

**Baumb, Nelly**

**From:** Carol Scott <cscott@crossfieldllc.com>  
**Sent:** Friday, June 12, 2020 11:28 AM  
**To:** Neilson Buchanan  
**Cc:** Council, City; Shikada, Ed; Lait, Jonathan; Kamhi, Philip; Dave Price; Jocelyn Dong; Gennady; Norm Beamer; J T Gusilin; planningcommission@cityofpaloalto.org; Allen Akin; Mary Dimit; Marion Odell; Tricia Dolkas; Geetha Sirkantan; Jan Merryweather; Sallyann Rudd; Ted Davids; Vita Gorbunova; Geoff Ball; Chris Selberg; Sally-Ann Rudd  
**Subject:** Re: President Hotel parking questions

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Tricky, aren't they?

The senior care center could sell its parking to restaurants and retailers under the new 'Summer Streets' program, I believe. Just shove everything to the neighborhoods . . . .

Carol Scott  
Sent from my iPad

On Jun 12, 2020, at 11:17 AM, Neilson Buchanan <cnsbuchanan@yahoo.com> wrote:

Dear Council, Ed, Jonathan and Philip

Please note the President Hotel article today on Palo Alto Online

Here is my post today to Palo Alto Online

*Murky Math.....*

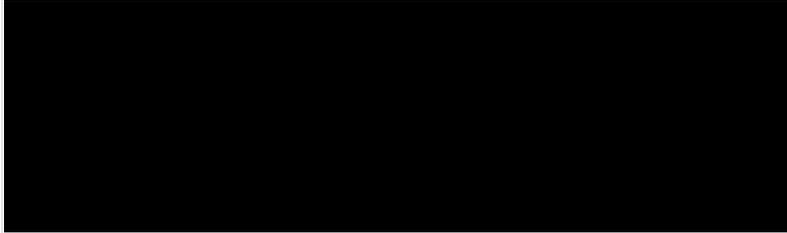
*Here is my challenge to Mayor and City Manager. The developer apparently has cut a deal with a senior care facility at 330 Everett to use their onsite parking. OK? or maybe not OK!*

- 1. Does the senior care facility have excess parking capacity to "sell/lease" to private organizations such AJ Capital and Epiphany Hotel? If so, what are the long-term provisions to assure parking, presumably valet, for guests? A vague promise to lease parking space for unknown terms is not a solution. This is old Palo Alto Council and Staff kicking the can down the road. Possibly bad city policy and administration. When will we ever learn?*
- 2. Where will the hotel employees, executives and guest park? Aren't they ineligible for city garage parking due to archaic, unpublished allocation rules out of public view?*
- 3. Is the valet parking agreement with Epiphany Hotel still valid and in play?*
- 4. The onsite parking at the senior care facility was required by the city and intended for guests and employees. Is the 330 Everett senior care facility "selling off" its required*

*parking capacity to two private hotels and obtaining non-resident permits for employees? This is not a good neighbor situation.*

*5. Palo Alto residents now have a professionally staffed Office of Transportation. Their analysis is vital to understanding impact. Promises from only a Chicago developer and Jonathan Lait would be subpar.*

[Palo Alto prepares to approve conversion of President Hotel](#)



**Palo Alto prepares to approve conversion of President Hotel**

A plan to convert the iconic President Hotel building from residences to a boutique hotel could be approved this...

Neilson Buchanan  
155 Bryant Street  
Palo Alto, CA 94301

Redacted  
Redacted

[cnsbuchanan@yahoo.com](mailto:cnsbuchanan@yahoo.com)

## Baumb, Nelly

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**From:** Neilson Buchanan <cnsbuchanan@yahoo.com>  
**Sent:** Friday, June 12, 2020 11:18 AM  
**To:** Council, City; Shikada, Ed; Lait, Jonathan; Kamhi, Philip  
**Cc:** Dave Price; Jocelyn Dong; Gennady; Norm Beamer; J T Gusilin; planningcommission@cityofpaloalto.org; Allen Akin; Mary Dimit; Marion Odell; Tricia Dolkas; Geetha Sirkantan; Jan Merryweather; Sallyann Rudd; Ted Davids; Vita Gorbunova; Geoff Ball; Chris Selberg; Sally-Ann Rudd  
**Subject:** President Hotel parking questions

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Neilson Buchanan  
155 Bryant Street  
Palo Alto, CA 94301

Redacted  
Redacted  
[cnsbuchanan@yahoo.com](mailto:cnsbuchanan@yahoo.com)

## Baumb, Nelly

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**From:** Arthur Keller <arthur@kellers.org>  
**Sent:** Tuesday, June 16, 2020 11:20 PM  
**To:** Council, City  
**Subject:** Two Agenda items

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Dear Council,

Re President Hotel Apartments

How can this possibly be back on the agenda after it was thoroughly shown to be incompatible with current zoning?  
Maybe a few dollars of impact fees?

Re 3300 El Camino Real

How do you take a piece of land with parking for another project, and create one building with offices just barely offset by a building taller than others, and call it a project?

If you turned down both projects, you would be further ahead in reducing the jobs-housing imbalance.

Best regards,  
Arthur

## Baumb, Nelly

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**From:** Sheri Furman <sheri11@earthlink.net>  
**Sent:** Thursday, June 18, 2020 12:48 PM  
**To:** Council, City  
**Cc:** Gennady Sheyner; Dave Price  
**Subject:** June 22 Agenda Item 2: 3300 El Camino Real Study Session  
**Attachments:** PAN CIP Letter.pdf

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Please see the attached letter from the PAN Executive Committee regarding the 3300 El Camino Real for Pre-screening study session.

Thank you,  
Sheri Furman



## Palo Alto Neighborhoods

Subject – 3300 ECR – Applicant Offers No Real Value to the City

June 18, 2020

Dear Mayor Fine and City Council Members:

On behalf of the PAN Executive Committee, we wish to share with you our collective concerns about the proposed project by Sand Hill Partners at 3300 El Camino Real, which comes before you for a preliminary review next Monday, June 22.

The project asks for:

- 4.5 times the legal FAR
- 1.6 times the legal maximum site coverage
- 1.9 times the legal height limit
- 53,500 sq. ft. commercial space to accommodate 281 jobs (based on 187 sq. ft. per worker) in exchange for adding 187 housing units

Perhaps one might argue that a project with housing equal to new jobs added is better than one without. But the applicant is offering far less than that. For such sweeping benefits to the applicant, doesn't the community deserve more than a lowball offer? If green-lit, imagine this project multiplied across many hundreds of acres of commercial sites when a stampede of similar applications follow suit. We will end up with:

- More traffic congestion - well beyond what we already have
- Lack of parkland for thousands or tens of thousands of new residents
- School impacts for thousands or tens of thousands of new residents
- Strain on the city's already stressed infrastructure
- Massive buildings with narrow setbacks and little or no green space crowded together, changing Palo Alto's landscape and skyline as we've seen in Redwood City and Mountain View
- Being further behind in having housing catch up with jobs

In 2016, the City rejected the densification of 550 Hamilton. That proposal sought a significant increase in the size of lot coverage and density in order to increase office use and add residential condominiums. Arguably, the new housing would have helped offset the new offices, but the proposed 35-50 residences being discussed wasn't even close to parity with the 115 new jobs that would have been created. The council unanimously rejected the application as too dense and too big. If Sand Hill's project is approved, the owners of 550 Hamilton might very well be back demanding the same consideration as Sand Hill, as will other developers.

Other concerns:

1. The project removes the existing parking at 607 Hansen Way without explaining if it is needed for adjacent buildings.

2. Will Stanford agree to count the housing square footage of the project against limit in the Research Park development agreement?
3. As we contemplate adjusting zoning to encourage more housing, let's make sure we zone for what we want. All attention should be on BMR housing. We are meeting our RHNA allocations for market-rate housing.
4. Shouldn't the PHZ be defined before an applicant tries to use it? Instead we seem to be defining the zoning based on what Sand Hill wants. We should focus on maximizing below-market rate housing at the 60% and 80% levels, which is not what commercial applicants are going to offer on their own.
5. Each time the City provides special benefits to a developer, it runs an immense risk that the outcome will not be what the City hoped for.

As just one example, consider the very PC the City already has in place with a holding company set up by Sand Hill Properties, namely Edgewood Plaza. There, Sand Hill Properties not only destroyed a unique historic property that they had pledged to preserve, but they also violated for years a separate requirement to provide an operating grocery store. Their latest legal filings claim that they had never even agreed to provide such a store, despite the City maintaining they did. To add insult to injury, the holding company controlled by Sand Hill is suing the City to avoid paying millions of dollars in penalties owed to the City by Sand Hill for violating the terms of the PC at Edgewood Plaza. Given Sand Hill's particularly catastrophic track record, why consider handing them another PC opportunity, providing extraordinary benefits to them while offering little or no benefit to the community?

In closing, the City may think it's getting housing under the current proposal, but we have no enforcement adequate to the challenges of even our current PCs. The units could become a vast Airbnb site or be taken over as offices, as has occurred elsewhere in town. Sand Hill might manage the housing and allow its own employees to have priority for the below-market rate units. Those employees might even agree to a salary cut, because the housing benefit is worth considerably more and is untaxed. This would thus enrich both Sand Hill and its own employees, while offering nothing to the general population needing affordable housing.

Thank you for considering our recommendation that Council take a very dim view of this application.

Sheri Furman and Rebecca Sanders

Co-Chairs, PAN (Palo Alto Neighborhoods) on behalf of the PAN Executive Committee

## Baumb, Nelly

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**From:** Sheri Furman <sheri11@earthlink.net>  
**Sent:** Wednesday, June 17, 2020 5:38 PM  
**To:** Council, City  
**Cc:** Shikada, Ed; Lait, Jonathan  
**Subject:** June 22 Agenda Item 33: President Hotel  
**Attachments:** PAN President Hotel Letter.pdf

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Please see the attached letter from the PAN Executive Committee regarding the proposed President Hotel conversion.

Thank you,  
Sheri Furman



## Palo AltoNeighborhoods

Subject: President Hotel: Conversion Not Legal / Loss of \$7 Million in Fees

June 17, 2020

Dear City Council Members and Staff:

Despite housing being a top City priority, staff is recommending granting a waiver that would remove 75 units of housing at the President Hotel. The legal arguments claiming we must allow this conversion are incorrect. Worse, the parking solution proposed in the staff report means the City will lose about 7 million dollars of in-lieu fees. This huge loss of revenue during these difficult economic times makes no sense and demands Council attention. We detail below these issues:

- No zoning waiver is required by the Ellis Act
- The proposal violates the 2.0 FAR hotel limit
- Grandfathering does not override the 2.0 FAR hotel limit
- Keene's "by right" remark does not override the 2.0 FAR hotel limit
- We're failing to collect \$7 million in parking fees
- We may end up with an office building

To avoid these major legal and financial errors, we recommend that you gather public comment on June 22 and then refer the waiver and other matters to the Planning Commission for further discussion, including on all matters below. We then also urge you to hold a closed session, possibly availing yourself of an independent legal review of the key issues, before taking any final action.

Thank you,

Sheri Furman and Rebecca Sanders

Co-Chairs, PAN (Palo Alto Neighborhoods) on behalf of the PAN Executive Committee

## **SPECIFIC ISSUES WITH THE PROPOSED WAIVER AND HOTEL APPROVAL**

### **The Ellis Act**

The core argument advanced by the applicant GCPA Owner LLC as to why the City should grant the waiver is on page 6 of the staff report and says:

“under the Ellis Act, a local government may not prohibit an owner from taking its property out of residential rental use, nor may a city impose a “prohibitive price” or unconstitutional condition on a party exiting the residential rental business, or a burdensome constraint on the subsequent use of property after the owner exercises Ellis Act rights.”

What the above does not say is that our City has no obligation whatsoever to relax its rules, by granting a waiver or any other means, just because an owner withdrew its property from residential rental use. In fact, section 7060.1 of the Ellis Act says the exact opposite:

Notwithstanding Section 7060, nothing in this chapter does any of the following:

...

(b) Diminishes or enhances, except as specifically provided in Section 7060.2, any power which currently exists or which may hereafter exist in any public entity to grant or deny any entitlement to the use of real property, including, but not limited to, planning, zoning, and subdivision map approvals.

The two exceptions in the above citation are not relevant here. A simple example suffices to show what the Ellis Act actually governs. Suppose the owner of an apartment building on a residential parcel decides to no longer rent it out. The Ellis Act allows that. It does then not require the city to allow a hotel or any other non- residential use on the site. Were the Ellis Act to do so, chaos would abound. Instead, if the owner has no other use for the site and it becomes worthless, there has been no "taking" because it was the owner's own decision to withdraw from the rental market.

GCPA Owner LLC voluntarily opted to withdraw the President Hotel from the residential market after being told by the City that its hotel project might not be legal. The City has no burden whatsoever to then allow it a new use that's profitable, including that of a hotel, if such a hotel isn't legal.

GCPA Owner LLC's key statement above implies the City has done something wrong, but the City has merely imposed so far the very same set of rules for use on this building that others Downtown had prior to the 2018 purchase. No substantial burden was placed on the owner for exiting the residential retail business – in fact, a possible burden was removed by the option of the very waiver application it is utilizing.

It's is worth mentioning that GCPA Owner LLC could have enjoyed substantial revenue from the building by switching to a condominium model or to employer-owned multi-unit housing. It would have saved millions in parking fees, since the lack of parking for the residences was grandfathered. So even the

specious argument that the City must provide some other profitable use to an owner who opts to stop renting out units was satisfied in this case if no commercial use is allowed.

One irony about how the Ellis Act has been totally misconstrued in this matter deserves special notice. The applicant's own lawyer cites *Reidy v. City & County of San Francisco (2004) 123 Cal.App.4th 580, 587* in arguing why the Ellis Act applies to this case. That appeal court decision actually says the opposite of what the applicant and City are claiming (emphasis added):

Following the 1985 enactment of the Ellis Act, appellate courts uniformly concluded that the Act bars local ordinances that condition a residential landlord's right to go out of business on compliance with requirements that are not found in the Ellis Act. The courts also uniformly concluded that a city retains its traditional police power to regulate the subsequent use of the property after the property's removal from the rental market. Thus, for example, if an ordinance requires a residential landlord to obtain a removal permit before removing a rent-controlled rental unit from the rental housing market by demolition or conversion, and further requires that the landlord must satisfy specified criteria before the removal permit will issue, the ordinance infringes on the landlord's decision to go out of the rental housing business and conflicts with the Ellis Act. However, the city retains the authority to regulate the particulars of the demolition and the redevelopment of the property after it is withdrawn from the rental market. ( *Javidzad v. City of Santa Monica* (1988) 204 Cal.App.3d 524, 529-531 [ 251 Cal.Rptr. 350]; see also *First Presbyterian Church v. City of Berkeley* (1997) 59 Cal.App.4th 1241, 1252-1253 [ 69 Cal.Rptr.2d 710]; *Los Angeles Lincoln Place Investors, Ltd. v. City of Los Angeles* (1997) 54 Cal.App.4th 53, 64 [ 62 Cal.Rptr.2d 600]; *Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072, 1102 [ 271 Cal.Rptr. 44] ( *Bullock*); *City of Santa Monica v. Yarmark* (1988) 203 Cal.App.3d 153, 162-164 [ 249 Cal.Rptr. 732].)

In other words, the Ellis Act is wholly irrelevant and cannot be used to justify granting the waiver.

The staff report does not provide this information at all.

**The 2.0 FAR Limit on Hotels**

The proposed hotel project with the ground floor retail is approximately 5.4 FAR, exceeding the city's limit of Downtown hotels to 2.0 FAR and is thus not legal. The staff report does not discuss this at all. Specifically, it makes no mention of Municipal Codes §18.18.060(a) Table 2 and §18.18.060(d)(2), which both state the limit. The first of those laws says:

	CD-C	Subject to regulations in Section:
Maximum Floor Area Ratio (FAR) for Hotels	2.0:1	18.18.060(d )

and the second says:

(2) Hotels, where they are a permitted use, may develop to a maximum FAR of 2.0:1, subject to the following limitations:

- (A) The hotel use must generate transient occupancy tax (TOT) as provided in Chapter 2.33 of the Palo Alto Municipal Code; and
- (B) No room stays in excess of thirty days are permitted, except where the city council approves longer stays through an enforceable agreement with the applicant to provide for compensating revenues.

The 2.0 limit includes any other commercial activities such as restaurants and barber shops in the building, since those are limited to 1.0 FAR under §18.18.060(a) Table 2.

This 2.0 FAR hotel limit is also specifically mentioned on page 43 of the Comprehensive Plan 2030:

Program L4.6.1: Explore increasing hotel FAR from 2.0 to 3.0 in the University Avenue/Downtown area and 2.5 in areas outside of Downtown.

Other staff reports for hotel projects do cite the relevant hotel FAR limit, as this excerpt from the Zoning Comparison Table (Attachment B) for 3200 El Camino (Parmani Hotel) report to the Council dated April 1, 2019 shows:

Max. Floor Area Ratio (FAR)	2.0:1 for hotels 18.18.060(d)	0:62:1 (16,603 sf)	1.99:1 (53,658 sf)
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However, there is no mention in the President Hotel staff report of the Municipal Code's and Comprehensive Plan's Downtown 2.0 FAR hotel limit nor any mention that the proposal fails to comply with this limit.

### **Grandfathering Does Not Permit Hotel Use in Excess of 2.0 FAR**

In some areas of town, it could be legal for a grandfathered use to change to a different use that also exceeds the FAR limits. But in Downtown, the grandfathered use law §18.18.120(a) explicitly states the opposite. First, it's important to understand that the residential use on the site was legal noncomplying because it exceeded the 1.0 FAR allowed for residential use Downtown but existed back in 1986. As a legal noncomplying use, it was allowed to continue under clauses (1) and (2) of the grandfathered use law. However, that very same law does not allow other noncomplying uses to be established. Rather, subsequent uses must conform with the law, as these clauses indicate:

(3) If a legal noncomplying use deemed existing pursuant to subsection (1) ceases and thereafter remains discontinued for 12 consecutive months, it shall be considered abandoned and may be replaced only by a conforming use.

(4) A use deemed legal noncomplying pursuant to subsection (1) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a legal noncomplying use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

Hotels are a conforming use when they conform to the law. But the law quoted earlier clearly states that hotels only conform if they are no larger than 2.0 FAR. So the proposed 5.4 FAR hotel is not a conforming use.

Based on all the above, the Council need not grant permission for any hotel use at the site larger than 2.0 FAR. Any simple reading of the Municipal Code makes that clear, and the current owner should have had no expectation of being able to develop a hotel larger than 2.0 FAR in the building.

The staff report does not discuss this at all.

## **Past Representations**

GCPA Owner, LLC has asserted it relied on the City's representation that the building could become a hotel "by right." But here's what Former City Manager Jim Keene actually said at the Monday, June 11, 2018 Council Meeting:

“We would point out that hotels though are uses permitted by right in the Downtown so our staff has been encouraging property owner representatives to provide generous relocation packages to tenants.”

"Uses permitted by right" is explained in the Municipal Code at §18.04.030 (a)(143)(D) (underlining added):

“Permitted use” means a use listed by the regulations of any particular district as a permitted use within that district, and permitted therein as a matter of right when conducted in accord with the regulations established by this title.

In other words, Keene's statement that hotels are "uses permitted by right" still requires such hotels to comply with the regulations in the Municipal Code. It would have been extraordinary for him to have meant that hotels can operate Downtown without being in accordance with the law. As shown above, the proposed hotel use violates the well-established Downtown 2.0 FAR legal limit on hotels. That limit is explicitly cited in the very regulation permitting hotels Downtown. Hence, Keene never said that a hotel in excess of 2.0 FAR was legal or was what he meant as "by right."

The staff report does not discuss this at all.

## **\$7 Million Lost in In-Lieu Parking Fees**

The proposal would pay the City for 76 in-lieu parking spaces, whereas we believe the City can collect in-lieu fees for up to 63 additional spaces. That would raise an additional \$7.1 million in revenue for the City, based on the expected August increase in in-lieu fees.

The undercounting of 63 spaces stems from several issues:

### 1) Uncounted Hotel Floor Area

The staff report understates the parking needed by not counting all parts of the building being converted to hotel. Specifically, the table on page 2 of the Zoning Comparison Table (Attachment B) says that only 38,225 sq. ft. more of the building needs to be parked, which it calculates based on the five floors that had apartments. This ignores new hotel space on other floors, such as the former residential lobby, basement storage areas, and rooftop accessory areas, which also require parking as they are converting from residential to commercial use.

It's easy to estimate the uncounted space by adding up how much of the building is being counted for parking and comparing that to the total building's floor area. Here's that calculation:

Amount of New Hotel Floor Area Proposed to be Parked	38,225 sq. ft.	From page 2 of the Zoning Comparison Table
Existing Retail Floor Area Already Having Parking  For decades, the building has paid into the assessment district for 39 spaces for this retail space	9,750 sq. ft.  (estimate based on 250 sq. ft. per assessed space)	The 39 parking spaces are referenced in a June 5, 2018 letter from Amy French and also appear in assessment district financial records
Total Floor Area Being Parked	47,975 sq. ft.	The sum of the above
Total Floor Area Requiring Parking	50,540 sq. ft.	From page 1 of the Zoning Comparison Table and Page 6 (A004) of the latest project plans
Floor Area Requiring Parking But Not Providing Any	2,565 sq. ft.	

The unparked 2,565 sq. ft. requires 10 additional parking spaces. Charging the applicant for them would earn the City over a million dollars in extra in-lieu fees.

### 2) No Requirement for a 25% Reduction

The proposal also reduces the parking requirements for the new hotel part of the building by 25%, which represents another 38 parking spaces, losing the city over \$4 million in in-lieu fees. The reduction is explained on page 8 of the staff report as follows:

California Health and Safety Code Section 18962 requires that local jurisdictions provide a 25 percent reduction in parking requirements for conversion of a designated historical resource to any non-residential use.

Actually, that state law does not require such a reduction. Rather, it says (emphasis added):

(a) For a development project in which a designated historical resource is being converted or adapted, a local agency shall provide the following reductions in required parking, unless otherwise required by a local historical preservation or adaptive reuse ordinance:

In other words, the City can freely adopt such an ordinance requiring full parking of historic buildings being converted to a non-residential use. In fact, our current Downtown Assessment District parking law at §18.18.090 already sets out rules for the parking of historic buildings. Specifically, §18.18.090(b)(2) grants a parking exemption for certain conversions of Category 1 and 2 historic buildings from residential to commercial use, but only if the building is 50 feet or less in height. Additionally, §18.18.090(d)(1) enables a designated historic structure to qualify for in-lieu parking. Both of these regulations relate to the President Hotel building and so the City can readily argue that a local parking ordinance indeed exists that takes into account the historical preservation of the President Hotel building and requires full parking.

If these existing regulations are deemed somehow not to meet the exemption allowed by the state law, the Council could restate the regulations in a separate ordinance to make them clearer. Doing so would end a 25% parking reduction never intended by our code for such situations.

### 3) Using a PC for Commercial Parking

The proposal further exempts 25 more parking spaces by saying they will be in the underground garage at 330 Everett. That building houses the Lytton Gardens Senior Community. Its garage is already partly in use as valet parking for the Epiphany Hotel. It is vital to note that the site is a PC (Planned Community) and its garage was never intended to serve as a parking facility for commercial hotels blocks away. PCs are supposed to provide benefits to the public. Specifically, §18.38.060(b) states that:

Development of the site under the provisions of the PC planned community district will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts.

The parking of 25 President Hotel guest and employee cars under 330 Everett is not a "public benefit." And it clearly could be attained by other means, such as requiring the hotel to buy land and build parking. Even the payment of in-lieu fees for the 25 spaces provides more benefit to the public than waiving that requirement, since it would produce close to \$3 million in funds for City-owned parking.

Furthermore, when the 330 Everett PC was prepared, it based its traffic impacts on a low number of trips from the occupants of the senior living facility. The approval did not examine nor even contemplate that the garage might instead have hotel cars going in and out.

In short, allowing the 330 Everett parking exemption is inconsistent with the existing PC, city goals, and the traffic considerations used for the PC.

#### 4) Inconsistency in Building Size

Please note that the staff report says the building has 50,540 sq. ft. of floor area while the June 5, 2018 Amy French letter stated that the building is 60,971 sq. ft. in size, citing city records. That's a difference of some 10,431 sq. ft.. The latest plans show only 6,359 sq. of non-floor area in the building (mainly the basement parking area), leaving over 4,000 sq. ft. of unexplained space. If that space exists and needs to be parked, the additional in-lieu fees total almost another \$2 million, so this should be thoroughly investigated.

The staff report contains no discussion of any of the above four issues nor of the resulting loss of millions of dollars in in-lieu funds for the City.

#### **No Prohibition on Office**

The City may hope to earn hotel tax on the proposed 100 new rooms, but the applicant, upon receiving a waiver, could then announce that hotels no longer "pencil out" and instead put in offices. Given other new hotel projects in Palo Alto and projections for decreased travel well into the future because of the pandemic, such a change would surprise no one. If the City intends to ignore the 2.0 FAR limit on hotels, why would it then be able to enforce any limit on office sizes?

The staff report does not discuss this at all nor what steps the City could take to prevent it.

## Baumb, Nelly

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**From:** Neilson Buchanan <cnsbuchanan@yahoo.com>  
**Sent:** Thursday, June 18, 2020 1:49 PM  
**To:** Council, City  
**Cc:** Shikada, Ed; Lait, Jonathan; Kamhi, Philip; Nose, Kiely; Hur, Mark; Baird, Nathan; Jocelyn Dong; Norm Beamer; J T Gusilin; Dave Price; Gennady; Wolfgang Dueregger; Chris Robell; Mary Gallagher; Taylor Brady; Karen Machado; Paul Machado; Michael Hodos; Ray Dempsey; Allen Akin; Malcolm Roy Beasley; Wolfgang Dueregger; Sallyann Rudd; Suzanne Keehn; Joe HIRSCH  
**Subject:** Ramifications of President Hotel Recommendations Council Meeting June 22  
**Attachments:** June 18 2020 Citizens President Hotel Letter to Palo Alto City Council sent 6.17.20.pdf; 121116 Kicking The Can Editorial PA Weekly 001.pdf; 140815 Overdue Parking Initiative Editorial PA Weekly Aug 15 20.pdf; Traffic and Parking Ad Paid by Residents Mar 6 2017.pdf

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Please accept the attached comments from Palo Alto citizens who have had brief opportunity to read and understand City Council Staff Report ID # 11421

It would be very helpful to have explanation of in lieu parking calculation in advance of the Council meeting. Planning department miscalculation of parking requirements and under-estimation of in lieu fees would have major negative impact during upcoming 13-month budget crisis discussed last night by Staff and Council

And it is essential to understand how Epiphany Hotel, President Hotel and Webster House will share the current on-site parking at 330 Everett.

There is a major policy issue of transference. Under what circumstances can a private property owner repurpose its parking obligation by leasing out onsite parking spaces and force employee and customer vehicles into city parking facilities and/or residential neighborhoods.

Neilson Buchanan  
155 Bryant Street  
Palo Alto, CA 94301

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Redacted cell  
[cnsbuchanan@yahoo.com](mailto:cnsbuchanan@yahoo.com)



Nov 16  
2012

## Editorial

# Kicking the can down the road

*Council approves more studies on downtown parking problems, leaving residents waiting for relief, again*

Once again, residents of downtown neighborhoods have been told to be patient about the impacts of employee parking spilling onto their streets. That's been the city's consistent refrain for years as neighborhoods have been increasingly inundated with employees working in bustling downtown offices who opt against purchasing parking permits for city lots and garages.

On Tuesday, the City Council complicated and delayed the day of reckoning by combining efforts to address the current parking problems with an evaluation of overall future development downtown and an assessment of future parking needs as more development occurs.

To city residents, it's just more of the same. The study plans adopted by the Council will likely delay any further action on residential parking issues for at least a year, probably longer.

To be sure, the dynamics of downtown parking are complicated and affected by many different variables. And some good work is being done to improve the utilization of existing city garages.

But relief for downtown residents can't wait for the financing and construction of hypothetical future parking garages years from now.

After a long discussion Tuesday, the council voted 8-1 to assess the potential parking needs for new downtown development and to look again at utilization of parking-garage space and whether construction of another garage is warranted.

While these studies will shed some light on what the city can do to provide adequate parking downtown in anticipation of more development, there is nothing in either one to provide direct relief for the neighborhoods. The only minor help came when the council narrowly approved short-term measures creating some loading zones and issuing permits for the few Professorville residents whose homes do not have any off-street parking.

As they have before, council members acknowledged that solving the long-standing parking shortage will be a challenge. Mayor Yiaway Yeh said the action is "the start of what I know is a significant undertaking."

But perhaps a more telling assessment is the varying points of view offered by business and neighborhood representatives, who have been working over the last two years with city planners to find a solution. Russ Cohen, executive director of the Downtown Business and Professional Association, expressed support for the parking study and the city's effort to solve the parking problem.

Richard Brand, who lives on Addison Avenue in Professorville, was decidedly less enthusiastic. The council should focus on parking shortages in the neighborhood, he said, rather than relating the problems in Professorville with the downtown as a whole.

Member Karen Holman picked up the neighborhood torch, calling downtown parking a "systemic problem" that needs a solution soon, adding that the city should act soon to create a residential permit-parking program in the downtown neighborhoods. She cast the lone no-vote on the plan, which she said was due to her dissatisfaction that the plans did not have a specific timeline.

Council member Greg Schmid said the staff should do more work to accurately assess the scope of the downtown parking problem. Schmid called parking a "critical" issue that will require staff resources be spent on finding out whether the city has a "systemic deficit" in parking.

The council and staff's reluctance to implement a residential parking-permit system is in part based on the fear that it will leave employees with insufficient places to park, and then deprive shoppers of easily accessible short-term parking in city lots as employees move around their cars.

Those are important concerns, but until there is 100 percent utilization of all permit-only parking spaces in city lots and garages, the city is not managing its parking program to maximum efficiency.

That's why the highest priority, as Schmid suggested, should be to focus on defining just how big a parking shortage we have. Without that knowledge, the city has no idea how many spaces it will take to meet downtown demand, present or future, and also entice downtown workers away from parking in neighborhoods.

Some overdue improvements in the permit system are coming soon in response to direction given by council in July. Just a year ago studies showed that 1,200 of the city's 3,000-plus downtown parking spaces were vacant much of the time due to an unwieldy and poorly managed permit system and to an unwillingness of employees to buy permits when they can park free in the neighborhoods. An online management system is about to be implemented that will enable the city to release permits weekly, rather than on the old quarterly schedule that increased wait times. It should improve utilization of available parking space and make it easier for employees to acquire permits.

But the patience of downtown residents is understandably running out, and the council should be including the development of a residential permit-parking system in the staff's work plan. Otherwise, a year from now we could be no closer to actually solving this problem, in spite of a large pile of consultants' reports.

## Weekly

## Editorial

## A long overdue downtown parking initiative

*Technology will play key role in easing downtown parking mess*

**W**hat a difference a week can make. After Monday's ill-advised 5-4 decision to spend \$180,000 to conduct studies of a poorly conceived plan to shuttle workers from parking places east of Bayshore Freeway to downtown Palo Alto, the city council will have a chance for redemption.

At next Monday's meeting, the council will consider a proposal for implementing state-of-the-art technology tools that have the potential of revolutionizing the way parking is managed and paid for downtown.

The recommendations, based on a study recently completed for the city by a national parking and transportation consulting firm called SP+, include the use of electronic parking sensors that monitor how many spaces are available and where, dynamic signage and smartphone apps that convey that information to drivers, online permit processing, the ability to quickly pay for parking via smartphones, and several innovative and technology-based options for enforcement.

After years of tired and repetitive debate over the inefficiency and underutilization of downtown garages and staff resistance to change and innovation, these proposals catapult the discussion to a level worthy of a city whose residents are such intense consumers (and developers) of technology.

We hope the City Council endorses this direction with all the enthusiasm they withheld last week when Mayor Nancy Shepherd and council members Greg Scharff, Gail Price, Marc Berman and Liz Kniss voted to move the "satellite" parking concept forward.

With the parking technology recommendations being released just two days after that vote, one has to question why the mayor and city manager didn't make sure the council either dealt with both proposals together or at least knew of the latest proposal while debating the first.

Had that happened, we believe at least one of the five supporting the satellite parking concept would have felt safe joining council members Pat Burt, Larry Klein, Greg Schmid and Karen Holman in rejecting it. Councilman Klein raised that exact point, and we hope he makes a motion Monday for the council to reconsider its earlier action.

Part of the unspoken problem is that the council and staff are feeling immense pressure to respond to public frustration over the parking problems after years of inaction. The staff is responding to this pressure by serving up multiple strategies and options, which adds more pressure on the council to act merely for the sake of appearances rather than in response to sound ideas.

The frustration of both staff and council members was obvious Monday night. Staff was bringing back a plan that the council had earlier asked them to pursue, yet only one council member, Price, expressed any real enthusiasm for it. The four others who supported moving forward with the satellite parking concept were quick to point out their support was only for learning more information, not for the plan itself.

Good decisions aren't made under pressure, and ideally not piecemeal. In the long run, the community is better off taking a bit more time to tackle this problem in a well-thought-out, integrated way. It is great that the council and staff are responding to public demands for action on parking, but it is essential that our goal not be to simply create a list of disconnected "accomplishments" of dubious value.

Next Monday night's discussion on technology's role in helping to fix our parking problems is another opportunity for the council to weigh the trade-offs of quick action versus a more integrated solution.

The consultant recommends moving forward with both a parking guidance system (keeping track of and helping people find available parking spots) and a "revenue and access control" system (the process of controlling access to parking spots based on whether a driver or car has been issued a permit or paid a fee, and tied to how long the car is parked.)

By having a single vendor undertake the implementation of these two systems at one time, there is full integration and accountability, compared to phasing the project and potentially using two different vendors.

The consultant recommends a complete overhaul of the current system. It urges abandonment of the color zones, which do little more than legitimize employees moving their cars from one zone to another during the day, incentive and variable pricing to obtain full utilization of parking spots, the elimination of burdensome permitting rules and extensive use of online tools.

It's a good and overdue plan, and we hope the council repeals last week's action and supports the full scope of the consultant and staff's innovative recommendations.

Neilson S. Buchanan  
155 Bryant Street  
Palo Alto, CA 94301  
June 18, 2020

Dear City Council and Mr. Shikada,

On behalf of citizens listed below, please accept our concerns about the quality and transparency of the City Staff Report ID #11421 scheduled for Council approval on June 22.

### **Preface**

The report fails to meet Council standards for **transparency**. The report is rushed at a time citizens have scant time to respond. Fiscal implication of lieu fees may be erroneous. Parking impact is unaddressed. There is no process to reconcile facts after Council approval.

Adjacent neighborhoods are major **stakeholders** in the parking proposal from AJ Capital. Absolutely no outreach has been attempted to meet with residents who are expert in parking capacity of the University Avenue commercial core and four adjacent neighborhoods.

Palo Alto's **comprehensive plan** clearly states our shared value of *promoting commerce but not at the expense of residential neighborhoods*.

On November 16, 2012 Palo Alto Weekly recognized resident leaders for their multi-year effort to reduce commercial parking in prime neighborhoods adjacent to University Avenue commercial core. The attached editorial "**Kicking the can down the road**" was published 2,755 days ago. Surely institutional memory within city hall is not that shallow.

## Unaddressed Issues

#1 The staff reports does not give adequate attention to parking available at Webster House facility at 330 Everett. The following questions should be answered prior to any decision by city council.

- A. It is our understanding that the Epiphany Hotel is obligated (in perpetuity?) to provide substantial valet parking for hotel and restaurant guests at 330 Everett. What happened to this protection for the commercial core and residential neighborhoods? Has the hotel made other arrangements at another location? If alternative parking is available at a new location, where is it? And what is the impact on that site?
- B. How much unused parking space exists at 330 Everett? How many non-resident parking permits have been issued to Webster House employees or contractors at 330 Everett during the past 2 years before Covid? If every commercial property has unlimited privilege to sell its obligated on-site parking to free market, then there is no limit to commercial parking demand to park in residential neighborhoods. The current RPPs are the only regulators for reckless city administration and developer/landlord manipulation. There is no evidence of any analysis by the professional staff in the Office of Transportation.
- C. It is our understanding that 330 Everett was a Planned Community Project. What are the expectations from that development? Public benefit of some sort may have been expected. Is leasing of all or most parking spaces to private businesses consistent with the intent of Webster House and covenants of its Planned Community agreement?
- D. The concept of paying in lieu fees is the greatest example of professional level kicking the can. The developer and eventual landlord are being granted parking entitlements on city land in perpetuity. The estimated cost of \$100,000+ is chump change compared to the true capital and maintenance costs of a new 2020 parking space. Palo Alto has competent financial staff. Where is the City CFO's opinion when every city department head and council are scrambling to save city services and capital improvement plans?
- E. Another citizen(or group) of citizens will be pointing out that the proposed in lieu fees may be incorrect. Several million dollars of in lieu fees may be underestimated. This possible shortfall to city treasury could not happen at the worst times.
- F. Where are the contractual terms for President Hotel to provide permanent parking at 330 Everett? Is the parking agreement term equal to the useful life of the new hotel? What are incentives (or penalties) to AJ Capital or future owners if parking covenants are violated?
- G. There is great pressure to reduce 100-200 parking spaces in the University Avenue commercial core. Substantial permanent reduction is quite probable in

our opinion. A high-level transportation(parking) contingency plan from the Office of Transportation is missing.

#2 Based on past history, we have low confidence that staff or council would retrospectively address these questions if Council approval is given June 22, 2020. City staff seemingly with Mayor Fine's oversight is driving dozens of issues and hundreds of millions of dollars in four madcap city council meeting June 15, 16, 22 and 23. For the record there are 2 labor negotiations, 31 consent issues, 2 major budget meetings, 2 study sessions and 12 "regular" agenda items in the next 9 days....from today June 14 to June 23. All meetings convened during a crisis when staff and council are exhausted and operating with less than prime energy.

#5 There is no rational reason or logic to provide the President Hotel developers such free rein. This Council and past Councils have allowed developers and property owners to reign over existing commercial property owners and residential neighborhoods. Who is winner in the land rush for scarce, long-term parking capacity? The economy will recover. The Council is in fool's paradise if it cannot see the future or remember the midday parking crunch during the workweek a few months ago. Neighborhoods are not the safety valve when city staff and council fail to manage commercial parking in both commercial cores.

#6 Are the city manager, mayor and Council taking advantage of our real Covid and fiscal emergency conditions? We are not in a position to answer. We will forcefully ask the question in public forum because the balance between commerce and residential neighborhoods is not addressed. We understand how operating and capital budgets are urgent and fall under the Covid emergency conditions. However, the President Hotel hardly qualifies as urgent.

City manager recommendation to Council fails all six issues above. On behalf of residential neighborhoods in the ten Downtown RPP zones, residents throughout Palo Alto and the downtown merchants we ask the Council to defer action on the President Hotel. We respect the need to act on urgent and emergent issues but Council action on June 22 is an premature rush for judgment on the President Hotel. What is causing this rush?

Please accept our comments as a reflection of other citizen's concerns. Due to the time and emotional pressure felt by various stakeholders we have not tried to coordinate a "mass signed" letter today. We are prepared to post these concerns in local newspapers. See attachment of positions posted in newspapers March 2017.

## **Action Request**

We ask you to pull the President Hotel agenda item and reschedule when Council has a full understanding to make an informed decision. Transparency is at risk. Stakeholders have been bypassed. This staff report seem like a bull rushing into a china shop. The china shop is downtown neighborhoods and the parking needs of other downtown businesses.

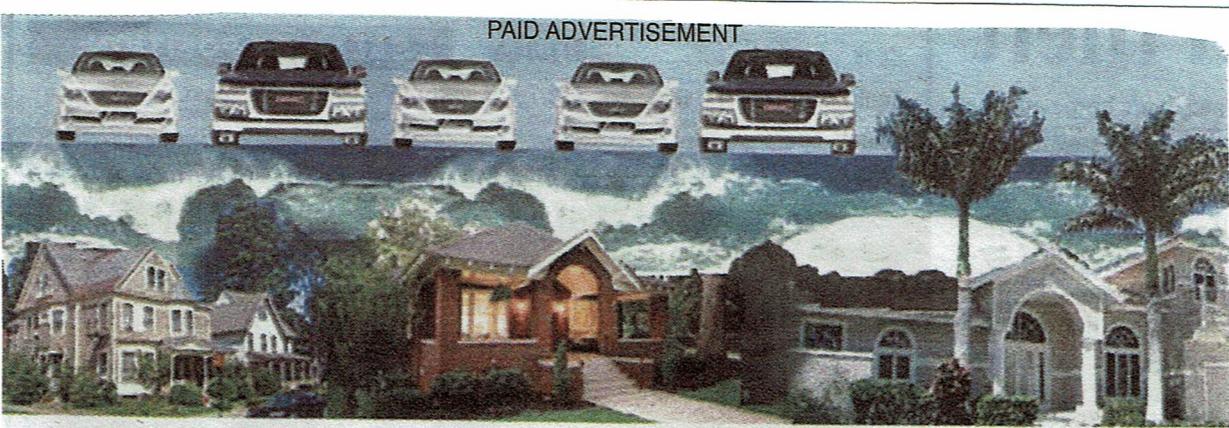
Respectfully,

Neilson Buchanan on behalf of  
Allen Akin  
Malcolm Beasley  
Wolfgang Dueregger  
Mary Gallagher  
Michael Hodos  
Suzanne Keehn  
Paul Machado  
Chris Robell  
Carol Scott

cc:  
Planning Commission  
Palo Alto Daily Post  
Palo Alto Online  
City Attorney  
City Clerk

### References:

November 12, 2012	Palo Alto Weekly Editorial "Kicking the can..."
August 15, 2014	Palo Alto Weekly Editorial "Overdue Parking Initiative"
March 2017	Sample of newspaper advertisements paid by residents



## Traffic Tsunami Endangers Neighborhoods

The imbalance of jobs, housing and infrastructure in Palo Alto is well documented. The Downtown Residential Preferential Parking (RPP) program attempts to address one part of this imbalance - commercial parking intrusion into residential neighborhoods.

Neighborhood leaders have invested over a decade working on this parking problem. Here are key points that we believe every resident in Palo Alto should know.

### 1. Residential neighborhoods should not be commercial parking lots.

- The current Comprehensive Plan states, "The Plan...encourages commercial enterprise, but not at the expense of the City's residential neighborhoods."
- The current RPP program covers a residential area 4 times the size of the downtown business district.
- RPP extends into residential streets far from the University commercial district. This is unreasonable and may violate State Vehicle Codes.
- The parking problem is the result of increased construction of commercial office property in the downtown core with insufficient on-site parking or city parking garage capacity.
- The problem is intensified by the increased densification of offices in existing properties. The 250 sq. ft. office space per employee ratio from the 1970's is obsolete.

### 2. Solutions must be based on accurate data and analysis of parking demand.

- Demand for non-resident parking permits on neighborhood streets is now well documented. In the 2016-17 RPP trial, 1,335 non-resident permits were sold, establishing verifiable demand. Yet the Staff recommendation to City Council calls for a limit of 1,800 non-resident permits for 2017-18, a 35% increase.
- An oversupply of parking permits encourages more cars driving to downtown, where our roads are already severely congested at peak travel hours, and it works against the City's stated goal of reducing single-occupancy-vehicle (SOV) trips by 30% by 2030.
- Further, this oversupply is a capitulation to ongoing traffic nightmares like the "Carmageddon" in December 2016.

### 3. Residents support reasonable prioritization for certain non-resident parking uses that serve Palo Altons and improve our Quality of Life.

- Residents support priority for:
  - Addison School Teachers
  - Channing House
  - Long-serving neighborhood personal service businesses (dentists, therapists, etc.)
  - Low-wage retail workers
- Large enterprises of national and global scope and businesses participating in the Parking Assessment District should not be eligible for non-resident parking permits.

**MONDAY, March 6, 2017**



It is time for large enterprises and the Chamber of Commerce to cooperate and start funding solutions for employee parking.

In addition, City Council should schedule a Study Session as soon as possible regarding the "thousands of unjustified phantom parking space rights" created by the Parking Assessment District.

## Baumb, Nelly

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**From:** Roberta Ahlquist <roberta.ahlquist@sjsu.edu>  
**Sent:** Wednesday, June 17, 2020 5:04 PM  
**To:** Council, City  
**Subject:** Transparency necessary re President Hotel  
**Attachments:** President Hotel; protest AJ-MANAGER2020 6-17-20.docx

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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We need to keep this building as residential HOUSING! Read the Ellis Act.

Sincerely,  
Roberta Ahlquist

**WE NEED TRANSPARENCY! Don't Believe PA City Manager or AJ Capital's Hype: Service sector PA workers need housing. Don't let the PA Manager Eliminate a Huge Amount of Affordable Downtown Housing ~ Under the Ellis Act it may be illegal**

*Chicago based AJ Capitol heartlessly forced dozens of Palo Altans living at the President Hotel from their homes. AJ now wants us to support its conversion of those 75 homes to 100 luxury hotel rooms.*

*We don't need any more hotel rooms in downtown Palo Alto!*

*There are 457 new hotel rooms in the planning process for Palo Alto.*

*We need to preserve the affordable housing we have, not gain another hotel.*

- There are only a few downtown residential buildings that come close to having 75 units of housing. Losing these units for a luxury hotel is a huge blow to Palo Alto's housing supply.
- AJ and PA City manager want to ignore [City](#) laws that prevent oversized hotels, and downtown residential conversion to other uses. It apparently thought conversion back to a hotel would be straightforward – it is [NOT](#). [The](#) Ellis Act may make it illegal.

AJ Capital seems to have a huge parking shortfall and seeks to avoid paying the likely \$10 to \$17 million in City fees required by downtown parking laws.

It may appear that AJ is now contributing money to local non-profits. But footnotes in its materials indicate all donations are first conditioned on City approval for its hotel conversion. It's a shameless *quid pro quo*, and non-profits may never see a cent.

AJ's plan for seismic upgrade and historic restoration of the building is good, and good PR, but it doesn't mention the many millions of dollars in Transferable Development Rights it will earn in return. Is this about \$\$ over affordable housing?

Affordable housing units built today cost at least \$600,000 each, so it costs at least \$45 million to replace the President Hotel's 75 housing units. AJ saying it will *maybe* donate \$1 million to an affordable housing provider is chicken feed compared to the replacement cost.

### **What Should Happen ?**

#### **Stop approving this request until there is transparency re. the Ellis Act:**

- The City must affirm preserving housing is its highest priority, not a hotel
- The City must hold AJ accountable to our laws
- The City has no duty to and must not grant any exceptions to facilitate AJ
- The City has no duty to be concerned about AJs money-making ambitions
- \* [AJ](#) should pivot and refurbish the housing at the President Hotel. It's now building residential housing in Oregon and should do so here.

**The ELLIS ACT PREVENTS THIS CONVERSION! SPEAK OUT AGAINST THIS.**

| [ROBERTA AHLQUIST WEBSTER ST, PALO ALTO](#)

## Baumb, Nelly

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**From:** Mary Jane Parrine <parrine@stanford.edu>  
**Sent:** Monday, June 22, 2020 1:20 PM  
**To:** Council, City  
**Subject:** The President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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To: Palo Alto Council Members  
Fr: Mary Jane Parrine

As I express my concern about the status of the President Hotel, I think of the many years in which it has served as an affordable home for 70+ tenants with modest incomes. Through my 35 years at Stanford University I knew it was there. I knew people living there, some of them working in Chaplaincy at Stanford Hospital. Despite the comments of City Manager Shikada, we need to retain these existing apartments in the downtown area, not allow them to be converted to serve the high-end market. Doing this will leave more and more people underhoused and with fewer and fewer options. As a part of your admirable intentions to build more affordable housing, please consider this opportunity to save 70 affordable units. Until more housing can be built, we hope you agree to let the President Hotel continue to serve people with modest means, many of whom work in the downtown area. Doing otherwise is not in line with the Ellis Act's goal to avoid converting residential units to a luxury hotel/businesses

Thank you for your attention,

Mary Jane Parrine, [parrine@stanford.edu](mailto:parrine@stanford.edu)

## Baumb, Nelly

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**From:** Steve Raney <steve@paloaltotma.org>  
**Sent:** Monday, June 22, 2020 1:11 PM  
**To:** Council, City  
**Cc:** Alex Stanford; Richard Hackmann  
**Subject:** June 22, item #33, President Hotel - TDM Program

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

Dear City Council,

Council has mandated that Hotel Parmani and the new Marriotts join the TMA. For approvals going forward, The City may enact more join-the-TMA mandates, ensuring that new buildings pay for themselves without City-provided TDM subsidy.

At the request of the President Hotel (PH) developers in July of 2019, the TMA developed a minimum-of-\$39,400-per-year TDM program for the site. Our proposal is based on the 2017 City Council discretionary approval for two Marriott Hotels:

- 
- [June](#).
- [2017, Council approval of 744 and 750 San Antonio Road hotels](#)
- 
- 
- The approval requires the
- City's Planning Director to approve a TDM plan with a list of required elements (pages 20-21 of the PDF).
- 
- 
- The TDM plan requires: Membership
- in TMA. 100% subsidized Caltrain/VTA passes for employees. Cash incentives for carpool & bike for employees. Provide commuter bikes to staff. Guaranteed Ride Home. No use of public funds for employee TDM. Etc.
- 

A calculation of the minimum annual payment is provided below:

Calculations based on CY 2018 Annual Report: <a href="http://bit.ly/PATMA2018report">http://bit.ly/PATMA2018report</a>		
<b>Transit passes</b>		
President Hotel: # rooms	100	
transit passes (13% per room from Sheraton)	13	
Cost per year of 1 transit pass	\$1,800	
	total	\$23,400
<b>Scoop/Waze, Lyft</b>		
Waze Carpool pct of transit pass pgm	55%	\$12,870

Lyft pct of transit pass program	5%	\$1,170
<b>TDM program fees</b>		
Annual charge for program implementation, GRH, billing, bookkeeping, metrics, TDM compliance reporting		\$2,000
<b>Annual minimum payment</b>		<b>\$39,440</b>

From date of occupancy, PATMA will bill President Hotel (PH) for a minimum of \$39,440 per year, payable in two equal installments in the first and seventh months of occupancy. Half-year billing every six months will continue thereafter.

Transit passes:

- 
- Transit passes were calculated
- from the TMA's low-income transit pass program for workers making less than \$70,000 per year. The TMA will administer monthly transit passes for PH staff. PH will be billed a la carte for monthly usage beyond 13 passes. It is required that PH assist their
- staff with limited English skills in accurately filling the TMA's online transit pass application.
- 

Subsidized Waze Carpool and Scoop ridesharing (no income limit) and Lyft

- 
- The TMA will select one
- or more ridesharing apps for PH to work with. It is required that PH assist staff in registering for apps using PH work email addresses. This will allow the TMA to report back trips taken and monthly subsidy cost.
- 
- 
- For Lyft, it is required
- that PH assist staff in registering to use Lyft using a PH work email address. The Lyft program is provided for after-hours commuting for low-income workers. The TMA will also provide Lyft service to PH staff making more than \$70,000 per year, billed a la
- carte.
- 

Bike program

- 
- The TMA will administer
- an ebike and scooter loan-to-own program. PH will pay a la carte.
- 

Guaranteed Ride Home

- 
- The TMA will provide Guaranteed
- Ride Home service via Lyft
-

## TDM Marketing and Education

- 
- PH will refer new hires
- to the TMA for low-car commute on-boarding.
- 
- 
- PH will invite the TMA to
- brief staff one or more times per year. During the briefing, the TMA will encourage staff to help solve commuting issues and improve commute options.
- 
- 
- PH will participate in twice
- per year TMA Advisory Panel meetings to contribute ideas and feedback to help improve commutes while reducing cars.
- 

## TDM Compliance Reporting

- 
- For the City, the TMA will
- produce a “PH TDM activity/compliance” report each year detailing program trips and costs. This report will also be included in the TMA’s annual report.
- 
- 
- TMA and PH will conduct
- a brief annual commute mode survey of PH staff. It is required that PH ensure 75% or greater survey response rate.
- 
- 
- Should project approval
- require driveway counts., PATMA will pass thru costs of third party driveway counts and will use the services of a firm such as W-Trans.
- 

## Billing

- 
- Besides the two annual minimum
- payments, the TMA will bill PH once per month for a la carte services, payable net 15.
- 
- 
- TMA will charge PH an annual
- administration fee of \$2,000 for program implementation, GRH, billing/bookkeeping/metrics, and report generation.
- 

Thanks for your consideration,



Steve Raney  
Palo Alto TMA, Mgmt by Altrans TMA Inc  
355 Alma Street, Palo Alto, CA 94301  
P: Redacted , [www.paloaltotma.org](http://www.paloaltotma.org)

## Baumb, Nelly

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**From:** Frank Flynn <frankflynn@me.com>  
**Sent:** Monday, June 22, 2020 1:06 PM  
**To:** Council, City  
**Subject:** President hotel - please Save Affordable Housing

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

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Good afternoon council members,  
I am writing to urge you not to grant a waiver to turn the president hotel into a luxury hotel.

We have passed laws that are good and we desperately need this housing.

If you grant this whatever you are sending a strong and clear message to any developer all you need to do is threaten a lawsuit and you will get what you want and that our laws and our zoning mean nothing.

The Supreme Court was divided but is on the side of the city you can restrict the use of this property and even claim it under eminent domain. You should not feel the pressure to capitulate here you should stand for your principles and the principles of the city you represent. We do not need another luxury hotel we need housing.

Thank you

Frank Flynn.  
471 Matadero Ave

## Baumb, Nelly

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**From:** kir@sustainablehome.com  
**Sent:** Monday, June 22, 2020 12:01 PM  
**To:** Council, City  
**Subject:** The President Hotel.

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Honorable City Council,

I am writing to vehemently oppose the approval of a Waiver to allow the AJ Capital to change use of the President Hotel from residential to commercial.

I am a life long Palo Alto Resident, and have always put my energy into making this city better for all of it's citizens. I would think as council members that this would also be your over arching goal.

When I first read about this potential waiver I had two thoughts. One, that my leaders could not make a decision on what was best for the citizens, and then stick by that decision in the face of pressure from economic interests. The second is that it is a waste of my time to continue to volunteer on the NVCAP working group. That I should quit.

Even if the NVCAP struggles and compromises and designs an Area Plan that meets the needs of all the stakeholders, Council will overrule the zoning and allow what benefits investors rather than citizens. We are struggling to create housing, especially affordable housing, on this site, to help the city satisfy the RHNA goals, and the council is contemplating granting a waiver to remove 75 units of affordable housing in transit friendly downtown.

This waiver would benefit no-one but the investor. The investor chose to take a risk on this property, that was not the responsibility of the city council.

The investor chose to evict the tenants, leaving the investor without income on the property, this also was not the responsibility of the city council.

The city council is there to do what is best for the city, not what is best for the investor. You are our voice in this matter.

Are we in a Housing Crisis in the State of California? The data seems to indicate the answer is yes The Council's states that the highest council priority is housing. We are trusting you to make your actions match your stated goal. Show leadership, and show that you are worthy of that trust.

**KIRSTEN FLYNN**  
Interior Design  
Redacted

## Baumb, Nelly

---

**From:** paul bundy <bundypa@aol.com>  
**Sent:** Monday, June 22, 2020 11:06 AM  
**To:** Council, City  
**Subject:** The Presiden Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Members of the Council,

I don't pretend to know what all the issues are in keeping the President Hotel as a somewhat modest residential building, but given the current pandemic, economic fallout and people's housing needs I urge you to support people's real needs and hold off on any decisions that would change its status as a semi-modest residential hotel. Be well!

Paul Bundy  
143 Park Avenue  
Palo Alto, CA 94306-1108

## Baumb, Nelly

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**From:** Christian Pease <cgpease2016@gmail.com>  
**Sent:** Monday, June 22, 2020 10:57 AM  
**To:** Council, City  
**Cc:** City Mgr; City Attorney  
**Subject:** The President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear City Council Members,

I write you regarding the President Hotel.

Last Thursday, a representative for AJ Capital contacted me. He urged me to write you in support of their plans because of the positive impact it will have “on maintaining one of Palo Alto’s most historic assets.”

Fair enough, so it goes:

I believe AJ Capital’s plan to restore and modernize the President Hotel is superb. It is comprehensive, sensitive to this largely intact historic structure, and will once again make this landmark building a downtown gem.

It will be especially nice for those of us affluent enough to enjoy it.

That said, it is too bad that AJ Capital’s success required the elimination of 74 units of truly affordable housing, and that most, if not all of the long-term residents of our fair city who called the President Hotel home, will probably never be able to live in Palo Alto again.

It is also too bad that from the moment our former City Manager James Keen uttered the words “By right,” the entire process resulting in the eviction of so many neighbors was both fetid and appalling.

This was not Palo Alto’s finest moment for any of us. And all of us should feel at least some shame in it and admit at least some responsibility for letting it happen.

And now, particularly so should you: members of the current Council, along the current City Manager Shikada, and together with City Attorney Stump.

It is time to own-up, to take stock in what happened – especially among those who righteously declare themselves true champions of housing in a housing crisis, and so easily vilify as selfish anyone who challenges their approach to planning and development in Palo Alto.

Because on the question of the President Hotel and plight of its tenants you were mostly silent, or retreated into “so sorry but my hands are tied” rationalizations, at least when and if you found the need to explain yourselves at all.

But that was then and this is now.

And what really matters in this moment of ramrodding through major decisions and policy changes under cover of global pandemic distractions – is that you reject the non-compliant, unnecessary, and yes, unjust rewards that Mr. Shikada and his planning team propose you now bestow on AJ Capital.

As it now stands, the City’s staff analysis and recommendations in this regard is a concoction of loopholes, liberally sugared with millions of dollars of giveaways.

From zoning exceptions to in lieu fee avoidance, going along with Mr. Shikada and his planners – especially at a time when Palo Alto is experiencing extreme financial distress – would be nothing short of an irreconcilable travesty and ethical insult.

AJ Capital should be required to pay full-fare when it comes to strict zoning compliance and impact fees – no excuses.

And if you make sure they do pay what is actually required of them, then we should all wish AJ Capital the best of luck and look forward to the magnificent work it intends to do on this important and historic structure, as well as all the benefits that may come of it.

While none of this will help those who forever lost their affordable homes in ever more walkable and vibrant downtown Palo Alto, at least our community won’t be a patsy, on top of being complicit in what has occurred.

And lastly, please also consider taking a least portion of any fees associated with the President Hotel that AJ Capital pays to the City of Palo Alto and then paying out that portion to its former tenants to further compensate them for what we have done.

Thank you for your consideration in this important matter.

Sincerely,

Christian Pease  
Evergreen Park

## Baumb, Nelly

---

**From:** Diane Boxill <dianeboxill@gmail.com>  
**Sent:** Monday, June 22, 2020 12:03 AM  
**To:** Council, City  
**Subject:** Conversion of the President

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Palo Alto City Council,

Our global collective culture is in the midst of multiple existential crises. In the midst of these turbulent times, this sudden push to get the City Council to reverse its position regarding the transition of the President from housing to hotel, gives the appearance of forcing the matter and taking advantage of a moment when Palo Altans may be distracted by other events. I am writing to request that you stand for our community and uphold Palo Alto ordinances that make the conversion of the President unlawful.

Respectfully,

Diane Boxill

## Baumb, Nelly

---

**From:** Lily Lee <lee\_lilyning@yahoo.com>  
**Sent:** Sunday, June 21, 2020 11:21 PM  
**To:** Council, City  
**Subject:** Item 33 on City Council agenda for 6/22 meeting - Keep homes at the President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Mayor and Members of the City Council:

I have lived in Palo Alto since 1997, and I am raising my children here. Thank you for your service to lead our City. This is a wonderful community in many ways.

To keep from losing one positive aspect of this community, I am writing to urge you to protect the status of the President Hotel at 488 University Avenue, which has served as an affordable home for 70+ tenants with modest incomes for many years. It is essential that the City Council protect these existing apartments in the downtown area and not allow them to be converted to a commercial hotel use.

To support a sustainably diverse community, Palo Alto must address its jobs-housing imbalance or meet its Housing Element goals and objectives. Especially given the George Floyd tragedy and many others, we should work constructively toward justice and diversity. I want our children to grow up in a community where we work hard to create opportunities for multi-income residents to live here. Given the huge disparities in our community and the surrounding area, and the lack of much needed housing, losing this housing would be going in the wrong direction and a big blow against justice.

In February the City Council adopted three priorities for 2020: Housing, Mobility, and Sustainability. To support these priorities, the City Council should pursue its priority for affordable housing and deny a waiver to eliminate over 70 homes.

Thank you for considering this perspective.

Sincerely,

Lily Lee  
4080 Wilkie Way  
Palo Alto, CA 94306  
Redacted

## Baumb, Nelly

---

**From:** Jim Colton <james.colton10@gmail.com>  
**Sent:** Sunday, June 21, 2020 5:05 PM  
**To:** Council, City  
**Subject:** President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Council Member,

We dearly need low-income housing in Palo Alto for fire and police personnel, teachers and service personnel of all kinds. The President Hotel is currently one of the biggest opportunities to provide such housing. Please do what you can to make the President Hotel low income housing.

Thanks,

Jim Colton

## Baumb, Nelly

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**From:** Donna Davies <dnndavies@gmail.com>  
**Sent:** Friday, June 19, 2020 9:51 PM  
**To:** Council, City  
**Subject:** Re: President Hotel

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

---

Hello Council Members,

I believe it is the priority of the members of the council to provide an increasing number of affordable housing units for the people who live and work in the city. It may still be within your power to deny the conversion of the 75 units of current affordable housing at the President Hotel to luxury hotel rooms. Please hold AJ Capitol accountable to the laws. Do not grant exceptions in their favor.

Sincerely,  
Donna Davies

## Baumb, Nelly

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**From:** Judith Wasserman <jwarqiteq@gmail.com>  
**Sent:** Friday, June 19, 2020 7:10 PM  
**To:** Council, City  
**Subject:** The President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear City Council -

Please retain this building as the low-income housing it has been for many, many years. It is of far more value to the nature and quality of life in the city as an apartment building than it would be as a ritzy hotel. We need the housing far more than we need another hotel.

And that is without mentioning that it is contrary to our own zoning as well as the Ellis Act.

Please do the right thing and stick to your guns! You were right the first time: the President Hotel should be kept for housing.

Thank you,  
Judith Wasserman AIA

Bressack & Wasserman Architects  
751 Southampton Drive  
Palo Alto CA 94303  
ph: Redacted  
fx: Redacted  
[www.bressackandwasserman.com](http://www.bressackandwasserman.com)

## Baumb, Nelly

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**From:** Angela Dellaporta <asdellaporta@gmail.com>  
**Sent:** Friday, June 19, 2020 7:57 AM  
**To:** Council, City; citycouncil@cityofpaloalto.org  
**Subject:** President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Council Members,

Palo Alto needs housing far more than it needs another hotel.

While the city council may legally be allowed to provide the waiver requested by the owners of the President Hotel — a waiver that would remove 75 units of housing — doing so would directly contradict the council's clearly stated priority to provide housing.

Of course there is a temptation to allow waivers that would bring more revenue into the city. That temptation is one obvious reason for the housing shortage we have now. That temptation is the reason the council had to name "Housing" as one of its three priorities of 2020 — priorities that stand as a reminder of the direction the council must take, no matter the temptation to do otherwise.

There is absolutely no legal reason compelling the city to provide the requested waiver; the owner made decisions that may not have been to its own advantage, but the city has no responsibility to repair that decision. Instead, per the state appeals court, the city has the right and responsibility to regulate uses as it sees fit, even in this situation.

We state clear goals so that we can avoid the urge to succumb to temptation, and do the right thing.

Please follow your stated intentions, and do not allow the waiver that would remove housing from Palo Alto.

Angela Dellaporta

## Baumb, Nelly

---

**From:** Jen B <jenbrito11@gmail.com>  
**Sent:** Monday, June 22, 2020 11:24 AM  
**To:** Council, City  
**Subject:** please don't give AJ Capital a waiver

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Dear Honorable Council Members,

Please do not give-in and give AJ Capital a waiver to develop the President Apartments (The Pres.) We need housing, not more hotels! Downtown has enough hotels already that are not filled to capacity. We don't need uncaring, out-of-town developers bribing our city to get what they want.

AJ Capital representatives have been nothing but unkind and even aggressive toward residents and the many other concerned Palo Alto residents from the beginning... they clearly don't know or care about our community. They only offered a 3,000 dollar moving assistance sum, after you, the Council forced them to. Other local developers offer much more... a current PAUSD teacher (and her neighbors) who resided in Mountain View was given one year and 10,000 dollars up front, with lots of apology, for her relocation. A local developer who lived in the Pres., told me he and his father's development firm did the same when they had to relocate tenants. And yet, AJ chose to fight us all the way.

In October they were literally trying to bribe non-profits into supporting them. Linda Lyon, the Executive Director for Palo Alto Partners in Education (PiE) called me to check in about concerns over AJ Capital's morals. As a former Palo Alto teacher I was concerned about the optics that AJ put PiE's logo on a brochure that they handed out, effectively making it look like they had and were going to donate hundreds of thousands of dollars to local schools and charities, WITHOUT CLARIFYING THAT THE DONATIONS WERE CONTINGENT.

To clarify, AJ kicked Palo Alto Unified students out of their home mid-year, yet let the retail tenants and one man stay... meaning our PAUSD students and their parents and other PAUSD teachers, alumni, and PA community members could still be living in their beloved homes, paying rent.

My question to you is why on earth would you want a company that treats people this way into our community.

Do we really need the money that badly?

What we need is housing. Housing that fits your Comprehensive plan requirements... which the Pres. does!

Thank you for your consideration.

## Baumb, Nelly

---

**From:** Carol Lamont <carol@lamont.com>  
**Sent:** Friday, June 19, 2020 3:39 PM  
**To:** Council, City  
**Subject:** City Council Action 6/22/20: AGENDA ITEM 33 - 488 UNIVERSITY AVE: REQUEST TO CONVERT RESIDENTIAL

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Palo Alto City Council Members:

I am writing to urge you to protect the status of the President Hotel at 488 University Avenue, which has served as an affordable home for 70+ tenants with modest incomes for many years. It is essential that the City Council protect these existing apartments in the downtown area and not allow them to be converted to a commercial hotel use.

I am extremely disappointed that Palo Alto has not addressed its jobs-housing imbalance or met its Housing Element goals and objectives for many years. Given the huge disparities in our community and the surrounding area, and the lack of much needed housing, it would be more than negligence if the City Council approved a waiver to allow these residential units to be converted to hotel space; it would be unjust and unfair.

In February the City Council adopted three priorities for 2020: Housing, Mobility, and Sustainability. How could the City Council now ignore its priority for affordable housing and approve a waiver to eliminate over 70 homes? Please, do your job.

Sincerely,  
Carol Lamont  
618 Kingsley Avenue  
Palo Alto, CA 94301

## Baumb, Nelly

---

**From:** Susan Powers <susapow@yahoo.com>  
**Sent:** Friday, June 19, 2020 3:07 PM  
**To:** Council, City  
**Subject:** Failing to protect housing

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Hello,

This may be the last letter I write to you. Then again it might be the first in a series of a hundred. I haven't decided. What is clear to me is that you don't care about me or anyone like me. It might help you to know that I am a former resident of the President Hotel Apartments. That might help you to locate me in your world of not caring. You probably know where I'm going with this. Tedious I know. Feeling sleepy? Well, just kick back and focus your gaze so that it appears that you're listening. Listen or don't listen, for people like me, it's all the same in the end.

You have the legal means to preserve the 75+ apartments in the President Hotel building but you'll let it slide. Because, why not? You must be exhausted by the badgering lawyers sent by AJ Capital. They want their boutique hotel. They'll renovate beautifully, preserve and restore that lovely landmark. And, no getting around it, the building needs it. It's pretty shabby. I know, I lived there and never complained. No one did. In a city with no protection for renters, it was a rare relatively affordable place. The building will be restored to its full glory but not for people who need a home. There's no money in that.

I'm nobody but I'll tell you something about myself anyway. I work in a hospital in Palo Alto and things are very slow right now because we have shut down all nonessential service in order to prepare for a catastrophic surge of COVID-19 patients. Things are so slow that we jokingly call it the country club. In normal times we are chronically short staffed because no one can afford to live here so right now we're all enjoying the respite from the standard chaos.

When things begin to ramp up again, there's a good chance I'll be gone. If COVID-19 surges in Palo Alto and you desperately need all hands on deck, I'll be gone because you have taught me the futility of caring.

Because you cater to the moneymakers and the political players and the back room deals, and you care nothing for the people who support your way of life, I've given up on what was once my lovely community.

You may have noticed that the plaza in front of your council chambers has been packed with angry people who are no longer asking for your support. They know it's a waste of time. They're just there to let you know they don't care about you and your garbage anymore. They're done asking. They know you are not there for them. They know you'd rather be over at the boutique hotel sipping a cocktail on the rooftop than actually defending their basic rights. You are not to be trusted. Handing over the housing that should be protected by you for them is just one more example of your duplicity and cowardice. No one needs to ask which side you are on.

But no hard feelings. Really. Good luck to you and your families. Good luck finding an adequately staffed hospital, a teacher who isn't exhausted, a barista who doesn't want to spit in your drink, a waiter who isn't mocking you in the kitchen.

It's your world.

Most sincerely,

Susan Powers

[Sent from Yahoo Mail for iPad](#)

## Baumb, Nelly

---

**From:** Richard Hackmann <rhackmann@lh-pa.com>  
**Sent:** Friday, June 19, 2020 12:41 PM  
**To:** Council, City  
**Subject:** Hotel President - Letter of Support from Dennis Backlund  
**Attachments:** 488 University Ave (Hotel President) - Dennis Backlund Letter to City Council 06.18.20.pdf

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Please see the attached letter of support from Dennis Backlund for the Hotel President project.

Regards,

Richard

June 18, 2020

Honorable Mr. Mayor, Mr. Vice-Mayor, and members of the City Council, I am commenting on the proposal by AJ Capital, owners of the President Hotel, to convert the long-time residential building to its original use as a traditional hotel.

The local press has stated that the Palo Alto City Manager Ed Shikada is advising the City Council to approve the hotel conversion proposal for legal reasons. In this letter I would like to present two benefits the hotel conversion proposal would have for the City.

The first benefit is that the proposal would completely replace the President's deteriorating infrastructure in a manner compliant with federal historic rehabilitation standards. Previous owners

did not undertake comprehensive rehabilitation because the building was always fully occupied and also extensive rehabilitation did not seem feasible in light of the owners' goal of keeping rental rates at affordable levels.

I lived in a medium-sized apartment for 37 years. When I moved in during March 1982 my rent was \$ 375.00 a month, and when I moved out in March 2019 the rent had risen over the years to \$ 1500.00 a month, still very affordable in downtown Palo Alto.

The second benefit of the hotel conversion proposal is that it would generate revenue for the City through the hotel occupancy tax. This revenue would assist the City in addressing

the unprecedented economic downturn caused by numerous business shutdowns required by the county during the coronavirus pandemic.

I appreciate the opportunity to comment, and I look forward to Council's deliberations on the future of the President Hotel.

Respectfully submitted,  
Dennis Backlund

Dennis Backlund  
649 University Ave. Apt. H256  
Palo Alto, CA 94301-2064

Redacted

## Baumb, Nelly

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**From:** Grant Dasher <grant.dasher@gmail.com>  
**Sent:** Sunday, June 21, 2020 8:52 PM  
**To:** Council, City  
**Subject:** Reflecting on the Hotel President  
**Attachments:** President Hotel Letter.pdf

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Mayor Fine and City Council--

Please find attached a letter from the Board of Palo Alto Forward reflecting on the Hotel President and the way forward for our community. Thank you again for your service in these difficult times.

Sincerely,  
Grant Dasher  
Secretary, Palo Alto Forward

# PALO ALTO FORWARD

June 21, 2020

To: Palo Alto City Council

Re: Reflections on the Hotel President

Dear Mayor Fine and City Council Members—

Palo Alto Forward takes no position on the action requested of the city today regarding the Hotel President. However, we'd like to take this moment to reflect on what has happened here. The Hotel President is a beloved building in downtown Palo Alto that contributed a significant number of preciously rare walkable and naturally affordable housing units to our community. The building blends naturally into the surrounding street and is broadly considered a charming feature of the neighborhood. Yet it could never be built today as it is non-comforming with a wide range of the City's present zoning ordinances. Indeed, these factors may have contributed to the situation we are in today. While we mourn the loss of these homes and the neighbors that they housed, we need to internalize the underlying conditions that made it so rare.

Regardless of the future of this property, we think this is an opportunity to re-evaluate the base zoning standards that prevent the construction of new Hotel Presidents above the ground floor retail of University Ave. Thus far, all of our action has been modest, incremental, and nowhere near sufficient to meet the housing goals laid out in our Comprehensive Plan or the expected targets for our upcoming Housing Element. There is no reason, other than our own policy choices, that we cannot foster the birth of another Hotel President Apartments that will delight the next generation of Palo Altans just as its predecessor delighted us.

Sincerely,

The Palo Alto Forward Board of Directors

## Baumb, Nelly

---

**From:** Richard Hackmann <rhackmann@lh-pa.com>  
**Sent:** Monday, June 22, 2020 12:17 PM  
**To:** Council, City  
**Subject:** Hotel President - Letter of Support from President Barber Shop  
**Attachments:** 488 University Ave (Hotel President) - Richard Reyes of President Barber Shop Letter to City Council 06.19.20.pdf

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Please see the attached letter of support from the President Barber Shop for the Hotel President project.

Regards,

Richard

June 19, 2020

To Whom it may concern;

My name is Richard Reyes and I'm a co-owner of the President Barber Shop, along with my partner Erhan Vural. The shop is located at 490 University Ave, Palo Alto, CA. Being part of the President Hotel, we feel that A.J. Capital is doing the community a great service by bringing in an ageing historical building and land mark such as the Hotel President from disrepair and neglect.

My family has been at this location since 1960. Since then, that building has changed ownership a half dozen times and nobody has really done anything to upgrade the building. The plumbing and electrical are original from the 1930's, and there's no air condition and it's very hot during summer time.

A.J. Capital plans to renovate the building.... Fixing a lot of the problems and bringing up to standards. Not to mention the jobs they will be bringing to the community.

So, the President Barber Shop supports A. J. Capital on what they're going to do here. And we are looking forward to working with them in the future.

Very respectfully,

RICHARD REYES

## Baumb, Nelly

---

**From:** Susan Powers <susapow@yahoo.com>  
**Sent:** Friday, June 19, 2020 3:07 PM  
**To:** Council, City  
**Subject:** Failing to protect housing

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Hello,

This may be the last letter I write to you. Then again it might be the first in a series of a hundred. I haven't decided. What is clear to me is that you don't care about me or anyone like me. It might help you to know that I am a former resident of the President Hotel Apartments. That might help you to locate me in your world of not caring. You probably know where I'm going with this. Tedious I know. Feeling sleepy? Well, just kick back and focus your gaze so that it appears that you're listening. Listen or don't listen, for people like me, it's all the same in the end.

You have the legal means to preserve the 75+ apartments in the President Hotel building but you'll let it slide. Because, why not? You must be exhausted by the badgering lawyers sent by AJ Capital. They want their boutique hotel. They'll renovate beautifully, preserve and restore that lovely landmark. And, no getting around it, the building needs it. It's pretty shabby. I know, I lived there and never complained. No one did. In a city with no protection for renters, it was a rare relatively affordable place. The building will be restored to its full glory but not for people who need a home. There's no money in that.

I'm nobody but I'll tell you something about myself anyway. I work in a hospital in Palo Alto and things are very slow right now because we have shut down all nonessential service in order to prepare for a catastrophic surge of COVID-19 patients. Things are so slow that we jokingly call it the country club. In normal times we are chronically short staffed because no one can afford to live here so right now we're all enjoying the respite from the standard chaos.

When things begin to ramp up again, there's a good chance I'll be gone. If COVID-19 surges in Palo Alto and you desperately need all hands on deck, I'll be gone because you have taught me the futility of caring.

Because you cater to the moneymakers and the political players and the back room deals, and you care nothing for the people who support your way of life, I've given up on what was once my lovely community.

You may have noticed that the plaza in front of your council chambers has been packed with angry people who are no longer asking for your support. They know it's a waste of time. They're just there to let you know they don't care about you and your garbage anymore. They're done asking. They know you are not there for them. They know you'd rather be over at the boutique hotel sipping a cocktail on the rooftop than actually defending their basic rights. You are not to be trusted. Handing over the housing that should be protected by you for them is just one more example of your duplicity and cowardice. No one needs to ask which side you are on.

But no hard feelings. Really. Good luck to you and your families. Good luck finding an adequately staffed hospital, a teacher who isn't exhausted, a barista who doesn't want to spit in your drink, a waiter who isn't mocking you in the kitchen.

It's your world.

Most sincerely,

Susan Powers

[Sent from Yahoo Mail for iPad](#)

## Baumb, Nelly

---

**From:** Carol Lamont <carol@lamont.com>  
**Sent:** Friday, June 19, 2020 3:39 PM  
**To:** Council, City  
**Subject:** City Council Action 6/22/20: AGENDA ITEM 33 - 488 UNIVERSITY AVE: REQUEST TO CONVERT RESIDENTIAL

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Palo Alto City Council Members:

I am writing to urge you to protect the status of the President Hotel at 488 University Avenue, which has served as an affordable home for 70+ tenants with modest incomes for many years. It is essential that the City Council protect these existing apartments in the downtown area and not allow them to be converted to a commercial hotel use.

I am extremely disappointed that Palo Alto has not addressed its jobs-housing imbalance or met its Housing Element goals and objectives for many years. Given the huge disparities in our community and the surrounding area, and the lack of much needed housing, it would be more than negligence if the City Council approved a waiver to allow these residential units to be converted to hotel space; it would be unjust and unfair.

In February the City Council adopted three priorities for 2020: Housing, Mobility, and Sustainability. How could the City Council now ignore its priority for affordable housing and approve a waiver to eliminate over 70 homes? Please, do your job.

Sincerely,  
Carol Lamont  
618 Kingsley Avenue  
Palo Alto, CA 94301

## Baumb, Nelly

---

**From:** Matt Adelman <mattadelman@yahoo.com>  
**Sent:** Sunday, June 21, 2020 1:54 PM  
**To:** Council, City  
**Subject:** Affordable Housing In Palo Alto

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Hello,

I am writing to object to the conversion of the President Hotel from Apartments to hotel rooms. Palo Alto needs more housing, because residents are being priced out all the time. I hope you will affirm that affordable housing is the cities highest priority!

Best,  
Matt Adelman  
College Terrace

## Baumb, Nelly

---

**From:** Jen B <jenbrito11@gmail.com>  
**Sent:** Monday, June 22, 2020 11:24 AM  
**To:** Council, City  
**Subject:** please don't give AJ Capital a waiver

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

Dear Honorable Council Members,

Please do not give-in and give AJ Capital a waiver to develop the President Apartments (The Pres.) We need housing, not more hotels! Downtown has enough hotels already that are not filled to capacity. We don't need uncaring, out-of-town developers bribing our city to get what they want.

AJ Capital representatives have been nothing but unkind and even aggressive toward residents and the many other concerned Palo Alto residents from the beginning... they clearly don't know or care about our community. They only offered a 3,000 dollar moving assistance sum, after you, the Council forced them to. Other local developers offer much more... a current PAUSD teacher (and her neighbors) who resided in Mountain View was given one year and 10,000 dollars up front, with lots of apology, for her relocation. A local developer who lived in the Pres., told me he and his father's development firm did the same when they had to relocate tenants. And yet, AJ chose to fight us all the way.

In October they were literally trying to bribe non-profits into supporting them. Linda Lyon, the Executive Director for Palo Alto Partners in Education (PiE) called me to check in about concerns over AJ Capital's morals. As a former Palo Alto teacher I was concerned about the optics that AJ put PiE's logo on a brochure that they handed out, effectively making it look like they had and were going to donate hundreds of thousands of dollars to local schools and charities, WITHOUT CLARIFYING THAT THE DONATIONS WERE CONTINGENT.

To clarify, AJ kicked Palo Alto Unified students out of their home mid-year, yet let the retail tenants and one man stay... meaning our PAUSD students and their parents and other PAUSD teachers, alumni, and PA community members could still be living in their beloved homes, paying rent.

My question to you is why on earth would you want a company that treats people this way into our community.

Do we really need the money that badly?

What we need is housing. Housing that fits your Comprehensive plan requirements... which the Pres. does!

Thank you for your consideration.

## Baumb, Nelly

---

**From:** herb <herb\_borock@hotmail.com>  
**Sent:** Sunday, June 21, 2020 6:47 PM  
**To:** Council, City; Clerk, City  
**Subject:** June 22, 2020 Council Meeting, Item #33: 488 University Avenue

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Herb Borock  
P. O. Box 632  
Palo Alto, CA 94302

June 21, 2020

Palo Alto City Council  
250 Hamilton Avenue  
Palo Alto, CA 94301

**JUNE 22, 2020 CITY COUNCIL MEETING, AGENDA ITEM #33  
488 UNIVERSITY AVENUE**

Dear City Council:

I urge you to continue this item to a meeting held after your vacation and following a new public hearing notice to permit you to obtain additional information to decide whether or not to grant a waiver as provided for in Palo Alto Municipal Code Section (PAMC) 18.18.120(b)(2)(F).

You should direct the City Attorney to provide a written publicly available opinion regarding all of the claims made by the applicant.

You should also release any confidential advice from the City Attorney on this subject you have received and might receive in the future including, but not limited to, any advice you received at the time you were considering whether to adopt PAMC Section 18.18.120(b)(2)(F). As the City Attorney's client, you have the sole right to release this information.

The staff alternate suggestion to amend PAMC Chapter 21.40 relating to condominium conversions should be rejected.

At the time the applicant purchased 488 University Avenue the applicant had the opportunity to seek the approval of the tenants to convert the property to condominiums but refused to do so. Instead, the applicant evicted the tenants.

The City Council that adopted Chapter 21.40 foresaw that an unscrupulous developer might evict tenants and then try to convert a residential rental property to condominiums, and thus deprive the current tenants of the opportunity to approve the conversion and remain residents as owners rather than renters. That is why Chapter 21.40 is written the way it is.

An applicant claiming that Chapter 21.40 prevents condominium use because the applicant emptied the building by evicting the tenants is like the child who kills his parents and then asks for mercy because he is an orphan.

Thank you for your consideration of these comments.

Sincerely,

Herb Borock

## Baumb, Nelly

---

**From:** Roberta Ahlquist <roberta.ahlquist@sjsu.edu>  
**Sent:** Friday, June 19, 2020 10:41 AM  
**To:** Council, City  
**Subject:** send emails to challenge City Manager Shikada's pov

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Affordable housing is needed! We believe that under the Ellis Act it is illegal to convert a residential building to a business building. What will happen to other residential buildings? Keep the President Hotel as a residence, 70+ units of affordable housing will be lost to another luxury hotel!

email for PA city council: [city.council@cityofpaloalto.org](mailto:city.council@cityofpaloalto.org)

The Council meeting will be broadcast on Cable TV Channel 26, live on YouTube at <https://www.youtube.com/c/cityofpaloalto>, and Midpen Media Center at <https://midpenmedia.org>.

June 22, 2020 - [Sp. City Council Meeting Agenda and Packet](#)

June 22, 2020 - [Sp. City Council Meeting Agenda and Packet with Packet Page Numbers](#)

Added: Item 33, 488 University Avenue - [Staff Memo](#)

## Baumb, Nelly

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**From:** WILPF Peninsula Palo Alto <wilpf.peninsula.paloalto@gmail.com>  
**Sent:** Monday, June 22, 2020 2:35 PM  
**To:** Council, City  
**Subject:** Save the President Hotel - honor the Ellis Act and save affordable housing in Palo Alto

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear PA Council Members:

I am writing about the status of the President Hotel, which has served as an affordable home for 70+ tenants with modest incomes - all of whom were evicted when AJ Capital started its process to turn the building into a luxury hotel. In spite of what City Manager Shikada says, we need to retain these existing apartments in the downtown area, not allow them to be converted to whatever money will buy.

Converting the housing to a hotel leaves more and more people underhoused and with fewer and fewer options. The Council has talked about building more affordable housing - here is your chance to do something by saving 70 affordable housing units. Until more apts are built, allow the President Hotel to continue to serve people with modest means, including those who can walk to work in the downtown area.

Under the Ellis Act, isn't it illegal to convert residential units to a luxury hotel/business? There is another luxury hotel, The Court Yard, right around the corner.

Sincerely, [  
Judy Adams

**Baumb, Nelly**

**From:** Carol Scott <cscott@crossfieldllc.com>  
**Sent:** Friday, June 12, 2020 11:28 AM  
**To:** Neilson Buchanan  
**Cc:** Council, City; Shikada, Ed; Lait, Jonathan; Kamhi, Philip; Dave Price; Jocelyn Dong; Gennady; Norm Beamer; J T Gusilin; planningcommission@cityofpaloalto.org; Allen Akin; Mary Dimit; Marion Odell; Tricia Dolkas; Geetha Sirkantan; Jan Merryweather; Sallyann Rudd; Ted Davids; Vita Gorbunova; Geoff Ball; Chris Selberg; Sally-Ann Rudd  
**Subject:** Re: President Hotel parking questions

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Tricky, aren't they?

The senior care center could sell its parking to restaurants and retailers under the new 'Summer Streets' program, I believe. Just shove everything to the neighborhoods . . . .

Carol Scott  
Sent from my iPad

On Jun 12, 2020, at 11:17 AM, Neilson Buchanan <cnsbuchanan@yahoo.com> wrote:

Dear Council, Ed, Jonathan and Philip

Please note the President Hotel article today on Palo Alto Online

Here is my post today to Palo Alto Online

*Murky Math.....*

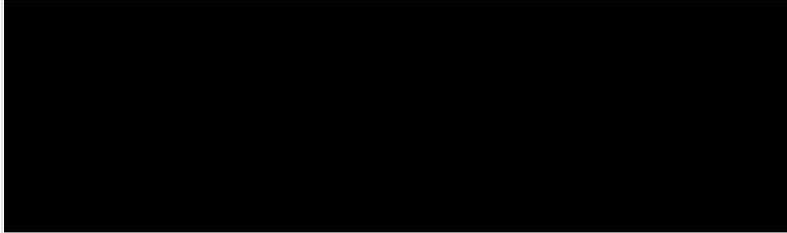
*Here is my challenge to Mayor and City Manager. The developer apparently has cut a deal with a senior care facility at 330 Everett to use their onsite parking. OK? or maybe not OK!*

- 1. Does the senior care facility have excess parking capacity to "sell/lease" to private organizations such AJ Capital and Epiphany Hotel? If so, what are the long-term provisions to assure parking, presumably valet, for guests? A vague promise to lease parking space for unknown terms is not a solution. This is old Palo Alto Council and Staff kicking the can down the road. Possibly bad city policy and administration. When will we ever learn?*
- 2. Where will the hotel employees, executives and guest park? Aren't they ineligible for city garage parking due to archaic, unpublished allocation rules out of public view?*
- 3. Is the valet parking agreement with Epiphany Hotel still valid and in play?*
- 4. The onsite parking at the senior care facility was required by the city and intended for guests and employees. Is the 330 Everett senior care facility "selling off" its required*

*parking capacity to two private hotels and obtaining non-resident permits for employees? This is not a good neighbor situation.*

*5. Palo Alto residents now have a professionally staffed Office of Transportation. Their analysis is vital to understanding impact. Promises from only a Chicago developer and Jonathan Lait would be subpar.*

[Palo Alto prepares to approve conversion of President Hotel](#)



**Palo Alto prepares to approve conversion of President Hotel**

A plan to convert the iconic President Hotel building from residences to a boutique hotel could be approved this...

Neilson Buchanan  
155 Bryant Street  
Palo Alto, CA 94301

Redacted  
Redacted

[cnsbuchanan@yahoo.com](mailto:cnsbuchanan@yahoo.com)

## Baumb, Nelly

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**From:** Neilson Buchanan <cnsbuchanan@yahoo.com>  
**Sent:** Friday, June 12, 2020 11:18 AM  
**To:** Council, City; Shikada, Ed; Lait, Jonathan; Kamhi, Philip  
**Cc:** Dave Price; Jocelyn Dong; Gennady; Norm Beamer; J T Gusilin; planningcommission@cityofpaloalto.org; Allen Akin; Mary Dimit; Marion Odell; Tricia Dolkas; Geetha Sirkantan; Jan Merryweather; Sallyann Rudd; Ted Davids; Vita Gorbunova; Geoff Ball; Chris Selberg; Sally-Ann Rudd  
**Subject:** President Hotel parking questions

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Dear Council, Ed, Jonathan and Philip

Please note the President Hotel article today on Palo Alto Online

Here is my post today to Palo Alto Online

*Murky Math.....*

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- 1. Does the senior care facility have excess parking capacity to "sell/lease" to private organizations such as AJ Capital and Epiphany Hotel? If so, what are the long-term provisions to assure parking, presumably valet, for guests? A vague promise to lease parking space for unknown terms is not a solution. This is old Palo Alto Council and Staff kicking the can down the road. Possibly bad city policy and administration. When will we ever learn?*
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Neilson Buchanan  
155 Bryant Street  
Palo Alto, CA 94301

Redacted  
Redacted  
[cnsbuchanan@yahoo.com](mailto:cnsbuchanan@yahoo.com)

## Baumb, Nelly

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**From:** Arthur Keller <arthur@kellers.org>  
**Sent:** Tuesday, June 16, 2020 11:20 PM  
**To:** Council, City  
**Subject:** Two Agenda items

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Dear Council,

Re President Hotel Apartments

How can this possibly be back on the agenda after it was thoroughly shown to be incompatible with current zoning?  
Maybe a few dollars of impact fees?

Re 3300 El Camino Real

How do you take a piece of land with parking for another project, and create one building with offices just barely offset by a building taller than others, and call it a project?

If you turned down both projects, you would be further ahead in reducing the jobs-housing imbalance.

Best regards,  
Arthur

## Baumb, Nelly

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**From:** Sheri Furman <sheri11@earthlink.net>  
**Sent:** Thursday, June 18, 2020 12:48 PM  
**To:** Council, City  
**Cc:** Gennady Sheyner; Dave Price  
**Subject:** June 22 Agenda Item 2: 3300 El Camino Real Study Session  
**Attachments:** PAN CIP Letter.pdf

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Please see the attached letter from the PAN Executive Committee regarding the 3300 El Camino Real for Pre-screening study session.

Thank you,  
Sheri Furman



## Palo Alto Neighborhoods

Subject – 3300 ECR – Applicant Offers No Real Value to the City

June 18, 2020

Dear Mayor Fine and City Council Members:

On behalf of the PAN Executive Committee, we wish to share with you our collective concerns about the proposed project by Sand Hill Partners at 3300 El Camino Real, which comes before you for a preliminary review next Monday, June 22.

The project asks for:

- 4.5 times the legal FAR
- 1.6 times the legal maximum site coverage
- 1.9 times the legal height limit
- 53,500 sq. ft. commercial space to accommodate 281 jobs (based on 187 sq. ft. per worker) in exchange for adding 187 housing units

Perhaps one might argue that a project with housing equal to new jobs added is better than one without. But the applicant is offering far less than that. For such sweeping benefits to the applicant, doesn't the community deserve more than a lowball offer? If green-lit, imagine this project multiplied across many hundreds of acres of commercial sites when a stampede of similar applications follow suit. We will end up with:

- More traffic congestion - well beyond what we already have
- Lack of parkland for thousands or tens of thousands of new residents
- School impacts for thousands or tens of thousands of new residents
- Strain on the city's already stressed infrastructure
- Massive buildings with narrow setbacks and little or no green space crowded together, changing Palo Alto's landscape and skyline as we've seen in Redwood City and Mountain View
- Being further behind in having housing catch up with jobs

In 2016, the City rejected the densification of 550 Hamilton. That proposal sought a significant increase in the size of lot coverage and density in order to increase office use and add residential condominiums. Arguably, the new housing would have helped offset the new offices, but the proposed 35-50 residences being discussed wasn't even close to parity with the 115 new jobs that would have been created. The council unanimously rejected the application as too dense and too big. If Sand Hill's project is approved, the owners of 550 Hamilton might very well be back demanding the same consideration as Sand Hill, as will other developers.

Other concerns:

1. The project removes the existing parking at 607 Hansen Way without explaining if it is needed for adjacent buildings.

2. Will Stanford agree to count the housing square footage of the project against limit in the Research Park development agreement?
3. As we contemplate adjusting zoning to encourage more housing, let's make sure we zone for what we want. All attention should be on BMR housing. We are meeting our RHNA allocations for market-rate housing.
4. Shouldn't the PHZ be defined before an applicant tries to use it? Instead we seem to be defining the zoning based on what Sand Hill wants. We should focus on maximizing below-market rate housing at the 60% and 80% levels, which is not what commercial applicants are going to offer on their own.
5. Each time the City provides special benefits to a developer, it runs an immense risk that the outcome will not be what the City hoped for.

As just one example, consider the very PC the City already has in place with a holding company set up by Sand Hill Properties, namely Edgewood Plaza. There, Sand Hill Properties not only destroyed a unique historic property that they had pledged to preserve, but they also violated for years a separate requirement to provide an operating grocery store. Their latest legal filings claim that they had never even agreed to provide such a store, despite the City maintaining they did. To add insult to injury, the holding company controlled by Sand Hill is suing the City to avoid paying millions of dollars in penalties owed to the City by Sand Hill for violating the terms of the PC at Edgewood Plaza. Given Sand Hill's particularly catastrophic track record, why consider handing them another PC opportunity, providing extraordinary benefits to them while offering little or no benefit to the community?

In closing, the City may think it's getting housing under the current proposal, but we have no enforcement adequate to the challenges of even our current PCs. The units could become a vast Airbnb site or be taken over as offices, as has occurred elsewhere in town. Sand Hill might manage the housing and allow its own employees to have priority for the below-market rate units. Those employees might even agree to a salary cut, because the housing benefit is worth considerably more and is untaxed. This would thus enrich both Sand Hill and its own employees, while offering nothing to the general population needing affordable housing.

Thank you for considering our recommendation that Council take a very dim view of this application.

Sheri Furman and Rebecca Sanders

Co-Chairs, PAN (Palo Alto Neighborhoods) on behalf of the PAN Executive Committee

## Baumb, Nelly

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**From:** Sheri Furman <sheri11@earthlink.net>  
**Sent:** Wednesday, June 17, 2020 5:38 PM  
**To:** Council, City  
**Cc:** Shikada, Ed; Lait, Jonathan  
**Subject:** June 22 Agenda Item 33: President Hotel  
**Attachments:** PAN President Hotel Letter.pdf

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Please see the attached letter from the PAN Executive Committee regarding the proposed President Hotel conversion.

Thank you,  
Sheri Furman



## Palo AltoNeighborhoods

Subject: President Hotel: Conversion Not Legal / Loss of \$7 Million in Fees

June 17, 2020

Dear City Council Members and Staff:

Despite housing being a top City priority, staff is recommending granting a waiver that would remove 75 units of housing at the President Hotel. The legal arguments claiming we must allow this conversion are incorrect. Worse, the parking solution proposed in the staff report means the City will lose about 7 million dollars of in-lieu fees. This huge loss of revenue during these difficult economic times makes no sense and demands Council attention. We detail below these issues:

- No zoning waiver is required by the Ellis Act
- The proposal violates the 2.0 FAR hotel limit
- Grandfathering does not override the 2.0 FAR hotel limit
- Keene's "by right" remark does not override the 2.0 FAR hotel limit
- We're failing to collect \$7 million in parking fees
- We may end up with an office building

To avoid these major legal and financial errors, we recommend that you gather public comment on June 22 and then refer the waiver and other matters to the Planning Commission for further discussion, including on all matters below. We then also urge you to hold a closed session, possibly availing yourself of an independent legal review of the key issues, before taking any final action.

Thank you,

Sheri Furman and Rebecca Sanders

Co-Chairs, PAN (Palo Alto Neighborhoods) on behalf of the PAN Executive Committee

## **SPECIFIC ISSUES WITH THE PROPOSED WAIVER AND HOTEL APPROVAL**

### **The Ellis Act**

The core argument advanced by the applicant GCPA Owner LLC as to why the City should grant the waiver is on page 6 of the staff report and says:

“under the Ellis Act, a local government may not prohibit an owner from taking its property out of residential rental use, nor may a city impose a “prohibitive price” or unconstitutional condition on a party exiting the residential rental business, or a burdensome constraint on the subsequent use of property after the owner exercises Ellis Act rights.”

What the above does not say is that our City has no obligation whatsoever to relax its rules, by granting a waiver or any other means, just because an owner withdrew its property from residential rental use. In fact, section 7060.1 of the Ellis Act says the exact opposite:

Notwithstanding Section 7060, nothing in this chapter does any of the following:

...

(b) Diminishes or enhances, except as specifically provided in Section 7060.2, any power which currently exists or which may hereafter exist in any public entity to grant or deny any entitlement to the use of real property, including, but not limited to, planning, zoning, and subdivision map approvals.

The two exceptions in the above citation are not relevant here. A simple example suffices to show what the Ellis Act actually governs. Suppose the owner of an apartment building on a residential parcel decides to no longer rent it out. The Ellis Act allows that. It does then not require the city to allow a hotel or any other non- residential use on the site. Were the Ellis Act to do so, chaos would abound. Instead, if the owner has no other use for the site and it becomes worthless, there has been no "taking" because it was the owner's own decision to withdraw from the rental market.

GCPA Owner LLC voluntarily opted to withdraw the President Hotel from the residential market after being told by the City that its hotel project might not be legal. The City has no burden whatsoever to then allow it a new use that's profitable, including that of a hotel, if such a hotel isn't legal.

GCPA Owner LLC's key statement above implies the City has done something wrong, but the City has merely imposed so far the very same set of rules for use on this building that others Downtown had prior to the 2018 purchase. No substantial burden was placed on the owner for exiting the residential retail business – in fact, a possible burden was removed by the option of the very waiver application it is utilizing.

It's is worth mentioning that GCPA Owner LLC could have enjoyed substantial revenue from the building by switching to a condominium model or to employer-owned multi-unit housing. It would have saved millions in parking fees, since the lack of parking for the residences was grandfathered. So even the

specious argument that the City must provide some other profitable use to an owner who opts to stop renting out units was satisfied in this case if no commercial use is allowed.

One irony about how the Ellis Act has been totally misconstrued in this matter deserves special notice. The applicant's own lawyer cites *Reidy v. City & County of San Francisco (2004) 123 Cal.App.4th 580, 587* in arguing why the Ellis Act applies to this case. That appeal court decision actually says the opposite of what the applicant and City are claiming (emphasis added):

Following the 1985 enactment of the Ellis Act, appellate courts uniformly concluded that the Act bars local ordinances that condition a residential landlord's right to go out of business on compliance with requirements that are not found in the Ellis Act. The courts also uniformly concluded that a city retains its traditional police power to regulate the subsequent use of the property after the property's removal from the rental market. Thus, for example, if an ordinance requires a residential landlord to obtain a removal permit before removing a rent-controlled rental unit from the rental housing market by demolition or conversion, and further requires that the landlord must satisfy specified criteria before the removal permit will issue, the ordinance infringes on the landlord's decision to go out of the rental housing business and conflicts with the Ellis Act. However, the city retains the authority to regulate the particulars of the demolition and the redevelopment of the property after it is withdrawn from the rental market. ( *Javidzad v. City of Santa Monica* (1988) 204 Cal.App.3d 524, 529-531 [ 251 Cal.Rptr. 350]; see also *First Presbyterian Church v. City of Berkeley* (1997) 59 Cal.App.4th 1241, 1252-1253 [ 69 Cal.Rptr.2d 710]; *Los Angeles Lincoln Place Investors, Ltd. v. City of Los Angeles* (1997) 54 Cal.App.4th 53, 64 [ 62 Cal.Rptr.2d 600]; *Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072, 1102 [ 271 Cal.Rptr. 44] ( *Bullock*); *City of Santa Monica v. Yarmark* (1988) 203 Cal.App.3d 153, 162-164 [ 249 Cal.Rptr. 732].)

In other words, the Ellis Act is wholly irrelevant and cannot be used to justify granting the waiver.

The staff report does not provide this information at all.

**The 2.0 FAR Limit on Hotels**

The proposed hotel project with the ground floor retail is approximately 5.4 FAR, exceeding the city's limit of Downtown hotels to 2.0 FAR and is thus not legal. The staff report does not discuss this at all. Specifically, it makes no mention of Municipal Codes §18.18.060(a) Table 2 and §18.18.060(d)(2), which both state the limit. The first of those laws says:

	CD-C	Subject to regulations in Section:
Maximum Floor Area Ratio (FAR) for Hotels	2.0:1	18.18.060(d )

and the second says:

(2) Hotels, where they are a permitted use, may develop to a maximum FAR of 2.0:1, subject to the following limitations:

- (A) The hotel use must generate transient occupancy tax (TOT) as provided in Chapter 2.33 of the Palo Alto Municipal Code; and
- (B) No room stays in excess of thirty days are permitted, except where the city council approves longer stays through an enforceable agreement with the applicant to provide for compensating revenues.

The 2.0 limit includes any other commercial activities such as restaurants and barber shops in the building, since those are limited to 1.0 FAR under §18.18.060(a) Table 2.

This 2.0 FAR hotel limit is also specifically mentioned on page 43 of the Comprehensive Plan 2030:

Program L4.6.1: Explore increasing hotel FAR from 2.0 to 3.0 in the University Avenue/Downtown area and 2.5 in areas outside of Downtown.

Other staff reports for hotel projects do cite the relevant hotel FAR limit, as this excerpt from the Zoning Comparison Table (Attachment B) for 3200 El Camino (Parmani Hotel) report to the Council dated April 1, 2019 shows:

Max. Floor Area Ratio (FAR)	2.0:1 for hotels 18.18.060(d)	0:62:1 (16,603 sf)	1.99:1 (53,658 sf)
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However, there is no mention in the President Hotel staff report of the Municipal Code's and Comprehensive Plan's Downtown 2.0 FAR hotel limit nor any mention that the proposal fails to comply with this limit.

### **Grandfathering Does Not Permit Hotel Use in Excess of 2.0 FAR**

In some areas of town, it could be legal for a grandfathered use to change to a different use that also exceeds the FAR limits. But in Downtown, the grandfathered use law §18.18.120(a) explicitly states the opposite. First, it's important to understand that the residential use on the site was legal noncomplying because it exceeded the 1.0 FAR allowed for residential use Downtown but existed back in 1986. As a legal noncomplying use, it was allowed to continue under clauses (1) and (2) of the grandfathered use law. However, that very same law does not allow other noncomplying uses to be established. Rather, subsequent uses must conform with the law, as these clauses indicate:

(3) If a legal noncomplying use deemed existing pursuant to subsection (1) ceases and thereafter remains discontinued for 12 consecutive months, it shall be considered abandoned and may be replaced only by a conforming use.

(4) A use deemed legal noncomplying pursuant to subsection (1) which is changed to or replaced by a conforming use shall not be reestablished, and any portion of a site or any portion of a building, the use of which changes from a legal noncomplying use to a conforming use, shall not thereafter be used except to accommodate a conforming use.

Hotels are a conforming use when they conform to the law. But the law quoted earlier clearly states that hotels only conform if they are no larger than 2.0 FAR. So the proposed 5.4 FAR hotel is not a conforming use.

Based on all the above, the Council need not grant permission for any hotel use at the site larger than 2.0 FAR. Any simple reading of the Municipal Code makes that clear, and the current owner should have had no expectation of being able to develop a hotel larger than 2.0 FAR in the building.

The staff report does not discuss this at all.

## **Past Representations**

GCPA Owner, LLC has asserted it relied on the City's representation that the building could become a hotel "by right." But here's what Former City Manager Jim Keene actually said at the Monday, June 11, 2018 Council Meeting:

“We would point out that hotels though are uses permitted by right in the Downtown so our staff has been encouraging property owner representatives to provide generous relocation packages to tenants.”

"Uses permitted by right" is explained in the Municipal Code at §18.04.030 (a)(143)(D) (underlining added):

“Permitted use” means a use listed by the regulations of any particular district as a permitted use within that district, and permitted therein as a matter of right when conducted in accord with the regulations established by this title.

In other words, Keene's statement that hotels are "uses permitted by right" still requires such hotels to comply with the regulations in the Municipal Code. It would have been extraordinary for him to have meant that hotels can operate Downtown without being in accordance with the law. As shown above, the proposed hotel use violates the well-established Downtown 2.0 FAR legal limit on hotels. That limit is explicitly cited in the very regulation permitting hotels Downtown. Hence, Keene never said that a hotel in excess of 2.0 FAR was legal or was what he meant as "by right."

The staff report does not discuss this at all.

## **\$7 Million Lost in In-Lieu Parking Fees**

The proposal would pay the City for 76 in-lieu parking spaces, whereas we believe the City can collect in-lieu fees for up to 63 additional spaces. That would raise an additional \$7.1 million in revenue for the City, based on the expected August increase in in-lieu fees.

The undercounting of 63 spaces stems from several issues:

### 1) Uncounted Hotel Floor Area

The staff report understates the parking needed by not counting all parts of the building being converted to hotel. Specifically, the table on page 2 of the Zoning Comparison Table (Attachment B) says that only 38,225 sq. ft. more of the building needs to be parked, which it calculates based on the five floors that had apartments. This ignores new hotel space on other floors, such as the former residential lobby, basement storage areas, and rooftop accessory areas, which also require parking as they are converting from residential to commercial use.

It's easy to estimate the uncounted space by adding up how much of the building is being counted for parking and comparing that to the total building's floor area. Here's that calculation:

Amount of New Hotel Floor Area Proposed to be Parked	38,225 sq. ft.	From page 2 of the Zoning Comparison Table
Existing Retail Floor Area Already Having Parking  For decades, the building has paid into the assessment district for 39 spaces for this retail space	9,750 sq. ft.  (estimate based on 250 sq. ft. per assessed space)	The 39 parking spaces are referenced in a June 5, 2018 letter from Amy French and also appear in assessment district financial records
Total Floor Area Being Parked	47,975 sq. ft.	The sum of the above
Total Floor Area Requiring Parking	50,540 sq. ft.	From page 1 of the Zoning Comparison Table and Page 6 (A004) of the latest project plans
Floor Area Requiring Parking But Not Providing Any	2,565 sq. ft.	

The unparked 2,565 sq. ft. requires 10 additional parking spaces. Charging the applicant for them would earn the City over a million dollars in extra in-lieu fees.

### 2) No Requirement for a 25% Reduction

The proposal also reduces the parking requirements for the new hotel part of the building by 25%, which represents another 38 parking spaces, losing the city over \$4 million in in-lieu fees. The reduction is explained on page 8 of the staff report as follows:

California Health and Safety Code Section 18962 requires that local jurisdictions provide a 25 percent reduction in parking requirements for conversion of a designated historical resource to any non-residential use.

Actually, that state law does not require such a reduction. Rather, it says (emphasis added):

(a) For a development project in which a designated historical resource is being converted or adapted, a local agency shall provide the following reductions in required parking, unless otherwise required by a local historical preservation or adaptive reuse ordinance:

In other words, the City can freely adopt such an ordinance requiring full parking of historic buildings being converted to a non-residential use. In fact, our current Downtown Assessment District parking law at §18.18.090 already sets out rules for the parking of historic buildings. Specifically, §18.18.090(b)(2) grants a parking exemption for certain conversions of Category 1 and 2 historic buildings from residential to commercial use, but only if the building is 50 feet or less in height. Additionally, §18.18.090(d)(1) enables a designated historic structure to qualify for in-lieu parking. Both of these regulations relate to the President Hotel building and so the City can readily argue that a local parking ordinance indeed exists that takes into account the historical preservation of the President Hotel building and requires full parking.

If these existing regulations are deemed somehow not to meet the exemption allowed by the state law, the Council could restate the regulations in a separate ordinance to make them clearer. Doing so would end a 25% parking reduction never intended by our code for such situations.

### 3) Using a PC for Commercial Parking

The proposal further exempts 25 more parking spaces by saying they will be in the underground garage at 330 Everett. That building houses the Lytton Gardens Senior Community. Its garage is already partly in use as valet parking for the Epiphany Hotel. It is vital to note that the site is a PC (Planned Community) and its garage was never intended to serve as a parking facility for commercial hotels blocks away. PCs are supposed to provide benefits to the public. Specifically, §18.38.060(b) states that:

Development of the site under the provisions of the PC planned community district will result in public benefits not otherwise attainable by application of the regulations of general districts or combining districts.

The parking of 25 President Hotel guest and employee cars under 330 Everett is not a "public benefit." And it clearly could be attained by other means, such as requiring the hotel to buy land and build parking. Even the payment of in-lieu fees for the 25 spaces provides more benefit to the public than waiving that requirement, since it would produce close to \$3 million in funds for City-owned parking.

Furthermore, when the 330 Everett PC was prepared, it based its traffic impacts on a low number of trips from the occupants of the senior living facility. The approval did not examine nor even contemplate that the garage might instead have hotel cars going in and out.

In short, allowing the 330 Everett parking exemption is inconsistent with the existing PC, city goals, and the traffic considerations used for the PC.

#### 4) Inconsistency in Building Size

Please note that the staff report says the building has 50,540 sq. ft. of floor area while the June 5, 2018 Amy French letter stated that the building is 60,971 sq. ft. in size, citing city records. That's a difference of some 10,431 sq. ft.. The latest plans show only 6,359 sq. of non-floor area in the building (mainly the basement parking area), leaving over 4,000 sq. ft. of unexplained space. If that space exists and needs to be parked, the additional in-lieu fees total almost another \$2 million, so this should be thoroughly investigated.

The staff report contains no discussion of any of the above four issues nor of the resulting loss of millions of dollars in in-lieu funds for the City.

#### **No Prohibition on Office**

The City may hope to earn hotel tax on the proposed 100 new rooms, but the applicant, upon receiving a waiver, could then announce that hotels no longer "pencil out" and instead put in offices. Given other new hotel projects in Palo Alto and projections for decreased travel well into the future because of the pandemic, such a change would surprise no one. If the City intends to ignore the 2.0 FAR limit on hotels, why would it then be able to enforce any limit on office sizes?

The staff report does not discuss this at all nor what steps the City could take to prevent it.

## Baumb, Nelly

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**From:** Neilson Buchanan <cnsbuchanan@yahoo.com>  
**Sent:** Thursday, June 18, 2020 1:49 PM  
**To:** Council, City  
**Cc:** Shikada, Ed; Lait, Jonathan; Kamhi, Philip; Nose, Kiely; Hur, Mark; Baird, Nathan; Jocelyn Dong; Norm Beamer; J T Gusilin; Dave Price; Gennady; Wolfgang Dueregger; Chris Robell; Mary Gallagher; Taylor Brady; Karen Machado; Paul Machado; Michael Hodos; Ray Dempsey; Allen Akin; Malcolm Roy Beasley; Wolfgang Dueregger; Sallyann Rudd; Suzanne Keehn; Joe HIRSCH  
**Subject:** Ramifications of President Hotel Recommendations Council Meeting June 22  
**Attachments:** June 18 2020 Citizens President Hotel Letter to Palo Alto City Council sent 6.17.20.pdf; 121116 Kicking The Can Editorial PA Weekly 001.pdf; 140815 Overdue Parking Initiative Editorial PA Weekly Aug 15 20.pdf; Traffic and Parking Ad Paid by Residents Mar 6 2017.pdf

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Please accept the attached comments from Palo Alto citizens who have had brief opportunity to read and understand City Council Staff Report ID # 11421

It would be very helpful to have explanation of in lieu parking calculation in advance of the Council meeting. Planning department miscalculation of parking requirements and under-estimation of in lieu fees would have major negative impact during upcoming 13-month budget crisis discussed last night by Staff and Council

And it is essential to understand how Epiphany Hotel, President Hotel and Webster House will share the current on-site parking at 330 Everett.

There is a major policy issue of transference. Under what circumstances can a private property owner repurpose its parking obligation by leasing out onsite parking spaces and force employee and customer vehicles into city parking facilities and/or residential neighborhoods.

Neilson Buchanan  
155 Bryant Street  
Palo Alto, CA 94301

Redacted  
Redacted cell  
[cnsbuchanan@yahoo.com](mailto:cnsbuchanan@yahoo.com)



Nov 16  
2012

## Editorial

# Kicking the can down the road

*Council approves more studies on downtown parking problems, leaving residents waiting for relief, again*

Once again, residents of downtown neighborhoods have been told to be patient about the impacts of employee parking spilling onto their streets. That's been the city's consistent refrain for years as neighborhoods have been increasingly inundated with employees working in bustling downtown offices who opt against purchasing parking permits for city lots and garages.

On Tuesday, the City Council complicated and delayed the day of reckoning by combining efforts to address the current parking problems with an evaluation of overall future development downtown and an assessment of future parking needs as more development occurs.

To city residents, it's just more of the same. The study plans adopted by the Council will likely delay any further action on residential parking issues for at least a year, probably longer.

To be sure, the dynamics of downtown parking are complicated and affected by many different variables. And some good work is being done to improve the utilization of existing city garages.

But relief for downtown residents can't wait for the financing and construction of hypothetical future parking garages years from now.

After a long discussion Tuesday, the council voted 8-1 to assess the potential parking needs for new downtown development and to look again at utilization of parking-garage space and whether construction of another garage is warranted.

While these studies will shed some light on what the city can do to provide adequate parking downtown in anticipation of more development, there is nothing in either one to provide direct relief for the neighborhoods. The only minor help came when the council narrowly approved short-term measures creating some loading zones and issuing permits for the few Professorville residents whose homes do not have any off-street parking.

As they have before, council members acknowledged that solving the long-standing parking shortage will be a challenge. Mayor Yiaway Yeh said the action is "the start of what I know is a significant undertaking."

But perhaps a more telling assessment is the varying points of view offered by business and neighborhood representatives, who have been working over the last two years with city planners to find a solution. Russ Cohen, executive director of the Downtown Business and Professional Association, expressed support for the parking study and the city's effort to solve the parking problem.

Richard Brand, who lives on Addison Avenue in Professorville, was decidedly less enthusiastic. The council should focus on parking shortages in the neighborhood, he said, rather than relating the problems in Professorville with the downtown as a whole.

Member Karen Holman picked up the neighborhood torch, calling downtown parking a "systemic problem" that needs a solution soon, adding that the city should act soon to create a residential permit-parking program in the downtown neighborhoods. She cast the lone no-vote on the plan, which she said was due to her dissatisfaction that the plans did not have a specific timeline.

Council member Greg Schmid said the staff should do more work to accurately assess the scope of the downtown parking problem. Schmid called parking a "critical" issue that will require staff resources be spent on finding out whether the city has a "systemic deficit" in parking.

The council and staff's reluctance to implement a residential parking-permit system is in part based on the fear that it will leave employees with insufficient places to park, and then deprive shoppers of easily accessible short-term parking in city lots as employees move around their cars.

Those are important concerns, but until there is 100 percent utilization of all permit-only parking spaces in city lots and garages, the city is not managing its parking program to maximum efficiency.

That's why the highest priority, as Schmid suggested, should be to focus on defining just how big a parking shortage we have. Without that knowledge, the city has no idea how many spaces it will take to meet downtown demand, present or future, and also entice downtown workers away from parking in neighborhoods.

Some overdue improvements in the permit system are coming soon in response to direction given by council in July. Just a year ago studies showed that 1,200 of the city's 3,000-plus downtown parking spaces were vacant much of the time due to an unwieldy and poorly managed permit system and to an unwillingness of employees to buy permits when they can park free in the neighborhoods. An online management system is about to be implemented that will enable the city to release permits weekly, rather than on the old quarterly schedule that increased wait times. It should improve utilization of available parking space and make it easier for employees to acquire permits.

But the patience of downtown residents is understandably running out, and the council should be including the development of a residential permit-parking system in the staff's work plan. Otherwise, a year from now we could be no closer to actually solving this problem, in spite of a large pile of consultants' reports.

## Weekly

## Editorial

## A long overdue downtown parking initiative

*Technology will play key role in easing downtown parking mess*

**W**hat a difference a week can make. After Monday's ill-advised 5-4 decision to spend \$180,000 to conduct studies of a poorly conceived plan to shuttle workers from parking places east of Bayshore Freeway to downtown Palo Alto, the city council will have a chance for redemption.

At next Monday's meeting, the council will consider a proposal for implementing state-of-the-art technology tools that have the potential of revolutionizing the way parking is managed and paid for downtown.

The recommendations, based on a study recently completed for the city by a national parking and transportation consulting firm called SP+, include the use of electronic parking sensors that monitor how many spaces are available and where, dynamic signage and smartphone apps that convey that information to drivers, online permit processing, the ability to quickly pay for parking via smartphones, and several innovative and technology-based options for enforcement.

After years of tired and repetitive debate over the inefficiency and underutilization of downtown garages and staff resistance to change and innovation, these proposals catapult the discussion to a level worthy of a city whose residents are such intense consumers (and developers) of technology.

We hope the City Council endorses this direction with all the enthusiasm they withheld last week when Mayor Nancy Shepherd and council members Greg Scharff, Gail Price, Marc Berman and Liz Kniss voted to move the "satellite" parking concept forward.

With the parking technology recommendations being released just two days after that vote, one has to question why the mayor and city manager didn't make sure the council either dealt with both proposals together or at least knew of the latest proposal while debating the first.

Had that happened, we believe at least one of the five supporting the satellite parking concept would have felt safe joining council members Pat Burt, Larry Klein, Greg Schmid and Karen Holman in rejecting it. Councilman Klein raised that exact point, and we hope he makes a motion Monday for the council to reconsider its earlier action.

Part of the unspoken problem is that the council and staff are feeling immense pressure to respond to public frustration over the parking problems after years of inaction. The staff is responding to this pressure by serving up multiple strategies and options, which adds more pressure on the council to act merely for the sake of appearances rather than in response to sound ideas.

The frustration of both staff and council members was obvious Monday night. Staff was bringing back a plan that the council had earlier asked them to pursue, yet only one council member, Price, expressed any real enthusiasm for it. The four others who supported moving forward with the satellite parking concept were quick to point out their support was only for learning more information, not for the plan itself.

Good decisions aren't made under pressure, and ideally not piecemeal. In the long run, the community is better off taking a bit more time to tackle this problem in a well-thought-out, integrated way. It is great that the council and staff are responding to public demands for action on parking, but it is essential that our goal not be to simply create a list of disconnected "accomplishments" of dubious value.

Next Monday night's discussion on technology's role in helping to fix our parking problems is another opportunity for the council to weigh the trade-offs of quick action versus a more integrated solution.

The consultant recommends moving forward with both a parking guidance system (keeping track of and helping people find available parking spots) and a "revenue and access control" system (the process of controlling access to parking spots based on whether a driver or car has been issued a permit or paid a fee, and tied to how long the car is parked.)

By having a single vendor undertake the implementation of these two systems at one time, there is full integration and accountability, compared to phasing the project and potentially using two different vendors.

The consultant recommends a complete overhaul of the current system. It urges abandonment of the color zones, which do little more than legitimize employees moving their cars from one zone to another during the day, incentive and variable pricing to obtain full utilization of parking spots, the elimination of burdensome permitting rules and extensive use of online tools.

It's a good and overdue plan, and we hope the council repeals last week's action and supports the full scope of the consultant and staff's innovative recommendations.

Neilson S. Buchanan  
155 Bryant Street  
Palo Alto, CA 94301  
June 18, 2020

Dear City Council and Mr. Shikada,

On behalf of citizens listed below, please accept our concerns about the quality and transparency of the City Staff Report ID #11421 scheduled for Council approval on June 22.

### **Preface**

The report fails to meet Council standards for **transparency**. The report is rushed at a time citizens have scant time to respond. Fiscal implication of lieu fees may be erroneous. Parking impact is unaddressed. There is no process to reconcile facts after Council approval.

Adjacent neighborhoods are major **stakeholders** in the parking proposal from AJ Capital. Absolutely no outreach has been attempted to meet with residents who are expert in parking capacity of the University Avenue commercial core and four adjacent neighborhoods.

Palo Alto's **comprehensive plan** clearly states our shared value of *promoting commerce but not at the expense of residential neighborhoods*.

On November 16, 2012 Palo Alto Weekly recognized resident leaders for their multi-year effort to reduce commercial parking in prime neighborhoods adjacent to University Avenue commercial core. The attached editorial "**Kicking the can down the road**" was published 2,755 days ago. Surely institutional memory within city hall is not that shallow.

## Unaddressed Issues

#1 The staff reports does not give adequate attention to parking available at Webster House facility at 330 Everett. The following questions should be answered prior to any decision by city council.

- A. It is our understanding that the Epiphany Hotel is obligated (in perpetuity?) to provide substantial valet parking for hotel and restaurant guests at 330 Everett. What happened to this protection for the commercial core and residential neighborhoods? Has the hotel made other arrangements at another location? If alternative parking is available at a new location, where is it? And what is the impact on that site?
- B. How much unused parking space exists at 330 Everett? How many non-resident parking permits have been issued to Webster House employees or contractors at 330 Everett during the past 2 years before Covid? If every commercial property has unlimited privilege to sell its obligated on-site parking to free market, then there is no limit to commercial parking demand to park in residential neighborhoods. The current RPPs are the only regulators for reckless city administration and developer/landlord manipulation. There is no evidence of any analysis by the professional staff in the Office of Transportation.
- C. It is our understanding that 330 Everett was a Planned Community Project. What are the expectations from that development? Public benefit of some sort may have been expected. Is leasing of all or most parking spaces to private businesses consistent with the intent of Webster House and covenants of its Planned Community agreement?
- D. The concept of paying in lieu fees is the greatest example of professional level kicking the can. The developer and eventual landlord are being granted parking entitlements on city land in perpetuity. The estimated cost of \$100,000+ is chump change compared to the true capital and maintenance costs of a new 2020 parking space. Palo Alto has competent financial staff. Where is the City CFO's opinion when every city department head and council are scrambling to save city services and capital improvement plans?
- E. Another citizen(or group) of citizens will be pointing out that the proposed in lieu fees may be incorrect. Several million dollars of in lieu fees may be underestimated. This possible shortfall to city treasury could not happen at the worst times.
- F. Where are the contractual terms for President Hotel to provide permanent parking at 330 Everett? Is the parking agreement term equal to the useful life of the new hotel? What are incentives (or penalties) to AJ Capital or future owners if parking covenants are violated?
- G. There is great pressure to reduce 100-200 parking spaces in the University Avenue commercial core. Substantial permanent reduction is quite probable in

our opinion. A high-level transportation(parking) contingency plan from the Office of Transportation is missing.

#2 Based on past history, we have low confidence that staff or council would retrospectively address these questions if Council approval is given June 22, 2020. City staff seemingly with Mayor Fine's oversight is driving dozens of issues and hundreds of millions of dollars in four madcap city council meeting June 15, 16, 22 and 23. For the record there are 2 labor negotiations, 31 consent issues, 2 major budget meetings, 2 study sessions and 12 "regular" agenda items in the next 9 days....from today June 14 to June 23. All meetings convened during a crisis when staff and council are exhausted and operating with less than prime energy.

#5 There is no rational reason or logic to provide the President Hotel developers such free rein. This Council and past Councils have allowed developers and property owners to reign over existing commercial property owners and residential neighborhoods. Who is winner in the land rush for scarce, long-term parking capacity? The economy will recover. The Council is in fool's paradise if it cannot see the future or remember the midday parking crunch during the workweek a few months ago. Neighborhoods are not the safety valve when city staff and council fail to manage commercial parking in both commercial cores.

#6 Are the city manager, mayor and Council taking advantage of our real Covid and fiscal emergency conditions? We are not in a position to answer. We will forcefully ask the question in public forum because the balance between commerce and residential neighborhoods is not addressed. We understand how operating and capital budgets are urgent and fall under the Covid emergency conditions. However, the President Hotel hardly qualifies as urgent.

City manager recommendation to Council fails all six issues above. On behalf of residential neighborhoods in the ten Downtown RPP zones, residents throughout Palo Alto and the downtown merchants we ask the Council to defer action on the President Hotel. We respect the need to act on urgent and emergent issues but Council action on June 22 is an premature rush for judgment on the President Hotel. What is causing this rush?

Please accept our comments as a reflection of other citizen's concerns. Due to the time and emotional pressure felt by various stakeholders we have not tried to coordinate a "mass signed" letter today. We are prepared to post these concerns in local newspapers. See attachment of positions posted in newspapers March 2017.

## **Action Request**

We ask you to pull the President Hotel agenda item and reschedule when Council has a full understanding to make an informed decision. Transparency is at risk. Stakeholders have been bypassed. This staff report seem like a bull rushing into a china shop. The china shop is downtown neighborhoods and the parking needs of other downtown businesses.

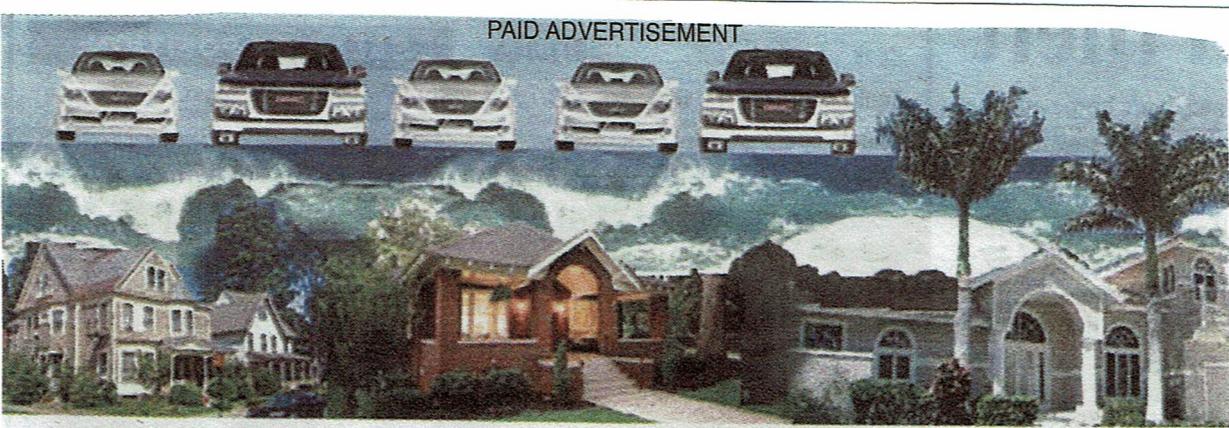
Respectfully,

Neilson Buchanan on behalf of  
Allen Akin  
Malcolm Beasley  
Wolfgang Dueregger  
Mary Gallagher  
Michael Hodos  
Suzanne Keehn  
Paul Machado  
Chris Robell  
Carol Scott

cc:  
Planning Commission  
Palo Alto Daily Post  
Palo Alto Online  
City Attorney  
City Clerk

### References:

November 12, 2012	Palo Alto Weekly Editorial "Kicking the can..."
August 15, 2014	Palo Alto Weekly Editorial "Overdue Parking Initiative"
March 2017	Sample of newspaper advertisements paid by residents



## Traffic Tsunami Endangers Neighborhoods

The imbalance of jobs, housing and infrastructure in Palo Alto is well documented. The Downtown Residential Preferential Parking (RPP) program attempts to address one part of this imbalance - commercial parking intrusion into residential neighborhoods.

Neighborhood leaders have invested over a decade working on this parking problem. Here are key points that we believe every resident in Palo Alto should know.

### 1. Residential neighborhoods should not be commercial parking lots.

- The current Comprehensive Plan states, "The Plan...encourages commercial enterprise, but not at the expense of the City's residential neighborhoods."
- The current RPP program covers a residential area 4 times the size of the downtown business district.
- RPP extends into residential streets far from the University commercial district. This is unreasonable and may violate State Vehicle Codes.
- The parking problem is the result of increased construction of commercial office property in the downtown core with insufficient on-site parking or city parking garage capacity.
- The problem is intensified by the increased densification of offices in existing properties. The 250 sq. ft. office space per employee ratio from the 1970's is obsolete.

### 2. Solutions must be based on accurate data and analysis of parking demand.

- Demand for non-resident parking permits on neighborhood streets is now well documented. In the 2016-17 RPP trial, 1,335 non-resident permits were sold, establishing verifiable demand. Yet the Staff recommendation to City Council calls for a limit of 1,800 non-resident permits for 2017-18, a 35% increase.
- An oversupply of parking permits encourages more cars driving to downtown, where our roads are already severely congested at peak travel hours, and it works against the City's stated goal of reducing single-occupancy-vehicle (SOV) trips by 30% by 2030.
- Further, this oversupply is a capitulation to ongoing traffic nightmares like the "Carmageddon" in December 2016.

### 3. Residents support reasonable prioritization for certain non-resident parking uses that serve Palo Altons and improve our Quality of Life.

- Residents support priority for:
  - Addison School Teachers
  - Channing House
  - Long-serving neighborhood personal service businesses (dentists, therapists, etc.)
  - Low-wage retail workers
- Large enterprises of national and global scope and businesses participating in the Parking Assessment District should not be eligible for non-resident parking permits.

**MONDAY, March 6, 2017**



It is time for large enterprises and the Chamber of Commerce to cooperate and start funding solutions for employee parking.

In addition, City Council should schedule a Study Session as soon as possible regarding the "thousands of unjustified phantom parking space rights" created by the Parking Assessment District.

## Baumb, Nelly

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**From:** Roberta Ahlquist <roberta.ahlquist@sjsu.edu>  
**Sent:** Wednesday, June 17, 2020 5:04 PM  
**To:** Council, City  
**Subject:** Transparency necessary re President Hotel  
**Attachments:** President Hotel; protest AJ-MANAGER2020 6-17-20.docx

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We need to keep this building as residential HOUSING! Read the Ellis Act.

Sincerely,  
Roberta Ahlquist

**WE NEED TRANSPARENCY! Don't Believe PA City Manager or AJ Capital's Hype: Service sector PA workers need housing. Don't let the PA Manager Eliminate a Huge Amount of Affordable Downtown Housing ~ Under the Ellis Act it may be illegal**

*Chicago based AJ Capitol heartlessly forced dozens of Palo Altans living at the President Hotel from their homes. AJ now wants us to support its conversion of those 75 homes to 100 luxury hotel rooms.*

*We don't need any more hotel rooms in downtown Palo Alto!*

*There are 457 new hotel rooms in the planning process for Palo Alto.*

*We need to preserve the affordable housing we have, not gain another hotel.*

- There are only a few downtown residential buildings that come close to having 75 units of housing. Losing these units for a luxury hotel is a huge blow to Palo Alto's housing supply.
- AJ and PA City manager want to ignore [City](#) laws that prevent oversized hotels, and downtown residential conversion to other uses. It apparently thought conversion back to a hotel would be straightforward – it is [NOT](#). [The](#) Ellis Act may make it illegal.

AJ Capital seems to have a huge parking shortfall and seeks to avoid paying the likely \$10 to \$17 million in City fees required by downtown parking laws.

It may appear that AJ is now contributing money to local non-profits. But footnotes in its materials indicate all donations are first conditioned on City approval for its hotel conversion. It's a shameless *quid pro quo*, and non-profits may never see a cent.

AJ's plan for seismic upgrade and historic restoration of the building is good, and good PR, but it doesn't mention the many millions of dollars in Transferable Development Rights it will earn in return. Is this about \$\$ over affordable housing?

Affordable housing units built today cost at least \$600,000 each, so it costs at least \$45 million to replace the President Hotel's 75 housing units. AJ saying it will *maybe* donate \$1 million to an affordable housing provider is chicken feed compared to the replacement cost.

### **What Should Happen ?**

#### **Stop approving this request until there is transparency re. the Ellis Act:**

- The City must affirm preserving housing is its highest priority, not a hotel
- The City must hold AJ accountable to our laws
- The City has no duty to and must not grant any exceptions to facilitate AJ
- The City has no duty to be concerned about AJs money-making ambitions
- \* [AJ](#) should pivot and refurbish the housing at the President Hotel. It's now building residential housing in Oregon and should do so here.

**The ELLIS ACT PREVENTS THIS CONVERSION! SPEAK OUT AGAINST THIS.**

| [ROBERTA AHLQUIST WEBSTER ST, PALO ALTO](#)

## Baumb, Nelly

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**From:** Mary Jane Parrine <parrine@stanford.edu>  
**Sent:** Monday, June 22, 2020 1:20 PM  
**To:** Council, City  
**Subject:** The President Hotel

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To: Palo Alto Council Members  
Fr: Mary Jane Parrine

As I express my concern about the status of the President Hotel, I think of the many years in which it has served as an affordable home for 70+ tenants with modest incomes. Through my 35 years at Stanford University I knew it was there. I knew people living there, some of them working in Chaplaincy at Stanford Hospital. Despite the comments of City Manager Shikada, we need to retain these existing apartments in the downtown area, not allow them to be converted to serve the high-end market. Doing this will leave more and more people underhoused and with fewer and fewer options. As a part of your admirable intentions to build more affordable housing, please consider this opportunity to save 70 affordable units. Until more housing can be built, we hope you agree to let the President Hotel continue to serve people with modest means, many of whom work in the downtown area. Doing otherwise is not in line with the Ellis Act's goal to avoid converting residential units to a luxury hotel/businesses

Thank you for your attention,

Mary Jane Parrine, [parrine@stanford.edu](mailto:parrine@stanford.edu)

## Baumb, Nelly

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**From:** Steve Raney <steve@paloaltotma.org>  
**Sent:** Monday, June 22, 2020 1:11 PM  
**To:** Council, City  
**Cc:** Alex Stanford; Richard Hackmann  
**Subject:** June 22, item #33, President Hotel - TDM Program

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

Dear City Council,

Council has mandated that Hotel Parmani and the new Marriotts join the TMA. For approvals going forward, The City may enact more join-the-TMA mandates, ensuring that new buildings pay for themselves without City-provided TDM subsidy.

At the request of the President Hotel (PH) developers in July of 2019, the TMA developed a minimum-of-\$39,400-per-year TDM program for the site. Our proposal is based on the 2017 City Council discretionary approval for two Marriott Hotels:

- [June](#)
- [2017, Council approval of 744 and 750 San Antonio Road hotels](#)
- 
- 
- The approval requires the City's Planning Director to approve a TDM plan with a list of required elements (pages 20-21 of the PDF).
- 
- 
- The TDM plan requires: Membership in TMA. 100% subsidized Caltrain/VTA passes for employees. Cash incentives for carpool & bike for employees. Provide commuter bikes to staff. Guaranteed Ride Home. No use of public funds for employee TDM. Etc.
- 

A calculation of the minimum annual payment is provided below:

Calculations based on CY 2018 Annual Report: <a href="http://bit.ly/PATMA2018report">http://bit.ly/PATMA2018report</a>		
<b>Transit passes</b>		
President Hotel: # rooms	100	
transit passes (13% per room from Sheraton)	13	
Cost per year of 1 transit pass	\$1,800	
	total	\$23,400
<b>Scoop/Waze, Lyft</b>		
Waze Carpool pct of transit pass pgm	55%	\$12,870

Lyft pct of transit pass program	5%	\$1,170
<b>TDM program fees</b>		
Annual charge for program implementation, GRH, billing, bookkeeping, metrics, TDM compliance reporting		\$2,000
<b>Annual minimum payment</b>		<b>\$39,440</b>

From date of occupancy, PATMA will bill President Hotel (PH) for a minimum of \$39,440 per year, payable in two equal installments in the first and seventh months of occupancy. Half-year billing every six months will continue thereafter.

Transit passes:

- 
- Transit passes were calculated
- from the TMA's low-income transit pass program for workers making less than \$70,000 per year. The TMA will administer monthly transit passes for PH staff. PH will be billed a la carte for monthly usage beyond 13 passes. It is required that PH assist their
- staff with limited English skills in accurately filling the TMA's online transit pass application.
- 

Subsidized Waze Carpool and Scoop ridesharing (no income limit) and Lyft

- 
- The TMA will select one
- or more ridesharing apps for PH to work with. It is required that PH assist staff in registering for apps using PH work email addresses. This will allow the TMA to report back trips taken and monthly subsidy cost.
- 
- 
- For Lyft, it is required
- that PH assist staff in registering to use Lyft using a PH work email address. The Lyft program is provided for after-hours commuting for low-income workers. The TMA will also provide Lyft service to PH staff making more than \$70,000 per year, billed a la
- carte.
- 

Bike program

- 
- The TMA will administer
- an ebike and scooter loan-to-own program. PH will pay a la carte.
- 

Guaranteed Ride Home

- 
- The TMA will provide Guaranteed
- Ride Home service via Lyft
-

## TDM Marketing and Education

- 
- PH will refer new hires
- to the TMA for low-car commute on-boarding.
- 
- 
- PH will invite the TMA to
- brief staff one or more times per year. During the briefing, the TMA will encourage staff to help solve commuting issues and improve commute options.
- 
- 
- PH will participate in twice
- per year TMA Advisory Panel meetings to contribute ideas and feedback to help improve commutes while reducing cars.
- 

## TDM Compliance Reporting

- 
- For the City, the TMA will
- produce a “PH TDM activity/compliance” report each year detailing program trips and costs. This report will also be included in the TMA’s annual report.
- 
- 
- TMA and PH will conduct
- a brief annual commute mode survey of PH staff. It is required that PH ensure 75% or greater survey response rate.
- 
- 
- Should project approval
- require driveway counts., PATMA will pass thru costs of third party driveway counts and will use the services of a firm such as W-Trans.
- 

## Billing

- 
- Besides the two annual minimum
- payments, the TMA will bill PH once per month for a la carte services, payable net 15.
- 
- 
- TMA will charge PH an annual
- administration fee of \$2,000 for program implementation, GRH, billing/bookkeeping/metrics, and report generation.
- 

Thanks for your consideration,



Steve Raney  
Palo Alto TMA, Mgmt by Altrans TMA Inc  
355 Alma Street, Palo Alto, CA 94301  
P: Redacted , [www.paloaltotma.org](http://www.paloaltotma.org)

## Baumb, Nelly

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**From:** Frank Flynn <frankflynn@me.com>  
**Sent:** Monday, June 22, 2020 1:06 PM  
**To:** Council, City  
**Subject:** President hotel - please Save Affordable Housing

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

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Good afternoon council members,  
I am writing to urge you not to grant a waiver to turn the president hotel into a luxury hotel.

We have passed laws that are good and we desperately need this housing.

If you grant this whatever you are sending a strong and clear message to any developer all you need to do is threaten a lawsuit and you will get what you want and that our laws and our zoning mean nothing.

The Supreme Court was divided but is on the side of the city you can restrict the use of this property and even claim it under eminent domain. You should not feel the pressure to capitulate here you should stand for your principles and the principles of the city you represent. We do not need another luxury hotel we need housing.

Thank you

Frank Flynn.  
471 Matadero Ave

## Baumb, Nelly

---

**From:** kir@sustainablehome.com  
**Sent:** Monday, June 22, 2020 12:01 PM  
**To:** Council, City  
**Subject:** The President Hotel.

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Honorable City Council,

I am writing to vehemently oppose the approval of a Waiver to allow the AJ Capital to change use of the President Hotel from residential to commercial.

I am a life long Palo Alto Resident, and have always put my energy into making this city better for all of it's citizens. I would think as council members that this would also be your over arching goal.

When I first read about this potential waiver I had two thoughts. One, that my leaders could not make a decision on what was best for the citizens, and then stick by that decision in the face of pressure from economic interests. The second is that it is a waste of my time to continue to volunteer on the NVCAP working group. That I should quit.

Even if the NVCAP struggles and compromises and designs an Area Plan that meets the needs of all the stakeholders, Council will overrule the zoning and allow what benefits investors rather than citizens. We are struggling to create housing, especially affordable housing, on this site, to help the city satisfy the RHNA goals, and the council is contemplating granting a waiver to remove 75 units of affordable housing in transit friendly downtown.

This waiver would benefit no-one but the investor. The investor chose to take a risk on this property, that was not the responsibility of the city council.

The investor chose to evict the tenants, leaving the investor without income on the property, this also was not the responsibility of the city council.

The city council is there to do what is best for the city, not what is best for the investor. You are our voice in this matter.

Are we in a Housing Crisis in the State of California? The data seems to indicate the answer is yes. The Council's states that the highest council priority is housing. We are trusting you to make your actions match your stated goal. Show leadership, and show that you are worthy of that trust.

**KIRSTEN FLYNN**  
Interior Design  
Redacted

## Baumb, Nelly

---

**From:** paul bundy <bundypa@aol.com>  
**Sent:** Monday, June 22, 2020 11:06 AM  
**To:** Council, City  
**Subject:** The Presiden Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Members of the Council,

I don't pretend to know what all the issues are in keeping the President Hotel as a somewhat modest residential building, but given the current pandemic, economic fallout and people's housing needs I urge you to support people's real needs and hold off on any decisions that would change its status as a semi-modest residential hotel. Be well!

Paul Bundy  
143 Park Avenue  
Palo Alto, CA 94306-1108

## Baumb, Nelly

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**From:** Christian Pease <cgpease2016@gmail.com>  
**Sent:** Monday, June 22, 2020 10:57 AM  
**To:** Council, City  
**Cc:** City Mgr; City Attorney  
**Subject:** The President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear City Council Members,

I write you regarding the President Hotel.

Last Thursday, a representative for AJ Capital contacted me. He urged me to write you in support of their plans because of the positive impact it will have “on maintaining one of Palo Alto’s most historic assets.”

Fair enough, so it goes:

I believe AJ Capital’s plan to restore and modernize the President Hotel is superb. It is comprehensive, sensitive to this largely intact historic structure, and will once again make this landmark building a downtown gem.

It will be especially nice for those of us affluent enough to enjoy it.

That said, it is too bad that AJ Capital’s success required the elimination of 74 units of truly affordable housing, and that most, if not all of the long-term residents of our fair city who called the President Hotel home, will probably never be able to live in Palo Alto again.

It is also too bad that from the moment our former City Manager James Keen uttered the words “By right,” the entire process resulting in the eviction of so many neighbors was both fetid and appalling.

This was not Palo Alto’s finest moment for any of us. And all of us should feel at least some shame in it and admit at least some responsibility for letting it happen.

And now, particularly so should you: members of the current Council, along the current City Manager Shikada, and together with City Attorney Stump.

It is time to own-up, to take stock in what happened – especially among those who righteously declare themselves true champions of housing in a housing crisis, and so easily vilify as selfish anyone who challenges their approach to planning and development in Palo Alto.

Because on the question of the President Hotel and plight of its tenants you were mostly silent, or retreated into “so sorry but my hands are tied” rationalizations, at least when and if you found the need to explain yourselves at all.

But that was then and this is now.

And what really matters in this moment of ramrodding through major decisions and policy changes under cover of global pandemic distractions – is that you reject the non-compliant, unnecessary, and yes, unjust rewards that Mr. Shikada and his planning team propose you now bestow on AJ Capital.

As it now stands, the City’s staff analysis and recommendations in this regard is a concoction of loopholes, liberally sugared with millions of dollars of giveaways.

From zoning exceptions to in lieu fee avoidance, going along with Mr. Shikada and his planners – especially at a time when Palo Alto is experiencing extreme financial distress – would be nothing short of an irreconcilable travesty and ethical insult.

AJ Capital should be required to pay full-fare when it comes to strict zoning compliance and impact fees – no excuses.

And if you make sure they do pay what is actually required of them, then we should all wish AJ Capital the best of luck and look forward to the magnificent work it intends to do on this important and historic structure, as well as all the benefits that may come of it.

While none of this will help those who forever lost their affordable homes in ever more walkable and vibrant downtown Palo Alto, at least our community won’t be a patsy, on top of being complicit in what has occurred.

And lastly, please also consider taking a least portion of any fees associated with the President Hotel that AJ Capital pays to the City of Palo Alto and then paying out that portion to its former tenants to further compensate them for what we have done.

Thank you for your consideration in this important matter.

Sincerely,

Christian Pease  
Evergreen Park

## Baumb, Nelly

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**From:** Diane Boxill <dianeboxill@gmail.com>  
**Sent:** Monday, June 22, 2020 12:03 AM  
**To:** Council, City  
**Subject:** Conversion of the President

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Palo Alto City Council,

Our global collective culture is in the midst of multiple existential crises. In the midst of these turbulent times, this sudden push to get the City Council to reverse its position regarding the transition of the President from housing to hotel, gives the appearance of forcing the matter and taking advantage of a moment when Palo Altans may be distracted by other events. I am writing to request that you stand for our community and uphold Palo Alto ordinances that make the conversion of the President unlawful.

Respectfully,

Diane Boxill

## Baumb, Nelly

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**From:** Lily Lee <lee\_lilyning@yahoo.com>  
**Sent:** Sunday, June 21, 2020 11:21 PM  
**To:** Council, City  
**Subject:** Item 33 on City Council agenda for 6/22 meeting - Keep homes at the President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Mayor and Members of the City Council:

I have lived in Palo Alto since 1997, and I am raising my children here. Thank you for your service to lead our City. This is a wonderful community in many ways.

To keep from losing one positive aspect of this community, I am writing to urge you to protect the status of the President Hotel at 488 University Avenue, which has served as an affordable home for 70+ tenants with modest incomes for many years. It is essential that the City Council protect these existing apartments in the downtown area and not allow them to be converted to a commercial hotel use.

To support a sustainably diverse community, Palo Alto must address its jobs-housing imbalance or meet its Housing Element goals and objectives. Especially given the George Floyd tragedy and many others, we should work constructively toward justice and diversity. I want our children to grow up in a community where we work hard to create opportunities for multi-income residents to live here. Given the huge disparities in our community and the surrounding area, and the lack of much needed housing, losing this housing would be going in the wrong direction and a big blow against justice.

In February the City Council adopted three priorities for 2020: Housing, Mobility, and Sustainability. To support these priorities, the City Council should pursue its priority for affordable housing and deny a waiver to eliminate over 70 homes.

Thank you for considering this perspective.

Sincerely,

Lily Lee  
4080 Wilkie Way  
Palo Alto, CA 94306  
Redacted

## Baumb, Nelly

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**From:** Jim Colton <james.colton10@gmail.com>  
**Sent:** Sunday, June 21, 2020 5:05 PM  
**To:** Council, City  
**Subject:** President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Council Member,

We dearly need low-income housing in Palo Alto for fire and police personnel, teachers and service personnel of all kinds. The President Hotel is currently one of the biggest opportunities to provide such housing. Please do what you can to make the President Hotel low income housing.

Thanks,

Jim Colton

## Baumb, Nelly

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**From:** Donna Davies <dnndavies@gmail.com>  
**Sent:** Friday, June 19, 2020 9:51 PM  
**To:** Council, City  
**Subject:** Re: President Hotel

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

---

Hello Council Members,

I believe it is the priority of the members of the council to provide an increasing number of affordable housing units for the people who live and work in the city. It may still be within your power to deny the conversion of the 75 units of current affordable housing at the President Hotel to luxury hotel rooms. Please hold AJ Capitol accountable to the laws. Do not grant exceptions in their favor.

Sincerely,  
Donna Davies

## Baumb, Nelly

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**From:** Judith Wasserman <jwarqiteq@gmail.com>  
**Sent:** Friday, June 19, 2020 7:10 PM  
**To:** Council, City  
**Subject:** The President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear City Council -

Please retain this building as the low-income housing it has been for many, many years. It is of far more value to the nature and quality of life in the city as an apartment building than it would be as a ritzy hotel. We need the housing far more than we need another hotel.

And that is without mentioning that it is contrary to our own zoning as well as the Ellis Act.

Please do the right thing and stick to your guns! You were right the first time: the President Hotel should be kept for housing.

Thank you,  
Judith Wasserman AIA

Bressack & Wasserman Architects  
751 Southampton Drive  
Palo Alto CA 94303  
ph: Redacted  
fx: Redacted  
[www.bressackandwasserman.com](http://www.bressackandwasserman.com)

## Baumb, Nelly

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**From:** Angela Dellaporta <asdellaporta@gmail.com>  
**Sent:** Friday, June 19, 2020 7:57 AM  
**To:** Council, City; citycouncil@cityofpaloalto.org  
**Subject:** President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Dear Council Members,

Palo Alto needs housing far more than it needs another hotel.

While the city council may legally be allowed to provide the waiver requested by the owners of the President Hotel — a waiver that would remove 75 units of housing — doing so would directly contradict the council's clearly stated priority to provide housing.

Of course there is a temptation to allow waivers that would bring more revenue into the city. That temptation is one obvious reason for the housing shortage we have now. That temptation is the reason the council had to name "Housing" as one of its three priorities of 2020 — priorities that stand as a reminder of the direction the council must take, no matter the temptation to do otherwise.

There is absolutely no legal reason compelling the city to provide the requested waiver; the owner made decisions that may not have been to its own advantage, but the city has no responsibility to repair that decision. Instead, per the state appeals court, the city has the right and responsibility to regulate uses as it sees fit, even in this situation.

We state clear goals so that we can avoid the urge to succumb to temptation, and do the right thing.

Please follow your stated intentions, and do not allow the waiver that would remove housing from Palo Alto.

Angela Dellaporta

## Baumb, Nelly

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**From:** Jen B <jenbrito11@gmail.com>  
**Sent:** Monday, June 22, 2020 11:24 AM  
**To:** Council, City  
**Subject:** please don't give AJ Capital a waiver

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Dear Honorable Council Members,

Please do not give-in and give AJ Capital a waiver to develop the President Apartments (The Pres.) We need housing, not more hotels! Downtown has enough hotels already that are not filled to capacity. We don't need uncaring, out-of-town developers bribing our city to get what they want.

AJ Capital representatives have been nothing but unkind and even aggressive toward residents and the many other concerned Palo Alto residents from the beginning... they clearly don't know or care about our community. They only offered a 3,000 dollar moving assistance sum, after you, the Council forced them to. Other local developers offer much more... a current PAUSD teacher (and her neighbors) who resided in Mountain View was given one year and 10,000 dollars up front, with lots of apology, for her relocation. A local developer who lived in the Pres., told me he and his father's development firm did the same when they had to relocate tenants. And yet, AJ chose to fight us all the way.

In October they were literally trying to bribe non-profits into supporting them. Linda Lyon, the Executive Director for Palo Alto Partners in Education (PiE) called me to check in about concerns over AJ Capital's morals. As a former Palo Alto teacher I was concerned about the optics that AJ put PiE's logo on a brochure that they handed out, effectively making it look like they had and were going to donate hundreds of thousands of dollars to local schools and charities, WITHOUT CLARIFYING THAT THE DONATIONS WERE CONTINGENT.

To clarify, AJ kicked Palo Alto Unified students out of their home mid-year, yet let the retail tenants and one man stay... meaning our PAUSD students and their parents and other PAUSD teachers, alumni, and PA community members could still be living in their beloved homes, paying rent.

My question to you is why on earth would you want a company that treats people this way into our community.

Do we really need the money that badly?

What we need is housing. Housing that fits your Comprehensive plan requirements... which the Pres. does!

Thank you for your consideration.

## Baumb, Nelly

---

**From:** Carol Lamont <carol@lamont.com>  
**Sent:** Friday, June 19, 2020 3:39 PM  
**To:** Council, City  
**Subject:** City Council Action 6/22/20: AGENDA ITEM 33 - 488 UNIVERSITY AVE: REQUEST TO CONVERT RESIDENTIAL

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Palo Alto City Council Members:

I am writing to urge you to protect the status of the President Hotel at 488 University Avenue, which has served as an affordable home for 70+ tenants with modest incomes for many years. It is essential that the City Council protect these existing apartments in the downtown area and not allow them to be converted to a commercial hotel use.

I am extremely disappointed that Palo Alto has not addressed its jobs-housing imbalance or met its Housing Element goals and objectives for many years. Given the huge disparities in our community and the surrounding area, and the lack of much needed housing, it would be more than negligence if the City Council approved a waiver to allow these residential units to be converted to hotel space; it would be unjust and unfair.

In February the City Council adopted three priorities for 2020: Housing, Mobility, and Sustainability. How could the City Council now ignore its priority for affordable housing and approve a waiver to eliminate over 70 homes? Please, do your job.

Sincerely,  
Carol Lamont  
618 Kingsley Avenue  
Palo Alto, CA 94301

## Baumb, Nelly

---

**From:** Susan Powers <susapow@yahoo.com>  
**Sent:** Friday, June 19, 2020 3:07 PM  
**To:** Council, City  
**Subject:** Failing to protect housing

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Hello,

This may be the last letter I write to you. Then again it might be the first in a series of a hundred. I haven't decided. What is clear to me is that you don't care about me or anyone like me. It might help you to know that I am a former resident of the President Hotel Apartments. That might help you to locate me in your world of not caring. You probably know where I'm going with this. Tedious I know. Feeling sleepy? Well, just kick back and focus your gaze so that it appears that you're listening. Listen or don't listen, for people like me, it's all the same in the end.

You have the legal means to preserve the 75+ apartments in the President Hotel building but you'll let it slide. Because, why not? You must be exhausted by the badgering lawyers sent by AJ Capital. They want their boutique hotel. They'll renovate beautifully, preserve and restore that lovely landmark. And, no getting around it, the building needs it. It's pretty shabby. I know, I lived there and never complained. No one did. In a city with no protection for renters, it was a rare relatively affordable place. The building will be restored to its full glory but not for people who need a home. There's no money in that.

I'm nobody but I'll tell you something about myself anyway. I work in a hospital in Palo Alto and things are very slow right now because we have shut down all nonessential service in order to prepare for a catastrophic surge of COVID-19 patients. Things are so slow that we jokingly call it the country club. In normal times we are chronically short staffed because no one can afford to live here so right now we're all enjoying the respite from the standard chaos.

When things begin to ramp up again, there's a good chance I'll be gone. If COVID-19 surges in Palo Alto and you desperately need all hands on deck, I'll be gone because you have taught me the futility of caring.

Because you cater to the moneymakers and the political players and the back room deals, and you care nothing for the people who support your way of life, I've given up on what was once my lovely community.

You may have noticed that the plaza in front of your council chambers has been packed with angry people who are no longer asking for your support. They know it's a waste of time. They're just there to let you know they don't care about you and your garbage anymore. They're done asking. They know you are not there for them. They know you'd rather be over at the boutique hotel sipping a cocktail on the rooftop than actually defending their basic rights. You are not to be trusted. Handing over the housing that should be protected by you for them is just one more example of your duplicity and cowardice. No one needs to ask which side you are on.

But no hard feelings. Really. Good luck to you and your families. Good luck finding an adequately staffed hospital, a teacher who isn't exhausted, a barista who doesn't want to spit in your drink, a waiter who isn't mocking you in the kitchen.

It's your world.

Most sincerely,

Susan Powers

[Sent from Yahoo Mail for iPad](#)

## Baumb, Nelly

---

**From:** Richard Hackmann <rhackmann@lh-pa.com>  
**Sent:** Friday, June 19, 2020 12:41 PM  
**To:** Council, City  
**Subject:** Hotel President - Letter of Support from Dennis Backlund  
**Attachments:** 488 University Ave (Hotel President) - Dennis Backlund Letter to City Council 06.18.20.pdf

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Please see the attached letter of support from Dennis Backlund for the Hotel President project.

Regards,

Richard

June 18, 2020

Honorable Mr. Mayor, Mr. Vice-Mayor, and members of the City Council, I am commenting on the proposal by AJ Capital, owners of the President Hotel, to convert the long-time residential building to its original use as a traditional hotel.

The local press has stated that the Palo Alto City Manager Ed Shikada is advising the City Council to approve the hotel conversion proposal for legal reasons. In this letter I would like to present two benefits the hotel conversion proposal would have for the City.

The first benefit is that the proposal would completely replace the President's deteriorating infrastructure in a manner compliant with federal historic rehabilitation standards. Previous owners

did not undertake comprehensive rehabilitation because the building was always fully occupied and also extensive rehabilitation did not seem feasible in light of the owners' goal of keeping rental rates at affordable levels.

I lived in a medium-sized apartment for 37 years. When I moved in during March 1982 my rent was \$ 375.00 a month, and when I moved out in March 2019 the rent had risen over the years to \$ 1500.00 a month, still very affordable in downtown Palo Alto.

The second benefit of the hotel conversion proposal is that it would generate revenue for the City through the hotel occupancy tax. This revenue would assist the City in addressing

the unprecedented economic downturn caused by numerous business shutdowns required by the county during the coronavirus pandemic.

I appreciate the opportunity to comment, and I look forward to Council's deliberations on the future of the President Hotel.

Respectfully submitted,  
Dennis Backlund

Dennis Backlund  
649 University Ave. Apt. H256  
Palo Alto, CA 94301-2064

Redacted

## Baumb, Nelly

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**From:** Grant Dasher <grant.dasher@gmail.com>  
**Sent:** Sunday, June 21, 2020 8:52 PM  
**To:** Council, City  
**Subject:** Reflecting on the Hotel President  
**Attachments:** President Hotel Letter.pdf

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Mayor Fine and City Council--

Please find attached a letter from the Board of Palo Alto Forward reflecting on the Hotel President and the way forward for our community. Thank you again for your service in these difficult times.

Sincerely,  
Grant Dasher  
Secretary, Palo Alto Forward

# PALO ALTO FORWARD

June 21, 2020

To: Palo Alto City Council

Re: Reflections on the Hotel President

Dear Mayor Fine and City Council Members—

Palo Alto Forward takes no position on the action requested of the city today regarding the Hotel President. However, we'd like to take this moment to reflect on what has happened here. The Hotel President is a beloved building in downtown Palo Alto that contributed a significant number of preciously rare walkable and naturally affordable housing units to our community. The building blends naturally into the surrounding street and is broadly considered a charming feature of the neighborhood. Yet it could never be built today as it is non-comforming with a wide range of the City's present zoning ordinances. Indeed, these factors may have contributed to the situation we are in today. While we mourn the loss of these homes and the neighbors that they housed, we need to internalize the underlying conditions that made it so rare.

Regardless of the future of this property, we think this is an opportunity to re-evaluate the base zoning standards that prevent the construction of new Hotel Presidents above the ground floor retail of University Ave. Thus far, all of our action has been modest, incremental, and nowhere near sufficient to meet the housing goals laid out in our Comprehensive Plan or the expected targets for our upcoming Housing Element. There is no reason, other than our own policy choices, that we cannot foster the birth of another Hotel President Apartments that will delight the next generation of Palo Altans just as its predecessor delighted us.

Sincerely,

The Palo Alto Forward Board of Directors

## Baumb, Nelly

---

**From:** Richard Hackmann <rhackmann@lh-pa.com>  
**Sent:** Monday, June 22, 2020 12:17 PM  
**To:** Council, City  
**Subject:** Hotel President - Letter of Support from President Barber Shop  
**Attachments:** 488 University Ave (Hotel President) - Richard Reyes of President Barber Shop Letter to City Council 06.19.20.pdf

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Please see the attached letter of support from the President Barber Shop for the Hotel President project.

Regards,

Richard

June 19, 2020

To Whom it may concern;

My name is Richard Reyes and I'm a co-owner of the President Barber Shop, along with my partner Erhan Vural. The shop is located at 490 University Ave, Palo Alto, CA. Being part of the President Hotel, we feel that A.J. Capital is doing the community a great service by bringing in an ageing historical building and land mark such as the Hotel President from disrepair and neglect.

My family has been at this location since 1960. Since then, that building has changed ownership a half dozen times and nobody has really done anything to upgrade the building. The plumbing and electrical are original from the 1930's, and there's no air condition and it's very hot during summer time.

A.J. Capital plans to renovate the building.... Fixing a lot of the problems and bringing up to standards. Not to mention the jobs they will be bringing to the community.

So, the President Barber Shop supports A. J. Capital on what they're going to do here. And we are looking forward to working with them in the future.

Very respectfully,

RICHARD REYES

## Baumb, Nelly

---

**From:** Susan Powers <susapow@yahoo.com>  
**Sent:** Friday, June 19, 2020 3:07 PM  
**To:** Council, City  
**Subject:** Failing to protect housing

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Hello,

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Because you cater to the moneymakers and the political players and the back room deals, and you care nothing for the people who support your way of life, I've given up on what was once my lovely community.

You may have noticed that the plaza in front of your council chambers has been packed with angry people who are no longer asking for your support. They know it's a waste of time. They're just there to let you know they don't care about you and your garbage anymore. They're done asking. They know you are not there for them. They know you'd rather be over at the boutique hotel sipping a cocktail on the rooftop than actually defending their basic rights. You are not to be trusted. Handing over the housing that should be protected by you for them is just one more example of your duplicity and cowardice. No one needs to ask which side you are on.

But no hard feelings. Really. Good luck to you and your families. Good luck finding an adequately staffed hospital, a teacher who isn't exhausted, a barista who doesn't want to spit in your drink, a waiter who isn't mocking you in the kitchen.

It's your world.

Most sincerely,

Susan Powers

[Sent from Yahoo Mail for iPad](#)

## Baumb, Nelly

---

**From:** Carol Lamont <carol@lamont.com>  
**Sent:** Friday, June 19, 2020 3:39 PM  
**To:** Council, City  
**Subject:** City Council Action 6/22/20: AGENDA ITEM 33 - 488 UNIVERSITY AVE: REQUEST TO CONVERT RESIDENTIAL

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Dear Palo Alto City Council Members:

I am writing to urge you to protect the status of the President Hotel at 488 University Avenue, which has served as an affordable home for 70+ tenants with modest incomes for many years. It is essential that the City Council protect these existing apartments in the downtown area and not allow them to be converted to a commercial hotel use.

I am extremely disappointed that Palo Alto has not addressed its jobs-housing imbalance or met its Housing Element goals and objectives for many years. Given the huge disparities in our community and the surrounding area, and the lack of much needed housing, it would be more than negligence if the City Council approved a waiver to allow these residential units to be converted to hotel space; it would be unjust and unfair.

In February the City Council adopted three priorities for 2020: Housing, Mobility, and Sustainability. How could the City Council now ignore its priority for affordable housing and approve a waiver to eliminate over 70 homes? Please, do your job.

Sincerely,  
Carol Lamont  
618 Kingsley Avenue  
Palo Alto, CA 94301

## Baumb, Nelly

---

**From:** Matt Adelman <mattadelman@yahoo.com>  
**Sent:** Sunday, June 21, 2020 1:54 PM  
**To:** Council, City  
**Subject:** Affordable Housing In Palo Alto

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

---

Hello,

I am writing to object to the conversion of the President Hotel from Apartments to hotel rooms. Palo Alto needs more housing, because residents are being priced out all the time. I hope you will affirm that affordable housing is the cities highest priority!

Best,  
Matt Adelman  
College Terrace

## Baumb, Nelly

---

**From:** Jen B <jenbrito11@gmail.com>  
**Sent:** Monday, June 22, 2020 11:24 AM  
**To:** Council, City  
**Subject:** please don't give AJ Capital a waiver

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

Dear Honorable Council Members,

Please do not give-in and give AJ Capital a waiver to develop the President Apartments (The Pres.) We need housing, not more hotels! Downtown has enough hotels already that are not filled to capacity. We don't need uncaring, out-of-town developers bribing our city to get what they want.

AJ Capital representatives have been nothing but unkind and even aggressive toward residents and the many other concerned Palo Alto residents from the beginning... they clearly don't know or care about our community. They only offered a 3,000 dollar moving assistance sum, after you, the Council forced them to. Other local developers offer much more... a current PAUSD teacher (and her neighbors) who resided in Mountain View was given one year and 10,000 dollars up front, with lots of apology, for her relocation. A local developer who lived in the Pres., told me he and his father's development firm did the same when they had to relocate tenants. And yet, AJ chose to fight us all the way.

In October they were literally trying to bribe non-profits into supporting them. Linda Lyon, the Executive Director for Palo Alto Partners in Education (PiE) called me to check in about concerns over AJ Capital's morals. As a former Palo Alto teacher I was concerned about the optics that AJ put PiE's logo on a brochure that they handed out, effectively making it look like they had and were going to donate hundreds of thousands of dollars to local schools and charities, WITHOUT CLARIFYING THAT THE DONATIONS WERE CONTINGENT.

To clarify, AJ kicked Palo Alto Unified students out of their home mid-year, yet let the retail tenants and one man stay... meaning our PAUSD students and their parents and other PAUSD teachers, alumni, and PA community members could still be living in their beloved homes, paying rent.

My question to you is why on earth would you want a company that treats people this way into our community.

Do we really need the money that badly?

What we need is housing. Housing that fits your Comprehensive plan requirements... which the Pres. does!

Thank you for your consideration.

## Baumb, Nelly

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**From:** herb <herb\_borock@hotmail.com>  
**Sent:** Sunday, June 21, 2020 6:47 PM  
**To:** Council, City; Clerk, City  
**Subject:** June 22, 2020 Council Meeting, Item #33: 488 University Avenue

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Herb Borock  
P. O. Box 632  
Palo Alto, CA 94302

June 21, 2020

Palo Alto City Council  
250 Hamilton Avenue  
Palo Alto, CA 94301

**JUNE 22, 2020 CITY COUNCIL MEETING, AGENDA ITEM #33  
488 UNIVERSITY AVENUE**

Dear City Council:

I urge you to continue this item to a meeting held after your vacation and following a new public hearing notice to permit you to obtain additional information to decide whether or not to grant a waiver as provided for in Palo Alto Municipal Code Section (PAMC) 18.18.120(b)(2)(F).

You should direct the City Attorney to provide a written publicly available opinion regarding all of the claims made by the applicant.

You should also release any confidential advice from the City Attorney on this subject you have received and might receive in the future including, but not limited to, any advice you received at the time you were considering whether to adopt PAMC Section 18.18.120(b)(2)(F). As the City Attorney's client, you have the sole right to release this information.

The staff alternate suggestion to amend PAMC Chapter 21.40 relating to condominium conversions should be rejected.

At the time the applicant purchased 488 University Avenue the applicant had the opportunity to seek the approval of the tenants to convert the property to condominiums but refused to do so. Instead, the applicant evicted the tenants.

The City Council that adopted Chapter 21.40 foresaw that an unscrupulous developer might evict tenants and then try to convert a residential rental property to condominiums, and thus deprive the current tenants of the opportunity to approve the conversion and remain residents as owners rather than renters. That is why Chapter 21.40 is written the way it is.

An applicant claiming that Chapter 21.40 prevents condominium use because the applicant emptied the building by evicting the tenants is like the child who kills his parents and then asks for mercy because he is an orphan.

Thank you for your consideration of these comments.

Sincerely,

Herb Borock

## Baumb, Nelly

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**From:** Roberta Ahlquist <roberta.ahlquist@sjsu.edu>  
**Sent:** Friday, June 19, 2020 10:41 AM  
**To:** Council, City  
**Subject:** send emails to challenge City Manager Shikada's pov

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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Affordable housing is needed! We believe that under the Ellis Act it is illegal to convert a residential building to a business building. What will happen to other residential buildings? Keep the President Hotel as a residence, 70+ units of affordable housing will be lost to another luxury hotel!

email for PA city council: [city.council@cityofpaloalto.org](mailto:city.council@cityofpaloalto.org)

The Council meeting will be broadcast on Cable TV Channel 26, live on YouTube at <https://www.youtube.com/c/cityofpaloalto>, and Midpen Media Center at <https://midpenmedia.org>.

June 22, 2020 - [Sp. City Council Meeting Agenda and Packet](#)

June 22, 2020 - [Sp. City Council Meeting Agenda and Packet with Packet Page Numbers](#)

Added: Item 33, 488 University Avenue - [Staff Memo](#)

## Baumb, Nelly

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**From:** WILPF Peninsula Palo Alto <wilpf.peninsula.paloalto@gmail.com>  
**Sent:** Monday, June 22, 2020 2:35 PM  
**To:** Council, City  
**Subject:** Save the President Hotel - honor the Ellis Act and save affordable housing in Palo Alto

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Dear PA Council Members:

I am writing about the status of the President Hotel, which has served as an affordable home for 70+ tenants with modest incomes - all of whom were evicted when AJ Capital started its process to turn the building into a luxury hotel. In spite of what City Manager Shikada says, we need to retain these existing apartments in the downtown area, not allow them to be converted to whatever money will buy.

Converting the housing to a hotel leaves more and more people underhoused and with fewer and fewer options. The Council has talked about building more affordable housing - here is your chance to do something by saving 70 affordable housing units. Until more apts are built, allow the President Hotel to continue to serve people with modest means, including those who can walk to work in the downtown area.

Under the Ellis Act, isn't it illegal to convert residential units to a luxury hotel/business? There is another luxury hotel, The Court Yard, right around the corner.

Sincerely, [  
Judy Adams

## Baumb, Nelly

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**From:** Katie CHRISTMAN <ktchrist@pacbell.net>  
**Sent:** Tuesday, June 23, 2020 9:29 AM  
**To:** Council, City  
**Subject:** Allowing the removal of housing downtown

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Please do not allow another developer to break our rules and remove needed housing downtown.

The Presidential Hotel has been there for a very long time. Shame on the council and city planners for even considering this waiver.

What are we as a city going to 'get' by allowing this? Not what we need... more housing downtown. Removing these units from the pool is counterproductive and sends completely the wrong message to developers. I've had friends that live in those units in years past and they are part of a healthy city...

Allowing this change sends up huge red flags, reeks of favoritism, and makes one wonder what other rules you will violate for 'a consideration'.

Sincerely,  
Katharin Christman  
Fourth Generation Palo Alto Resident

## Baumb, Nelly

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**From:** Gloria Burd <burdlady@gmail.com>  
**Sent:** Monday, June 22, 2020 10:15 PM  
**To:** city.council@cityofpaloalto.gov; Council, City  
**Subject:** The President Hotel

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To Palo Alto City Council Members:

I am writing about the status of the President Hotel, which has served as an affordable home for at least 70 tenants with modest incomes. In spite of what City Manager Shikada says, we need to retain these existing apartments in the downtown area, and not allow them to be converted to whatever money will buy. This gentrification pattern leaves more and more people homeless or underhoused and with fewer and fewer options. You have 'talked the talk' about building more affordable housing. Here is a chance to save 70 affordable units. Until more apartments are built, please allow the President Hotel to continue to serve people with modest means, many of whom work in the downtown area. I understand that under the Ellis Act, it is illegal to convert residential units to luxury hotels and businesses. Wouldn't you like to be known as the city that stands up for the "little guy", rather than the city that panders to the "big shots"?

Sincerely,

Gloria Burd  
Sunnyvale, CA

"All the flowers of all the tomorrows are in the seeds of today; now is the time for peace."  
--Women Strike for Peace

**Baumb, Nelly**

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**From:** chuck jagoda <chuckjagoda1@gmail.com>  
**Sent:** Tuesday, June 23, 2020 12:21 PM  
**To:** Council, City  
**Cc:** WILPF Peninsula Palo Alto  
**Subject:** Save the President Hotel

**CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.**

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To Members of the Palo Alto City Council:

I am writing about the status of the President Hotel, which has served as an affordable home for 70+ tenants with modest incomes for many years.

In spite of what City Manager Shikada says, we need to retain these existing apartments in the downtown area, not allow them to be converted to whatever money will buy. This pattern leaves more and more people underhoused and with fewer and fewer options.

You have 'talked the talk' about building more affordable housing. Here is a chance to save 70 affordable units.

Until more apts are built, allow the President Hotel to continue to serve people with modest means, many of whom work in the downtown area.

Under the Ellis Act, it is **not legal** to convert residential units to a luxury hotel/business.

Why are you even thinking about breaking the law to further eliminate downtown affordable living?

Sincerely,

Chuck Jagoda  
Housing/Homelessness Advocate