



CITY OF PALO ALTO OFFICE OF THE CITY CLERK

May 3, 2021

**The Honorable City Council
Attention: Finance Committee
Palo Alto, California**

Approval of Action Minutes for the April 12, 2021 City Council Meeting

Staff is requesting Council review and approve the attached Action Minutes.

ATTACHMENTS:

- Attachment A: 04-12-21 CCM DRAFT Action Minutes (PDF)

Department Head: Beth Minor, City Clerk



CITY COUNCIL MEETING DRAFT ACTION MINUTES

Special Meeting
April 12, 2021

The City Council of the City of Palo Alto met on this date in virtual teleconference at 5:30 P.M.

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

Absent:

Minutes Approval

1. Approval of Action Minutes for the March 29, 2021 City Council Meeting.

MOTION: Vice Mayor Burt moved, seconded by Council Member Cormack to approve the Action Minutes for the March 29, 2021 City Council Meeting.

MOTION PASSED: 7-0

Consent Calendar

Council Member Cormack registered a no vote on Agenda Item Number 9.

Council Member Tanaka registered a no vote on Agenda Item Numbers 7 and 9.

MOTION: Mayor DuBois moved, seconded by Council Member Kou to approve Agenda Item Numbers 2-9.

2. Approval of a Professional Services Contract With Rincon Consulting in the Amount of \$627,994 for the Preparation of the City's 2023-2031 Housing Element Update.
3. Approval of Contract Number C21178632A With Graham Construction, Inc. in the Amount of \$986,614; and Authorization for the City Manager to Negotiate and Execute Related Change Orders With Graham Construction, Inc. for a Not-to-Exceed Amount of \$98,662, for a Total Not-to-Exceed Amount of \$1,085,276 for the Fiscal Year (FY) 2021 Streets Preventive Maintenance Project, Capital Improvement Program Projects (PE-86070 and PO-11001).

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4. Resolution 9948 Entitled, "Resolution of the Council of the City of Palo Alto for the Santa Clara County Historical Heritage Grant Program Authorizing the Application and Receipt of Grant Funds by the City of Palo Alto for the Roth Building (300 Homer Avenue) Roof and Frescoes Rehabilitation."
5. Approval of Contract Number C21181207 With F. D. Thomas, Inc. in the Total Amount of \$282,632 to Construct the Sludge Blending Tank Recoating Project at the Regional Water Quality Control Plant - Capital Improvement Program Project (WQ-19002); and Authorization for the City Manager to Negotiate and Execute Change Orders Not-to-Exceed \$28,263.
6. Approval of Amendment Number 2 to Contract Number CC16161769 With Macias, Gini, & O'Connell for External Audit Services to Extend the Term for One-year and add \$175,000 for a new Total Not-to-Exceed Amount of \$1,050,569.
7. Finance Committee and Staff Recommend the City Council Review and Affirm Current Practices Outlined in the City Council Procedures and Protocols for Contract Approval on City Council Agendas.
8. Finance Committee and Staff Recommend the City Council Review the Fiscal Year 2021 and Prior Finance Committee Referrals Update and Accept the Committee's Current Status Report; and Direct the Finance Committee to Review Long-term Financial Trends for Public Safety.
9. Ordinance 5517 Entitled, "Ordinance of the Council of the City of Palo Alto Amending Palo Alto Municipal Code (PAMC) Title 18 (Zoning), Chapters 18.04 (Definitions), 18.16 (Neighborhood, Community, and Service Commercial (CN, CC and CS) Districts), 18.18 (Downtown Commercial (CD) Districts) and 18.30 (A) and (C)–Retail and Ground Floor Combining Districts. Environmental Review: Exempt Under California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) (FIRST READING: March 8, 2021 PASSED: 5-2 Cormack, Tanaka no)."

MOTION PASSED FOR AGENDA ITEM NUMBERS 2-6, 8: 7-0

MOTION PASSED FOR AGENDA ITEM NUMBER 7: 6-1 Tanaka no

MOTION PASSED FOR AGENDA ITEM NUMBER 9: 5-2 Cormack, Tanaka no

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Action Items

10. PUBLIC HEARING: Finance Committee Recommends the City Council Approve the Park, Community Center, and Library Development Impact Fee Justification Study and Adjustments to the Park, Community Center, and Library Development Impact Fees; Adopt the Ordinance Updating the Park Land In-lieu fee; and Direct Staff to Implement the Impact Fee Updates With the Fiscal Year 2022 Budget (Continued From March 8, 2021).

Public Hearing opened at 6:20 P.M.

Public Hearing closed at 6:27 P.M.

MOTION: Vice Mayor Burt moved, seconded by Council Member Kou to:

- A. Review and Accept the Park, Community Center, and Library Development Impact Fee Justification Study and select and approve updated fee levels based on study recommendations to update the City's Park, Community Center, and Library Impact Fee Program;
- B. Direct Staff to implement the approved fee levels as part of the Fiscal Year 2022 budget process;
- C. Adopt an Ordinance to update the fair market value per acre of land for the Park Land in Lieu Fee in PAMC section 21.50.070; and
- D. Direct the Finance Committee and Parks and Recreation Commission to review the fee structures next Fiscal Year with a focus on:
 - i. Updated land acquisition costs;
 - ii. The differentiating fee structure for retail space versus office space;
 - iii. An update on office density;
 - iv. Recommendation from the Finance Committee on the frequency these schedules should be updated; and
 - v. Recommendations on if there should be changes between multi and single-family fee structures.

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AMENDMENT: Council Member Cormack moved, seconded by Council Member Tanaka to implement these changes over two years rather than immediately.

AMENDMENT FAILED: 2-5 Burt, DuBois, Filseth, Kou, Stone no

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER, "Direct Staff to evaluate a reduction in fees for new multi-family housing construction for projects that would exceed required percentages of Below Market Rate units" (New Part D.vi.).

MOTION AS AMENDED: Vice Mayor Burt moved, seconded by Council Member Kou to:

- A. Review and Accept the Park, Community Center, and Library Development Impact Fee Justification Study and select and approve updated fee levels based on study recommendations to update the City's Park, Community Center, and Library Impact Fee Program;
- B. Direct Staff to implement the approved fee levels as part of the Fiscal Year 2022 budget process;
- C. Adopt an Ordinance to update the fair market value per acre of land for the Park Land in Lieu Fee in PAMC section 21.50.070; and
- D. Direct the Finance Committee and Parks and Recreation Commission to review the fee structures next Fiscal Year with a focus on:
 - i. Updated land acquisition costs;
 - ii. The differentiating fee structure for retail space versus office space;
 - iii. An update on office density;
 - iv. Recommendation from the Finance Committee on the frequency these schedules should be updated;
 - v. Recommendations on if there should be changes between multi and single-family fee structures; and
 - vi. Direct Staff to evaluate a reduction in fees for new multi-family housing construction for projects that would exceed required percentages of Below Market Rate units.

MOTION SPLIT FOR THE PURPOSE OF VOTING

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MOTION AS AMENDED FOR PARTS A-C PASSED: 6-1 Tanaka no

MOTION AS AMENDED FOR PART D PASSED: 5-2 Cormack, Tanaka no

Council took a break at 7:39 P.M. and returned at 7:51 P.M.

11. Update on the City's Planned Community (Planned Home Zoning - PHZ) Application Process and Possible Council Direction for Changes Related to its Implementation, Criteria and Applicability Citywide.

MOTION: Vice Mayor Burt moved, seconded by Council Member Stone to:

- A. Continue accepting Planned Home Zoning (PHZ) applications with the following program adjustments:
- i. Clarify that the PHZ has been intended to only apply to Housing Incentive Program (HIP) areas, other commercial districts and zone districts allowing higher density housing, excluding areas east of U.S. Route 101;
 - ii. Provide parameters for what is meant by "moderate adjustments to base zoning for PHZ projects"; and
 - iii. Clarify that the PHZ must be predominantly housing with only a minority component for office development;
- B. Changes that we would want to do, preceding the results of the housing element, that are outside the PHZ specifically:
- i. Adjustments to commercial zoning to further incentivize housing and disincentivize office development including, but not limited to, the Community Commercial (2) Subdistrict;
 - ii. Review changes to the designation of R-1 Zoning to reflect the current zoning allowances for two Accessory Dwelling Units per parcel; and
 - iii. Look at ways to streamline the prescreening process; and
- C. Direct Staff to propose changes through the Housing Element work to amend the Housing Incentive Program, or other development regulations, to promote greater housing production and eliminate the need for the PHZ application process;

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- i. Review what affordable multi-family housing would be appropriate on large parcels occupied by faith institutions, depending on their context and current zoning;
- ii. Review zoning changes and incentives within the Stanford Research and greater Stanford Shopping Center area that would result in significant housing with supporting services;
- iii. Review whether any industrial zoned areas are appropriate for housing; and
- iv. Review not allowing high density housing east of U.S. Route 101.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER, "PHZ is prohibited in R-1, R-2, and RE zoning, except for projects that have already been prescreened" (New Part A.iv.).

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER, "Allow PHZ in light industrial areas so long as it is not an incompatible use" (New Part A.v.).

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER, to add to the Motion Part A.iv., "except for projects that have already been prescreened".

MOTION AS AMENDED: Vice Mayor Burt moved, seconded by Council Member Stone to:

- A. Continue accepting Planned Home Zoning (PHZ) applications with the following program adjustments:
 - i. Clarify that the PHZ has been intended to only apply to Housing Incentive Program (HIP) areas, other commercial districts and zone districts allowing higher density housing, excluding areas east of U.S. Route 101;
 - ii. Provide parameters for what is meant by "moderate adjustments to base zoning for PHZ projects";
 - iii. Clarify that the PHZ must be predominantly housing with only a minority component for office development;
 - iv. PHZ is prohibited in R-1, R-2, and RE zoning, except for projects that have already been prescreened; and

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- v. Allow PHZ in light industrial areas so long as it is not an incompatible use;
- B. Changes that we would want to do, preceding the results of the housing element, that are outside the PHZ specifically:
- i. Adjustments to commercial zoning to further incentivize housing and disincentivize office development including, but not limited to, the Community Commercial (2) Subdistrict;
 - ii. Review changes to the designation of R-1 Zoning to reflect the current zoning allowances for two Accessory Dwelling Units per parcel;
 - iii. Look at ways to streamline the prescreening process; and
- C. Direct Staff to propose changes through the Housing Element work to amend the Housing Incentive Program, or other development regulations, to promote greater housing production and eliminate the need for the PHZ application process;
- i. Review what affordable multi-family housing would be appropriate on large parcels occupied by faith institutions, depending on their context and current zoning;
 - ii. Review zoning changes and incentives within the Stanford Research and greater Stanford Shopping Center area that would result in significant housing with supporting services;
 - iii. Review whether any industrial zoned areas are appropriate for housing; and
 - iv. Review not allowing high density housing east of U.S. Route 101.

MOTION SPLIT FOR THE PURPOSE OF VOTING

MOTION AS AMENDED FOR PART A PASSED: 5-2 Cormack, Tanaka no

MOTION AS AMENDED FOR PARTS B AND C PASSED: 4-3 Cormack, Filseth, Tanaka no

12. Colleagues' Memo Regarding Referral to the Parks and Recreation Committee of a new Skate Park (Continued From March 15, 2021).

MOTION: Council Member Cormack moved, seconded by Council Member Tanaka to refer this proposal to the Parks and Recreation Commission to

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evaluate the need for a skatepark, identify a suitable location, and prioritize a skatepark facility within the Parks, Trails, Natural Open Space and Recreation Master Plan.

MOTION PASSED: 7-0

Adjournment: The meeting was adjourned at 11:32 P.M.