



CITY OF PALO ALTO CITY COUNCIL ACTION MINUTES

Special Meeting
June 3, 2019

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:06 P.M.

Present: Cormack, DuBois, Filseth, Fine, Kniss, Kou, Tanaka

Absent:

Closed Session

1. CONFERENCE WITH CITY ATTORNEY- EXISTING LITIGATION
Subject: Gustavo Alvarez v. City of Palo Alto, et al.
United States District Court, Northern District of California,
Case No. 5:19-cv-02328-NC
Authority: Government Code Section 54956.9(d)(1).

MOTION: Council Member Dubois moved, seconded by Council Member Kniss to go into Closed Session.

MOTION PASSED: 7-0

Council went into Closed Session at 5:07 P.M.

Council returned from Closed Session at 6:18 P.M.

Mayor Filseth announced no reportable action.

Study Session

2. Safe Routes to School Annual Update.

NO ACTION TAKEN

Agenda Changes, Additions and Deletions

None

Minutes Approval

3. Approval of Action Minutes for the May 13, 2019 Council Meeting.

MOTION: Council Member Kniss moved, seconded by Council Member DuBois to approve the Action Minutes for the May 13, 2019 Council Meeting.

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MOTION PASSED: 7-0

Consent Calendar

MOTION: Council Member DuBois moved, seconded by Council Member Kou, third by Council Member Tanaka to remove Agenda Item Number 11, "Adoption of a Resolution Amending Objective Standards for Wireless Communications Facilities..." to be heard on June 17, 2019.

MOTION: Vice Mayor Fine moved, seconded by Council Member Cormack to approve Agenda Item Numbers 4-10, 11-13.

4. Approval of Amendment Number 2 to Contract Number C16161210 With Shah Kawasaki Architects, Inc., in an Amount Not-to-Exceed \$117,564 to Provide Continued Construction Administration and LEED Certification Services for the Fire Station 3 Replacement Project (PE-15003), for a new Total Not-To-Exceed Amount of \$814,242.
5. Approval and Authorization for the City Manager to Execute a Fiber Optic Lease Agreement With Equinix LLC., for a Term Not-to-Exceed Five Years and a Total Not-to-Exceed Amount of \$625,465.
6. Authorization for the City Manager to Sign a Memorandum of Understanding for a \$200,000 Grant of Funds With the State Homeland Security Grant Program via Santa Clara County for a Solar Generator to Support the Mobile Emergency Operations Center (MEOC).
7. Adoption of a Park Improvement Ordinance for Pickleball Courts at Mitchell Park.
8. Preliminary Approval of the Downtown Business Improvement District (BID) 2019-2020 Annual Report; Adoption of a Resolution 9835 Entitled "Resolution of the Council of the City of Palo Alto Declaring an Intention to Levy an Assessment Against Businesses Within the BID for Fiscal Year 2020; and Setting a Time and Place for a Public Hearing to be Held by the City Council on the Levy of the Proposed Assessment."
9. QUASI-JUDICIAL.1210 Newell Road [18PLN-00289]: Recommendation by the Planning and Transportation Commission to Uphold the Director's Tentative Decision to Deny a Variance Request to Allow for an Exception From the Standard Corner Lot Fence Height Regulations for a Fence of Approximately 7' 5" in the Front Yard, 8' in the Rear Yard, and 7' 5" in the Street Yard, and no Reduced Height in the Sight Triangle for the Newell Road/Community Lane Intersection.

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Environmental Assessment: In Accordance With Guideline Section 15270, California Environmental Quality Act (CEQA) Does not Apply to Projects That a Public Agency Disapproves. Zoning District: R-1 (Single-Family).

10. Policy and Services Committee Recommends the Council Accept the 2019-2020 Sustainability Work Plan.
11. ~~Adoption of a Resolution Amending Objective Standards for Wireless Communications Facilities on Wood Utility Poles in the Public Rights of Way to Correct an Administrative Error.~~
12. Ordinance 5466 Entitled "Ordinance of the Council of the City of Palo Alto Amending Title 16 (Building Regulations) of the Palo Alto Municipal Code to Require Management of PCBs During Building Demolition in Compliance With the Municipal Regional Stormwater Permit (FIRST READING: May 20, 2019 PASSED 7-0)."
13. Ordinance 5467 Entitled "Ordinance of the Council of the City of Palo Alto Amending Title 12 of the Palo Alto Municipal Code to set a 120 Day Statute of Limitations for Challenges to the City's Gas Rates (FIRST READING: May 20, 2019 PASSED 7-0)."

MOTION PASSED FOR AGENDA ITEM NUMBERS 4-10, 12-13: 7-0

Action Items

14. Discussion and Direction Regarding the Cubberley Master Plan, Including a Request for Proposal for Development of the Cubberley Business Plan and Level of Housing for the California Environmental Quality Act (CEQA) Review.

Council took a break at 7:54 P.M. and returned at 8:14 P.M.

MOTION: Council Member DuBois moved, seconded by Council Member Kou to request a Request for Proposal (RFP) for development of a Cubberley Business Plan, as well as the following:

- A. Assume that lease payments will go into a development fund after December, 2019. Do not assume automatic renewal of lease;
- B. Assume that if the parties chose to do so they can relocate the property lines to benefit the project;
- C. Assume that ownership and operational costs will be subject to negotiation based on funding commitments;

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- D. Explore higher density for housing on San Antonio at 32, 64, and 112 Units for California Environmental Quality Act (CEQA) purposes; and
- E. Business plan should propose parkland dedications as part of the project.

SUBSTITUTE MOTION: Council Member Cormack moved, seconded by Council Member Kniss to:

- A. Direct Staff to proceed with a Request for Proposals (RFP) for a consultant to develop a business plan and proforma for future Cubberley construction and operations; and
- B. Direct Staff to include Option 3, 112 housing units, in the California Environmental Quality Act (CEQA) Project Description.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change the Motion Part B to state "Direct Staff to include Option 4, 164 Housing units, in the California Environmental Quality Act (CEQA) Project Description."

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion a New Part C to direct Staff to hold a Joint Study Session with PAUSD in August 2019.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part C: i. Assume that if the parties chose to do so they can relocate the property lines to benefit the project; and ii. Assume that ownership and operational costs will be subject to negotiation based on funding commitments.

SUBSTITUTE MOTION AS AMENDED RESTATED: Council Member Cormack moved, seconded by Council Member Kniss to:

- A. Direct Staff to proceed with a Request for Proposals (RFP) for a consultant to develop a business plan and proforma for future Cubberley construction and operations; and
- B. Direct Staff to include Option 4, 164 Housing units, in the California Environmental Quality Act (CEQA) Project Description.
- C. Hold a Joint Study Session with PAUSD in August 2019, which will include discussion regarding the following:

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- i. Assume that if the parties chose to do so they can relocate the property lines to benefit the project; and
- ii. Assume that ownership and operational costs will be subject to negotiation based on funding commitments.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to change the Motion Part B to state "Direct Staff to study 164 housing units, with up to 100 units on City land, and up to 112 units on 525 San Antonio and Greendell School, in the California Environmental Quality Act (CEQA) Project Description."

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to move Part C. ii. to Part A.

SUBSTITUTE MOTION AS AMENDED RESTATED: Council Member Cormack moved, seconded by Vice Mayor Fine to:

- A. Direct Staff to proceed with a Request for Proposals (RFP) for a consultant to develop a business plan and proforma for future Cubberley construction and operations, and assume that ownership and operational costs will be subject to negotiation based on funding commitments;
- B. Direct Staff to study 164 housing units, with up to 100 units on City land, and up to 112 units on 525 San Antonio and Greendell School, in the California Environmental Quality Act (CEQA) Project Description; and
- C. Hold a Joint Study Session with PAUSD in August 2019, which will include discussion regarding the following:
 - i. Assume that if the parties chose to do so they can relocate the property lines to benefit the project

SUBSTITUTE MOTION AS AMENDED PASSED: 4-3 DuBois, Kou, Tanaka no

Mayor Filseth, who voted on the affirmative side, asked for a reconsideration of the Substitute Motion.

SUBSTITUTE MOTION AS AMENDED FAILED: 3-4 DuBois, Filseth, Kou, Tanaka no.

MOTION RESTATED: Council Member DuBois moved, seconded by Council Member Kou to request a RFP for development of a Cubberley Business Plan, as well as the following:

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- A. Assume that lease payments will go into a development fund after December, 2019. Do not assume automatic renewal of lease;
- B. Assume that if the parties chose to do so they can relocate the property lines to benefit the project;
- C. Assume that ownership and operational costs will be subject to negotiation based on funding commitments;
- D. Explore higher density for housing on San Antonio at 32, 64, and 121 Units for CEQA purposes; and
- E. Business plan should propose parkland dedications as part of the project.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to delete from the Motion Parts A and E.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion Part D "...and Greendell School..."

AMENDMENT: Vice Mayor Fine moved, seconded by Council Member Kniss to change Motion Part C to support Option 4 for CEQA purposes.

AMENDMENT FAILED: 3-4 Cormack, Fine, Kniss yes

MOTION AS AMENDED RESTATED: Council Member DuBois moved, seconded by Council Member Kou to request a RFP for development of a Cubberley Business Plan, as well as the following:

- A. Assume that if the parties chose to do so they can relocate the property lines to benefit the project;
- B. Assume that ownership and operational costs will be subject to negotiation based on funding commitments; and
- C. Explore higher density for housing on San Antonio and Greendell School at 32, 64, and 112 Units for CEQA purposes.

SUBSTITUTE MOTION: Council Member Cormack moved, seconded by Vice Mayor Fine to:

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- A. Direct Staff to proceed with a Request for Proposals (RFP) for a consultant to develop a business plan and proforma for future Cubberley construction and operations, and assume that ownership and operational costs will be subject to negotiation based on funding commitments;
- B. Direct Staff to study 112 housing units, with up to 100 units on City land, and up to 112 units on 525 San Antonio and Greendell School, in the California Environmental Quality Act (CEQA) Project Description; and
- C. Hold a Joint Study Session with PAUSD in August 2019, which will include discussion regarding the following:
 - i. Assume that if the parties chose to do so they can relocate the property lines to benefit the project.

SUBSTITUTE MOTION PASSED: 6-1 Tanaka no

- 15. PUBLIC HEARING / QUASI-JUDICIAL. 2321 Wellesley Street [18PLN-00178]: Request for a Zone Change From R-1 to RMD (NP) and Approval of a Major Architectural Review to Construct a Two-family Residence. Environmental Assessment: Exempt From the Provisions of CEQA per Section 15303. Zoning District: R-1 (Single-family Residential).

Public Hearing opened at 11:20 P.M.

Public Hearing closed at 11:24 P.M.

MOTION: Council Member DuBois moved, seconded by Council Member Kniss to:

- A. Find the proposed Ordinance and project exempt from the California Environmental Quality Act in accordance with CEQA Guidelines Section 15303(b);
- B. Introduce an Ordinance amending the Zoning Map to rezone the subject property from R-1 to RMD(NP) as recommended by the Planning and Transportation Commission on December 12, 2018; and
- C. Adopt the Record of Land Use Action approving the Architectural Review, based on findings and subject to conditions of approval as recommended by the Architectural Review Board on December 20, 2018.

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MOTION PASSED: 7-0

16. Authorize and Approve \$1 Million From the Residential Housing In-lieu Fund and \$9 Million From the Commercial Housing Fund for a Total of \$10 Million for the Development and Construction of the 100 Percent Affordable Housing Project at 3705 El Camino Real; and Approve Budget Amendments in the Residential Housing In-lieu Fund and the Commercial Housing Fund.

MOTION: Council Member Kniss moved, seconded by Mayor Filseth to approve a \$10 million loan to Palo Alto Housing Corporation for the predevelopment and construction of an 100% affordable housing project at 3705 El Camino Real, including:

- A. Amend the Fiscal Year 2019 Budget Appropriation Ordinance for:
- i. The Residential Housing In-Lieu Fund by:
 - a) Increasing Grants and Subsidies in the amount of \$1,000,000; and
 - b) Decreasing the Ending Fund Balance in the amount of \$1,000,000;
 - ii. The Commercial Housing Fund by:
 - a) Increasing Grants and Subsidies in the amount of \$9,000,000; and
 - b) Decreasing the Ending Fund Balance in the amount of \$9,000,000; and
- B. Authorize the City Manager or designee to negotiate and execute a Loan Agreement, Regulatory Agreement, and related documents necessary to implement Council direction in a form substantially similar to prior agreements approved by the City.

MOTION PASSED: 7-0

State/Federal Legislation Update/Action

None.

Closed Session

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17. CONFERENCE WITH CITY ATTORNEY – ANTICIPATED LITIGATION
Subject: 2555 Park Blvd
Authority: Government Code Section 54956.9(d)(2) and (e)(3)
(One Potential Case, as Defendant)

MOTION: Council Member Kniss moved, seconded by Vice Mayor Fine to go into Closed Session.

MOTION PASSED: 7-0

Council went into Closed Session at 11:45 P.M.

Council returned from Closed Session at 12:10 A.M.

Mayor Filseth announced the Council voted 6-1 (Council Member Kou dissenting) to approve an agreement between the City and the property owner at 2555 Park Boulevard to resolve a potential lawsuit with an agreement that retail use shall not be required on the ground floor of the building at 2555 Park Boulevard and that the office use on the ground floor shall be considered a legal nonconforming use.

Adjournment: The meeting was adjourned in honor of the victims of the shooting at the Virginia Beach Municipal Center at 12:15 A.M.