Presentations for the
November 9, 2020
City Council Meeting
Discussion and Direction on Community and Economic Recovery Strategies
Overview

• **Purpose:**
  • (1) Responding to Council direction on September 14th
  • (2) To identify how the City, as a regulator, can cultivate a regulatory environment that allows Palo Alto to recover more quickly from the pandemic-caused economic recession

• **Continuously Charting Recovery**
  • Focused on a 2-year recovery period (2021 & 2022)
  • Seeking Council direction on several conceptual ideas
  • Emphasis on decreasing vacancies
  • Depending on direction, staff will return to Council with further developed concepts for Council direction
Council Direction from September 14th

Direct Staff explore options and return to Council with:

A. Rapid Covid-19 testing and what the City can do to ramp up testing;
B. Childcare and how the City can support childcare services;
C. A holiday strategy to support holiday shopping in our major shopping areas;
D. Temporarily suspending the Retail Preservation Ordinance outside of the commercial cores;
E. Temporarily altering or suspending required parking changes for a change of use; and
F. Allowing diverse retail uses in all retail sites
Community and Economic Recovery Strategy

• October 19th, the Council and staff reviewed 2020-21 financial status, also leading to discussion of Community and Economic Recovery Strategy
  • Reviewed recovery strategies from San Jose and San Francisco
  • Discussed initial efforts under way:
    • Assemble and facilitate discussion of major economic forces and trends
    • Develop analytical tools to evaluate fiscal scenarios
    • Identify potential City actions to support and accelerate (where possible) local community and economic recovery

• Study Session with the City Council tentatively scheduled for 11/30
Community and Economic Recovery – Emerging Themes

- Managing public health through the pandemic
- Supporting community mental health and wellness
- Sector-specific business stimulus
- Prioritizing city infrastructure investment to reflect a “Work from Home” economy

*Multiple timeframes for actions are needed – immediate, mid-term, and long-term recovery*
Discussion & Direction Topics

Update & Discussion
• (1) COVID-19 Testing
• (2) Uplift Local Holiday Promotions

Staff Seeking Direction
A. (3) Defining Retail - Expanding the Definition of Retail and Retail-like to Allow More Diverse Retail Activities
B. (4) Parking Requirements - Temporarily or Permanently Altering Parking Requirements for a Change of Use
C. (5) Retail Preservation - Temporarily Suspend the Retail Preservation Ordinance in Some Areas of Palo Alto
D. (6) Street Closures - Continuing Closures of Portions of California and University Avenues to Vehicular Traffic
COVID-19 Risk Levels

• Governor established 4-tier, color-coded risk levels based on testing positivity rate, case rate, and health equity rate
• Santa Clara County is in the **Moderate Risk level** (orange)
• This allows some indoor business operations with modifications

![County Risk Levels Diagram](Credit: Map and Graphics from San Francisco Chronicle)
1. Testing

• Accurate, reliable, and efficient testing is essential to minimizing COVID-19 spread.
• Testing can allow infected individuals to quarantine and minimize spread.
• 2 types of testing: Viral and Serology. Viral is the type to clear for return-to-work
• Palo Alto offers community clinic for testing twice a month; encourages residents, employees, local workers to utilize testing
• Rapid testing is cost prohibitive for the City to provide
• Private employers can provide rapid testing
1. Testing

Testing Utilization, Various City Sites, October 1 to 31

Source: Palomar data portal, data as of November 5, 2020.
2. Promotions & Holiday Activities

• Uplift Local aims to support local residents and businesses

• Creating a virtuous cycle of support for local businesses and events that safely allow the community to connect

• Three key elements:
  • Website
  • Signage & Banners
  • Events & Activities
3. Allowing More Diverse Uses in Retail Sites

• **Purpose**
  - Identifying uses that activate ground floor commercial spaces and are compatible with vibrant retail areas in order to modernize definitions and processes.

• **Concept**
  - (1) Modernize definitions
  - (2) Discreet adjustments that allow additional uses
  - (3) Decrease regulatory barriers (such as CUP) for compatible and desirable uses
  - Not proposing general office uses on ground floor

• **Constraints**
  - Duration – 2-year recovery or longer-term
  - Size – Limitations on allowable sizes of certain uses
3. Allowing More Diverse Uses in Retail Sites

Palo Alto Municipal Code 18.04.030 Definitions

(125) “Retail service” means a use open to the public during typical business hours and predominantly engaged in providing retail sale, rental, service, processing, or repair of items primarily intended for consumer or household use.

(A) “Extensive retail service,” as used with respect to parking requirements, means a retail sales use having more than seventy-five percent of the gross floor area used for display, sales, and related storage of bulky commodities, including household furniture and appliances, lumber and building materials, carpeting and floor covering, air conditioning and heating equipment, and similar goods, which uses have demonstrably low parking demand generation per square foot of gross floor area.
3. Allowing More Diverse Uses in Retail Sites

Palo Alto Municipal Code 18.04.030 Definitions

(125) ... (B) “Intensive retail service” as used with respect to parking requirements, means any retail service use not defined as extensive retail service.

(125.1) “Retail-like use” means a use generally open to the public during typical business hours and predominantly engaged in providing services closely related to retail services, including but not limited to:

(A) Eating and drinking services, as defined in subsection (47); (B) Hotels, as defined in subsection (73); (C) Personal services, as defined in subsection (114); (D) Theaters; (E) Travel agencies; (F) Commercial recreation, as defined in subsection (33); (G) Commercial nurseries; (H) Auto dealerships, as defined in subsection (12.5); and (I) Day care centers, as defined in subsection (42).
3. Allowing More Diverse Uses in Retail Sites

- **Additional Uses for Consideration:**
  - Food manufacturing and/or preparation
  - Medical Offices
  - Educational
  - Financial Services
  - Small Professional Offices

- Council may identify additional uses to explore

- Staff can return with an ordinance to define and allow additional uses in ground floor commercial spaces and/or refer ordinance development to the PTC
3. Allowing More Diverse Uses in Retail Sites
Town and Country

• Town & Country intends to request a zoning code text amendment to allow:
  • 20% of the ground floor of the site to be occupied by medical office uses
  • A limit of 30% of office uses (including new ground floor medical office uses and existing offices uses above the ground floor) at the site

• This is due to current and anticipated vacancies

• Staff requests Council feedback on this proposal
4. Suspending Required On-Site Parking for Changes of Use

**Two approaches** to allowing more flexibility and facilitating existing commercial spaces:

(1) Temporarily suspend on-site parking requirements for changes of use

(2) Develop a permanent blended parking ratio for all commercial uses

**Key considerations include**
- Addressing short-term economic challenges with potentially long-term changes
- Temporary approach vs. comprehensive strategy
- Ease of understanding and efficient administration
- Total relief from on-site parking vs. reduced relief from on-site parking
5. Temporarily Suspend Retail Preservation in Some Areas of Palo Alto

• **Focusing Retail Preservation** in specific retail areas can shore up those areas as retail destinations
• **Focused retail areas** may include, but are not limited to:
  • Downtown Palo Alto
  • California Avenue
  • Middlefield Road
• Given changes and trends in retail, requiring the preservation of retail in all parts of Palo Alto may dilute the vibrancy of retail
• The suspension could be temporary, in response to COVID-19, or longer-term
6. University Avenue and California Avenue Closed to Vehicular Traffic

• The City’s authority to close streets **expires on Dec. 31, 2020**
• The City Council may:
  • Allow the authority to expire
  • Extend the authority
  • Extend authority for one street and not the other
• Authority is exercised with discretion; should circumstances change significantly, the footprint may adjust accordingly.
• **Staff recommend** allowing the current closure footprints for University Avenue and California Avenue to persist through **March 31, 2021** (the first quarter of the calendar year)
• Council can revisit the effectiveness of the closures in spring
Discussion & Direction Topics

Update & Discussion
• (1) COVID-19 Testing
• (2) Uplift Local Holiday Promotions

Staff Seeking Direction
A. (3) Defining Retail - Expanding the Definition of Retail and Retail-like to Allow More Diverse Retail Activities
B. (4) Parking Requirements - Temporarily or Permanently Altering Parking Requirements for a Change of Use
C. (5) Retail Preservation - Temporarily Suspend the Retail Preservation Ordinance in Some Areas of Palo Alto
D. (6) Street Closures - Continuing Closures of Portions of California and University Avenues to Vehicular Traffic
# DISCUSSION & DIRECTION

| (A) Expanding the Definition of Retail and Retail-like to Allow More Diverse Retail Activities | • Compatible and appropriate for ground floor commercial space  
• Size limitations or other limitations  
• Modernization of definitions & processes |
|---|---|
| (B) Temporarily or Permanently Altering Parking Requirements for a Change of Use | • Developing a blended ratio  
• Develop temporary suspension of on-site parking |
| (C) Temporarily Suspending the Retail Preservation Ordinance in Some Areas of Palo Alto | • Suspend retail preservation outside of core retail areas  
• Continue preservation Downtown, Cal Ave, and Middlefield  
• Temporary or permanent suspension. |
| (D) Continuing Closures of Portions of California and University Avenues to Vehicular Traffic | • Continue closure of portions of California Avenue and University Avenue until March 31, 2021? |
RACHAEL TANNER
Assistant Director of Planning and Development Services
Rachael.Tanner@CityofPaloAlto.org
(650) 329-2167
Parking Management Policy Adjustments in the California Avenue area
City Council

November 9, 2020

www.cityofpaloalto.org/parking
Following Resumption of Commercial Time Restrictions
• Designate upper levels of new Cal. Ave. Garage for permit parking only
• Allow visitor parking up to upper levels after 11 AM

Reduce RPP employee permits available in the EPM District
• Transition 120 EPM RPP employee permit holders to the California Avenue Business District by Spring 2021
• Accommodate ~228 waitlisted employees seeking California Business District permits

Consider allocating space for an in-lieu fee program
May 2017
• RPP Program Established

June 2019
• Parking Work Plan (with aim to reduce employee RPP permits)

November 2020
• New California Avenue Garage opens with ~636 total spaces, replacing 310 pre-existing spaces and adding ~300+ new spaces

Early Spring 2021
• All RPP & employee permit processes transitioned online
• New sales cycles to begin
PROPOSED PARKING IN-LIEU FEE PROGRAM

Ground floor, existing uses only
• Cost per space could be based on Downtown experience (~$106k/space), annualized in installments over time, but if too high would likely not be utilized
• Creates an ongoing fund for local improvements in the area

Accommodating ~200 spaces in the California Avenue Business Parking District
• Assumes standard 60% show rate on any individual day
• Assumes demand would be accommodated across the entire commercial parking district
COMMUNITY INPUT

Recommended Actions Balance Residential Preferential Parking and Business District Goals

• Reducing employee permits in the EPM RPP follows expectations of residents established via outreach processes documented with the establishment of the RPP program as well as subsequent study

• The EPM RPP will still allow short visitor, business, and employee trips of less than 2 hours

Business Input: do not eliminate employee RPP, reserve garage for visitor use
COUNCIL CONSIDERATIONS

1. Approve staff recommendation to reduce the number of employee permits made available in the EPM RPP

2. Give staff direction to explore other options
NEXT STEPS

Next Steps

• Finalize Cal. Ave Garage parking operations design
• Install and launch signage and wayfinding guidance in the garage
• Restart commercial time restrictions when appropriate
• Community outreach to residents and business interests to consider future parking enhancements
Staff recommends that the City Council provide direction to staff to utilize additional parking supply provided by the new California Avenue Garage at 350 Sherman Avenue to reduce the number of employee permits made available in the Evergreen Park-Mayfield (EPM) Residential Preferential Parking (RPP) district by approximately 120 when 2021 permit renewal cycles begin in Spring 2021 and, direct staff to return with an ordinance establishing a parking in-lieu fee program in the California Avenue Business District for the equivalent of up to 200 spaces in the new garage.
ALTERNATIVES

PRIORITIZE RPP EMPLOYEE PERMIT HOLDERS OVER WAITLISTED CAL AVE BUSINESS DISTRICT PERMIT PURCHASERS

• Privileges some employee permit holders over others arbitrarily
ALTERNATIVES

MOVE ALL 250 EPM RPP EMPLOYEE PERMITS (EXCEPTING ECR PERMITS) INTO THE GARAGE

• Retail uses will still need access
• Eliminates employee reduced-price permit without replacement
• Limits availability to use garage for in-lieu
• Parking demand in RPPs and commercial areas are still unknown

November 9, 2020

www.cityofpaloalto.org/parking
## Accommodating Employee Parking Demand

<table>
<thead>
<tr>
<th>Parking Demand Source</th>
<th>Recommended</th>
<th>Range Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total waitlisted California Avenue Business District employees</td>
<td>~228*</td>
<td>0 - 228</td>
</tr>
<tr>
<td>Total employee RPP permits in the EPM District (40 in Zone G, adjacent to ECR)</td>
<td>120*</td>
<td>0 – 250</td>
</tr>
<tr>
<td>Public spaces available for the proposed parking in-lieu program</td>
<td>~200*</td>
<td>0 - ~200</td>
</tr>
</tbody>
</table>

*Typical show-rate is 60%
Employee Permits Made Available

Legend

<table>
<thead>
<tr>
<th>Zone</th>
<th>Employee Permits Made Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone A</td>
<td>20</td>
</tr>
<tr>
<td>Zone B</td>
<td>55</td>
</tr>
<tr>
<td>Zone C</td>
<td>30</td>
</tr>
<tr>
<td>Zone D</td>
<td>20</td>
</tr>
<tr>
<td>Zone E</td>
<td>80</td>
</tr>
<tr>
<td>Zone F</td>
<td>45</td>
</tr>
<tr>
<td>Zone G</td>
<td>40</td>
</tr>
</tbody>
</table>

2 Hour C ~900

RPP Zone Labels