Presentations for the
September 14, 2020
City Council Meeting
Item 9: Adoption of an Interim Ordinance to Allow 24-hour Safe Parking on City-owned Sites; and Approve a 3-year Lease With the County of Santa Clara for 2000 Geng Road
Safe Parking

Staff recommends that Council:

1. Find the proposed Interim Ordinance and approval of the lease agreement exempt from the California Environmental Quality Act pursuant to Section 15301 and 15303 of the CEQA Guidelines;

2. Adopt an Interim Ordinance Amending Title 18 (Zoning) of the Palo Alto Municipal Code to Temporarily Allow 24-Hour Safe Parking on City Property in the PF Zoning District (PAMC Chapter 18.28), and Establishing Temporary Regulations Related to Safe Parking (PAMC Chapter 18.42); and

3. Approve the Three-Year Lease between the City (Landlord) and the County of Santa Clara (Tenant) for City property located at 2000 Geng Road, Palo Alto for Safe Parking.
Safe Parking

- Safe parking provides community members living in vehicles and recreational vehicles (RVs) a designated location which provides them with greater security and assistance than is otherwise available to those who remain on city streets.

- Provides on-site bathrooms and lot monitoring. Especially important during pandemic to have access to running water and restroom facilities and to limit the need to move frequently.

- Connects participants to social services to help participants find permanent housing they can afford.
Safe Parking & Homelessness

• Safe parking programs alone cannot resolve the issues related to homelessness and vehicle dwelling.

• Addressing homelessness, including, vehicle dwelling, requires a multi-pronged approach.

• Even with an effective and successful safe parking program, persons will remain homeless and/or dwelling in their vehicles in Palo Alto.
Operational Standards

Standards are similar to the Tier 1 standards and are included in the ordinance and emphasized in the lease agreement.

- Verified Partnership with the Santa Clara County Homeless Management Information System and Coordinated Entry System
- Contact Information posted on site
- Safe, Cleanly, and Orderly Premises
- No noise generated
- Required Facilities
- No leakage or disposal of contaminants on site.
Implementing the Program

Lease
• City Council leases land to the County (36-month lease).
• The County, through contract, has selected Move Mountain View to operate the Safe Parking Program.
• County supports program through funding operator.
• Operator serves up to 12 households at the site.

Interim Ordinance
• Zoning Allows this use on PF zoned land through lease by the City Council
• Standards – Establishes operational standards
• Noticing – Notice owners and occupants w/in 600 ft in advance of City Council consideration of lease
2000 Geng Road

- Served as Temporary Fire Station during construction of fire station 3
- Zoned for Public Facilities (PF)
- Estimated to safely serve 12 vehicles/households
- Provides water, restrooms, showers, kitchen facilities
PROGRAM OPERATIONS

Move Mountain View’s Lots of Love Program
Office of Supportive Housing
Verbal Update & Possible Direction to Staff on COVID-19 Related to Business Recovery Efforts

City Council
Overview
Present potential actions for City Council consideration and direction to staff.

Primary Focus for Update: “Store front” businesses, primarily retail or personal service.
Will also address additional industries and business types

Topic Areas
1) Statewide Recovery Framework, Retail & Consumer Trends – Evolving and responding as reopening restrictions change
2) Survive & Thrive – Supporting Existing Businesses
3) Post Pandemic Economic Recovery – Easing the Path for New Businesses to Open
4) Long-Term & Large-Scale Recovery Strategies
Statewide Recovery, Retail & Consumer Trends
On August 28, Governor Newsom unveiled a Blueprint for a Safer Economy; a Slow Plan for Living with COVID-19.

- 4-tiered, color-coded system for each County.

• Santa Clara County entered Tier 2 “Substantial” spread of COVID-19 on September 8; an upgrade from prior week.

• Santa Clara County Health Order is stricter in some areas; and thus governs re-openings or continued closings of some industries
  - Example: Movie theaters, indoor dining remain closed

• The statewide Blueprint and County Health Order(s) will continue to govern re-opening activities.
LOCAL ECONOMY SUPPORT CYCLE

- Supporting local businesses supports the whole community.
- In addition to offering goods, services, jobs, taxes, and quality of life, business districts often contribute to a sense of place and community identity.
RETAIL TRENDS (Pre-Pandemic)

▪ **Retail is reorienting** to more efficient platforms that give consumers one-stop shopping; retail is not dying.

▪ The shift **toward enjoying experiences more than purchasing goods** will continue to move retail stores toward selling experiences rather than selling goods.

▪ **Shoppers & cities want retail walkable from housing.**

*Source: David Greensfelder Retail Emerging Trends 2019*
RETAIL DURING COVID 19 PANDEMIC

- Major shifts to “omnichannel” retail and diverse retail options: online, in-store pick up, delivery, contactless, etc.*

- Slower recovery in wealthier zip codes; shops tend to be related to discretionary spending and may be closed.**

- Brick & mortar retailers need to:***
  - Adapt protocols and spaces to prevent spread of COVID-19.
  - Offer a superior customer experience.
  - Develop a digitally native online presence, optimized for mobile.

*Source: US Consumer Sentiment During the Coronavirus Crisis By McKinsey

**Source: Raj Chetty, et. al. The Economic Impacts of COVID-19: Evidence from a New Public Database Built from Private Sector Data

***Source: Denise Lee Yohn, The Pandemic Is Rewriting the Rules of Retail, Harvard Business Review
## 5 Key Effects of COVID-19 on Consumer Behavior

### Take Away

<table>
<thead>
<tr>
<th>Shift to value and essentials</th>
<th>Key Data Points</th>
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<tbody>
<tr>
<td>With the expectation that recovery will take 6+ months, only essential categories are showing positive net spending intent.</td>
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<tr>
<td>Most discretionary categories remain -20 to -40% net intent vs. pre-COVID, but net spending intent on discretionary categories is slowly recovering.</td>
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<tr>
<th>Flight to digital and omnichannel</th>
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<tr>
<td>Post COVID-19, more consumers intend to continue shopping online (15-30% growth in online shoppers in most categories).</td>
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<tr>
<td>Many contactless services have increased during the crisis and consumer intent to continue using these services range from 40-65%.</td>
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<th>Shock to loyalty</th>
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<td>Over 77% of Americans have tried either new brands, places to shop, or shopping methods during the crisis driven by value and convenience.</td>
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<tr>
<td>Most who tried new ways intend to continue after the crisis.</td>
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**Source:** US Consumer Sentiment During the Coronavirus Crisis, by McKinsey
# 5 KEY EFFECTS OF COVID-19 ON CONSUMER BEHAVIOR

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<th>Take Away</th>
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| **Health and “caring” economy** | • Consumers are looking for use of masks and physical barriers when deciding where to in-store shop; importance of visible safety is increasing.  
• Company actions increase in importance (e.g., care to employees). |
| **Homebody economy** | • 68% of Americans are not engaging in “normal” out-of-home activities and are waiting to see indicators beyond lifting restrictions.  
• Americans have adopted at-home solutions across categories with an intent to continue post-crisis (e.g., wellness, entertainment) |

*Source: US Consumer Sentiment During the Coronavirus Crisis, by McKinsey*
Survive & Thrive

Supporting Existing Businesses
LOCAL SUPPORT ACTIVITIES SUMMARY

- **March - Free Parking** in City Garages & Lots
- **March - Business Support & Specific Communications**
  - Bi-weekly check-in meetings, E-blast, Signage
- **April** - Online Permitting Services System
- **April & May - Business Round Table Discussions**
- **May - Extension** of Planning & Building Permits
- **May - Business Grant Program**
  - Distributed over $500,000 to 50 businesses
  - Raised $26,000+ in donations; still raising more
- **June to Present – Launched Outdoor Dining & Retail**
  - Parklets, Summer Streets, Parking Lots
- **July - Cal Ave Twinkle Lights**
• Continue to evolve our approaches based on input from the community and businesses

• Recent changes seek to maximize University Avenue pedestrian only areas where restaurants are and balance curbside pickup areas to support retail and other business sectors reopening plans

• Hosted retail focus group to respond to new reopening opportunities and developing retail support strategy
UPLIFT LOCAL

A campaign to uplift the whole community by supporting local retail, dining, & services.

- Collaborative Holiday Shopping Campaign(s)
- Coordinated marketing
- Outreach to shopping districts city wide
- Empty storefront windows
- Support shopping districts as destinations

EAT, SHOP & CELEBRATE PALO ALTO

Supporting the community and businesses through expanded outdoor dining & retail options

For more go to www.cityofpaloalto.org/upliftlocal
POTENTIAL MEASURES TO SUPPORT LOCAL ECONOMY

- Facilitate outdoor business through **fall & winter weather guidelines**
- **Business liaison & outreach**
- **Testing** (and rapid testing)
  - Available 2x monthly in Palo Alto thru October
- **Support compliance** with health orders
- Help business **adapt physical spaces**
- Adjust **signage requirements** (on premise, A-frame, etc.)

- Temporary **cap on delivery fees**
- Host **industry specific** outreach (e.g., car dealerships, office, hotels, etc.)
- Review how state and county **eviction moratoria** impact commercial tenants
- **Business & worker support programs**
  - (technical assistance, e-commerce coaching, essential worker childcare, etc.)

*Gray text indicates items that have limited feasibility or over which the city has limited influence.*

*Green text indicates items underway.*
IDEAS FROM BUSINESS ROUNDTABLE (long and short term)

Land Use and Transportation Planning
• Close streets for outdoor dining/seating (for social distancing)
• Relax parking permitting & fees
• Strategy to reconcile demand for parking w/social-distancing retail space
• Redesign “Palo Alto Process” to make it easier for businesses
• Strategy for vacant properties
• Revisit retail zoning

Financial Support
• Financial aid for small businesses: loans, grants; utility bill “forgiveness” (using public/private funding sources)
• Belt-tightening by City
• Reduce minimum wage ordinance
• Reassess property taxes

Community Engagement and Convening
• Convene a business network
• Create ongoing business roundtable engagement structure

Gray text indicates items that have limited feasibility or over which the city has limited influence.
Green text indicates items that have been/are being addressed.
IDEAS FROM BUSINESS ROUNDTABLE (long and short term)

Cont’d
• Facilitate purchasing commitments among Palo Alto “ecosystem”
• Coordinate PPE/Sanitation supplies (e.g. sanitizer)
• Create “ask/offer” platform for B2B exchange
• Engage landlords to strategize on rent relief

• Partner with Stanford to develop/publish “gold standards” for cleaning, health monitoring and social-distancing protocols for businesses

Advocacy and Education
• City advocates for policy changes / stimulus package
• “Keep it local,” B2B campaigns
• Preliminary social distancing design guidance for offices and retail

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POTENTIAL MEASURES FOR POST PANDEMIC RECOVERY

- Adjust Retail Preservation Ordinance
- Adjust Parking Requirements
  - In specific areas (Cal Ave)
  - No additional parking for change of use in existing commercial areas
- Adjust zoning/code to recognize experiential retail w/multiple uses in one location

- Adapting code to “update” with other uses that are new/have changed
- Reconsider formula retail restrictions
- Allow non-conforming uses to re-establish w/in 12 – 18 months
- Encourage pop-up shops/temporary uses

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Long-Term & Large-Scale Recovery Strategies
LONGER TERM RECOVERY STRATEGIES

1. Increase local customer base by growing the city’s population and by planning for more walkable, mixed-use neighborhoods with housing, retail, and services (e.g., NVCAP, Downtown Plan, El Camino Real, etc.).

2. Support experience retail through destinations and placemaking in downtown and other shopping districts.

3. Retain major employers, producers, and start-ups to continue drawing workers to Palo Alto.
STAFF RECOMMENDATION

Receive direction from the City Council regarding strategies and measures Council would like to have staff explore and potentially advance.
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(650) 329-2167
November 3 Ballot

**State:** 12 measures

*The League of Women Voters of CA announced its recommendations after the report was drafted: Yes on Props. 15, 16, 17, 18, and 25; No on Props. 19, 20, and 24*

**County:** 20 measures

**Local:**
- all tax measures
- fund Caltrain, Valley Water, and the Palo Alto Unified School District
Ballot Recommendations

Recommendations based on Council’s earlier-approved 2020 legislative guidelines, with an eye towards Council’s current and prior efforts

For other measures that do not directly impact the City or for which there are no guidelines in place, staff provides no recommendation