The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:08 P.M.

Present:

Palo Alto: Cormack, DuBois, Filseth, Kniss, Kou, Tanaka

EPA: Abrica, Gauthier, Moody, Romero, Wallace-Jones arrived @ 6:04 P.M.

Menlo Park: Combs, Mueller participated by phone @ 6:00 P.M., Nash, Taylor

Absent: Fine (PA), Carlton (MP)

Special Orders of the Day


   Ed Shikada, City Manager recognized years of service for employees who worked 25, 30 and 40 years with the City.

   Mayor Filseth read the Proclamation into the record.

2. Resolution 9828 Entitled “Resolution of the Council of the City of Palo Alto Expressing Appreciation to Mr. Menter "Bud" Starmer Upon his Retirement.”

   Michelle Flaherty, Deputy City Manager remarked that Mr. Starmer was an exceptional public servant and had a work ethic second to none.

   Mayor Filseth read the Proclamation into the record.

   **MOTION:** Council Member Kniss moved, seconded by Council Member Cormack to approve a Resolution Expressing Appreciation to Mr. Menter "Bud" Starmer Upon his Retirement.

   **MOTION PASSED:** 6-0 Fine absent
Study Session

3. Joint Study Session of the City Councils of Palo Alto, Menlo Park and East Palo Alto Regarding Housing and Other 2019 State Legislation:

   (a) Update From Palo Alto’s State Lobbyist.

Mayor Filseth welcomed Council Members from Menlo Park and East Palo Alto. The City's legislative advocate was to provide an update on State legislation and to respond to questions. During the Study Session, the Council was not going to make decisions or take action. The joint meeting with the Councils of Menlo Park and East Palo Alto was intended as a means to share information. The topic of discussion was not limited to housing bills.

Niccolo De Luca, Townsend Public Affairs reported the first House Policy Committee deadline passed approximately two weeks prior. Almost all bills he tracked were moving forward and were significantly amended. The Governor was going to release his May revision on May 14, 2019. The Appropriations Committee deadline was going to expire on May 17, 2019. Housing bills impacted new construction, affordable housing and homelessness. He expected to see a lot in the State Budget regarding homelessness, especially funding for cities for one-time costs. Senate Bill (SB) 50 received a great deal of discussion and was amended during the Policy Committee hearing. Assembly Bill (AB) 1487 proposed a new regional entity for the nine-counties in the Bay Area to propose new taxes, collect funds and work with other counties, cities, and affordable housing developers to apply for the funds received. SB 50 proposed an Infrastructure Financing District (IFD) for affordable housing. AB 1486 proposed clarifications regarding cities' disposal of surplus on real property.

Greg Schmid spoke for Mary Sylvester, Fred Balin, Subhash Narang, Daniel Bartsch and Elaine Meyer regarding the Bay Area having the highest housing prices in the country. Developers found office space more profitable than housing. Current development proposals were adding two to four jobs for every newly employed resident. An obvious solution was to work toward moderate and balanced growth, identifying areas where dense job and housing could co-exist. SB 50 offered an alternative through continued expansion of employment in priority development areas and the possibility of replacement of residential areas with denser, more work-oriented housing. If SB 50 passed, Silicon Valley was going to be more like San Francisco.

Mayor Filseth recognized the City Managers for Menlo Park and East Palo Alto.
Joe Hirsch, spoke for Christine Pease, Shannon Rose McEntee, Ellen
Turnbow, Jeff Levinsky, Ceci Kettendorf and Jim Colton saying they
concorded with the opinions of Greer Stone, Pat Burt, Mayor Mueller and
Mayor Filseth regarding opposition to SB 50. He urged the Council to direct
its State lobbyist to argue against the enactment of SB 50 and similar bills
that diminished local control in any way. If enacted, SB 50 was going to
give developers rights throughout the City of Palo Alto, particularly with
respect to properties located within one-quarter or one-half mile of the two
Caltrain stations and along El Camino Real. He recommended the Council
convene a residents-only Working Group to determine locations where
affordable, Below Market Rate (BMR) housing could be built without
adversely impacting single-family neighborhoods.

Ben Lerner, spoke for Paul Machado, Hamilton Hitchings, Linda Moudakas,
Irene Kane and Valerie Milligan commenting that careful analysis showed SB
50 and similar housing bills did not help the housing shortage. A likely
outcome of SB 50 was more monster houses and high-end condominiums in
neighborhoods not currently zoned for them. An alternative policy that
stabilized housing prices was to require office park developers to build
housing for all the additional workers the developments brought to the
region.

Judy Adams wanted to see more possibilities for building taller buildings in
order to provide low-income housing.

Bill Fitch supported SB 50 as it was time to build high-rise and affordable
housing projects in Palo Alto.

Barbara Hazlett opposed SB 50 and similar legislation because it preempted
community control over zoning and planning. The Legislature needed to
encourage job growth in the distressed parts of California in an effort to
revive the communities.

L. David Baron felt local control was a key part of the system that had
created the housing crisis. Local control of housing and land use had a
century-long history of being used for exclusion. The State needed to place
reasonable limits on the excesses of local control. He urged the Councils to
support SB 50 and a number of other bills because these bills made
reasonable changes to local communities.

Brielle Johnck felt the cause of the housing shortage was jobs, and jobs were
the result of office buildings. The Menlo Park City Council had control of the
construction of office buildings.
Greer Stone opposed SB 50 because it was written so that it advocated for housing policies that did more harm than good. Low-income workers and communities of color suffered the most under SB 50.

Megha Manoher relayed that Rishi Kumar, a Saratoga Council Member and candidate for Congress believed in local control of housing but did not favor preempting local zoning laws to allow high-density buildings. Building more housing and removing local control was not the answer to the housing shortage.

Grant Dasher supported SB 50. The City of Palo Alto wanted to retain local control in order to build housing rather than office buildings, but the City of Palo Alto did not meet its Regional Housing Needs Assessment (RHNA) targets in years. The only option was to build housing near businesses. SB 50 did not radically disrupt single-family residential neighborhoods.

Roberta Ahlquist concurred with Mr. Baron and Mr. Dasher.

Chris Brosnun opposed SB 50. Trees were healthier for residents than high-rise buildings. People from overseas bought more new housing rather than people who worked in the City.

Amin Damji indicated the Greendell neighborhood was concerned about housing development at 525 San Antonio Road as part of the Cubberley Master Plan. He and his Greendell neighbors strongly opposed SB 50.

Rita Vrhel felt employees who wanted to own a home had to live next door to their workplace. Someone needed tell cities to stop building office space.

Kathy Jordan opposed SB 50, State control of planning, tall buildings next to single-family homes, increasing traffic and the imposition of Impact Fees and the cost of infrastructure on residents.

Jordan Grimes heard strong support for AB 1481, SB 529, AB 1482, SB 50 and strong condemnation of local control.

Adina Levin remarked that more housing at all income levels and tenant protections were needed. She supported a variety of bills including SB 50. Standards for housing densification around transportation and housing for the "missing middle" were needed to address the housing crisis.

(b) Discussion of the Councils.

Council Member DuBois asked if there were 400 pending housing bills.
Mr. De Luca corrected that there were 200 housing bills. Many others were geared toward transportation, homelessness, mental health and cannabis.

Council Member DuBois inquired which bills were the most likely to move forward.

Mr. De Luca recommended the three City Councils’ focus on the bills listed on the handout at this meeting and the bills from Bay Area Legislators.

Council Member DuBois asked if the outlook for AB 11 was positive.

Mr. De Luca thought the outlook could be positive. The bill continued to move forward and had good local support. AB 1487 provided opportunities for new revenue sources to help build housing.

Council Member Kniss requested additional details about SB 50, SB 4 and SB 5.

Mr. De Luca related that SB 50 proposed streamlining the approval process for multifamily units located between a half mile and a quarter mile from rail lines. Recent amendments concerned the best headways, which was described as a decrease of 10 minutes during commute hours for cities and counties with populations greater than 600,000. SB 50 continued to provide cities with design authority. Two weeks prior to the meeting, SB 4 was merged into SB 50. SB 330 addressed streamlining issues and was amended to remove some parking requirements. Future amendments to SB 330 addressed working with tenants living in buildings with health and safety issues to avoid displacement. SB 5 proposed an IFD specifically for the purpose of building affordable housing. SB 13 and AB 68 encouraged the building of Accessory Dwelling Units (ADU). AB 1481 prohibited lease termination without just cause. AB 1482 concerned rent caps. AB 1485 proposed requirements for disposal of surplus property. AB 1487 established a regional entity that could propose a Sales Tax increase, a General Obligation (GO) Bond or a Gross Receipts Tax. The revenues supported housing projects.

Council Member Kou inquired whether SB 330 prohibited a referendum or initiative regarding housing issues by the people or elected bodies.

Mr. De Luca answered yes.

Council Member Kou understood a city would not be allowed to charge Impact Fees to developments.
Mr. De Luca advised there was a great deal of discussion about Impact Fees. Some legislation prohibited Impact Fees; other legislation retained Impact Fees.

Council Member Kou summarized the restrictions contained in SB 330, which were all unfunded mandates. She expressed disappointment with transportation bills because they did not talk about investing in transportation infrastructure for California or the region. The State needed to look at the broken system before removing local control. She inquired whether tax dollars proposed by AB 10 were going to be credited for preservation.

Mr. De Luca understood the funding supported new housing.

Council Member Kou stated AB 11 allowed the acquisition of property by eminent domain.

Mr. De Luca did not recall whether AB 11 contained that provision.

Council Member Kou remarked that mostly Service Employees International Union (SEIU), contractors, architects, developers, investors and real estate associations supported the housing bills. One bill proposed allowing a property owner to sell an ADU if it had a low-income aspect.

Mr. De Luca was not aware of legislation that allowed the sale of an ADU separate from the parcel.

Council Member Kou indicated AB 587 allowed the sale of an ADU when title for the primary residence was held as tenants in common. This reduced the size of single-family residential lots. Developers were approaching property owners with a proposal to build an ADU if the property owner placed the developer on the real estate title. The Legislature needed to think about this more carefully as this could become a scam. She hoped Mr. De Luca would prioritize bills for Council discussion.

Council Member Romero (EPA) requested an explanation of the Equitable Community Incentives within SB 50.

Mr. De Luca reported the Equitable Community Incentive was a recent amendment to SB 50. It allowed cities more time to work on General Plan changes. Some of the discussion about equitable communities was based on data regarding employment, job opportunities and things of that nature. The bill was possibly going to be expanded with more details in the future.
Council Member Romero commented that the legislation seemed to refer to incentives created by developers adding certain affordability. He asked if that was optional rather than a requirement.

Mr. De Luca understood it would be a requirement for certain parts of the State.

Council Member Romero inquired whether that would be a partial value-capture mechanism within SB 50.

Mr. De Luca responded correct.

Council Member Romero noted one of the criticisms was that the value-capture mechanism, given the amount of public allowance of additional height, density and removal of other development incentives was not commensurate with the value being conferred to developers. He inquired whether Senator Wiener may be considering increasing the community benefits part.

Mr. De Luca heard discussion about expanding community benefits but did not know what the new terms could be.

Council Member Romero asked if Mr. De Luca heard any discussion about increasing and/or adding other community benefits.

Mr. De Luca did not know what Senator Weiner was considering.

Council Member Romero asked if the May 1, 2019 amendments included increasing and/or adding other community benefits.

Mr. De Luca responded no.

Mayor Gauthier advised that people were being pushed out of the communities that they called home for the longest time. East Palo Alto was creating its fair share of affordable housing; there had to be a regional approach to housing. The economy created a lot of jobs without housing in the region.

Council Member Moody felt the aspect of humanity was often overlooked in the discussion of housing. Individuals in the community were priced out and were living in recreational vehicles. Those who opposed SB 50 typically explored all the reasoning behind it and its impacts; yet, the region was in a housing crisis. It was going to take California's political will to relinquish the concept of local control for the housing and transportation crisis. East Palo Alto was trying to create jobs. If communities were not going to support SB 50, they needed to provide plans to address affordable housing. He inquired
whether Legislators were discussing new and innovative ideas as alternatives to SB 50. He also requested Governor Newsom's tone on the housing issue.

Mr. De Luca reported SB 50 defined a sensitive community as a community falling in the top 25 percent of census tracts based on the CalEnviroScreen 3.0 or a qualified census tract for 2019. The Governor stated many times his awareness of housing issues. He recommended cities propose suggestions for amending bills.

Council Member Cormack requested comment regarding Assembly Constitutional Amendment (ACA) 1.

Mr. De Luca advised that ACA 1 proposed lowering the voter threshold for infrastructure measures to 50 percent plus one. ACA 1 also proposed funding for infrastructure such as roads, streets, sewers and transportation. To be enacted, ACA 1 needed a two-thirds vote in both houses and voter approval.

Council Member Cormack wanted to know how Palo Alto could help support ACA 1.

Mr. De Luca suggested the City and residents send letters of support.

Council Member Kniss recommended Mayor Filseth form a group of Council Members from the three cities to address transportation.

Mayor Filseth inquired what the three cities wanted from the State Legislature.

Council Member Combs requested Mr. De Luca's opinion of SB 50 being passed by both the Assembly and the Senate and of the positions of the State representatives for Palo Alto, East Palo Alto and Menlo Park.

Mr. De Luca related that he was not aware of the positions of the cities' representatives because a vote had not been taken on SB 50. SB 50 had a good probability of reaching the Governor's desk, but the question was the content of SB 50 when it did reach the Governor's desk. The Governor's Administration, leaders of both houses and the Bay Area delegation had a keen focus on housing.

Mayor Gauthier asked about the impact of SB 4 on SB 50.

Mr. De Luca explained that the key provisions of SB 4 were placed in SB 50.

Mayor Filseth noted Senator McGuire's county was exempt from requirements as part of the merging of the two bills.
Council Member Abrica reiterated the need for cities to propose solutions to the housing problem. The State was pointing out that local control had not been effective and that alternatives were needed.

Vice Mayor Wallace-Jones remarked that the largest demographic of people leaving the State were people aged 18 to 35. The topmost issue cited among all California cities was homelessness and housing. If people opposed SB 50, they needed to propose alternatives and solutions soon because Legislators were going to consider SB 50 in just three weeks.

Council Member Romero commented that the current system was not working. Local control for zoning resulted in de jure segregation. Under SB 50, communities of color and low-income/working-class communities in densely populated cities were possibly going to be displaced, regardless of the recent amendments. If cities were going to provide additional concessions for developers, they had to require additional community benefits from the developers.

Council Member DuBois noted Palo Alto revised many of its housing Ordinances in an effort to spur housing production and they expressed support for the Santa Clara County Cities Association’s letter regarding housing. He urged East Palo Alto and Menlo Park to support the Santa Clara County Cities Association’s letter as a way for the three cities to have a larger voice. He hoped the three cities would work together regarding the Stanford University General Use Permit (GUP).

Mayor Pro Tem Taylor reported the Menlo Park City Council would agendize a discussion of housing legislation. The Menlo Park City Council was not unified regarding SB 50. Each city needed to have an all-inclusive policy for development agreements, education and infrastructure.

Mayor Filseth advised that cities had tools, such as the conditioning of commercial development agreements, which the State did not have.

Council Member Kou indicated ACA 1 proposed the allowance of the State to impose Parcel Taxes. The Federal Government provided corporate tax breaks for opportunity zones in Menlo Park. The State Legislature needed to regulate big business, focus on transportation infrastructure and implement a regional Transportation Management Agency (TMA).

Mayor Filseth commented that the housing shortage did not occur overnight and would not be resolved overnight.

Council took a break at 7:28 P.M. and returned at 7:49 P.M.
4. Joint Study Session With the Parks and Recreation Commission.

Chair Don McDougall, Parks and Recreation Commission (PARC) reported the Council challenged the PARC with curating scarce, valuable and interconnected resources. In the National Citizen Survey, 33 percent of responses were about the scarce and valuable resources of parks, open space and recreation when responding to the question of one good thing about the City. The PARC was concerned that responses to the question of opportunities to participate in various activities decreased.

Jeff Greenfield, Parks and Recreation Commissioner advised that 2018 highlights included integrating pickle ball into park policies, opening the Baylands Golf Links, executing a new aquatics contract, opening a new community garden, planning upgrades for Rinconada Park, opening a dog park at Peers Park, opening the 7.7 acres in Foothills Park, quickly repairing the Los Trancos Trail, preparing the Baylands Comprehensive Conservation Plan (BCCP), improving the Renzel Wetlands, replacing the Boardwalk, reviewing plans for the Junior Museum and Zoo and the Cubberley Master Plan, using solar lighting on sports fields and opening the bike bridge over Highway 101. Much of the PARC's work involved community outreach and partnerships.

Mr. McDougall indicated the PARC heard presentations regarding sea level rise, Green Stormwater Infrastructure (GSI) and the Urban Forest Master Plan. In 2019, the PARC wanted to focus on monitoring pickle ball, upgrading parks, constructing dog parks and park restrooms, planning for the 10.5 acres in the Baylands, reviewing the BCCP, integrating a Baylands dock, monitoring habitat preservation, planning for the 7.7 acres, the Cubberley Master Plan, recreation opportunities, climate change and development of partnerships. One challenge facing the PARC was the hydrology and restoration of Buckeye Creek

Mr. Greenfield related that the PARC would also consider opportunities to dedicate park-like parcels as parkland and revising the rules and regulations.

Mr. McDougall added that the PARC would also consider wider access to Foothills Park. Maintaining and upgrading parks was important to the community. The PARC planned on participating in developing strategies for funding and volunteers.

Leland Levy urged the Council to continue maintenance of the Magical Bridge Playground because of the community's extensive use of it. Access to Foothills Park needed to be extended to residents of other communities if doing so would not compromise the environmental integrity of the park.
Penny Ellson remarked that building housing on Palo Alto’s last remaining large public parcel was unwise in light of the prospects for higher-density housing. Higher-density housing generated a much greater demand for public facilities. She did not support building housing on the Cubberley site. A Traffic Plan for Cubberley was as important as the Site Plan in obtaining project approval.

Rita Vrhel announced a cleanup day for Eleanor Pardee Park was scheduled for May 25, 2019 from 8:00 A.M. to noon. The park needed a restroom and she noted PVC piping should not be permitted in an organic garden.

Council Member Kniss related that the County of Santa Clara (County) gave the City $1 million to help purchase the Bressler property and they required open access to Foothills Park in return. The perception of Foothills Park being closed was erroneous.

Daren Anderson, Division Manager Open Space Parks & Golf conveyed the negotiated deal with the County had resulted in public access to Foothills Park via the parking lot and Los Trancos Preserve.

Ryan McCauley, Parks and Commission Recreation Commissioner said that actual practice diverged from the City Code. According to the City Code, a nonresident of Palo Alto was able to enter Foothills Park, but a nonresident leaving the trail could be charged with a misdemeanor.

Council Member Kniss asked if anyone leaving the trail was committing a misdemeanor.

Mr. McCauley indicated the City Code allowed people to traverse the park via the Bay to Foothills Trail. People were able to enter the park that way. The PARC was discussing access to Foothills Park and were going to present some recommendations to the Council.

Council Member DuBois inquired about use of the golf course.

Kristen O’Kane, Director of Community Services Department related that revenues from golf were on target, but revenues from the pro shop were falling short of targets. Staff was going to continue to monitor the pro shop. The number of rounds of golf was down from historic levels, but dynamic pricing caused revenues to meet targets.

Council Member DuBois hoped PARC input regarding the Cubberley Master Plan was going to be provided to the Council. He asked if the PARC was focusing on teen programming.
Mr. McDougall disclosed that the PARC formed an Ad Hoc Subcommittee focused on the Cubberley Master Plan. In addition, most members of the PARC attended the planning sessions. He anticipated a PARC review of the Master Plan prior to its being presented to the Council. Two people from the Library and two people from the Community Services Department (CSD) were going to meet to investigate the range of programming available for teens.

Council Member DuBois requested clarification of the Community Garden Partnership and revisions to rules and regulations.

Mr. Greenfield explained that the PARC was working on a partnership with the Palo Alto Christian Reform Church to create another community garden.

Council Member DuBois suggested the PARC consider an antenna or plaque denoting the role of International Telephone and Telegraph (ITT) in the history of Silicon Valley. Access to Foothills Park was a non-issue because access by cars on the weekends was the only limit placed on public access. The PARC were thinking of recommending Winter Lodge, Gamble Garden and similar properties for park dedication. The PARC also needed to focus on investment funding and financing strategies.

Council Member Cormack reported the plan was to alternate construction of dog parks with restrooms. Lighting of sports fields and courts was a big issue. She expressed concern about funding the needed improvements at Foothills Park. Historically, the Council did not ask its Commissions to obtain funding but to work with organizations that provide funding. She was interested in obtaining data about programming for girls versus boys and women versus men.

Council Member Tanaka inquired regarding programming for cricket and the possibility of a skate park.

Mr. McDougall advised that the challenge with cricket was the size of the field and the lack of space for such a large field. The PARC was aware of community interest in cricket.

Council Member Tanaka suggested a multipurpose space could be used for a cricket field.

Mr. McDougall was not aware of a facility in Palo Alto large enough for a cricket field.
Ms. O’Kane indicated the City had one skate park, which was used on weekends, weather permitting. Another skate park was proposed for the new Cubberley site.

Council Member Tanaka did not favor building housing on parkland. He referred to San Diego's program for naming facilities, which appeared to raise substantial funding. He asked if the PARC had explored such a program for Palo Alto.

Mr. McDougall explained that the PARC formed an Ad Hoc Committee to explore a wide range of funding strategies. Naming rights were a part of the Ad Hoc Committee’s discussions.

Council Member Kou agreed with prior comments that funding was a concern. She requested the PARC prioritize projects for funding and inquired about the PARC's measures for pickle ball.

Mr. McDougall clarified that the PARC wanted to measure usage of pickle ball and tennis courts.

Council Member Kou requested the length of time Staff would monitor the pro shop before determining whether it should be converted for another use.

Ms. O’Kane reported Staff did not have a specific timeframe in mind but they were working with OB Sports to develop new marketing strategies for an alternative use.

Mayor Filseth assumed the margins for the golf pro shop were not large; therefore, Staff did not count on earnings from the pro shop to pay for golf course operations. It was a question of whether the pro shop covered its own costs.

Ms. O’Kane concurred.

Mr. McDougall remarked that the Parks Master Plan contained prioritized projects. The current priority was dog parks and park restrooms.

Council Member Kniss requested a comparison of Palo Alto parks with parks in neighboring communities. She asked if City parks covered 4,200 acres.

Ms. O’Kane replied yes.

Council Member Kniss noted neighborhood parks comprised the majority of parkland while Foothills Park was in a separate category.
Ms. O’Kane clarified that parks included athletic fields. The 4,000 acres of open space in addition to parks was unheard of for a city the size of Palo Alto.

Mayor Filseth noted the City provided 2 2/3 acres of parkland, excluding open space, per 1,000 residents. The City of San Francisco provided 4 acres of parkland per 1,000 residents, but Golden Gate Park was included in that statistic.

Mr. McDougall reported the PARC was putting a great deal of effort into Cubberley, teen activities, dog parks and park restrooms. The quality of parks and the total amount of space was incredibly important, but the City did not meet the national standard for the amount of parkland. He felt Foothills Park was not accessible to the public.

Council took a break at 8:50 P.M. and returned at 8:57 P.M.

Council Member Tanaka left the meeting at 8:58 P.M.

Agenda Changes, Additions and Deletions

None.

City Manager Comments

Ed Shikada, City Manager reported work on the Upgrade Downtown Project would be performed on a 24-hour basis between May 13-15, 2019. Traffic was going to be detoured, but sidewalks were going to be open. The San Francisquito Creek Joint Powers Authority (JPA) had released a Draft Environmental Impact Report (DEIR) for the segment upstream of Highway 101, and public comments were due by June 19, 2019. On May 13, 2019, a meeting regarding the updated America’s with Disabilities Act (ADA) Transition Plan was scheduled for community feedback. Bike to Work Day was Thursday. The final meeting for Cubberley Co-Design was planned for Thursday, May 9, 2019. The annual Mobile and Walking Gas Leak Survey was going to begin in mid-May, 2019. More than 2,200 people and 55 contingents participated in the May Fete Parade.

Mayor Filseth added that he and Council Member Cormack would lead the Mayor's Bike Ride on Bike to Work Day.

Oral Communications

Mark Mullineaux remarked that people were not being thoughtful about the housing crisis and housing bills. Everyone wanted a sustainable system for building and financing housing.
Terry Holzemer commented on the lack of data and information provided to the North Ventura Coordinated Area Plan (NVCAP) Working Group, the Working Group's need for two chairpersons and a representative of the Palo Alto Unified School District (PAUSD). The Working Group needed to appoint a Historical Resource Subcommittee to work with the Historical Resources Board.

Minutes Approval

5. Approval of Action Minutes for the April 15 and April 22, 2019 Council Meetings.

Council Member DuBois requested Staff ensure the May 13, 2019 Rail Committee Packet reflect the correct April 22, 2019 Motion of the Council.

**MOTION:** Council Member DuBois moved, seconded by Council Member Kniss to approve the Action Minutes for the April 15 and April 22, 2019 Council Meetings.

**MOTION PASSED:** 5-0 Fine, Tanaka absent

Consent Calendar

Ed Shikada, City Manager noted the Council received an At-Places Memorandum for Agenda Item Number 10. The Memorandum clarified that a 12-month term needed to be included in the recommended amendment to the employment agreement.

Council Member Kou registered a no vote on Agenda Item Number 11.

**MOTION:** Council Member DuBois moved, seconded by Council Member Kniss to approve Agenda Item Numbers 6-11, including the change as described in the at-places memo provided by Staff for Agenda Item Number 10.

6. Approval of Contract Number C19174560 With R&S Construction Management, Inc. in the Amount of $2,421,544 for the Fiscal Year (FY) 2019 Street Resurfacing Project, Capital Improvement Program Projects PE-86070, and PE-09003.

8. Approval and Authorization for the City Manager or his Designee to Execute the Utility Program Services Contract, Number C19171513 With CLEAResult Consulting, Inc. for a Total Compensation of $737,000 and a Maximum Term of Five Years (Continued From April 15, 2019).

9. Approval of the Appointment of Kiely Nose as Director of Administrative Services (Chief Financial Officer), Dean Batchelor as Director of Utilities, and Kristen O'Kane as Director of Community Services.

10. Approval of Amendment Number 1 to the Employment Agreement Between the City of Palo Alto and Police Chief Robert Jonsen.

11. Ordinance 5463 Entitled “Ordinance of the Council of the City of Palo Alto Amending Title 16 of the Palo Alto Municipal Code to Modify and Increase the Citywide Transportation Impact Fee (Chapter 16.59) and Suspend Application of the Existing Area Specific Transportation Impact Fees for the Stanford Research Park/El Camino Real CS Zone (Chapter 16.45) and the San Antonio/West Bayshore Area (Chapter 16.46), and Amending the Municipal Fee Schedule to Update the City’s Transportation Impact Fees in Accordance With These Changes, all in Furtherance of Implementation of the Comprehensive Plan. The Citywide Transportation Impact Fee is a one-Time fee on new Development and Redevelopment Throughout Palo Alto to Fund Transportation Improvements to Accommodate and Mitigate the Impacts of Future Development in the City. This Ordinance is Within the Scope of the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720 (FIRST READING: April 22, 2019, PASSED: 5-2 DuBois, Kou no).”

**MOTION PASSED FOR AGENDA ITEM NUMBERS 6-10:** 5-0 Fine, Tanaka absent

**MOTION PASSED FOR AGENDA ITEM NUMBERS 11:** 4-1 Kou no, Fine, Tanaka absent

Council Member Kou advised that the square footage method should have been part of the Council’s consideration of Impact Fees.

Kiely Nose, Administrative Services Director expressed gratitude for being named Director of the Administrative Services Department and for the opportunity to continue her career with the City.
Dean Batchelor, Utilities Director was honored to be named Utilities Director.

Kristen O’Kane, Community Services Director thanked the Council for the opportunity to serve as Director of the Community Services Department.

**Action Items**

12. **PUBLIC HEARING: Finance Committee Recommends Adoption of the Fiscal Year 2019-20 Action Plan and Associated 2019-20 Funding Allocations; and Adoption of a Resolution 9830 Entitled “Resolution of the Council of the City of Palo Alto Approving the use of Community Development Block Grant Funds for Fiscal Year 2019-20 Consistent With the Human Relations Commission's Recommendation.”**

Erum Maqbool, Community Development Block Grant (CDBG) Specialist reported the City received annual funding from the United States (U.S.) Department of Housing and Urban Development (HUD) as an entitlement City under the CDBG Program. The CDBG Program operated under a two-year funding cycle. Fiscal Year (FY) 2019-2020 was the first year of the cycle. CDBG appropriations had not yet been determined but Staff estimated the City's grant was approximately $436,335, a 10-percent reduction in the current grant. Total estimated funding for FY 2019-2020 was $661,045, which included the estimated grant, resources from previous years and anticipated program income. The maximum amount that was to be allocated to the Public Services category and the Planning and Administration category were $80,874 and $114,476 respectively. The Human Relations Commission (HRC) and the Finance Committee (Committee) reviewed the funding recommendations. Due to the grant amount being unknown, the Committee recommended an increase in funding in the public services category to be distributed first to the Silicon Valley Independent Living for up to a total award of $12,000 and second equally between Life Moves and Palo Alto Housing Corporation. An increase in funding in the Planning and Administration category was to be distributed equally between Project Sentinel and City of Palo Alto for administration; an increase in funding in the Economic Development/Public Facilities Rehabilitation category was to be distributed four ways: three parts to the Downtown Street Team and one part to MayView Community Health. A decrease in funding in the public services category was to be distributed proportionally among applicants except the Young Woman’s Christian Association (YWCA) was not to receive any funding; a decrease in funding in the remaining three categories was to be distributed proportionally among the categories.
Council Member Kniss asked if the Council typically considered a two-year budget.

Ms. Maqbool explained that the funding cycle was two years, but HUD distributed funds annually.

Council Member DuBois noted the City received more applications than it could fund. The Committee balanced available funding with nonprofits’ performance. Apparently, the HRC Subcommittee strongly disagreed regarding the allocations but was able to craft the proposed recommendations.

Public Hearing opened and closed without public comment at 9:30 P.M.

**MOTION:** Council Member DuBois moved, seconded by Council Member Kou to:

A. Adopt a Resolution allocating CDBG funding as recommended in the draft Fiscal Year 2019-2020 Action Plan and as described in the Staff Report including the contingency plan policies recommended by the Finance Committee;

B. Authorize the City Manager to execute the Fiscal Year 2019-2020 CDBG application and Fiscal Year 2019-2020 Action Plan for CDBG funds, any other necessary documents concerning the application, and to otherwise bind the City with respect to the applications and commitment of funds; and

C. Authorize Staff to submit the Fiscal Year 2019-2020 Action Plan to HUD by the May 15, 2019 deadline.

Council Member Kou trusted that the HRC Subcommittee followed HUD regulations and the City’s 2015-2020 Consolidated Plan. She inquired whether the Council had a Discretionary Fund for CDBG.

Jonathan Lait, Director of Planning and Community Environment was not aware of such a fund.

Kiely Nose, Director of Administrative Services Department thought Council Member Kou was thinking of the Human Services Resource Allocation Process (HSRAP) Reserve Funds for emergencies and emerging needs.

Council Member Kniss was pleased with the funding allocated for MayView Community Health and the Downtown Streets Team. She inquired whether the facility was a mobile clinic.
Ms. Maqbool indicated it was a permanent, fixed clinic.

Council Member Cormack appreciated Staff's explanation of the focus on rehabilitating housing rather than providing affordable housing.

**MOTION PASSED:** 5-0 Fine, Tanaka absent

**State/Federal Legislation Update/Action**

None.

**Council Member Questions, Comments and Announcements**

Council Member Kniss remarked that Assembly Bill (AB) 147 would result in additional revenues from internet sales and use taxes.

Council Member DuBois reported the County of San Mateo's letter regarding the Stanford University General Use Permit (GUP) addressed the same issues as the City of Palo Alto's letter. The City of Palo Alto was a member of the coordinated city group. The County of Santa Clara Planning Commission hearings would begin soon.

Council Member Cormack added that conditions of approval for the GUP were scheduled for release on May 23, 2019.

Mayor Filseth asked if discussions regarding the development agreement were continuing.

Council Member Cormack clarified that the conditions of approval and the Environmental Impact Report (EIR) were to be released. She had attended the reopening of the Calaveras Dam, which was going to be a source of emergency water for the City of Palo Alto.

Council Member Kou advised that she had attended the Local Policy Makers Group (LPMG) where Caltrain presented its updated Business Plan. Faith-based communities declared the month of May as “Faith Communities Celebrate Palo Alto at 125”.

**Adjournment:** The meeting was adjourned at 9:44 P.M.