

Special Meeting
November 12, 2002

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8. PUBLIC HEARING: The Palo Alto City Council will consider the revised Draft Housing Element of the Comprehensive Plan, which incorporates changes, based on state review and limited staff revisions, including modifications to the Housing Sites Inventory.41

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ADJOURNMENT: The meeting adjourned at 10:50 p.m.51

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:00 p.m.

PRESENT: Burch, Freeman, Kishimoto, Kleinberg, Lytle (arrived at 6:25 p.m.), Morton, Mossar, Ojakian

ABSENT: Beecham

SPECIAL MEETING

1. Study Session Regarding Recommendations of the Blue Ribbon Storm Drain Committee

Council Member Freeman, acted as Council liaison to the Storm Drain Committee, opened the study session by thanking the members of the Committee for their participation and valuable contributions. City Manager Frank Benest provided background information on the selection and makeup of the Committee. He also gave an overview of the Storm Drainage Fund's status as an enterprise fund within the City budget and discussed the Year 2000 storm drain election and the lessons learned from its failure. Committee Member Walt Hays provided the justification for the Committee's recommendations by describing the existing condition of the City's storm drain system and the negative impacts of the "no project" scenario. After presenting an overview of the key elements of the Committee's recommended program, Mr. Hays introduced Committee Chair Larry Klein. Mr. Klein outlined the Committee's recommendations; including storm drain system improvements, payment mechanisms, sunset and oversight provisions, and policy issues. City Manager Benest concluded by describing the next steps in the process and identifying several issues for follow-up staff analysis prior to a return to Council. Committee Member Elizabeth Dahlen presented a "minority report" summary of her views that differed from the Committee's recommendations. Tim Mulligan, General Manager of the Santa Clara County Vector Control District, described how poorly designed storm drains can provide an environment for mosquito breeding and noted that Palo Alto's storm drains have the worst mosquito problem in the County. Members of the public provided comments to Council on storm drainage and the Committee's recommendations during the public comment period. Several Council members made comments about the Committee's recommendations and provided input to staff on the issues and questions that they would like to see addressed when this topic is brought back before Council after the first of the year.

Mary Carlstead, 147 Walter Hays Drive, spoke regarding storm drains and felt that property owners should not be charged a fee on something that was city-owned. She said to tax a resident for something that did not belong to them, that they had no control of, or did not buy, was outrageous.

Anthony Merlo, 2430 Bryant Street, spoke regarding recommendations of the Storm Drain Committee. He said should the City win the storm drain election, the City would be sued and Palo Altans would need to pay the opposing lawyers cost. The City's legal staff said a property-related fee was involved. The opposing lawyers called it an assessment. The difference was how the election was conducted and type of majority required to pass the measure. He asked that staff review the issue.

Trish Mulvey, 527 Rhodes Drive, gave a breakdown of how the monthly Storm Drain fee of \$13.90 was averaged over the life of the measure.

George Browning, 4005 Sutherland Drive, said the 1998 flood was caused by the overflow of the San Francisquito Creek and the proposed repairs to the storm drain system, which did not stop the flooding from the City creeks. When the flow exceeded the preset levels, the expensive pumping stations were turned off causing water backup in the drains. Thus, the expensive improvements to pumping stations did not solve the problems and money was wasted. He also said a Sunset clause should be set at 10 to 15 years to review the program to assure that citizen's money was properly used and the program was properly budgeted to determine whether the program should be redirected. Many Palo Altans voted against the last initiative because it lacked such a clause.

Jean Wilcox, 4005 Sutherland Drive, read a letter to the Palo Alto Daily written by George Browning two weeks prior to the 2000 Storm Drain Fee election. The letter did not state an ending date for the fee. She said no one would want to vote for something where rates would escalate to an enormous figure in 20 to 30 years.

Wayne Martin, 3687 Bryant Street, said the Storm Drain Report outlined in the staff report (CMR:443:02) was flawed mainly because it was compiled by people who were not professionals, leaving them struggling and trying to cope with basic civil engineering. There were several alternatives that constituted the bases for the flaws that were not discussed such as water retention programs that made it necessary to remove water reducing piping costing approximately \$1,000,000 per mile. He asked the report be rejected and reconstitute a committee with civil engineering professionals to bolster the knowledge necessary to make a decision in the next two to three years.

Roger Mansell, 550 Santa Rita Avenue, said the City did not have a handle on its cost, and it was unconscionable to have a high utility fee added to an asset that should have been taken care of by the Utilities Department. A sudden need for money at a high fee says to the public that staff was allowed to mismanage the City for many years.

Bob Moss, 4010 Orme Street, said libraries should be improved before storm drains. He emphasized storm drains should be paid out of the Capital Improvement Project Fund and not the General Fund.

Lynn Chiapella, 631 Colorado Avenue, spoke regarding the issue of street repairs being done piecemeal. Streets would get repaired but not the gutters making them unsuitable to handle the storm drain water. She said there should have been more coordination between getting the streets, sidewalks, curbs and gutters completed at the same time. Completing projects separately only resulted in spending more money on redoing the work.

No action required.

ADJOURNMENT: The meeting adjourned at 7:40 p.m.

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:45 p.m.

PRESENT: Burch, Freeman, Kishimoto, Kleinberg, Lytle, Morton, Mossar, Ojakian

ABSENT: Beecham

BY A CONSENSUS OF THE COUNCIL Special Orders of the Day would be moved forward ahead of Oral Communications.

SPECIAL ORDERS OF THE DAY

1. Green Business Recognition for the City of Palo Alto

County Board of Supervisor Liz Kniss presented the City with the Green Business Award.

Carol Berg, Santa Clara County Green Business Program, congratulated the City of Palo Alto for receiving the Green Business Award, the first city in the entire region to become a Bay Area Green Business.

Environmental Specialist Julie Weiss said she had coordinated the Green Business project and acknowledged various people who were involved in leading the project. Tom Auzenne, conducted an energy reduction program that saved the City over \$25,000,000 a year. Lisa Mainarick and Ewing Bettles developed a software that centrally controlled monitors to shutdown when not in use saving the City \$17,000 a year. Annette Puskarich was involved in a recycling program that helped the City's operation to reduce solid waste by 46 percent a year. Tom Macway from Facilities switched 12 custodial products to less toxic and more environmentally safe products. Stephanie Hughes and Phil Bobel were involved with pollution prevention program. Thom Newland, Fire Department, assisted the project with meeting all State requirements.

Major Ojakian thanked Council Member Burch and Kishimoto for representing the City when the award was presented at the County level.

No action required.

ORAL COMMUNICATIONS

Wayne Swan, 240 Kellogg Avenue, spoke regarding miscellaneous Capital Improvement Projects (CIPs).

Helen Baumann, 151 Coleridge, spoke regarding the Death Penalty Moratorium Forum in the Council Chambers on November 16, 2002, from 2 p.m. to 5 p.m.

APPROVAL OF MINUTES

MOTION: Vice Mayor Mossar moved, seconded by Morton, to approve the minutes of September 23, 2002.

MOTION PASSED 8-0, Beecham absent.

CONSENT CALENDAR

Council Member Freeman stated she would vote "no" on Item No. 5.

Council Member Kishimoto stated she would "abstain" on Item No. 5.

Council Member Kleinberg stated she would vote "no" on Item No. 5.

Council Member Lytle stated she would vote "no" on Item Nos. 4 and 5.

MOTION: Council Member Morton moved, seconded by Burch, to approve Consent Calendar Item Nos. 2-6.

Council Member Kleinberg said regarding Item No. 5 she wanted to see the reconsideration of Council's vote to establish the policy not requiring prevailing wage and where the policy came from.

Mayor Ojakian asked the City Attorney to provide the information to the Council as a whole. He said an item would need to be agendaized to be reconsidered and would take two Council Members to get consideration.

City Attorney Ariel Calonne said he could not provide the information on the cost impact. The reason why the City did not do this in the past was because it was not required by law and very costly to research. He would need help to analyze the cost.

Council Member Kleinberg said she did not need the information immediately. It was something that was raised by Council over the last few years.

Mr. Calonne said it was not a simple issue and asked Council to agendaize the item for reconsideration.

LEGISLATIVE

2. Ordinance 4765 entitled "Ordinance of the Council of the City of Palo Alto Amending Palo Alto Municipal Code Section 18.88.160 Pertaining to Vehicle Equipment Repair and Storage" (*1st Reading 10/15/02, Passed 8-0, Kleinberg absent*)

Bunny Good, P.O. Box 824, Menlo Park, spoke on destruction of automotive landscapes.

3. Resolution Accepting a \$70,000 Grant from the State of California to Expand the Electrical Load Curtailment Capability in City Facilities

Resolution 8224 entitled "Resolution of the Council of the City of Palo Alto Approving the Filing of an Acceptance for Grant Money with the California Energy Commission for a Grant up to \$70,000 to Partially Fund the Electric Load Curtailment and Controls Systems Expansion for City Facilities"

ADMINISTRATIVE

4. Utilities Strategic Plan Performance Report, March 2002 through June 2002
5. Request for Authority to Participate as Amicus Curiae in Second District Court of Appeal Case *City of Long Beach v. State of California Department of Industrial Relations*
6. Request for Authorization to Increase the Amount of the Existing Contract for Legal Services with the law firms of McCarthy & Berlin, LLP; Davis, Wright & Tremaine, LLP and Duncan, Weinberg, Genzer & Pembroke, P.C.

MOTION PASSED 8-0 for Item Nos. 2, 3 and 6, Beecham absent.

MOTION PASSED 7-1 for Item No. 4, Lytle "no," Beecham absent.

MOTION PASSED 4-3-1 for Item No. 5, Freeman, Kleinberg, Lytle "no," Kishimoto "abstaining," Beecham absent.

PUBLIC HEARINGS

7. PUBLIC HEARING: Ordinances Adopting Various Parts of the 2001 California Building Standards Code (Consisting of State Amendments to the 1997 Uniform Building, 2000 Uniform Mechanical and Plumbing Codes, and the 1999 National Electrical Code); Enacting Local Amendments; and Making Certain Findings

Bunny Good, P.O. Box 824, Menlo Park, spoke regarding asbestos removal.

Council Member Kishimoto said 45 States had adopted the International Building Code and wanted to know why California had chosen not to.

Chief Building Official Herman said it was a political decision at the State level. The City of Palo Alto first adopted the Uniform Building Code in 1927 and every three years thereafter. The Uniform Building Code no longer existed. The International Code Council (ICC) developed the International Building Code. Since that time, a competitive code was developed and the State of California stayed with the 1997 Uniform Building Code for another three year cycle, until the Code developed by the National Fire Protection Association, the International Association of Plumbing and Mechanical and Western Fire Chiefs was available for adoption.

Council Member Kishimoto asked what was missing by not adopting the International Building Code.

Mr. Herman said uniformity was missing. The Department of Army, U.S. Navy, and Air Force had adopted the International Building Code and the International Residential Code. The State of New York just adopted the International Codes, which is being challenged across the country, primarily by the plumbing and mechanical industries.

Council Member Kishimoto said Palo Alto had areas that were considered high-risk and subject to flooding or earthquakes. She asked whether the Zoning Code would allow building in those areas and how the Code would compensate, or to what level the Code would protect, occupants in these building.

Mr. Herman said beginning on Page 12 of the Building Code Adoptions, starting with Adoption of Uniform Building Code, Volume 2, all amendments to the Building Code from that point on related to upgrading the 1997 Code, as adopted by the State of California with local amendments making sure that current issues were addressed. That made the City's codes equal to the International Building Code for structural purposes.

MOTION: Council Member Burch moved, seconded by Morton, to approve the following Ordinances Adopting Various Parts of the 2001 California Building Standards Code (Consisting of State Amendments to the 1997 Uniform Building, 2000 Uniform Mechanical and Plumbing Codes, and the 1999 National Electrical Code); Enacting Local Amendments; and Making Certain Findings

Ordinance 4766 entitled "Ordinance of the Council of the City of Palo Alto Adopting Parts 2, 4 and 10 of the 2001 California Building

Standards Code (1997 Uniform Building Code, 2000 Uniform Mechanical Code and California Historical Building Code, Respectively) and the 2001 California Code for Building Conservation; Amending Chapter 16.04 of the Palo Alto Municipal Code; and Making Certain Findings with Respect Thereto" (*1st Reading 10/21/02, Passed 8-0, Kleinberg absent*)

Ordinance 4767 entitled "Ordinance of the Council of the City of Palo Alto Adopting Part 5 of the 2001 California Building Standards Code (2000 Uniform Plumbing Code); Amending Chapter 16.08 of the Palo Alto Municipal Code; and Making Certain Findings with Respect Thereto" (*1st Reading 10/21/02, Passed 8-0, Kleinberg absent*)

Ordinance 4768 entitled "Ordinance of the Council of the City of Palo Alto Adopting Part 3 of the 2001 California Building Standards Code (1999 National Electrical Code); Amending Chapter 16.16 of the Palo Alto Municipal Code; and Making Certain Findings with Respect Thereto" (*1st Reading 10/21/02, Passed 8-0, Kleinberg absent*)

MOTION PASSED 8-0, Beecham absent.



8. PUBLIC HEARING: The Palo Alto City Council will consider the revised Draft Housing Element of the Comprehensive Plan, which incorporates changes, based on state review and limited staff revisions, including modifications to the Housing Sites Inventory.

~~Resolution of the Council of the City of Palo Alto Amending the 1998-2010 City of Palo Alto Comprehensive Plan by Adopting the 2002 Housing Element and Housing Element Technical Document~~

Council Member Freeman would not participate in the item due to a conflict of interest because she and her husband owned property within 500 feet of 2701 El Camino Real proposed for rezoning.

Council Member Morton would not participate in the item due to a conflict of interest because he had clients with interests in the properties.

City Manager Frank Benest said with citizen's input and dialogue with the Planning Commission and Council, the Housing Element Update provided a responsible, thoughtful, and balanced plan for Council's consideration. For the past 25 years Palo Alto had been successful in promoting affordable housing. He asked that Council make decisions on three recommendations: 1) to approve the California Environmental Quality Act (CEQA) addendum to the Comprehensive Plan Environmental Impact Report (EIR); 2) to amend the Comprehensive Plan by adopting the Housing Element including the

Housing Sites Inventory; and 3) to direct Staff to forward the Housing Element to the State.

Director of Planning and Community Environment Steve Emslie said the Housing Element was part of the Comprehensive Plan (Comp Plan) that relied on, and was consistent with, all the policies in the Comp Plan. It was a periodic inventory of available housing sites required by the State. Most of Palo Alto's housing goals had been met within the existing tolerances and parameters of the Comp Plan. Very few sites needed to be changed in meeting State requirements. There were four major themes that resulted from public outreach and the Council: 1) more affordable and attainable housing was needed in the Community; 2) new housing should be located and designed to limit environmental impacts, particularly traffic impacts; 3) additional demands on services from new housing should be addressed; 4) the City's jobs/housing imbalance should be improved and new housing development should displace office development wherever possible. Council identified the provision of affordable and attainable housing as one of their Top 5 Priorities. The Housing Element refined the existing Comp Plan policy. It focused on new housing, particularly in high-density and appropriate locations. It encouraged affordable and attainable units by providing incentives through below-market-rate (BMR) program. The Housing Element complied with State law requirements.

Planning Manager Julie Caporgno gave a presentation on the specifics of the proposal, as outlined in the staff report (CMR:434:02)

City Attorney Ariel Calonne advised Council Member Freeman she could not participate in the item because she owned property at 2701 El Camino Real proposed for rezoning causing a conflict of interest.

Major Ojakian said he understood Council Member Freeman's property issue and its relationship to the Housing Site Inventory List. He asked the City Attorney if it excluded her from participating in any matters involving the Housing Element.

Mr. Calonne said the Housing Element was not valid without the Inventory List. He did not think it was possible to sever the Inventory List from the Housing Element for the purpose of discussion. There was not a way to vote on the action separately and have it make legal sense.

Council Member Freeman said the Inventory List affected everyone who lived in Palo Alto. She asked whether one could vote on the Inventory List separately from the rest of the Housing Element portion.

Mr. Calonne said this was not possible because the Housing Element would not be valid without the Inventory List.

Council Member Lytle assumed the advice was based on the way the item was structured. She asked if there was another way in the future to structure those decisions differently in order not to lose Council Member's participation.

Mr. Calonne said the Housing Element did not mean anything if it were adopted without the Inventory List.

Council Member Kishimoto asked whether the Comp Plan was being changed but not the land use map.

Assistant City Attorney Wynne Furth commented the Housing Element was unlike any other element and under the new regulations was unlike any previous Housing Element. Since Palo Alto was a Charter City, it had to be consistent with the Comprehensive Plan. However, Palo Alto was required by the State to identify suitable sites. In the case of those four sites, to adopt the Housing Element with the Inventory List was a commitment to rezone those sites.

Major Ojakian referred to the Housing Sites Inventory List and asked that staff verify the four housing sites on the list.

Ms. Caporgno confirmed the four sites were nos. 5-30, 841 Alma Street, Power Station; 8-09(b), 2755 El Camino Real, VTA parking lot; 8-11, Sheridan and Park Boulevard; and 5-21, formerly the Craft and Floral building.

Major Ojakian said none of the sites involved Stanford land.

Ms. Caporgno said that was correct.

Major Ojakian asked his colleagues to look at the four sites and, if necessary, get clarification from staff.

Major Ojakian declared the Public Hearing open.

Chris Lundin, 275 Ross Road, spoke regarding the need for high-density housing, especially rental units to serve moderate to low-income families and urged Council to adopt the Housing Element.

The Rev. Kathy McAdams, All Saints' Church, 555 Waverley Street, spoke regarding the need for affordable housing and urged Council to adhere to the Vision Statement as outlined in the revised Housing Element, especially in enhancing the diversity of the City and fostering an environment free of discrimination and the barriers that prevented choice in housing.

Irene Sampson, 3992 Bibbits Drive, spoke regarding the need for moderate-income housing, which would serve essential community service workers who could not afford to live in Palo Alto. She spoke on behalf of the League of Women Voters, who strongly supported the revised Housing Element and urged Council to approve and promptly send it to the State.

Tracy Hutchison, Palo Alto Chamber of Commerce, supported the revised Housing Element Plan. She wanted to know the density level for each site identified on the list, as zoned for residential development, and how could higher-density zoning be achieved on sites adjacent to single-family neighborhoods when the Housing Element discouraged higher-density to single-family neighborhoods and major transit corridors. Those sites were located along El Camino Real and San Antonio Road.

Heather Trossman, Palo Alto Chamber of Commerce, strongly supported the revised Housing Element and its implementation. She questioned the amount of BMR units the 16 sites that could be developed under the current zoning requirements.

Mark Sabin, Palo Alto Chamber of Commerce, strongly supported the revised Housing Element and urged Council not to keep housing at the minimum level of the Housing Element but to provide housing and attainable housing for critical contributors.

Bud Mission, Roche Bio Science, said housing options across the economic spectrum were essential to sustaining businesses and asked Council to enact the housing blueprint for Palo Alto's future without the temptation to make any other changes in densities.

Sunny Dykwel, 480 Gary Court, spoke regarding the need for affordable housing in Palo Alto and urged Council to take a strong position and approve the Housing Element as proposed.

Diane Rolfe, 1360 Emerson Street, strongly urged the Housing Element be adopted as soon as possible. She asked that low and medium-priced homes be made available to all who lived and worked in Palo Alto.

Joe Rolfe, 1360 Emerson Street, said Council would be hearing from a lot of special interest people and would need courage to stand up for the public and the community's interest.

Patricia Saffir, 2719 Bryant Street, strongly supported housing for employees of local businesses. Without adequate housing, empty buildings along Highway 101 would remain unfilled. She said Palo Alto desperately needed low- and moderate-income housing and urged Council to approve the Housing Element.

Vivian Blomenkamp, 1023 Forest Avenue, agreed with policies that encouraged high-density housing especially near transit centers. She strongly urged Council to approve the Housing Element and bring Palo Alto back into compliance.

Janet Owens, 850 Webster Street, #421, spoke regarding her concern about low-income Palo Altans with needs that had been ignored and urged that the Housing Element be adopted.

Sally Probst, 735 Coastland Drive, urged to adopt affordable and attainable housing developments with transit nearby and to list the sites from lower to higher range on the Inventory List.

Jing Lyman, 101 Alma Street, #107-8, spoke regarding the need for higher density housing along transit corridors and for rental housing.

Joy Ogawa, 2305 Yale Street, said by Council not adopting the drafted Housing Element in April, it saved the City from a bad situation. At the time, 1100 units were identified on the proposed housing site inventory, and Council assured it was a target number and could be adjusted down when each site was considered for development. Since that time, the State enacted Assembly Bill 229 (AB229) severely limiting the City's flexibility to reduce density on any site on the inventory. She urged the City to identify no more than 616 units required by the State to meet the regional allocation.

John Baca, 484 Oxford Street, suggested changing Program H-28 of the Revised Housing Element that would help preserve affordable rental housing. He asked that the proposed subdivisions combine lots and condominiums to mix-used projects such as, rental housing, multi-family and low-income housing. That could be applied to zones where housing was allowed, and it would broaden applicability, affordability, and increase in more retention of housing units. He asked that Council make that small change.

Deborah Ju, 371 Whitley Drive, asked Council to reject the proposed new zoning for 50 units per acre within 2000 feet of transit. Fifty units per acre would be too dense, and she requested consideration of 40 units per acre. One thousand feet was a more realistic radius for walking distance from transit rather than 2000 feet. In order to lessen traffic impact, sites should be in walking distance to supporting retail services and train station. She suggested elimination of reference to buses. It was not realistic to base extreme density on the assumption that people living along bus lines would routinely take the bus. Families with children require more space and she disagreed with limiting units to 1,200 square feet. Program H-37 allowed a density bonus of three additional market rate units for each BMR unit above the normal requirement, with a maximum zoning increase of 50 percent

density bonus. The underlying density was already too high and any bonuses over that could not be absorbed.

Becky Epstein, 256 Edlee Avenue, spoke regarding her concern that the Housing Element proposed high levels of density and how it could cause serious safety and traffic problems and severe strain on the infrastructure. She supported of increasing the required BMR percentages because it would create more affordable housing with fewer overall units. She concurred with the fact it would not be realistic to base extreme density assuming that people living along bus lines would routinely take the bus. She agreed that further density bonuses should not be allowed and suggested lowering the base density ranges and give bonuses for more BMR units. When considering the size of housing units, she urged the Council not to cram in smaller units for the sake of making the numbers without regard for the type of housing or what the City was trying to achieve.

Jean McCown, 527 Seale Avenue, spoke regarding the proposed housing project at 800 High Street. She suggested the project be included in the inventory at the proposed 61 units rather than the reduced level of 26 units. To build only 26 units would not be economically realistic and would be difficult for units to be affordable. Sizing down to the lower-end of the density range was inconsistent with all the policies in the draft Housing Element.

Marlene Prendergast, 725 Alma Street, supported the draft Housing Element and urged its adoption.

Jay Hammer, 3512 Ramona Street, supported the need for affordable housing but asked to delete site number 12-11 of the Housing Site Inventory. He said there would be a shortfall of approximately 100 parking spaces in the proposed plan for Alma Plaza.

Herb Borock, P.O. Box 632, said in the Revised Housing Element, under Program H-27, the 1974 ordinance was replaced with a more recent ordinance in 1980. He requested the correct date be noted. Also to include in Program H-28, all housing that could be done under SB497 that allowed making the same kind of conditions on Certificate of Compliance. He said the Housing Inventory continued to omit affordable housing for the Stanford Senior project converting 62 apartments into BMR units. He said nothing was mentioned about the Pasteur Drive site created for multiple family housing and the Mayfield site was omitted, which was always listed as a housing site for 235 units.

Beverly Lawrence, 310 Grant Street, spoke regarding the housing complex where she lived. She said, originally, it was proposed to have 50 units and,

in order to get approval from Council and the neighborhood, it was reduced to 45 units.

Curt Peterson, 901 Alma, said as a developer he tried building 61 new homes on a blighted one-acre parcel in Downtown Palo Alto that sat idle for over four years. He urged Council to support and expedite new housing projects.

Doug Ross, 901 Alma Street, spoke regarding the reduction of 61 units to 26 units for the 800 High Street project. He said reducing the density was in conflict with the existing Comp Plan policies that emphasized the importance of locating higher density housing near transit stations. Palo Alto had a responsibility to its residents to provide additional housing. He encouraged the Housing Element be passed with a range of density options from low to high, not exclusively low. One of Council's Five Priorities was to provide affordable and attainable housing. He said that would be an opportunity to meet one of those goals.

Carol Jansen, 575 Hawthorne Avenue, spoke regarding issues and problems that would occur if density levels were established, as outlined in the draft Housing Element. She encouraged Council to show the densities and how they should be, and to approve the Housing Element.

Edie Keating, 3553 Alma Street, #5, supported density and said condos and townhouses cost less than single-family homes. She said establishing high-density housing promotes affordable and attainable housing at the low-end of market rate.

Robin Kennedy, Law Firm of Miller Starr & Regalia, 545 Middlefield Road, Menlo Park, said their client, Hyatt Rickey's, did not support the draft Housing Element as recommended by staff. Hyatt Rickey's had planned to develop a site that provided 302 residential units. Less than 45 units met the City's goal of 616 affordable units. The draft Housing Element was found to: 1) select density limits at the lower-end of the permitted range under current zoning designations; 2) substantially reduce the total number (and therefore the number of affordable units) that could be developed at this site; and 3) the Draft raised the context that the City failed to meet its obligations under State law to amend its zoning ordinance to conform to Goals, Policies and Programs of the existing Current Housing Element.

Lee Wieder, 637 Middlefield Road, urged that the Housing Element go forward and requested modification to the site inventory list by indicating density ranges and to comply with the State Department of Housing and Community Development (HCD). He said to also include specific implementation actions to insure the City meet Housing Element requirements and demonstrate its commitment to implementation.

Bob Moss, 4010 Orme Street, asked to include only minimum units and not maximum range in the Inventory List. He requested the Hyatt Rickey's site be reduced from 120 to 100 units and the Year 2000 Census data be updated to reflect households overpaying for housing in Palo Alto, and to also indicate the number of units built and occupied by the year 2002. He felt there was a lack of shopping in the Barron Park area, and it was unrealistic to convert certain commercial sites into housing sites along the El Camino. He asked that the potential housing site list be reviewed.

Shiloh Ballard, Silicon Valley Manufacturing Group, 224 Airport, #620, San Jose, supported the Housing Element and asked Council to approve it.

Martin Stone, 260 El Verano Avenue, said the ten units of housing for the Alma Plaza site should be deleted. Alma Plaza should be treated equally to Edgewood Plaza. The initial proposal was for ten, 800 square foot BMR units. It was dropped to five, 700 sq. ft. BMR units and five single-family market rate units. Of the five, two were on substandard lots, which would get Planning Commission approval, and two were on larger lots that consumed approximately 60 parking spaces. Due to lack of parking space and circulation problems, these ten units should be pulled for further discussion.

Mayor Ojakian declared the public hearing closed. He recommended the item be continued to date uncertain so that staff could further investigate why two colleagues could not participate and to make sure it was valid.

Mr. Benest recommended continuance of the item to December 2, 2002.

Mayor Ojakian asked if that was adequate time to get Fair Political Practices Commission (FPPC) ruling.

Senior Assistant City Attorney Wynne Furth said there was not enough time. A formal ruling would mean waiting into the following year.

Mr. Benest said it was staff's opinion not to wait.

Mayor Ojakian asked to review the matter again to make sure individuals who were conflicted out might have other options that could allow them to participate.

Ms. Furth said it could be done but regretted the fact those issues were not made aware of earlier. Issues involved were complicated under FPPC regulations because they indirectly affected other sources of income. The problem was Council needed to adopt the Housing Element that must include the Site Inventory List and one could not be adopted without the other. A

person who could not participate in the site selection could not participate in adopting the Element.

Mayor Ojakian said it was a legislative matter and asked whether it was all right for Council Members to accept public input until the item was heard again.

Ms. Furth said the public hearing was closed

Mayor Ojakian asked if e-mail would be acceptable.

Ms. Furth advised Council since the hearing was closed, a decision should be made based on information received at the hearing and responses to questions could be made at the next public session.

MOTION: Council Member Kleinberg moved, seconded by Mossar, to continue the item to the December 2, 2002, regular City Council meeting.

MOTION PASSED 6-0, Freeman, Morton "not participating," Beecham absent.

REPORTS OF OFFICIALS

9. Report from the Director of Planning and Community Services to the City Council to Request a Budget Amendment Ordinance for a Massing Study for SOFA 2

Council Member Morton would not participate in the item due to a conflict of interest because he had a client within the SOFA Plan area.

Vice Mayor Mossar would not participate due to a conflict of interest because she owned property in the affected area.

Mayor Ojakian said the item was a budget amendment and would require six votes and, therefore, would be continued to November 18, 2002.

MOTION: Council Member Kleinberg moved, seconded by Kishimoto, to continue the item to the November 18, 2002, regular City Council meeting.

MOTION PASSED 5-0 Morton, Mossar "not participating," Beecham, Freeman absent.

Council Member Kishimoto asked if a full notice was needed to continue SOFA II.

Mr. Benest said notice would be placed in the packet to a date certain and it would be agendized.

Council Member Kishimoto said to make sure the public was notified.

Major Ojakian asked whether the Massing Study was optional or mandatory.

Chief Planning Official Lisa Grote clarified the massing model was part of a requirement of the Ordinance for the Coordinated Area Plan that was adopted in 1997 and would work in concert with prototypes developed for policy goals and standards.

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Mayor Ojakian said he attended the swearing-in ceremony for new police officers, and congratulated those receiving promotions. He also referred to the press release colleagues received today and noted he had retained Attorney Michael Jenkins to review the allegations in Council Member Morton's memo to Colleagues dated November 6, 2002, regarding Brown Act violations. Other items in Council Member Morton's memo would be referred to the Policy and Services Committee. He was in the process of procuring a facilitator, who would meet with Council in early January to discuss items in the memo.

Council Member Kishimoto commented on the Draft County Expressways Master Plan, which warranted discussion, and she suggested referring the report to the Planning and Transportation Commission (PT&C) for review. Council Member Kishimoto also requested the response to the County's proposed Open Space Zone be scheduled for PT&C review.

Council Member Lytle noted the recent press release and questioned the administrative items mentioned in the memo from Council Member Morton.

Mayor Ojakian stated the items would be discussed with the facilitator and the Council Appointed Officers would participate.

Council Member Lytle asked the City Manager to respond to some of the items in the memo.

City Manager Benest said the issue was whether staff was getting excessive requests for information or that protocols were not being followed. Staff believed that Council had the right to ask questions, but staff did not take direction from Council Members. The issue of protocols would be brought to the Policy and Services Committee.

Council Member Burch referred to the statement made during the Public Hearing regarding Council not responding to budget deficits. He stated the Council responded by cutting \$11 million from the 2002 budget. Also, the idea that the recommendations from the Blue Ribbon Committee on Storm Drains were flawed because there were not experts on the Committee, cast aspersions on many City committees. He acknowledged the City Manager receiving the International City/County Management Associations Credentialed Manager Designation.

Mayor Ojakian requested that the Report on the Mayor's Ad-Hoc Committee on the Palo Alto Economy be scheduled for the November 18, 2002, regular City Council meeting.

Council Member Morton said he discussed Brown Act issues with the Office of the State Attorney General, four former mayors and a half a dozen or so members of the community and, therefore, felt obliged to send the memo to the Council. He was concerned about further fractionalization of the Council and wrote the memo alone although he discussed individual items with two of his colleagues. The memo was intended to improve Council processes.

Council Member Lytle referred to the recent credential received by City Manager Frank Benest, and noted the Director of the San Jose Redevelopment Agency said Frank Benest was the best City Manager in the State.

ADJOURNMENT: The meeting adjourned at 10:50 p.m.

ATTEST:

APPROVED:

City Clerk

Mayor

NOTE: Sense minutes (synopsis) are prepared in accordance with Palo Alto Municipal Code Sections 2.04.180(a) and (b). The City Council and Standing Committee meeting tapes are made solely for the purpose of facilitating the preparation of the minutes of the meetings. City Council and Standing Committee meeting tapes are recycled 90 days from the date of the meeting. The tapes are available for members of the public to listen to during regular office hours.