Call to Order / Roll Call

6:04pm
Chair Lauing and Commissioner Riggs absent
Acting-Chair Monk-Acting Chair

Acting-Chair Monk: Good evening everyone. It is about 6:01 on Wednesday, April 25th. I’d like to order tonight meeting and ask the clerk to take roll call, please.

Ms. Yolanda Cervantes: Commissioner Alcheck, Commissioner Gardias, Chair Lauing, Acting-Chair Monk, Commissioner Riggs, Commissioner Summa and Commissioner Waldfogel. Five present two absent.

Acting-Chair Monk: Thank you for that.

Oral Communications
The public may speak to any item not on the agenda. Three (3) minutes per speaker.1,2

Acting-Chair Monk: Our first order of business is to hear from the public on any items that are not on the agenda. I don’t have any speaker cards in front of me. Is there anyone here that wants to speak to anything in general?

Agenda Changes, Additions, and Deletions
The Chair or Commission majority may modify the agenda order to improve meeting management.

City Official Reports
1. Assistant Directors Report, Meeting Schedule and Assignments
2. Transmittal of the 2017 Annual Housing Element Report Prepared for City Council Review and Submitted to the State Housing and Community Development (HCD) Department

Acting-Chair Monk: Ok moving onto the City official reports. Jonathan if you could proceed with that thanks.

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Mr. Jonathan Lait, Assistant Director of Planning: Thank you Acting-Chair Monk. We have two items one is the transmittal that we have included in the packet which is the Annual Housing Element report that we prepare to the City Council every year. It’s being transmitted to the Planning Commission for your review and consideration. If there’s interest in having a conversation about this we can agendize a future discussion at a subsequent meeting.

I also wanted to note that on April 30th next Monday the City Council will be having a discussion on the North Ventura Coordinated Area Plan Working Group selection. There’s been a number of applications. How many were there like 21 or so applications filed and so they’ll make a selection as to who will be a part of that Working Group Committee. I’ll also just note it’s on your agenda at the end here Item Number Seven. Perhaps this isn’t something that we necessarily need to have a conversation about as Chair Lauing has appointed Doria [note: Commissioner Summa] and Doria [note: Commissioner Summa] has accepted Commissioner Summa to participate on behalf of the Commission on that Working Group.

And then lastly on Monday, the Council will take up the Annual Office Limit Ordinance and again as I think we discussed last time I don’t know that the Planning Commission’s representation is necessary. That conversation I think was a pretty clear recommendation from Council... from this Commission. So, with that actually, I’d like to turn it over to Director Gitelman.

Ms. Hillary Gitelman, Director of Planning: Thank you, Jonathan. Thank you, Commissioners. I just wanted to come this evening and bid my farewell. You probably heard that I’m leaving the City effective mid-May and it’s been a pleasure working with all of you. I wanted to make sure to thank all of you for your service. I realize that I’m leaving at an important time when you have some weighty issues on your agenda this summer and I wish you all the best with that. I think all of us who are in the planning and land use and transportation fields these days understand the need to reexamine how we approach housing and development issues. To try and do what we can to improve the affordability and availability of housing in our region. So, I hope you enjoy working on those issues this summer as much as I have enjoyed working with them... working with you on them. And I may not stay for your entire meeting tonight but I’m leaving you in very good hands. Jonathan will be leading the department after my departure and he has complimentary Staffing consultants that are here to support your work going forward so thanks again.

Acting-Chair Monk: Well we’ll be sad to see you go and we on behalf of the Commission we’d like to wish you the best of luck on your future endeavors. And thank you for coming tonight and speaking to us in person on that. So, looking at Item One are there any changes to the upcoming meeting dates? Apologizes, Commissioner Gardias.

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Commissioner Gardias: Thank you very much. So, Director Gitelman I also would like to thank you on behalf of myself. It has been an unparalleled pleasure working with you and we’re going to really miss you. And have there been any chance of just passing some motion just to have you stay for another couple of years? I would have proposed that but it may not... exactly. But yes, thank you very much for everything you’ve done for the town and thank you for working with us. Thank you.

Acting-Chair Monk: And, of course, if anyone else wants to speak. I apologize I didn’t see that the light was on and I should have offered for anyone to speak to Hillary directly if they’d like. Otherwise, let’s move onto the Packet Page 6. Are there any changes that we should be aware of with regards to upcoming meeting dates and topics? I guess one thing that I had a question about was that it looks like you’re giving a 4-month timeline before we’re going to look at a draft ordinance from the housing plan discussion tonight. Is there a way to move that up by 1-month?

Mr. Lait: Well I think we should probably have that conversation... I mean I think actually on March 14th we talked about our Housing Work Program schedule and I think that’s also included in our Staff report and in our presentation. We’re not looking to make any changes to that schedule. We think we’ve agreed to a process forward and we think that we can move forward with the Commissions guidance on that schedule.

Ms. Gitelman: That said I do see a few things that we need to correct on this schedule looking forward so we’ll take another swing at it at your next meeting. And there are a couple duplications and something a little out of order so let us take a look at that.

Acting-Chair Monk: And I have Commissioner Gardias has a comment and then Commissioner Alcheck.

Commissioner Gardias: Yes, so I have a comment from a different side. It is in regards to the probably ... I don’t know which item it would fit into. I just went around it at the beginning of our meeting. It is an observation of the 260 California Avenue that we had last year that we reviewed on May 31st. As you remember there was an agreement of a certain placement of the front dining area. And then if you go to this restaurant you will see that the outside dining area is outside along the whole front wall as in my perspective it should have been done. And probably it’s a good lesson for us to pretty much to understand the difference between the ordinance or some agreements that we pass here and then this what is happening in the reality. I wish that we had originally agreed upon to have the dining area along the entire front elevation but this has not happened. So, I’m just asking the Staff just to look into this item and

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maybe we can somehow work out the deal with the restaurant owner to truly allow them for the dining area along the entire front elevation. Thank you.

Acting-Chair Monk: Commissioner Alcheck.

Commissioner Alcheck: Ok mine will seem easy compared to that. Can you shed some light on what it means the multi-family demand rates?

Mr. Lait: We have a Parking Study that we’re going to... that we’ve been working on and it’s in almost final draft form in our office. We’re going to transmit that to the Commission at your next meeting as similar to what we’ve done here with Item Number Two. So, it will be a transmittal and to give you time to read it and to then we’ll talk about it in I think on May... I’m sorry?

Ms. Gitelman: May 30th.

Mr. Lait: May 30th is when we’re going to have a conversation with the Commission about that study and more generally about parking as it relates to our Housing Work Program.

Commissioner Alcheck: Got it so it’s parking demand within multi-family projects.

Mr. Lait: Yep.

Commissioner Alcheck: Ok thank you.

Acting-Chair Monk: And just want to point out that we have Commissioner Alcheck assigned to any related Council meetings for the month of May. Moving onto Agenda Item Two does Staff want to briefly present on that. There’s no action to take here.

Mr. Lait: We... it’s just a transmittal so we have no presentation.

Acting-Chair Monk: Are there any comments to this item before we move onto Three?

Commissioner Gardias.

Commissioner Gardias: I’m sorry for Three or for Two?

Acting-Chair Monk: We are on Number Two. Did you have a question regarding the transmittal of the Housing Element HCD report?

Commissioner Gardias: No, no I was going to talk about Number Two but I will wait then.

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Acting-Chair Monk: That was Number Two. They were informing us of the transmittal. Did you want to speak to it?

Commissioner Gardias: I’m sorry I didn’t understand. Could you repeat, please?

Acting-Chair Monk: Tonight’s action is for us to be informed that they have transmitted this document. Did you want to ask Staff a question about the document on Item Number Two?

Commissioner Gardias: Just a moment. I’m sorry, sorry I’m looking at the wrong… No, so I will have a proposal to move Number Three so I was looking at the wrong schedule. Please continue.

Consent Calendar

Public Comment is Permitted. Five (5) minutes per speaker.

3. QUASI-JUDICIAL. 3225 El Camino Real [17PLN-00007]: Request for a Vesting Tentative Map to Subdivide a 29,962 Square Foot Parcel Into two Parcels Comprised of one Commercial Parcel and one Residential Parcel for Condominium Purposes. Environmental Assessment: Subdivision was Included in the Project Scope Outlined in the Initial Study Mitigated Negative Declaration (IS-MND) Prepared for the Associated Development Application (15PLN-00003); Approved by the Director of Planning & Community Environment on April 21, 2016. Zoning District: Service Commercial (CS). For More Information, Contact Phillip Brennan at phillip.brennan@cityofpaloalto.org (Deferred From March 28, 2018)

Acting-Chair Monk: Ok so Agenda Item Three is the Vesting Tentative Map for 3225 El Camino Real. This is what we’re going to be looking at for our very first Consent Calendar item which I’m very excited about. It is a quasi-judicial item are there any disclosures that anyone needs to make? And I don’t even know if we need to do that but any disclosures? Ok. So, if there’s any public comment on this item we can take that at this time. I don’t have any speaker cards up here. The rule for the PTC is quite narrow and we’re just being asked to determine whether or not the proposed subdivision is consistent with the Comp. Plan [Note – Comprehensive Plan] and complies with the Municipal Codes and state law. Do you have any clarifying questions for Staff on this item? Commissioner Gardias.

MOTION

Commissioner Gardias: No, I don’t but I have... I would like to... I have two items. Number One is that first just let me talk about the Consent Calendar so in our procedures... in the PTC

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procedures, there is no Consent Calendar. So, I think that we should not be introducing tools or processes that are not within our procedures. However, we can always per Staff’s suggestion move item in this agreeable way out of our way so I would like to propose a motion to accept Staff’s proposal and on Number Three.

**Acting-Chair Monk:** So, Commissioner Gardias is moving to approve the Consent Calendar. Do we have a second?

**Commissioner Alcheck:** Hold on. I understood that he was moving the Staff proposal.

**Commissioner Gardias:** Correct, yes. Not the Consent Calendar the Staff proposal.

**SECOND**

**Commissioner Alcheck:** So, I will second the motion to move the Staff recommendation on Agenda Item Three and any applicable findings.

**Acting-Chair Monk:** Alright let’s take a vote. All those in favor?

**Commissioner Alcheck:** Actually, do you mind (interrupted)

**Acting-Chair Monk:** Or would you like to speak to that?

**Commissioner Alcheck:** Yeah, I just had one question for Staff.

**Acting-Chair Monk:** Sure.

**Commissioner Alcheck:** So, I... is it in your mind sort of atypical that the applicant doesn’t have... is the applicant here do you know? Is there any interest in the applicant speaking?

**Mr. Lait:** I think the applicant is satisfied with the result if it’s moved on consent.

**Commissioner Alcheck:** Ok well I just want to clarify we’re not moving it on consent and so there’s... well, I guess let me ask this one questions. Is it Staff’s opinion that the subdivision request is essentially an exercise to bring the applicant’s plan into conformance with our code because of the division that needs to take place between the rental and the sort of for sale properties? Is that what’s happening?
Mr. Lait: Yeah, I would say to execute what the applicant wanted to do relative to ownership versus rental this is the proper vehicle to operationalize that and our review of the map finds it consistent with the findings that we need to make to approve it.

Commissioner Alcheck: Ok yeah, no that’s how I understood it too. I just thought we needed to announce that on the record. Ok with that I have no other questions.

Acting-Chair Monk: Anyone else. Commissioner Alcheck or I’m sorry Commissioner Waldfogel.

Commissioner Waldfogel: Close. Is there a procedure to ask questions right now or not?

Acting-Chair Monk: You may ask a question to the applicant or to Staff.

Commissioner Waldfogel: Just a point of clarification. Does this change any public policy questions like a number of BMR units that we produced or anything like that?

Mr. Lait: Yeah thanks for the question. No this is not a project that actually has gone through the entitlement process; received ARB approval. Any BMR requirements that would have been established... actually... ok great, thank you. So, through the... just verifying that we’ve got all of our facts here before we speak. So, the project does... it was presented before the Architectural Review Board was a rental project. The conversion to... well at least for the housing component the addition to make it a map now that is before you do require... there are some standards that we need to look at with respect to our BMR program. The resulting number of units that’s required is less than one meaning the applicant is... they would pay a fee as opposed to providing a unit on site. So, the requirement of the program are being met through payment of the fee and so there are no additional policy objectives relative to that. It is consistent and complies with code.

Commissioner Waldfogel: Great, thank you for the clarification.

Acting-Chair Monk: I see no other lights so let’s take a vote on the motion to move the Staff recommendation. sorry I switched pages already. On the motion that’s on the floor all those in favor? Unanimous and at this juncture do we also still need to make a motion to approve the Consent Calendar or is this sufficient?

MOTION PASSED 5-0-2 (Lauing and Riggs absent)

Mr. Lait: No, I think we heard from the Commissioners that... I think we understood that we know what’s going on here and I think we’ve... let’s proceed to Item Number Four.
Commission Action:

Action Items
Public Comment is Permitted. Applicants/Appellant Teams: Fifteen (15) minutes, plus three (3) minutes rebuttal. All others: Five (5) minutes per speaker.¹³

4. PUBLIC HEARING: Recommendation of an Ordinance to the City Council Amending Palo Alto Municipal Code Section 18.42.040 Pertaining to Accessory and Junior Dwelling Units. The Proposed Ordinance is Exempt from the California Environmental Quality Act (CEQA) Pursuant to Public Resources Code Section 21080.17 and CEQA Guidelines Section 15061(b)(3). For More Information, Please Contact Clare Campbell at clare.campbell@cityofpaloalto.org. (Continued from March 28, 2018)

Acting-Chair Monk: Great so Item Number Four is our ADU Ordinance that we’re looking at. This is a continued item from March 28th. So just to tee this up for Staff and then we’ll hear from Staff in a moment. On Page 70 we have the nine amendments that Staff had proposed that we look at and then the three additional amendments that PTC asked them to consider. So just refreshing everyone’s recollection on where we were on that item. So, at the close at that last meeting, we agreed to end the discussion on those items which means that tonight we won’t be rehashing or discussing anything related to those items and that we’re just going to continue where we left off. And where we left off was the policy... the two policy items that we’re going to hear from Staff on and then also any additional amendments or concerns that Commissioners have in regards to the ordinance. So, what I’d like to do it try to give ourselves an hour or less on this so that we can move onto the Housing Work Plan at around 7:15. Commissioner Alcheck.

Commissioner Alcheck: Yeah no I’m just curious. I know that Staff circulated the suggestions I had. Is there anybody else proposing suggestions tonight that weren’t circulated?

Acting-Chair Monk: Commissioner Gardias has some.

Commissioner Alcheck: Do you know how many you have?

Commissioner Gardias: I’m just writing them down. A couple, not many.

Acting-Chair Monk: So, you’re just a little bit ahead of me. What I was going to do was have Staff give its report, then have public comment, and Commissioner questions at that point can occur. And then we’ll go through the two policy items, then probably go through your amendments Commissioner Alcheck and then Commissioner Gardias’s amendments and anyone else. So, with that let’s move onto the Staff presentation. Thank you, Clare.

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Ms. Clare Campbell, Senior Planner: Thank you so, Clare Campbell, Senior Planner. So tonight, we’re continuing the discussion on the proposed amendments to the ADU regulations. As mentioned this is a continued discussion from the March 28th Planning Commission meeting. At that meeting, the PTC completed the review of the nine Staff prepared code modifications and provided three clarifying amendments. So, the goal for tonight is to complete the discussion on the remaining items that were presented in the Staff report and those are the Council identified policy issues which are to explore options for making ADUs available to low and moderate-income households and to address illegally established ADUs. And the next would be to review the PTC recommended amendments after we’ve completed that discussion and then conclude by taking formal action on an ordinance tonight.

So, I’ve listed out all of the nine amendments in the Staff presentation but I’m not going to read through them but it’s here for reference. But I will just highlight the PTC recommended amendments that we had heard on March 28th. So, the first two, they’re listed under Item Number Two here, is regarding setbacks and for this one is was for in detached ADUs that basement would not be allowed in the required rear yard setback; which is the same rear yard setback that we would apply to the primary housing unit on that site. The second one again is for detached ADUs and that no projections would be allowed to encroach into the required setbacks. And then it would just maintain that 6-foot clearance from the rear and side property lines and then for the last amendment is under Number Three. This modifies the eligibility for using the bonus lot coverage and floor area. So, the amendment is to allow the homes that received a Building Permit approval but not necessarily constructed approval prior to January 1st, 2017 to be eligible for the lot coverage and floor area bonus. So that covers the three amendments and then so a quick review of the discussion items.

So, moving onto our discussion Item Number one, this one… the first one is options to make ADUs accessible to moderate or low-income residents, seniors, people with disabilities or public employees. Staff came up with two concepts to address this issue and to start off this conversation. The first one is reducing or waiving development impact fees when the ADU is deed restricted for an affordable housing for a specific term 10-years for example. And the second option is maybe to partner with an organization that can provide financing in exchange for affordability with the property owner.

So, the second discussion item is regarding strategies for legalizing illegally constructed ADUs. So, the concept that Staff developed was perhaps using the Home Improvement Exception Process and this process would be used to review and document these types of cases. And what we would do is make sure that the project is in full compliance with all life safety requirements but then allow for the Director’s discretion to wave other compliance issues related to the development standards. And this is kind of typical of what we’ve seen, not the HIE process in particular but the requirements for the life safety compliance and discretion for other issues.

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We’ve seen this in other Cities in the Bay Area. So, when we do look at these… this legalization processes we do need to have some special consideration for the administration of the program and the implications of ADUs not getting the City approval. And for example, the cost to update an ADU may be too expensive for a homeowner to take on at that time.

Ok so for next steps upon recommendation from the PTC Staff will forward the Staff recommended ordinance with agreed upon changes to City Council for review and we have that tentatively scheduled for June of this year. And then lastly, I’m just going to review the recommended motion. There’s a few text revisions under A, B, and C. So, number one, find the proposed draft ordinance exempt from the provisions of CEQA in accordance with CEQA Guidelines Section 1506(b)(3). And two, recommend to the City Council adoption of an ordinance with the amendments listed below that modify the Palo Alto Municipal Code Section 18.42.040, accessory and junior accessory dwelling units with the following amendments. So, for detached ADUs basements shall not be permitted in the required rear yard setback. B: For detached ADUs clarify that no projections shall be allowed to encroach into a required setback. Maintaining the 6-feet clear from the rear and side property line. And lastly for the bonus lot coverage and floor area eligibility allow for homes that received a Building Permit prior to January 1, 2017, and no longer require the home to have completed construction. That was a little bit awkward with those words so that gives you the recommendation motion that we’ve added some clarifying text too and that concludes Staff’s presentation. Oh, I’d just like to mention as well you’ve probably noticed this already that the attached ordinance in the Staff report is the same one that was attached to your packet on March 28th. Thank you.

Acting-Chair Monk: We’re going to move onto the public comment. We’ve got two speakers and as a reminder, these are to not repeat comments or talk to the issues that came up at the last meeting but if you have new comments to please bring those forward. We do have 5-minutes allocated. I kind of want to shorten that time but I can… so ok. Alright, so John Kelley is our first speaker followed by Martin Bernstein.

Mr. John Kelley: Acting-Chair Monk, Commissioners, I’ll try to be extremely brief. First of all, concerning Commissioner Alcheck’s proposals, I wanted to urge the Commission particularly to move forward with his recommendation that you’ll eliminate the disqualification of non-owner occupied single-family residences from the ADU Ordinance. And in addition to the examples that Commission Alcheck made I’d like to note a couple other considerations. First, I don’t know the exact percentage but I think a really substantial percentage of all the single-family residences in Palo Alto are in fact currently rented. So initially when this came before the Council I thought the owner occupancy requirement made sense but upon reflection, especially after reading what Commissioner Alcheck had to say, I thought about this more and to have an ADU Ordinance whose principal goals is to expand housing in Palo Alto and at the very outset excludes some sizable proportion of the inventory just doesn’t make sense to me. So, I’d like to
add that as another reason for not doing this. There’s an additional problem which I think is really pernicious. I have a belief I can’t document this and I hope that at some point the City Staff would actually conduct a sense of what are essentially non-conforming ADUs in Palo Alto but I believe that a fair number of those non-conforming ADUs are actually on parcels which are not owner-occupied. So by continuing to have this kind of language in the ADU Ordinance and particularly if you’re going to be able to address the other issues which I’ve spoken about before concerning non-conforming ADUs, you could end up with paradoxical effect in which you’re going to have people trying to make their ADUs conforming but end up having to kick out the people who are living in them right now. So, this kick out effect is really counter-intuitive and I don’t think that’s the kind of housing policy Palo Alto deserves. The third thing I would say is in addition to the situations that Commissioner Alcheck adopted there’s another consideration and that is if you have an owner who is occupying a site, builds an ADU, has people living in it and then decides to leave without selling the property. You can again... and to rent out the principle house you can again have the situation which you’re going to have a kick out effect and I think that’s really unfortunate. The only other two things I’d say about tonight which are not repetitive of what I’ve mentioned before is there’s no specific language before you tonight about how the amendment concerning the projections is going to enter the ordinance. And I would really urge you to make clear that the final ordinance should not change in any way, shape or form the current provisions that permit garage conversions. Whether or not the garages are 6-feet or right on the property line and the last thing I’ve sent you twice now links to a really interesting article that appeared on the San Francisco Chronicle website about some really novel ways in which ADUs can be constructed and can be constructed inexpensively. So, I think it’s worth seeing just to see what’s out there. Thank you very much.

Acting-Chair Monk: Thank you very much. Mr. Bernstein.

Mr. Martin Bernstein: Hi. Thank you, Acting-Chair Monk and Council Members... and Commission Members. As this goes before the City Council there’s a lot of discussions that the Council has made about compatibility of projects and when I look at the proposed recommendation Packet Page 69, Recommendation Number Two B and is says for detached ADUs no projections shall be allowed to encroach into the required setback parenthesis maintain 6-feet clear from rear property line. I’m an architect and I can see a building owner or a building applicant putting an ADU with a wall right at the maximum setback. And if the existing house has overhangs, whatever they are, I can see this ADU just become a box with no overhangs because you’re allowed to go to the setback line. So that makes a new proposed ADU incompatible with the architecture of the existing. On every single-family residence we’re allowed to have projections I think it’s 2-feet to the side for roof [unintelligible] and 3 or 4 feet in front and rear. Putting this restriction, I don’t see how that has any impact on neighbor, on privacy, on all the issues concerned with ADU, it doesn’t increase density by having a roof overhang so from the compatibility issue should allow the roof overhangs. It makes sense... and
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Commissioner Gardias: I’m sorry would you mind just before I get to my question which Item One you were referring too because you just spoke to the Acting-Chair and I wasn’t (interrupted)

Commissioner Alcheck: Sorry I think the plan is to talk about... If I understood correctly I think the plan is to talk about Item One on the slides Page 5 assuming there are no further questions for Staff about the presentation. I think that the first part of this conversation is Item One on Page 5 and then Item... I presume Item 2 on Page 6. After that discussion, I assume we’ll talk about the specific amendments that I wrote and I guess you have some too. And so, I was suggesting that I have a specific... I have specific language that I’d like to propose for Item One when we begin that discussion.

Commissioner Gardias: Sure, thank you for (interrupted)

Commissioner Alcheck: That is didn’t get to include in my email earlier, unfortunately.

Commissioner Gardias: Thank you for clarifying. I didn’t see from the distance. Ok, so I want to ask a different question if you don’t mind. So, there were a couple of emails that were sent to us and I don’t remember the order but they are in the printout that Yolanda distributed to us. And those are some perspective legislations from the Assembly Bills that are on the floor and they were introduced just recently. And my question is like this when will be or maybe let me rephrase it. What’s the further plan on working on ADU Ordinance because if those bills pass in some shape, of course, they will render certain decisions that we’re going to make or recommendations irrelevant and we’ll have to return to this discussion?

Mr. Albert Yang, Senior Deputy Attorney: So, if that Bill ABA-31 is adopted we would expect it to become effective January 1st, 2019 and if there were inconsistencies with our ordinance we would be bringing a cleanup revision to come into compliance. Just having taken a brief look at what’s being proposed I don’t think it would render any of the topics that the PTC has discussed so far out of compliance. They’re on separate topics.

Acting-Chair Monk: That was a great question actually I’m glad you asked that. So that proposed bill talks about the timing and it’s at 120-days right now. And if that bill passes it will go to 60-days I believe but we don’t have a timeline in our ordinance anyway. It’s just silent to it so state law is what’s going to control correct?

Mr. Yang: Correct.

Acting-Chair Monk: Ok and then I guess the same question that goes to AB-2890 which talks about a variety of things and I don’t know how likely that one is to pass but it advocates for

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1. Having two ADUs on a property even. So, I guess we’ll revisit that down the road as needed?

Ok. Alright, so the process tonight right now is to just ask a clarifying question about the report that we just heard so if you have any other questions we can do that. Otherwise, we’re going to move onto discussing the policy item that’s listed on Page 89 on how to make ADUs available to moderate and low-income residents. And Commissioner Alcheck wanted to kick that off and then we’ll go from there. Thank you.

Commissioner Alcheck: Ok so we sort of had this discussion when we first talked about the ADU. I’m not entirely sure that everybody on the Commission was there that night but when we first talked about this discussion we had this ranging discussion about everything from allowing ADUs to subsidizing ADUs. We were talking about how can we encourage ADUs? This was a while ago this was before the ordinance. So, in light of the fact that we sort of spent a lot of time I’m going to get really specific here and this could… this can be somewhat complicated so I’m going to speak slowly with my suggestion. And stop me the second you have a question because it’s important that… in my opinion, it’s really important that Staff gets what I’m going to say because it’s... I mean everybody but I don’t know if there’s a way to put it on the board. And I can send this later if it helps but anyways I’m going to make a specific suggestion. I’m not going to make it as a motion but I’m going to suggest the language that I think could be included in this that would address this issue so here it goes. I would suggest that PTC recommends that Council move to waive all fees that would otherwise be assessed in the development of an ADU. Planning, school impact, Building Permit, any fee any fee assessed in exchange for a 15-year commitment by the owner/builder to restrict the rental of the ADU to only those individuals who are currently on Palo Alto’s waiting list for below market rate housing. That language might need some specifics because I don’t know if there’s a name for that waiting list. Ok next sentence. A fee waiver agreement shall be signed by the owner and recorded along with the official records at the County’s Recorders Office that would assert that any waived fees plus interest. That interest number would have to be sort of whatever the government standard low-interest rate is. So that... an agreement shall be signed by the owner... A fee waiver agreement shall be signed by the owner and recorded along with the official records at the County Recorder’s Office that would assert that any waived fees plus interest shall be reinstated against the then property owner should the terms of the agreement be violated. Among the terms of the agreement shall be a maximum vacancy limit requiring the unit to be rented by a party on said waiting list 10-months out of every 12 consecutive months. Ok, so I’m going to quickly give you guys the reasoning behind this suggestion. I think administering a below-market rental program is quick difficult and we have one in place. We’ve heard in the last few weeks several times individuals have come to us saying I was on the list, I was 600 now I’m 300 so we know there’s a list out there. So, using a list that’s currently in place that has qualifications you have to meet to get on it that are income-related basically makes it a lot easier for owners to identify who... what the market is that they should be renting too. This would remove some of those complications and then owners could simply register with the

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specific amendment to the ordinance that we want you to then draft in anticipation of Council’s meeting.

Acting-Chair Monk: Thank you Commissioner Alcheck. I think the goal tonight is to provide general comments and feedback and so I think you went above and beyond in providing specific language. And I would just want to remind you that they reference the City of Pasadena which did include the deed restricted type of language that you’re referring too. Very similar to what you were proposing so I think Staff will probably already advance that so I would support making that available to City Council to consider. I guess on that subject on the fees maybe we should address that or do we want to just go down the row on other issues? Does anyone want to speak to the fee waives if they support that or not? Have any comments on that? Oh, sorry Commissioner Waldfogel.

Commissioner Waldfogel: Sure. Yeah, just a question for Staff. How did you envision enforcing or what sort of deed restrictions where you envisioning might be placed on units? Have you thought about that at all? Is this just providing detail for something that you were already thinking about?

Ms. Campbell: I think we’re just at the general concept stage right now. I don’t think we’ve worked out that level of detail yet. I think some of the suggestions that were presented can make sense. I’ve talked with someone in Palo Alto Housing [and] they already have a requirement that a tenant needs to be in their property for at least 10-months so that’s their minimum in order to qualify. So, some of these ideas I think could be relevant.

Commissioner Waldfogel: And which constituency are they serving? I mean is their waiting list at 60 percent, 80 percent, 120 percent? Where is their waiting list? I mean if we don’t know the answer to this right now that’s fine. Directionally I think this is an interesting idea. I mean I also support waivers in exchange for deed restrictions. You know 10-years, 15-years, ok. I’m not 100 percent sure that I support waiving all fees until I see the impact on budget but directionally I think that this is a… I think that your suggestion is good and Commissioner Alcheck’s language around it is possible just based on understanding a couple of the details.

Acting-Chair Monk: Commissioner Summa.

Commissioner Summa: Thank you. So, thank you Commissioner Alcheck and I agree with the intent of what you’re doing although I think personally I would be more comfortable having Palo Alto Housing administer the program. And by that, I mean that they would vet the… it would be from their list as they currently do our affordable housing and they would also… I know they have a verification process as to changes in people’s income statues to verify that they still stay there. It has to be verified by an outside person not just self-reported. And I think

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it would be better to have the professionals do it rather than putting the onus on homeowners of dealing with potential problems with tenants as they come down as they might arise. I just think it would be better to be administered by the professionals and a question for Staff. Do affordable housing projects currently get all fees waived? Impact fees?

Mr. Lait: Yeah, I don’t think they... no. I don’t think that they get waived for all impact fees, no. I mean the planning entitlement phase we waive those fees but Building Permit is still... those fees are still assessed.

Commissioner Summa: Yeah so, I would suggest that for fairness sake and possibly it’s been thought out before by Staff that it be consistent with what other fees are currently being waived. And I think most deed-restricted affordable housing is for much longer periods of time; 50-years. So, I think that would be much more appropriate also. I mean if you’re going to get fees waived to make a commitment you know I guess there should be... I guess it should be a longer period. Maybe 50-years is too long. It would be off-putting to in these situations but 10 and 15 just doesn’t sound long enough to me to make it work really well.

Acting-Chair Monk: Commissioner Gardias.

Commissioner Gardias: Thank you. So yeah this is an interesting idea I agree, however, I would like others what my colleagues said because there are some other permits that should be considered. I mean first of all those are not... if the fees are waived and those are like school impact fees and library and facilities used fees so the question is if we’re going to waive fees for part of... for some homeowners even if they in a good gesture will there be fees raised for the rest of the population which could be the fact. So, some budgetary study should be made and really scaling of this program if it’s going to become larger. If it’s smaller maybe it’s irrelevant but it would be interesting to see from the financial perspective and then also if there would have to be a dedicated fund to cover payments like this. Also, maybe Palo Alto Housing would consider this as an initiative for channeling the money and subsidizing the housing in this way in lieu the City waiving the fees because ultimately those homeowners would be using the City amenities like libraries, parks and so forth. So, somebody needs to pay for this and then there’s another dimension that I would like to speak about because ultimately the property value may go up because it’s correlated to the square footage that’s on the property. So, if we want to just talk about the affordable housing program we should ask the county to pretty much give up their tax portion of the tax assessment on such properties because of the value increases related to the properties. So, in summary, I’m for consideration of such a program but more needs to be looked at. Thank you.

Acting-Chair Monk: Commissioner Alcheck and then Commissioner Summa.

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Commissioner Alcheck: Ok no I think so let me just say a few clarifying points. Number one I was suggesting that the administrator of our waiting list administer the program. The only distinction that I want to make is I don’t know that this is what you meant or not is that I still think owners should be able to interview the individuals who rent their space. So, they register with the administrator of our waiting program, the waiting program can share the rental availability with the individuals who are on the list and then the homeowner can make an appointment to interview the person who’s going to essentially share their property. So, I think it’s really important that the homeowner understand that the lease is with them. It’s not with Palo Alto Housing Corporation and this won’t be a Palo Alto Housing Corporation ADU. This is your ADU and I think one component of the fee waiver agreement could be a standard lease form. So, if you are going to receive this subsidy from the City the agreement that you use has to be the standard form agreement that’s been agreed upon. This would essentially create or protect rights that should be protected so that you don’t have some weird lease that somebody makes with a tenant that may be considered unfair. Not that I think that any eviction court would even allow that but I think the idea of having a standard lease form would probably be a good policy. I think we should acknowledge one thing here. The burden… if this is… so I had suggested this in my… when I wrote it first I said for newly built ADUs because I suspected that the development fees for a newly ADU are the… for the fees associated with a newly built ADU are going to be substantial. I don’t know if a conversion… if there’s an existing ADU but it’s not necessarily permitted I don’t imagine that the fees would be too high to basically register it but we don’t really know yet because we don’t know what’s going to be involved. But my point is if the length let’s say is 50-years or something even like 30-years the issue becomes is this really going to encourage an owner to make that sacrifice? I think another distinction I want to make here is that the entire idea here of the fee waiver agreement, as opposed to a deed restriction, implies that you’re not bonded to this forever if you decide that you want to instead pay the fees that were waived. I think one important issue here for a lot of people is you know what I’m going to try it. I’m going to waive these fees, I’m going to sign up for this program and I’m going to make my unit available for this very underserved part of our community. And you know what if it doesn’t work out, if it’s only problems then I’m going to get out or if I can’t succeed or maybe I need that unit now for my grandmother or maybe I need to move into that space and at that time I’m going to make that sort of calculation that the fees whatever they were plus the 3 or 4 percent interest are worth paying at this time. My point is that I think we have to figure out what we think a standard fee is. If Staff, when they prepare this for Council, could come up with some range. We’ve seen fees as low as X on a newly built ADU and as high as Y and if we... you know if the fees were $5,000 I don’t know that anybody is going to exchange $5,000 for 50-years. If the fees are $35,000 or $45,000 or $50,000 or $75,000 or a $150,000 or $200,000 you know I have no idea. They’re not $200,000 but if the fees are... let’s say the school impact fees are $26,000 you know or whatever they’re going to be that may end up being the way we figure out what the length is. So, I think there needs to be some analysis of value of fees as compared to sort of the projected budget for construction because that may...
help inform the decision we make at length. But I think the biggest takeaway which I want to just double down on here is I want to create a program that people aren’t afraid to try and then I want to answer quickly what Commissioner Gardias said which is you’re absolutely right. All of these fees have important purposes. The question is do we want to subsidize them? Is it our... do we want to recommend that the City Council devote extra resources, put your money where your mouth is if you really want to increase affordable housing in the City should we go as far as subsidizing it? And then the last thing I want to make a point which I think Commissioner Gardias may have raised but I don’t know if... I know we didn’t get an answer on it because I’m not sure we realized that he was asking this important question which is what triggers a reassessment of the property? This is actually a really, really, really important question because a lot of the properties are assessed based on their purchase price in 19 whatever 72. They may be paying $1,200 a year in property tax. If they build an ADU and it’s a newly built ADU what happens? Does the county come out and reassess the property based on what it would sell for? Or I mean I assume they use it based on the permit announced price but that... the county really loves to reassess for the same reasons the City kind of loves reassessment which is that there’s a big property tax payment that comes with it. And so, I think there’s a question there that we need to figure out which is how do we protect some people from reassessments that may make it to difficult for them to embark on this project and or maybe we need to make sure they know that there’s a possibility of a reassessment for they can budget for it. These are some of the ideas I got from Commissioners Gardias’s comment that triggered me.

Acting-Chair Monk: Commissioner Summa is next.

Commissioner Summa: So, I again I appreciate what Commissioner Alcheck is trying to do but it sounds overly complicated to me. I worry about using... getting to select from the list of people on the Palo Alto Housing waiting list rather... somebody compatible rather than the next person at the right income level being chosen doesn’t seem like it would be perceived as being fair. It just seems really problematic and I think that maybe it’s just too complicated right now. I also think... well, you mentioned this family changes. What happens if the people want to move? Then does the tenant in the ADU get displaced because a new owner wants the whole property? So, it just seems fought with complications and I would say that it would be much easier for someone just to take it upon themselves to rent their ADU below market rate for the better good. And that this just seems like a nightmare of complications in terms of legal and practical.

Acting-Chair Monk: Commissioner Waldfogel.

Commissioner Waldfogel: Thanks. A couple question for Staff so one is are ADUs and Junior ADUs subject to state Fair Housing Laws? So, but I mean Junior ADU is inside somebody’s

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1. House with a shared bathroom so it’s kind of mid-way between a roommate situation and a standalone dwelling.

2. Commissioner Alcheck: [unintelligible -off mic]

3. Mr. Yang: Both ADUs and JADUs would be subject to state Fair Housing laws.

4. Commissioner Waldfogel: And then with this idea how would we do RHNA credits if somebody exited? You know if somebody started out with a 15-year commitment and then exited in say year four.

5. Mr. Lait: We have at least for the current cycle there’s... we have an agreement with HCD about the number of ADUs. That we produce per a certain percentage to them to count as for the lower income levels being produced in the City. If we had something like this we probably have to have another conversation with them about how we could claim credit for these different provisions but we don’t have anything (interrupted)

6. Commissioner Waldfogel: [unintelligible -off mic]

7. Mr. Lait: Yeah and I guess I would say I don’t want to discourage ideas from being presented. I mean we’re not here to... there’s nothing before us right now. Council has asked for some ideas on how to approach this and I think that we’ve heard an idea and I think we’ve some of the specifics about the idea and we’re... I’m hearing some reaction to that. But maybe we can pull back a little bit and just kind of focus on the concept of maybe there is an interplay between the fees and some deed restriction but I don’t think we need to get into the details of it right now. I mean I appreciate hearing the details to just know where you’re heading with that but obviously, there’s a lot more conversation that we would have to have on it before anything got implemented. But I would like to ask through the Chair if the Commission has any other ideas that ought to be explored relative to achieving the interest of that Item One on the board and if so we’d love to hear those as well before we move onto the next item.

8. Acting-Chair Monk: Right so I didn’t get a chance to speak to it so I just want to say that I again do support, I guess I spoke briefly to it, to the fees. And I support all the strategies that were put for by Staff and I hope that they do get flushed out and put before Council. Especially with regard to the financing, I guess with Silicon Valley Trust. In regards to fees as well there’s also the utility connection charges that could be waived. There’s other things that you can look at, other incentives to increase the production of the ADU units. I think we should also look at what’s being done in adjacent Cities in regards to fees. In Menlo Park, we were informed last month by one of the speakers that is $700. Why is that? Why is that City able to justify that fee and we’re the next City over and we cannot. So just understanding the finances behind what’s

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1. Time and they come with this and you got to respond and you have 30-days in Palo Alto to respond to their plans and then they ask you. And the thing can take 3-months and it's quite time-consuming at the counter and behind the counter. And so, if there was some way to create an efficient process that reduces cost on both sides of the table that might be another way to increase affordability. I think at the end of the day what we want to do is create a supply of affordable units and making it easier to build doesn't necessarily mean that those ADUs would be available for people who need help but we want these small $900 units. We don’t want to read in the paper that it cost me an insane amount of money to create this conversion so that might be a way to do it by partnering with some architects locally.

2. Acting-Chair Monk: Right so just getting a list of vendors that you might want to work for, also for any pre-fab things. I think you’re going to start seeing a lot more of those in the future. So just moving onto the next topic that would be the strategies for legalizing illegally constructed ADUs. You know if you have comments on this one it’s a little bit more nuanced I think and we do need to move onto actually going through the ordinance and approving an ordinance tonight. So, I guess I would just say that I’m kind of mixed on this one. We don’t want to displace people that are currently living in units that are not code compliant but we do want to ensure that health and safety concerns are addressed. I don’t know that I have a solution for it. I kind of would like to take more of a wait and see approach I guess. Maybe hear from my colleagues on this one. Does anyone have any comments? I’ve got Commissioner Waldfogel.

3. Commissioner Waldfogel: Again, just a point of clarification, when you say life safety requirements what’s on that list? Is this structure, electrical, fire protection, I mean what’s on the list and also would you grandfather this to the date of construction or to the codes as of today?

4. Ms. Campbell: I believe we would do it as of today's code regulations and it’s all really related to all of the building code requirements. I wouldn’t... I don’t know the specifics but basically, the unit would need to be compliant with whatever the code says today should be there for a living unit.

5. Commissioner Waldfogel: So, would that mean things like forensically opening the walls to see that plumbing or gas is in compliance? I mean what’s the scope that you’re imagining?

6. Ms. Campbell: I’m not 100 percent certain but I do think when an inspector does have to go out to take a look at these things to make sure that what was done previously is compliant with today’s standards. So, I’m sure they would need to do some actual investigation into the walls and that type of thing so they would need to take a look at that.

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1. Commissioner Waldfogel: Yeah because usually... I mean they inspect early before walls are closed in so I’m just curious what your... if what you’re envisioning is that the building needs to be forensically disassembled to be inspected and then reassembled. I’m just trying to capture what it is you’re imagining.

2. Mr. Lait: Great we can... we’ll follow up with our Building Department and understand if something like this went forward what does that mean practically speaking.

3. Acting-Chair Monk: Commissioner Alcheck.

4. Commissioner Alcheck: Yes, so two things real quick. I think we have to be really strategic about how we approach this because if ADUs become much more commonplace then it’s really unlikely that someone will know if an ADUs was illegally constructed or not. And what’s going to be the incentive for somebody who didn’t get permission to do something to come forward? If five out of ten houses on the street have an ADU no one is going to know and so we have an incentive for wanting to get these into the system because we should always look down upon work that’s unpermitted so I think we have to approach this with some strategy. I don’t... if it’s really punishing then people won’t come forward. There is a suggestion that we create... you know like if we create a window that if you come forward in this 12-month period of time then we will make it very... we’ll lower the burden, the fees, whatever so that we sort of encouraging individuals to seize the opportunity now. To come forward with your illegal units, get them legalized because if we find out about them after that period ends then it’s worse. That might be one way, sort of a carrot instead of a stick. I feel like I didn’t have time to sort of figure out if San Francisco has a program in place because that’s a City that struggles with identifying these types of situations a lot. It’s another opportunity I think to connect with someone in their Planning Department to say what strategies have worked really well? And what things are just not working well that you have in code and if you could change it what would it do to enhance it? Something like that. I don’t know that we have to reinvent the wheel per say but I do think that we have to be strategic here.

5. Ms. Campbell: And if I could I’d just like to share one of the concepts that was presented in the Ordinance SB-831. It was sort of one of the many proposals. They had suggested consideration of amnesty program so if there an ADU that was determined to be incompliant with the current regulations that we could allow... they would have 10-years to correct that situation. So that way there’s plenty... well, it seems like it would be sufficient amount of time to spread the burden out over all of that time. And it wouldn’t have an immediate effect on having to evict someone from a unit so that’s an idea and maybe that’s something just throwing it out there for you to chew on.

6. Acting-Chair Monk: Commissioner Waldfogel.

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1. **Commissioner Waldfogel:** Yeah, I would potentially support amnesty but I think I’d also like to see disclosure. So, I’d like to disclosure to the tenant if a unit is not in compliance. And I have no idea whether that disclosure would have say renter’s insurance consequences so that’s something that we would want to understand.

2. **Acting-Chair Monk:** Commissioner Summa.

3. **Commissioner Summa:** Thanks. I think all these are interesting ideas and once again this is a really complicated issue. I mean, we, of course, have to have people... we don’t want people living in unsafe conditions and but maybe some people are currently living in unsafe conditions who that’s all they have so it presents a huge problem. I think there’s also... I think it’s a case of people who know they have illegal ADUs may not come forward to legalize them because they know they’re going to get caught up in having to do more than they want to do. So, it may not be as big a problem as we think here in Palo Alto and the other thing is the degree of non-compliance. I mean there should be some sort of process for neighboring property owners to weigh in on the degree to which existing ADUs is non-compliant. You know it’s 3-inches closer to the property line, who cares really but if there’s some... if it’s been a point of contention between neighbors and neighboring property owners then it’s something that through this process there has to be some sort of hearing process or some sort of... so that those things could be worked out before something that’s just made legal.

4. **Acting-Chair Monk:** I would also support an amnesty period. I think that’s something that we should look into and these are not folks that have paid any fees at all because they are not legally constructed right? So, it kind of supports a case for waiving fees across the board without any restrictions. So that’s something to consider as a way to equalize the playing field so to speak. If there aren’t any more comment on that can we move onto the ordinance itself and I would kick that discussion off with Commissioner Gardias who’s comments we hadn’t yet received and the move down the line. So, do you have any more comments on those policy issues because right now we need to focus on passing the motion to approve the ADU Ordinance with the amendments?

5. **Commissioner Gardias:** What about the other items that Commissioner... it’s going to come next right?

6. **Acting-Chair Monk:** It’s now. If you wanted... we can do his first and yours after. I was just giving you the opportunity to (interrupted)

7. **Commissioner Gardias:** Do you want to go first?
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Number three maximum height I really think that height restrictions that are going to be really specific to Eichlers be encompassed in the Eichler Design Guidelines. This ordinance applies to the whole City. If an Eichler neighborhood decides to embark on specific limitations and they want to go further I think we can have language in the ordinance that says further limitations approve through the Eichler Design Guidelines can apply but I don’t know that we should set those numbers in stone here. That’s number three.

The deed restriction requirements, I hope everybody had a chance to read those. I think they speak for themselves. Deed restrictions are... that’s a tool that anybody can use. It’s not a tool of enforcement that’s exclusive to the City. If the City doesn’t want Airbnb the City says no Airbnb and if you find an Airbnb they can issue you a code enforcement violation that can be as much as $5,000 a day. The idea of having a deed restricted is to suggest that a neighbor could then enforce a violation. I could sue you if you did something that you have already restricted your property not to do and that could theoretically be determined to benefit me. Those are legal concerns and so I just don’t like any of that and then there’s a cost. If you're savvy you would defiantly want your attorney to look at it, you’re going to pay an attorney, there’s just a lot involved there and I think they are reinforcing language that’s already in the ordinance.

The last one Section D, I think that one also speaks to itself, that’s the owner occupancy. I just want to highlight that I got an email from a resident who wanted an additional example mentioned which is that they’re a professor at Stanford and that they rent an ADU. They don’t live on Stanford property thought. They rent an ADU out and they’re coming up on their sabbatical year and if they can’t rent their... if they couldn’t rent their house out during their sabbatical year, they are going abroad, they would have to evict the tenant in their ADU because the tenant in the ADU wouldn’t be able to also rent the home at the price they need to cover their expense while they are abroad. So, this is just another example why having a requirement that an owner occupy one of the units and not be able to rent for example their house and the ADU is burdensome.

And then finally the fire sprinkler requirements. I know there are people in the City who will not be happy that they have to meet this extra burden but even in San Francisco where they’re legalizing illegal units, they tend not to waive the requirements related to life safety. And the reason why is because it’s about life and it might be expensive to introduce sprinklers or other life safety requirements but it could save your life. And I sort of reference that Napa and Santa Rosa fires is a good example why we really shouldn’t make an exception for fire sprinklers. If we’re going to try to lower hurdles lets do it in areas that are not related to life safety like don’t move your wall 3-inches but you got to the safety... anyways so you get my point. Those are the one, two, three, four, five, six recommendations and the first part... the first little dot bullet under each section I make my specific recommendation. So, my motion tonight would be that we pick up the ordinance exactly where we left it which is that we move to adopt the
Affordable Housing Ordinance with the amendments that are there. And then I would move to have all five of these recommendations included. Excuse me, six. I think it’s better however that we see where people stand on them so instead of making that I suggest what we do is... Staff let me know if this works for you guys.

**Acting-Chair Monk:** Commissioner Alcheck I’ll take it over for now. We got it. So, I think I’ve identified your issues and Staff has already addressed (interrupted)

**Commissioner Alcheck:** I think there needs to be a motion on the table for us to propose an amendment.

**Acting-Chair Monk:** Right so let’s not do that yet. Let’s just get some consensus on your first item and then we’ll move onto other Commissioner’s items if that’s ok. So, on the basement square footage in detached units to not be included in the calculation of the total square footage. I would support that. Do people want to speak yes or no just so we know where we are on that just to get a general sense from the Commission? Is that... I’m just trying to get consensus on whether that (interrupted)

**Commissioner Alcheck:** I’m happy to make the motion on each... make an amendment (interrupted)

**Acting-Chair Monk:** Rather than making (interrupted)

**Commissioner Alcheck:** [Unintelligible] each one and then just have you vote up and down if that goes faster that way the Council knows right away. I’m still going to make the amendment let me put it that way and then somebody needs to second it.

**Acting-Chair Monk:** So, without having a motion we would just have this as (interrupted)

**Commissioner Alcheck:** We need a motion.

**Mr. Lait:** Let’s start with the motion.

**Commissioner Alcheck:** Yeah so, I’m happy to make the motion but then I’m making the amendments to my own motion so I think somebody else should make the motion and they can pick up with Chair Lauing’s motion from last week if they don’t want to restate the whole thing.

**Mr. Lait:** Yeah, I’m just trying to understand why you would amend your own motion? I misunderstood that.
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Commissioner Alcheck: Well what I’d like to suggest is I don’t want to make a motion that includes all of these amendments that the rest of the Commission has to accept or deny. I’d rather have a motion that starts where we left off with the three changes plus your nine and then I’ll suggest to make the following six amendments (interrupted)

Mr. Lait: Oh, sure, understood.

Commissioner Alcheck: And we can go one by one and vote them up and down as unfriendly if you [unintelligible].

Acting-Chair Monk: And that would be the same as where we left off so it’s really up to you if we want to continue.

Commissioner Alcheck: That way you get the exact numbers.

Acting-Chair Monk: So, we’re going to continue the motion from (interrupted)

Mr. Lait: Yeah so, I think what we’re... what I’m understanding is we’re going to make a motion on Packet Page... we’ll get it on the screen for you.

Acting-Chair Monk: To accept the CEQA... to find that the ordinance is exempted from CEQA.

Mr. Lait: Right so it’s on the screen and this on Slide Number Three. If... I mean I don’t think we need to have anybody restate that. We can just sort of accept that as the motion and if we can get a second that’s our starting place. We need a first and a second.

Commissioner Summa: Who made the motion?

Commissioner Alcheck: Somebody needs to make the motion and then I can suggest some amendments and we can all vote on them.

MOTION

Commissioner Summa: I’ll make the motion to move Staff’s recommendation on Packet Page [unintelligible].

SECOND

Commissioner Waldfogel: [off mic] I second.
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Commissioner Alcheck: Ok and so what I will do now is I would propose unfriendly amendments so that we could just vote on them separately from the motion and then you can determine which ones you want to include or all six of these. I’ll just say if you won’t mind voting each one separately so I’ll say the first amendment, the first basement square footage one and then I can... I don’t want to have to repeat it. So, I’m just going to do them all one by one but I’m telling you now that. And maybe you can just lead a vote on each one and that way we know where people stand.

Acting-Chair Monk: Alright so let’s take (interrupted)

Commissioner Alcheck: And if you voted up then it would theatrically be included in the motion and then we will vote for the motion at the conclusion.

Mr. Yang: In each case, we’ll look for a second on each unfriendly amendment before a vote.

UNFRIENDLY AMENDMENT #1

Commissioner Alcheck: Alright so I move the basement square footage recommendation that it not be included in the calc [note-calculation].

Mr. Yang: Is there a second for that?

SECOND

Acting-Chair Monk: I second it and I would just call for the vote.

Mr. Lait: But I think before you vote there’s a question.

Acting-Chair Monk: Did you have a question?

Commissioner Waldfogel: [unintelligible – off mic]

Acting-Chair Monk: So, the draft ordinance has not been updated with our changes.

Commissioner Waldfogel: [off mic] Yeah but there’s a conflict between [unintelligible]

Commissioner Alcheck: Can you just state it?

Commissioner Waldfogel: [unintelligible -off mic]
Mr. Lait: So, one is an exclusion from the total lot floor area in basements. That’s one criterion and then the other exclusion has to do or the other provisions say that the basement does count toward the total ADU square footage of 900-square feet if it’s a detached structure. So, we’re exempt... in one hand basements don’t count as floor area for the site but for ADUs if you have a basement we’re saying that basement ADU counts towards the total limitation of size for detached structures. That’s 900-square feet and I forget for attached. Attached is? 600 or whatever it says in the ordinance. So, the proposals I under it would be exempt the basements in an ADU from counting toward the ADU maximum floor area 900-square feet and 600-square feet.

Commissioner Alcheck: Yeah but the requirements related to basements that they still occupy the area directly under the footprint of the ADU. All of that would still apply so you couldn’t have an ADU that was a basement section of an ADU that was much larger than your above ground section of your ADU.

Mr. Lait: True.

Commissioner Alcheck: I’m just making it clearer. I am talking specifically about not... if you have an ADU... if you have 500-square feet and you want to build an ADU that the square footage that is put underground... underneath that detached ADU, for example, wouldn’t count to the maximum you have.

Mr. Lait: Maximum ADU unit size.

Commissioner Alcheck: ADU unit size because our maximum is technically 900 but if you have only 500-square feet left in your calc [note-calculation]and let’s say you qualify for the 175 then your maximum ADU is actually 675. And if I decided to build some of that underground then I wouldn’t be able to build even 675 I would be limited to 4... you know you see what I’m saying? So, the idea here is essentially to not count the square footage built under an ADU into the calc [note-calculation] that limits the total size of your ADU.

Acting-Chair Monk: So, I don’t if this would make it (interrupted)

Commissioner Alcheck: If would. Why don’t you suggest it?

Acting-Chair Monk: If this will accomplish the same goal but we... on Packet Page 76 under Item Big B as in boy at the top. If we strike the language that’s underlined that might solve the problem or we just add the word not inclusive.
Mr. Yang: Yeah in terms of the specific language we can figure that out if we understand the concept.

Commissioner Alcheck: I think it’s clear.

Acting-Chair Monk: So as the maker and the seconder the motion would be to just strike that language.

Commissioner Alcheck: I’m comfortable with you articulating it the way you want. I think you get the gist. This is a unique treatment for basements that we don’t typically have and I’m suggesting we bring it in line with our normal treatment for basements. That’s really all this amendment is to be consistent.

Acting-Chair Monk: I have some people that have more comments or can we put this one to a vote. Are these lite up from... do we have comments currently because I have [unintelligible]?

Commissioner Gardias: Yes, so how does it work for the residents because we know that a basement under a resident doesn’t count toward FAR. We know that right but then does the basement count toward the floor... the maximum floor area on the residences currently in the current code?

Mr. Lait: No.

Commissioner Gardias: It does not.

Mr. Lait: No.

Commissioner Gardias: So pretty much if we’re going to follow this recommendation it’s going to be consistent with the code language on residence, right?

Mr. Lait: I guess yes as it relates to the principle structure the same rules would apply to the accessory structure. Yeah, you would not count basements toward the maximum floor area for ADUs. We don’t count basements toward the maximum floor area for residences primary structures.

Commissioner Gardias: Ok sure thanks.

Acting-Chair Monk: Commissioner Waldfogel did you have a question?

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Commissioner Waldfogel: Yeah, I’m somewhat sympathetic to this. I’m just trying to figure out some logistics on it so, for example, does an ADU require two egresses from a basement? I mean do you need two ways out because that’s what the code requires for a primary building?

Commissioner Alcheck: If you have a bedroom in a basement which means that it has a closet in the room that would qualify. That’s literally the only qualification. There’s a closet in that room then it would be considered or also if the plans called it a bedroom. Then you would need a light well which we limit in size as well to a maximum of I think… there’s a maximum size for light wells. It’s pretty small and essentially it becomes just an escape route.

Commissioner Waldfogel: Yeah, I think it’s 2-feet.

Commissioner Alcheck: Yeah, I think it’s actually 3-feet to the face of concrete but yes.

Commissioner Waldfogel: Yeah since we (interrupted)

Commissioner Alcheck: But this is outside of the rear setback now. So, this (interrupted)

Commissioner Waldfogel: Except this light, well could be in the rear setback. [Note -multiple people speaking at once] something we discussed at the last (interrupted)

Commissioner Alcheck: It could cross the 20-foot line but that’s the same rule that currently applies to single-family homes. So, it would be no different… the locations of these basements would be no different than what is currently allowed in our code based on the changes we made.

Commissioner Waldfogel: Right so this light well couldn’t be in the 6-foot rear yard setback.

Commissioner Alcheck: It would never come… it would never be closer than 3-feet from the 20-foot line.

Commissioner Waldfogel: Yeah ok that’s a helpful clarification.

Acting-Chair Monk: Commissioner Summa.

Commissioner Summa: Yeah, I’m not inclined to support this one. I don’t see… I think it has potential for… although I don’t think many people will put basements under their ADUs. It has a potential for increasing the impact and I’m mindful of Commissioner Gardias at the last meeting his concern about trees. And I think this would have a lot more impact on that so I just can’t support this one.
VOTE

Acting-Chair Monk: Let’s vote on that amendment. All in favor? All opposed? Two in favor two opposed and one (interrupted)

Commissioner Waldfogel: [off mic] I’m just not sure. I need more time to process this because [unintelligible]

Acting-Chair Monk: Alright so I’m happy to table this one and we can come back to it.

Commissioner Waldfogel: Well I don’t think I can get to it tonight. I mean it’s actually going to take some research to process this.

Commissioner Alcheck: That’s fine. It can fail.

Commissioner Waldfogel: I mean it’s… I’m not unsupportive but I need to process this some more.

Commissioner Alcheck: It’s fine. It can fail. Council gets the report that two supported two didn’t one abstained. It’s fine. The point is we were just communicating how we feel about each provision. I’m very comfortable with you guys not agreeing with it. I just want to communicate that.

Acting-Chair Monk: So, the motion fails.

UNFRIENDLY AMENDMENT #1 FAILED 2- (Monk, Alcheck)-2 (Summa, Gardias) -1 (Waldfogel)-2 (Lauing, Riggs absent)

UNFRIENDLY AMENDMENT #2

Commissioner Alcheck: So, the next motion would be the second topic which has to do with setbacks and window placement. The idea here is that any windows that are facing a rear lot line inside of the rear setback which is to say that we allow ADUs now to begin 6-feet from the rear line. Any windows facing that direction have a new limit in height of 7-feet. That would be new language that would be added.

Commissioner Summa: Can I ask a question?

Mr. Lait: I’m sorry let’s get a second first and then we can ask questions.

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Commissioner Alcheck: Facing a rear lot line inside of 20-feet have an upper limit of 7-feet.

Mr. Lait: Ok. I understand that. And so, Clare is commenting that for accessory structures you can have windows but I think there’s a distinction there in that you’re not living in an accessory structure and these units can go (interrupted)

Commissioner Alcheck: Right there might not be a light on all night long that you can see from their bedroom.

Mr. Lait: Right and they’re taller. These are taller than accessory structures or potentially could be taller.

Commissioner Alcheck: Yeah, I mean the accessory structure that you typically allow in the rear setback, especially the ones that are really close to the fence, their walls are always lower than... because of the daylight plane. They won’t... unless they had floor to ceiling glass and it was a box but the point is what I’m trying to do here is... and what would that box serve if it wasn’t habitable? You get my point so I’m trying to create a rule that makes sense that’s consistent with our code.

Acting-Chair Monk: Commissioner Gardias and then Commissioner Waldfogel.

Commissioner Gardias: Thank you. So actually, this item was also on my list but I would like to address it differently. So, there’s a difference between prescriptive and performance code and then as you may know there is a number of the prescriptive items which probably architects hate but because the code is complicated there is no other way of just applying this. So, what they do they hold a... as opposed to designing building structures and land use they pretty much go through the code and they just apply it to something that’s called a building. But with this would I like to propose a different approach. I would like to propose that there is no... from the accessory dwelling unit there is no direct visibility on the adjacent property.

Commissioner Alcheck: Yeah so, I’ll just respond to this suggestion. I think what you’re talking about is the inhabitant of the ADU won’t be able to see into the backyard.

Commissioner Gardias: Exactly.

Commissioner Alcheck: So, there’s two issues there. All of these ADUs that we’re talking about are one-story anyways so the likelihood of you being able to see into the backyard is not significant if you’re fence is 7-feet tall. That said however it’s going to be really hard to enforce whether someone has a high window and then puts a loft bed which would violate sort of the
principles you’re talking about and that’s a furniture. So, what I’m trying to do is limit light pollution and limit the sense that the neighbor has when they see a window 6-feet from their fence that’s 9-feet tall. They may look at that window every night when the light pours through it and be uncomfortable with it. Windows can be on any other side of this project but when they are facing your rear lot line in an area they’ve never been before which is that 20-foot rear area maybe we could keep those windows a little lower. I don’t believe that it’s going to prevent noise if the window is open but at least they’re not looking at it.

**Commissioner Gardias:** Understood but that would be a different section of the code and I totally (interrupted)

**Commissioner Alcheck:** I’m just saying I wouldn’t change my… I’m just saying your suggestion to revise it. I don’t want to do that. I think you can make your change when the floor is cleared so there’s an unfriendly amendment that needs to get voted on. I’m not going to change it based on your recommendation but you can make that amendment after.

**Commissioner Gardias:** Ok and so but then let me tell you why because this is the same. We’re just talking about the same line item and you can imagine… as you know of course one-story but then (interrupted)

**Acting-Chair Monk:** Commissioner Gardias if I can just interject. I would rather just hear Commissioner Waldfogel on this item and then vote on it. And then we can have you put forward your proposal. Would that be acceptable?

**Commissioner Waldfogel:** I was waiting to hear the rest of that but I have a question point of clarification on this which is I understand the argument. I actually agree with the sentiment. I’m not sure I agree with the approach because for example I think a clear story window on the back of an ADU might be a good idea and even a better than a conventional window lower. I mean I take your point about potential furniture that can create sight lines but (interrupted)

**Commissioner Alcheck:** [off mic] I'm just talking about light pollution but the furniture thing [unintelligible]

**Commissioner Waldfogel:** Yeah but what I... so I’m trying to get to is I agree with your sentiment. I agree with Commissioner Gardias’s comments about performance. The question is there a way to do this that’s not so architecturally prescriptive but it accomplishes the privacy goal and still gives architects the freedom to design and provide... make accommodation for light and air while still maintaining privacy? I mean that’s really... clearstory windows are a tool that architects use to accomplish that so I’m not quite sure what to say about this in real time.

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Commissioner Alcheck: I agree with you. My only... I only want to say to you that there’s at 6-feet away that clear story could be 14-feet high. And if you’re standing next to a 7-foot fence and there’s a window that’s 7-feet higher than that fence that... clearstory is really typical of let’s say a modern flat roof design. And so, there are some questions about whether or not we would be... I don’t want people to oppose the idea of these ADUs simply because they are worried that there’s going to be this lighthouse right next to their fence. That was the basis of this. Again, if we can’t support it we can’t support it and we’ll move on.

Acting-Chair Monk: Commissioner Summa.

Commissioner Summa: Having benefited from the comments of my colleagues I actually think that something that would get more to the point here is a more general privacy policy for windows in ADUs. I think that would accomplish what you... the sentiment of what you wanted to do better. Now, this almost seems too specific to me and especially when the clearstory window option comes up. So, I think... I don’t know if you want to craft a more general amendment about windows and privacy in ADUs.

VOTE

Acting-Chair Monk: Alright let’s take a vote on this item. All in favor? One. All opposed? Three and one abstentions.

UNFRIENDLY AMENDMENT #2 FAILED 1(Alcheck)-3 (Summa, Waldfogel, Gardias)-1 (Monk)-2 (Riggs, Lauing absent)

Commissioner Alcheck: Ok my next motion is about maximum height. I think you guys get it so I’m not going to get specific about what (interrupted)

Acting-Chair Monk: Wait, wait but before we move on I’d like to try to get people’s lights and go in order. I know that you have the floor because you’re doing the items but is this appropriate time to revisit what Commissioner Gardias was wanting to speak to?

Commissioner Alcheck: I would like to get through my amendments and then Commissioner Gardias can do his because it sounds like he has a list.

Acting-Chair Monk: Ok I feel that a maximum height was already discussed so I don’t know... let’s just make the motion and call the question.

UNFRIENDLY AMENDMENT #3

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Commissioner Alcheck: So, the idea here is that we not include maximum heights. I would move that we recommend to Council eliminate the specific height restrictions and allow the Eichler Design Guidelines to do it. I would need a second for this to go to a vote.

SECOND
MOTION TO CALL THE QUESTION

Acting-Chair Monk: I’ll second it and call the question. All in favor?

Commissioner Alcheck: Are you calling... are we voting on calling the question which would need (interrupted)

Acting-Chair Monk: Oh sorry, yes.

MOTION TO CALL THE QUESTION RESCINDED

Commissioner Alcheck: Why don’t we just vote on it. Don’t call the question and we can just vote on it.

Acting-Chair Monk: All in favor of this motion raise your hand. Ok yes, I was going to just move forward with voting on it but if you have questions feel free.

Commissioner Gardias: Yes, I have a question so I’d like to understand about prospects of converting guidelines... design guidelines for Eichler tracts from prescriptive to obligatory in the future. Is there some... is there a perversity or is there... is this Staff’s plan to eventually phase them in and then from the proposed to make them obligatory in those areas?

Mr. Lait: So, City Council recently adopted the Eichler Guidelines as voluntary and they gave us some direction on some other elements to pursue relative to Eichler overlays and things of that nature. So, at this point, they are just voluntary guidelines and they’ve been adopted as such.

Commissioner Gardias: And there is no talk of converting them into compensatory measures?

Mr. Lait: No that’s not on our... we have not been given that direction.

VOTE

Acting-Chair Monk: If there aren’t any other comments I’d like to vote on this one so please raise your hands if you support this amendment. Two. Raise your hand if you oppose. Three.
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different utility rates. That was my proposal. That pretty much if there is no exchange from this
that owner would expect from the City there is no need to regulate this program and then file a
deed related to ADU. But then if there is... if the owner expects any concession from the City
that such deed would have to be filed.

Commissioner Alcheck: So, let me put it to you this way. The deed restriction says the ADU
complies with our requirements. It wouldn’t be approved if it didn’t. The deed restriction says
you can’t rent it out for short term. We already have a rule that says you can’t rent it out for
short term and then third the deed restriction says you can’t sell it separately. That’s not legal
in any county in the state so there are three things that we’re going to force every person to
write on their deed that you don’t need to do. And so, what I’m just suggesting too is we can do
anything you want but these things are unnecessary and there is a cost to deed restriction. An
extra cost, they are already paying this and this and this. So, is there a reason why you think
they should be paying a cost to record three things that they don’t need to record?

Commissioner Gardias: Yeah so thank you so yes, I totally agree right. I see it as a necessary
cost, of course, an owner. It’s already within the ordinance so the owner is required to comply
with the ordinance no questions asked. So, filing deed would be an unnecessary burden, I
totally agree with this and then if we can just strike it down I would support it. However, I
would keep this program and then would require the owner to submit the deed and then my
proposal was in exchange for reallocated utility rates. And then why I was thinking about utility
rates there may be some other exchanges. It’s pretty much that if we have an ADU that sits on
the same gas meter and electric meter... electric panel and electric meter then is there is an
increase of occupancy and then there are higher rates that are related to use of the utilities. If
it’s a separate family then pretty much there should be a program at run by Palo Alto Utilities to
pretty much reallocate the utilities at the normal rate to the utility building based on some
allocation. Either square footage or headcount whatever would be the proper allocation.

Commissioner Alcheck: I think we should talk about that right after like when you propose an
amendment. I think if you think these are redundant then you should not want them regardless
and if there is something you want recorded then let’s record that statement that can then be
waved. But these three statements recording them just so that people will not record them in
exchange for something seems... if you think they are redundant also I think you should support
this motion. And then we can get to an amendment where something else could be
theoretically recorded and I’d be happy to hear that but I would encourage you to support the
motion to not restrict if you think these are redundant.

Commissioner Gardias: Yeah, I support it but as apart of the old bargaining system I would like
to get something in exchange and I would like you to support my proposal that (interrupted)

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Mr. Yang: It’s a very long convoluted ordinance so Commissioner Waldfogel I was referencing Packet Page 77 versus Packet Page 80 and suggesting that the correct Packet Page was 80 which is what the one you had referenced. And then the second question is that among the deed restrictions in that section for JADUs are the three that you referenced in your proposed amendment in addition to a restriction requiring owner occupancy.

Commissioner Alcheck: Where is the owner occupancy?

Mr. Yang: So, on Packet Page 80.

Commissioner Alcheck: There’s a deed restriction... this deed restriction recorded deed that proved by the City then includes a prohibition of the sale, requires owner occupancy, does not permit short term... you’re right. There are four elements, that’s my mistake, it should include all four elements because I think you already restrict owner occupancy elsewhere in the document. But if you don’t that condition would fall with the next suggested amendment so I (interrupted)

Acting-Chair Monk: Well let’s pull that one out though because I think that ones (interrupted)

Commissioner Alcheck: I would suggest striking all of L. So that (interrupted)

Commissioner Waldfogel: I’m trying to understand what the intent was in including this language in the first place and what would happen if we strike it?

Mr. Yang: On the three elements that Commissioner Alcheck spoke to primarily and the ones that are listed in his memo I think Staff generally does not have a disagreement with his position.

Commissioner Waldfogel: So just a hypothetical if let’s say next year we were to repeal our ordinance’s restricting say limiting short term... you know restricting short-term rentals. If we have the deed restriction the parcel would still be subject to that restriction but if we don’t have the deed restriction and we repeal that ordinance then the ADU is eligible?

Mr. Yang: Correct.

Commissioner Waldfogel: So, I guess these kinds of changes are too complicated to make in real time because they have consequences that ripple through.

Mr. Lait: Yeah and just a follow up on what I had said earlier and I think Commissioner Alcheck was asking me to clarify. So, the bill... the assembly bill that made the changes to JADUs there is a requirement for the recreation of a deed restriction that shall run with the land and be filed

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Commissioner Alcheck: Just so we’re clear the... you’re saying the state law has a requirement that an owner record that their Junior ADU comports with City’s?

Mr. Lait: Not the City but the state’s requirements regarding that the JADU cannot be sold. That the specific size restrictions. And it says attributes and I think they are referring to kitchens.

Commissioner Alcheck: Right but the deed restriction doesn’t say the states. It says that the conform it this section which references our code.

Mr. Lait: Right but we have incorporated the state requirements in our local provision.

Commissioner Alcheck: Alright well let me... again let me put it to you this way, I just think that if something is redundant we shouldn’t have to do it. And if we have to do it for some small percentage of Junior ADUs that are somehow attached to houses then let’s minimize the redundancy. So, I mean like owner occupancy is Section D of Junior ADUs. We’re repeating ourselves.

VOTE

Acting-Chair Monk: I’m going to cut off the discussion and call the vote or we can vote on calling for the vote unless there’s more commentary on it. In that case lets just vote. Who supports this motion say aye or raise your hand? Two and all those opposed?

UNFRIENDLY AMENDMENT #4 FAILED 2 (Monk, Alcheck) – 3 (Summa, Waldfogel, Gardias)-2(Lauing, Riggs absent.)

UNFRIENDLY AMENDMENT #5

Commissioner Alcheck: Alright the next motion is Section One. I believe I got this one right A 10 E [note-written right?] and Section 1 B 2D [note-written right?] which is owner occupancy requirements. I recommend that Council strike out that paragraph E entirely and paragraph D entirely. I don’t want to speak more to it. I think that’s just self-explanatory.

SECOND

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Acting-Chair Monk: Commissioner Summa and then Commissioner Waldfogel.

Commissioner Summa: So, in general, I support the idea of owner occupancy but I was... I’m wondering if we can recommend some sort of hardship waiver be built into the ordinance. So that in cases just like the one Mr. Kelley described where somebody is going on sabbatical for a year or something like that. That the person in the other unit doesn’t get displaced. I think could be appropriate.

Acting-Chair Monk: Commissioner Waldfogel.

Commissioner Waldfogel: I would also support a hardship waiver. I mean something like 1-year out of every 5 or some criteria. I’m not sure we need to be that prescriptive but I agree with Commissioner Gardias that we’re not ready yet to just generalize the idea that these are two commercial properties. You know let’s wait and see and learn from the program so I would support some kind of hardship. You know some kind of hardship program but the question is that definable? I mean do you think that we can come up with criteria that would be workable?

Mr. Lait: We think that that’s something that we can come up with on our way to Council if that was the Commission interest.

Commissioner Waldfogel: [unintelligible -mic not on]

Acting-Chair Monk: So, I put some thought into that actually as well because you have the owner who’s an owner and also what is occupancy? So, I was kind of thinking if they’re residing there less than 50 percent of the calendar or they have to reside there at least 50 percent or pay taxes or there’s got to be some metric that would qualify as occupancy.

Commissioner Waldfogel: Yeah, I mean I think that the way I’m reading this the intent of owner is really too restrict rental more than it is to define what’s the family orbit of the owner. So, I think it’s more saying hey if you want to loan it out to your friend or something that’s sort of within the orbit. But I agree there’s some complexity in interrupting this but I do support the idea that there are circumstances that we can’t and shouldn’t accommodate. I just don’t think it should be the general principle that both units are on the rental market until we understand this program a little more.

Acting-Chair Monk: And to that point, we’re not treating renters to the same rights as you’re treating the property owners because when they’re in privy of [unintelligible]... privy of a contract and they have that property in their possession they are not able to do what the owner is able to do. So, there’s some issues around that and I just would want Council to be

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Commissioner Alcheck: Yeah so two things here. I don’t believe that as currently written and I think this is… a nod from our legal counsel would help but there are certain terms you could put in a rental agreement which would, for example, limit a tenant’s ability to sublease the space they’re renting. And these are state rules so I don’t think there’s anything Palo Alto could do that would change whether or not the renew rights specific regarding subleasing but I just want to be really clear here. We’re not talking about subleases, we’re talking about being able to rent the single-family home and the ADU to two different families and I just want to make one more clarification which is nothing about doing that would make these properties commercial. And so, another example would be a couple rents a home that has a detached ADU that’s vacant, they’re renting the single-family home, they age and they decide that they want to take on a caretaker. And the caretaker in exchange part of the fee arrangement is that they rent the space in the ADU to the caretaker. That would be illegal because rent does not mean just money. Rent is any arrangement that is dictated by an agreement to occupy space. So, you couldn’t theoretically have two different renters that weren’t… technically the notion that a person who’s renting a house could then sublease the ADU is almost entirely unenforceable if you think about it. Because number one a renter is not aware of the code or of the recording because they didn’t buy the house. So, they have never had the opportunity to be made aware of either of these two things so I think there’s two reasons why we should be wary of this. First are the arguments I made and the second is the enforceability issues. But again, I would rather just put it to a vote without changing it and if you guys want to waiver for sabbaticals and whatnot make that a separate amendment.

VOTE

Acting-Chair Monk: All those in favor? Two. All those opposed?

UNFRIENDLY AMENDMENT # 5 FAILED 2(Alcheck, Monk)-3 (Gardias, Summa, Waldfogel)-2 (Riggs, Lauing absent)

UNFRIENDLY AMENDMENT #6

Commissioner Alcheck: Alright my last one is about fire sprinkler requirements. That’s Section 1A10G. I recommend that Council strike paragraph G entirely.

Mr. Yang: So, if we can just interject here.

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Acting-Chair Monk: There’s no second so far.

Mr. Yang: This provision is actually required by state law that ADU is not be required to install fire sprinklers if fire sprinklers are not required in the main residence.

Commissioner Alcheck: Are we talking about new... are we talking... is there any distinction about how substantial the work is?

Mr. Yang: I’m going to need a minute just to pull it up.

Commissioner Alcheck: Let me put it to you this way.

Mr. Lait: Well let’s maybe see if we have a second first.

Commissioner Alcheck: Well let me just clarify the motion which is to say that if it’s substantial enough that it would come outside of that rule that state applied then I would suggest our requirement kick in immediately. So, if it’s already limit... if the state’s already regulating it maybe you could be a little bit more specific about their... the scope the applicability because I think if it’s outside their scope we shouldn’t expand the scope of that exception.

Mr. Yang: So, to clarify for conversions of an existing space there’s a provision that says accessory dwelling unit shall not be required to provide sprinklers if they are not required for the primary residence. For ADUs that are not conversions, there is an identical provision so it seems to apply to all ADUs.

Commissioner Alcheck: So, it is that they wouldn’t be required for the primary residence because that primary residence has already been built? Is that what you’re saying?

Mr. Yang: That seems to be the intent.

Commissioner Alcheck: So, it applies to newly built structures? Like a new construction could be built without requiring this and then could essentially tear down the single-family home and rebuild the single-family home and that would require (interrupted)

Mr. Yang: I think its... the question is the primary residence required to have fire sprinklers. If not then the ADU cannot be required to have fire sprinklers. Whether that’s because the primary residence has already been constructed or because with new construction there is some exemption.

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Commissioner Alcheck: Ok I tried to make this about new construction only but I realize now that they were saying the scope is even broader. So, I guess there’s no sense in voting on it, I withdraw the motion.

UNFRIENDLY AMENDMENT #6 WITHDRAWN

Acting-Chair Monk: Commissioner Gardias did you have some amendments that you wanted to make? And we do have the consultant here on the next agenda item so go ahead.

UNFRIENDLY AMENDMENT #7

Commissioner Gardias: So first I’d like to... sorry. So first I’d like to return to the item that we already discussed in the past but the gentleman that’s still out in the audience he raised it up. And I really find this illogical and also being a registered architect, it just boils my blunt because I think it’s nonsense and it will come up later on but I hope that we can just strike it down. So, there is a point about no projections to be allowed to be encroach into a required setback. Maintain 6-feet clear from rear property line. So, when you think about this how the building is designed and how it’s built pretty much there are building have overhangs because of the obvious reasons. There is rain that falls down and also the sun is shining down so overhangs are to protect walls. And then entrances windows from pretty much weather conditions which this is how it’s been for thousands of years. So now if we’re going to restrict overhang projecting into a setback what people will do they will... first of all, they will sue the City and I will truly support their effort. But if they don’t what’s going to happen they will pretty much reduce overhangs to zero and you’re going to just see the gutter just running along the facia with overhang because that’s what they will do. The homeowners when they design a structure they pretty much going to maximize the floor and they, of course, they will just build as close to the 6-feet or on the 6-feet line all over because that’s required by the legislation. So, we should allow some natural building elements and the overhang is one of those to pretty much encroach into a required setback. Otherwise, we are just into regulating the building structure itself that should not be in our purview. So, I would like to propose to pretty to enhance this language to add that like something like a no intrinsic projections shall be allowed to encroach into a required setback. Meaning that intrinsic those are some items that are like a decorative chimney or some other... or bay windows. Those items that there is no necessity to being... to include them in this design. And I was talking of course about Item 2B on Page 69 just for those who need reference.

SECOND

Acting-Chair Monk: If that’s the motion I would support that motion and as a point of clarification with Staff, we did discuss this extensively at the last hearing on the matter but we...

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I think given the public comment that we heard tonight it justifies reopening this one area. So, if that’s a motion or if you’re able to work with what Commissioner Gardias proposed... and I don’t know if the Commission supports that or not. I just don’t want to have the whole debate again because we actually the full debate on it but I do support making a change given what we heard tonight.

Ms. Campbell: Ok so I’d just like to clarify. I understand what you’re getting at. Would it possibly be another way to look at this or frame the language as to say to allow eaves to project and let everything else follow the no projection requirement that we already kind of talked about or do you think something more than eaves should be allowed to project into the setbacks? Because I can definitely understand an eave projection being allowed.

Commissioner Gardias: I don’t have the answer from the top of my head. There may be something else but of course eave and roof overhang... you have one? Go ahead shoot it if the Chair allows.

Acting-Chair Monk: We already heard from him and I mean this item was discussed is the problem so we really... I’m a little bit torn right now because I sympathize with this but we already discussed this and voted on it. Commissioner Waldfogel spoke to it extensively and perhaps he just speaks to it again right now and I think we do need to close the discussion and vote on this and we need to move onto the Housing Work Plan. So, Commissioner Waldfogel.

Commissioner Waldfogel: Yeah just by point of clarification. I mean you can envision the eaves, you can envision the chimneys, other architectural elements, mechanical equipment, I’m not sure how light wells fit into this, bay windows so I mean I think some of these things would be ok. I think others should... the right design response should probably be to push the building back to accommodate some of those features but again it’s complicated. This is a hard thing to do in real time. I think you almost need to still down with some designers and draw a few scenarios to understand what the consequences of any discussion are.

Commissioner Summa: I think the confusion here comes from the fact that most time setbacks are for the walls for buildings. And then there are projections and we did something kind of kooky by having the projections be the line of the setback so that’s all I’m going to say.

Acting-Chair Monk: Commissioner Alcheck.

Commissioner Alcheck: Yeah so look I have two points here. I don’t think that the result of that amendment is going to be a bunch of boxes. I just don’t think that’s the case. I think people are just going to build their ADUs a foot farther so that they can have the eave that reflects their architectural desire. If they want to build a box they’ll build a box because that’s what they

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architecturally want. There’s two reasons why I won’t support this motion. The first is on principle because I think that this is rehashing the discussion and the motion that was unanimous at our last meeting was that we would pick up where we left off without talking about anything that we’d already talked about. That’s reason one I think everyone should oppose this motion and reason two I feel like we had two... more than two weeks for you to submit your ideas in writing which would have been considerate considering that we’re trying to be expeditious here. And so, the fact that we’re talking about something that we already agreed we wouldn’t talk about and also that you didn’t prepare these things in writing I find to be doubly punishing to this motion.

**Acting-Chair Monk:** I’m going to go ahead and call a vote on the motion.

**Mr. Lait:** Can we restate the motion, please?

**Acting-Chair Monk:** To allow the word intrinsic to be added under 2B.

**Mr. Lait:** I’m not sure I understand what that means.

**Commissioner Gardias:** So, let me elaborate then so pretty much extrinsic, those are some elements that must be part of the building. Some other items that are... that not must be part of this design or there may be some different they would not be able to... they would not be allowed to enter the setback.

**Mr. Lait:** Right so you know I don’t want to create a new term that we don’t have in our code. We do define what types of projections are allowed and I want this to be as objective as possible. Are we not able to just use our existing projection language?

**Commissioner Gardias:** No because those are two different items so there is a number of the... there is a number of the projections that we allow are related to the main residence while similar features entering the setback, and chimneys are one of those examples, would pretty much bring the structure closer by a foot or foot and a half to the fence... to the neighbor’s fence. Then just pretty much being in a distance of 4 ½-feet as opposed to 6-feet which would make a difference in the crowded area of the rear setback. So, there is a difference in my perspective.

**Mr. Lait:** Ok so you don’t want a chimney to go to the ground.

**Commissioner Gardias:** No because I don’t think that pretty much... you don’t have to... when you design... build a structure that you can just have the chimney on the other side of the

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Acting-Chair Monk: Commissioner Gardias we actually did discuss this extensively and they have a record of it from the last hearing so I just really could use some direction from counsel on this one or from Staff and counsel on whether or not procedurally we’re able to vote on this?

Commissioner Alcheck: If you withdraw your second.

Acting-Chair Monk: Or if I should withdraw my second because I did reopen something that was closed but I would like to convey this message to Council somehow.

Mr. Lait: I don’t think there’s anything binding about the Commission’s collective interest to not rehash the nine topics. I thought that was a good process to move forward but you’re not procedurally out of line for having a conversation on a motion. We’re just still trying to understand... we’re just unclear as to what we’re trying to get at here but if it’s about... I think Clare tried to clarify this. If we’re talking about roof eaves or similar horizontal projections as being acceptable we can work with that. It gets a little bit confusing... I mean if that’s the intent fine and I’m hearing you don’t want to have anything go to the ground so no columns or things of that nature. And I don’t want us to be in conversation about whether it’s in keeping with the architecture of the structure or not because that gets to be too subjective for us. So, we can speak to eaves or similar features and say that they can encroach by a certain amount say a foot. I don’t know what your threshold of tolerance is or you say these features must maintain a minimum of 5-feet clear to the property line.

Commissioner Gardias: That’s fine. I don’t have any other examples so overhang, eave and then on some structures a typical overhang is 2-feet by the way.

Mr. Lait: Ok well I’m just asking. I just need to know what your threshold is. I mean would you allow a 2-foot encroachment into a 6-foot setback?

Commissioner Gardias: No, I would allow the encroachment that is consistent with the main residence. So, if there is a main residence that’s built in the colonial style or some other let’s say... or some other style that pretty much has 2-feet overhang and then for consistency you build in the same style ADU it would have the same overhang as the main residence. If you want to keep... otherwise, you’re going to pretty much force people to change it. To pretty much to design to build in the mission style because mission style doesn’t have an overhang.

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Mr. Lait: Right so we don’t want to get into different architectural styles. It’s not a requirement that the two be consistent or compatible. So, if to the extent that you’re satisfied with this (interrupted)

Acting-Chair Monk: I’m satisfied with how you propose to address it to Council.

Commissioner Summa:

Mr. Lait: Ok so we would come up with some standard to allow roof eaves or similar projections to encroach into the required side and rear yards for detached ADUs.

Acting-Chair Monk: Yeah to be consistent with the main property.

Mr. Lait: Main principle residence.

Acting-Chair Monk: Yeah thanks. Ok so (interrupted)

Commissioner Alcheck: Wait can I ask a question? Do you anticipate that this is amending our already agreed to the amendment? What happens if the amendment not to have encroachments got six votes and this one only gets four? How are we (interrupted)

Mr. Lait: You didn’t have a vote on the previous one.

Acting-Chair Monk: Right so that’s coming up next.

Mr. Lait: So, there’s an amendment… there’s a motion.

Commissioner Alcheck: I think that we did actually because we had a motion... but we had a motion on the floor.

Acting-Chair Monk: Right.

Mr. Lait: Motions were withdrawn.

Commissioner Alcheck: Ok alright so I’m just curious so this would essentially eliminate the amendment that’s already on Page 1 of this Packet? Because that ones specific about projections of (interrupted)

Mr. Lait: Yeah that’s right.

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Commissioner Alcheck: So, we are rehashing?

Acting-Chair Monk: So, let’s go back to the main motion that was made by Commissioner Summer, seconded by Commissioner Waldfogel. So, at this juncture I... unless there’s any further comments.

Mr. Lait: Did we get a vote on the roof projection thing? So, we need to vote on that.

Acting-Chair Monk: On this? I thought you said you were going to relay it... that you were going to be able to make those changes. Ok so... oh, you were just clarifying it then yes let’s take a vote on that.

Commissioner Alcheck: Sorry hold on a second. We do have a motion on the floor that we are amending right now and that motion includes the amendment and it has been (interrupted)

Acting-Chair Monk: This is an amendment to (interrupted)

Commissioner Alcheck: So just so we’re clear we’re amending an amendment?

Acting-Chair Monk: Correct.

Mr. Lait: You’re amending (interrupted)

Commissioner Alcheck: Couldn’t you simply just change the amendment that we already have?

Mr. Lait: So, Commissioner (interrupted)

Acting-Chair Monk: It doesn’t matter.

Mr. Yang: So that’s what we’re doing. This is an amendment to the main motion; the main motion included some language that is now being proposed to being the amendment and I think we’re clear on what we’re doing and we happy to have a vote on it.

VOTE

Acting-Chair Monk: So, the vote right now if to whether or not we’re going to accept this amendment to the 2B amendment. Ok, so all in favor of this current motion by Commissioner Gardias please raise your hand. Four to one.
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Commissioner Gardias: Thank you. So, I’d like to propose to modify the language and to say that there would be no direct visibility on the adjacent property and utilize techniques to restrict direct visibility on the adjacent property.

Acting-Chair Monk: Do we have a second?

SECOND

Commissioner Summa: I will second that so I can ask a question of Staff.

Commissioner Alcheck: You don’t have to second it to ask a question. You can wait to second it.

Commissioner Summa: Jonathan told me I have to [unintelligible]. Anyway (interrupted)ени

Commissioner Alcheck: [off mic] Now we have to talk about it.

Mr. Lait: Well, she wants to talk about it.

Commissioner Alcheck: [Off mic] No now we have to vote on it.

Mr. Lait: She can withdraw her second if she wants.

Acting-Chair Monk: Commissioner Summa would you like to withdraw your second, ask your question and then decide if you want to second.

SECOND WITHDRAWN

Commissioner Summa: Certainly, if that will make everyone happy.

Acting-Chair Monk: Thank you.

Mr. Lait: It doesn’t make me happy but go ahead.

Commissioner Summa: I understand what the intent is. I’m not sure that it’s expressed very clearly the way Commissioner Gardias said it. Is there a way we can tighten that language up?

Mr. Lait: So, I think and Clare will help me with this but I think we should understand the universe in which this provision applies. It’s… there’s only two areas I think in the City where we...
allow for two-story assessor dwelling units and that’s in the RE and OS area and both of these require the structure to be attached and within the principal building area. Much like you would have for a second story of a home and those are much bigger lots. This privacy provision does not apply to one-story attached or detached assessor structures. So the focus on here is limited but if that’s the interest then I just think it begins to set a little bit of a weird set up in the code where you would have this attached ADU on the second floor and then behind it or in front of it you would have this bedroom that could have a window but the ADU couldn’t. It’s an odd setup.

**Commissioner Gardias:** No, it may have the window but there would be no direct view on the adjacent property.

**Mr. Lait:** Right I understand but there’s only two (interrupted)

**Commissioner Gardias:** You can build windows in thousands of different ways.

**Mr. Lait:** Well no I understand but ADUs... this provision on privacy is specific to the second story of a dwelling unit... an accessory dwelling unit. This section that you’re sitting on top of Packet Page 75. There are two zones in the City where we allow that to occur. These larger lots, the RE zones and the OS zones. This does not apply to your R-1 districts, subdistricts where you have a one-story ADU. This provision does not apply to that. If you’re asking separately to establish a set of standards for ADUs that do not have a line of sight into an adjacent property I think you could do that separately. It’s just not amending this section.

**Commissioner Gardias:** So, thank you very much for clarifying right. So, I’m the proponent of the ladder so thanks for very much for helping on (interrupted)

**Mr. Lait:** Do you have your... ok.

**Acting-Chair Monk:** If we’re ready to move onto voting on the main motion then we can do that now otherwise I was going to run to the restroom.

**Commissioner Gardias:** So, there was a suggestion which I (interrupted)

**Acting-Chair Monk:** You’re satisfied with that?

**Commissioner Gardias:** Thank Director Lait that too change the language to restrict the visibility not on this specific paragraph but in general from the... you said detached ADUs right?

**Mr. Lait:** Detached but I (interrupted)
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Commissioner Gardias: Detached ADUs.

Mr. Lait: So then to that I think we need a second because I think... do you withdraw your second? No, so you support that?

Commissioner Summa: What?

Mr. Lait: I’m sorry Commissioner Summa do you support... you still are a seconder on that motion?

Commissioner Summa: No.

Mr. Lait: You’ve withdrawn that second. So, to move that suggestion forward we need a second.

Acting-Chair Monk: Do we have a second on the motion? I do not have a second on the motion. Motion fails.

UNFRIENDLY AMENDMENT #8 FAILS DUE TO THE LACK OF A SECOND

UNFRIENDLY AMENDMENT #9

Commissioner Gardias: Alright very good. Let’s move on. I have a couple of other items so I’d like to as I already alluded I would like to tie deed to reallocate the utility fees. So pretty much I suggested there would be a program run by Palo Alto Utilities that fees for the ADUs... that would reallocate the fees for the occupied ADUs upon the deed restriction... upon the deed occupancy.

Acting-Chair Monk: I don’t understand what your motion is. You want to reallocate the utility fees to whom?

Commissioner Gardias: Right to... I can tell you precisely just give me a second.

Acting-Chair Monk: And you want to have it recorded in a deed?

Commissioner Gardias: Yes, so upon recorded deeds Palo Alto Utilities would reallocate utility fees and remove meter multiplier for energy usage for ADUs as needed. And then let me just tell you exactly what it is right because pretty much if you go... if you have a property that runs on one-meter electric meter and one panel and one gas meter because that’s what it’s going to
be. There would be no separate cup line, there would just be a single one. Then pretty much from the perspective of the utilities, you will increase the usage of your energy. So, your energy bill will automatically will go up. The sewer line, the water bill and the heating and what else is there? And the electricity and then pretty much if you increase your usage their multiplier kicks in. You’re going to be penalized for higher energy use than you have if you were living in a separate house and then for in some properties this may be really high energy bill. So, what I’m suggesting is to pretty much adjust the bill if there is... if an ADU is truly rented out and if there is occupancy and a recorded document would be the deed.

Mr. Yang: So (interrupted)

Acting-Chair Monk: Well I don’t think we can produce a second until we confirm that this is the case.

Mr. Yang: So, I guess can we clarify then what is the... how does the deed play into your proposal?

Commissioner Gardias: Well the City use to have some information that the unit is occupied and I would use the deed as a proof of occupancy of the secondary unit.

Mr. Yang: So, a deed restriction that required occupancy for a certain period of time?

Acting-Chair Monk: Ok so if there a second for the motion? Do you have more question on it? I understand what you’re trying to get at and so I think instead of making this a deed restriction or a part of the ordinance we should ask the Staff to explore mechanisms that wouldn’t trigger the increase in the multiplier in the utility bills for ADUs. So maybe we can give some direction to Staff to include something along those lines. I’m going to run to the restroom but if you can formulate a motion or Staff can make assurances that they can look into that.

Commissioner Alcheck: How about you get your next amendment because you didn’t get a second. Move on because there’s no second.

Commissioner Gardias: If there is no second then pretty much we can move on. Right if there is no interest in pursuing this.

Commissioner Alcheck: Why don’t you go to your next amendment?

UNFRIENDLY AMENDMENT # 9 FAILED DUE TO THE LACK OF A SECOND

[Note- Several Commissioners started speaking off mic]
Commissioner Gardias: So, there is another item that I would like to run by you is pretty that and I want to just discuss it to get the counsels... our counsels understanding. If the ADU that is located at the rear part of the office can be subject of the daylight plane? Because currently, it can run per state regulation up to 17-feet, right?

Mr. Lait: So, Clare will respond. The state doesn't set the height limit, that's the local regulations but we do have a daylight plane provision.

Ms. Campbell: Yes, we do have a daylight plane provision for detached ADUs and it's 8-feet at the property line with a one to one ratio moving away from the property line and the maximum height is 17-feet.

Commissioner Gardias: And it starts at what height?

Ms. Campbell: 8. 8 at the... well, 8-feet at the property line is your daylight plane. So, at 6-feet away you could be 14-feet and you would meet the daylight plane and you cannot have any projections into that daylight plane.

Commissioner Gardias: So, this is pretty much the same daylight plane as we have on the property. Is this right?

Ms. Campbell: I think it's the rear... yeah, I think it's a modified version because we kind of combined the accessory dwelling unit daylight plane and the rear daylight plane or the side daylight plane actually from the house.

Commissioner Gardias: So, could you explain to us what is the thinking behind this modified daylight plane? The reason I'm just raising it up it is because we may end up with back to back ADUs facing each other at the rear of the adjacent properties. And then pretty much they would be taking the daylight plane from each other.

Mr. Lait: Yeah, I (interrupted)

Commissioner Alcheck: [off mic] Is there an amendment just so I know where you’re going?

Commissioner Gardias: It's not yet so I would like to have an amendment but then apparently there's already... they thought that through so I would like to understand what the mechanics behind the daylight plane was and how this was proposed in the ordinance. So, I just want to know if this would satisfy my concern or not. So, at this moment it’s a question to the Staff.

Commissioner Alcheck: Can you just say what your concern is?

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Mr. Lait: Right so the daylight plane provision is set forth on Packet Page 76 in the middle of the page Letter D. It says no portion of a building may encroach into a daylight plane beginning at a height of 8-feet at the property line and increasing at a slope of 1-foot for every 1-foot of distance from the property line. So, it’s a 45-degree angle starting at 8-feet, that’s the volume.

Commissioner Gardias: Is it the same... is the angle of the increasing daylight planes same at the main residences?

Mr. Lait: No, I think there it starts higher and its 60 percent.

Commissioner Gardias: It’s 60 percent so this one is shallower?

Mr. Lait: It’s shallower but it starts also lower too.

Ms. Campbell: Can I just maybe jump in here?

Mr. Lait: Maybe I got that wrong.

Ms. Campbell: So, for the side daylight plane for a single-family home you... it’s at 10-feet and it’s at a 45-degree angle. At the rear, you actually take it at the 20-feet rear setback at a 60-degree angle.

Commissioner Gardias: At the 60-degree angle?

Ms. Campbell: At the rear setback line.

Commissioner Gardias: At the rear setback, ok. So pretty much why 60-degree as opposed to 45-degrees?

Mr. Lait: That’s the existing code for principle structure so that’s not related to ADUs.

Acting-Chair Monk: So, Staff I want to interject. If there’s an amendment please put it forward. I also have a light up from Commissioner Waldfogel and I don’t know if that was from before or if you have something to (interrupted)

Commissioner Waldfogel: [unintelligible -off mic]

Acting-Chair Monk: Ok so if there’s an amendment if you could please make your proposed amendment.

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1. **Commissioner Gardias:** No, I will not make an amendment.

2. **Acting-Chair Monk:** Ok are there any other items that you wanted to address? Commissioner Gardias are you continuing?

3. **Commissioner Gardias:** So, one second let me just check so hold on a second because we were just looking into this. Is this... the wall can go up to 14-feet at 6-feet at the setback of 6-feet?

4. **Ms. Campbell:** Correct.

5. **Commissioner Gardias:** It's at... the wall... rear wall of an ADU can go up to 14-feet?

6. **Ms. Campbell:** Yes.

7. **Commissioner Gardias:** Ok and this is state requirement or this is (interrupted)

8. **Ms. Campbell:** This is our local.

9. **Commissioner Gardias:** Local ok so I believe that what we’re doing is we’re just building a well between those two building. If you imagine there would be two ADUs back to back and then Commissioner Waldfogel just drew a beautiful diagram for me which really shows that this would be like a corridor. And for this reason, I would like to propose that to lower 14-feet to the height of the normal plate... building plate over 3-feet which would be 3 feet plus 8 feet 1 ½ to be precise that’s the plate height. So, you can say for the code that the daylight plane would start at 11-feet over the ground as opposed to 14 and that would be my amendment.

10. **Commissioner Alcheck:** [off mic-unintelligible]. To make it easy half a [unintelligible].

11. **Acting-Chair Monk:** Commissioner Alcheck if you wanted to comment can you turn on your microphone.

12. **Commissioner Alcheck:** Yes, I’m just suggesting staff treat that as a 1 ½-foot... your calc works off a one and one and one. Like an incline of one for every step by one, you could just say an incline of ½-foot would satisfy what he’s trying to say I think.

13. **Ms. Campbell:** So, it sounds like you are trying to propose a different slope, the angle.

14. **Commissioner Gardias:** No, I’m trying to propose a height... a different height at which the daylight plane would start... be calculated as opposed to at 14-feet. It would be calculated at 11-feet.

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Acting-Chair Monk: Staff do we have the authority to dictate on daylight plane?

Mr. Yang: Yes, and I think we understand the suggestion to be that the daylight plane begins at a height of 5-feet instead of begins at a height of 8-feet. Thus, it would begin at 11 and move up at a 45-degree angle.

Acting-Chair Monk: Commissioner Alcheck.

Commissioner Alcheck: So, look both that suggestion and also changing the slope is effectively the same thing. I think you should call for a second. I think you’re demonstrating essentially... you’re learning about the code on the dais right now and I don’t think it makes any sense. And we have a tremendous agenda tonight and we’re taking a lot of time to talk about things that seem to be things that you should either be aware of or have a real reason. And you’re... it doesn’t make any sense so call for a second. Please, can we be efficient about this?

Commissioner Gardias: Sure of course.

Commissioner Alcheck: You’ve spent 20-minutes trying to come up with an amendment.

Commissioner Gardias: You’re learning sometimes as you go so please don’t make this comment right.

Commissioner Alcheck: I know but the idea was to have you prepare these amendments ahead of time so we could be efficient. We had that meeting last time.

Commissioner Gardias: Ok so pretty much the proposal is to start the daylight plane at the height of 11-feet above the ground as opposed to 14.

Commissioner Summa: I have a suggestion.

Commissioner Alcheck: Can we get a second?

Commissioner Summa: I’m making a suggestion if it’s alright?

Acting-Chair Monk: Commissioner Summa.

Commissioner Summa: Thank you. Sorry. Commissioner Gardias maybe you could make a motion that you recommend that Council looks at the daylight plane recommendation as you feel that it would have a negative impact when to at the rear lot line when they abut each

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other. And because I think trying to figure out what the exact correct point to start and the angle right now for us up here is very difficult to do. So, if you would make a more general recommendation about a concern I will second it and we can vote.

UNFRIENDLY AMENDMENT #10

Commissioner Gardias: Very good thank you. I will do so. So pretty much the recommendation or amendment is to look into the daylight plane into the lower... to increase the daylight for the ADU located at the rear part of the property.

SECOND

Commissioner Summa: I will second that.

VOTE

Acting-Chair Monk: Alright let’s vote on that. All in favor raise your hand, four. All opposed one.

UNFRIENDLY AMENDMENT PASSED 4(Monk, Summa, Waldfogel, Gardias)-1 (Alcheck)-2 (Lauing, Riggs absent)

Acting-Chair Monk: At this juncture, I’d really like to move onto the next agenda item. Great.

Commissioner Alcheck: We have to pass the motion.

VOTE ON THE ORIGINAL MOTION

Acting-Chair Monk: Ok so in order to do that we do need to go back to the original motion as amended. Are folks comfortable voting on that right now or do we need to restate where we’re at on the original motion? Ok, I’m not hearing from anyone so we can move forward with the vote on the original motion. All those in favor raise your hand. Five. Unanimous, terrific. Yeah. Does anyone need to take a break? I’m going to just push on through if folks are ok with that to not take a break. Ok, we’re going to take a very brief 2-minute break and get set up by the consultant on the Housing Work Study. So, adjourned for 2-minutes.

MOTION PASSED 5-0-2 (Lauing, Riggs absent)

Mr. Lait: Yeah, I appreciate it. It’s been 13-hours since my last break. Appreciate it.

[The Commission took a short break]

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5. Public Hearing: Implementing the Council Housing Work Plan Referral: Discussion of Key Issues for the 2018 Comp Plan and Housing Ordinance

Acting-Chair Monk: We’re not on Agenda Item Number Five and it’s 9 o’clock.

Commissioner Waldfogel: So, are we setting a time limit on this one?

Acting-Chair Monk: Do we have any objections... How about we do a check in at 10p.m. Do folks need to leave before then? I mean I hope we don’t fall asleep here at the dais.

Commissioner Summa: I don’t usually go to bed at 9.

Acting-Chair Monk: Alright.

Commissioner Alcheck: I mean if you’re asking for opinions I think we’re about to embark on the most important thing as identified by our Mayor and City Council. So, I think this item... I mean we’ve been here till 11:45 on less important issues so I think we should commit ourselves to dealing with this the right way.

Acting-Chair Monk: Well we’ll do a check in at 10 o’clock and we’ll see if we can continue beyond that depending on how people are feeling. So, we’re going to be hearing from the consultant planner Jeanne Eisberg, then we’ll hear some public comment if there is any, take very preliminary clarifying questions and then I’ll tee us up for an interactive discussion facilitated by Staff. So, if... I don’t know where Commissioner Gardias is but I would love for him to hear your presentation. Sorry? He’ll catch up. Ok was there a document that you have for us to look at? Was there a handout?

Ms. Jeanne Eisberg: Yes, there is a Staff report and then an attachment which is the Downtown Cap Residential Study.

Acting-Chair Monk: Thank you. I have it.

Ms. Eisberg: Oh, you have a copy of the presentation as well. So again, my name is Jeanne Eisberg, I’m with Lexington Planning, a consultant for the City. This is our second meeting talking about Housing Work Plan Implementation, specifically the 2018 Comp. Plan [Note – Comprehensive Plan] Housing Ordinance. So, I’m going to provide about a 6-minute presentation, an overview of the purpose, keys issues and process relate to the zoning revisions. And then we can have any clarifying questions, public comment if anybody is left here and then we’ll move into a discussion of some of these issues and strategies to implement the element... this element of the work plan.

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So, what is the purpose of the work plan? This is being undertaken in response to the City’s housing crisis. In short there’s a limited supply of housing, right now it’s very expensive, and the City’s workers its teachers, people working in restaurants, service workers, caregivers cannot afford to live in the community which has impacts on commuting into the City as they are commuting long distances to get to work. The work plan represents the City’s roadmap for how to implement the Comprehensive Plan policies and Housing Element policies as well as the Council’s priorities for housing and for how to meet these housing goals. On the screen for how housing production should unfold as the City is identified in those adopted policies. So notably on in this graph, the City has not produced housing in these quantities for many decades so this is really a tall order. As the work plan says it’s a time to be bold.

These are the items in the Council referral that we’ll be looking at this year’s ordinance. The bulk of the work is in the downtown, California Avenue, and El Camino Real districts. Since these are the areas and corridors in the Comp. Plan [Note- Comprehensive Plan] identified as the highest opportunities for housing production. We’ll also be looking at densities in the RM district and parking regulations Citywide. I’d ask that we table the parking discussion for tonight. We’re going to address that solely on its own next month at a meeting on May 30th and prior to that, you’ll receive a report that a consultant has prepared actually evaluating parking occupancies in the City.

So just to take a big picture view what is the purpose of zoning? How does zoning function and you can think of it as a method of incentives and just incentives? So zoning regulations can support the type of development that a City wants to see in the community and it can do that by providing flexibility in development standards, by streamlining the permit process, providing additional density for those types of uses. So, if you think about City trying to encourage restaurants you can make it easy to go through the process for outdoor seating or providing a beer or wine permit and that can actually affect not so much getting the restaurants but a restaurateur thinking am I going to locate in Palo Alto or somewhere else. So conversely zoning can be used to just discourage the types of uses that you don’t want so that’s providing a discretionary review requirement, layers of development standards, impact fees, site improvement requirements, things like that and that can add time, cost and uncertainty for our project. So, for example, if a City wants to discourage were housing uses them requiring windows, parking, landscaping treatments can provide a disincentive for those uses and essentially encourage them to go elsewhere. So, in reviewing your ordinance and discussing with Staff and developers and architects about how the ordinance is being implemented the City has a fundamental problem in respect to the Zoning Ordinance and housing production. And this with what we’ll be working on together tonight and over the next several months. So, in short, the Zoning Ordinance regulation do not support the type of housing, the type of uses that the City wants according to those... the Comp. Plan [Note- Comprehensive Plan] and the

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Housing Element in supporting high amenity locations near transit for housing. Add to this the high cost of construction, the high land values and it shouldn’t be a surprise that the City is not seeing that type of housing production.

So, what are these key issues and these are the five issues discussed in the Staff report. So first the development standards in the downtown, the CD(C) district, the Cal. Ave CC-2 and the El Camino Real district specifically the CS and CN district are more favorable towards non-residential development. So, for example in downtown, if you’re doing an office development you don’t need to park on the site you can do an in-lieu fee. You don’t have any requirements for open space, landscaping, lot coverage, and you can do two or three times as much FAR for office or for hotel. Second residential uses are generally only permitted as part of mixed-use developments in commercial districts and this kind of makes sense. The commercial districts were set up for commercial districts, for the corridors, for portions of Cal. Ave and for downtown. But now you have a Comprehensive Plan that says those are the very locations where multi-family housing is appropriate and so this is really a process and opportunity to bring the Zoning Ordinance into conformance with your Comprehensive Plan. Third, this table gives you a sense of the layers of development standards that apply in each of the districts and while many regulations are reasonable trying to protect access to air, to light, to privacy. Together in combination, they have the drawback of reducing the developable envelope on a site. Fourth and this is the attachment to the Staff report is an Economic Development... excuse me, an Economic Analysis that was completed during the Comp. Plan [Note-Comprehensive Plan] update process. And while it focuses on downtown we can extrapolate its findings for Cal. Ave and El Camino Real. So, I can go into this in more depth if you’d like but basically what this report found is that the incentives for housing are not aligned for redevelopment. So right now, in order to do ground-up new construction, you have to be able to support the high cost of construction as well as overcome the value of the existing property... existing use on the lot. So even if that’s a one or two-story commercial building you need to overcome that value over the couple of years that it takes to develop a project under construction to recapture that value. So, the report recommends to encourage state density bonus laws as a way to get more mass on the site, looking at increasing allowable residential densities, reducing parking requirements, and increasing coverage or floor area and then lastly creating incentives to parcel assembly. One of the things that the report found is that essentially a lot of the easier to develop lots have already been developed. The larger lots and we’re left with a lot of smaller sites which can be challenging just from an economy of scale point of view. So how do you encourage property owners to consolidate properties you provide incentives. So lastly although the review process provides opportunities for input for community and decision makers it also adds time, cost and uncertainty for the project applicant. So, the last few multi-family housing projects in the City have taken 18 to 36-months to get through the entitlement process which means that sometimes the City’s policies have changed, the market conditions have changed, and factors for the assumptions of the developers may have changed.

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So, Staff has grouped the Council referral items and the strategies to address some of these issues into four key strategies. And we’ll come back to these during our discussion and continue to talk about them as we move forward over the next couple months. We’ve reached out to a number of stakeholders who use the code on a regular basis. These are architects, developers, both market rate and affordable. At this point, I’ve spoken with four architects, two for-profit developers and three non-profit developers in addition to a resident. And so, these are people who are using the code here in Palo Alto on a regular basis. Also, in adjacent communities and these are the people that are going to build units in Palo Alto so really a great resource for us to help gut check these zoning revisions as we go along.

So, I recognize it’s late, we don’t have to make any more decisions tonight, this is really a work session, no action to be taken but we’re looking for you to provide feedback on these keys issues, provide input to Staff so we can start preparing a framework for an ordinance. We’re not going to come back to you with an ordinance yet but basically bullet points to get us there.

This is the schedule that we discussed last time. We’ll be coming back roughly monthly over the next few months. A community workshop falls in the middle of our meetings and in response to a Commission suggestion we did move the community workshop to a slightly earlier date. We still want to get that done before we have an ordinance in August so I know that’s still... there was some concern about that happening in the summer but we’ve tried to move that up a little bit earlier. So that concludes that part of my presentation, I’m happy to answer any questions, take public comment before we move onto the discussion, thank you.

Acting-Chair Monk: Thank you Ms. Eisberg for your report. I don’t have any public comment cards so if there’s any clarifying questions that the Commission might have we can put those forward now and then after that, we’re going to treat this like a work session. A very collaborate effort, we’re going to listen to each other, try to really flush out where we see potentials to move forward on what’s being put before us tonight. So, do we have any clarifying questions just at this point... process? Ok. So, I’m going to differ to Staff on the procedure right now and they’re just going to have a facilitative role right now. They’re going to... she’s going to ask certain questions on things that she wants input from the Commission on so I suspect that we’ll put a question, she’ll put a question to us and then we’d like to hear from everyone in response. So back on you thank you.

Ms. Eisberg: Ok, great. So, as I mentioned there’s several sorts of levers that the City can adjust. You don’t have control over construction costs or land values directly but you do have control over development standards, over the review process around allowed uses, things like that and so as I described these are the things the City is in control. And so, as we go through these strategies point by point I’d like to discuss in here what are the things that are most important.

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to you because right now things are not really aligned. And so, where is there an opportunity for flexibility and what are the things that are really important for you to hold onto? And particularly it’s not just a one size fits all approach. You have different districts in the City because they reflect the character of different places and you want to have standards that align with that character or the types of uses that you want there. So, starting with that first strategy which is streamlining processes. So, I’m going to go through a series of tables and on the left side of the page are the actual Council referral items so when we’re talking about streamlining processes these where the items that Council wanted to look at. So, for example here we’ve got review and revise the level of permitting and site plan review required and also looking at the PTOD zoning overlay process to remove constraints. So, the first question I wanted to start with was what types of projects should be eligible for by-right or approval of streamline review? And to unpack that really what I mean is what are you trying to get out of the public hearing process and where are their opportunities to... other methods that you could use to get feedback? So, we can start there.

Acting-Chair Monk: Right and we do have Commissioner Waldfogel who might have a preliminary question. He’s lite up (interrupted)

Commissioner Waldfogel: Let me hold that question until we get into further into this process.

Acting-Chair Monk: Ok. Alright so with that first question out there does someone want to kick off the discussion? Commissioner Gardias.

Mr. Lait: Just... yeah, I want to make... does... is everybody familiar with the site and design process that we have?

Acting-Chair Monk: I think it would be beneficial if you went over.

Mr. Lait: Sure, why don’t we do that.

Ms. Eisberg: Sure, so right now (interrupted)

Mr. Lait: Then perhaps also we [unintelligible] (interrupted)

Acting-Chair Monk: It’s in the report right on Page (interrupted)

Mr. Lait: So, spend a second talking about those to discreet items because these are the ones that Staff came up with. The Commission may have some other ideas of streamlining efforts but let’s talk about site and design quickly and the PTOD.
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Ms. Eisberg: Ok and there’s a text box that relates to this on Page 10 of the report. So basically, when we’re looking at residential uses in the City and just speaking of residential. If you’re in... for example, if you’re in an RM district then you only have to go through an architectural review with the ARB and you don’t go through site and design review with the Planning Commission and Council. However, if you have a mixed-use development if you have fewer than nine... nine or fewer units you just go to the ARB for architectural review and that’s it. If you have ten or more units then you go to the ARB, the PTC, and the Council. And so, there’s this... to be honest I’m not sure why it’s there. From what I’ve understood from Staff at one point in time there weren’t mixed-use development standards because it was a commercial district and residential districts. Now we have mixed use standards in that commercial district so they’re just... there’s some different applications for how the public hearing process is happening but the charge of the ARB as you are aware is to look at those context-based design criteria and to do an architectural review process. And the PTC may be looking at other issues such as parking or other regulatory issues so are there things that or types of projects that could be done at the Staff level for compliance and we can just do design review at the ARB level for example. Those are the kind of trade-off that we’re looking at to streamline the process. Likewise, if you had concerns about neighborhood notification. You know maybe there’s a community... a neighborhood meeting requirement prior to submitting an application. Things like that so there’s many different ways that Cities use to do a similar process.

Mr. Lait: [unintelligible -mic off] add on the PTOD overlay. So, we have an area of the City near the Caltrain station where that we’ve identified as this PTOD zone. And the way the system works now is if a property owner wanted to apply for the development incentives that are offered under that district they have to go to the City Council and ask for that as a part of the approval. So again, you’re setting up a process that it’s... that you go to the Architectural Review Board, you go to the Planning Commission and then you have to go to City Council to ask for something that is already stipulated in the code as something that we’re trying to encourage. So, one of the concepts here is we could streamline that process by making this more of a floating zone that a property owner could just apply to the property if they meet the criteria of the standards in place for that district without making any changes to that district. And not having to go to the City Council to ask for that because all that just extends the processing timeline, the carrying cost of the property and the uncertainty of the approval. So those are just two examples and others may have been talking... your own experience of talking to others. And you may have some other ideas of how there may be some other opportunities for streamlining or where there might be some concerns about those approaches.

Acting-Chair Monk: So again, this is an idea generation session in response to what we just heard. So, I did get lit up first from Commissioner Gardias, then Alcheck, then Waldfogel so we’ll go in that order. So Gardias has withdrawn for now ok Commission Alcheck.
Commissioner Alcheck: First thank you for both the effort to put this together and also the attempt to sort of organize the meeting in a strategic way. So out of all the topics, this is not the one I would have started with. I agree with you. Well, let’s assume that you’re making this assessment that the layers of regulation, that the amount of process, that this year sort of length of time that a project goes through has a limiting effect on the production of units. I think that’s true but I don’t think there’s a lot of political will in this City for relinquishing those processes per say. And I say that because frequently the feedback we get is there wasn’t enough review, we didn’t know it was happening, what was the notice? So, I subscribed to the general view that we need to figure out a way to subject these projects that we want to this arguidos process that you would normally create for projects you don’t want. But I think this City has a difficult task which is that it’s grappling to vocal viewpoints that are in opposition of each other on what it is that they want. And so, I think that there’s enough support for site and design at the PTC level whether that’s considered a hurdle for the sake of hurdles or whether it’s considered an important step in the process of reviewing a project. I will say this though I think that the state laws are going to make this question less important and I wonder if you agree. Like the... and I’ll ask you sort of... I wonder if you are aware what just happen to Valco [note-spelling]? They created 180-day time period to get around this and it kind of puts us in a position... I wonder if you think that the need to come up with a solution for this particular question is less important because of SB-35?

Ms. Eisberg: Well you know here in Palo Alto, at least this year, someone would have to come in with a 50 percent affordable project in order to be compliant with Sb-35. So, in order to do that, it would have to be a site that something was really working in their favor. I mean the examples at Valco [note-spelling?] and Berkeley had commercial components that are driving the proforma of those projects. So, it’s not impossible here but yes, I mean if SB-35 were enacted then if someone was compliant with the objective standards of the City’s ordinance then they would not go through a discretionary review process. You might have a meeting to have a discussion on your own but the applicant would not have to attend or be responsive to whatever happened at that meeting.

Commissioner Alcheck: So is your... let me ask you this question then. Is if your position for example that the Ventura area isn’t sort of ripe for a 50 percent BMR project that could theoretically entertain 180-day review period?

Ms. Eisberg: I don’t know if you have the... it’s possible if someone could put it together and certainly, for an affordable housing developer and that’s mostly who will take advantage of SB-35. It’s a little surprising that the first two are no affordable housing developers but certainly, an affordable housing developer could take advantage of SB-35 and not... as long as they were compliant with the Zoning Ordinance requirements they would not go through your site and design and architectural review process.

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Commissioner Alcheck: Look I’ll just say this and maybe I’m wrong but the constraints on development are such that even building a 50 percent affordable project as Sand Hill is doing over at Valco [note-spelling?] which is not an affordable housing developer. They’re a for-profit developer I think the number... let’s say this. My point is that I don’t know that site and design review is a place to start. And then the question is to what extent do we really know else to pick apart the process because we’re not that familiar with the other elements of the review process that don’t come before us. And so, is there a way we could create some kind of by-right housing approval process in our City? And the answer is probably yes but without loosening the existent rules like height, eliminating a density limit and sticking with FAR and not both, parking... without changing those things by-right process would still be hampered because those limitations are the real ones. And so, I guess my response to you yes, I think we should have a by-right process but I don’t think it would success at achieving the goal unless we also create some changes in the restrictions so that the by-right process is actually an appealing one. I think if we didn’t change those restrictions we would still have a process because people would seek exceptions in an effort to obtain a more desirable project.

Ms. Eisberg: Ok so maybe... and those are great points and maybe we can hear from some others. I mean if some of the feedback I’ve gotten from stakeholders has been mixed. Some of them have actually been ok with the process. Maybe they are just used to it, I’m not sure and others have expressed frustration because they sometimes get ping-ponged back between Boards which is a challenge in many communities.

Acting-Chair Monk: Commissioner Waldfogel.

Commissioner Waldfogel: Let’s see so just as a point of clarification you’re proposing to streamline the process just for residential within these districts or also for commercial?

Ms. Eisberg: I mean we’re not proposing anything right now beyond what’s been expressed.

Commissioner Waldfogel: Oh just as a point of conversation are we talking about just for residential or for all projects within these districts?

Ms. Eisberg: Well I think... and this is what SB-35 does. The commercial components of those mixed-use projects are getting streamlined as well. I’m not sure how we can tease out... we’d have to think about it but I’m not sure how we could tease out the non-residential portion of the project.

Commissioner Waldfogel: You know there’s some complexity in reaching out to this group of stakeholders because there’s a certain amount of regulatory capture if you know how to work...
the process in a jurisdiction. It may give you a competitive advantage in working in that jurisdiction so I think we have to be a little careful with some of the feedback.

I mean broadly I would support process streamlining. There are... the thing I’m struggling over this is really the comment I wanted to make as a preliminary point is that development just flows towards money. I mean it just flows toward whatever the highest and best use that is possible on a parcel. And I’m hoping that through this housing work plan part of our discussion will be to compare the economic value of different potential uses for sites because I think we can streamline until the end of the earth but if the highest and best use is something different. I mean if office is worth $10 a foot and housing is worth $4 a foot, I’m making numbers up, then no matter how much we streamline the process we won’t create more housing. So, we really have to look at this... look at the spectrum. I was wonder do we have any data on that or is that part of the work we’ll do?

Ms. Eisberg: Yeah, I mean some of it is in the Comp. Plan [note-Comprehensive Plan] that was done. I think also the cap that you now have on your office development has... well I mean it’s limited the amount of office right so (interrupted)

Commissioner Waldfogel: Well we haven’t hit it yet.

Ms. Eisberg: I do agree that it’s... the office uses right now are leasing higher than residential so on a per square foot basis. So, if you... you know right now both you can get more on the property like in downtown for office versus residential and it commands higher lease rates. So, the incentives are pointed in that direction.

Commissioner Waldfogel: Right and that has nothing to do with our zoning. I mean it just has to do or maybe it does? I mean if it does (interrupted)

Ms. Eisberg: Yeah if you can get 3x FAR then you can get 3x floor area on the parcel.

Commissioner Waldfogel: Yeah but well this could also point to some adjustments that we make on the office side as well so that we’re directing development toward what we want rather than what we don’t want. So, I’m just... you know I guess what I’m trying to understand is what scope we really want to take on.

Ms. Eisberg: Yeah and I don’t think we’re proposing to make any changes to non-residential uses as part of this.

Commissioner Waldfogel: But you will present us with some highest and best use analysis? That’s [unintelligible]
1. **Ms. Eisberg:** I mean the City has Co-Star data and lease rates for offices, residential (interrupted)

2. **Commissioner Waldfogel:** I don’t think we’ve seen that. I don’t think that’s been brought to this Commission not since I’ve been on. So, I think it would be helpful because again it’s streamlining without understanding that we’ll... that where we’re going is economically attainable is something that I think will leave people frustrated and disappointed. But directionally you know streamlining... if streamlining is a problem, you know if streamlining is or if the process is increasing risk I don’t know if it is but if it’s increasing risk then we should try to quantify that in some fashion and discuss what we can do mitigate direction. I support that.

3. **Mr. Lait:** If I could just add a couple more things Chair? So, I think you know we can see what sort of data we have available and share that with the Commission but I don’t anticipate as a part of this effort a separate economic analysis or study that we haven’t already don’t or that we don’t already have available through a subscription service. But the other piece to that is the things we’re doing we’re trying to deregulate some of the areas that we can get more housing production and so everything that we’re doing we’re hoping is toward the benefit of producing more housing units. And none of these on their own may be enough to type the balance in that area. But we do think after having studied this for a little bit that a collection of items including streamlining, including some other considerations that we’ll talk about tonight together in the [unintelligible] will push the needle and encourage more housing production. And then on the point about office and I think Jeanne spoke to it. The... some of the concepts that we’re exploring is... and I don’t want to get to into the details of it now but downtown we have a 1.0 FAR for commercial and 1.0 FAR for residential. We don’t want to, through this effort, make modifications to non-residential floor area but we could create some incentives for having somebody build less commercial area on the ground floor in the commercial zone. Say at a 5.0 FAR or something like that and allow a 1.5 more... an additional .5 go toward residential. So again, these are the different levers that Jeanne was talking about that we can move and [unintelligible] result in some positive benefits.

4. **Ms. Eisberg:** So maybe that’s a good segue. I know there may be more we want to talk about but I want to be cognizant of time and we’ll be back.

5. **Acting-Chair Monk:** Well we do have folks that have some comments.

6. **Ms. Eisberg:** Ok and then we can move on to Item Two.

7. **Acting-Chair Monk:** Yeah, I would support examining all those levers and I don’t know that I would look at it personally as which project should be streamlined as opposed to how can we just make our system more efficient and have a quicker turnaround? Where are the bottlenecks

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in the system? Is it because we have all the different channels of review and site and design? Is 
that really what the problem is or is it the amount of time that happens in between? So just 
getting some clarity on where the bottlenecks are and finding out if Staff... if we need to Staff 
this differently and rearrange a dedicated department internally to process these issues. And I 
think that a lot of what happens is that it will go to... I think I heard this today. It will go to Arb, 
for example, not everyone will be there and then it will come back and then another person will 
be there and they'll get completely different feedback. So, I think maybe examining where 
there can be guidelines where... you know design guidelines that our Commissions are following 
so that it's more clear on what's going to be approved and what's not going to be approved. 
Because when a developer is working with the Planning Department and they are trying to 
meet all the specifications and then go to a Board and then the Board says you're not meeting 
these. There's clearly a disconnect so it seems like there needs to be a little bit more of a 
connection on what things get approved and what don’t get approved. And so, I would just look 
for internal inefficiencies first before looking at what types of projects should be streamlined. 
And then I do have everyone else lit up as well.

Mr. Lait: Just a quick comment on that. I don’t know the... you know I wasn’t at the meeting 
that you were at but I think there’s... it's probably a little deeper than that in terms of Staff’s 
interaction with applicants and how projects move through the system. But I want to be very 
clear on this effort that is that we’re discussing tonight. It is about housing and mixed-use 
projects. And a broader look at our processes is probably certainly something we should always 
be looking to do and refine but we do want to focus in on housing productions. I mean that is 
the objective of this effort so that’s where we need to put our focus on that.

Acting-Chair Monk: Ok and to that, we all want to streamline it but we also know that this 
community wants to be involved so I think it merits a deeper discussion. But I’ll go ahead and 
move onto Commissioner Gardias next.

Commissioner Gardias: Thank you. So, a question that I have to you and to also to us is pretty 
much how are we going to do this? Looking at the calendar you are proposing three months or 
four months with this continued meeting at the end of August so time is really short. So that’s 
the question that I’m asking myself but also colleagues right. There is a clear expectation from 
the City Council. There is no question about this right? We need to increase the rate of the 
housing units and we need to comply with the request. What I would like to understand is 
pretty much how are we going to... and first of all, I would like to know the scope and so if you 
could just help me with clearly defining the scope so we don’t go through the entire code. Just 
to pretty much to indicate the highest-flying items that would move the needle. This is number 
one. Number two is that I would like to understand have some sort of classification of the 
sensitivity, understand your input which items would move the needle faster, which items 
would move the needle later on? There is also the bottleneck and Acting Chair Monk talked

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Ms. Eisberg: So, starting with the scope of work so I’m looking at 12… Page 12 of the Staff report. It’s Page 106 of your Packet. So, this outlines essentially the scope of the revisions and on the first row identifies the districts that we’re looking at. So, we’re looking within the district regulations for the CD(C), the CC-2 which is Cal. Ave and two of the El Camino Real districts; CN and CS. Also, on that row we are looking at the RM districts just in terms of residential density standards as well as what happens when you’re redeveloping sites and how many units can you get on there. We are looking at all zoning districts in terms of parking requirements and that’s what we’re going to table until next month but that would just be all zoning districts for residential uses or mixed-used that included residential. So that it could address allowed uses, development standards, parking regulations, landscaping, open space requirements, the physical standards that affect a site.

The second question you asked was about which levers. So, a benefit and drawback of zoning is that it’s not a one size fits all approach in that you have districts but you’re not discriminating between the size of the site or where it is. I mean you have CN sites just outside of downtown as well as El Camino. So, there’s things you can do to make changes but basically, zoning is applied district-wide and so it’s a little more art than science. I can’t say if you do X you’re going to get Y but right now all the levers are really… are not pointed towards building housing. They are pointed away from building housing so you know you received the affordable… excuse me the Housing Element report tonight and the last two years no BMR units have been created in that report. So, one of the… looking at your third point about performance indicators. I mean how do we know if we have been successful? Well, are you seeing a lot more applications? Are you seeing housing get built? Is it getting through the process more quickly? If there are mistakes you don’t like how a project turned out or the design or some other element then you’d have to go back and amend the zoning again. I can’t imagine anything that we’re going to do is really going to just open the floodgates and then suddenly you’re going to see dozens and dozens of applications. It’s just land is still really expensive and there’s only so much we can do but we want to look at sort of the low hanging fruit. And the feedback that we’ve gotten so far from our research that we presented in the key section and from these stakeholders is that parking is really challenging and the residential densities are tripping people up. And I have a little graph in there about residential density versus FAR and if you have studios versus 6-
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Commissioner Gardias: Right I understand. Very pollical answer thank you but yes so, I would be looking for more mathematical input so like you can tell me where the demand is. And then of course input of Dan Garber and some other... and Key Hayes and others on this is important but from the perspective of the production, I believe that there are only a few names a Brother Organization and a couple of others that I see on this. So, I think that the commercial developers and then also for-profit developers would probably be the key for just giving us clear directions about the demand. So, I would maybe expand this list just change it a little bit to understand where they... just ask them simple questions. What would you... what would incise you to build in Palo Alto? Just one question or actually you can ask two question but just no more than this.

Ms. Eisberg: Ok I will keep asking that question and I have been. I'm happy to tell you more but people would like to build in Palo Alto.

Acting-Chair Monk: So just as a reminder these are questions that she is asking them and she really wants us to try to really be responsive to the questions that she’s putting out to us. So, if you have... I know you have questions for her that will... that you need to have answered but if you have suggestions and/ or priority areas that you can identify that would be helpful. I hope you’re getting responses to your initial question.

Ms. Eisberg: Yes and (interrupted)

Acting-Chair Monk: And those questions are coming from these green bullet areas.

Commissioner Gardias: Yes, so my question... concrete question is like this. Which areas of Palo Alto... just give me the demand. Just classify the demand. Classify the demand by geography, classify the demand by type of structures that you want to build, classify this by the profitability, just classify it in different ways, just give me the demand and then also just the second question just pretty much increase the incentives to the commercial developers. So, we know pretty much... because I believe they are at the heart... they and the banks are at the trigger points of any commercial develop... commercial and residential development. So, I would just increase the sample size to include more developers.

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Acting-Chair Monk: And so, we do have some other lights that have been on so if we can move over to Commissioner Summa and then we can circle back if you’ve got some more.

Commissioner Summa: Ok well thank you very much and it’s a big topic and it strikes me that we’re at this really weird time where we’re waiting for all these potential laws that will really change things. You know we’re contemplating in the region tax laws that could contribute greatly to transportation... mass transit that we really don’t have in Palo Alto which may or may not happen. There’s a lot of in flux and if seems like a lot of the things like there’s really specifics as to we’re not going to get BRM units build if we allow in lieu fees to be paid instead. That’s a specific example.

Mr. Lait: Are you thinking that we’re suggesting that?

Commissioner Summa: No, no I’m just using that as an example. And when I think about... Acting-Chair Monk talked about the bottlenecks. I’m not sure that I really see the bottlenecks. I was on this Development Center Customer Advisory Group for years. I mean for like 7-years and I don’t know how you streamline what they are doing there more really and it was considered to be successful. It’s just that there’s... every year there’s more and more regulations so it makes it very difficult. As far as the Board and Commission process, I don’t see a bottleneck there. I mean if we can streamline somethings and make them more efficient that’s great. Everybody likes efficiency but I don’t particularly see a bottleneck. And I think sometimes when projects don’t move through the process quickly it’s because the applicants were not prepared and I’ve seen that happen a lot of times actually. And they just come back and back and they are not listening very well, especially at ARB. And a lot of times applicants want to do things that aren’t allowed in the zone and then that takes a lot longer because by the time it gets to a Board or a Commission there’s an expectation on the part of the applicant that they’ll be able to do something that then isn’t appreciated because it may not be legal.

Acting-Chair Monk: Point of order. Who just walked behind us? Ok sorry to interrupt. Go ahead.

Commissioner Summa: Scared me. I think when we talk about how quickly things move through the process we also want to think about the quality of the projects we’re getting. It’s not just about speed it’s about quality. When I think about really incentivizing housing over commercial and hotel I would say we have this huge FAR allowed right now for a hotel that I don’t even know really if there’s been a study. There was storage of hotels 15-years ago or sometime and they really incentivize hotels by allowing more FAR. I don’t know if we need that now but it strikes me that the best way you can really incentivize residential is to limit commercial, especially big office. We want to try very hard to keep our small office here that have our professional services in dentists and doctors and physiatrists. But if we limit the other... those

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uses that we feel that we have enough of or legitimately don’t need more of while protecting
the things retail and small office. I think we can achieve residential that will also have the same
development standards or nearly the same development standards that we expect from our
City today. So, I don’t know if that sounds helpful or not but that’s kind of where I’m thinking
about it.

And then I think that one thing that we can do right away is have a residential multi-family
zoning designation that’s more than RM-40 just to incentive more smaller units. Not everyone
will want to take advantage of that. One of the things we’ve seen downtown is very large... very
few and very large units. I mean there’s a building right near here that had originally two
residential units on the top and it went down to one 7,000-square foot residential unit. Those
kinds of things aren’t particularly helpful. That being said I don’t see how we can achieve very
much in the affordable housing... truly affordable housing sector and that’s kind of
disappointing to me because that is a high priority. So, I’ll leave it at there for now.

Acting-Chair Monk: Commissioner Alcheck.

Commissioner Alcheck: Ok I’m going to change my answer real quick to your question which is
that I would suggest to you that any project that succeeds at accomplishing the goal of being
applicable to the affordable housing overlay. So, we have a process now that we just passed
that says that if you want the affordable housing overlay you have to go through an application
process. If you do that I think everything after that should be by-right. So, if you can satisfy the
requirements for a new affordable housing overlay then you should go through the process by-
right.

I want to add a few more quick points because I just don’t know when I’ll get to talk again.
Which is that look, a bunch of our strategy right now is that we want to send all of our housing
to the commercial areas that are actually in close proximity to our transit. So, issue one was
how do we prioritize office and hotel over housing and so I want to suggest to you actually
zoning is the problem. And we need to make sure that we’re really careful because we’ve had a
lot of conversations about comparing office and retail which definitely can’t compete with each
other but office and housing are different. And the reason why office and housing aren’t
competing well now isn’t just because of office rents which can’t really be compared to the cost
of for-sale housing because the cost of for-sale housing in Palo Alto is also the highest in the
nation. So, it wouldn’t be correct to just say that housing gets trumped by office every time.
The reason why the site is more appealing to develop as an office is because we grant office all
these great options so they have such substantial benefits that they built. They get more and
they have to provide less and if we... but if it’s a residential project they get less and they have
to provide more. So, we are literally in balancing right so what I would suggest to you is that if
we want to focus on these commercial districts what we need to do is level the playing field.

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And so, imagine that one of your questions is going to be about Issues Number one. And my suggestion to you would be we should apply the same standards that we apply to office to residential or we would apply standards to the residential that actually are more lenient than the standards that we apply to commercial. I think Commissioner Waldfogel was suggesting do we need to revisit the commercial standards that lower them? That would be one way. Another way would be to increase the FAR. Eliminate for example a density... we don't need both. One or the other for sure.

I think it’s going to be tough... this is about question Number Two or Issue Number Two about the mixed-use requirements. I think it’s going to be really hard to convince this City that what we just did with our City-Wide Retail Preservation Ordinance was a mistake. When that came around there was a number of Commissioners who felt that it wasn’t a wise idea to make that Citywide. The result of making it Citywide is we’ve now required someone who wants to create a housing project in an area that retail isn’t really appropriate, they still have to preserve this retail and we all know that that’s the lowest grossing product that they can create. If you’re an affordable housing developer you’ve got to overcome that hurdle which maybe the affordable housing overlay will do but only in transit areas. So, I would suggest that we have to consider whether there’s a way that we can create an exception for residential projects to sort of get away from the retail preservation. Even in our downtown, I think we have to say are we so interested in residential that we’re willing to allow a site on Hamilton or Emerson that is subject to the retail preservation? That’s an area where we kind of do want retail preservation. To what extent... what size project would we wave?

I think that the question... Issue Three about layers of regulations. I don’t know if that’s specific to El Camino Real. It kind of feels like it might be because there seems to be all these different elements. The Grand Boulevard and I mean that’s not something that we’ve really adopted here but I don’t know how to answer that question.

With issues with Number Four lessons from downtown the small sites and the high costs. This is where that question about FAR and density I think comes into play but I will add that the key to making a small site workable is height. And so obviously FAR but you know in... when you go to other downtowns you will see relatively small parcels. I mean this is going to be a terrible example to bring up in the City of Palo Alto because any time we compare ourselves... anytime I make a suggestion to New York people are really not comfortable with it but there is a building in New York that looks like a tiny box that goes on forever. And I don’t know the name of it right now but I know it got a lot of press because it’s sort of incredibly slim and slender shape. Right, it was an architectural feet it literally looks like a pole. My point is that in a marketplace where housing is in such demand we could... if would pencil out if we allowed it to rise. I think a big hurdle about the small sites is the idea that you could encourage accumulation of land. I don’t know how you do that. That takes buys to make the offer. That’s a marketplace question but I

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Think that if you increase the height then the incentive to accumulate a couple parcels near each other because when you do that you create some opportunities becomes greater. So, we want to incentivize people to accumulate sites by making the sites more flexible to the development of housing and doing that would probably encourage accumulation more than it is now. There’s now a lot of I think incentive to accumulate land because our policies are so strict.

I want to add that even in areas where we really do want to preserve retail or we want to preserve some kind of... I think we need to start looking at what it means... what other ground floor uses we might allow in a residential building other than retail that might satisfy the community’s desire to not lose space. So maybe it’s service-oriented like therapist so we might... I don’t know how to exactly how to address that but anyways so I’ll move on a little bit.

I think that it’s... there’s definitely a problem that we use... I want to just suggest we have a few overlapping RM zones and I think they create more uncertainty. I think it would be better if we sort of focused on creating an RM designation and applied it to more parcels that essentially create a greater flexibility. I do think based on the discussion that took place at Council level about this affordable housing overlay that we’re not far and I would support it. And it sounds like we’re going to have that discussion but I just want to see it up which is reducing the parking requirements. This is what all the other Cities are doing to address the difficulty of building. So, there’s definitely a process issue but I want to just respond a little bit that we definitely need to adjust the zoning. I think that this is such an excellent report because if... when you read the report you are clearly identifying what you refer to in your presentation as a mismatch. And I don’t know that we’re really being honest. I don’t know that we appreciate the mismatch and so we often hear about how the City is constantly approving commercial sites and there seems to be this overwhelming support for them. I that if we can change the zoning so that the residential sites would be more palatable we would see residential developers. Those are not the same entities. The people that build office and the people that build residential are two different types of developers and they don’t... a developer doesn’t sort of switch. I’m going to build commercial this week and I’m going to build residential next week. I mean it’s not common. There is some overlap when it comes to mixed-use because of course the commercial component but there are all these residential developers who have just sat on the sideline and I mean multi-family when it comes to Palo Alto. And so, the one thing that I would suggest also is that the Round Table or the community meeting that we have that’s no calendared but agendize I wonder if there’s a way that we could convince... and maybe it’s an effort on a part of the Commissioners to reach out to them individually. But just to see if we could reach out to some larger residential developers and say would you attend this meeting because I don’t know that anybody is going to do an economic analysis for you. But I think that they will be able to speak really eloquently to why every time a broker comes to them with a project in Palo Alto they might be like this doesn’t work. So, I think that the antidotal evidence goes a long way in...
this City. When you can put people in the same room that have similar interest. I think there’s a lot of residences that don’t want to see any commercial development. So, if we can put them in the same room as a residential developer who that might not be as a threatening a developer to them and that developer says I would love to build you this project that would providing housing but I can’t for all of these reasons. There might be some movement in terms of the political position that we need to take in order for our Council to feel comfortable making some of these big changes. Especially when it comes to height. Especially when it comes to creating extra density options or taking density limits out of it. So, I wanted to answer all of your questions because I suspect people will take big comments now. Anyways thank you again. This report is fabulous and I think it’s instructive for everybody in the City to read it.

Ms. Eisberg: Great. Well, that is a great segue to the next set of questions which are about the types of development standards that are most important and where you think that there’s opportunities for flexibility and same thing in the uses. As I said right now basically in all of these commercial districts residential developers are required to do mixed-use unless you’re on a Housing Element site or one of the PTOD overlay regulations. So, in terms of uses and development standards and where are these things most important? Where could... 100 percent residential projects could that be appropriate on El Camino for example.

Acting-Chair Monk: Well the answer is everywhere. I mean why shouldn’t we have 100 percent residential permitted everywhere? And to answer your other questions if I didn’t answer them more fully I mean the goal is to increase residential densities near jobs and transit. So that pretty much is what the priory is. That’s what set forth in the Colleague’s Memo and the work plan. So, anything that doesn’t enable that is not prioritized so I think that needs to be the guiding principle.

In regards to streamlining, you know frankly, I’d be ok with maybe cutting out either PTC or Council because we do two different competing things on projects. So, I think if somethings going through site and design and going through ARB why does it also need to go to PTC and Council? I would eliminate one of those. I don’t see why it needs to go to both frankly. That would be my contribution to the streamlining question.

Do we know how much the Retail Ordinance has impacted this? You know I don’t know if we need to go into that right now but I suspect that’s been a barrier. So, I think some data points on that are what you’re hearing on the street or from your diligence I think would be really useful to learn more about the impacts of that ordinance to impending residential development. Yeah and I just want to echo the sentiments you’ve already heard about adding housing FAR in those zones near transit and jobs and all the districts that we mentioned.

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And I think I’ll differ on the by-right question because I think that’s going to come down the road anyway. Commissioner Waldfogel has his light on.

Commissioner Waldfogel: It’s already 10 p.m. so let’s see if we can move this along. Let’s see so just one [unintelligible] point which is if the Council knows what they want they should say so. So, I mean I don’t want to go through the process and make recommendations that the Council isn’t interested in. We’ve been down this track, I’m not interested in repeating that track and I’m hesitating on how engaged to be in this process right now based on those experiences so just want you know that.

I mean my priorities in this process are your introduction mentioned affordability, you mentioned some categories of some demand categories. I’m trying to remember exactly who you innumerate but lower income categories and I think that’s critical. We have to hit that first. I also think one of the great things about getting feedback from multiple people is you get contradictory advice so but I think the diverse formats that include family housing formats are quite important. We’ve discussed that previously on this Commission so we should be thinking about formats beyond just micro-unites or beyond formats that are suitable for single people. Protecting existing neighborhoods is critical and we’ll get into more discussion on this with some other issues including parking and I have some bias toward larger scale projects. I mean I think that if we can find ways to promote larger scale projects one of the great benefits from that is that it’s easier to discuss impact fees. So, it’s Cities negotiate over larger scale projects and there’s some opportunities there that we don’t get if we’re taking things on a very small scale. So, my priorities… I mean above everything we need to protect existing neighborhoods so whether adjacencies to existing neighborhoods, in existing residential districts we need ample protections and a whole bunch of formats, light space, setbacks, parking. You know we don’t want to just dump hundreds of new cars on existing residential streets out of some misguided idea that parking lite is a thing because as of today it’s not. There’s simply no data or evidence to support that as of today. So, it’s something that could happen in the future and maybe we should have some discussions about how to accommodate that if people’s circulation changes in the future. But I think we have to cognizant that we’re in a suburb and we have to deal with existing suburban conditions. And you know I’ve looked at the data, I’ve looked at census data, I’ve looked at vehicle registration data and at least to the current time there’s simply not support… there’s no evidence that parking lite is a thing or Car-Light is a thing. So, I look forward to seeing your data when you bring that to the next meeting and anyway those are… my criteria really would be around protecting existing neighborhoods.

Acting-Chair Monk: I actually had a follow-up question to Commissioner Waldfogel on protecting the neighborhoods. I just want to make sure I understand you. You mentioned to not have cars on the residential streets. Where there other items that you were referring too? Can

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you just flush out a little bit further what you mean by protecting? Protecting them against what or from what threat?

Commissioner Waldfogel: Well what I think we need to do is we need a process that includes neighborhood stakeholders. So, it’s not really our job to identify what their... what all their concerns are but I think that whatever concerns they want to bring forward are valid. We have to listen to them, we can’t deliver 100 percent of whatever they or we may or may not be able to deliver 100 percent of what they’re concerned about but I’m not sure there’s enough neighborhood input on your stakeholder group. So again, it’s just something to be cognizant of and careful about.

Acting-Chair Monk: I just want to press on that a little bit further because we hear about protecting neighborhoods a lot and I just want to know what that means? Is it something more than what you’ve just stated because I only heard one item?

Commissioner Waldfogel: Its parking, traffic, its land use formats, its setbacks, light, and air, it’s... I mean it’s a whole spectrum of issues. And if we’re going to evolve things like oh I don’t know parking and traffic then we need to evolve our development standards in residential neighborhoods to reflect that. For example, if we’re going to park up the streets we should allow 6-foot fences at the lot line. Those are the kinds of standards that we should move toward but we need to be careful to get input from existing neighborhoods. I mean they’re an important stakeholder in this process.

Ms. Eisberg: And just a reminder we are going to have a community meeting through this process and this is implementation. You know we had the whole Comp. Plan [note: Comprehensive Plan] update process and that’s how we got to this policy measure. So, you know zoning... people can understand zoning, it’s not so esoteric but it is an implementation tool for policies that have already been adopted.

Commissioner Waldfogel: Yeah but in your stakeholder meetings I’m not sure that I quite understand this. You have residents as number 19 so does that mean 120th of your input is from a resident?

Ms. Eisberg: I did have somebody reach out and asked for a meeting and they were not an architect or a developer and so I categorized them as residents but it’s tricky because this is kind of technical stuff. And so, for this process, we were trying to get feedback from people to use the code and most residents, unless they are doing a project on their own, don’t really use the code. And so, as we’re trying to get feedback... that’s what the purpose of the stakeholder meetings is for.

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1. **Commissioner Waldfogel:** Yeah but use... there’s different sense of use. I mean some people use it just in the sense that they believe they live under a protective umbrella of the code. That they are protected from other effects by what the code says so there are different ways to construe that idea of use.

2. **Ms. Eisberg:** And yeah, I hear you. I mean that’s the question I’m imposing, what are important things to retain and you know the code has items like daylight plane and transition heights that I think are getting at some of the light and air, privacy that you were bringing up. And so, I’m hearing that those are important elements to remain where we have those adjacencies like on El Camino.

3. **Commissioner Waldfogel:** Right and we also have... I mean a core piece of our... at least our previous Comp. Plan [note-Comprehensive Plan] was the idea of walkable neighborhoods. That every neighborhood is served by a commercial district that that neighborhood can walk too. And that’s only meaningful if the economics of the kind of businesses and services that serve that neighborhood are viable in that district. So those are the kinds of things were again we just have to be sure that we’re not breaking the premises of the neighborhoods in the districts. You know which is why I come back to economics, I mean at the end of the day what will get built is the highest and best use. I mean the highest value use so we really have to be cognizant of what those are.

4. **Acting-Chair Monk:** We have lights on by Commissioner Gardias, Summa, Alcheck. Are people fine going through all of those because it’s after 10? If so then I’d like to move forward with Commissioner Summa who was up first, then Gardias, then Alcheck.

5. **Commissioner Gardias:** Yeah so, I say... oh, I’m sorry.

6. **Acting-Chair Monk:** They might have lit up at the same time so go ahead.

7. **Commissioner Gardias:** Sorry. So, I will just do it very quickly so number one I understand that the scope is as designated but it doesn’t seem natural to me. You know in the corporal world we typically ask the customer what they want to do and then we bring their will to the engineering. That’s how this works right? Here actually engineering just does something right? I understand that we want to engineer the districts; downtown; Cal. Ave right but why can’t we just ask the developers where would you build? Just show me this on the map. Maybe their response will be different than this what we think it will be. So, I just wanted to ask you just don’t limit yourself, listen to your customer first, they are also our customer in a certain sense and understand maybe their propensity to build is somewhere else. Maybe it’s a long the boundary with Mountain View. There’s been development over there, right? It may be for some people living closer to Mountain View may be more attractive than living in Palo Alto because

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those may be Google works or some other type of works. There’s lots of development in this area. Ask these questions, be open. Also, ask them what would be the turn over propensity? Building are being turned over every 30-years, right? This is the capitalization horizon of every building, 30-years. There’s some building in Palo Alto that don’t turn during this time frame, right? Manhattan is being rebuilt 100 percent every 30, 40-years. Commissioner Alcheck probably knows the data but there is statistics like this. So, something precludes people and then a developer will tell you pretty much what would entice him to pretty much to turn certain building. It’s going to be does he just have to build twice of the existing cubic feet or what would be his parameters so that’s another question. Then also (interrupted)

Mr. Lait: I mean I feel like some of this we’ve (interrupted)

Acting-Chair Monk: That’s been answered in the report on page 113 actually.

Mr. Lait: Well I mean I feel like we’ve got some data that we’ve provided to you and there’s also the feasibility study that was... the residential feasibility study for downtown where it speaks to some of those issues. So, if you haven’t had a chance to look at that, that has some data that speaks to that last point in particular.

Commissioner Gardias: Ok thank you for pointing this out but first I would like to understand what their thinking is? There is also... I don’t understand... there is no clear answer why the housing permitting in Palo Alto is that low in comparison all the other adjacent municipalities. This report is truly great but it doesn’t tell me why which the key understanding is why we’re lagging so far behind Mountain View and Menlo Park and even East Palo Alto. So maybe this report can be enhanced or just clearly put the reason. Not what we think but what the customers think.

Ms. Eisberg: I can tell you briefly from the... this is mostly from the for-profit developers that I’ve spoken with. It takes less time. For example, someone told me a story about how they got funds from a nofa [note: unknown word] process in a 20-minute meeting. They got an allocation of funds so that was $20 million towards their... excuse me this was an affordable housing developer towards their project. So, it was just really a speed issue that they were further along in this other City than they were in Palo Alto in half the time.

Commissioner Gardias: Right because there are some other areas and I would have spoken about. For example, the rezoning of the lite manufacturing district that’s on the other side of San Antonio. This is pretty much we can have an immediate effect if we change that zone, go there and then see that pretty much its lite manufacturing it’s just wishful thinking. There’s maybe like two or three facilities where this process occurs that the rest is just I don’t know. Something untruly related to the zone.

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Ms. Eisberg: Right because you have related to you know how the City just passed this affordable housing overlay or because otherwise, that was just not feasible on any zoning district anywhere in the City. And so, there’s now this new process to help facilitate that so that’s the other piece. It’s just what you can do on specific sites and Mountain View in that example allows a lot more density in height.

Commissioner Gardias: Exactly and then so the last thing is that probably we should also look at this how we can utilize the Commission’s energy to maybe come up with some ideas. Thank you.

Acting-Chair Monk: That’s what we’re supposed to be doing tonight. So, Commissioner Summa, please.

Commissioner Gardias: Yeah so what I meant was just to suggest that we just put some effort outside of these meetings. Maybe with some brainstorming between the meetings.

Acting-Chair Monk: Understood. Commissioner Summa.

Commissioner Summa: So, I would like to... I appreciate very much comments of Commissioner Waldfogel and others. I think as we move forward with this it’s very important to be realistic about parking and car use and the limits of our public transportation system. And you know in the foreseeable future there’s going to be a lot of turmoil and disruption with our only... our Caltrain which is really the only transit we have except bus. So, I think we need to be realistic about that and to Commissioner Gardias I would also like you to think of the residences as customers. And as we move forward with this I think it’s very important that we not displace everything and everybody and by that, I mean actual people. You know we’re displacing some already existing lox income housing where people live and not providing a way to keep those people in the community does not... I don’t think will serve this community well long term. And I also think we should think... we should treat businesses, small businesses that way and other professional service providers the same way. We should be treasuring those things and we should also realize that we can’t... you know there’s a limit on what we could do. Yes, we can build some housing and that’s great but we can’t... not everyone who wants to live in Palo Alto at some point in their life is going to be able to live here. And the other thing that I think is important to think about is I think we do need some smaller units and hopefully we won’t get too many because as people move here as young single people, mostly tech works because we’re not talking about building a lot of truly affordable housing. They will want to stay here as they... as part of this community when they get older and maybe get married and have families so we have to keep a pretty good balance too. So yeah, I think that’s it, for now, thank you.
Acting-Chair Monk: Commissioner Alcheck.

Commissioner Alcheck: So, I want to address just general comments. This notion that we should ask developers where they want to build. They want to build here. I think that question is redundant, it’s asked and answered, they want to build here. The question is why won’t they? They won’t because they don’t have the same flexibility. All the answers are right here and she’s giving them to you. Mountain View has different density requirements, different setbacks, different FAR, they build in Mountain View. San Antonio’s development is a result of the relaxed two things, small sites that we have in Palo Alto which are less amendable because of height restrictions and the relaxed standards. That’s it. I don’t... I mean I think the question is, is there a suggestion on where we should begin the relaxation of standards? That’s what will get the developer. I don’t need to ask any person where they want to build in Palo Alto. They would point to the entire City. They would through the whole thing and they would go I would build on any site but I can’t build what I want on any site. So, then they ok well look you guys are encouraging housing near transit. I would build there except 50-feet is a restriction. That makes it hard for me to build enough units based on the FARs that you allow which are far less than the commercial sites so you know what, I can’t pay for this land as much as a commercial developer would because the profit margin is so much lower. That’s what’s happening so the commercial developer is like I can get a lot more on the tail end of the sale to come company that’s going to rent this out than... so I can offer more. That’s it. Look here’s the thing, we’re not... this Commission is so... is a good example of sort of the varied voices in our community. And I don’t know that the process that you’re participating in here is we’re not going to have a consensus here on how to answer these questions and that is... we’re missing an issue here. We’re missing an issue. What’s the... how many issues did you... you have five. Issue Six is I need the zoning code to protect me as a resident from this crisis which makes it harder for my local school to get teachers, which makes it harder for people to work in the City because they have no place to live because I could go on. And there’s real competing ideas of what protection we need and that’s Issue Six. Issue Six is that despite our acknowledgment that we’re in a housing crisis some consequences of Car-light Housing strategies are significant or to significant for some residents to bare. Whereas other residents may stomach that consequence because they feel that the benefit of having a housing supply chain that’s bigger and faster and more efficient is worth it.

Acting-Chair Monk: I just want to differ on this discussion concerning traffic and parking because that’s going to come at the next meeting.

Commissioner Alcheck: That’s fine. I’m talking about... I’m broadly talking about the ideas that... so you know we are... look we read the same report and I feel like we’re in two different places right. So, you get... I feel like I’ve read enough statistics and research to justify that Car-light housing is a thing. I mean even if we (interrupted)
Commissioner Waldfogel: Well apparently you haven’t read government statistics.

Commissioner Alcheck: Look I won’t interrupt you when you were speaking and I’d prefer if you didn’t (interrupted)

Acting-Chair Monk: We’re going to differ on the Carlit housing until the next… until we’ve heard the report. Thank you.

Commissioner Alcheck: I’m making a broad point that where we come from is different and I want to suggest… first of all yes, we’re going to talk about parking requirements but the idea that when something becomes inconvenient (interrupted)

Commissioner Waldfogel: Look I’m going to break in because look the School Board has not come to us and said that they have a teacher housing crisis.

Commissioner Alcheck: I’m sorry.

Commissioner Waldfogel: There’s a county issue but it’s not a City issue so I mean we keep making these things up. We keep talking about false things. We need to stick to the truth.

Commissioner Alcheck: Ok. I would have appreciated if you would have just waited. I completely disagree with you about the notion that there can’t be a program that discourages parking that cut off effect. The traffic problem is inherently tied to the fact that the people that work here can’t live here so again, you don’t need to have a car. I’m not making stuff up we had affordable housing discussion (interrupted)

Acting-Chair Monk: Alright you’re not following protocol so (interrupted)

Commissioner Alcheck: He’s not following protocol.

Acting-Chair Monk: You’re speaking over each other so... and you’re talking (interrupted)

Commissioner Alcheck: Who has the floor?

Acting-Chair Monk: If you have something you’d like to address to the group please do but please avoid the one on one discussion at this point.

Commissioner Alcheck: I would suggest to you that I have the floor and so the interruption... that suggestion should be directed to Commissioner Waldfogel. I wouldn’t even be in a one on...

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Acting-Chair Monk: Assistant Director wants to speak to that.

Mr. Lait: Thanks, and I’ll just answer that question. I don’t think that’s our problem to solve frankly. I think that that’s out there and I think we need to acknowledge that on this Commission and even on the Council there’s going to be different points of view about how to implement this... these regulations. But I think that we need to remember that we’ve just finished an 8 or 9 or 10-year process to complete the Comprehensive Plan. We have a very clear direction from the City Council on a Workforce Housing Program that we need to implement this year in 2018. The Commission has a role in that. We have a schedule that the Commission agreed to on March 14th and I don’t think we’re going to get consensus with this Commission and I think that’s ok. I think what’s important is there’s clearly different perspectives that we need to honor and respect and that to me is regardless of what we come through in an ordinance at the end of the day. Figuring out a way for this Commission to work together and collaborate and hear opposing views and respect that is going to be... I’ll count that as a win regardless of whatever else we end up here in terms of an ordinance. But I do think that we can come up with an ordinance and the reason we started with the streamlining is because we thought that was probably the easiest thing that everybody can agree too. And we wanted to get to a place where everybody has a sense of agreement and the precision of it we haven’t nailed down yet but I think the concept makes sense. Why have a redundant or an extensive process if we didn’t need it and we sort of built up our approach with these different issues that have been identified here. And we’re not going to solve the housing problem here in Palo Alto or regional with this ordinance but again we’ve heard this Commission considered what we called and I know the Commission generally objected to the title this Work Force Housing Ordinance that we’ve contemplated with that housing... with the project on VTA. The Commission... we had a conversation about the affordable housing overlay zone. I mean so there’s two things that we’ve done this year where we’re going to be advancing. One of those has already gone to Council, the other one will be going shortly and then we’ve got this item that we’re looking to package together. And we do think that there is enough information and

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enough data that we have existing at our disposal to create an incentive to produce more housing.

And so, I think what we’ll do because it is getting late and I think we’ve gotten enough information to at least go back and think a little bit more about this. We’ve got some more stakeholder conversations to have. We’re happy to engage a few residents in that conversation as well though those are very specific questions that we were trying to address there. Our next discussion is going to be about parking and that is going to be an area where we’re going to have some wonderful debate and opportunity for disagreement and listening and figuring out how we’re going to move forward. But I think there’s a path forward and we’re optimistic that we’re going to have an ordinance to advance to the Council within the timeline that we set forth for Commission. So, I want to thank you all for your thoughtful comments and so from a Staff perspective, we’re thankful for where we are at this point.

Acting-Chair Monk: Commission Waldfogel’s light is on and it looks like Commissioner Gardias also wants to speak. So, I don’t… Commissioner Waldfogel did you still want to… ok. Commissioner Gardias.

Commissioner Gardias: A quick question can we get invited to the stakeholder meeting or it’s already… or it already includes us.

Mr. Lait: Yeah, I think the part that we’re coming to the Commission and we find of feel like this is a spot where we would hear from you about those specific issues. But certainly, if you have people that you work with... I mean I’m not opposed to the idea. I think perhaps you have people that you’d like to recommend if we interview. I don’t know if we’ve contracted with you a certain number of people to speak with but you know we’ve got a pretty robust list. We’ve got 18 people plus if we add a few more that’s fine but if you have somebody in mind we can certainly consider that as well.

Commissioner Gardias: Yeah, I can add but I would like to participate if it’s appropriate for us to attend this meeting. That was my question.

Mr. Lait: Ok well let me get back to you on that. I think this might be the forum for your participation but let me get back to you.

Acting-Chair Monk: Again, thank you for the report tonight. I was hopeful for a more robust discussion on the issues that you brought up to us tonight. I hope you got some of your questions answered and I think it’s interesting that for some reason we’re not looking at what’s right in front of us which its very clearly stated why we’re here, what our objective is but yet we’re still talking about issues that aren’t related to what’s in front of us. That are just

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theoretical issues so you know I would just invite the Commission when we reconvene to read the Packet, understand what’s being asked of us and do what we can to help Staff with their job because I don’t know that we’re doing our best or putting ourselves in the best place to help Staff along with what they’re asking of us. But I do appreciate everyone’s attention to this. If there are any final comments on this issue let me know. Otherwise, we’re just going to move onto the next item on the agenda. Does Staff have any other closing comments?

**Commission Action:**

**Approval of Minutes**

Public Comment is Permitted. Five (5) minutes per speaker.¹³

6. March 28, 2018 Draft Planning & Transportation Commission Meeting Minutes

**Acting-Chair Monk:** Ok so that would be the approval of the minutes. Is there a motion to approve the draft minutes from March 28th?

**MOTION**

**Commissioner Alcheck:** So, moved.

**Acting-Chair Monk:** A second?

**SECOND**

**Commissioner Gardias:** Second.

**Acting-Chair Monk:** Seconded by Commissioner Gardias. All in favor raise your hand. Unanimous.

**MOTION PASSED 5-0-2 (Lauing, Riggs absent)**

**Commission Action:**

**Committee Items**


**Commissioner Questions, Comments or Announcements**

**Acting-Chair Monk:** There wasn’t a section on here for any comments or announcements. Does anyone have any comments or announcements that they wanted to make? I just want to give

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an opportunity for that. Ok, otherwise we… this concludes tonight’s meeting at 10:30 p.m.

Thank you so much. Meeting adjourned.

Adjournment

10:30pm

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Palo Alto Planning & Transportation Commission

Commissioner Biographies, Present and Archived Agendas and Reports are available online: http://www.cityofpaloalto.org/gov/boards/ptc/default.asp. The PTC Commission members are:

Chair Michael Alcheck
Vice Chair Asher Waldfogel
Commissioner Przemek Gardias
Commissioner Ed Luaning
Commissioner Susan Monk
Commissioner Eric Rosenblum
Commissioner Doria Summa

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View online: http://midpenmedia.org/category/government/city-of-palo-alto or on Channel 26.

Show up and speak. Public comment is encouraged. Please complete a speaker request card located on the table at the entrance to the Council Chambers and deliver it to the Commission Secretary prior to discussion of the item.

Write to us. Email the PTC at: Planning.Commission@CityofPaloAlto.org. Letters can be delivered to the Planning & Community Environment Department, 5th floor, City Hall, 250 Hamilton Avenue, Palo Alto, CA 94301. Comments received by 2:00 PM two Tuesdays preceding the meeting date will be included in the agenda packet. Comments received afterward through 2:00 PM the day of the meeting will be presented to the Commission at the dais.

Material related to an item on this agenda submitted to the PTC after distribution of the agenda packet is available for public inspection at the address above.

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