



# CITY COUNCIL SUMMARY MINUTES

Special Meeting  
January 11, 2021

The City Council of the City of Palo Alto met on this date in virtual teleconference at 5:04 P.M.

Participating Remotely: Burt, Cormack, DuBois, Filseth, Kou, Stone, Tanaka

Absent:

## Agenda Changes, Additions and Deletions

Mayor DuBois announced updates from community nonprofits were going to be included in future Council Agendas. Palo Alto Community Child Care was scheduled for January 25, 2021.

## Oral Communications

Cari Templeton, speaking as an individual, advocated for safety improvements to the crosswalk at Walgreens in Midtown because a vehicle struck a child in the crosswalk recently.

Terry Holzemer hoped the Council adopted a Resolution opposing Senate Bill (SB) 9 and SB 10.

Peter Drekmeier, Tuolumne River Trust, indicated the Council supported the Bay-Delta Plan in 2020, but its representative to the Bay Area Water Supply and Conservation Agency (BAWSCA) testified before the San Francisco Public Utilities Commission (SFPUC) in support of the alternative voluntary agreement. The representative needed to support Palo Alto's interests.

Stephen Rosenblum shared a portion of his written comments to Council Member Cormack regarding her testimony before the SFPUC and her response. He believed these actions and statements disqualified Council Member Cormack from representing the City at BAWSCA.

Dave Warner noted Council Member Cormack subsequently stated she sent a letter indicating she was not representing Palo Alto when making those statements. However, it was unknown whether the letter was publicly available or whether the letter noted Palo Alto's support for the Bay-Delta Plan. Council Member Cormack needed to retract her statements before the SFPUC or resign from BAWSCA. If she chose not to do so, he asked the Council to limit her role on the Council.

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Shannon McEntee shared the benefits of an unimpaired water flow in the Tuolumne River and urged the Council to advocate for the Bay-Delta Plan.

Rachel Hamburg proposed the City install a temporary bathroom and offer trash service to recreational vehicle (RV) dwellers parked along El Camino Real.

Rebecca Eisenberg questioned whether the City investigated its Police Officers to determine if any participated in the riot in Washington, D.C. She suggested the Council increase the number of Council seats to nine and require the seats be filled by African-Americans, especially women.

Elaine Wood, Downtown Streets Team Board of Directors, read a letter from the Board correcting Mr. Byrd's statements to the Council on December 7, 2020. An Administrative Law Judge and a two-person panel entered findings in an unemployment insurance compensation matter. The *Palo Alto Weekly* reported accurately regarding a former employee's claims of sexual harassment against the Downtown Streets Team.

Julianne Frizzell requested the Council replace Council Member Cormack as Palo Alto's representative to BAWSCA.

Aram James appreciated local newspapers' reporting on encryption of the Police Department's radio transmissions without due process and Mayor DuBois and Vice Mayor Burt's quick response.

## Minutes Approval

1. Approval of Action Minutes for the November 30, December 14, and December 23, 2020 City Council Meetings.

**MOTION:** Council Member Cormack moved, seconded by Council Member Kou to approve the Action Minutes for the November 30, December 14, and December 23, 2020 City Council Meetings.

**MOTION PASSED:** 7-0

## Consent Calendar

Mayor DuBois inquired regarding Council Members receiving responses to their questions about Agenda Items. The Council packet was released late.

Council Member Stone advised that he did not receive responses.

Mayor DuBois asked if the City Manager wanted to respond to Council Members' questions.

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Molly Stump, City Attorney, advised that discussion of Consent Calendar Items was not consistent with Council procedures. Council Members needed to remove an item from the Consent Calendar if they wished to discuss it.

Council Member Filseth inquired whether continuing Agenda Item Number 5 for one week was possible under Council procedures.

Ms. Stump recommended Council Members remove the item from the Consent Calendar. The Council was allowed to refrain from discussion and entertain a Motion. Removing Agenda Item Number 5 from the Consent Calendar required the support of a majority of Council Members because it was the second reading of an Ordinance.

**MOTION:** Council Member Stone moved, seconded by Council Member Kou, third by Vice Mayor Burt, fourth by Mayor DuBois to pull Agenda Item Number 5 to be heard on a date uncertain.

Council Member Tanaka registered no votes on Agenda Item Numbers 2 and 4.

**MOTION:** Mayor DuBois moved, seconded by Vice Mayor Burt to approve Agenda Item Numbers 2-4.

2. Approval of a Purchase Order With Altec Industries in an Amount Not-to-Exceed \$633,866 for the Purchase of two 2022 DH50 Hydraulic Digger Derrick Rear Mount Crane Trucks, Utilizing a Cooperative Purchasing Agreement and Funded Under Capital Improvement Project VR-20000.
3. Resolution 9937 Entitled, "Resolution of the Council of the City of Palo Alto Amending the Conflict of Interest Code for Designated City Officers and Employees as Required by the Political Reform Act and Regulations of the Fair Political Practices Commission, and Repealing Resolution Number 9800".
4. Ordinance 5513 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Section 18.52.070 (Parking Regulations for CD Assessment District) to Temporarily Extend Ineligibility of Certain Uses to Participate in the University Avenue In-lieu Parking Program for 18 Months". (FIRST READING: December 7, 2020 PASSED: 4-2 Fine, Tanaka no, Cormack absent)
- ~~5. SECOND READING: Adoption of a Temporary Ordinance Amending Title 18 (Zoning) of the Palo Alto Municipal Code to Broaden Permissible Uses and Raise Thresholds for Conditional Use Permits for~~

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~~Some Land Uses Throughout the City. Environmental Review: California Environmental Quality Act (CEQA) Exemption 15061(b)(3) (FIRST READING: December 14, 2020 PASSED: 7-0).~~

**MOTION PASSED FOR AGENDA ITEM NUMBERS 2 AND 4:** 6-1 Tanaka no

**MOTION PASSED FOR AGENDA ITEM NUMBER 3:** 7-0

Council Member Tanaka preferred the City pay maintenance costs or rent trucks rather than purchase trucks and noted the Staff Report was lacking information.

## City Manager Comments

Ed Shikada, City Manager, advised that the trucks in Agenda Item Number 2 were vital to the Utilities Department, and the current trucks were approaching obsolescence. The trucks were special funded and not fungible with General Fund resources. The Regional Stay at Home Order was extended indefinitely. The State announced economic stimulus package programs for businesses and low-income residents and a proposal to extend the eviction moratorium. A State order allowed medical facilities to request mutual aid for staffing, and four Palo Alto Fire Paramedics were deployed to Kern County. The deadline to apply for the COVID-19 Relief Grant program was January 13, 2021. Information regarding COVID-19 vaccinations was available at [sccfreevax.org](http://sccfreevax.org). Phase 1A of the vaccination plan was underway, and Plans for Phase 1B were being developed. Free COVID-19 testing was scheduled for January 22 and February 5 and 26, 2021. Curative was providing free testing, but the Federal Drug Administration (FDA) issued a notice of a higher risk for false negative results from Curative tests. Foothills Park was open to everyone. Because of increased visitation, Staff was exploring access options and providing vehicle counts on the website. The Police Department encrypted radio transmissions in compliance with a Department of Justice requirement to protect personally identifiable information. Virtual Martin Luther King Jr. Day celebrations were planned for January 18, 2021.

## Action Items

6. PUBLIC HEARING: Objections to Weed Abatement and Adoption of Resolution 9938 Entitled, "Resolution of the Council of the City of Palo Alto Ordering Weed Nuisance Abated".

Public Hearing opened at 6:15 P.M.

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Dancia Bostrom, 419 Wilton, explained that weeds occurred when her professional lawn service was not allowed to work under the shelter in place order. The service resumed as allowed, and the property was well maintained.

Rebecca Eisenberg, addressing the Consent Calendar, remarked regarding Vice Mayor Burt's conflict of interest in the CPI matter. Council Members needed to disclose actual and potential conflicts of interest whether or not they recused themselves.

Sherry Wei, 2660 Bryant Street, advised that her gardener complied with the shelter in place order and did not work on her property for a few weeks. Consequently, she received a notice of being placed in the weed abatement program. The gardener returned to work when allowed to do so, and the property was well maintained.

Litai Weng and David Liu, 2349 Greer Road, advised that the inspector visited his property when his gardener was not allowed to work under the shelter in place order. The grass was well maintained.

Public Hearing closed at 6:27 P.M.

Moe Kumre, Santa Clara County Fire Marshall, reported properties were inspected on May 1, 2020. The Shelter in Place Order did not prohibit property owners and tenants from cutting their lawns.

Geo Blackshire, Fire Chief, recalled residents' confusion regarding activities allowed under the Shelter in Place Order.

Council Member Cormack inquired whether the number of properties needing weed abatement was higher than usual.

Mr. Kumre did not believe there was an extraordinary increase in the number of properties located within the city limits of Palo Alto.

Council Member Cormack noted some residents did not own equipment or were not physically capable of landscape work. She asked if there was evidence that the property owners rectified the problems.

Mr. Kumre advised that additional information was not available because the inspectors had no authority for additional actions until the current process was complete.

Council Member Cormack indicated her willingness to remove the three properties from the program because gardeners were asked to shelter in place at the time of inspections.

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Vice Mayor Burt concurred with Council Member Cormack's comments.

**MOTION:** Vice Mayor Burt moved, seconded by Council Member Cormack to adopt the Resolution ordering the abatement of weed nuisances in the City of Palo Alto, with the exclusion of the properties owned by Dancia Bostrom (419 Wilton), Sherry Wei (2660 Bryant), and Litai Weng and David Liu (2349 Greer).

Vice Mayor Burt stated he had no business interest in his previous company at the time the Council reviewed the CPI matter. The environmental achievements of his previous company were renowned throughout the region.

Council Member Tanaka requested the number of properties that were placed in the program previously.

Mr. Kumre agreed to provide that information at a later time.

Council Member Tanaka suggested Council Members consider not taking action against the properties given the COVID-19 situation. Residents may not know how to contact the Council to explain their circumstances.

Mr. Kumre related that notices of the meeting and the opportunity to address the Council were sent to residents.

Council Member Tanaka did not support the Motion.

Council Member Kou indicated the program was important for identifying fire hazards. The Shelter in Place Order was not clear.

Council Member Stone noted the objectors' statements that they remedied the situation. Therefore, removing them from the program was reasonable. It was not appropriate to remove all property owners without testimony from them.

**MOTION PASSED:** 6-1 Tanaka no

7. Approval of the Macias Gini & O'Connell's Audit of the City of Palo Alto's Financial Statements as of June 30, 2020 and the Management Letter; Fiscal Year (FY) 2020 Comprehensive Annual Financial Report (CAFR); and FY 2020 Budget Amendments in Various Funds.

Kiely Nose, Administrative Services Director/Chief Financial Officer, reported the Finance Committee reviewed the reports in December 2020. The City ended fiscal year (FY) 2020 in a positive position, which resulted from Budget reductions and a surplus in Enterprise Funds. The Budget

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Stabilization Reserve (BSR) balance was slightly below the target of 18.5 percent of expenses but within the target range of 15 percent to 20 percent. Overall, budgeted expenses remained within approved funding levels, but Staff recommended realignments among departments and the timing of capital projects.

Kyle O'Rourke, City Auditor, advised that audits of basic financial statements, the cable TV franchise, the Public Improvement Corporation, and the Regional Water Quality Control Plant as well as agreed-upon procedures for appropriations were presented for Council review. The auditors provided an unmodified opinion with no material weaknesses, no errors, and no reportable findings and concluded that the City complied with accounting standards. The final audit was to be completed by March 2021.

Ms. Nose defined government-wide financial statements and fund financial statements. Overall, the City ended the fiscal year with a net position of \$1.2 billion, which included net investment in capital assets, restricted funds, and unrestricted funds. Across all funds, the net position increased by approximately \$34 million over FY 2019. Governmental fund balances totaled approximately \$266 million, a \$38 million decrease from FY 2019. The BSR balance was \$35.9 million, a decrease of \$18.9 million from FY 2019. With the exception of the Refuse Fund, Enterprise Funds ended the year with a positive change in net position. The Capital Projects Fund ended the year with a balance of \$84 million. Proposed Budget adjustments were realignments in the General Fund among departments and adjustments to revenue and expenditures in the Capital Projects Fund.

Council took a break at 6:58 P.M. and returned at 7:10 P.M.

Council Member Tanaka related that he did not support the proposed increase in funding for the Public Safety Building (PSB) during the Finance Committee's discussion. He preferred to postpone the PSB project due to constraints on the budget.

Council Member Cormack complimented Staff on the use of savings to ensure the BSR balance was within the target range. She requested the status of the two new Marriott hotels located on San Antonio.

Ms. Nose believed they were open, but official openings were anticipated in the first quarter of 2021.

Council Member Cormack asked if any of the workers' compensation claims were related to COVID-19.

Ms. Nose replied no.

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Vice Mayor Burt noted the importance of the unmodified opinion. With respect to Council Member Tanaka's comments, the audit pertained to FY 2020. The Council was going to discuss the Capital Budget for the remainder of FY 2021 in the next few weeks.

Council Member Kou indicated she seemed to be missing Attachment A, Exhibit 2. She inquired whether electric customer connections were cost recovery.

Ms. Nose answered yes.

Council Member Kou asked if the decrease in Documentary Transfer Tax was based on number of units sold or prices.

Ms. Nose explained that Property Tax revenue was based on a combination of prices, turnover, development, and adjustments. The Documentary Transfer Tax was based on transactions. The assessed value used to calculate Property Tax lagged by a year. Staff projected FY 2022 revenue was going to be flat because it was based on the assessed value during COVID-19. With respect to the attachment, the Staff Report incorrectly referred to Attachment A and should be Attachment B.

Mayor DuBois requested the reason for the dramatic decrease in unrestricted funds.

Ms. Nose reported the decrease occurred because of changes in accounting principles related to pension and Other Post-Employment Benefits (OPEB) liabilities.

Mayor DuBois noted that unrestricted funds did not mean the Council had not allocated them. He requested the contribution plan for the Section 115 Trust.

Ms. Nose advised that Council policy was to budget normal costs for pension obligations annually using a lower discount rate, which was currently 6.2 percent. The difference between the City's discount rate and the California Public Employees' Retirement System (CalPERS) discount rate was deposited to the Section 115 Trust. If the BSR contained excess funds, the City Manager was authorized to transfer 50 percent of the excess to capital investment and 50 percent to the Section 115 Trust. Normal costs were approximately \$2 million for the General Fund and \$3-\$5 million for all funds.

Mayor DuBois felt \$300,000 for COVID-19 office improvement was not going to be sufficient.



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**MOTION:** Council Member Cormack moved, seconded by Council Member Filseth to approve:

- A. The City of Palo Alto's audited financial statements for the fiscal year ended June 30, 2020, and the accompanying reports provided by Macias Gini & O'Connell ("MGO") LLP (Office of the City Auditor Report) Reports include:
  - i. Report to the City Council (the "Management Letter");
  - ii. Cable TV Franchise, Independent Auditor's Report and Statements of Franchise Revenues and Expenses for the years ended December 31, 2019 and 2018;
  - iii. Palo Alto Public Improvement Corporation (a component unit of the City of Palo Alto) Annual Financial Report for the year ended June 30, 2020;
  - iv. Regional Water Quality Control Plant, Independent Auditor's Report and Financial Statements for the year ended June 30, 2020;
  - v. Independent Accountant's Report on Applying Agreed-Upon Procedures related to the Article XIII-B Appropriations (GANN) Limit for the year ended June 30, 2020;
- B. The Fiscal Year (FY) 2020 Comprehensive Annual Financial Report (CAFR), included in CMR #11741 with corrected section Attachment II and III respectively; and
- C. Amendments to the Fiscal Year 2020 Budget Appropriation Ordinance for various funds as identified in CMR #11741.

Council Member Cormack appreciated the level of detail in the reports and believed the community was proud of the City's management of its finances.

Vice Mayor Burt concurred with Council Member Cormack's comments and commended Staff for thorough and transparent reporting.

Ms. Nose indicated the FY 2021 Budget assumed a \$5 million contribution to the Section 115 Trust. Of that amount, \$3 million was going to be taken from the General Fund.

**MOTION SPLIT FOR THE PURPOSE OF VOTING**

**MOTION PASSED FOR PARTS A AND B: 7-0**

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## **MOTION PASSED FOR PART C: 6-1 Tanaka no**

8. Update and Discussion on the Plan Bay Area 2050 Final Blueprint and the Regional Housing Needs Allocation (RHNA) Processes; and Direction to Staff Regarding the City's Response, Including Preparation of Formal Comment Letters.

Jonathan Lait, Director of Planning and Development Service, reported public hearings before the Association of Bay Area Governments' (ABAG) Executive Board and Regional Planning Commission and the Metropolitan Transportation Commission (MTC) were scheduled in January. Staff prepared draft comment letters regarding Plan Bay Area and the Regional Housing Needs Allocation (RHNA) for the Council's consideration. ABAG/MTC was poised to support a Final Blueprint for the region. Notable changes between the Draft Blueprint and the Final Blueprint included household and job growth patterns. The RHNA methodology for distributing housing units was updated based on the Final Blueprint. The projected increase in Palo Alto's RHNA was reduced from 36 percent to 22 percent or 10,058 units to 6,086 units.

Gab Layton, speaking for Joe Hirsch, Winter Dellenbach, Chris Robell, Asher Waldfogel, and Nielson Buchanan, discussed five methodologies for the distribution of housing units to regions and perceived flaws.

Rebecca Eisenberg believed the high cost of housing in Palo Alto was caused by high demand and low supply.

Joe Spaulding felt the decision to build housing was based on the acceptance or rejection of existing segregation. He encouraged the Council to comply with the 10,000-unit allocation.

Aram James advocated for a safe parking program, very-low-income housing, a local reparations committee, and setting aside housing for African-Americans.

Greg Schmid stated the source of new jobs and housing projections for the Bay Area was based on a wild assumption. Public analysis of the numbers was essential. ABAG's methodology was not acceptable.

Mark Mollineaux commented that land use in Palo Alto upheld racial and class segregation. The State granted jurisdictions the authority to determine land use.

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Rohin Ghosh remarked that the lack of home construction for people of different backgrounds and attempting to reduce the housing allocation continued segregation.

Terry Holzemer indicated that ABAG's methodology violated several State Codes, focused only on job-rich areas, and did not consider COVID-19. He suggested the comment letters explain that the methodology was flawed and that the City's allocation needed to be reduced.

Kevin Ma felt sending a comment letter was gutsy when the City's allocation was reduced the most of all cities in the region. Families with children were needed in the City to provide revenue for Palo Alto Unified School District (PAUSD). More housing was wanted and needed.

Kelsey Banes expressed disappointment with the reduction in the City's allocation. Fulfilling the allocation was not going to fulfill the actual need for housing.

Council Member Kou noted ABAG's reducing the allocations for Palo Alto and Cupertino only was divisive. The number of housing units allocated to the region was flawed. The Final Blueprint was not going to achieve ABAG's guiding principles. Jobs needed to be distributed more diversely. RHNA was punitive and eliminated local control.

Council Member Stone disclosed his seat on the Embarcadero Institute Board of Directors, but he received no compensation and did not participate in drafting Ms. Layton's report. The flawed methodology and the streamlining process of Senate Bill (SB) 35 was going to make affordable housing development more difficult. He requested the City's progress in achieving current allocations, particularly the allocation for market-rate housing.

Mr. Lait indicated the total current allocation was 1,988 units. The City issued permits for 734 units and achieved 10-15 percent of the allocation for lower-income levels and 92 percent of the allocation for the above-moderate-income level.

Council Member Stone inquired whether the SB 35 streamlining process circumvented the City's affordable housing incentives such that a project with less than the required inclusionary housing was subject to streamlined approval.

Mr. Lait reported projects were subject to the City's affordable housing requirement of 15 percent even if the City was subject to the streamlining process. That was subject to change in the future.

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Council Member Cormack asked if Staff had any additional information regarding the change in allocations between the Draft and Final Blueprint.

Mr. Lait answered no. Staff requested but did not receive any specific jurisdictional data.

Council Member Cormack requested the meaning of recession impacts to the construction industry.

Mr. Lait did not know. Locally, applications for smaller projects were being submitted. Because of the recession, financing for larger projects was more difficult to obtain. One of the questions was the distribution of the 2050 housing goal in eight-year housing cycles.

Council Member Cormack appreciated the letters providing specific comments and taking a more modulated tone than prior letters. The scenario for telecommuting was not the most realistic one.

Council Member Filseth preferred the letters not suggest reassigning a portion of Palo Alto's allocation to other cities, but pushing back on the overall process and number was reasonable. The State was attempting to eliminate local planning through legislation proposing zoning templates for failure to achieve allocations and large and aggressive allocations. He suggested expanding the discussion of Palo Alto's office development caps and including numbers.

Vice Mayor Burt related that over the past 30 years, Palo Alto failed to meet its allocations for middle-income or workforce housing more so than other categories because there were no subsidies for workforce housing. The City was attempting to address workforce housing by funding a project with the County of Santa Clara (County) and implementing the Housing Incentive Program and the Housing Planned Community (HPC). SB 35 was going to exacerbate the jobs/housing imbalance because it required projects to have equal square footage for office and housing.

Mayor DuBois requested the rationale for two letters rather than one.

Mr. Lait clarified that one letter addressed RHNA, and the other addressed Plan Bay Area. Combining the letters into one was possible.

Mayor DuBois wanted Staff to return to the Council more frequently than outlined in the Staff Report. With an allocation of 6,000 units, the City was likely to miss both the affordable and market-rate allocations. The letters needed to start with the accuracy of the forecasts for overall need in the state and Bay Area. Comments appeared to focus on a desire for a workable

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solution and concerns about State laws. The number of cities objecting to the process appeared to be accelerating. The letters needed to refer to an unfunded mandate that was going to have real repercussions and a concern that numbers needed to be based in reality. The COVID-19 discussion needed to include long-term and short-term impacts. More attention needed to be paid to an overall allocation cap based on development feasibility.

Council Member Stone inquired whether the Council needed to amend its inclusionary requirement to 80 percent of Area Median Income (AMI) to prevent SB 35 from superseding the inclusionary rate.

Mr. Lait indicated the City was likely not to be subject to SB 35 in the current housing cycle. Staff needed to research the best position for the City to achieve the type of affordability stated in policies.

Molly Stump, City Attorney, reported the Council needed to act in the next four years to prepare for SB 35.

Council Member Stone expressed concern about the State not providing cities with funding to meet housing goals but imposing penalties that resulted in cities falling further behind in creating affordable housing.

Council Member Kou proposed including in the letter the jobs/housing fit. The use of a flawed methodology was going to recur until someone determined what was feasible.

**MOTION:** Council Member Filseth moved, seconded by Council Member Kou to:

- A. Direct Staff to submit a comment letter to the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) on the Plan Bay Area 2050 Final Blueprint;
- B. Direct Staff to submit a comment letter to the ABAG Regional Planning Committee and ABAG Executive Board on the proposed 6th Cycle Draft RHNA Methodology, along with the following:
  - I. Ask ABAG and MTC to press HCD to resolve the challenges to their projections and revise targets as appropriate;
  - II. Expand discussion of Palo Alto's Office Development Caps with actual numbers, if appropriate; and
  - III. Include consideration of long-term remote work impacts.

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Council Member Filseth remarked that the Vallco SB 35 project was a disaster because the amount of office space created demand for thousands more housing units than it supplied.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to direct the City Attorney to reach out to William Curley with Harper and Burns, LLP to discuss their appeals and preparations with other cities for potential litigation. (New Part E)

Council Member Kou wished to understand the issues and actions other cities were contemplating.

Ms. Stump agreed to seek information in which the Council was interested. The Southern California Association of Governments (SCAG) provided its cities with final RHNA numbers and, thus, the numbers were ripe for appeal. ABAG's final RHNA numbers were not available yet.

Council Member Cormack recalled the Council referring funding for affordable housing to the Finance Committee in 2020, but it was not on the Finance Committee's status report at the end of the year. She requested clarification of the allocation cap and how it related to the development cap.

Mr. Lait advised that it was the number of units that a jurisdiction could reasonably accommodate. Staff was concerned regarding the City's ability to achieve 6,000 units.

Council Member Cormack requested clarification of the renter protection measure under housing strategy.

Mr. Lait explained that the renter protection measure aligned with the Council's policies.

Council Member Cormack inquired regarding official challenges to the California Department of Housing and Community Development's (HCD) projections.

Mr. Lait noted there was a limited time period for ABAG to challenge the Regional Housing Needs Determination (RHND) issued in July 2020. The ability to appeal the RHND expired with the challenge period.

Council Member Filseth related that the intent of Part B.i was to push HCD to revisit the RHND or at least to respond to any challenges.

Council Member Cormack did not believe the language of Part B.i reflected that.

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Mr. Lait indicated that Staff discussed it with ABAG/MTC, and ABAG/MTC referred Staff to HCD. Staff communicated with HCD, and HCD responded that it was not going to address it. Procedurally, the issue had run its course, and he was not aware of any further actions for Staff to take.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to direct Staff to also include in the letters an introductory paragraph which covers the City's policies to improve our social and economic balance, as well as emphasizing what we have done on restraining office growth, and our focus on low to moderate income housing. (New Part C)

Vice Mayor Burt proposed Mayor DuBois and Council Member Filseth review and approve the final draft of the letters. The Council needed to engage local legislators in meaningful discussions of these issues.

Mayor DuBois preferred to retain the language for ABAG/MTC to address the issue with HCD, but Council Members needed to pursue political alignment as well. With respect to Part B.iii, the letter addressed remote work.

Council Member Filseth questioned whether the letter needed to request ABAG/MTC make an assumption regarding remote work.

Mayor DuBois proposed an amendment for Staff to evaluate a bottom-up model of housing construction feasibility during the sixth housing cycle. Some jurisdiction-level analysis may be useful.

Mr. Lait did not believe there was time to conduct analyses prior to ABAG making its recommendations to HCD. A feasibility analysis was based on existing zoning, but zoning was going to have to change to accommodate the RHNA numbers. The Housing Element Update included vetting of other parameters for analyses.

Mayor DuBois did not understand how a feasibility cap or range was determined.

Mr. Lait explained that distributing the RHNA number equally across jurisdictions resulted in 16 percent. The City was now at 22 percent. A feasibility cap between 16 percent and 22 percent was likely a reasonable number.

Council Member Filseth requested the number contained in the Comprehensive Plan.

Mr. Lait responded 35 to 43.

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Council Member Filseth wanted to explore a feasibility cap, but it was probably going to be a difficult analysis.

Mr. Lait clarified that the City needed to retain a consultant for an analysis.

Mayor DuBois clarified that his proposal was for Staff to evaluate developing a model, not to develop a model.

Mr. Lait remarked that many factors determined whether a property owner chose to develop or redevelop his property, and the factors were different for each property owner.

Mayor DuBois suggested Staff return to the Council with RHNA updates as needed but at least every other month.

Mr. Lait agreed to return as often as the Council wished, but particularly prior to decision points.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion Part B. i. "... such as, but not only included in, the Embarcadero Institute and Freddie Mac reports ... ."

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to direct Staff to provide final drafts of the letters to Mayor DuBois and Council Member Filseth for review prior to submittal. (New Part D)

Council Member Filseth proposed the Council agendaize a Resolution opposing State abrogation of local zoning.

Mayor DuBois indicated that topic was not part of the Agenda Item.

Council Member Tanaka asked whether the City had any direct authority over ABAG.

Mr. Lait reported the City had no direct role in RHNA or its distribution. The City was allowed to attempt to influence the decision-makers.

Council Member Tanaka remarked that economic recovery and COVID-19 vaccinations were larger concerns than overdevelopment. Perhaps Council time was better spent on those topics than crafting these letters.

**MOTION AS AMENDED:** Council Member Filseth moved, seconded by Council Member Kou to:



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- A. Direct Staff to submit a comment letter to the Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) on the Plan Bay Area 2050 Final Blueprint;
- B. Direct Staff to submit a comment letter to the ABAG Regional Planning Committee and ABAG Executive Board on the proposed 6th Cycle Draft RHNA Methodology, along with the following:
  - i. Ask ABAG and MTC to press HCD to resolve the challenges to their projections such as, but not only included in, the Embarcadero Institute and Freddie Mac reports, and revise their targets as appropriate;
  - ii. Expand the discussion of Palo Alto's office development caps with actual numbers, if appropriate;
  - iii. Include consideration of long-term remote work impacts;
- C. Direct Staff to also include in the letters an introductory paragraph which covers the city's policies to improve our social and economic balance, as well as emphasizing what we have done on restraining office growth, and our focus on low to moderate income housing;
- D. Direct Staff to provide final drafts of the letters to Mayor DuBois and Council Member Filseth for review prior to submittal; and
- E. Direct the City Attorney to reach out to William Curley with Harper and Burns, LLP to discuss their appeals and preparations with other cities for potential litigations.

**MOTION PASSED:** 6-1 Tanaka no

Council took a break at 9:50 P.M. and returned at 9:56 P.M.

- 9. Approval of the Nomination of Vice Mayor Pat Burt and Council Member Alison Cormack to be Considered for the Santa Clara Valley Transportation Authority (VTA) Board.

Mayor DuBois noted the Agenda Item was presented in a Colleagues' Memo.

Council Member Kou reported that the previous Bylaws did not allow the nomination of newly elected Council Members to the Santa Clara Valley Transportation Authority (VTA) Board. Because of his prior terms on the Council and negotiations with VTA, Vice Mayor Burt was an appropriate nominee. Placing appointments to regional bodies on the Consent Calendar

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was not transparent and did not obtain community input. The City needed regular representation at the VTA Board.

Gail Price supported the nomination of Council Member Cormack, who led significant campaigns and applied strategy, insight and a measured approach to complex topics. The effort to change the nomination was launched by the Mayor and Vice Mayor who intended to assume more leadership roles.

Mark Weiss expressed concern regarding the nomination of Vice Mayor Burt and supported the nomination of Council Member Cormack for the VTA Board only.

Rebecca Eisenberg urged the Council to further a culture of equality and inclusion. Council Member Cormack was more qualified for the appointment than other Council Members.

Winter Dellenbach expressed concern regarding the Council having outdated Bylaws. There were significant differences between the 2015 and current versions of Bylaws.

Joe Spaulding commented that nominating Vice Mayor Burt for regional bodies was going to embarrass the City.

Council Member Cormack advised that the Council unanimously approved her nomination to the VTA Board in October 2020. The Mayor's email to the working group two months later was unprofessional. The procedures for the working group did not contemplate this dilemma. The Mayor's action may result in Los Altos Hills filling the seat. She did not understand the purpose of sending two nominees to the working group.

Council Member Stone noted that representation on the VTA Board was critical to most Palo Alto residents. Both Vice Mayor Burt and Council Member Cormack were qualified to advocate for Palo Alto. The Bylaws allowed the City to nominate two Council Members.

Council Member Filseth inquired as to the body deciding which of the two nominees served on the Board.

Mayor DuBois answered the four cities that formed the PAC.

Council Member Filseth questioned the desire for the PAC rather than the Council to select the representative.

# SUMMARY MINUTES

Council Member Tanaka commented that two nominees may dilute the City's chances. Council Member Cormack was always prepared, and her style was not abrasive.

Mayor DuBois indicated that the VTA Board position was important for funding grade separations, bike paths, and bus service. The four cities comprising Group 2 were transitioning people. Mountain View nominated two representatives in the previous cycle. Nominees were required to meet two of four qualifications. The Council needed to make a decision during the meeting.

**MOTION:** Council Member Tanaka moved, seconded by Council Member Cormack to nominate Council Member Alison Cormack to be considered for the Santa Clara Valley Transportation Authority (VTA) Board.

Council Member Cormack reviewed her qualifications that fulfilled Criteria 3 and 4.

**SUBSTITUTE MOTION:** Council Member Kou moved, seconded by Mayor DuBois to nominate Vice Mayor Burt to be considered for the Santa Clara Valley Transportation Authority (VTA) Board.

Council Member Kou agreed that Council Member Cormack was qualified; however, Vice Mayor Burt had many years of experience in the transportation field. She expected Vice Mayor Burt to advocate for the agreed-upon allocation of Measure B funding.

Mayor DuBois noted Vice Mayor Burt had extensive experience with rail. As a newly elected Council Member, it was possible for him to serve on the Board for four years.

Vice Mayor Burt reviewed his qualifications and experience. Collaboration was going to be needed to address VTA funding deficits.

Council Member Stone supported Vice Mayor Burt because of his experience with VTA.

**SUBSTITUTE MOTION PASSED:** 5-2 Cormack, Tanaka no

## Council Member Questions, Comments and Announcements

Mayor DuBois reported that he released assignments earlier in the day. The accident that Ms. Templeton mentioned was concerning, and Staff was assessing the matter.

# SUMMARY MINUTES

Council Member Cormack proposed the Council consider reopening and rebuilding Cubberley Community Center with Palo Alto Unified School District (PAUSD), perhaps during the discussion of Council Priorities.

Vice Mayor Burt indicated Mayor DuBois and he attended the Citizen Corps Council meeting regarding the COVID-19 vaccine and resources.

Mayor DuBois advised that he participated in a County of Santa Clara (County) meeting regarding the vaccine. He urged residents to remain vigilant in following protocols.

Adjournment: The meeting was adjourned in memory of Lenore Cymes at 10:41 P.M.