

Special Meeting
October 20, 2003

1. League of California Cities Presentation of Award to City Council.....2

2. Presentation from Finance Committee re Balanced Budget2

ORAL COMMUNICATIONS3

APPROVAL OF MINUTES3

3. Approval of a Resolution Amending Administrative and Civil Penalty Schedules4

4. Approval of Resolutions Amending the Palo Alto Police Officer’s Association (PAPOA) Memorandum of Agreement and Compensation Plan to Add Side Letter Agreement4

5. Approval of Resolutions Amending Compensation Plan for Management/Confidential Employees and Amending the Merit Systems Rules and Regulations4

*6. Public Hearing: The City Council will consider an appeal by Weiping Wang and Helen Feng of the Director of Planning and Community Environment’s denial of a Home Improvement Exception application (03-HIE-12) to allow an addition to the existing residence located at 4044 Sutherland Drive, 90 square feet of which would encroach 5'0" into the required 25'0" contextual front yard setback. (Continued from 9/15/03) 11\\

7. Public Hearing: The Palo Alto City Council will Consider an Ordinance Adopting the South of Forest Area (SOFA) 2 Coordinated Area Plan Including Properties in the Boundaries of Forest Avenue, Ramona Street, Addison Avenue and Alma Street, and Properties Located 100 Feet North of Forest Avenue Between Alma and High Streets, and Properties Located 200 Feet South of Addison Avenue on Alma Street.. 14

ADJOURNMENT: The meeting adjourned at 10:50 p.m.22

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:53 p.m.

PRESENT: Beecham (arrived at 6:57 p.m.), Burch, Freeman, Kishimoto, Kleinberg, Lytle, Morton, Mossar, Ojakian

SPECIAL ORDERS OF THE DAY

1. League of California Cities Presentation of Award to City Council

Rebecca Elliot presented the Helen Putnam Award of Excellence to the City for the City's "Strengthening the Bottom Line" program.

No action required.

2. Presentation from Finance Committee re Balanced Budget

Council Member Morton asked that the item be agendaized in November after the Finance Committee discussed restructuring.

No action required.

ADJOURNMENT: The meeting adjourned at 7:05 p.m.

The City Council of the City of Palo Alto met on this date in the Council Chambers at 7:05 p.m.

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

ORAL COMMUNICATIONS

Christine Kloeti, P.O. Box 754, spoke regarding liquid soap in the Mitchell Park bathrooms and parking tickets at the courthouse.

Bob Britton, Professional & Technical Engineers Local 21, 1182 Market Street, Room 425, San Francisco, spoke regarding possible unionization of Managers in the City.

Brian Scott, spoke regarding Measure B.

Carol Mullen, 618 Tennyson Avenue, spoke regarding racism accusations.

Don Mullen, 618 Tennyson Avenue, spoke regarding racism charges.

Winter Dellenbach, 859 LaPara, spoke regarding newspaper coverage of Measure C.

John K. Abraham, 736 Ellsworth Place, spoke regarding noise – Matadero Canal.

David Bubenik, 420 Homer Avenue, spoke regarding racism.

Doug Ross, 909 Alma Street, spoke regarding 800 High Street.

Elaine Meyer, 609 Kingsley Avenue, spoke regarding an upcoming candidate forum and 800 High Street.

Ed Power, 2254 Dartmouth, spoke regarding good government.

Jeff Brown, 660 Lincoln Avenue, spoke regarding 800 High Street opposition.

APPROVAL OF MINUTES

MOTION: Council Member Morton moved, seconded by Beecham, to approve the minutes of August 4 and 14, 2003, as submitted.

MOTION PASSED 9-0.

10/20/03

CONSENT CALENDAR

MOTION: Council Member Morton moved, seconded by Ojakian, to approve Consent Calendar Item Nos. 3 and 4.

LEGISLATIVE

3. Approval of a Resolution Amending Administrative and Civil Penalty Schedules to Include New or Omitted Violations and Revise Penalty Amounts in Response to Enforcement Experience

Resolution 8345 entitled "Resolution of the Council of the City of Palo Alto Amending the Administrative Penalty Schedule and Civil Penalty Schedules for Certain Violations of the Palo Alto Municipal Code and the California Vehicle Code Established by Resolution No. 8066"

ADMINISTRATIVE

4. Approval of Resolutions Amending the Palo Alto Police Officer's Association (PAPOA) Memorandum of Agreement and Compensation Plan to Add Side Letter Agreement

Resolution 8346 entitled "Resolution of the Council of the City of Palo Alto Amending the Compensation Plan for Police Non-Management Personnel Adopted by Resolution No. 8082, and Amended by Resolution Nos. 8244 and 8253 to Add the City of Palo Alto's PORAC Medical Incentive Plan For Calendar Year 2004"

Resolution 8347 entitled "Resolution of the Council of the City of Palo Alto Amending Section 1601 of the Merit System Rules and Regulations Regarding the Memorandum of Agreement Between the City of Palo Alto and the Palo Alto Peace Officers' Association, to Add the City of Palo Alto PORAC Medical Incentive Plan for Calendar Year 2004"

MOTION PASSED 9-0.

UNFINISHED BUSINESS

5. Approval of Resolutions Amending Compensation Plan for Management/Confidential Employees and Amending the Merit Systems Rules and Regulations *(Continued from 10/14/03)*

~~Resolution of the Council of the City of Palo Alto Adopting a Compensation Plan for Management and Confidential (Hereafter "Management and Professional") Personnel and Council Appointed~~

~~Officers, and Rescinding Resolution Nos. 8096, 8117, 8165, 8181, 8194, 8223, 8241, 8250, and 8311~~

~~Resolution of the Council of the City of Palo Alto Amending Section 1701 of the Merit System Rules And Regulations~~

Council Member Freeman said she received an incomplete report and input from the staff was needed.

Coordinator of Library Circulation Rose Sebastian asked the Council to re-evaluate the Managers and Professionals compensation package. The mandatory furlough should be altered to a voluntary furlough.

Police Captain Brad Zook said the Management and Professional employees were not formally represented and had no formal bargaining power with the City. The Management and Professional employee's compensation requests were communicated directly to the City Manager.

Director of Arts and Culture Leon Kaplan said the City's Managers and Professionals were being treated differently than the other bargaining units of the City. The furlough needed to be changed from "mandatory" to "voluntary".

Director of Human Services Kathy Espinoza-Howard said the Managers and Professionals were asking to be treated equally and given the ability to participate in the furlough program voluntarily.

Alan Davis, 3370 St. Michael Drive, said the Managers should have the ability to accept a voluntary furlough.

Council Member Ojakian asked Ms. Espinoza-Howard whether a mandatory program could happen if a certain dollar amount could not be reached.

Ms. Espinoza-Howard said it could be made back into a mandatory program.

Council Member Ojakian asked Ms. Espinoza-Howard if there would be an issue with a mandatory program.

Ms. Espinoza-Howard said she would not have an issue with it and felt it important to be given an opportunity to reach the goal.

City Manager Frank Benest said the suggestion for a three-day unpaid mandatory furlough came from a number of members of the Management and Professional group, not from the City Manager. The majority of the Managers in the unit supported the mandatory furlough and recommended that it be moved forward.

Council Member Burch asked if the Service Employees International Union (SEIU) members made a commitment to the number of voluntary hours.

Mr. Benest said a pledge card was signed by the SEIU members indicating how many days and hours would be taken.

Council Member Burch asked if it would be difficult to do the same process for the Managers and Professionals group.

Mr. Benest said the time spent to calculate the pay for the employees in SEIU was extremely expensive.

Council Member Burch asked why time had to be spent to recalculate the pay.

Mr. Benest said there were issues related to overtime. Different methods of calculations had to be made. A three-day mandatory furlough would be very simple.

Council Member Burch asked why the same process could not be done.

Mr. Benest said everyone's salary had to be recalculated with the SEIU. A process for the Managers had been put in place.

Council Member Morton asked whether the Management and Professional group members would commit to and code three days. A check could be made at the end of the year to see if everyone had taken three days.

Mr. Benest said that was considered a mandatory furlough.

Council Member Morton said a commitment of three days was being asked.

Mr. Benest said the budget was predicated on a mandatory savings of \$1 million, and he needed to recommend a Management Compensation Plan. Numerous budget hearings were held and a mandatory furlough was a key element of the budget proposal.

Council Member Morton asked why a commitment similar to the SEIU's could not be asked of the Management and Professional group.

Mr. Benest said in numerous meetings with the Manager and Professional group, the proposal was supported.

Council Member Ojakian said 274 employees with three days off per employee gave 822 days. There should be a way to track the days in Systems and Applications and Data Processing (SAP).

Mr. Benest said SAP for payroll would not go online until after the first of the year.

Council Member Ojakian said the Lawson System should have the ability to track each individual's time off.

Mr. Benest said there would be a lot of administrative work time, but time-off could be tracked.

Council Member Ojakian asked by when the 822 days needed to be taken.

Mr. Benest said by the end of the fiscal year.

MOTION: Council Member Ojakian moved, seconded by Kleinberg, to accept the staff recommended amendments on page 2 of CMR: 449:03 with one exception to the second bullet, change "mandatory" to "voluntary" unpaid furlough, and report back to the Council in January 2004 regarding the ability to reach the budgeted dollar amount of \$322,000.

Council Member Ojakian said staff would track unpaid time and report back to Council in January to reach the dollar amount of 822 days with a \$322,000 threshold.

Council Member Kleinberg asked what the estimated administrative cost would be.

Mr. Benest said it was immense with Human Resources and Administrative Services.

Director of Human Resources Leslie Loomis said SEIU did not want their overtime impacted. They had two different options; take the days off without pay or take a 1 percent salary reduction. The members came up with a savings of \$456,000 in pledges. The Manager's 1 percent savings equated to \$320,000. Pledge cards would be issued and the dollar amount calculated.

Mr. Benest said there were some Management and Professional employees who received overtime.

Ms. Loomis said the Management and Professional employees who received overtime would have an overtime impact.

Council Member Kleinberg asked how Professional/Management individuals achieved overtime.

Mr. Benest said there were a small number of individuals who received overtime.

Council Member Kleinberg asked the number that was trying to be achieved.

Ms. Loomis said a 1 percent salary savings equated to \$320,000.

Council Member Ojakian confirmed it was 822 days and also reaching the dollar amount of \$320,000.

Council Member Kleinberg said the accumulative savings were what was targeted. If the savings were not met, it would be brought back to the Council in January.

Council Member Freeman said the hours of 274 individuals could be tracked in Excel. A clear agreement needed to be in place where a non-voluntary furlough would be enforced if the dollar amount was not met with a voluntary furlough.

Interim City Attorney Wynne Furth said the Compensation Plan was being adopted in the form of a resolution. She read from page 6, item F referring to the furlough, which said the word "may" for "shall" should be substituted. This was not an agreement. This was a unilateral action by the Council. The Manager and Professionals were not a represented group and they were not dealing with a bargaining unit.

Council Member Ojakian asked where the notion of 822 days/\$320,000 threshold would be met.

Ms. Furth recommended language be given to staff asking for changes implementing the Council's desire before the plan was adopted.

Mayor Dena Mossar directed staff to redraft the resolution to accommodate the changes.

Ms. Furth said Council could then tell staff everything that was wanted including the conditions under which it should be done, the kind of report back that was needed, and the goal of the program.

Council Member Ojakian said the staff should be directed to return with a resolution that included a voluntary furlough program, a goal to reach 822 days/\$320,000 in savings, and to provide a report back to the Council in early January on whether the goals of the program were being met.

Ms. Furth said it would be determined if there was a system for having a contract with individual employees whereby there was an enforceable promise to take time off in the future.

Council Member Freeman asked about the 2003/2004 fiscal year Compensation Plan in which Council Appointed Officers were authorized to give up to 3 percent of salary plus benefits for Management and Professional positions.

Mr. Benest said there was not a base salary increase for the Management and Professionals, but they were eligible for the Variable Management Compensation Plan, which was a performance-based budget.

Council Member Freeman asked if it could be called a bonus.

Mr. Benest answered it could be called a performance based bonus.

Council Member Freeman asked if it could be up to 3 percent.

Mr. Benest said the 3 percent was the total available for all the employees.

Council Member Freeman queried 3 percent of what.

Mr. Benest answered 3 percent of the salary and benefits available for performance-based budget.

Council Member Freeman asked if it was 3 percent of the pool of salaries plus benefits.

Mr. Benest replied yes.

Council Member Freeman said she did not understand the difference.

Mr. Benest explained there was a 3 percent pool available for performance-based bonuses called Variable Management Compensation. It had been in practice in the City of Palo Alto for over 20 years.

Council Member Freeman said there was a potential for salary increase if bonuses were included as part of the whole compensation package.

Mr. Benest said based on performance, an individual employee may get a performance-based bonus.

Council Member Freeman said the City Manager's Report (CMR:449:03) gave the impression there was not a change. She asked if that were the proper time to speak about the housing fee allowance.

Mayor Mossar said the item on the agenda was the resolution.

Council Member Freeman said it was part of the resolution. She asked for the Interim City Attorney's advice, if there were any legal ramifications for limiting the location of the benefit within the City of Palo Alto.

Assistant City Manager Emily Harrison said the entire program was referred to the Policy and Services Committee.

Council Member Freeman said the Council was being asked to ratify a resolution that was a part of it.

Council Member Kleinberg asked the Interim City Attorney if the discussion should be about an agenda item that had to do with certain amendments.

Ms. Furth said it was an approval of a resolution about compensation. Any discussion about aspects of the resolution was legitimate.

Mayor Mossar said no one came prepared to discuss the entire document. The agenda item was specific. Should the Council direct staff to make the changes relative to the furlough program and return with that resolution and also to bring back a larger discussion of the Compensation Plan.

Council Member Freeman said she was not prepared to discuss the entire document, but wanted to discuss a particular issue.

AMENDMENT: Council Member Freeman moved to amend the section regarding additional relocation benefits for Council Appointed Officers, Assistant City Manager and department heads, regarding their housing, (page 21, Item C, Location of Property) to be changed to qualify for a direct City loan, the home being purchased must be located within the Palo Alto City limits.

AMENDMENT DIED FOR LACK OF A SECOND

Council Member Lytle said she wanted to hear from the Management and Professional employees who had issues with the Compensation Plan. The request of management to make the cuts was no reflection on their performance and value to the organization.

Council Member Kishimoto asked about the increase in salary and benefits for the upcoming year. A 3 percent increase from an average total salaries and benefits for Management and Professional of \$122,000 to \$125,500. This could come from health cost increases rather than salary increases.

Mr. Benest said the increase did come from health care increases and PERS contribution increases.

Council Member Kishimoto said it would be good to find a solution that achieved the same goal. It could be worth the time to look at the other clauses in the Compensation Plan.

Mr. Benest said in Closed Session, the Council gave him direction about the contract for that period of time. He requested the Council not make any additional changes for 2003/2004.

Council Member Ojakian said the resolution should include the other items discussed on Page 2 of the staff report (CMR:449:03).

MOTION RESTATED: Council Member Ojakian moved, seconded by Kleinberg, to refer the item back to staff to rewrite the furlough section to include: a three-day voluntary unpaid furlough, to note the targeted goal of 822 days or \$322,000 in savings, and to report back to the Council in January 2004, with ways to meet the goal, and to also include in the resolution the change in the second bullet from "mandatory" to "voluntary" unpaid leave on page 2 of the CMR.

MOTION RESTATED 8-1, Beecham "no."

*6. Public Hearing: The City Council will consider an appeal by Weiping Wang and Helen Feng of the Director of Planning and Community Environment's denial of a Home Improvement Exception application (03-HIE-12) to allow an addition to the existing residence located at 4044 Sutherland Drive, 90 square feet of which would encroach 5'0" into the required 25'0" contextual front yard setback. (Continued from 9/15/03)

****This item is quasi-judicial and subject to Council's Disclosure Policy***

Council Members Kleinberg, Lytle, and Ojakian disclosed they had driven by the location but did not speak with the applicants.

Council Member Morton disclosed he had driven by the location twice.

Planning Manager Lisa Grote said an appeal for a Home Improvement Exception (HIE) was made. The addition would accommodate the expansion of an existing master bedroom and bathroom. Staff found the parcel to be roughly the same size and shape of the surrounding parcels and the architectural style of the building could be maintained with a smaller single-story addition. The Planning and Transportation Commission (P&TC), on appeal of the Director's denial, found the presence of two existing mature trees limited the expansion in other areas. To save the trees, the expansion needed to occur in the front of the house into the contextual front setback. The neighborhood character would be better preserved with a one-story addition, than either a two-story or a one-story addition elsewhere on the site. The recommendation was for approval of the appeal and approval of

the HIE application. Alternatives were provided. Attachment A of the staff report (CMR:423:03) was findings for denial of the appeal, which would be a denial of the encroachment into the contextual front setback and Attachment B were findings for approval of the appeal and approval of the HIE request to extend into the contextual front setback. The HIE findings would be reviewed as part of the individual review in low-density single-family analysis that would be coming to the P&TC on October 29, 2003.

Planning and Transportation Commissioner Bonnie Packer said the recommendation was for approval of the appeal so the homeowner was not forced to build up.

Mayor Mossar declared the Public Hearing open at 8:47 p.m.

Weiping Wang, 4044 Sutherland Drive, asked the Council Members to approve the appeal.

Jean Wilcox, 4005 Sutherland Drive, said the setback code should be changed as it related to the one-story homes on Sutherland. The applicant, Weiping Wang and Helen Fong, should be granted a building permit.

Mayor Mossar declared the Public Hearing closed at 8:52 p.m.

MOTION: Council Member Burch moved, seconded by Morton, to approve the Planning and Transportation Commission (P&TC) recommendation to grant the appeal and approve the Home Improvement Exception (HIE) application as requested, based upon two changed findings, as indicated in Attachment B of CMR:423:03.

Council Member Burch said common sense decisions were needed.

Council Member Morton said the issue was to accommodate one-story homes in an area of one-story homes. He asked staff what guidelines would qualify homes for HIEs.

Ms. Grote said each application was evaluated given its own circumstances.

Council Member Morton asked if the HIE was granted, would the incursion into the setback be forfeited if a future application for a second story was requested.

Ms. Grote said the HIE would remain for the duration of the building. If over 150 square feet additional Floor Area Ratio (FAR) was remaining on the second floor, the application would be subjected to the individual review process.

Council Member Morton asked whether the individual HIE would not be reconsidered.

Ms. Grote said the building would be constructed.

Council Member Morton said the two-block area would retain the character it had.

Council Member Lytle said she understood the contextual setback requirements were changed when there was an individual design review process.

Ms. Grote said the contextual front setback was codified. The contextual front setback, the contextual garage placement, and other requirements were written into the Zoning Ordinance.

Council Member Lytle said she did not realize the contextual front setback had been triggered.

Ms. Furth said the motion was to grant the appeal, overturning the Director's decision.

Council Member Kleinberg said the written word should be interpreted with flexibility. Space requirements inside homes had changed in 50 years.

MOTION PASSED 9-0.

MOTION: Mayor Mossar moved, seconded by Ojakian, to move Council Comments, Questions, and Announcements forward ahead of Item No. 7.

MOTION PASSED 9-0.

COUNCIL COMMENTS, QUESTIONS, AND ANNOUNCEMENTS

Mayor Mossar clarified her quotation in the article in the *Palo Alto Daily News* did not refer to any specific project, and she did not make any specific allegations that any opponent of Measure "C" was motivated by racism. She asked that every effort be made to make Palo Alto a truly accepting community.

Council Member Freeman asked staff to look into providing liquid soap in the Mitchell Park bathrooms. She also asked that staff determine if there were code enforcement violations for the Noise Ordinance issues at Matadero Creek.

Council Member Ojakian requested staff look into Mr. Ross's issue with the Fire Department and 800 High Street. He also recognized Council Member

Kleinberg, who was nominated at the Santa Clara County Cities Association (SCCCA) and selected to be the second Vice President of the SCCCA.

Vice Mayor Beecham gave a report on the Bay Area Water Supply and Conversation Agency (BAWSCA). He noted he had registered a "no" vote on the Management and Confidential Resolution that evening because the Council had worked hard on the budget including a mandatory furlough program.

Council Member Lytle referred to the previous Management and Professional Compensation Plan and noted some valid issues on referral to the Policy and Services (P&S) Committee about the contract.

Council Member Kleinberg noted that October was Breast Cancer Awareness month.

PUBLIC HEARINGS

7. Public Hearing: The Palo Alto City Council will Consider an Ordinance Adopting the South of Forest Area (SOFA) 2 Coordinated Area Plan Including Properties in the Boundaries of Forest Avenue, Ramona Street, Addison Avenue and Alma Street, and Properties Located 100 Feet North of Forest Avenue Between Alma and High Streets, and Properties Located 200 Feet South of Addison Avenue on Alma Street

Mayor Mossar stated she would not participate in the item due to a conflict of interest because her husband was employed by Stanford University.

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

City Auditor Sharon Erickson stated she had a conflict of interest in the item because of her husband's previous employment.

Director of Planning and Community Environment Steve Emslie said the SOFA process was initiated in 1997. When SOFA 1 area was approved in March 2000, SOFA 2 began. There were extensive discussions with a working group established to advise staff on the policy direction for both SOFA 1 and 2.

Planning Manager Lisa Grote said there were six primary elements of the vision in the SOFA 2 area: 1) to preserve and enhance the pedestrian scale of the area; 2) to enhance the neighborhood serving character of the area; 3) to support compatible new development; 4) to increase housing opportunities especially near transit; 5) to preserve the quiet calm streets and 6) to support a mixture of uses in the area. Staff recommended the clarification of Ordinance 4730, which was the retail protection along the

Homer/Emerson Corridor. She requested direction to staff to return with an ordinance permitting the Transfer Development Rights (TDR) program and allowing the square footage to be transferred from SOFA 2 into the downtown area. Staff requested Council adopt the six errata pages that were at places, the resolution certifying the addendum to the SOFA EIR, the resolution amending the Land Use Map and Comprehensive Plan to designate the area as a SOFA 2 area, and to adopt the ordinance approving the SOFA Phase 2 plan.

Planning and Transportation Commissioner Bonnie Packer said the SOFA 2 vision had not changed.

Council Member Freeman asked if the addition of a granny unit at a historic location compromised the historic designation.

Ms. Grote said the Historic Resource Board (HRB) would review it. The minimum size of the site needed to be 5,000 square feet.

Ms. Furth said the historic consistency review takes place independent of whether there was an expansion for a single-family use, or a second unit, which would not affect the review.

Council Member Freeman asked if retention of the historic nature of a property would take precedence over the Council's decision allowing second units.

Ms. Grote said structures needed to meet the Secretary of the Interior standards.

Council Member Freeman asked how the office conversion protection on Homer/Emerson facing buildings was determined.

Ms. Grote said it was the clarification staff was asking of the Council.

Ms. Furth said the Citywide ordinance preserving the five protected uses from conversion to office no longer applies in SOFA 2.

Mr. Emslie said clarification was necessary. The City ordinance applies wherever the zoning applies.

Vice Mayor Beecham declared the Public Hearing open at 9:42 p.m.

Jim Baer, 532 Channing Avenue, asked for clarification on TDR being transferable into the CD District.

Benjamin Cintz, 1045 Alma Street, said City staff indicated his property at 880 Emerson Street was protected under Ordinance 4730 (Retail Protection
10/20/03

Ordinance).

Emily M. Renzel, 1056 Forest Avenue, said she agreed with incentives for housing and protecting the visual corridor of Homer Avenue. Useable and available open space should be required so the housing project would be appealing to families with children.

Norman Carroll, Emerson Street & University Avenue, asked if it was policy or issue-defined boundaries.

Ole Christensen, 801 Alma Street, said a large part of his building faced Alma Street, not Homer Avenue. A decision should not be made until after the November 4, 2003 vote.

Vice Mayor Beecham declared the Public Hearing closed at 9:55 p.m.

Vice Mayor Beecham said the main item would be adopting the Coordinated Area Plan ordinance. Six recommendations from staff included the ordinance, an Environmental Impact Report and the resolution. He asked for clarification of Ordinance 4730.

Council Member Lytle asked if the ordinance could make 801 Alma Street an exception.

MOTION: Council Member Lytle moved, seconded by Kishimoto, to clarify that Ordinance 4730 (Retail Protection Ordinance) protecting certain uses on the Homer/Emerson Corridor applies to the entire site with the exception of 801 Alma Street, which would apply only to 50 percent of the site facing Homer Avenue.

MOTION PASSED 7-0, Mossar, Morton "not participating."

MOTION: Council Member Kishimoto moved, seconded by Burch, to direct staff to return with an ordinance permitting Transferable Development Rights (TDRs) to be transferred from SOFA 2 to the CD District.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to allow TDRs from SOFA 2 that are transferred into the Downtown for residential use to be developed without density limits and with the 1250 square foot maximum average unit size.

MOTION PASSED 7-0, Morton, Mossar "not participating."

MOTION: Council Member Ojakian moved, seconded by Kishimoto to adopt the six errata pages, which contain minor corrections and omissions from sections on floor area ratios, uses, historic preservation, setbacks, and design enhancement exceptions.

MOTION PASSED 7-0, Morton, Mossar "not participating."

MOTION: Council Member Kishimoto moved, seconded by Kleinberg, to adopt the resolution (Attachment A of CMR:462:03) certifying the addendum to the South of Forest Area Final Environmental Impact Report.

Resolution 8348 entitled "Resolution of the Council of the City of Palo Alto Certifying the Adequacy of the South of Forest Area Coordinated Area Plan Final EIR as the Environmental Document for the South of Forest Avenue Coordinated Area Plan, Phase 2 and Making Findings Thereon Pursuant to the California Environmental Quality Act"

MOTION PASSED 7-0, Morton, Mossar "not participating."

MOTION: Council Member Kishimoto moved, seconded by Kleinberg, to adopt the resolution (Attachment B) amending the Land Use Map of the Comprehensive Plan to designate the area generally bounded by Forest Avenue, Addison Avenue, Alma Street, and Ramona Street as "South of Forest Area, Phase 2 Coordinated Area Plan."

Resolution 8349 entitled "Resolution of the Council of the City Of Palo Alto Amending the Land Use Map of the Palo Alto Comprehensive Plan for the Area Generally Bounded by Alma Street, Forest Avenue, Ramona Street, and Channing Avenue (South Of Forest Avenue Coordinated Area Plan, Phase 2) and Adding "Coordinated Area Plans" to the Land Use Definitions in the Land Use and Community Design Element of the Comprehensive Plan"

MOTION PASSED 7-0, Morton, Mossar "not participating."

MOTION: Council Member Burch moved, seconded by Kleinberg, to approve and introduce the ordinance for first reading, included in Attachment C, approving the South of Forest Area, Phase 2 ("SOFA 2") Coordinated Area Plan ("CAP").

Ordinance 1st Reading entitled "Ordinance of The Council of the City of Palo Alto Adopting the South of Forest Area Coordinated Area Plan, Phase 2 and Amending Section 18.08.040 of the Palo Alto Municipal Code (The Zoning Map) to Change the Classification of Certain Properties Generally Bounded by Forest Avenue, Ramona Street, Addison Avenue, and Alma Street to South of Forest Area, Phase 2 Districts"

Council Member Ojakian asked staff about 777 High Street. Was there an advantage to the building being designated RT-50 versus RT-35.

Mr. Emslie said the building was possibly over Floor Area Ratio (FAR) because of its multiple stories, and the grandfathering allowed for reuse and

10/20/03

flexibility for residential or housing. The conversion capabilities of the building would not be affected if the building was in RT-35 or RT-50.

Council Member Ojakian asked if the building could convert to housing in the future as either a RT-35 or RT-50.

Mr. Emslie said it could because of the non-conforming provisions.

Council Member Ojakian said he looked at every building in the square block area bordered by Homer Avenue, Alma Street, Forest Avenue and High Street.

AMENDMENT: Council Member Ojakian moved, seconded by Burch, to change the zoning of 780 and 790 High Street from RT-35 to RT-50 (as staff presented on August 2, 2003).

Ms. Furth asked Council Member Ojakian to describe the boundary of the area.

Council Member Ojakian said part of the area bounded by Homer, Alma, Forest Avenue and High Street had been designated as RT-50. The parcels that should be excluded were a property on the corner of Homer/Alma and 770 High Street, with remaining parcels developable.

Ms. Furth said historic designations were a different part of the plan. The type of adaptive reuse could be remade and consistent with the Secretary of the Interior's guidelines.

Mr. Emslie said RT-35 was used to preserve the Homer Corridor.

Council Member Kishimoto said the Council did not want to put undue pressure on the historic properties. Housing through the overall zoning on SOFA 1 and 2 was being achieved.

Council Member Ojakian said the Wilbur property on High Street in combination with 780 High Street, would be a good place to build higher density housing. The 111 Homer site should be converted to RT-50, allowing for additional housing.

Council Member Lytle requested the motion be severed from the main motion.

Council Member Kleinberg said she had concerns about the application of the RT-50 zoning of an area if some of the buildings were deemed to be historic.

Mr. Emslie said the zoning would not supercede the compatibility standards or the review of any additions that affect historic buildings. The Secretary of

Interior's standards must be met in order to be compatible with the SOFA 2 Coordinated Area Plan (CAP). The SOFA 2 CAP presented three findings which would not include demolition.

Council Member Kleinberg asked for Staff's recommendation about the preservation of the locations Council Member Ojakian referred; the Wilbur property, 780 High Street and 111 Homer Avenue.

Senior Planner Virginia Warheit said Pringle Gas Station was on the eligible building national register. The Wilbur property building on the corner of Homer Avenue and High Street was an early Birge Clarke auto showroom that had been on the City's historic inventory for many years.

Council Member Freeman said there was a potential for high-density over-variance property at 800 High Street and a storage building across the street.

Council Member Kishimoto said 780 High Street was not on the historic list. The historic preservation was important because of the attraction of the area and the value added to the landowners and investors.

Council Member Ojakian asked staff the extent of area rezoned to RT-50.

Ms. Grote said the block was removed as RT-50 because of consistency along Homer Avenue.

Council Member Ojakian said he believed Council removed it.

Council Member Lytle commented about the historic integrity of the historic resource list from staff.

Council Member Ojakian said housing would be allowed whether the area was RT-35 or RT-50.

Management Specialist Jon Abendschein, City Attorney's Office, said two sections were removed from RT-50 at the City Council Meeting of August 2, 2003.

Council Member Freeman asked if the Spanish-style Palo Alto Bimmer garage was included.

Vice Mayor Beecham said it did not include anything on Homer Avenue.

Council Member Freeman said the property could be developed regardless of it being historic.

Vice Mayor Beecham historic buildings had preservation requirements not
10/20/03

overwritten by the zoning.

Council Member Freeman said the two small properties on the corner could be separated physically by a large development that would decrease the historic value along Homer Avenue.

Ms. Grote said a requirement would be made to meet the compatibility requirements in the plan.

Ms. Furth said staff marked the map on parcel basis and the entire site would be marked even though the buildings on the site were not historic. The footprint of the historic structures had been overstated.

Council Member Kishimoto asked if the vote would be on a parcel basis.

Ms. Furth said the proposal would be for zoning to be on a parcel-by-parcel basis. The map was supposed to indicate the portions that were originally recommended as RT-50 and then sub sequentially changed to RT-35.

Ms. Grote said the front part of the parcel fronted on Homer Avenue and was the more historic portion.

Vice Mayor Beecham asked if integral zoning parcels were shown.

Mr. Emslie said one parcel was bifurcated by zone. The zoning did not have to be done on a whole parcel basis.

Ms. Furth confirmed that code did not require a parcel to have one zone.

AMENDMENT FAILED 2-5, Beecham, Freeman, Kishimoto, Kleinberg, Lytle "yes"

AMENDMENT: Council Member Freeman moved, seconded by Lytle, to insert 24-hour public parking within the Coordinated Area Plan.

Council Member Freeman had concerns that public parking could be truncated. Public parking should be available at all times.

Council Member Burch asked whether the underground parking at 800 High Street would be available to the public 24 hours a day.

Mr. Emslie said the parking at 800 High Street would not be available 24 hours a day.

Council Member Burch asked if the motion would make it available.

Ms. Furth said the motion had no effect on 800 High Street.

Council Member Kleinberg asked staff if there were transit design projects for public parking and resident overnight parking.

Mr. Emslie said the City should always have the option to regulate the parking in the manner that fits the public benefit.

AMENDMENT WITHDRAWN BY MAKER

Council Member Kishimoto said there was no open space requirement for RT-35 or RT-50. Open space for playing should be provided for families.

Mr. Emslie said the Council should direct staff to add performance standards for the type of open space required.

AMENDMENT: Council Member Kishimoto moved, seconded by Lytle, to direct staff to come back with a second reading of the ordinance to address performance standards for open space, including standards to support use by families with children.

Ms. Furth said the language was clear that parking needed to be adequate for residents of any particular building.

Council Member Lytle said a performance standard should allow open space to accommodate families with children.

Council Member Kleinberg asked the Interim City Attorney to clarify the law regarding discrimination of families with children.

Ms. Furth said no one was allowed to discriminate against families with children by law.

Council Member Kleinberg asked if it was necessary to add words to the Performance Specifications.

Ms. Furth said it could be useful to the Architectural Review Board (ARB).

Council Member Kleinberg wanted clarification it was not direction to the developer but how the Council would review it.

Ms. Furth said it gave the ARB additional strengths when reviewing.

Vice Mayor Beecham asked for the main motion.

Council Member Freeman said the map designation of Homer and Channing Avenues direction were reversed and needed correction.

Mr. Emslie said it would be corrected.

Council Member Ojakian wanted to verify staff incorporated the recommendation for the R-2 zone in SOFA 2, and that historic resource properties with a minimum parcel size of 5,000 square feet should be allowed to have a second unit.

Mr. Emslie said the application was submitted for an ARB application under the rules of the Ground Floor Protection Ordinance.

AMENDMENT PASSED 7-0, Morton, Mossar “not participating.”

MOTION PASSED AS AMENDED 6-1, Ojakian “no.”

Council Member Ojakian said some of the area was designated as RT-50 and was a perfect area for housing.

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.