



**CITY OF PALO ALTO
Memorandum**

2

TO: Honorable City Council

FROM: City Manager

DEPARTMENT: City Manager

AGENDA DATE: May 31, 2016

SUBJECT: Council Priorities Work Plan (Update 2nd Quarter 2016)

Attached is a copy of the updated Council Priorities Work Plan for use during your discussion at the *Committee of the Whole* on May 31, 2016. The projects on the list stem from your January 2016 Council Retreat. Some new Council projects have been added and are identified as “New”. In addition, we’ve added columns on the right side of the spreadsheet: Impact of Budget and Current Staffing, and Go or No Go Status field, colored green, yellow, or red (think traffic lights).

This Work Plan only addresses Projects under the four Council Priority areas. For example, pending projects such as the Stanford Fire Service Contract, or Prep for FY 2018 Budget (in the fall) are not included. Also, ELT level Priority Projects are not included. And perhaps the biggest consumer of staff productivity and provider of service value to our community is not included--the day to day “routine” work of any City: Police Patrol, Emergency Service response, Recreation programming, Park maintenance, keeping the lights on, etc. etc. We must remember that management of those routine services falls to most of the same staff who support priority projects.

At your meeting, we will also use two 2016 Projects: Housing Options and Eichler Design Guidelines as “pop-up” project modifications of scope expansions that illustrate the dynamic nature of managing the Work Plan during the course of the year. (Memos related to those topics are also attached.)

Thank you.

JAMES KEENE
City Manager

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
1		IN	Post Office	Acquire and Renovate Downtown Post Office for City Offices	Purchase Post Office Develop Funding Plan (including bridge funding at start) Begin Design for Renovation	ASD/ CMO		PW, DSD, PCE		Funding strategy will need to be developed-- attention to near term cash flow	
2		BE	Local Transportation Funding	[New] Explore local funding options for transportation programs and investments as a way to supplement the County sales tax measure	[New] Undertake polling and outreach to assess the feasibility of a local funding measure in November 2016	CMO			6		
3		BE	Business Registry	Implement phase two of the business registry, deliver key data about businesses in Palo Alto, plan for integration with other permits as phase 3 (subject to Council direction)	<ul style="list-style-type: none"> Enhance/ Test Upgraded Tool Launch Renewal Period March 1 Deliver Upgraded Reports Plan for integration of other permits to launch in phase 3 	CMO		DS, PLN, ATY, ASD, FD, IT	5	Business Registry next phases slowed down due to departure of Economic Deve Mgr	
4		CP	Sustainability and Climate Action Plan (S/CAP)	Develop world class goals and strategy to guide next generation sustainability efforts for City and community.	<ul style="list-style-type: none"> Produce comprehensive plan and implementation roadmaps to achieve basic and aggressive greenhouse gas emissions reductions with measures that are technically, financially, legally and socially feasible. Provide findings and recommendations to Council and community. Develop process for integration of SCAP and CompPlan Develop 3-5 year implementation plans for specific SCAP elements 	CMO		DS, PLN, PW UTL	6	BUDGET: Reduction of requested contingency may affect consultant support. May require supplement funding to complete listed tasks. STAFFING: Will depend on availability of staff from other departments	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
5		HC	Airplane Noise	Continue to work with Congresswoman Eshoo's Office, FAA, SFO Roundtable, Neighboring Cities and Sky Posse	1. Work through new governance structure-select committee	CMO		City Attorney, PWD	5	This is an ever expanding Project that appears to be taking more staff resources than we have available.	
6		HC	Neighborhood Engagement	Implement recommendations of Colleagues Memo dated 4/20/15 expanding engagement with neighborhood associations.	1) Update Co-Sponsorship Agreement; 2) meeting with neighborhood leaders, to further discuss development of the City's Neighborhood Engagement initiative, including association definition, support models, communication, conflict resolution, ombudsman concept, City's website and social media for neighborhoods. 3) Schedule 2016 Town Halls	CMO		City Attorney, CSD	3		
7		IN	Animal Shelter	To spin off the animal shelter to a non-profit organization to have a robust public private partnership.	1. Continue negotiations with Pets in Need 2. Take results to City Council 3. Begin new service model	CMO PD	Cash Alae Bob Beacom	ASD, CSD, ATT	2	Potential minor increase or net neutral impact to FY17 budget. Ongoing long term cost savings due to reduced staff costs.	
8		CP	Baylands Comprehensive Conservation Plan	Comprehensive plan for effective management of the Baylands by balancing ecosystem conservation with recreation and environmental education opportunities.	<ul style="list-style-type: none"> • Develop conservation goals and strategies • Develop recreation goals and strategies • Create and convene a Baylands conservation advisory committee. • Issue RFP; Award Bid; Create project calendar; Conduct public outreach, involve Parks and Rec Commission and Council. 	CSD	Kristen O'Kane	CSD: Daren Anderson, Rich Bicknell, Lisa Myers, Robbie Parry	2	Currently proposed to begin in FY 2017, however due to budget constraints may need to be postponed	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
9		HC	Project Safety Net	Transition Project Safety Net Community Collaborative to the Collective Impact framework for increased effectiveness.	<ul style="list-style-type: none"> • Use the Collective Impact model to develop a roadmap (logic model) to accomplish PSN's specified goals and objectives for promoting youth well-being and suicide prevention; • Work with the City and school district to establish an executive board to provide leadership, guidance and support for PSN's mission; • Create an expert team to develop a shared data collection system, build overall capacity, and facilitate communication and collaboration; • Set up a mechanism to elevate, support and measure youth voice within the PSN Community Collaborative leadership and the work of suicide prevention and youth well-being in the community; • Evaluate and recommend a fiscal agent for PSN, either the creation of a separate 501c(3) tax exempt organization, or through an established nonprofit agency to serve as a "backbone" organization for PSN. • Develop funding plan and participation 	CSD	Mary Gloner	CSD Rob de Geus, Lacey Kortsen; CMO Jim Keene, Claudia Keith, OES	5	Budgeted and Resourced. On target to complete by end of the 2016 calendar year	
10		HC	Homeless Services	Strategic alignment and investment in regional efforts to support the unhoused.	Formulate options and recommendations on advancing Palo Alto's involvement	CSD	Minka van der Zwaag	CSD: Rob de Geus CMO Jim Keene, Ed Shikada; PCE Jeremy Dennis	4	Not budgeted or adequately resourced. There is additional funding to continue strategic investment to house homeless individuals in partnership with Santa Clara County in the FY17 proposed budget.	
11		HC	Healthy City Healthy Community Resolution	Reconvene the Healthy City Healthy Community working group to advance community health as defined in the Council adopted Healthy City Healthy Community Resolution.	<ul style="list-style-type: none"> • Re-convene a diverse stakeholder group • Meet through-out the year to advance the Healthy Cities Healthy Community 2016 work plan: <ol style="list-style-type: none"> 1. Create a welcome packet for new residents that orients individuals and families to the many health and wellness opportunities available in Palo Alto; 2. Include Healthy City/Healthy Community goals, policies and programs in the Comprehensive Plan Update; 3. Advance specific and safe Bike/Pedestrian Plan projects; 4. Implement a City of Palo Alto Employee Health and Wellness Initiative; 5. In partnership with the business community, coordinate a forum for local businesses to share and learn about workplace health and wellness best practices and encourage the adoption of similar employee health and wellness initiatives; 6. In partnership with community partners, coordinate an annual Health Fair that promotes community health and wellbeing; 	CSD	Kristen O'Kane	CSD Rob de Geus; Minka van der Zwaag, Stephanie Douglas PSO - Rumi Portillo CMO Claudia Keith; PCE - Jonathan Lait	3	Budgeted and Resourced. On target to complete by end of the 2016 calendar year	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
12		IN	Cubberley Master Plan	Begin the Cubberley Master Plan process in collaboration with PAUSD and the community.	<ul style="list-style-type: none"> Joint statement on commitment Engage the Community in an event at Cubberley begin the public engagement phase of the Master Plan process Leverage Stanford Design School and other partners in a design thinking challenge for process design Seek Board of Education and Council agreement on a vision, and essential elements needed in the Master Plan Prepare a scope services and release an RFP Cubberley Master Plan design 	CSD	Rob de Geus	CSD Kristen O'Kane, Adam Howard, Stephanie Douglas CMO Jim Keene, PWD - Brad Eggleston	5	Budgeted and Resourced. On target to complete by end of the 2016 calendar year	
13		IN	Junior Museum & Zoo Project	Develop an agreement between the Friends of the Junior Museum and Zoo and the City of Palo Alto to rebuild the facility	<ul style="list-style-type: none"> Complete the design of the new center Draft a construction agreement for Council consideration. Complete CEQA requirements. Complete a draft operating agreement with pro forma reflecting the public private partnership for Council consideration. 	CSD	Rhy Halpern	CSD - Rob de Geus, John Aikin; ASD - Lalo Perez, Steve Guagliardo; PLN- Amy French, Chitra Moitra ; PW-Brad Eggleston, Elizabeth Ames; Attorneys - Molly Stump,	3	On target to complete by end of the 2016 calendar year	
14		IN	Foothills Park 7.7 Acres	Evaluate and recommend to Council use of additional 7.7 acres of dedicated park land added to Foothills Park..	<ul style="list-style-type: none"> Complete the Buckeye Creek hydrology study After the Buckeye Creek hydrology study is completed work with the Parks and Recreation Commission to draft a recommendation for Council on how to use the 7.7 acre Evaluate the impacts of the recommendation to Council on the Acterra Nursery lease 	CSD	Daren Anderson	PWD - Brad Eggleston	1	Budgeted and not fully resourced causing the Buckeye Creek hydrology study to take longer than expected to begin - other CIP taking priority.	
15		CP	Parks, Trails, Open Space & Recreation Master Plan	Develop a Parks and Recreation Master Plan to guide future renovations, expansions and improvements	<ul style="list-style-type: none"> Develop and Prioritize Project and Program Opportunities: Preparation of recommendations; identification of capital projects, needed renovations and other improvements; and prioritization of projects into an implementation timeline of short (5-year), medium (15- year) and long-term (20-year) ranges. Plan Review and Adoption: Public, Parks and Recreation Commission (PRC), and Council review; and Council approval process to adopt the plan. 	CSD/ PWD	Kristen O'Kane	CSD - Daren Anderson, Kristen O'Kane. PWD - Peter Jensen - Brad Eggleston	5	Resourced however project budget may need a change order to complete by end of the 2016 calendar year	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
16		BE	Seismically Vulnerable Building Ordinance	Update the inventory of seismically vulnerable buildings and support City Council consideration of an ordinance with priorities and incentives and requirements for addressing hazards.	<ul style="list-style-type: none"> Update inventory of vulnerable buildings and categorize by construction type and occupancy Research best practices related to prioritization and model ordinances City Council check-in Outreach to property owners and stakeholders Begin drafting ordinance for review by the City Council 	DSD		PCE	2	Budgeted and Resourced OK	
17		BE	Energy Efficiency Building Code toward Zero Energy and Carbon Buildings.	Develop an Energy Code that focuses on energy efficiency and prepares for the ultimate State goal of developing buildings to be energy neutral	<ul style="list-style-type: none"> Engage with a multi-stakeholder engagement event that draws opinions & perspectives from experts in the development industry Incorporate these & other changing state requirements to ensure our code is able to reflect these requirements in clear & enforceable language Prepare adequate cost effectiveness study to comply with California Energy Commission City Council Adoption 	DSD			1	Budgeted and Resourced	
18		BE	Construction in the R-O-W Notification Tool	Develop a tool that is able to track and prioritize all city related work in the Right of Way. The tool will provide notice to neighbors as well as commuters by showing all related work on a map. The goal is to direct citizens to one map that will track all work in the R-O-W (In the interim, continue to enhance home webpage notifications)	<ul style="list-style-type: none"> Prepare a SOW that encompasses all the needs of the different departments ; Go through IT Governance; Solicit bids and select a vendor; Enter into contract with the vendor of choice; Implement the solution that is department agnostic and displays all City Work on one site; Continue to monitor and implement the solution. 	DSD CMO ITS			0	Not Budgeted Not Resourced	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
19		HC	Fire & Rescue - Community Risk Reduction	Identify opportunities to reduce community risk, especially in high risk populations (over age 65, under age 13)	<ul style="list-style-type: none"> • Determine project scope; • Identify successful outcomes and community partners; • Meet with prospective consultants who have done similar projects for local hospitals; • Enter into contract with the professional services vendor of choice; • Complete study / Implement recommendations; • Continue to monitor and implement the solution. 	FIRE	Eric Nickel	Community Services, Police, OES, CMO	1	No funding in FY17. Reappropriation from FY16 for study only. No funds for implementation. Staffed with current EMS Chief and possibly line personnel working on this as part of a special project or career development.	
20		IN	Fiber-to-the-Premise Master Plan Assessment	Arrive at a Council-directed strategy for Palo Alto's approach to municipal provided fiber-to-the-premise.	<ul style="list-style-type: none"> • Review outside plant build estimates in Master Plan with Citizen Advisory Committee and document discrepancies. • Co-build discussion with Third Parties (GF and AT&T) • Develop "Dig Once" Ordinance • Develop and issue Request for Information (RFI) to explore municipally-owned and public-private partnership models for FTTP • Evaluation of RFI responses • Bring recommendation to City Council on co-build and City partnership options • Dependent on City Council direction, begin planning City fiber deployment 	ITS		Legal, Utilities, Public Works, City Manager Office, Planning, Development Services, OES	5	This is a project that has been susceptible to changing direction on objectives and strategy. Any significant changes in direction can impact schedule and deliverables.	
21		IN	Wireless Network Master Plan Assessment	Arrive at a Council-directed decision to work with a vendor to provide a broadband wireless support infrastructure for Public Safety and Utilities.	<ul style="list-style-type: none"> • Update citywide wireless network scenarios with 20-year forecasts • Develop cost estimate and fiber backhaul information to expand wireless access in unserved City facilities and retail areas; develop RFP • Issue RFP for dedicated wireless communications for Public Safety and Utilities • Evaluate RFP responses • Bring recommendation to City Council on provider for Public Safety and Utilities wireless • Dependent on City Council, engage vendor on Public Safety and Utilities wireless build 	ITS		OES, Utilities	1		

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
22		BE	Library Bike Outreach	2 bike repair stations installed, outreach bicycle w/trailer purchased & in use (Bike PALS), safe routes to libraries map completed, training/programs as part of Summer Reading Program	Received grant, Nov. 2015; Purchase/installation: May 2016; programs: July, 2016	LIB	Jenny Jordan	PW	0	This is underway, with 100% completion expected by end of summer, 2016; only staff time is part of FY17 budget.	
23		HC	New Americans Project	newly-arrived residents will learn library functions, use, and be oriented to community	ESL discussion groups began in 2015; outreach to community stakeholders/coordination of activities to be strengthened in 2016	LIB	RuthAnn Garcia		1	This is underway and included as part of FY17 budget; 100% implementation expected	
24	*New*	BE	Cal Train Grade Crossing/ Separation	[New] Undertake the analysis, outreach, and other tasks necessary to advance grade separation of Caltrain crossings in Palo Alto	[New] Retain the services of a program manager; undertake a circulation study and "context sensitive solution" public engagement process; prepare for the preliminary engineering, environmental review, and review of financing options in future years.	PCE	None Assigned	CMO, City Attorney, PW	7	Budgeted in the proposed CIP FY17-18. Program manager must be hired before progress can be made on 2016 action steps.	
25		BE	Bike & Pedestrian Plan Implementation	Finalize Concept Plan Line work for 23 ongoing bicycle boulevard projects and initiate final design and construction	<ul style="list-style-type: none"> • Complete final design and initiate construction of Churchill Phase I, Maybell, Wilkie, Park, and Bryant Extension • Complete concept plans and secure approvals for Ross, Amarillo-Moreno, Loma Verde, Bryant Update • Coordinate with PW in advance of resurfacing projects for striping changes 	PCE	Chris	PW, City Attorney, CMO	6	None; addressed in the proposed CIP.	
26		BE	Traffic Signal Timing	Update traffic signal timing where needed	<ul style="list-style-type: none"> • Implement adaptive traffic signal timing along San Antonio Road • Make other adjustments across the City as needed 	PCE	Rafael	Utilities	6	Proposed use of FY16 transportation contingency to be considered by the City Council in June.	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
27	*New*	BE	CEQA - Transportation Analysis	[New] Dialog regarding existing transportation impacts analysis methodologies and thresholds and upcoming changes in CEQA significance thresholds	[New] Convene a study session with the City Council; participate in VTA's process to amend their guidelines in response to changes in State law	PCE	Josh	City Attorney	5	Study session will be scheduled for August or September. No work is currently programmed after the study session except for continued coordination with VTA on updated guidelines.	
28		BE	Midtown Connector Project	Evaluate the feasibility of East-West Bicycle and Pedestrian Connections through Midtown and design preferred options for construction	<ul style="list-style-type: none"> Contract amendment Complete feasibility study Council direction Complete concept plan line & final design 	PCE	Josh	CMO, City Attorney, PW	4	Staff vacancies may slow down project delivery if decision is made to proceed once the feasibility study is complete.	
29		BE	Annual (Land Use) Code Update	Undertake an annual review of code interpretations and needed zoning code (clean-up) changes.	<ul style="list-style-type: none"> Work with the City Attorney to identify needed technical corrections and clarifications Present an ordinance for consideration by the PTC and the City Council 	PCE	Amy	City Attorney	4	Carry-over item from 2015 scheduled for ARB and City Council review later this year. Additional "clean-up" ordinance will be deferred to 2017.	
30	*New*	BE	Housing Micro Units	[New] Council requested a "pilot" program to encourage small units with reduced parking downtown on 3/21/16	TBD	PCE	None Assigned	City Attorney, CMO	4	No consultant support has been funded. No staffing available. Not feasible ahead of the Comp Plan unless proposed by a single property owner (which may occur).	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
31		BE	Next RPP Implementation	Implement RPP in the next priority neighborhoods (Evergreen Park and Southgate)	<ul style="list-style-type: none"> Review applications received (March) and prioritize next RPP district Work with neighborhood stakeholders to develop program parameters Prepare a resolution and contract amendments for Council consideration Implementation 	PCE	Sue-Ellen	City Attorney, CMO	4	Proposed FY17 budget is being adjusted to accommodate two new RPP districts. Staff vacancies and follow-up work on the Downtown RPP will affect the date of program(s) delivery and adoption.	
32		BE	Retail Preservation Ordinance (Cal Ave) follow-up	Support City Council Consideration of Potential Modifications to Retail Protections in the Cal Ave area	<ul style="list-style-type: none"> Analyze parking requirements. Analyze retail feasibility on Cambridge Council direction Develop revisions to adopted ordinance for consideration. 	PCE	None Assigned	City Attorney	4	Funding proposed for a consultant contract in the FY17 budget is being reallocated to RPP. This project will be unfunded. Staff support is not available unless other projects are deferred.	
33		BE	Paid Parking Study	Analyze parking downtown and consider paid parking alternatives	<ul style="list-style-type: none"> Establish a stakeholder group Complete data collection Analyze issues and opportunities Present for Council direction Finalize recommendations 	PCE	Sue-Ellen	City Attorney	3	None	
34	*New*	BE	Rental Costs	[New] Incentives for Moderate Income Housing	TBD	PCE	None Assigned	City Attorney, CMO	3	No consultant support is currently budgeted. Developing a new program will not be feasible in 2016 unless other projects are deferred.	
35		BE	Parking Access/ Revenue Controls	Implement garage technologies based on paid parking study recommendations	<ul style="list-style-type: none"> Stakeholder input on goals and deletions Recommendation to Council 	PCE	None Assigned	City Attorney	3	Project is on hold awaiting completion of the paid parking study.	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
36		BE	Review Office & R/D use categories in zoning	Review and update definitions of "Office", "R&D", etc. as needed.	<ul style="list-style-type: none"> • PTC work sessions • Public input • Council direction • Prepare Ordinance to make changes. 	PCE	None Assigned	City Attorney	3	Not feasible with current staff vacancies unless other projects are deferred; re-evaluate when vacancies are filled.	
37		BE	Housing: Second Dwelling units	Consider changes in policy and regulations to incentivize additional dwelling units ("granny units").	<ul style="list-style-type: none"> • PTC direction and data collection. • Analysis of options for consideration. • City Council direction. • Develop ordinance for consideration. 	PCE	Chitra	City Attorney	2	Staff vacancies may slow down 2016 tasks. Pending State legislation will also affect the development of new ADUs.	
38	*New*	BE	Vacation Rentals Ordinance	[New] Adopt regulations regarding short term vacation rentals in Palo Alto	TBD	PCE	None Assigned	City Attorney, ASD, CMO	2	Developing new regulations in 2016 will not be feasible unless other priorities are eliminated.	
39	*New*	BE	C22 Zoning Amendment	[New] Prepare an Ordinance adjusting the allowable FAR in the C22 zoning district	TBD	PCE	None Assigned	City Attorney	2	Not feasible with current staff resources and priorities; suggest implementing concurrent with Comp Plan adoption.	
40		BE	Parking Guidance Systems	Implement technologies that make it easier for drivers to find parking. Including Garages	<ul style="list-style-type: none"> • Complete design of parking guidance systems in tandem with wayfinding • Bid construction and award contract & Implementation 	PCE	None Assigned	City Attorney, PW, IT	2	Project is currently unfunded. The ongoing paid parking study will examine the potential for financing with parking revenues.	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
41		BE	Shuttle Expansion	Expand shuttle service and implement other strategies to increase ridership Determine strategy and form	Develop and implement a coordinated design and marketing program to include schedules, stops, vehicles, and the web/mobile aps Design service changes and expansions to make the shuttle more convenient for more people Public input City Council review of staff recommendations Implementation	PCE	Sue-Ellen	City Attorney	2	Planning phase can be completed once VTA service changes are understood; implementation of shuttle service improvements and rebranding is currently unfunded.	
42		BE	IR Program review	Conduct an impartial review of the IR process and recommend any necessary changes.	<ul style="list-style-type: none"> Develop report based on input from stakeholders Suggest updates to the guidelines and implementing ordinance as needed Review report with the PTC & City Council 	PCE	Anu	City Attorney	2	IR Review can be completed but IR Guideline amendments and/or Eichler-specific guidelines will take additional consultant resources (see below).	
43	*New*	BE	Eichler Specific Guidelines	Prepare amendments to the IR Guidelines or Eichler-specific design guidelines to address two story homes in Eichler neighborhoods	Issue RFP and hire a design professional to manage the project; community engagement; draft document preparation	PCE	None Assigned	City Attorney		Funding is currently proposed in the form of a planning and transportation contingency in FY17.	
44		BE	Quarry Road Pedestrian & Bicycle Improvements	Design and implement pedestrian and bike improvements connecting the Transit Center to SUMC	<ul style="list-style-type: none"> Award design contract Complete Design Bid and award construction contract 	PCE	Shahla	Purchasing Public Works City Attorney CSD	1	None. Funded with SUMC fees.	
45		BE	Embarcadero Road Phase II	Design and construct traffic, pedestrian, and bicycle improvements for Embarcadero between El Camino Real and Alma Street	<ul style="list-style-type: none"> Contract Award Public input and Caltrans Coordination Conceptual Design Approvals 	PCE	Shahla	PAUSD	1	CIP funding for construction in FY18-19	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
46		BE	Housing Impact Fee Update	Adopt and implement updated impact fees to fund affordable housing.	<ul style="list-style-type: none"> Present Nexus study and fee recommendations to the Finance Committee. Consideration of Ordinance by the City Council. 	PCE	Eloiza	City Attorney, ASD	1	None.	
47		BE	Professorville Design Guidelines	Complete neighborhood specific design guidelines	<ul style="list-style-type: none"> Reach out to stakeholders in Professorville regarding the objectives and scope of the work. Obtain grant funds and retain outside consultant. Finalize recommendations and agendize for review by the PTC and City Council. 	PCE	Matt	City Attorney	1	None.	
48		BE	Parking Study of Housing Types	Prepare a study to ensure adequate parking for housing approved per State Density Bonus law	<ul style="list-style-type: none"> RFP and Consultant Selection Data collection Review draft recommendations and prepare Ordinance 	PCE	None Assigned	City Attorney Purchasing	1	Not proposed for funding.	
49		BE	Speed Survey Updates	Develop new speed surveys to allow for traffic enforcement	<ul style="list-style-type: none"> Bid and award contract Conduct surveys Recommend adjustments to posted speed limits and concurrent safety improvements as needed Implement desired changes 	PCE	Ruchika	Police	0	Funded in current fiscal year; phase one to begin in FY17	
50		BE	CPI	Draft an Ordinance for consideration by the City Council regarding siting and risks associated with plating shops of similar uses.	Draft an Ordinance for consideration by the PTC and the City Council	PCE	Hillary	City Attorney	0	Complete	*
51		BE	Geng Road Circulation & Embarcadero Road Parking Study	Examine possible circulation improvements and additional parking east of 101	<ul style="list-style-type: none"> Complete circulation and parking Study Develop recommendations for review by PTC and City Council 	PCE	None Assigned	Purchasing	0	Not proposed for funding.	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
52		BE	Ground Floor Retail Protection (Other Commercial Districts)	Evaluate other protections/changes needed to preserve GF retail outside of Downtown and Cal. Ave.	<ul style="list-style-type: none"> • Outreach to stakeholders and property owners • Analysis of issues and alternatives • Council direction • Prepare ordinance for consideration by PTC and CC 	PCE	None Assigned	City Attorney CMO	0	Not feasible with current staff vacancies; re-evaluate when vacancies are filled and reevaluation of retail protections in the Cal Ave and Downtown areas are complete.	
53		BE	TMA Support	Support efforts of the newly established Transportation Management Association (TMA) aimed at reducing SOV trips downtown	Council study session; council consideration of pilot funding agreement with conditions; annual survey of commuters; oversight and support of TMA activities	PCE	Sue-Ellen	City Attorney, CMO		None.	
54		BE	Downtown Mobility Study	Design and implement needed mobility and safety improvements downtown	RFP & consultant selection; study of existing mobility & safety challenges and opportunities; development and testing of alternatives; public engagement; PTC & Council review and approval and final design and construction in 2017/18	PCE	Jarrett	City Attorney, Public Works, CMO		Staff vacancies may affect timing of the study. CIP funding for construction in FY18-19.	
55		BE	Retail Preservation Ordinance (Downtown)	Support City Council Consideration of Potential Modifications to Retail Protections in Downtown.	<ul style="list-style-type: none"> • Data collection and analysis of retail trends • Outreach to stakeholders • Return to City Council for direction • Draft one or more ordinances for consideration by the PTC and the City Council 	PCE	None Assigned	City Attorney CMO		Final tasks may be deferred to 2017 because of current staff vacancies; can happen before the interim ordinance expires.	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
56		CP	Housing Element Implementation Part I	<ul style="list-style-type: none"> Consider elimination of sites on San Antonio/S El Camino & replacement with higher densities on existing sites or the addition of new sites (in the Comp Plan process) Consider code changes to encourage more, smaller units (in the Comp Plan process) Consider small lot consolidation incentives 	<ul style="list-style-type: none"> Council direction re: sites and programs. Develop draft ordinance(s) for public input and PTC/Council review 	PCE	Eloiza	City Attorney	6	Can be staffed as part of the Comp Plan effort (relocation of sites & desired code changes) and after the housing impact fee update is complete (small lot consolidation).	
57		CP	Comp Plan Update	Develop world class policy framework to guide City and community decision making to the year 2030.	<ul style="list-style-type: none"> CAC review and recommendation for all elements. City Council review of CAC work and direction on key issues. Draft EIR and responses to comments. (see schedule) 	PCE	Elaine	City Attorney, CSD, OES, CMO	4	Analysis of a 5th and 6th scenarios in the EIR is contingent on a further amendment to the Placeworks contract. Limited staffing means that subcommittee meetings of the CAC must be spaced-out and mostly scheduled during the day.	
58		CP	Downtown CAP	Develop and Implement policy and code changes to update the Downtown CAP on Non-Residential square footage	<ul style="list-style-type: none"> Complete consultant study and outline policy options. Council input/direction Prepare Comp. Plan policy language and code changes. 	PCE	Chitra	City Attorney	2	Policy discussion and code changes (third bullet) will coincide with Comp Plan Update.	
59		CP	Build to Line	Ordinance to increase setbacks on El Camino Real	Schedule ordinance recommended by the PTC for consideration by the City Council; include related policies and programs in the Comp Plan Update	PCE	Amy	City Attorney	1	This initiative is not currently staffed due to other Department priorities.	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
60		BE	Mobility App or "wallet" along the lines of "MAAS"	Explore development of an App to make transportation more convenient	<ul style="list-style-type: none"> RFP Consultant selection and data collection Review draft with stakeholders Review with PTC and City Council Build App if feasible 	PCE/CMO	None Assigned	Sustainability Purchasing HR, IT, City Attorney	4	Contingent on receipt of regional transportation funding (from MTC) for this purpose. Staff has not been assigned to this initiative.	
61	*New*	HC	Means Restriction	This project has been broken out separately from the Project Safety Net Project	Track Guard Security oversight Intrusion Detection System Fencing installation Additional means restriction efforts	PD/OES	Ken Dueker	PD Bob Beacom, Dennis Burns; CMO Jim Keene, Claudia Keith, Ed Shikada		Intrusion Detection and Fencing not budgeted.	
62		BE	Charleston/Arastradero Corridor Project	Preliminary design and environmental assessment for the corridor project from Fabian Way to Miranda Avenue	<ul style="list-style-type: none"> Community Outreach on Landscaping Palette Coordinate with Caltrans and JPB/Caltrain Complete NEPA process Develop final design to 65% level 	PW		PCE	2	None	
63		BE	Dewatering	Address public concerns regarding basement construction dewatering	Develop new requirements for basement construction dewatering	PW			1	None; new requirements are being implemented in pilot program, but it is too early to judge their success	
64		CP	Recycled Water (S/CAP link)	Expand recycled water use by imposing recycled water quality by advanced water treatment feasibility study and develop a recycled water strategic planning effort within North Santa Clara County	Contract with consultant for RO Feasibility Study ; contract with consultant for Recycled Water Strategic Planning and Groundwater Management Plan; Partner funding agreements with SCVWD and City of Mountain View; Decide Go/No Go On Recycled Water extension to Research Park	PW		Utl, Atty	3	Water district Funding appears to be committed , but mostly not available until July 1, 2016; Other agencies are supportive, New City Staffer approved by Finance Committee for FY 2017	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
65		CP	Urban Forest Master Plan	Continue to work with community and environmental representatives to finalize the Urban Forest Masterplan while completing the implementation of the plan.	<ol style="list-style-type: none"> 1. Continue to analyze funding and staffing levels necessary to implement this plan. 2. Complete phase 1 of implementation 3. Begin phase 2 of implementation 4. Report back to council fall of 2017 to seek final adoption of the plan. 	PW	Walter Passmore	Development Services, CMO, Utilities,	1	Staffing levels currently under evaluation. Additional funding will be required to implement the plan fully. This will have an impact on our ability to complete this project.	
66		HC	Smoking Ban	Restrict smoking in multifamily areas and establish tobacco retailer licensing		PW		PD, PCE	3	Staff time not available to establish smoking restrictions inside Multifamily units. County cooperative but slow on retailer licensing for PA	
67		IN	Public Safety Building Project	Create a new facility built to Essential Services standards to house Police, 911 Dispatch, Emergency Services, Fire Admin, and the Emergency Operations Center on parking lot C-6	<ul style="list-style-type: none"> • Hire Construction Management (CM) firm to assist with project. • Hire Architect and begin design development and EIR. • Complete pre-design and schematic design phases. • Begin design development phase. 	PW		PD, Fire, OES, and IT will be engaged in the design process	6	Budget and staffing are in place pending approval of Program Manager contract	
68		IN	Downtown Parking Garage	Finalize location, select design concept, begin preliminary design	Return to Council for further policy direction with assistance from Planning	PW		Planning will be leading the policy discussion	5	No funds Budgeted. Garage is in the IMP	
69		IN	California Ave Parking Garage	Create a new parking garage with a retail element on existing surface parking lot C-7 to create at least 150 additional parking stalls and replace parking to be lost by siting the PSB on the adjacent parking lot	<ul style="list-style-type: none"> • Hire Construction Management (CM) firm to assist with project. • Hire Architect and begin design development and EIR. • Complete schematic design and select preferred configuration. 	PW		Planning will be engaged in the design process	5	Budget and staffing are in place pending approval of Program Manager contract	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
70		IN	Highway 101 Pedestrian/Bicycle Overcrossing at Adobe Creek	Select design concept and begin preliminary design for new, year-round Pedestrian/Bicycle Overcrossing	<ul style="list-style-type: none"> Select a design consultant through a Request for Proposal process by February 2016. Begin design in March 2016. Complete development of 65% design documents. Complete environmental studies and documentation. 	PW		PCE	5	None; however, updated schedule begins design in June and last two bullets will not be achieved in 2016	
71		IN	Fire Station No. 3 Replacement	Rebuild Fire Station No.3 at Embarcadero Road and Newell Road	<ul style="list-style-type: none"> Begin Fire Station and temporary facility design. Select location for temporary station. Complete pre-design, schematic design, and design development Hire construction management firm & begin contractor pre-qualification 	PW		Fire, OES and IT will be engaged in the design process	2	Budget and staffing are in place pending approval of Program Manager contract	
72		IN	Golf Course Reconfiguration	Complete reconstruction of the Golf Course, including substantial regrading, new irrigation system, and environmental enhancements	<ul style="list-style-type: none"> Secure regulatory permits. Award construction contract. Complete 50% of project construction. 	PW		CSD	2	Current budget is not adequate to award construction contract due to high bids; still not full certainty regarding regulatory permits	
73		IN	Ventura Building Improvements	Replace or upgrade the mechanical and electrical systems and provide accessibility improvements to the Ventura Community Center facility	<ul style="list-style-type: none"> Complete ADA assessment of the facility Hire design firm Complete pre-design, schematic design, and design development phases Begin construction documents and apply for permits 	PW		CSD and ASD will be engaged during the design process	2	Potential delay due to funding capital fund budget constraints and staff workloads with post office prioritization	
74		IN	Matadero Creek Storm Water Pump Station Improvements	Capacity upgrade to the Matadero Creek Storm Water Pump Station, an essential element of the storm drain system serving a 1,250-acre watershed area	<ul style="list-style-type: none"> Complete project design. Award construction project. Complete 33% of project construction. 	PW			2	None	
75		IN	Street Resurfacing Program	Continue resurfacing streets to meet average citywide pavement condition index (PCI) score of 85 by 2019	<ul style="list-style-type: none"> Complete paving of 70 city blocks - includes 18 blocks to finish paving Middlefield and Alma with additional funding over 3 years Complete preventive maintenance of 80 city blocks Continue frequent community outreach Raise citywide PCI score to 82 	PW		UTL	1	None	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
76		IN	Baylands Interpretive Center Improvements	Improvements to aging Center including Boardwalk repair feasibility study, and replacement of Center railing, decking, siding, flooring, cabinetry and doors	<ul style="list-style-type: none"> • Complete Boardwalk Feasibility Study. • Secure funding for boardwalk design and construction and complete design • Complete design development for the Interpretive Center • Obtain environmental and construction permits for the Interpretive Center • Bid out the Interpretive Center project and begin construction. 	PW		CSD	1	None; however, uncertainty in timing of regulatory permits and short construction season could push construction to fall 2017	
77		IN	Organics Facilities Plan	Replace incinerators with new biosolids handling system	<ul style="list-style-type: none"> • Obtain approval of Dewatering Building from the ARB and the Planning Commission. • Complete 100% design drawings. • Prepare and issue IFB. • Select Contractor and award Contract. • Begin Construction. 	PW		PCE	1	ARB approval completed, but lated, East Palo Alto Sanitary District has not approved agreement & therefore loan cannot be obtained, and project cannot go out to bid immediately, as hoped.	
78		IN	Newell Road/San Francisquito Creek Bridge Replacement	Replacement of functionally-obsolete Newell Road bridge over San Francisquito Creek to provide increased creek flow capacity in coordination with the San Francisquito Creek JPA	<ul style="list-style-type: none"> • Circulate draft of project Environmental Impact Report. • Initiate project permitting. • Complete preliminary bridge design. 	PW		PCE	1	None; however, newly required traffic count data gathering may delay the preliminary bridge design beyond the 2016 schedule	
79		IN	Sidewalk Repairs Project	Continue sidewalk repairs to complete 30 year district cycle leveraging budget doubled per IBRC recommendations	<ul style="list-style-type: none"> • Complete sidewalk program assessment to set new program goals and standards. • Complete 30-year district cycle including sidewalk repairs in Sidewalk Replacement Districts 25, 32 and 36 	PW		UTL	0	None	
80		IN	SF Creek JPA Project	Build downstream 101 Section of Flood Control Project	<ul style="list-style-type: none"> • Obtain final permits from State & Feds • Approve Funding Agreement (gap funding) • Approve Construction Contract • Begin Construction 	PW		CMO, City Attorney			

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
81		IN	Lucie Stern Mechanical & Electrical Upgrades	Rehabilitate and improve the existing building systems including fire/life safety components for Lucie Stern Community Center, the Children's Theater and the Community Theater	Award Construction Contract	PW		CSD will be engaged during the construction process	0	Current budget is not adequate to award construction contract due to high bids; project may be broken into phases	
82		BE	Customer Information System / Smart Grid	The Utility Billing and Smart Grid systems are highly integrated. Smart grid systems enable many alternatives such as the ability to offer time of use rate schedules and other information that promote energy conservation, reduce carbon emission, improve system reliability and provide real-time customer usage information.	<ul style="list-style-type: none"> Develop billing system specifications in parallel with City's ERP system Select vendor and implement new billing system Develop meter data management specifications Evaluate advanced meter infrastructure for electric, gas and water 	UTL	Dave Yuan		1	Project proceeding on multiyear timeline	
83		IN	Local Solar Generation Plan	Council adopted the Local Solar Plan, which establishes the goal of meeting 4% of the City's energy needs from local solar by 2023	<ul style="list-style-type: none"> Launch community solar program to allow those who wish to access solar energy, but don't have adequate on-site access. Develop a solar donation program. Continue Palo Alto CLEAN program. Develop Net Energy Metering Successor Program and Rates 	UTL	Jane Ratchye	PWD, OES	4	Program manager recently left City, position being recruited. Community solar program dependent on availability and timing of suitable site(s).	
84		IN	Second electric transmission interconnection plan	The new 60kV line would improve the City's transmission service reliability with potential cost savings/ Alternatives review	<ul style="list-style-type: none"> Joint evaluation of feasibility studies with SLAC, Stanford and possibly PG&E, DOE and WAPA Preliminary design of the interconnection plan Tentative MOA with Stanford and SLAC Continue to monitor PG&E and CAISO transmission activities 	UTL	Tomm Marshall		3	Project partially funded, full funds dependent on Stanford University agreement	

2nd Quarter May 31, 2016

	NEW ITEMS	COUNCIL PRIORITY	PROJECT NAME	OUTPUT/OUTCOME	2016 ACTION STEPS	DEPT. LEAD	PROJECT MANAGER	DEPT. SUPPORT	COUNCIL RETREAT RANKING	Impact of Budget and Current Staffing on Ability to Complete	Go OR No Go
85		BE	Fuel Switching / Electrification	Evaluate potential electrification programs and incentives for the community to reduce greenhouse gas emissions by replacing the use of natural gas and gasoline with electricity for building appliances and vehicles.	<ul style="list-style-type: none"> • Implement a pilot program for heat pump water heaters in existing homes to determine cost-effectiveness and identify obstacles to installation. • Provide resources to homeowners to convert existing homes to all-electric homes. • Evaluate retail electric rate schedule for home electrification. • Explore building code changes for new construction and remodeling projects. • Promote installation of EV supply equipment. 	UTL DSD	Jane Ratchye	Development Services, Sustainability Office	1	Project funded at pilot/evaluation level.	
86	*New*	BE	Middlefield Road Safety Study	Assess safety at intersections along Middlefield Road near Menlo Park and implement needed improvements.	Analyze safety after one year trial of time-of-day turn restrictions; community engagement and analysis of potential improvements; City Council direction/approval; implementation		Rafael	CMO, City Attorney, PW		Funding is currently proposed in the form of a planning and transportation contingency in FY17.	
87		BE	Employment Center	Added by Council at Retreat?					1		
88		HC	Focus on Service for Vulnerable Groups	Added by Council at Retreat?					4		

May 23, 2016 DRAFT

TO: James Keene, City Manager

FROM: Hillary Gitelman, Director of Planning & Community Environment

RE: Council Requests Regarding Eichler-Specific Guidelines

This memo provides responses to the City Council's request that planning staff assess the ability to undertake development of new Eichler-specific amendments to the Individual Review (IR) Guidelines and/or develop separate design guidelines or zoning regulations to guide development of two story homes in Eichler neighborhoods, as well as amendments to the process for assessing resident support for new Single Story Overlay (SSO) districts.

Executive Summary

We appreciate the desire to amend the Individual Review (IR) Guidelines and/or develop separate design guidelines or regulations to guide development of new two story homes in Eichler neighborhoods. With sufficient resources, this project could be undertaken as a consultant-led effort after completion of the IR program review and the Professorville Design Guidelines (both are wrapping up soon). Amendments to the petition process for new SSO districts can be developed by staff and considered by the City Council in the context of the next "code clean-up" ordinance, expected in 2017.

Background

On May 2, 2016, Council directed staff to evaluate the feasibility of undertaking two possible initiatives in response to controversy surrounding the construction of two story homes in Eichler neighborhoods:

- A. Conduct a preliminary evaluation of a potential Eichler Overlay Zone or Strengthening of IR guidelines for Eichler design and privacy compatibility (for second story additions); and
- B. Explore options for breaking up the petition and 'voting' process to determine the level of support for Single Story Overlays and Eichler Overlays.

The issues addressed by this motion are related to some of the Planning Department's "Council Priority Projects" for 2016 as discussed by the City Council at their retreat in late January. At that time, the priority projects included a review of the Individual Review (IR) process for two story homes and development of recommendations for improving this program, and also included an annual "code clean-up" project. To reflect the Council's May 2nd motion, a new project related to Eichler neighborhoods has been added to the list of priority projects and has been proposed for funding in a "contingency" within the FY17 proposed budget.

Discussion

In its motion on May 6, the Council requested staff evaluate the feasibility of undertaking two different approaches to the issue of two story homes in Eichler neighborhoods. The feasibility of the various components of the motion varies quite a bit, and is discussed further below.

- A. **Adopt an Eichler Overlay Zone or strengthen the IR guidelines for Eichler design compatibility and privacy.** This proposal will require consultant support in the form of an architect or urban design professional with an affinity for mid-century modern residential architecture. While not currently budgeted, such an individual could conduct community outreach and develop design guidelines specific to Eichler neighborhoods as other jurisdictions have done, and/or develop regulations to be

adopted as part of the IR Guidelines or the municipal code. This planning effort would be strengthened if it also involved preparation of a “context statement” to support evaluation of the City’s Eichler neighborhoods in terms of their architectural integrity and significance.

Staff believes that preparation of a “context statement” may be eligible for grant funding from the State Office of Historic Preservation (similar to the Professorville Guidelines which are currently being wrapped up). General fund resources would be needed for the project manager/design consultant, and staff has proposed this be funded through a “contingency” in the FY17 budget. The project can be initiated as soon as the project manager is retained. Staff estimates it will take 16-18 months from start to finish, assuming mid-course check-ins with the City Council do not result in additional/modified direction requiring additional effort.

- B. **Improve the petition process to determine the level of support for Single Story Overlays (and potentially Eichler Overlays).** Staff can easily include improvements to the SSO process in the next regular “code clean-up” ordinance, which is scheduled for 2017. The only clean-up planned for 2016 is the update to the ARB findings, which was referred back to the ARB when the City Council considered the 2015 code clean-up ordinance.

Conclusion

These are interesting issues that can be tackled in the coming year presuming budget and consultant resources are available.

May 26, 2016 DRAFT

TO: James Keene, City Manager

FROM: Hillary Gitelman, Director of Planning & Community Environment

RE: Council Requests Regarding Housing Policy Items

This memo provides responses to the City Council's request that planning staff assess the ability to undertake a number of new projects related to housing policy matters. It is intended to be read in conjunction with the current list of "Council Priority Projects" and to facilitate a discussion of adjusting priorities for the second half of 2016 if desired.

[Please note that this analysis does not address or factor in the Governor's May 2016 proposal to streamline multifamily housing by eliminating local discretion when affordable units are proposed in projects that conform with local zoning. Staff is analyzing the Governor's proposal, <http://budgettrack.blob.core.windows.net/btdocs2016/1185.pdf> and will provide additional information/analysis as soon as possible.]

Executive Summary

Staff appreciates the Council's attention to housing questions and would be thrilled to make significant progress on housing policies and regulations, however current staffing levels (due to vacant positions) and the number of other, ongoing projects will make this difficult in the near term. There are also challenges associated with sequencing some of the Council's housing policy ideas ahead of the Comprehensive Plan and its associated environmental impact report (EIR). In the discussion below, we provide further explanation of these conclusions and indicate how the Council's suggested projects might be tackled, and when re-prioritizing other ongoing projects might enable staff to get started on them sooner.

Background

On March 21, 2016, the City Council adopted a motion requesting that staff evaluate the feasibility of undertaking a number of new housing policy initiatives in advance of the Comprehensive Plan Update:

- A. Return with options to provide housing for moderate income government employees including funding options and any barriers to creation of such housing; and
- B. Return with a program for micro-units Downtown, including decoupled parking, not selling parking permits, lease restrictions with minimum impacts, how many units to include in a pilot; and
- C. Reevaluate the definition of mixed use retail and residential in select locations; and
- D. Return with a plan for more bike storage Downtown; and
- E. Return with options for ensuring existing housing is used for housing, not other uses or unused.
- F. Move housing sites from San Antonio to California Avenue and Downtown.

Housing issues are related to some of the Planning Department's "Council Priority Projects" for 2016 as discussed by the City Council at their retreat in late January. At that time, the priority projects included "Housing Element Implementation" as a project, and suggested outcomes of that project included a number of the items above (i.e. micro units and moving sites from San Antonio in exchange for higher densities elsewhere) because these are being considered as part of the Comprehensive Plan Update process. The "Housing Element Implementation" project also included an outcome required by HCD as

part of the City's Housing Element (approved in November 2014) to enact incentives for small lot consolidation. Importantly, there was also a separate priority project to update the City's affordable housing impact fees, a project that is well underway.

The most recent list of Council Priority Projects includes the Council's requests from March 21st and reflects current staffing challenges. The planning department's long range planning group has a significant existing workload and is currently carrying two vacancies: the advance planning manager and a planner position, which together comprise 30% of the full time staff in this work group. While recruitment is underway, the department is trying to keep the group's current work program intact with an interim manager, one senior planner who is focused on our CDBG and housing programs, one land use analyst, and one associate planner. A half time consultant has recently been added to support the Comp Plan Update project.

Together, the long range planning group is responsible for the Comp Plan Update, the City's housing and CDBG programs, other long-range planning efforts (for example, retail preservation and the downtown cap), maintaining the department's GIS data layers, required reporting to regional, State, and federal agencies, providing technical support and analysis for all current and long range planning efforts, and providing development-related data and mapping requests from many departments.

The department director, assistant director, administrative staff, consultants, hourly staff, and staff of the City Attorney's office and City Manager's office support the work group to the extent feasible, although these are the same people who are supporting other planning and transportation-related Council initiatives, reviewing and presenting staff reports, responding to email questions and colleagues memos, etc., etc. Also, department staff from other divisions (e.g. current planning, code enforcement, transportation) cannot be redeployed to the long range planning group without significantly affecting other department functions.

Discussion

In their motion on March 21, the Council requested staff evaluate the feasibility of undertaking a number of housing (and bike rack) items in the near term (i.e. in advance of the Comp Plan Update). The feasibility of the various components of the motion varies quite a bit, and is discussed further below.

- A. **Return with options to provide housing for moderate income government employees including funding options and any barriers to creation of such housing.** Eligibility under the City's existing housing programs is determined by total household income and size, and it would require considerable effort to determine how many Palo Alto and PAUSD employees meet the current low or moderate income eligibility criteria. Staff's initial sense is that the majority of our employees would not qualify under the existing criteria and that a completely new housing program with new funding sources would need to be created.

This would be a significant work effort for planning and legal staff, involving a survey of employee household income/size and housing needs, analysis of inclusionary zoning options, a legal analysis of the nexus studies (in place and in progress) for affordable housing impact fees, exploration of best practices for the provision of workforce housing, and development of options for public input and Council consideration. As evidenced by the flurry of media coverage after this suggestion was raised in March, we can expect significant public interest in program development, which would itself take time to absorb and consider.

Based on past experience, the options that might rise to the top for consideration could include (a) development of workforce housing on land owned by the City or school district; (b) creation of incentives like density bonuses to stimulate housing affordable to members of the workforce; (c) requiring some kind of workforce preferences for new market-rate units requiring discretionary approval; and (d) some kind of first time home buyers assistance. There are undoubtedly other options that staff could explore given the time and resources. The level of environmental review would depend on the options the Council wished to pursue.

We may need the services of outside legal counsel for this work effort, and may want to bring in a consultant with housing policy expertise to support staff unless we can recruit an advanced planning manager with that expertise. Unless we can wait until the advance planning manager position is filled, we would need to defer other projects or slow down the Comp Plan Update to complete this work.

- B. **Return with a program for micro-units Downtown, including decoupled parking, not selling parking permits, lease restrictions with minimum impacts, how many units to include in a pilot.** This could also be a significant work effort, and at a minimum would involve development of amendments to Chapter 18.18 (Downtown Commercial District) of the zoning ordinance, as well as amendments to the resolution and administrative regulations governing the Downtown RPP program. Legal staff would need to work with Council Members who have financial interests in the downtown area, and potentially with the FPPC, to determine whether those Members would need to recuse themselves from participating. Also, as explained previously, a recent Attorney General's opinion calls into question the ability to sell RPP permits to some residents and not to others.

Examination and adjustment of the Downtown Cap in Comprehensive Plan Program L-8 is already on the Planning Department's work program, although staff vacancies have not allowed us to move forward expeditiously. We do have consultants engaged in determining the potential residential capacities downtown and with a contract amendment and additional funding, we could ask the consultants to support development of suggested zoning changes and attendant community outreach.

While it may be possible to implement a pilot project on a single site downtown if there is interest (and there may be) from a single property owner/developer, a broader program would ideally be developed in conjunction with the Comprehensive Plan Update. The level of environmental review required for a broader program would depend on the specifics of the program elements the Council wishes to pursue, and it would probably be most efficient to rely on the Comp Plan EIR or "tier" from it with a program-specific analysis. To do this ahead of the Comp Plan Update (rather than concurrent with or after) does not seem realistic unless it involves one specific development site as indicated above.

- C. **Reevaluate the definition of mixed use retail and residential in select locations.** The Comp Plan Citizens Advisory Committee (CAC) is developing recommendations for policies and programs in the Land Use & Community Design Element to address this issue. If the Council is requesting modifications to zoning provisions affecting the CN, CS, CD, and CC in advance of the Comp Plan Update, this could be a significant work effort, involving development and analysis of options, outreach to many, many property owners and other stakeholders, quantification of resulting changes in intensity of use, environmental review, and ordinance preparation/adoption. It would be

possible to rely on the Comp Plan EIR for this effort, but that would dictate waiting for the EIR to be completed and certified.

- D. **Return with a plan for more bike storage Downtown.** Our transportation group has a significant number of projects moving forward, with limited ability to add more. Nonetheless, we will be able to develop and implement a plan for bicycle storage as part of the downtown mobility study proposed for funding in the FY17 budget.
- E. **Return with options for ensuring existing housing is used for housing, not other uses or unused.** Council members are encouraged to report any residential properties they believe are being used for non-residential purposes to the City's code enforcement group, and staff will investigate and abate the violations. We cannot take enforcement actions without specific addresses; addresses can be provided to staff by using the Palo Alto 311 app or by emailing the planning director.

If the Council would like to develop and implement new regulations related to vacation rentals, the recent experiences of other jurisdictions indicates this will be controversial and time consuming both for the staff and the Council. This work could potentially be done in conjunction with or in lieu of the exploration of ADUs referred to the Planning and Transportation Commission, but until a new Advance Planning Manager is hired, it is unlikely to move forward faster than the Comp Plan itself (unless the Comp Plan were slowed down or the idea of analyzing a 5th and 6th scenarios was dropped).

Regulating unused homes poses additional challenges and will require investigation of available options and legal issues. In general, the government cannot force a property owner to rent or live in their home. One Councilmember suggested imposing a fee on vacant homes to encourage their use. Legally, the Council has the ability to impose fees related to agency's costs (such as a registration fee), but it is doubtful that a cost justified fee would incentivize use. Under Propositions 218 and 26, any fee that does not have a nexus to an agency's costs will likely be considered a tax, requiring voter approval.

If these issues have become Council priorities, we would request other projects be deferred.

- F. **Move housing sites from San Antonio to California Avenue and Downtown.** This proposal cannot feasibly be implemented in advance of the Comp Plan Update. Removing housing sites from the adopted housing element will require consultation with HCD and we will have to explain where we have increased densities (or added new sites) to replace the units associated with these sites.

The Comp Plan Update can identify – and the Comp Plan EIR can analyze – areas where the Council would like to increase densities and/or add sites, and staff recommends affirmatively making the needed zoning changes before we remove housing sites from our inventory. Otherwise, we risk de-certification of our housing element. Again this analysis can occur in the context of the 5th and 6th scenarios as the Council directed in February.

Conclusion

These are all exciting issues that can be tackled in the several years, presuming budget and staff resources are available. However, it will be important to align and sequence this work with other efforts like the Comp Plan Update to avoid one effort negatively affecting others. Also, if resources remain

May 26, 2016 DRAFT

somewhat constrained (e.g. staff vacancies), Council will need to prioritize its desired projects/outcomes.