any way to address that?

Ms. Jensen: The Bay Area Air Quality Management District, as I understand it, is in the process of updating the Clean Air Plan right now. They have not adopted an update at this time. That is in process. Certainly if it's available at the Final EIR and if Staff wants to direct us to look at that, we'd be happy to. I will just note that the analysis—there is also a cumulative quantitative analysis in the air quality chapter that includes development outside of Palo Alto. It's not only limited to the City.

Council Member Kou: I'm just still very concerned because it's been 6 years since they updated it, and we've been growing substantially. Measuring it based on the past numbers doesn't seem to be right. I hope that we can get answers to that for this EIR. In terms of the hazardous materials and hazards, I see that the level is not significant. I also know that there are issues with hazards and matters that are close to College Terrace. I'd like to see that those are some of the things that we are addressing as well, especially contamination that's going underground towards a neighborhood. I'd like to see that more addressed and not be a low level of significance. As Tom had mentioned about schools, I really do have great concerns that the EIR has not taken into account trying to coordinate the growth of Stanford and growth of MPA and the terms of the impacts. Also, I just want to bring up a development from the past which is Arbor Real. It was estimated that they would have no—it was built based on the assumption that there will be virtually no kids coming out of that development. That was based on national standards at the time. As you know, the minute it was built there were so many kids that did go to our schools and actually overflowed the schools. What Todd Collins wrote in his letter to us, it's really important to note that while you're on this EIR, it's using multifamily apartment unit student generation rate. We really need to look at it differently and add in the single families and the rest of them.

Ms. Gitelman: Council Member Kou, if it's okay with the Mayor, we asked our consultant to prepare a response to that comment letter. Maybe we could just ...

Mayor Scharff: Let's go with it; let's hear it.

Ms. Gitelman: I'll do that now.

Ms. Jensen: We did have a chance to take a look at the comments submitted by Todd Collins today regarding impacts to schools. Very much appreciate those comments and having a chance to take a look at them. I just want to make a—the first point, we did consult with the School District

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in preparing the schools analysis. That's mentioned in the footnotes to a couple of the tables about the student generation rates and the numbers that we used. One of the important changes that was made between the Draft EIR and the supplement was using updated student generation rates that the District had released in the interim. We did get those numbers straight from the District and applied those to the new development that's anticipated under each one of the scenarios. The District does have both what they call moderate and conservative numbers. We used the higher of those generation rates. There are, as Mr. Collins acknowledged, different—they do see different generation rates from different types of projects and different locations. We defaulted to using the higher assumptions. We did assume that all of the housing development would be multifamily development. That's really based on the nature of the scenarios and the thought that primarily this housing is going to happen in any of the scenarios as new infill development primarily in locations served by transit. There could be replacement certainly in Palo Alto of existing single-family units with new single-family units, but I think the majority of net new growth is likely to happen as multifamily units. That is what we assumed. That's a correct statement in his comments. In terms of the final impact conclusions, there's a perceived concern, which I can certainly understand, that we conclude that the impacts are what the EIR calls less than significant. That's really a CEQA term of art. In this case, as the EIR explained, what we can say in the EIR for CEQA purposes is really constrained by State statutes that require the payment of development fees by new development be considered full mitigation of impacts to schools. Although this may not comport with a common-sense understanding of student generation rates and those numbers are alarming when you see how many new students would be generated, even if we were to recalculate those numbers based on a different set of generation rates or different assumptions about the mix of single-family versus multifamily housing, due to the way State law is written we wouldn't change our finding and the impact, that the impact would be less than significant on schools due to State statute. That's a little bit of background. I can go into more detail if you have more specific questions.

Ms. Gitelman: Maybe I'll just add one or two things. First, as the City Manager indicated, we're looking forward to meeting with School District staff and working through some of these questions in the next 10 days to 2 weeks. Also we will provide a full written response and analysis of this issue and the issue that was raised by Council Members about the interplay with the GUP housing in that application in the Final EIR. That will be one of the big responses we provide in that document.

Mr. Keene: If I could just add one other thing, it's something that's been talked about in the past. There's certainly going to be the possibility for

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whether it's actually a mitigation, if it rose to that level, or just policy choices to try to design housing options that actually suppress, if that's what we want to achieve, the impact on schools as far as school-age children. We've talked about micro housing or other sorts of units that could support a different demographic. I'm not saying you would automatically do that, but this idea that there is not going to be policy direction on the type of housing that we're going to build with the concern for the impacts is something that's certainly—whether it's 3,000 units or 4,000 or 2,000 or 6,000, I'm sure the Council will be discussing what the nature of that housing should be.

Council Member Kou: What type of housing. I guess in a way we're not in the position to build housing. These are private property owners or landowners that are going to come in with their proposals. At the end of the day, we have to look at worst case scenario. When you're discussing with the Stanford folks as well as with the school folks, I'd love to also have you bring in the teacher housing. It's not just students; it's also the teacher. I hope that we can learn from the Stanford Medical—the hospital situation where there's no housing provided for their nursing staff. Please take that into consideration as well. In terms of hydrology, on paper we have plenty of water. Palo Alto has a large allocation from Hetch Hetchy. When we're in a drought, Palo Alto is told to cut back as well. The water allocation is based on every year being a wet year. We have seen in a drought that we have mandatory cutbacks. All this water supposedly that we have on paper is just a paper commitment. Actual allocations will leave us at the mercy of San Francisco and the State. Consequently, water for new residents and companies would come from cutbacks to current residents and companies. We have to achieve much in terms of conservation of water. I'm concerned about whether the additional measures would generate enough savings to accommodate the proposed levels of growth. I hope the EIR can take this into consideration as well. With regards to transportation, there is some optimism in terms of funding for Caltrain electrification. My colleagues came back from Washington, D.C., and said that they had some good talks with some of the Senators and so forth over there, the bigwigs. Has the EIR taken into consideration the worst case scenario, which means we're not getting the funding for the next 4-8 years? You know why. Also, I would love to see discussion with the Stanford folks for a comprehensive pedestrian/bicycle pathway that is east to west or west to east, basically from the campus to the ballpark trails. That's another thing to discuss. Also, what the impacts and the studies of the ADUs and the JADUs that Council Member Holman had brought up earlier, I would really like to see that analyzed as well. Thank you.

Mayor Scharff: Thank you. Vice Mayor Kniss.

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Vice Mayor Kniss: Let me ask about schools first. Eric, you and I were at a City/School meeting about a month ago. I couldn't go last week. We had a direct discussion about projections of enrollment. Am I correct? My recollection was we didn't ...

Council Member Filseth: We did, and we had another one last week too.

Vice Mayor Kniss: We heard nothing of this sort. In fact, we asked directly, and I frequently ask. As a former School Board Member, I'm always interested in the demographics. I was here when it went down to 7,000. Apparently sometime preceding me it was at 17,000. Huge numbers. Right now, my recollection—I'll look at Penny—it's about 12,000. At that number, I hear you saying you're going to talk with whomever in the next couple of weeks. Unless there is something very substantial, we haven't seen anything official in writing whatsoever yet, including from Stanford, unless I'm mistaken. Am I mistaken especially about the GUP? I recall discussing that with Jean McCowan among others, and the anticipation was not alarming as far as needing future schools.

Ms. Gitelman: There are a few questions there. First, I anticipate that we will get formal comments from the School District and from Stanford. We look forward to those comments, and we'll include them with responses in the Final EIR. The School District send a letter to Stanford on the GUP about this concern, about the need for additional schools. The School District transmitted a copy of that to us just today. They did put something in writing about that.

Vice Mayor Kniss: It was in our Packet?

Ms. Gitelman: I believe it was one of the many, many emails that came in today.

Vice Mayor Kniss: That came today. It makes it so hard when they come in, and someone says, "Didn't you see it? I sent it 2 hours ago." What I'm hearing you say is you're going to look into that. Nothing I have heard so far really raised any alarms. Just to say that nothing up until this point tonight.

Ms. Gitelman: As Joana indicated, we did consult with the School District in preparing the analysis. We feel like the analysis is solid. We're happy to have additional conversations with them about what it means for them, what they think of these conclusions, and also the issue of how it interacts with the GUP. We're happy to have those conversations.

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Vice Mayor Kniss: I'm somewhat concerned because we went through a number of years where we heard that the enrollment was growing. I think it was Todd Collins who said to me it hasn't been growing; it's been going down. Something out there is the truth, and that's what we don't have tonight. What you're saying, Hillary, is that will be delivered to us. Correct? Something else. Just to pause for a minute on the Fiscal. I am at the General Fund revenues at 426. Looking at our assessed value in Palo Alto over the last 2 years—I'm so glad Jim is back—it looks to me, Jim, that it's grown dramatically. Am I correct? I'm looking at assessed value, and I'm on ...

Mr. Keene: Yes, significantly.

Vice Mayor Kniss: ... 428. I don't know what that portends for us in the future. As I recall, we're still the City that has the highest per capita rate in our County of what we spend on our citizens. Correct? We have more services; we have more parks; we have more of almost anything we can offer. It's really important to point that out. Bob Moss, still here? Bob usually mentions things like this, what it costs per person. My recollection is \$2,200 a year. Does that sound about right? Somewhere in that range. It was interesting to hear that new residents actually brought in more revenue than anyone else in our community, office workers, whatever. Is that new or was it just new to me?

Mr. Keene: I'm going to leave that up to ...

Vice Mayor Kniss: Is that standard in most communities?

Ms. Gitelman: We can ask Mr. Sigman to address that, if he can.

Mr. Sigman: I think it's a challenging question to answer, if I understood ...

Vice Mayor Kniss: That's just what I meant it to be, of course.

Mr. Sigman: Very good. We base the revenue calculations on the specific assumptions related to growth in the City. As was mentioned, it's multifamily housing. We put price points on the market rate. We also look at the HUD standards for below market rate housing and price those units based on that. That's where the property tax comes from. We have household spending surveys that we use for each household to determine how much they're going to put into retail businesses here in town. That's where that revenue figure comes from. Is there something specific I can respond to?

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Vice Mayor Kniss: I don't think any more than that. I think mine is a reflection as much as anything and an acknowledgement of what it really does take to keep this City running.

Mr. Sigman: Very good. Thanks.

Mr. Keene: Could I just add something to that? I would just say that this is probably the kind of thing that, even after the Plan is adopted, as we look at this, we would periodically update. It's certainly subject to change. There are a lot of other factors that we don't put into all of this. We don't exist on an island. The growth that takes place around us has an impact on our City and our costs. Just the other day, we had a big police chase that was involving folks from out of town. The idea that everybody is adding offices around us and building more houses and to think that isn't going to have a cost impact on us is just false.

Vice Mayor Kniss: It is time for that wall, right?

Mr. Keene: The point here is it's a much more dynamic situation and environment on the costs and the funding for things.

Vice Mayor Kniss: One last comment. Council Member Kou brought it up. We did spend an inordinate amount of time in Washington a week ago discussing electrification because electrification has very much to do with High Speed Rail and whether or not that gets funded. We also heard something that I wouldn't normally say out loud, but it was very discouraging. In many offices, it's acknowledged that we are currently with an ABC administration in D.C. which, as you probably know, stands for Anything But California. There's a great deal of antipathy toward us. Mostly, I think we're pretty nice people. I was really kind of saddened by that. It does mean—we're a donor State. This indicates that we will get certainly less than what I think is our rightful amount. Coming back again to this, our fiscal analysis, we have to look at what's going on not only in neighboring cities but across the country. If we look at something very specific like Caltrain, we may be looking at this may not get funded through Federal funds. As I said, that's very disappointing. I'm done.

Mayor Scharff: Council Member Holman.

Council Member Holman: Thank you. A lot of comments have been made about school impacts; I won't repeat those other than to say in addition to the impacts on the schools themselves, they also imply traffic impacts and additional costs which, to this point in time, the City incurs as opposed to the School District, like crossing guards and any number of other things that the City covers. When looking at the impacts on schools, please consider

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those other aspects of it. Question about the prior Stanford GUP. Doing an EIR, you're looking at existing conditions. They have 750,000 square feet that still hasn't been built from the prior GUP. I couldn't tell; was that considered in analyzing this, these scenarios?

Ms. Gitelman: It would have been considered in the projected future background growth between now and 2030.

Council Member Holman: I'll just put this out there. I know what's required is to look at existing conditions and what's foreseen. I agree with a couple of others who have mentioned the new Stanford GUP. I just don't know how we can ignore there's 3 or 4 million square feet likely to come as a result of the newly proposed Stanford GUP. I just don't know how we can possibly ignore that and not account for it.

Ms. Gitelman: We will absolutely respond to that concern. I've heard it from any number of speakers this evening. We'll provide a full response in our final document.

Council Member Holman: Appreciate that. I brought this up earlier, and I appreciate the Staff response, but I'm going to push on this. As I heard at least one of the Council Members say, the ADU Ordinance that the Council has passed could have the potential of a very significant impact depending on who takes up the banner. We can't anticipate that. All we can know is here's how the zoning has changed. That zoning change is what we have to analyze and potential impacts. One other one that the Council has done a little bit inconsistently in one place. I've forgotten; I was reading a lot. One place the Council had voted to consider increasing hotel floor area ratio from 2 to 3, and then 2 to 3 in the Downtown area, and 2 to 2 1/2 in the outside Downtown areas. That was a consideration at one point in time, and then it actually got passed recently. I don't know that there's going to be enough of that to have an impact, but I leave that to Staff. In the various scenarios, there are references to significant impacts having to do with noise, cultural resources. Both of those were significant. I'll come back to those in just a moment. My comments here are going to go back and forth a little bit between the EIR and the fiscal analysis, if that's okay. Is that agreeable? Having to do with—the fiscal analysis talks about current services. Our current services, as great as they are in so many different ways, are also really lacking and strained in other areas. Last year, we had to scratch and claw our way to getting our tree maintenance contracts into the level of frequency that's recommended. We have a lot of issues with Code enforcement currently, whether it is noise, construction approval compliance, whether it is damage to trees, whether it is traffic enforcement. We don't have the police to do traffic enforcement. We don't have

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apparently enough Code Enforcement persons to adequately address occupancy and use violations. When it comes to the fiscal analysis, I'm not okay with our current level of services. I'm not sure that's what we ought to be striving to achieve going forward. There are going to be impacts; those impacts are going to continue. We suffer them now. Why would we want to be satisfied with the level of service that we're getting now in some of those areas that require, quite frankly, more financial resources? One of the notes—it's a lot of material. I don't remember where it was. Maybe it was repeated in the presentation tonight about how there's not a Conditional Use Permit to regulate employee density. Perhaps we ought to do that, because it's directly related to demand on City services. It's directly related to traffic. I don't need to expand on those. We have done our analyses on 4 per 1,000, and we know in a great number of cases it's not 4 per 1,000. We're kidding ourselves if we think it is. Other Council Members have mentioned too great a reliance—members of the public did as well—on a TMA that is not only unfunded for the most part to this point in time, it's not even proven itself to be—we're hopeful. To this point in time, I don't think we can rely on it like here's our solution. I don't think we can do that. TDM, if we're going to rely on TDM, obviously they have to be enforceable TDMs. Whether it's TMA or TDM, whatever we add in terms of a workforce, if it's a 30 percent reduction in trips, there's still the 70 percent that's traveling by other means that aren't public transit or carpool or however you want to address that. The physical character, some of the scenarios also talk about considerable changes that could occur to the physical character of the town. It's another reason why I want the ADU recently adopted Ordinance to change. There's a lot of that that, I think, could have a quite significant effect on the physical character. A member of the public mentioned something about—one or two members of the public talked about housing units and for whom. That is a really good point. That could affect both the economics and the environmental impacts. Let me see if I've covered most of my comments. I do appreciate—you are still here. Gil Friend sent an email. I apologize. It seems like I'm just running from one thing to the next these last weeks. I apologize I have not responded to it. Thank you for your email regarding embodied energy. I appreciate that very much. While it isn't a requirement, I do still wish that the City would be responsible and proactive in looking at the embodied energy in existing buildings and what it takes to construct new buildings. It goes a little bit beyond—it's more in the LEED category. It's not just the embodied energy, but it's also the energy it takes to recycle materials and the energy it takes to produce the new construction materials and transport them to the site. The last time I read it, it's before a construction product gets from the manufacturing site to the construction site it's transported seven times. These are not insignificant. I don't want to make you regret what you put in your email, Mr. Friend. If the City even looks at its purchasing practices, its greenhouse gas impacts go up quite a

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bit too. Those are things we all need to consider. We cannot afford to bury our heads in the sand anymore about those kinds of things. When looking at jobs, we need to be realistic. Like I say, the number of jobs—I don't think we need to be encouraging more office workers. When it comes to housing, what we want and what we can do realistically are not necessarily the same thing. Thank you.

Mayor Scharff: Thank you. Council Member Fine.

Council Member Fine: Thank you, Mr. Mayor. I'll be quick. I'm taken by the fact that we are talking about future growth scenarios for Palo Alto, and the main thing we're focused on is impacts. I wonder if we can step back for a moment and flip that on its head. In some ways, growth is also a benefit. When we were at this conference at the National League of Cities last week, a few of us were joking that the sessions on economic development were packed. I mean filled up with people from Mississippi and Maine and Pennsylvania and parts of Central California and Washington state. Us Palo Altans and our friends in Menlo Park and Mountain View just laughed them off. That's a privileged place to be. We shouldn't cook our golden goose. I completely agree with Council Member Holman that there is concern about office growth in the City, and we need to do it smartly in a way that supports our community. We shouldn't be cutting off future job growth and development because we rely on it. As a 30-year-old in this community, I hope there are jobs for me here in the future. I would hate to see us restrict those opportunities because I do think it's important to our community and to our residents. Second, on the issue of housing, housing has impacts. So do current residents. There's also enormous benefits of housing. The benefits of housing include opportunities to access jobs and schools, accessibility for people of different abilities or disabilities. New housing in the right places, smart growth, is the sustainable option going forward. Finally, it contributes to a vibrant, inclusive, and multigenerational community, a diversity of students to fill our schools, and ways to support longtime residents, renters, and seniors who might otherwise be displaced. In a funny way, the primary benefit of housing is the housing itself and the families which will live in it. Let's keep that in mind too. I wish our EIR could measure those things. I know we can't, but maybe next round.

Mayor Scharff: Thank you. Council Member Wolbach.

Council Member Wolbach: There have been a couple of concerns raised. Let me first say that I agree with almost everything that Council Member Fine just said. There have been a couple of concerns raised. I do want to provide my take on them. When it comes to water use, new infill development tends to have much more efficient water use than most current

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structures and development. The same thing with energy use. On the question of schools, I really appreciate the responses from Staff and also from the consultants to the letter, which I found quite puzzling, from School Board Member Collins. Certainly on the City/School Liaison Committee, which I was on with Council Member DuBois last year, the issue of this Comp Plan, the growth scenarios, the EIR, potential for impact for schools came up quite clearly, and it was clearly discussed. If the School Board has not yet agendized a discussion about that, that is not our responsibility, but something they need to do. I'm glad to hear that Staff will continue the collaboration they've already done and are looking forward in the next fortnight to working with the School District staff again. I'm glad to hear that the numbers that we're using for our projections of how many students will be associated with new housing are the numbers—in fact, the higher numbers that we got from the School District themselves. For those who are concerned that future development will be like previous development in that it was not all small units, that's the reason we need to emphasize having more small units. I agree with that. That should be our priority. I think we've all been really clear and the public's been clear that future development of housing in Palo Alto ought to focus on smaller places which, according to the School District, is less likely to create a large impact on the schools. For those who are concerned that we do not have enough school sites, it is certainly unfortunate that the schools sold off or leased off many of its sites many years ago. That doesn't mean that we can't work together, put our heads together, and find future new school sites if that does become a necessity. One of the ways to do that is through coordinated area plans, where you could incorporate a school site along with new housing, places like Fry's or even potentially the Stanford Research Park. In the future, those are options that we ought to explore. The phrasing in the policies and the programs in this Comprehensive Plan point us in that direction and enable us to have those conversations, so that future housing development along with schools and park space can all go together. Back in the fall, there was an email I saw from—somebody had forwarded to me—School Board Member Collins where he said you can potentially turn it around. Instead of more housing being a threat to the schools, you can make demographic hollowing out, which is what they call it in the rust belt cities, a threat. The kindergarten enrollment decline is a good stat for that. Even School Board Member Collins has indicated that there's a real danger from—as he said, people may say lower enrollment is okay, but if you play it out, we end up losing our identify as a family-oriented school-centric community. Though there is a preference to have more folks being able to live in Palo Alto, those who are already part of our community being able to sleep here at night, the impact to the schools expressed in School Board Member Collins' letter, I would call hyperbolic and inaccurate.

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Mayor Scharff: Council Member Filseth.

Council Member Filseth: Most of my concerns or comments have already been hit by multiple people. I'm really glad that the EIR is going the direction it is. I'm really glad that it's broader than—when we first said we were going to do this many months ago, I was like, "An EIR is really—but yeah." I think it's broadened beyond air quality and water quality to a lot of things that people in town really care about even though they don't fit the classical profile of an Environmental Impact Report. That's good because at the end of the day we've all got to be asking the question—the things we do, particularly the Comp Plan where it's so long term—why is this good for Palo Alto residents. The EIR, we're covering a lot of that. That's a good thing. Let's see. You know the school thing. I'm really glad that the School Board and the School District communication lines are open. That's really important. We haven't been as close with those guys on this kind of stuff for whatever reason in the past. I'm really glad to see this happening. They're weighing in on the Stanford GUP expansion. Some of the scenarios in our expansion are much, much bigger than the Stanford GUP expansion, so they should weigh in on that too. In this town, the City Council elections are the under-card to School Board elections. That's a really good thing. Glad to see the loop closed and active dialog. The one thing I would say about the EIR is that—Todd Collins, who is a member of the enrollment committee, points out in his letter that the EIR uses K-6 and 7-8 and 9-12, and the School District uses K-5, 6-8. If that could get rationalized, that'd be great. I'm glad the time period is still open. Maybe I'll comment on it later.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: I've been looking at the different scenarios and thinking about it. Looking at Packet Page 418, the different scenarios, the financial estimation. One way to think about which is the right scenario for us is to look at it through the financial lens. I've heard that the City is forecast to have a deficit around \$6 million. One thing that a lot of residents like about the City is the services that it delivers. As Vice Chair mentioned, Palo Alto probably spends more per resident than just about any other city. That's one of the things that make the City really nice, we take care of our residents. To do that, it takes money. I was looking at Figure 2 on Packet Page 418 and trying to figure out which one of these scenarios brings in the most net money. I just want to make sure I understand this. If I look at this in terms of net income to the City, Scenario 4 is number one, followed by Scenario Number 6, then Scenario Number 3. Am I looking at this right? Is this the way to think about it or am I missing something here?

Ms. Gitelman: I'm sorry. You're on page ...

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Council Member Tanaka: Packet Page 418. I'm just looking at Figure 2, total net effect which, I assume, is basically net income to the City, so to speak, for the different scenarios. If you look at purely from a fiscal lens with the idea in mind that one way to benefit the residents is to make sure that services we have can be paid for and, thus, having net revenue, it looks like 4 is first, followed by 6, then by 3. Is that the right way of interpreting this or am I missing something?

Ms. Gitelman: I think you're looking at this right. Although, I would step back from drawing conclusions about these really tiny differences between the scenarios. We interpret this study as showing that there would not be negative consequences from the growth that's projected.

Council Member Tanaka: These aren't tiny differences. You're looking at ...

Ms. Gitelman: They're projecting a slight increase.

Council Member Tanaka: No. You're looking at differences. For Scenario 1, it's 5,000 to 7,400. That's a pretty big spread. That's a spread of 40 percent right there. That's not a small difference. That's not a few percentage difference. That's a massive difference. That's why I'm asking is this right.

Ms. Gitelman: Maybe Mr. Sigman can speak to that again.

Mr. Sigman: Thank you. I want to echo the Director's comment. While there's a significant percentage difference between the net findings, in that figure—I have the one from our full report. I'm not sure if the report you're looking at is exactly the same. These are relatively small percentages of your Operating Budget. While the differential is notable, and it's good that we can see some difference between the scenarios, I would definitely urge some caution. What we do when we do these studies is create as close to an experiment around a Comp Plan like this that we can. We hold everything constant and look at just essentially your operations today through the lens of a new land use program that would occur in the City over the next 15 or so years. It's stylized; it's stylized for analysis; it's stylized to pull out the differences between scenarios. That's what you're showing. What we find is that the local government here in Palo Alto has achieved critical mass. It's stabilized. You can continue to grow without a lot of additional draw from a cost perspective. We do see benefit from adding residential uses. We do see net fiscal benefit from adding commercial uses. Yes, at the end of the day we do find Scenario 4, the most significant growth scenario, to have the most significant net fiscal effect.

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Council Member Tanaka: The only thing that bothered me is I remember during the recession here in Palo Alto—we did have a recession, and rents did drop, and housing prices did drop. I remember a report from the City Manager—I think it was at one of the City Council Retreats—where you looked at different uses of land and which one made money for the City and which one lost money for the City. You had a chart—I was looking for it on my computer; I cannot find it right now. I might be getting this wrong. It was like hotels was number one use, like net revenue to the City, followed by retail, followed by office and then housing. I remember office and housing being slightly negative. I was wondering if the City Manager happens to remember that slide or can speak more about it. That's the question the Vice Mayor was asking a little bit earlier.

Mr. Keene: I don't know that I remember exactly that slide. In this case, for the most part, we're just talking about the financial impact of these different uses. Generally, those sorts of uses are accurate.

Mayor Scharff: Go on.

Mr. Keene: No, I'm sorry. Was there more to your question?

Council Member Tanaka: No. I'm just trying to think of that slide. I kept it somewhere, but I can't find it right now. My question is more about is this really right or not. In that analysis I remember seeing earlier, it showed housing actually being negative. That's why I'm questioning is this right or not.

Mr. Keene: There are different factors. The analysis that we've done isn't necessarily the full cost to the community of different uses right at times. There's different ways this has been sliced. I'm guessing that. The housing numbers that we have are based upon the impact on the City's operations and costs. It doesn't deal with other costs that can accrue in the community, or benefits. Correct? This can get to be a multidimensional conversation.

Mr. Gitelman: Council Member Tanaka, it was precisely because of past studies and thoughts such as those you've been referring to that we asked EPS to undertake a study with regard to this Comp Plan. They looked specifically at this issue of the impacts of growth on the General Fund. Maybe Ben can comment further.

Mr. Sigman: I'd love to add one comment. A lot of these studies depend on how you assign revenues and costs. There have certainly been past studies—I'm not sure if it was the City Manager slide or not—in Palo Alto that attributed, for instance, all retail sales to commercial uses or attributed

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all hotel TOT to commercial use. What we were asked to do when we put the methodology for this study together was to actually trace back those revenues to their driver. In some instances, it's households from the City that are making retail purchases, and we assume that that retail sales revenue is attributable to households, the residential land use. The same goes for hotel. There's some element of the TOT revenue that we attribute to households because when friends and relatives come to visit residents of town, that TOT revenue is attributed to having households here. It's a methodology that we crafted around the issues in Palo Alto and the questions the Council was asking at the time. It's not as simple as some studies, which just look at the revenues' first point of entry.

Council Member Tanaka: I just want to make sure that this is comprehensive, this is including all the costs and all the revenue, that we're not missing something. If it is, that's great. This is good, all the more positive. It's different from what I remember before. That's why I'm questioning it.

Mayor Scharff: Are you done? Thank you. I had a couple of things. First of all, I also wanted to say I thought the EIR and the Draft EIR, the supplemental part, were really done well. They dealt with all of the issues for the most part. In fact, I couldn't think of any you didn't deal with. I thought you did an excellent job on that. The EIR is well done and well crafted. I would associate my comments in some ways with Council Member Filseth, who talked about how it was great we went through all of these different things. In fact, I thought we were far more in-depth and thoughtful than a lot of EIRs I've read. I want to tell Staff I thought it was great. On the fiscal analysis, I also have a huge cognitive dissonance over the fiscal analysis and what I believe to be true. When I look through the fiscal analysis itself, for instance—basically you take Public Safety, which is probably our most expensive department, and 70 percent of that is allocated towards employment because most of the stuff that we have goes on Downtown. That's not the office buildings. That's basically because we have bars and restaurants Downtown, and people get drunk on a Friday and Saturday night, and those kinds of things. By just allocating stuff like that, it seems that we skew the whole—the way this works. What I took out of this is really more high level. When we do this on any of the scenarios, it's not going to break the City one way or the other or it's not going to make us a lot of money either way. I actually think if it was really that important, we spend the time on it. I actually would have lots of questions for the consultant, like Public Safety 70 percent Downtown because it's retail. Other things that come to mind are the amount of sales tax we generate in the Research Park is equal to the amount of sales tax we generate Downtown. Given that's true, it doesn't really make a lot of sense to me to say new jobs

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create less than new residences. The other thing I saw in here—I'd love to look at the numbers they used—is they were valuing a new office building worth less per square foot than a new residence. That's just simply not true. I know it's not true. I don't know where that data came from, but I think it's wrong. That skews the whole thing on the property taxes, which is what drives these numbers. What that does is drives it to look the way it does and give people the view that this is not really accurate. At the end of the day, I would say it actually probably doesn't matter that much, and it's not worth the effort to go through it. With that said, I just wanted to say that the EIR was well done. I think we're onto a good start. I appreciate all the Staff effort on this.

Council Member DuBois: I had a quick question.

Mayor Scharff: Quick, really quick.

Council Member DuBois: Are all those comments going to be considered part of the EIR? We don't need a Motion, right?

Mayor Scharff: No, we don't need any Motions.

Ms. Gitelman: The comments related to the EIR will be in the Final EIR and responded to there. The comments on the Fiscal Study, we'll respond to separately.

Mayor Scharff: We may actually get out of here before 1:00 tonight. We're doing a fairly decent job.

Mr. Keene: You've dealt with Number 4, Number 1, and Number 2. Correct, Mr. Mayor?

Mayor Scharff: That's correct. Now, we're going to basically come back to Item Number 3, which is identify the preferred scenario for the Final EIR based on the City Council's January 30, 2017 direction regarding the Land Use and Community Design Element as it appears. I'm just going to basically start this out with a Motion so that we can have something to talk about. I did send it to Staff. I'm going to basically move that we accept the Staff's description of a preferred scenario for the Final EIR with the following elements and adjustments: (a) that estimated housing growth would be between Scenario 5, which is 3,545 dwelling units, and Scenario 4, 4,420 dwelling units; (b) that we have an estimated nonresidential square footage similar to Scenario 2, 3 million square feet of which 1.3 million has already been approved at SUMC; the estimated employment growth (c) would be between Scenario 2, 9,850 jobs and 11,500 jobs; (d) the transportation investments would be those listed in the Staff Report subject to additional

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review and refinement when the Transportation Element returns to the Council on May 1st; (e) additional Zoning Code amendments and policies advancing sustainability measures would be those listed in the Staff Report subject to additional review and refinement when the Land Use Element returns to the Council on May 1st.

Council Member Filseth: Second.

MOTION: Mayor Scharff moved, seconded by Council Member Filseth to accept the description of a preferred scenario for the Comprehensive Plan Update Final Environmental Impact Report described in the Staff Report with the following elements and adjustments:

- A. Estimated housing growth would be between Scenario 5 (3,545 dwelling units) and Scenario 4 (4,420 dwelling units); and
- B. Estimated non-residential square footage would be similar to Scenario 2 (3 million square feet, of which 1.3 million square feet has already been approved at the Stanford University Medical Center); and
- C. Estimated employment growth would be between Scenario 2 (9,850 jobs) and 11,500 jobs; and
- D. Transportation investments would be those listed in the Staff Report, subject to additional review and refinement when the Transportation Element returns to Council on May 1; and
- E. Additional Zoning Code amendments and policies advancing sustainability measures would be those listed in the Staff Report, subject to additional review and refinement when the Land Use Element returns to Council on May 1.

Mr. Keene: Mr. Mayor?

Mayor Scharff: Council Member Filseth.

Mr. Keene: Mr. Mayor? Did you modify the recommendation under (a) from the Staff?

Mayor Scharff: I did. I did (inaudible) it. I'm going to briefly speak to it. It's important that we take a moderate and balanced approach to this. When looking at the housing numbers and looking at historical growth rates and looking at our schools and looking at a lot of that, what we are doing by going from 3,545 to 4,420 on this is saying to the community we want more housing, we want to make room for more people in our community. Our traditional growth rate would be—I don't have it in front of me. (Inaudible)

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it was the 2,927, the business as usual number, which was that. That's significantly smaller than the 3,545 and the 4,420 number. It has to be a range. I think it depends on where we go. It depends on what we get. I think that's more appropriate than choosing an arbitrary number on that. In reality, I don't think these things are as precise that we should choose one number. I'd also point out that this is basically the EIR. These numbers do not go into the Comp Plan. This is basically an EIR that justifies the Comp Plan according to State law. I also think it's really important to have numbers that are accurate and that make some sense. That's how I got there on the job numbers. I've heard from Staff over and over again that anything less than 9,850 jobs probably doesn't make much sense. What we want to do is have not a huge job growth, so 11,500 jobs on the outer limit makes some sense in terms of showing that we're not pushing job growth. We're pushing housing growth on this, but we are not going crazy on either housing or jobs, and we're taking a balanced approach to it. On "D" and "E," this is really so that we get out of here tonight. What I was really saying to my Council Colleagues on this is these elements are returning under both "D" and "E" on May 1st. We'll have an entire Council meeting and possibly more Council meetings, frankly, on those issues. To talk about the items set forth in "D" and "E," so you don't need to spend a lot of time tonight saying we want to change this or change that, because we're going to have a separate Council meeting to go through those items. That was the purpose of putting in "D" and "E" like that. That covers all what Staff needs. I just wanted to confirm with Staff that we've covered, if the Motion passes, what you need tonight.

Mr. Keene: I would just add, Mr. Mayor, under "D" and "E," what we have put in here was material that was presented to the Council on January 30th or comments as we heard from the Council. Your suggestion of being able to take it up on May 1st would be to correct, if there were some nuances or issues we didn't get right.

Mayor Scharff: That's what I was thinking. I didn't want Council Colleagues to think by voting for this that they're locking in stone anything in "D" and "E" if for reasons they have issues with it. We will have a full discussion of it, and everyone will have an opportunity to weigh in. We may in fact have more than one meeting on it on May 1st depending on how those elements go. With that, Council Member Filseth, would you like to talk to your second?

Council Member Filseth: Yeah, maybe I'll talk for a minute here. I wanted to see—I passed out this chart, which Hillary was very patient with me last night on this. I wanted to see the scenario growth rates relative to historical growth rates because we are talking about long-term stuff. This is the long

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term. Palo Alto has generally done a very good job over the years balancing between a purely residential suburb like Saratoga or Woodside versus a crowded urban city like downtown San Francisco, for example, or some of the other cities in the Bay area. We've got both family neighborhoods and the trees and the good suburban schools and the parks and open spaces, but we've also got this dynamic tech innovation economy of the Research Park and the Downtown core—Council Member Fine called it the golden goose—which is as dynamic as anywhere in the country, but still without a lot of the urban ills. The City Manager mentioned some of that earlier, the actions we saw this week that you see from a lot of other areas. Like the rest of the Bay area, we are straining a little now under some of the challenges like traffic and parking and obviously housing cost. Overall, we've done as well at that balance as any city in the area, maybe even the country. As somebody mentioned earlier, a lot of other cities would like to be where we are. Would everybody in Palo Alto like to have this and also have no traffic, easy parking everywhere, all the dog parks and playing fields you can possibly imagine and housing that everybody can afford who wants to live here? Of course, but it's not going to happen. What I think most people want is for us to keep this balance. Most people don't want to be Atherton; they don't want to be the Mission District either. I think they want to stay on this trend. This is kind of what the Motion we have on the table does consistent with history. I know there are people in town who value new housing so much that a lot of the other things are of secondary importance. This is what most people want. I think most people want us to grow housing moderately, to throttle back on massive job growth, and yet continue to be good stewards of the balance we've developed. I think this Motion does that. Thanks.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: I appreciate the desire by the maker and the seconder of the Motion to pursue a reasonable balance and to try and decipher what most Palo Altans want. We know what most Palo Altans want. We've seen it in our polling that was commissioned by the City last year. We saw it in the results in November. Palo Altans want more housing. I don't think rapid housing growth indefinitely into the future would be sustainable necessarily. I do think we have a critical need in the next few years to really address our jobs/housing imbalance to make up for historical deficits. This Comprehensive Plan is the opportunity to do that, to right our wrongs, to clean up our mess, to be a good steward to our region, and enjoy the benefits to our community of having that kind of balance. Scenario 6 is the only one that gets us under 2.9 jobs to housing imbalance. Some people talked about going to 10,000 new housing units for this Comprehensive Plan last year. I suggested at the time 8,000 and did not get support. We

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settled on—this is in talking about what we could at least study, which is really what we're talking about tonight as well, what's the preferred scenario for the EIR, not the Comp Plan itself. We ended up settling on something that I thought was a disappointing compromise of a maximum study of 6,000 housing units for the duration of this Comp Plan in the EIR. That was what we decided last year. I was very disappointed by that. A lot of people in the community were disappointed by that, but I've made my peace with that and a lot of us did as well. The proposal here does not capture that. This then throttles back on what was already a very severe compromise, especially when you compare us to some of our neighboring comparable cities. A lot of people who spoke tonight talked about Mountain View having a plan for 10,000 new housing units in the North Bayshore area. That would be the equivalent of us considering 10,000 housing units in the Stanford Research Park. That does not include the other housing that Mountain View is looking at in a variety of other neighborhoods, which are probably about double that in total or nearly double in total. Mountain View is growing by what—like 50 percent. I'm not saying we need to copy Mountain View, but again a 6,000 housing unit growth to be studied in the EIR was the compromise. I don't think this does service to that. I am surprised to hear reference to things having bene going pretty well in Palo Alto. I don't think things have been going pretty well in Palo Alto. Wherever you point the fingers, I don't think most people in Palo Alto think things have been going pretty well. We've differed about what the solutions are, but a lot of us came to this Council because we thought things needed to change. To decide now that we want to stay the course with something pretty close to how things are going is not the kind of turning around the Titanic that we've talking about for a few years. I'd like to offer an Amendment. I don't think it'll be friendly, but I'd like to offer it. For Part A, change that to between Scenario 4, which is the 4,420 dwelling units, and Scenario 6, which is 6,000 housing units. I hope that will be friendly, but I'll wait to see the response.

Mayor Scharff: No, it's not friendly.

Council Member Wolbach: I'll make it as an Amendment then and hope I'll have a second for it.

Council Member Fine: I'll second that.

AMENDMENT: Council Member Wolbach moved, seconded by Council Member Fine to replace Part A of the Motion with, “estimated housing growth would be between Scenario 4 (4,420 dwelling units) and Scenario 6 (6,000 dwelling units).”

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Council Member Wolbach: I think I've spoken to it enough. I'll leave it at that.

Mayor Scharff: Council Member Fine, would you like to speak to the Amendment?

Council Member Fine: Sure. Just to reiterate Council Member Wolbach, housing is the number one concern of this community. Palo Alto for decades has not pulled its weight here. Here's an opportunity for us to show some leadership, make moderate changes in our community, support our environmental goals through the S/CAP in terms of smart growth near transit and jobs. I also want to mention, as the Motion stands, 3,500-4,400 and 9,800-11,000 is still a jobs/housing ratio of 3:1. We're not really making a dent in the problem which our residents are worried about. Yes, we can moderate job growth. We can also build more housing. That begins to address that gap. I don't think the limit of 4,400 really begins to do that. We've heard from hundreds of residents that housing is their number one concern. Housing types are of concern to them. Housing prices are of concern to them. I just don't think moderation is the way to go on this. I don't actually believe that 6,000 is illegitimate or going too far. Mountain View is doing 10,000. Menlo Park is looking at similarly big numbers, and they're half our size. I'd like to see Palo Alto be a leader on this, on housing particularly.

Mayor Scharff: I'm just going to correct you. Mountain View is actually doing 15,000. Sunnyvale is doing 10.

Council Member Fine: Sunnyvale's doing 10, Mountain View is doing 15, and Menlo Park is doing—I think it's slightly below 10.

Mayor Scharff: Council Member DuBois, do you want to speak to this? You don't have to. I just wasn't sure.

Council Member DuBois: I had my light on for the original Motion.

Mayor Scharff: I'm going to clear the board. Just put your lights on if you want to speak to the Amendment. Vice Mayor Kniss. Sorry, Vice Mayor Kniss.

Vice Mayor Kniss: The reason this is so important is that, for those of us who ran last fall, the only issue was housing. There was nothing else. It was housing, housing, and more housing. Sometimes it was affordable housing. Sometimes it was micro units. There was absolutely no question it was about housing. I'm not sure we've got to go tit for tat with other cities. I don't think that's really the point. We're making a long-term plan tonight

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that I know is going to be for 15 years. No matter what we may say, this is supposed to be 'til 2030. No matter that it's going to run probably 'til 2035. This is about the future. This is about those who are going to move here in the future. Somebody said it earlier tonight; I don't remember who. They talked about diverse housing for a diverse group and a diverse community. I heard that many times during the election, that diversity issue. You need housing for, as somebody came earlier tonight, the developmentally disabled. You need housing for those who are aging and would like to age in place but still want to have their kids involved. What this does is give us a flexible number that we can aim for. I'm not sure there will be support for it. This is a laudable number that we could aim for tonight.

Mayor Scharff: Council Member Kou.

Council Member Kou: I just want to state that I agree with you and Council Member Filseth that we want to do a balanced approach moving forward in terms of growth here in Palo Alto. I would like to ask that you consider Stanford's number in terms of their population growth. That will have an effect on Palo Alto itself. If I may make a friendly Amendment ...

Mayor Scharff: We're actually talking about the Amendment. Are you going to amend the Amendment?

Council Member Kou: I'm so sorry. I'm not amending his Amendment. No.

Mayor Scharff: Fair enough. Council Member Holman.

Council Member Holman: I said earlier there's a difference between what we want and what we can do. Actually when it comes to this number, the original Motion cut it closer to right, not that there is a perfect. There's not a perfect. We had a lot of comments—yes, we've heard from a lot of people who said go big on housing. We also have a lot of people who have commented and responded to the Citizen Survey to talk about the physical effect to the built environment. We haven't seen to this point in time any drawings, any scope that show what this kind of development would look like, unless I've overlooked them. I'm used to seeing those kinds of drawings to see what this would look like, how might this impact our community. I can't support this for a variety reasons, if I wanted to.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: I want to ask Staff a practical question. What's the ramification of picking a slightly different range versus another? What in fact does it have in terms of what we do as a City?

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Ms. Gitelman: I think what we're trying to do in the Final EIR is give the public a good description of where the Council thinks the policy decisions they've made are going to end up at the end of the day. If we continue on the path that we started on January 30th with the Council direction on housing policies and policies related to moderating the pace of growth, this is where we think about we're going to end up at the end of the day. It helps us in the Final EIR demonstrate that the Comp Plan we've adopted falls within the range that we've analyzed.

Council Member Tanaka: Is there going to be a change in our Zoning Code as a result or is there going to be—is it changing our cap?

Ms. Gitelman: This is only for the EIR purposes. There's no precision here. We really are trying to give the public and ourselves a good description of where we think the policies will lead us.

Council Member Tanaka: That's what I thought. It's more of a rough (inaudible). There's no real—as I understand it, any real—there's no teeth to it, so to speak. Is that true or is there really teeth to this?

Mr. Keene: The EIR isn't being done in isolation. It is designed to allow the Council to have the flexibility to ultimately adopt the Plan that will establish the numbers. Those numbers are still in many ways a target to the extent that there are zoning changes that would be necessary to go ahead and implement them. Those are going to depend even on subsequent actions that the Council is going to take after you've adopted the Comp Plan. Let's be honest. We even have projects that come to us that have existing zoning that can take a long time to get through our process.

Council Member Tanaka: The Mayor's approach, which was to have a range, actually makes sense. My question here is since this is an EIR study, there's no real teeth to it. Should we not just have an expanded range so that we have more things covered? What's the downside of having a more expanded range? Right now, this Amendment is moving it kind of up-range a bit. What if we were to just have an expanded range? Let's say, go from—when it went from Scenario 5, 3,545 to 6,000, what impact does that have if we do that? An expanded range versus a narrower range slightly lower or narrower range slightly higher, what impact does that have in terms of what we're doing?

Ms. Gitelman: You could certainly do that. These scenarios taken as a whole represent quite a range. We're trying to give in the Final EIR the community some improvement on the range that's represented by the six scenarios and trying to get a little finer. There's no question that you—this is again art more than science. You could modify the Motion in any number

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of ways and still end up with a Final EIR that we hope would be descriptive of where the Council's going to end up on the policy matters.

Council Member Tanaka: I do wonder if we would get more buy-in here on the Council if we were to have a more expanded range versus the proposed range of the Amendment. I first want to look at the maker and the seconder of the Motion—no. The Amendment now is with Cory, yeah. It's with you, Cory.

Council Member Wolbach: Are you looking to make an Amendment to the Amendment?

Council Member Tanaka: Yeah, basically trying to expand the range.

Council Member Wolbach: I'd be okay with that. That would change it from—the low end would be Scenario 5, 3,545. It'd be somewhere between Scenario 5 and Scenario 6. I'd be comfortable with that. Adrian?

Council Member Tanaka: Maybe you get more buy-in that way.

Council Member Fine: I think that's a good strategy.

INCORPORATED INTO THE AMENDMENT WITH THE CONSENT OF THE MAKER AND SECONDER to replace in the Amendment, "Scenario 4 (4,420 dwelling units)" with "Scenario 5 (3,545 dwelling units)."

Council Member Wolbach: I also wanted to mention Mountain View is actually looking at somewhere between 18,000 and 22,000 housing units in a comparable time range.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: I guess I will weigh in on the Amendment. First of all, I just want to say quickly the Comp Plan is really important. I hope tonight we can get away from 5-4 votes and find a way to get 7 or 9 even. What Former Mayor Pat Burt said was pretty good, that the Comp Plan has deliberate tensions. Both of these Motions and the Amendment are compromises. Am I thrilled with them? No. I'd like to see a lot less job growth, but I'm willing to consider it to maintain balance. I appreciate the Motions. I would consider this Amendment if we included the job restrictions that were in Scenario 6. When we talk about Scenario 6, we only seem to be talking about the housing side. The original was an interesting compromise on both jobs and housing. This Amendment is housing-centric. I don't think an expanded range helps. That's why we have six scenarios, which is pretty unusual. We've been working with a pretty wide range, and

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we're trying to get to a preferred scenario. We've been kind of delaying this decision for quite a while, and it's time we do try to get more specific. It lets the public understand what the Plan is and gives them an ability to react. I don't think we should leave tonight with the full range of the six scenarios.

Mayor Scharff: You want to speak again?

Council Member Wolbach: Yeah, since I didn't speak after making the Motion. A couple of things. It's important to point out that based on the specific recommendations that we made in January about policies, between four and six was what Staff said would fit. That would fit with the policies we were identifying. If we don't at least study up to Scenario 6 or 6,000 units, then it raises questions about which policies, which of the pro-housing policies we supported in January are we going to want to cut. As for Council Member DuBois' indication, I would be very open to an Amendment relating to the job numbers and any amendments related to narrowing the range. I'm open to friendly amendments.

AMENDMENT AS AMENDED RESTATED: Council Member Wolbach moved, seconded by Council Member Fine to replace Part A of the Motion with, "estimated housing growth would be between Scenario 5 (3,545 dwelling units) and Scenario 6 (6,000 dwelling units)."

Mayor Scharff: Can we vote on the board? That fails on a 5-4 vote with Council Members DuBois, Kou, Scharff, Filseth, and Holman voting no. I think that's the first time I've been able to read it.

AMENDMENT AS AMENDED FAILED: 4-5 Fine, Kniss, Tanaka, Wolbach yes

Mayor Scharff: Now, we come back to the main Motion. Council Member Holman.

Council Member Holman: I have an Amendment in "E."

Mayor Scharff: Amendment where?

Council Member Holman: I'm sorry?

Mayor Scharff: You said, "I have an Amendment."

Council Member Holman: An Amendment in "E," within "E." "E" on the board talks about the direction that was given on the 30th. We didn't have much discussion, and there's one of those that merits discussion.

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Mayor Scharff: Council Member Holman, I started this. You're welcome if you want to—but what I said is we're going to have a full discussion of all of those on May 1st, every one of those on "E." That's an easier time to do it.

Council Member Holman: That's a clarification. We're going to have full discussion of each one of these items? How are we going to do ...

Mayor Scharff: You could talk about any of those items on May 1st, and we can make Motions and all of that. We're going to have a Council meeting, which we'll talk about stuff. We may have two, depending on how much time we have.

Council Member Holman: That's good. Just to give everybody a head's up, the one I want to talk about is the hotel increased FAR, again what the impacts of that are from a variety of different angles. The other Amendment I would like to offer is that the jobs go—this is "C"—at a range between 8,868 from Scenarios 5 and 6 to Scenario 2, the 9,850. I'd like to offer that as an Amendment.

Mayor Scharff: Seeing no ...

Council Member Wolbach: Second.

AMENDMENT: Council Member Holman moved, seconded by Council Member Wolbach to replace Part C of the Motion with, "estimated employment growth would be between Scenarios 5 and 6 (8,868 jobs) and Scenario 2 (9,850 jobs)."

Mayor Scharff: Seconded by Council Member Wolbach.

Council Member Holman: Surprising. Cory, I'm sorry. I thought no one had seconded it; that's why I said surprising. Thank you for that.

Mayor Scharff: Would you like to speak to your Motion?

Council Member Holman: Yeah. Council Member Fine said it too. If we increase the jobs, we're increasing the demand for housing. We're dipping our toe in one place and sticking our thumb in the dike the other place. I don't think it makes too much sense to be increasing jobs to a great extent when we're still trying to address the jobs/housing imbalance. That's why I offered it as an Amendment. Those are reasonable ranges. It's still a lot, 2.4 million to 3 million square of office development, nonresidential development. That's a lot. If you take into consideration and in concert with the Stanford GUP development that's being proposed and the Stanford GUP development that hasn't yet been built from the 2000 GUP, it is a huge

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amount of development. That's why I offered it as an Amendment and appreciate the second.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: If we're not willing to go higher on at least studying housing, it's imperative that we at least study going lower on the jobs. The jobs/housing imbalance is the central crisis in Palo Alto. It's not just about housing. As much as I do talk about housing, it is housing in a context, and that context is supply and demand. If we're not willing to explore a higher supply, we have to be willing to at least explore lower demand. The lower jobs number was actually part of Scenario 6, which was what I was behind a year ago. I appreciate Council Member Holman offering this Amendment. As I indicated when we were talking about my earlier Amendment, I'd be very happy to explore amendments relating to the jobs. This is important. As a couple of members of the public, Hamilton Hitchings for instance, pointed out, when you add jobs to the community, you create more demand for housing. Unless we are willing to be honest and talk about what drives the housing demand, we're never going to get ahead of the problem.

Mayor Scharff: I'm going to speak against this Amendment. First of all, we've heard from Staff on several occasions and from their consultant that anything less than 9,850 jobs is completely unrealistic and puts the EIR at risk and makes no sense. We lowered the number of jobs to 11,500 to be balanced and reasonable. We've also heard from our consultant that we have already 2,500 of those jobs already approved at the hospital. We also had some job growth between—this is 15 years. We were already 2 or 3 years into this. We already have some job growth on that. We've also talked about how employment densities and that kind of stuff are really difficult, and it's cyclical. It's like the parking discussion. We want people out of their cars; we want more parking; we can't just wish it into existence. What we want to do is be balanced. We want to be balanced on the housing. We want to be balanced on the jobs. This is not realistic. If you start thinking about the jobs/housing imbalance, as many people including Council Member Wolbach have said, we're not an island. What you're really looking at is huge housing numbers on either side of us in Sunnyvale, Mountain View and Menlo Park. You're looking at Redwood City putting in a large number of housing units. What really matters is the transportation, and a lot of these are along the Caltrain corridor, which is good, which will serve Palo Alto. Those housing units will be excellent in helping us that way. A lot of them in North Bayshore will help with the commute patterns in the North Bayshore Park with Google, LinkedIn and some of the other big employers that are down there. We need to be very realistic. There's two

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things I'd like to achieve tonight. One, I'd like to signal to the community where we are. The other part is a defensible EIR that withstands legal scrutiny. These low job numbers don't do that. It's really important that we have the right job numbers, realistic job numbers. If you look at the job numbers for business as usual, they approach 16,000. By going down to 11,500, we're being realistic and honest with the community about where the range is, which is 9,850-11,500, which is how I chose those numbers. I would ask that you do not support this Amendment. Who still needs to speak? Council Member Filseth.

Council Member Filseth: I wanted to ask Staff if they can color a little bit on what would be involved in us actually getting to 9,000 jobs. This is an EIR. It's not a target that we're setting. I am sensitive to the idea that there's no point in us spending a lot of time on studying circumstances that aren't achievable. I guess I'd like to hear from Staff about that one. What would it take for us to get to 8,868 jobs? Is it even possible?

Ms. Gitelman: That's a good question. We've been giving a lot of thought to what are the policy levers that the Council would have to try and diminish the rate of job growth. The office annual limit is one of those. We've talked about perpetuating that in the future; although, the Council was not interested in making that Citywide. That was one of the conversations we had on January 30th. We've also talked about this issue of starting to require a use permit for new office/R&D uses to regulate employment densities. There hasn't been a lot of interest. You heard from the Stanford Research Park representative today that there's some concerns about that and its impact on the business community. There aren't a lot of levers there. As I indicated earlier, job growth happens in existing space. The way we've thought about this 8,868, if 2,500 happens at the Research Park—I'm sorry—at the Medical Center, that means there are 5,300 jobs for the rest of the community in 15 years, which is about 350 jobs a year. It just doesn't seem that realistic. Nine thousand doesn't seem particularly realistic, but 8,800 just seems low. I'm not saying it's impossible for you to move forward with that number, but in our opinion it just seems that someone looking at our conclusion would say, "How in the heck did you ever get that number?"

Council Member Filseth: If I understand the corollary to what you just said, it's pretty likely that no matter what we do we're going to end up at least 10,000, maybe 11,000.

Ms. Gitelman: I think that's our feeling based on just the amount of building space we have in Palo Alto.

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Council Member Filseth: The EIR should cover the range of possibility. I wouldn't be averse to—if we say ... I think 9,000-10,000 for the EIR is—we might not get our money's worth out of the EIR.

Mayor Scharff: Council Member DuBois.

Council Member DuBois: I have to say, Cory, this is a tempting Amendment, and I'm really listening hard to the arguments being made tonight. I'm not sure we all fully understand the ramifications of what we passed on January 30th. What we passed on January 30th would actually degrade the housing situation. It's that combination of removing all the caps and increasing the jobs with some housing growth but not enough to keep up with that job growth. The people that benefit from that situation, I don't think the residents benefit. I don't think people looking for new housing benefit. I think the demand for that housing is going to be extremely high. On the other hand, this question of what's a reasonable number, we need to think about that. The biggest thing for me, though, is there's talk in here about policies to encourage housing Downtown, to allow commercial space to be turned into residential space. I would offer a friendly Amendment that rather than change the job numbers, we reconsider the introduction of the Downtown cap. We would be left with these more middle-ground job numbers, but we would create an environment where we might actually get more housing. I'll just throw that out there to see if there's interest in that.

Mayor Scharff: Karen's what?

Council Member Wolbach: She's the maker herself.

Mayor Scharff: Karen's the maker of the Motion.

Council Member DuBois: I'm not replacing Part C. I'm keeping Part C of the original Amendment but to reintroduce some form of the Downtown cap to be defined by Staff.

Council Member Holman: I'll second, but it's for discussion because I need some clarification.

SUBSTITUTE AMENDMENT: Council Member DuBois moved, seconded by Council Member Holman to add to Part C of the Motion, "to reintroduce some form of cap on development Downtown."

Mayor Scharff: I don't think this is agendaized. Is this the time to do this?

Mr. Keene: Molly probably can weigh in there best.

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Mayor Scharff: To discuss ...

Ms. Gitelman: Certainly at our May 1st discussion, we were planning to bring back the Land Use Element reflecting the Council's input on January 30th. That would be a good opportunity to reconsider anything that you feel like went too far in one direction or the other.

Council Member DuBois: "C" is driven by which policies are in place, the job number.

Mayor Scharff: Sure, go ahead. You want to ask a question?

Council Member Holman: Yeah. The question about the Substitute Amendment is—the Staff Report reminds us that Scenario 2, which the prior job numbers were based on, include a City wide annual limit. I presume that would be included in what the original maker of the Motion was intending for "C." That's one question, and then I have another question that's pertinent to both of these.

Ms. Gitelman: Thank you for that question. The reason that we in our Staff recommendation suggested that we land between the job numbers in Scenario 2 and 3 is that Scenario 2 had a Citywide annual limit and Scenario 3 had an annual limit like the one we have now on an interim basis. We took that as one of the few policy levers that has managed to affect the production of office space and new employment in new building space. That was our suggestion. It is really just a projection or a prediction of what will happen based on a whole set of policies. Council Member DuBois has pointed out there are other policies that the Council has already directed us to include, like the conversion of some development potential that's commercial to residential potential. If you as policymakers think that is going to have a much greater impact than we have, it would justify the smaller numbers in your range. I hope that's clear.

Council Member Holman: Yes, it is true. That's one of the places (inaudible) going to go to. We did talk about—have not moved on it yet—converting some of the commercial floor area ratio to residential. That's another way we can curb office growth so we can make some advances on our jobs/housing imbalance. That's isn't exactly what the Amendment says.

Council Member DuBois: I just want to be clear. I don't know if my Amendment was understood. I am supporting the original Motion and suggesting we stay with those numbers, but we maybe allow for actual housing development through the cap. Is that clear?

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Council Member Wolbach: Were you supporting the original Motion or the Amendment?

Council Member DuBois: My Amendment to the Amendment was to replace the numbers with the idea of encouraging housing.

Council Member Wolbach: It was an Amendment to the Amendment.

Mr. Keene: Can I just ask a ...

Council Member Holman: You said you were replacing the numbers, but you ...

Mr. Keene: I don't think we can replace the numbers. We do need a range of numbers for the EIR.

Council Member DuBois: I'm saying keep the numbers from the original Motion.

Mr. Keene: That's the clarification there. Can I just make—I certainly understand the intention separate from any concern Molly might have about is this relevant now. Going back to the idea that the EIR is to establish a range for you to study. You're going to have to, on May 1st or after that, make a number of other policy decisions to start to develop—put more substance to your strategy. My own guess is we're not going to effectively be able to meet the housing numbers that are in this range without looking at zoning changes that could include exactly what you're talking about, saying how do we incentivize conversion of office to ... Why not study the larger office number anyway than making this decision right now? I know you're going to make ten other decisions between now and when you adopt the Comp Plan, that are going to get more specific and give the public a clearer picture about how you're going to implement over the next 13-15 years what it is you want to achieve. This one is a little bit one-off. I understand what you're trying to do. I'm just wondering if this is the time to do it rather than later.

Mayor Scharff: I didn't think the Amendment was within order. I thought it was outside of order, and that's why I asked the City Attorney. I got the sense that it's not. I'm not sure why we're continuing to discuss it.

Molly Stump, City Attorney: The item is really framed as setting the parameters for the EIR. The programmatic changes that would go along with that in terms of what the Comp Plan elements might look like, the public has not been informed that those are an item for the Council to focus

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on this evening. Those are really better for the next time that the item comes back; although, the two are obviously related. There's an interplay.

Council Member DuBois: I'll withdraw the Motion. On Packet Pages 389 and 390, it lists a whole bunch of policies that drive all these numbers.

SUBSTITUTE AMENDMENT WITHDRAWN BY THE MAKER

Mayor Scharff: You'll withdraw the Motion. I guess we can vote on the—wait. Let me clear the lights. If anyone wants to talk who hasn't spoken on the Amendment, put your light on. Council Member Fine.

Council Member Fine: Thank you, Mr. Mayor. I'm opposed to this Amendment for a few reasons. One, I agree with the Mayor that we need to be realistic about our jobs numbers as informed by Staff and make this legally defensible. I do disagree with the Mayor that we can rely on other cities for our housing needs. That's another comment. Second, I'm a little worried after seeing this Amendment that we're aiming for zero in a funny way. We can solve our jobs/housing imbalance by saying zero jobs, and why don't we? That's not on the table right now. If we ratchet all these things back, I feel that's really diminishing Palo Alto. We do need to lead on some of these things. Somewhat on jobs and how we do it in the right way; somewhat on how we regulate them; somewhat on how we measure employees per square foot; things like that. I'd like to see us lead on housing. It doesn't seem like the original Motion does that, but this Amendment is a ratcheting back in terms of our ambition and what we believe we're capable of. I won't support the Amendment.

Mayor Scharff: Let's vote on the board. The Amendment fails on a 6-3 vote with Council Members Kou, Wolbach, and Holman voting yes.

AMENDMENT FAILED: 3-6 Holman, Kou, Wolbach yes

Mayor Scharff: Are we now ready to vote on the main Motion?

Mr. Keene: Give me a nice welcome back present.

Mayor Scharff: If you want to talk more, we can talk more. I do actually see three lights now on the main Motion. Council Member Fine.

Council Member Fine: I'm going to test something out here. I'd like to make an Amendment that the estimated employment growth be between Scenario 2 of 9,800 and Scenario 4, which is 15,480. I'm testing you all. I want to see.

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Mayor Scharff: If you went to the 12,000 number, you might get some support. Obviously not by me. The 15,000. Do we have a second for that?

Council Member Tanaka: I'll second.

AMENDMENT: Council Member Fine moved, seconded by Council Member Tanaka to replace Part C of the Motion with, "estimated employment growth would be between Scenario 2 (9,850 jobs) and Scenario 4 (15,870 jobs)."

Mayor Scharff: Council Member Tanaka.

Council Member Fine: I want to speak to this for a moment. I know this is a little ridiculous and out there but, as we've all said, jobs drive our housing. If this is one way to get housing, I'm actually willing to accept it. I'm not joking, guys. I think we're being really, really poor on the housing front here.

Mayor Scharff: Council Member Tanaka.

Council Member Tanaka: I support this for a different reason. Back to what our City Manager was saying just a few minutes ago, business as usual we had 15,000. This EIR is not a mandate of what we're going to do. It's an analysis of what could happen and what the impacts are. Even to what Council Member Filseth said, if you have such a tight range, does this really let us know what's going to happen. The EIR is not a mandate saying it's going to be this or that. It's analysis. Why would we not want a more broad analysis to let us know what's possible?

Mayor Scharff: Seeing no other lights—you want to speak to this Amendment? Is it really necessary? We could just vote and turn it down. You're not going to vote for it; I know that. That fails on a 7-2 Motion with Tanaka and Fine voting yes.

AMENDMENT FAILED: 2-7 Fine, Tanaka yes

Mr. Keene: See how many 2-7 votes you can get in a row.

Mayor Scharff: Put your lights back on for the main Motion. Vice Mayor Kniss.

Vice Mayor Kniss: I think it's always important to explain that since earlier we voted for a 6,000 number, we're now back to a smaller number than we were, but one that I still think is rational. I know there are people in our community—I must say the lack of audience tonight is really interesting. We had more people here for our RPP and ADU. Isn't that interesting that the Comp Plan doesn't have quite the lightning effect that some of the others

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do. It must be that this is much more amorphous than something that's much more tangible like where are you going to park or put a dwelling in your backyard. That's very interesting to me. There was huge support for going with the 6,000 number that didn't work. Politics always is the art of compromise. Tonight, we're talking about a compromise, but what we need to do is move on with this. We're going to have two more long meetings that deal with both "D" and "E." I certainly look forward to those when I'm not quite as jet-lagged as I am tonight. The Motion that is in front of us is a reasonable, as I said, compromise. It begins to take us where we want to go with this Comp Plan, which has now been in process for 10 years, since before you came and most of us were sitting here. With that, I'm voting for the Motion.

Mayor Scharff: Council Member Kou.

Council Member Kou: Since we're talking about the EIR and looking at the numbers, may I make an Amendment or a friendly one for Number A? Instead of Scenario 5, to go to Scenario 2 using those numbers.

Mayor Scharff: I was really informed that it makes absolutely no difference if I say Scenario 5 or Scenario 2. I chose Scenario 5 because that's ... Scenario 2 is the 2,720. Sorry. Got it. You can make the Motion. Maybe we can get a 6-3 vote.

Council Member Kou: Estimated housing to be ...

Mayor Scharff: You wanted the 27 ...

Council Member Kou: I want Scenario 2's 2,720 dwelling units.

Mayor Scharff: Do we have a second for that? Seeing no second.

AMENDMENT: Council Member Kou moved, seconded by Council Member XX to replace in Part A of the Motion, "Scenario 5 (3,545 dwelling units)" with "Scenario 2 (2,720 dwelling units)."

AMENDMENT FAILED DUE TO THE LACK OF A SECOND

Mayor Scharff: Did you have something further you wanted to say? I don't want to cut you off.

Council Member Kou: No, thank you.

Mayor Scharff: Council Member DuBois.

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Council Member DuBois: A quick question. On "B," did you just intend for that to be what Staff recommended?

Mayor Scharff: Yes.

Council Member DuBois: There's no change there.

Mayor Scharff: That's correct.

Council Member DuBois: First of all, I'll say it again. I want to thank the makers of the Motion. This was a compromise. It's a balance. I do appreciate it. If we're going to work well the rest of the year, I hope we can do this more often. I do want to come back to the school thing real quick. There were some comments made. We did get three letters today, and we got a lot of emails today. There was one from Todd Collins. There were actually two from the School District. Liz, just so you know.

Vice Mayor Kniss: I did finally get Todd's, but I still don't have the other one.

Council Member DuBois: There was one from the School District to Stanford saying that they needed land for one more school for the Stanford GUP. There was a letter from the Superintendent asking for more time to weigh in on the EIR itself. We had talked in City/School. For some reason, there is a disconnect there. I do hope before the end of the month that we can connect with the right people at the School District. I just want to make sure that's clear. I'm going to ask for a friendly Amendment. If it's not friendly, we can take it up in May. There were scenarios that included the County Expressway Plan. The reason I bring that up is this compromise scenario is a fair amount of growth. I'm concerned that the Transportation Element—I would like Staff to be able to analyze that when they come back in May.

Mayor Scharff: I completely support that. I sit on the Expressway 2040 Committee. Do we need to put that in the Motion or are you analyzing it anyway?

Ms. Gitelman: It's in some of the scenarios. Just to clarify, in Part D about transportation investment, we just listed things that we were going to fund in our jurisdiction. We are assuming the transportation expressway elements that are funded in Measure B would go forward, including the new lane on Page Mill Road with High Occupancy Vehicle (HOV) provisions.

Mayor Scharff: You should do it with **HOV** or non-HOV provisions, because that's not decided.

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Ms. Gitelman: That's right. We analyzed it both ways, so we can have that discussion.

Council Member DuBois: That was listed specifically in other scenarios. It wasn't in this report.

Ms. Gitelman: Understood, and I apologize for that. We were really focusing on these investments that the City would make in bringing this forward. There are investments by other agencies that would affect us. We can outline those.

Mr. Keene: Really you don't need to amend it. We assume that "D" covers that, and we're just clarifying that we would bring that back.

Council Member DuBois: May 1st, you'll be prepared to talk about it. Thank you.

Mayor Scharff: Council Member Holman.

Council Member Holman: I almost forgot what I was going to bring up.

Mayor Scharff: Don't feel obligated.

Council Member Holman: I've brought this up before, but I'm not the only that's still a little confused and concerned about the picking and choosing from one scenario to another. When this comes back—I'm not offering an Amendment—could Staff please offer a really clear explanation of how you can pick and choose from one scenario and plunk it into another scenario and it all make good pudding? There was a second one, but I have—I know what it was. The other one was if Staff, also when this comes back, could respond to, assuming the comment was correct, the comment that Jeff Levinsky made, which was in a letter to MTC or ABAG by the City that 286 units were unachievable due to impacts on neighborhoods. If the City could respond to that question also when we come back. If 286 are unachievable, how is it we're looking at ...

Ms. Gitelman: Council Member Holman, if it's okay, I think we'd like to respond to that in the Final EIR. I think it was offered as a comment on the Draft EIR. It would be appropriate to put that response in the Final EIR. Just briefly, I know the City over the years has done a lot of advocacy at ABAG about its RHNA numbers. I'm confident that was the context in which that letter was drafted. We can confirm that. This is a different exercise. We're not looking at a 7 or 8-year RHNA period; we're looking at a 15-year or longer Comprehensive Plan. The Council's policy direction has been to

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encourage housing. I think it's kind of a new approach going beyond what that letter must have been about.

Council Member Holman: I appreciate that it was intended as a comment on the DEIR. At the same time, I'm not quite sure if it's going to have—presuming this comment was correct, if 2,086 units is going to have a significant impact on neighborhoods, what does it matter if it's over a period of 7 years or 30 years? If we can't add that number of housing units into the City without having a significant impact, I guess that's ...

Ms. Gitelman: Again, Council Member Holman ...

Council Member Holman: ... what I would like to have a better understanding of when this comes back.

Ms. Gitelman: We've analyzed scenarios with a higher number of housing units in it. We have not found, as you say, impacts on the neighborhood. We have identified some traffic and air quality impacts that can't be mitigated. We've identified a host of impacts that require mitigation. Our intention is to apply that mitigation through this process. There is a response. I'd like to take the opportunity to prepare a thoughtful, written response in the Final EIR to that sentiment.

Mayor Scharff: I wanted to ask a clarifying question. When I chose Scenario 5 or Scenario 4 or Scenario 2—this is my understanding of it—that's not saying—what you have in the Packet back here, little X's next to the boxes. That's not choosing those boxes over other boxes. I just wanted to clarify for everyone that we're not making those decisions. When I say Scenario 2, we're talking about the number. It's really just to point out that it's the number. We're not saying it's the Scenario 2 box over, say, if I chose Scenario 4's boxes. I wanted everyone to recognize that so they know what we're doing.

Ms. Gitelman: That's correct.

Mayor Scharff: Council Member Fine. Nope, okay.

MOTION AS AMENDED RESTATED: Mayor Scharff moved, seconded by Council Member Filseth to accept the description of a preferred scenario for the Comprehensive Plan Update Final Environmental Impact Report described in the Staff Report with the following elements and adjustments:

- A. Estimated housing growth would be between Scenario 5 (3,545 dwelling units) and Scenario 4 (4,420 dwelling units); and

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- B. Estimated non-residential square footage would be similar to Scenario 2 (3 million square feet, of which 1.3 million square feet has already been approved at the Stanford University Medical Center); and
- C. Estimated employment growth would be between Scenario 2 (9,850 jobs) and 11,500 jobs; and
- D. Transportation investments would be those listed in the Staff Report, subject to additional review and refinement when the Transportation Element returns to Council on May 1; and
- E. Additional Zoning Code amendments and policies advancing sustainability measures would be those listed in the Staff Report, subject to additional review and refinement when the Land Use Element returns to Council on May 1.

Mayor Scharff: Are we ready to vote? That passes on an 8-1 vote with Council Member Wolbach voting no.

MOTION AS AMENDED PASSED: 8-1 Wolbach no

Ms. Gitelman: Thank you all.

Mayor Scharff: Thank you.

Inter-Governmental Legislative Affairs

None.

Council Member Questions, Comments and Announcements

Mayor Scharff: Now, I believe we're at Council Member Comments and Questions and Announcements. We also do have Intergovernmental Legislative Affairs. We don't have anything under it, but I'm going to speak to it in my Council Member comments. I'm on the legislative—reviews all the legislation for ABAG. There's a number of housing bills in the Legislature right now, and a number of other bills that I would say threaten local control. We as a Council should agendaize some of these soon and be able to weigh in. I just wanted to say that. That was something that's important because we often defend local control. We should definitely look at those issues. I think some ...

James Keene, City Manager: Can you work with me at Agenda Planning?

Mayor Scharff: I will. Some of you would be shocked at some of the bills that are out there, frankly. In fact, I believe that ABAG at the end of the

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day will also take a stand against some of the more extreme loss of local control bills that are out there right now. There's something like 20 different housing bills out there.

Council Member DuBois: I wanted to thank Rob de Geus and Peter Jensen as well as Police Officer James Reifschneider. Is that how you say his name? They came out for the Barron Park annual meeting. They talked a lot about Community Services and policing activity. There was a lot of Q&A. It was really appreciated.

Mayor Scharff: Vice Mayor Kniss.

Vice Mayor Kniss: I want to just briefly report on being in Washington last week. I would encourage any of you to go. We were fortunate and had a very long meeting with the FAA, which we have passed that information onto Staff. There's still a great deal of interest in whether or not there will be another Select Committee that's made. We discovered that almost every office was willing to see us. Sadly, it snowed on Tuesday, and so the usual representatives that we could have met with on Wednesday we couldn't get in on Tuesday. It's a great opportunity to interact with people from all over the country. We spent some more time with the people from Boulder, not surprising because Boulder is not dissimilar from Palo Alto. Once again, I found what was so discouraging was there's such a negative feeling toward California. I don't have any answers to it, but it also became very clear that the split in California between the parties is very significant when it comes to funding. There was a lot of talk about that. We ended up accidentally at an MTC meeting and heard a great deal about—it's amazing what happens. There wasn't a moment that we weren't busy with something or learning something or attempting to get more information from those who are back there. I'm delighted I went. I hope others will think of going to some of the other meetings. This was the National League of Cities, and it's their spring legislative meeting where they are discussing what is going to be coming in the next year. There was clearly a lot of talk about the President, not surprisingly, and where is this Administration going and what else is going to change. That was interesting. Delighted I went. As I said, would encourage others to go. We missed you going, by the way.

Mayor Scharff: Council Member Wolbach.

Council Member Wolbach: A couple of things. Also, I was part of that trip to Washington, D.C. I thought it was an interesting lesson. One of the reasons I would join Vice Mayor Kniss in encouraging everybody to go next time—in our meeting with the FAA, it wasn't until about an hour into what I was expecting to be a half hour meeting that through our pressuring and asking

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questions we were able to pull more information out of them, which made us cautiously optimistic. Emphasis on the cautiously when it comes to airport noise. Having us in the room with those people, asking the right questions got us more information than we would have otherwise had. It was just an interesting lesson. Hopefully we get some Caltrain electrification. Hopefully we get some relief on airplane noise. Hopefully we get the approvals we need to move forward with the creek flood protections upstream from Highway 101. Emphasis on “hopefully”. Also, today I was appointed as Chair of the Legislative Action Committee for the League of California Cities Peninsula Division, which is a new committee.

Mayor Scharff: Congratulations. Council Member Fine. I thought you had your light on. I'll just also briefly report on Washington, D. C. I thought it was extremely useful. I found what was the most useful, frankly, was talking to the Republic Senators that we talked to. They too were very concerned with the cut in transportation—the ones that we spoke to—that this is a change in the process. There was lots of concern about where that budget was going. It hadn't come out yet, but there had been rumors. I thought that was very interesting. I'm still hopeful that the Feds will step up and do the right thing and fund the Caltrain electrification. If not, I'm sure there will be some sort of Plan B that electrification actually gets done at some point.

Vice Mayor Kniss: Could I just add to that? While we were back there, there's so much interest in electrification. I don't know if any of you noticed that just a week ago there was an editorial in the *New York Times* on the electrification and the importance of it in the country. It was heartening to read that. If any of you have any influence with someone, please use it.

Mayor Scharff: With that, the meeting's adjourned.

Adjournment: The meeting was adjourned at 10:50 P.M.