Presentations from the
June 4, 2018
City Council Meeting
FINAL ENGINEER’S REPORT

for

UNIVERSITY AVENUE AREA OFF-STREET PARKING ASSESSMENT DISTRICT

Prepared for:

City of Palo Alto
California

Prepared by:

Harris & Associates

March, 2001
<table>
<thead>
<tr>
<th>Assessment Number</th>
<th>Assessor's Parcel Number</th>
<th>Owner's Name</th>
<th>Description</th>
<th>Street</th>
<th>City</th>
<th>Zip Code</th>
<th>Address</th>
<th>Square Footage</th>
<th>Planning Provided</th>
<th>A.D. Parking</th>
<th>Parking Dwell Units</th>
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<tbody>
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<td>Investors of Forest Place</td>
<td>172 University Av</td>
<td>Palo Alto</td>
<td>CA</td>
<td>94305-1531</td>
<td>711 Forest</td>
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<td>0</td>
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<tr>
<td>206</td>
<td>130-01-012</td>
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<td>172 University Av</td>
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<td>172 University Av</td>
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<td>CA</td>
<td>94305-1531</td>
<td>711 Forest</td>
<td>6,144</td>
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<td>$125,320.25</td>
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<td>208</td>
<td>130-01-022</td>
<td>Mesd. Eric R. and Jane N. Trustee</td>
<td>675 Church St</td>
<td>Palo Alto</td>
<td>CA</td>
<td>94305-2285</td>
<td>375 Church</td>
<td>1,550</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$80,075.00</td>
<td>$80,075.00</td>
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<tr>
<td>209</td>
<td>130-01-023</td>
<td>Palo Properties LLC</td>
<td>210 Forest Av</td>
<td>Palo Alto</td>
<td>CA</td>
<td>94305-7179</td>
<td>717 Forest</td>
<td>4,487</td>
<td>10</td>
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<td>10</td>
<td>$80,234.18</td>
<td>$80,234.18</td>
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<tr>
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<td>130-01-020</td>
<td>Lowell, Dennis A. &amp; Al</td>
<td>550 Waverley St</td>
<td>Palo Alto</td>
<td>CA</td>
<td>94304-9465</td>
<td>717 Forest</td>
<td>1,672</td>
<td>6</td>
<td>0</td>
<td>6</td>
<td>$40,154.08</td>
<td>$40,154.08</td>
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<tr>
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<td>130-01-022</td>
<td>Chilton, Ralph S. Trustee &amp; Al</td>
<td>750 South Av</td>
<td>Palo Alto</td>
<td>CA</td>
<td>94305-3403</td>
<td>340 Forest</td>
<td>1,885</td>
<td>7</td>
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<td>$50,069.97</td>
<td>$50,069.97</td>
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<td>130-01-010</td>
<td>Wood, Allen D. Trustee</td>
<td>3212 Christmas St</td>
<td>Palo Alto</td>
<td>CA</td>
<td>94305-3001</td>
<td>421 High</td>
<td>450</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$10,026.09</td>
<td>$10,026.09</td>
</tr>
<tr>
<td>213</td>
<td>130-01-013</td>
<td>Wood, Allen D. and Mary L. Trustee</td>
<td>3212 Christmas St</td>
<td>Palo Alto</td>
<td>CA</td>
<td>94305-3001</td>
<td>421 High</td>
<td>450</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$10,026.09</td>
<td>$10,026.09</td>
</tr>
<tr>
<td>214</td>
<td>130-01-014</td>
<td>City of Palo Alto, P.I.S.A. Nancy Caggiato, etc.</td>
<td>2300 Mountain Avenue 4th Floor</td>
<td>Palo Alto</td>
<td>CA</td>
<td>94301</td>
<td>421 Amapro</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**TOTAL** 9,146 45,904,153 45,948,500
Key Findings of a Survey of Palo Alto Voters
Conducted May 12-23, 2018
Methodology

• 1,003 interviews with likely November 2018 voters in Palo Alto
• Conducted May 12-23, 2018, via online interviews and landline and wireless phones
• Margin of sampling error of +/-4.2% at the 95% confidence interval
• Due to rounding, some percentages do not add up to 100%
• Selected comparisons to past surveys, including the exploratory survey conducted in late April
• Selected questions framed to meet the requirements of a California Business Roundtable initiative (CBRI), designed to make it more difficult to pass local government tax increases, which may appear on the November ballot and apply retroactively
Support for a Transient Occupancy Tax Increase
Given a potential change in law in November, two versions of measure language were tested.

Q2. If the vote on this measure were held today, would you vote yes in favor of it or vote no to oppose it?

To provide funding for vital City services such as ensuring a modern, stable 911 emergency communications network, earthquake safe fire stations, emergency command center; improving pedestrian/bicyclist safety; ensuring safe routes to schools; maintaining City streets, roads, sidewalks; and other City services, shall the City of Palo Alto adopt an ordinance increasing the transient occupancy tax paid by hotel, motel, short-term rental guests by 2%, providing approximately $3.4 million annually until ended by voters, subject to annual audits?

To provide funding for vital City services such as ensuring a modern, stable 911 emergency communications network, earthquake safe fire stations, and emergency command center; improving pedestrian, and bicyclist safety; ensuring safe routes to schools; maintaining City streets, roads, and sidewalks; and for unrestricted general revenue purposes, shall the City of Palo Alto adopt an ordinance increasing the transient occupancy tax paid by hotel, motel, short-term rental guests by 2%, providing approximately $3.4 million annually until ended by voters, subject to annual audits?”
With the CBRI-required language, the measure falls short of two-thirds, but each version is well above a majority.

<table>
<thead>
<tr>
<th></th>
<th>No CBRI</th>
<th>With CBRI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definitely yes</strong></td>
<td>32%</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Probably yes</strong></td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td><strong>Undecided, lean yes</strong></td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Undecided, lean no</strong></td>
<td>3%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Probably no</strong></td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Definitely no</strong></td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Undecided</strong></td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Q2 Split A & Split B. If the vote on this measure were held today, would you vote yes in favor of it or vote no to oppose it?
Seven in ten Democrats back the measure, as do three in five independents; support is stronger among voters of color.

**Initial Vote by Party & Ethnicity**

<table>
<thead>
<tr>
<th></th>
<th>Def. Yes</th>
<th>Prob./Und., Lean Yes</th>
<th>Undecided</th>
<th>Prob./Und., Lean No</th>
<th>Def. No</th>
<th>Total Yes</th>
<th>Total No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democrats</td>
<td>37%</td>
<td>34%</td>
<td>12%</td>
<td>15%</td>
<td></td>
<td>70%</td>
<td>27%</td>
</tr>
<tr>
<td>Independents</td>
<td>30%</td>
<td>31%</td>
<td>5%</td>
<td>17%</td>
<td>18%</td>
<td>61%</td>
<td>35%</td>
</tr>
<tr>
<td>Republicans</td>
<td>30%</td>
<td>22%</td>
<td>16%</td>
<td></td>
<td>30%</td>
<td>53%</td>
<td>46%</td>
</tr>
<tr>
<td>Asian/Pacific Islander Voters</td>
<td>47%</td>
<td>36%</td>
<td>6%</td>
<td>11%</td>
<td>83%</td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>White Voters</td>
<td>35%</td>
<td>32%</td>
<td>15%</td>
<td>15%</td>
<td></td>
<td>67%</td>
<td>29%</td>
</tr>
<tr>
<td>Voters of Color</td>
<td>41%</td>
<td>32%</td>
<td>12%</td>
<td>14%</td>
<td></td>
<td>73%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Q2 Total. If the vote on this measure were held today, would you vote yes in favor of it or vote no to oppose it?
Three-quarters of women under 50 support the measure, as do two-thirds of older women.

Initial Vote by Gender by Age

Men Ages 18-49
- Def. Yes: 22%
- Prob./Und., Lean Yes: 37%
- Undecided: 21%
- Prob./Und., Lean No: 14%
- Def. No: 60%
- Total Yes: 60%
- Total No: 35%

Men Ages 50+
- Def. Yes: 37%
- Prob./Und., Lean Yes: 23%
- Undecided: 15%
- Prob./Und., Lean No: 24%
- Def. No: 60%
- Total Yes: 60%
- Total No: 38%

Women Ages 18-49
- Def. Yes: 33%
- Prob./Und., Lean Yes: 43%
- Undecided: 11%
- Prob./Und., Lean No: 9%
- Def. No: 76%
- Total Yes: 76%
- Total No: 20%

Women Ages 50+
- Def. Yes: 35%
- Prob./Und., Lean Yes: 31%
- Undecided: 13%
- Prob./Und., Lean No: 18%
- Def. No: 66%
- Total Yes: 66%
- Total No: 30%

Q2 Total. If the vote on this measure were held today, would you vote yes in favor of it or vote no to oppose it?
Income makes little difference in support; three-quarters of renters back the measure.

Initial Vote by Residence and Household Income

- **Total Homeowners**
  - Def. Yes: 35%
  - Prob./Und., Lean Yes: 28%
  - Undecided: 16%
  - Prob./Und., Lean No: 19%
  - Def. No: 63%
  - Total Yes: 63%
  - Total No: 34%

- **Renters**
  - Def. Yes: 34%
  - Prob./Und., Lean Yes: 43%
  - Undecided: 5%
  - Prob./Und., Lean No: 10%
  - Def. No: 8%
  - Total Yes: 77%
  - Total No: 18%

- **Own a Single Family**
  - Def. Yes: 34%
  - Prob./Und., Lean Yes: 29%
  - Undecided: 16%
  - Prob./Und., Lean No: 20%
  - Def. No: 63%
  - Total Yes: 63%
  - Total No: 35%

- **Own a Condo**
  - Def. Yes: 43%
  - Prob./Und., Lean Yes: 26%
  - Undecided: 6%
  - Prob./Und., Lean No: 15%
  - Def. No: 10%
  - Total Yes: 69%
  - Total No: 25%

- **<$100,000**
  - Def. Yes: 33%
  - Prob./Und., Lean Yes: 35%
  - Undecided: 11%
  - Prob./Und., Lean No: 17%
  - Def. No: 68%
  - Total Yes: 68%
  - Total No: 29%

- **$100,000-$150,000**
  - Def. Yes: 34%
  - Prob./Und., Lean Yes: 38%
  - Undecided: 13%
  - Prob./Und., Lean No: 11%
  - Def. No: 72%
  - Total Yes: 72%
  - Total No: 25%

- **$150,000-$250,000**
  - Def. Yes: 36%
  - Prob./Und., Lean Yes: 34%
  - Undecided: 11%
  - Prob./Und., Lean No: 17%
  - Def. No: 70%
  - Total Yes: 70%
  - Total No: 28%

- **$250,000+**
  - Def. Yes: 44%
  - Prob./Und., Lean Yes: 26%
  - Undecided: 14%
  - Prob./Und., Lean No: 15%
  - Def. No: 70%
  - Total Yes: 70%
  - Total No: 29%

Q2 Total. If the vote on this measure were held today, would you vote yes in favor of it or vote no to oppose it?
Palo Alto voters’ highest priorities for a measure include public safety and road repairs.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensuring a modern, stable 911 emergency communications network</td>
<td>36%</td>
<td>37%</td>
<td>18%</td>
<td>9%</td>
<td>73%</td>
</tr>
<tr>
<td>Fixing potholes and paving City streets</td>
<td>25%</td>
<td>43%</td>
<td>24%</td>
<td>8%</td>
<td>68%</td>
</tr>
<tr>
<td>Ensuring safe routes to schools</td>
<td>32%</td>
<td>35%</td>
<td>20%</td>
<td>13%</td>
<td>67%</td>
</tr>
<tr>
<td>Maintaining City streets and roads</td>
<td>20%</td>
<td>47%</td>
<td>25%</td>
<td>7%</td>
<td>67%</td>
</tr>
<tr>
<td>Ensuring earthquake-safe fire stations and emergency command center</td>
<td>29%</td>
<td>38%</td>
<td>23%</td>
<td>11%</td>
<td>66%</td>
</tr>
<tr>
<td>Maintaining City parks and recreation facilities</td>
<td>19%</td>
<td>45%</td>
<td>27%</td>
<td>9%</td>
<td>64%</td>
</tr>
<tr>
<td>Providing safe routes for bicyclists and pedestrians</td>
<td>27%</td>
<td>32%</td>
<td>24%</td>
<td>17%</td>
<td>59%</td>
</tr>
<tr>
<td>Improving pedestrian and bicyclist safety</td>
<td>26%</td>
<td>31%</td>
<td>24%</td>
<td>19%</td>
<td>57%</td>
</tr>
<tr>
<td>Maintaining City sidewalks</td>
<td>16%</td>
<td>40%</td>
<td>33%</td>
<td>11%</td>
<td>56%</td>
</tr>
<tr>
<td>Upgrading City infrastructure</td>
<td>16%</td>
<td>34%</td>
<td>31%</td>
<td>19%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Q3. I am going to read you a list of types of projects and objectives that could be funded by this measure. As I read each one, please tell me how important it is to you that each project be undertaken: extremely important, very important, somewhat important, or not too important?
Fixing potholes is a growing concern, but other priorities are ranked similarly to prior years.

(Extremely/Very Important)

<table>
<thead>
<tr>
<th>Projects/Objectives</th>
<th>2013</th>
<th>2014</th>
<th>2016</th>
<th>March/April 2018</th>
<th>May 2018</th>
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</thead>
<tbody>
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<td>Ensuring a modern, stable 911 emergency communications network</td>
<td>81%</td>
<td>78%</td>
<td>--</td>
<td>75%</td>
<td>73%</td>
</tr>
<tr>
<td>Fixing potholes and paving City streets</td>
<td>66%</td>
<td>57%</td>
<td>*54%</td>
<td>63%</td>
<td>68%</td>
</tr>
<tr>
<td>Maintaining City streets and roads</td>
<td>74%</td>
<td>69%</td>
<td>64%</td>
<td>66%</td>
<td>67%</td>
</tr>
<tr>
<td>Maintaining City parks and recreation facilities</td>
<td>74%</td>
<td>69%</td>
<td>64%</td>
<td>66%</td>
<td>64%</td>
</tr>
<tr>
<td>Providing safe routes for bicyclists and pedestrians</td>
<td>67%</td>
<td>66%</td>
<td>68%</td>
<td>61%</td>
<td>59%</td>
</tr>
</tbody>
</table>

Q3. I am going to read you a list of types of projects and objectives that could be funded by this measure. As I read each one, please tell me how important it is to you that each project be undertaken: extremely important, very important, somewhat important, or not too important? *Slight Difference in Wording
Messaging and Movement
The measure retains solid majority support throughout, though not always over two-thirds.

Q2 Total, Q5 & Q7. If the vote on this measure were held today, would you vote yes in favor of it or vote no to oppose it?
(PUBLIC SAFETY) This measure will help fund vital seismic upgrades to the City’s public safety and emergency response infrastructure, including local police and fire stations and the City’s emergency command center. It will also help ensure the City has a modern, stable 911 emergency response communications network in case of disaster or emergency.

(QUALITY OF LIFE) Palo Alto’s infrastructure is aging. Making investments in maintaining and improving local streets, sidewalks, bike lanes, and parks and recreation centers, as well as making vital safety upgrades to local infrastructure like our fire stations will help ensure that Palo Alto remains a safe, beautiful, and vibrant place to live, work and raise a family.

(ROADS/SIDEWALKS) Palo Alto’s City streets, intersections, and sidewalks must be maintained and improved to minimize traffic congestion and maximize safety, including making dangerous intersections safer and helping to ensure that students have safe routes to school.
(HOTEL TAX) The tax increased by this measure is only charged to local hotel guests, and will not increase taxes for local residents. This measure is designed to ensure that tourists and business travelers contribute to maintaining the local infrastructure they use during their stay, including streets and roads, park and recreation facilities, parking, sidewalks, and pedestrian and bike paths.

(ACCOUNTABILITY) This measure will be subject to strict accountability provisions like annual financial audits; full public disclosure of all spending; and a requirement that all funds be spent locally in Palo Alto. This will ensure funds are used efficiently, effectively, and as promised.

(PROPERTY VALUES) Safe neighborhoods and well-maintained streets and sidewalks are a big part of maintaining property values. By improving public safety and infrastructure, this measure will help to maintain or increase the value of our homes.
Messages show broad appeal, but do not generate an intense reaction.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Very Convincing</th>
<th>Somewhat Convincing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Safety</td>
<td>30%</td>
<td>40%</td>
<td>70%</td>
</tr>
<tr>
<td>Quality of Life</td>
<td>29%</td>
<td>42%</td>
<td>71%</td>
</tr>
<tr>
<td>Roads/Sidewalks</td>
<td>29%</td>
<td>38%</td>
<td>67%</td>
</tr>
<tr>
<td>Hotel Tax</td>
<td>31%</td>
<td>33%</td>
<td>64%</td>
</tr>
<tr>
<td>Accountability</td>
<td>25%</td>
<td>39%</td>
<td>64%</td>
</tr>
<tr>
<td>Property Values</td>
<td>18%</td>
<td>34%</td>
<td>52%</td>
</tr>
</tbody>
</table>

Q4. Here are some statements from people who support the measure. Please tell me whether you find it very convincing, somewhat convincing, or not convincing as a reason to vote yes on the measure.
**Opposition Arguments Tested**
*(Ranked in Order of Persuasiveness)*

<table>
<thead>
<tr>
<th><strong>(OVERRUNS)</strong> The City cannot be trusted to spend tax dollars wisely. They have already raised our taxes more than once to pay for these same infrastructure projects, which are plagued by cost overruns and poor planning. We should not give them more of our money to waste.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(HIGHEST)</strong> This measure will raise Palo Alto’s hotel tax to the highest in the state – nearly as high as Anaheim, home of Disneyland. This will hurt small local hotels and motels, whose guests will choose to stay in nearby cities like Mountain View instead.</td>
</tr>
<tr>
<td><strong>(TAX FATIGUE)</strong> Enough is enough. Palo Alto increased this same tax just two years ago – and on top of that, local voters are facing bridge toll increases, a school district tax measure, and state bonds and a recent gas tax increase. We have hit our limit and should not be increasing taxes any further.</td>
</tr>
<tr>
<td><strong>(OTHER PRIORITIES)</strong> This measure will largely fund things like parking garages and bike lanes. They might be nice to have, but there are more important priorities for taxpayer dollars – like supporting more affordable housing.</td>
</tr>
<tr>
<td><strong>(TAXES)</strong> Local taxes are already too high, and federal tax law changes will hit local homeowners especially hard. We should not vote for anything that raises our taxes.</td>
</tr>
</tbody>
</table>

Q6. Here are some statements from people who oppose the measure we have been discussing. Please tell me whether you find it very convincing, somewhat convincing, or not convincing as a reason to vote no on the measure.
Overall, opposition messaging was less broadly persuasive.

Q6. Here are some statements from people who oppose the measure we have been discussing. Please tell me whether you find it very convincing, somewhat convincing, or not convincing as a reason to vote no on the measure.
Voter Views of a Real Estate Transfer Tax
After discussion of a potential TOT increase, support for a RETT increase was explored.

**No CBRI**

To provide funding for vital City services including public safety; maintaining City streets, roads, and sidewalks; improving parks throughout the City; and improving infrastructure like the animal shelter and Junior Museum and Zoo, as well as other City services, shall the City of Palo Alto adopt an ordinance increasing the real estate transfer tax by $1.10 per $1,000, providing approximately $2 million annually until ended by voters, subject to annual audits?

**With CBRI**

To provide funding for vital City services including public safety; maintaining City streets, roads, and sidewalks; improving parks throughout the City; and improving infrastructure like the animal shelter and Junior Museum and Zoo, and for unrestricted general revenue purposes, shall the City of Palo Alto adopt an ordinance increasing the real estate transfer tax by $1.10 per $1,000, providing approximately $2 million annually until ended by voters, subject to annual audits?

Q8. If the vote on this measure were held today, would you vote yes in favor of it or vote no to oppose it?
Regardless of wording, this measure falls well short of even a simple majority.

<table>
<thead>
<tr>
<th></th>
<th>No CBRI</th>
<th>With CBRI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definitely yes</td>
<td>18%</td>
<td>19%</td>
</tr>
<tr>
<td>Probably yes</td>
<td>18%</td>
<td>12%</td>
</tr>
<tr>
<td>Undecided, lean yes</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total Yes</strong></td>
<td><strong>41%</strong></td>
<td><strong>38%</strong></td>
</tr>
<tr>
<td>Undecided, lean no</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Probably no</td>
<td>16%</td>
<td>14%</td>
</tr>
<tr>
<td>Definitely no</td>
<td>30%</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Total No</strong></td>
<td><strong>51%</strong></td>
<td><strong>54%</strong></td>
</tr>
<tr>
<td>Undecided</td>
<td>8%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Q8 Split A & Split B. If the vote on this measure were held today, would you vote yes in favor of it or vote no to oppose it?
Voters heard a brief exchange of pros and cons on the real-estate transfer tax measure.

Supporters of the measure say the tax increased by this measure is only applied to home sales in Palo Alto, and will not increase taxes for local residents. People who buy a home in Palo Alto should contribute to the City’s infrastructure with a one-time investment when they buy the house, and our real estate transfer tax will still be one of the lowest in the Bay Area – one-quarter the cost in Berkeley and Oakland.

Opponents of the measure say that the cost of housing is already outrageous, and this tax is paid by both the buyer and seller. We shouldn’t make it even more costly to buy a home in our community, and we shouldn’t punish seniors who are looking to sell their home and downsize or fund their retirement.

Q9. Having heard more about it, let me ask you again about the measure to provide funding for vital City services including public safety; maintaining City streets, roads, and sidewalks; improving parks throughout the City; and improving infrastructure like the animal shelter and Junior Museum and Zoo by increasing the real estate transfer tax by $1.10 per $1,000. Would you vote yes in favor of it or vote no to oppose it?
Arguments on each side leave it well short of a majority.

**Initial Vote**
- Definitely yes: 19%
- Probably yes: 15%
- Undecided, lean yes: 6%
- Total: Yes 39%

**After Pro/Con**
- Definitely yes: 21%
- Probably yes: 16%
- Undecided, lean yes: 6%
- Total: Yes 44%

- Undecided, lean no: 5%
- Probably no: 15%
- Definitely no: 33%
- Total: No 53%

- Undecided: 8%
- Total: Undecided 6%
Voter Views of a Soda Tax
Two versions of a potential soda tax were tested at the end of the survey.

**No CBRI**

Shall the City of Palo Alto impose a 2-cent per ounce general tax on the distribution of sugar-sweetened beverages, including products such as sodas, sports drinks, sweetened teas, and energy drinks, but exempting: milk products, 100% juice, baby formula, diet drinks, or drinks taken for medical reasons; providing an exemption for small businesses, and providing $2.5 million annually for the City’s General Fund?

**With CBRI**

Shall the City of Palo Alto impose a 2-cent per ounce general tax on the distribution of sugar-sweetened beverages, including products such as sodas, sports drinks, sweetened teas, and energy drinks, but exempting: milk products, 100% juice, baby formula, diet drinks, or drinks taken for medical reasons; providing an exemption for small businesses, and providing $2.5 million annually for unrestricted general revenue purposes?

Q10. If the election was held today do you think you would vote yes to support or no to oppose this measure?
A soda tax is divisive, with a narrow majority of voters initially in support.

Q10 Split A & Split B. If the election was held today do you think you would vote yes to support or no to oppose this measure?

With CBRI

- Definitely yes: 33%
- Probably yes: 12%
- Undecided, lean yes: 7%
- Undecided, lean no: 3%
- Probably no: 9%
- Definitely no: 32%
- Total No: 44%

Without CBRI

- Definitely yes: 33%
- Probably yes: 12%
- Undecided, lean yes: 5%
- Undecided, lean no: 3%
- Probably no: 10%
- Definitely no: 35%
- Total No: 49%

Total

- Yes: 52%
- No: 47%

Undecided: 4%
Conclusions
Conclusions

• A transient occupancy tax is clearly viable as a general tax, receiving well over majority support before and after messaging.
  – It likely would not be as a special tax, exceeding the two-thirds threshold only slightly after positive messaging.

• A real estate transfer tax increase is not viable. It starts under 40%, and fails to reach a majority even after messaging.

• Voters are deeply divided on a soda tax, with a slim majority in support.
  – However, it was tested as the third measure presented in the poll, and without any pro and con messaging.

• Generally, language conforming with requirements of the California Business Roundtable’s initiative polls marginally worse; none of the measures tested appears likely to reach the two-thirds supermajority support the CBRI measure would require.
For more information, contact:

Dave Metz
Dave@FM3research.com

Miranda Everitt
Miranda@FM3research.com

1999 Harrison St., Suite 2020
Oakland, CA 94612
Phone (510) 451-9521
Fax (510) 451-0384
2755 El Camino Real Multi-Family Residential Project
June 4, 2018
Project Overview

• Ordinance for a Zoning Code Amendment to establish a new Workforce Housing Combining District

• Ordinance to amend the Zoning Map to add the Workforce Housing Combining District to the existing PF Zoned Property at 2755 El Camino Real

• Site and Design Application for demolition of the existing at-grade parking lot at 2755 El Camino Real and construction of a four story multi-family residential development that includes 57 rental units
This new Combining District would incentivize housing, a key priority for the City of Palo Alto

- 20% of units deed restricted to 120-150% of AMI
- Local Employee Preference
- No limit on dwelling unit densities (i.e. units per acre)
- An allowed FAR of 2.0:1
- 1:1 parking space/unit or bedroom (with TDM plan)
- A restriction of unit size of up to 750 square feet
• Ordinance to amend the Zoning Map to add the Workforce Housing Combining District to the existing PF Zoned Property at 2755 El Camino Real

• Other sites would need to go through a Council process to apply the WH combining district to their site
Deed Restricted Units

• Ordinance would require 20% of the units to be deed restricted to 120-150% of AMI for any development applying WH overlay

• 12 units or 21% would be deed restricted in this project: 6 units to 140%, 6 units to 150%
## Santa Clara County: HCD Income Limits***

<table>
<thead>
<tr>
<th>%AMI*</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>$79,300</td>
<td>$90,650</td>
<td>$101,950</td>
<td><strong>$113,300</strong></td>
</tr>
<tr>
<td>120%</td>
<td>$95,150</td>
<td>$108,750</td>
<td>$122,350</td>
<td>$135,950</td>
</tr>
<tr>
<td>130%</td>
<td>$103,090</td>
<td>$117,845</td>
<td>$132,535</td>
<td>$147,290</td>
</tr>
<tr>
<td>140%</td>
<td>$111,020</td>
<td>$126,910</td>
<td>$142,730</td>
<td>$158,620</td>
</tr>
<tr>
<td>150%</td>
<td>$118,950</td>
<td>$135,975</td>
<td>$152,925</td>
<td>$169,950</td>
</tr>
</tbody>
</table>

### 4-Person Area Median Income: $113,300

<table>
<thead>
<tr>
<th></th>
<th>Studio</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
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<tr>
<td>100%</td>
<td>$79,300</td>
<td>$90,650</td>
<td>$101,950</td>
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<td>$118,950</td>
<td>$135,975</td>
<td>$152,925</td>
<td>$169,950</td>
</tr>
</tbody>
</table>

*US HUD’s income limits are subject to adjustments and exceptions, and as a result the income limit figures referenced above do not equate exactly with the subject %AMI for the Income Category.
** 113,300 is used as the baseline for 4-person at 100% Area Median Income
*** Number provided are approximate and extrapolated from the 100%; these numbers do not account for minor adjustments typically applied
Local Preference

• To encourage reduced single occupancy vehicle use, local preference given to persons living or working within the City of Palo Alto then to persons working within 0.5 miles of a Caltrain station platform.
Density and Unit Size

- As there is no limit on dwelling unit densities, the project would have 116 DU/AC
- The project would have an FAR of 2.0:1
- Unit size 530 sf
Parking

- Parking ratio of 1 space per unit proposed in the ordinance
- Parking ratio of 1.2 spaces per unit proposed in the development
Other Key Considerations

- Rezoning of Public Facility Zoned Parcels
- Transit Demand Management
- Enforcement
Transit Demand Management Program would reduce overall vehicle miles traveled, consistent with City, County, and State Goals. Plan includes:

- Caltrain GoPasses for all residents
- Valley Transit Authority EcoPasses for all residents
- Bicycles for resident use
- Carpool Matching Services
- Unbundled Parking
- Stipend toward transportation network companies for those that don’t own a car
Enforcement

• Annual monitoring and reporting requirements are outlined in the TDM plan and incorporated by reference into Condition of Approval 8

• Condition of Approvals 6 and 7 reinforce deed restriction requirements and require an agreement for monitoring and reporting associated with the deed restriction and local preference
Recommended Motion

Staff recommends that Council:

• Adopt the mitigated negative declaration resolution and the mitigation monitoring and reporting plan;
• Adopt the proposed ordinance to establish a new Workforce Housing Combining District
• Adopt the proposed ordinance to amend the zoning map and apply the new combining district to 2755 El Camino Real
• Approve the site and design application based on the findings and subject to conditions of approval included in the draft Record of Land Use Action.
2755 El Camino Real Multi-Family Residential Project

June 4, 2018
Neighborhood Context

- Nearby zoning includes PC, CN, and CS
- Nearby retail, office, and residential uses range from 2 to 10-stories
- Immediately adjacent Senior Housing and Condominium complexes are of similar mass and scale (3-story and 4-story)
- Across El Camino Real from the Mayfield Soccer Complex
Neighborhood Context
Across El Camino Real
Across Page Mill Road
Pedestrian Path to Caltrain Station
<table>
<thead>
<tr>
<th>APN</th>
<th>OWNER_01</th>
<th>LAND_USE_GIS</th>
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</thead>
<tbody>
<tr>
<td>120-16-002</td>
<td>UNITED STATES POSTAL SERVICE</td>
<td>CC</td>
</tr>
<tr>
<td>120-15-102</td>
<td>PACIFIC BELL</td>
<td>CC</td>
</tr>
<tr>
<td>132-17-082</td>
<td>SANTA CLARA COUNTY</td>
<td>MF</td>
</tr>
<tr>
<td>132-17-072</td>
<td>SANTA CLARA COUNTY</td>
<td>MF</td>
</tr>
<tr>
<td>132-36-084</td>
<td>POLLOCK FRB LLC</td>
<td>MISP</td>
</tr>
<tr>
<td>124-29-008</td>
<td>SANTA CLARA COUNTY</td>
<td>MISP</td>
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<tr>
<td>124-29-017</td>
<td>SANTA CLARA COUNTY</td>
<td>MISP</td>
</tr>
<tr>
<td>132-31-074</td>
<td>SANTA CLARA COUNTY</td>
<td>MISP</td>
</tr>
<tr>
<td>124-28-053</td>
<td>LANDAU ROBERTA TRUSTEE &amp; ET AL</td>
<td>CC</td>
</tr>
<tr>
<td>120-31-021</td>
<td>BOARD OF TRUSTEES OF THE LELAND</td>
<td>MISP</td>
</tr>
<tr>
<td></td>
<td>STANFORD JU</td>
<td></td>
</tr>
<tr>
<td>120-33-044</td>
<td>SUTTER BAY MEDICAL FOUNDATION</td>
<td>MISP</td>
</tr>
<tr>
<td>147-08-053</td>
<td>PALO ALTO UNIFIED S D</td>
<td>S</td>
</tr>
<tr>
<td>142-02-025</td>
<td>LELAND STANFORD JR UNIVERSITY BOARD OF TR</td>
<td>SOS;MISP;CC</td>
</tr>
</tbody>
</table>
## RT-50 Comparison

<table>
<thead>
<tr>
<th></th>
<th>Proposed Project</th>
<th>Zoning District requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Height</strong></td>
<td>50’</td>
<td>50’</td>
</tr>
<tr>
<td><strong>Front Setback</strong></td>
<td>11’ 9” (12’ sidewalk provided)</td>
<td>12’</td>
</tr>
<tr>
<td><strong>Rear Setback</strong></td>
<td>18’9”</td>
<td>10’</td>
</tr>
<tr>
<td><strong>Street side Setback</strong></td>
<td>5’</td>
<td>10’</td>
</tr>
<tr>
<td><strong>Interior side setback</strong></td>
<td>5’</td>
<td></td>
</tr>
<tr>
<td><strong>FAR</strong></td>
<td>2.0:1</td>
<td>1.50:1 (2.0:1 for PC Districts)</td>
</tr>
<tr>
<td><strong>Site Coverage</strong></td>
<td>None required</td>
<td></td>
</tr>
<tr>
<td><strong>Open Space Coverage</strong></td>
<td>~27%</td>
<td>Common open space adequate for the number of units served by the open space; balcony at least 2 feet in depth or loggia for private open space</td>
</tr>
<tr>
<td><strong>parking</strong></td>
<td>68 total: 64 covered (60 provided via lift system); 4 above grade</td>
<td>66 with TDM program</td>
</tr>
<tr>
<td><strong>Dwelling units/acre</strong></td>
<td>116</td>
<td>No limit</td>
</tr>
<tr>
<td></td>
<td>Proposed Project</td>
<td>Zoning District requirements</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Height</td>
<td>50’</td>
<td>40’</td>
</tr>
<tr>
<td>Front Setback</td>
<td>11’ 9’ (12’ sidewalk provided)</td>
<td>0’-10’ but must have a 12’ sidewalk on El Camino Real</td>
</tr>
<tr>
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<tr>
<td>Street side Setback</td>
<td>5’</td>
<td>5’ (20’ for a portion for special setback from Page Mill Rd)</td>
</tr>
<tr>
<td>Interior side setback</td>
<td>5’</td>
<td>10’</td>
</tr>
<tr>
<td>FAR</td>
<td>2.0:1</td>
<td>1.0:1 (.5:1 nonres and .5:1 residential)</td>
</tr>
<tr>
<td>Site Coverage</td>
<td>None required</td>
<td>50%</td>
</tr>
<tr>
<td>Open Space</td>
<td>~27%</td>
<td>35% coverage; 9,000 sf usable open space</td>
</tr>
<tr>
<td>parking</td>
<td>68 total: 64 covered (60 provided via lift system); 4 above grade</td>
<td>82.5 (60 must be covered) (would actually be different since this zoning would require some retail space vs. all housing).</td>
</tr>
<tr>
<td>Dwelling units/acre</td>
<td>116</td>
<td>20 (only allowed CN zoned housing inventory sites identified in the Housing Element)</td>
</tr>
</tbody>
</table>
## RM-40 Comparison

<table>
<thead>
<tr>
<th></th>
<th>Proposed Project</th>
<th>Zoning District requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Height</strong></td>
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<td>40’</td>
</tr>
<tr>
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<td>10’</td>
</tr>
<tr>
<td><strong>Street side Setback</strong></td>
<td>5’</td>
<td>5’ (20’ for a portion for special setback from Page Mill Rd)</td>
</tr>
<tr>
<td><strong>Interior side setback</strong></td>
<td>5’</td>
<td>10’</td>
</tr>
<tr>
<td><strong>FAR</strong></td>
<td>2.0:1</td>
<td>1.0:1 (.5:1nonres and .5:1 residential)</td>
</tr>
<tr>
<td><strong>Site Coverage</strong></td>
<td>None required</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Open Space</strong></td>
<td>~27%</td>
<td>35% coverage; 9,000 sf usable open space</td>
</tr>
<tr>
<td><strong>parking</strong></td>
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<tr>
<td><strong>Dwelling units/acre</strong></td>
<td>116</td>
<td>20 (only allowed CN zoned housing inventory sites identified in the Housing Element)</td>
</tr>
</tbody>
</table>
ABOUT US

Palo Alto company with local expertise specializing in TOD and infill projects
VTA SITE HISTORY

• Purchased by Pollock Finance Group in early 2014

• September 2015 Pollock's Proposed mixed-use primary office project and it was clear after the prescreening that housing was what council encouraged.

• Windy Hill returned with the project, incorporating council’s input.

• **Milestone Dates:**
  • Study Session Application 7/16
  • City Council Study Session 9/16
  • Formal Application Submitted 12/16
  • PTC Study Session 6/17
  • ARB Hearing #1 6/17
  • PTC Hearing 1/18 (APPROVAL)
  • ARB Hearing #2 3/18
  • ARB Hearing #3 4/18 (APPROVAL)
<table>
<thead>
<tr>
<th>Started Q2 2016</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Units:</strong> 60 (30 Studios, 30 One Bedrooms)</td>
<td><strong>Units:</strong> 57 (40 Studios, 17 One Bedrooms)</td>
</tr>
<tr>
<td><em>Too Dense</em>*</td>
<td>*Decreased the Number of Units</td>
</tr>
<tr>
<td><strong>FAR:</strong> 2.24</td>
<td><strong>FAR:</strong> 2.00</td>
</tr>
<tr>
<td><em>Too Big</em>*</td>
<td>*Decreased the FAR from 2.24 to 2.00</td>
</tr>
<tr>
<td><strong>Parking:</strong> 45 Stalls</td>
<td><strong>Parking:</strong> 68 Stalls</td>
</tr>
<tr>
<td>*Under Parked, Guest Parking, Uber/Lyft, Deliveries, Over Flow into Neighborhoods</td>
<td>*Added 23 Parking Spaces, Added Guest Parking, Drive Aisle, Space for Uber/Lyft, Deliveries, Excluded from RPP</td>
</tr>
<tr>
<td><strong>Affordable:</strong> In lieu Fee</td>
<td><strong>Affordable:</strong> In lieu Fee and workforce housing agreement – 21% +/- deed restricted</td>
</tr>
<tr>
<td>*No Affordable Units</td>
<td>*Addressed the “Missing Middle”</td>
</tr>
<tr>
<td><strong>Bike Parking</strong></td>
<td><strong>Bike Parking</strong></td>
</tr>
<tr>
<td>*Majority of long term Bike Parking was in Garage</td>
<td>*Moved all long-term Bike Parking to an easily accessible location on the main level.</td>
</tr>
<tr>
<td><strong>Preference:</strong> NONE</td>
<td><strong>Preference:</strong> Palo Alto employees or current residences</td>
</tr>
<tr>
<td>*How do you know people from P.A. will live here?</td>
<td>*People currently living or working within a three (3) mile radius of the project or within the City of Palo Alto get first look at available Unit(s).</td>
</tr>
</tbody>
</table>

*Concerns by Community Members, Staff, Elected Officials, or Appointed Officials*
#7 Conditions of Approval – Planning Division

ENFORCEMENT OF WORKFORCE HOUSING RESTRICTIONS AND LOCAL PREFERENCE

Prior to issuance of a Building Permit Certificate of Occupancy, the applicant and the Director of Planning and Community Environment shall agree to a process for monitoring, reporting, and validating workforce housing obligation in compliance with Condition of Approval 6 as well as the preferential leasing requirements, as required in compliance with the workforce housing combining district ordinance. The requirements for monitoring, reporting, and validating workforce housing obligations and preferential leasing requirements shall be documented in an agreement that shall be recorded against the property.

LOCAL WORKFORCE PREFERENCE

All residential units within a workforce housing project shall be offered first to eligible households with at least one household member who currently lives or whose place of employment is within a three (3) mile radius of the project or within the City of Palo Alto. If units remain unoccupied after offers are made to this first category, those units shall be offered to eligible households with at least one household member whose place of employment is within one-half mile of a major fixed-rail transit stop.
We are committed to a robust TDM Plan that addresses trip generation and parking.

- **Caltrain Go Pass**
  - Provide unlimited Caltrain rides for all residents.

- **VTA Eco Pass**
  - Provide unlimited VTA rides for all residents.

- **Improved Bus Shelter**
  - Upgrades to on-street bus shelter to encourage transit ridership

- **TNC subsidy**
  - The measures proposed would result in a 35% percent trip reduction in accordance with the Comp Plan.
TDM STRATEGIES

• Promotion and Organized Events
  • New Tenant Orientation Packets on transportation, commute alternatives, Bike to Work Day, Spare the Air, Rideshare Week, trip planning assistance, and transportation fair.

• Annual Monitoring Program
  • Meet requirements and adjust strategies if needed

• Unbundled Parking

• Carpool Ride - Matching Services
  • Allowing residents to easily be paired with potential carpool partners

• Onsite Transportation Coordinator
  • Will provide welcome package for new tenants, distribute Go Passes and other memberships, and additional information

• Onsite Bike Parking (85 Racks)
  • In Unit Bike Storage
  • Secure and Accessible

• Shared Bicycles onsite for resident use

• Transportation Information Board and Kiosk with Schedules

• Hotline/Online access to transportation information and coordinators
SUSTAINABLE / GREEN DESIGN PRACTICES

- GreenTRIP certified by TransForm
- Designing for a LEED Silver equivalent
- All electric building contemplated (except water heaters)
- Drought tolerant / water light landscaping
- Electric charging stations
- Robust TDM Package
- Remediation of contaminated site
OTHER TRANSPORTATION IMPROVEMENTS

- Dedication of land for a right hand turn lane
WHY?

- Jobs / Housing imbalance - 3.05 Jobs per employed resident

- Consensus within the Palo Alto leadership that additional housing is needed to serve the community, particularly for the “Missing Middle”.

- Provide housing in accordance with the goals and policies of the Palo Alto Comprehensive Plan, which requires 303 housing units added per year from 2018-2030.

- Provide for housing that maximizes its adjacency to transit amenities and reduces trips and parking demand.

- March 2018, PA Weekly – 107 units new supply within the last two years.

- Add to the diversity of housing by providing units that are more attainable than the typical Studio or One Bed in Palo Alto and providing 20% of units at levels of 140% and 150% of AMI.

- Provide housing opportunities for residents and employees already in Palo Alto through a local preference policy.
STREET SECTIONS
ELEVATION – WEST
BUILDING ELEVATIONS