



CITY OF PALO ALTO OFFICE OF THE CITY CLERK

December 17, 2018

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

Approval of Action Minutes for the December 3 and December 10, 2018 Council Meetings

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

ATTACHMENTS:

- Attachment A: 12-03-18 DRAFT Action Minutes (PDF)
- Attachment B: 12-10-18 DRAFT Action Minutes (PDF)

Department Head: Beth Minor, City Clerk



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
December 3, 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:03 P.M.

Present: DuBois, Filseth, Fine; Holman arrived at 5:06 P.M., Kniss, Kou, Scharff, Tanaka, Wolbach

Council Member Tanaka participating from The Prince Park Tower Tokyo, Main Lobby 4-8-1 Shibakoen Minato, Tokyo 105-8563 Japan

Absent:

Closed Session

1. CONFERENCE WITH CITY ATTORNEY
Subject: Written Liability Claim Against the City of Palo Alto
By Keith Bunnell (Claim No. C18-0049)
Authority: Government Code Section 54956.9 (e)(3).

MOTION: Council Member Scharff moved, seconded by Council Member Fine to go into Closed Session.

MOTION PASSED: 7-0 Holman, Tanaka absent

Council went into Closed Session at 5:03 P.M.

Council returned from Closed Session at 5:46 P.M.

Special Orders of the Day

2. Appointment of Three Candidates to the Architectural Review Board and Three Candidates to the Parks and Recreation Commission for Three-year Terms Ending December 15, 2021; and two Candidates to the Planning and Transportation Commission for Four-year Terms Ending December 15, 2022.

MOTION: Council Member Holman moved, seconded by Council Member Kou to move the appointments for the Architectural Review Board, Parks and

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Recreation Commission, and the Planning and Transportation Commission to next year.

MOTION FAILED: 3-6 DuBois, Holman, Kou yes

First Round of voting for three positions on the Architectural Review Board with terms ending December 15, 2021.

Voting For: Peter Baltay: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Voting For: Amparo Del Rio:

Voting For: Robert Gooyer: DuBois, Filseth, Holman, Kou

Voting For: David Hirsch: Fine, Kniss, Scharff, Tanaka, Wolbach

Voting For: Alexander Lew: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Voting For: Curtis Smolder:

Beth Minor, City Clerk announced that Peter Baltay with 9 votes, Alexander Lew with 9 votes and David Hirsch with 5 votes were appointed to the Architectural Review Board.

First Round of voting for three positions on the Parks and Recreation Commission with terms ending December 15, 2021.

Voting For: Anne Cribbs: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Voting For: Jeff Greenfield: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Voting For: David Moss: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Voting For: Calen Weinstein:

Beth Minor, City Clerk announced that Anne Cribbs with 9 votes, Jeff Greenfield with 9 votes, and David Moss with 9 votes were appointed to the Parks and Recreation Commission.

First Round of voting for two positions on the Planning and Transportation Commission with terms ending December 15, 2022.

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Voting For: Kelsey Banes:

Voting For: L. David Baron:

Voting For: Bern Beecham: Scharff, Tanaka

Voting For: Rebecca Eisenberg:

Voting For: Claude Ezran:

Voting For: Brian Hamacheck:

Voting For: Michelle Kraus:

Voting For: Dena Mossar: Tanaka

Voting For: Giselle Roohparvar: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Wolbach

Voting For: Thomas Siegel: DuBois, Filseth, Holman, Kou

Voting For: Carolyn "Cari" Templeton: Fine, Kniss, Wolbach

Voting For: Craig Yanagisawa:

Beth Minor, City Clerk announced that Giselle Roohparvar with 8 votes was appointed to the Planning and Transportation Commission.

Second Round of voting for one position on the Planning and Transportation Commission with a term ending December 15, 2022.

Voting For: Bern Beecham: Scharff

Voting For: Thomas Siegel: DuBois, Filseth, Holman, Kou

Voting For: Carolyn "Cari" Templeton: Fine, Kniss, Tanaka, Wolbach

Third Round of voting for one position on the Planning and Transportation Commission with a term ending December 15, 2022.

Voting For: Thomas Siegel: DuBois, Filseth, Holman, Kou

Voting For: Carolyn "Cari" Templeton: Fine, Kniss, Scharff, Tanaka, Wolbach

Beth Minor, City Clerk announced that Carolyn "Cari" Templeton with 5 votes was appointed to the Planning and Transportation Commission.

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Agenda Changes, Additions and Deletions

MOTION: Council Member Fine moved, seconded by Council Member Wolbach to continue Agenda Item 9- "PUBLIC HEARING: Adoption of an Ordinance Amending Chapter 18.18 (Downtown Commercial District) of Title 18 (Zoning) of the Palo Alto Municipal Code (PAMC) to Repeal Section 18.18.040 Regarding a Nonresidential Square Footage Cap," to a date uncertain and Agenda Item 10 "PUBLIC HEARING: Adoption of an Ordinance Amending Section 18.18.120 (Grandfathered Uses and Facilities)..." to December 10, 2018.

MOTION PASSED: 9-0

Consent Calendar

MOTION: Council Member Fine moved, seconded by Mayor Kniss, third by Vice Mayor Filseth to pull Agenda Item Number 11 "PUBLIC HEARING / QUASI-JUDICIAL: 429 University Avenue [18PLN-00240]: Appeal of the Planning and Community Environment Director's Denial of a Minor Architectural Review.." to be heard on December 17, 2018.

Council Members Holman, Kou and Tanaka registered a no vote on Agenda Item Number 6- "Adoption of an Ordinance Amending Palo Alto Municipal Code (PAMC) Title 16, Chapters 16.58 (Development Impact Fees)..."

MOTION: Council Member Scharff moved, seconded by Mayor Kniss to approve Agenda Item Numbers 3-8, 11.

3. Approval of an Agreement With the Peninsula Corridor Joint Powers Board in the Amount of \$97,755 for the 2019 Caltrain Go Pass Program.
4. Finance Committee Recommendation That the City Council: 1) Adopt Resolution 9802 Entitled "Resolution of the Council of the City of Palo Alto Approving the 2018 Electric Integrated Resource Plan (EIRP), Updated Renewable Portfolio Standard Procurement Plan and Enforcement Program;" and 2) Approve two EIRP Planning Documents.
5. Approval and Authorization for the City Manager to Execute a Construction Contract With MP Nexlevel of California, Inc. in the Amount of \$6,145,494 for Trenching and Substructure Installation and Materials, and a 10 Percent Contingency of \$614,549 for Related but Unforeseen Work, for a Total Authorized Amount of \$6,760,043 Over Three Years.

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6. Adoption of an Ordinance Amending Palo Alto Municipal Code (PAMC) Title 16, Chapters 16.58 (Development Impact Fees); 16.59 (Citywide Transportation Impact Fees); and 16.60 (Charleston Arastradero Corridor Pedestrian and Bicyclist Safety Impact Fee) to add Development Impact Fee Exemptions for Junior Accessory Dwelling Units and Certain Accessory Dwelling Units Established by Garage Conversion.
7. Resolution 9803 Entitled "Resolution of the Council of the City of Palo Alto of Support for Formation of a Regional Housing Needs Allocation Subregion for Santa Clara County."
8. Approval of Amendment Number 1 to Contract Number C18168129 With Kennedy / Jenks Consultants for Professional Design Services for the Primary Sedimentation Tanks Rehabilitation and Equipment Room Electrical Upgrade Project at the Regional Water Quality Control Plant to add Services, Increase Compensation by \$249,631 for a new Maximum Compensation Not-to-Exceed \$965,000, and to Extend the Contract Term Through March 31, 2022 - Capital Improvement Program Project WQ-14003.
- ~~11. PUBLIC HEARING / QUASI JUDICIAL: 429 University Avenue [18PLN-00240]: Appeal of the Planning and Community Environment Director's Denial of a Minor Architectural Review Consistent With Condition of Approval Number 3 From Record of Land Use Action Number 2017-02, for a Previously Approved Mixed-use Building (14PLN-00222), for the Proposed Exterior Building Materials, Colors, and Craftsmanship. Environmental Assessment: Use of Mitigated Negative Declaration Prepared for 14PLN-00222. Zoning District: CD-C(G)(P) (Downtown Commercial With Ground Floor and Pedestrian Shopping Overlay).~~

MOTION FOR AGENDA ITEM NUMBERS 3-5, 7-8 and 10 PASSED: 9-0

MOTION FOR AGENDA ITEM NUMBER 6 PASSED: 6-3 Holman, Kou Tanaka no

Action Items

9. PUBLIC HEARING. Adoption of an Ordinance Amending Chapter 18.18 (Downtown Commercial District) of Title 18 (Zoning) of the Palo Alto Municipal Code (PAMC) to Repeal Section 18.18.040 Regarding a Nonresidential Square Footage Cap in the CD Downtown Commercial Zoning District to Implement and Conform to the Updated Comprehensive Plan; Section 18.18.040 Implemented Policy L-8 of

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the Prior 1998 Comprehensive Plan, Which was Removed as Part of the Adoption of the Comprehensive Plan Update. California Environmental Quality Act (CEQA), This Ordinance is Within the Scope of the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720 **(Staff Requests This Item be Continued to a Date Uncertain In 2019)**.

10. PUBLIC HEARING: Adoption of an Ordinance Amending Section 18.18.120 (Grandfathered Uses and Facilities) of Chapter 18.18 (Downtown Commercial District) of Title 18 (Zoning) of the Palo Alto Municipal Code (PAMC) to Adjust Regulations Relating to Noncomplying Facilities. California Environmental Quality Act (CEQA); This Ordinance is Within the Scope of the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720; Alternatively, the Ordinance is Exempt From Environmental Review Under CEQA Guidelines Section 15061(b)(3) **(Staff Requests This Item be Continued to December 10, 2018)**.

12. PUBLIC HEARING: Adoption of an Ordinance Amending Various Sections of Title 18 of the Palo Alto Municipal Code Related to Residential and Mixed-use Development Standards Including, but not Limited to, Minimum and Maximum Unit Density, Unit Size, Floor Area Ratio, Height, and Open Space Including Rooftop Gardens; Parking Requirements Including, but not Limited to, Regulations Related to In-lieu Parking for Downtown Commercial Uses and Retail Parking for Mixed Use Projects; Exclusively Residential Projects in Certain Commercial Zoning Districts; Ground-floor Retail and Retail Preservation Provisions; the Entitlement Approval Process; and Other Regulations Governing Residential, Multi-family Residential and Commercial Zoning Districts, all to Promote Housing Development Opportunities in These Zoning Districts in Furtherance of Implementation of the Comprehensive Plan. CEQA: Determination of Consistency with the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720. The Planning and Transportation Commission Recommended Approval of the Proposed Ordinance on October 10, 2018 **(Continued From November 26, 2018)**.

Vice Mayor Filseth advised that he will not be participating in this part of the Agenda Item due to owning property in an RM-15 zone.

Council Member Holman advised that he will not be participating in this part of the Agenda Item due to being within 500 feet of an RM-2 zone.

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MOTION: Council Member Fine moved, seconded by Council Member Wolbach to accept the following changes related to Multi-Family Zones:

- A. Unit Density. Replace RM-15 zoning designation, which allows 15 units per acre with a RM-20 designation that allows 20 units per acre, to align with Housing Element density allowance;
- B. Minimum Density. Establish a minimum unit density as provided below. Allow fewer units when determined by the Planning Director, after review by the Architectural Review Board (ARB), that existing site improvements or parcel constraints preclude meeting this minimum standard:
 - i. RM-20: 11 units/acre
 - ii. RM-30: 16 units/acre
 - iii. RM-40: 21 units/acre;
- C. Non-complying Unit Density. Allow redevelopment and replacement of legally established residential housing units that exceed the maximum unit density allowed for the parcel, subject to the following criteria:
 - i. Other than unit density, the project complies with all applicable development standards.
 - ii. The project is a residential rental project.
 - iii. The development shall not be eligible for a density bonus pursuant to Palo Alto Municipal Code (PAMC) Chapter 18.15. The applicant must elect whether to utilize state density bonus law or the exception described herein as an alternative to state density bonus law; and
- D. Administrative Code Clean Up. Modify PAMC Section 18.13.040(g) regarding below market rate (BMR) housing units to reflect regulatory requirements of Chapter 16.65 of Title 16.

INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to direct Staff to review the concept of when a project is over the number of units, it will not make the project non-compliant, and return to Council in 2019 for review.

Council Member Tanaka left the meeting at 7:58 P.M.

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INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER to add to the Motion to allow a single-family home to be rebuilt as a single-family home and a duplex to be rebuilt as a duplex without meeting the minimum density requirements.

MOTION AS AMENDED RESTATED: Council Member Fine moved, seconded by Council Member Wolbach to accept the following changes related to Multi-Family Zones:

- A. Unit Density. Replace RM-15 zoning designation, which allows 15 units per acre with a RM-20 designation that allows 20 units per acre, to align with Housing Element density allowance;
- B. Minimum Density. Establish a minimum unit density as provided below. Allow fewer units when determined by the Planning Director, after review by the ARB, that existing site improvements or parcel constraints preclude meeting this minimum standard:
 - iv. RM-20: 11 units/acre
 - v. RM-30: 16 units/acre
 - vi. RM-40: 21 units/acre;
- C. Non-complying Unit Density. Allow redevelopment and replacement of legally established residential housing units that exceed the maximum unit density allowed for the parcel, subject to the following criteria:
 - i. Other than unit density, the project complies with all applicable development standards.
 - ii. The project is a residential rental project.
 - iii. The development shall not be eligible for a density bonus pursuant to PAMC Chapter 18.15. The applicant must elect whether to utilize state density bonus law or the exception described herein as an alternative to state density bonus law;
- D. Administrative Code Clean Up. Modify PAMC Section 18.13.040(g) regarding below market rate (BMR) housing units to reflect regulatory requirements of Chapter 16.65 of Title 16;
- E. Direct Staff to review the concept of when a project is over the number of units, it will not make the project non-compliant and return to Council in 2019 for review; and

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- F. Allow a single-family home to be rebuilt as a single-family home and a duplex to be rebuilt as a duplex without meeting the minimum density requirements.

MOTION AS AMENDED PASSED: 6-0 Filseth, Holman recused, Tanaka absent

Council took a break at 8:20 P.M. and returned at 8:29 PM

Council Member Scharff advised he would not be participating in this part of the Agenda Item due to owning property within the Downtown CD-C Zoning District.

MOTION: Council Member Fine moved, seconded by Council Member Wolbach to accept the following changes related to Downtown CD-C Zoning District:

- A. Unit Density. Eliminate the unit density requirement restricting the maximum density to 40 units per acre. With the proposed amendment, unit density would be controlled by other existing development standards, such as height, floor area, parking requirements, etc.;
- B. Unit Size. Establish a maximum average housing unit size of 1,500 square feet, (weighted average by the number of bedrooms);
- C. Retail Parking. Exempt the first 1,500 square feet of ground-floor retail from parking requirements within residential mixed-use buildings;
- D. Driveway Approach. Reinforce existing city policy and guidelines to preclude curb cuts on University Avenue, except for City-owned parcels or City-sponsored projects;
- E. Residential Only Development. Allow housing-only projects to be constructed downtown, except in the ground floor (GF) combining district. Retail preservation ordinance standards apply for market rate housing projects. Note, current zoning standards permit housing only when part of a commercial, mixed use development or on housing opportunity sites (i.e., in the Housing Element);
- F. Open Space. Allow rooftops to qualify for up to 75 percent of the usable open space requirement for the multi-family residential portion of a project, subject to objective performance standards;
- G. Housing Incentive Program (HIP). Establish a process that would allow property owners to apply to receive greater floor area than otherwise allowed under the zoning code and under State Density Bonus Law

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through waivers granted by the Director of Planning after review by the ARB. This program would be an alternative to the State Density Bonus Law and SB 35 streamlining, since it allows for more density. Components of the HIP include the following:

- i. Floor Area Ratio (FAR) waiver to increase residential FAR from 1.0 up to 3.0, except for portion of FAR required to remain commercial by the requirements of the retail preservation ordinance or GF combining district.
 - ii. No TDRs may be used in conjunction with a qualifying HIP project
 - iii. Require discretionary architectural review consistent with PAMC 18.76.020 (Architectural Review); and
- H. Strike Section 8 of the Ordinance and direct the Planning and Transportation Commission to review it further.

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECONDER to direct Staff and the Planning and Transportation Commission to further study decoupled parking, in lieu parking, and off-site parking for residential developments and return to Council in 2019.

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECONDER to add to the Ordinance a requirement that for rooftop gardens, no up lighting is allowed and light sources should be shielded.

AMENDMENT: Council Member Holman moved, seconded by Council Member XX to add to the enforcement officers' tool kit to conduct code enforcement activities if disruptive noise is perceived offsite from the subject property.

AMENDMENT WITHDRAWN BY THE MAKER

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECONDER to direct Staff and the Planning and Transportation Commission to analyze interaction of housing production by:

- A. Changing the hotel Floor Area Ratio (FAR);
- B. Elimination of ability of commercial uses above ground to participate in the in-lieu parking program; and
- C. Methods to match increases in residential FAR with a decrease in commercial FAR for mixed use projects.

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Council Member Tanaka returned to the meeting at 9:37 P.M.

AMENDMENT: Council Member Kou moved, seconded by Council Member XX to require that rooftop gardens should be 100 feet away from any low-density residential zones.

AMENDMENT WITHDRAWN BY THE MAKER

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECONDER to modify the Motion Part H. to state "add language to Section 8 of the Ordinance indicating office uses above the ground floor shall not be eligible to participate in the in-lieu parking program for the period of one year or until the Planning and Transportation Commission returns to the City Council with a detailed study and recommendation."

MOTION AS AMENDED RESTATED: Council Member Fine moved, seconded by Council Member Wolbach to accept the following changes related to Downtown CD-C Zoning District:

- A. Unit Density. Eliminate the unit density requirement restricting the maximum density to 40 units per acre. With the proposed amendment, unit density would be controlled by other existing development standards, such as height, floor area, parking requirements, etc.;
- B. Unit Size. Establish a maximum average housing unit size of 1,500 square feet, (weighted average by the number of bedrooms);
- C. Retail Parking. Exempt the first 1,500 square feet of ground-floor retail from parking requirements within residential mixed-use buildings;
- D. Driveway Approach. Reinforce existing city policy and guidelines to preclude curb cuts on University Avenue, except for City-owned parcels or City-sponsored projects;
- E. Residential Only Development. Allow housing-only projects to be constructed downtown, except in the ground floor (GF) combining district. Retail preservation ordinance standards apply for market rate housing projects. Note, current zoning standards permit housing only when part of a commercial, mixed use development or on housing opportunity sites (i.e., in the Housing Element);
- F. Open Space. Allow rooftops to qualify for up to 75 percent of the usable open space requirement for the multi-family residential portion of a project, subject to objective performance standards;

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- G. Housing Incentive Program (HIP). Establish a process that would allow property owners to apply to receive greater floor area than otherwise allowed under the zoning code and under State Density Bonus Law through waivers granted by the Director of Planning after review by the ARB. This program would be an alternative to the State Density Bonus Law and SB 35 streamlining, since it allows for more density. Components of the HIP include the following:
- i. FAR waiver to increase residential FAR from 1.0 up to 3.0, except for portion of FAR required to remain commercial by the requirements of the retail preservation ordinance or GF combining district.
 - ii. No TDRs may be used in conjunction with a qualifying HIP project
 - iii. Require discretionary architectural review consistent with PAMC 18.76.020 (Architectural Review);
- H. Add language to Section 8 of the Ordinance indicating office uses above the ground floor shall not be eligible to participate in the in-lieu parking program for the period of one year or until the Planning and Transportation Commission returns to the City Council with a detailed study and recommendation;
- I. Direct Staff and the Planning and Transportation Commission to further study decoupled parking, in lieu parking, and off-site parking for residential developments and return to Council in 2019;
- J. Add to the Ordinance a requirement that for rooftop gardens, no up lighting is allowed and light sources should be shielded; and
- K. Direct Staff and the Planning and Transportation Commission to analyze interaction of housing production by:
- i. Changing the hotel FAR;
 - ii. Elimination of ability of commercial uses above ground to participate in the in-lieu parking program; and
 - iii. Methods to match increases in residential FAR with a decrease in commercial FAR for mixed use projects.

MOTION AS AMENDED PASSED: 6-1 Kou no, Scharff recused, Tanaka absent

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Mayor Kniss, Vice Mayor Filseth and Council Member Scharff advised they would not be participating in this part of the Agenda Item due to owning property near a Fixed Rail Station.

MOTION: Council Member Wolbach moved, seconded by Council Member Fine to approve the Staff recommendation regarding parking standards for properties within ½-mile of a Fixed Rail Station:

- A. Micro Unit (<450 square feet)- 0.5;
- B. Studio- 0.8;
- C. 1 Bedroom- 0.8; and
- D. 2+ Bedroom- 1.6

AMENDMENT: Council Member DuBois moved, seconded by Council Member Holman to amend the Motion Part C. to 1.0 and Part D. to 2.0.

SECOND TO THE AMENDMENT WITHDRAWN BY THE SECONDER

AMENDMENT FAILED DUE TO LACK OF A SECOND

SUBSTITUTE MOTION: Council Member DuBois moved, seconded by Council Member Wolbach to continue the discussion of the proposed parking standards within ½-mile of a fixed rail station to a date uncertain.

SUBSTITUTE MOTION PASSED: 3-2 Holman, Kou no, Filseth, Kniss, Scharff recused, Tanaka absent

Council took a break at 11:07 P.M. and returned at 11:09 P.M.

Council Member DuBois left the meeting at 11:10 P.M.

MOTION: Council Member Wolbach moved, seconded by Council Member Scharff to approve the following changes related to Citywide Revisions:

- A. Open Space. Establish a consistent open space requirement for multi-family housing units in multi-family residential and commercial districts of 150 square feet (current code ranges from 100 to 200 square feet depending on the number of units provided). Micro units, defined herein as units with less than 450 square feet, are proposed to have a commensurate requirement of 40 square feet/unit;
- B. Review Process. Eliminate Site & Design Review, which currently applies to residential and residential mixed-use projects with 10 more

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units in commercial zones. Site & Design applications are reviewed by the Planning and Transportation Commission (PTC), Architectural Review Board (ARB) and City Council. By contrast, commercial-only development projects and housing projects in multi-family zones are reviewed only by the ARB. The amendment makes the review of housing projects (including mixed-use development) no more burdensome than the review process for commercial projects and retains options for appeals to Council;

- C. Retail Preservation. Exempt 100 percent affordable housing projects (120 percent Area Median Income [AMI] and below) from the retail preservation requirement except in the Ground Floor (GF) and Retail (R) combining districts; and
- D. Parking. Adjust multifamily parking requirements based on maximum anticipated demand. Coincidentally, the changes generally reflect the standards permitted by State Density Bonus Law. Other changes are proposed to incentivize affordable housing and reflect lower parking demand near transit.

AMENDMENT: Council Member Scharff moved, seconded by Vice Mayor Filseth to add a new Part E. to strike the proposed affordable housing standards related to parking for multi-family residential uses; and that an affordable multi-family development may ask for a reduction in parking requirements based on maximum demand.

INCORPORATED INTO THE AMENDMENT WITH CONSENT OF THE MAKER AND SECONDER to add to the amendment "up to 50 percent based on maximum..."

INCORPORATED INTO THE AMENDMENT WITH CONSENT OF THE MAKER AND SECONDER to add the word "add" to the Amendment so it reads "...and add that an affordable multi-family..."

INCORPORATED INTO THE AMENDMENT WITH CONSENT OF THE MAKER AND SECONDER to change the percentage from 50 to 100.

INCORPORATED INTO THE AMENDMENT WITH CONSENT OF THE MAKER AND SECONDER to add the word "demonstrated" to the Amendment so it reads "...based on maximum demonstrated demand."

INCORPORATED INTO THE AMENDMENT WITH CONSENT OF THE MAKER AND SECONDER to remove the word "demonstrated" from the amendment and replace it with the word "anticipated."

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AMENDMENT AS AMENDED RESTATED: Council Member Scharff moved, seconded by Vice Mayor Filseth to amend the Motion to add a new Part E. to strike the proposed affordable housing standards related to parking for multi-family residential uses; and add that an affordable multi-family development may ask for a reduction in parking requirements up to 100 percent based on maximum anticipated demand.

AMENDMENT PASSED: 5-2 Fine, Kniss no, DuBois, Tanaka absent

INCORPORATED INTO THE MOTION WITH CONSENT OF THE MAKER AND SECONDER to exempt the first 1,500 square feet of ground-floor retail from parking requirements within residential mixed-use buildings.

MOTION AS AMENDED: Council Member Wolbach moved, seconded by Council Member Scharff to approve the following changes related to Citywide Revisions:

- A. Open Space. Establish a consistent open space requirement for multi-family housing units in multi-family residential and commercial districts of 150 square feet (current code ranges from 100 to 200 square feet depending on the number of units provided). Micro units, defined herein as units with less than 450 square feet, are proposed to have a commensurate requirement of 40 square feet/unit;
- B. Review Process. Eliminate Site & Design Review, which currently applies to residential and residential mixed-use projects with 10 more units in commercial zones. Site & Design applications are reviewed by the PTC, ARB and City Council. By contrast, commercial-only development projects and housing projects in multi-family zones are reviewed only by the ARB. The amendment makes the review of housing projects (including mixed-use development) no more burdensome than the review process for commercial projects and retains options for appeals to Council;
- C. Retail Preservation. Exempt 100 percent affordable housing projects (120 percent AMI and below) from the retail preservation requirement except in the Ground Floor (GF) and Retail (R) combining districts;
- D. Parking. Adjust multifamily parking requirements based on maximum anticipated demand. Coincidentally, the changes generally reflect the standards permitted by State Density Bonus Law. Other changes are proposed to incentivize affordable housing and reflect lower parking demand near transit;

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- E. Strike the proposed affordable housing standards related to parking for multi-family residential uses; and add that an affordable multi-family development may ask for a reduction in parking requirements up to 100 percent based on maximum anticipated demand; and
- F. Exempt the first 1,500 square feet of ground-floor retail from parking requirements within residential mixed-use buildings.

MOTION AS AMENDED PASSED: 5-2 Holman, Kou no, DuBois, Tanaka absent

Adjournment: The meeting was adjourned at 12:21 A.M.



CITY OF PALO ALTO CITY COUNCIL DRAFT ACTION MINUTES

Special Meeting
December 10, 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 5:03 P.M.

Present: DuBois, Filseth, Fine; Holman arrived at 5:05 P.M., Kniss, Kou, Scharff, Tanaka, Wolbach

Absent:

Special Orders of the Day

1. Santa Clara County Health Department Presentation of Healthy Cities Award.

Closed Session

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Authority: Government Code Section 54956.8
Properties: (1) 321 California Avenue (APN 124-33-001); (2) 361 California Avenue (APN 124-33-029); (3) 341 California Avenue (APN 124-33-030); and (4) 2453 Ash Street (APN 124-33-027)
Agency Negotiators: James Keene, Ed Shikada, Brad Eggleston
Negotiating Parties: City of Palo Alto and (1) D.H. and M.A. Edwards Company for 321 California Ave; (2) 361 California Ave, LP for 361 California Ave; (3) 341 Cal Partners LLC for 341 California Ave; and (4) Ash Street Partners LP for 2453 Ash Street
Under Negotiation: Price and Terms of Payment for Subsurface Easements Related to Construction of the California Avenue Garage.

MOTION: Council Member Wolbach moved, seconded by Vice Mayor Filseth to go into Closed Session.

MOTION PASSED: 9-0

Council went into Closed Session at 5:08 P.M.

Council returned from Closed Session at 6:03 P.M.

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Minutes Approval

3. Approval of Action Minutes for the November 19 and 26, 2018 Council Meetings.

MOTION: Council Member Scharff moved, seconded by Council Member DuBois to approve the Action Minutes for the November 19 and 26, 2018 Council Meetings.

MOTION PASSED: 9-0

Consent Calendar

MOTION: Council Member Wolbach moved, seconded by Vice Mayor Filseth to approve Agenda Item Numbers 4-13.

Council Member Kou registered no votes on Agenda Item Numbers 4- Authorize the City Manager to Enter Into the Following Agreements for the City's Fair Value Commuting Project... and 9- PUBLIC HEARING / QUASI-JUDICIAL: 3877 El Camino Real [17PLN-00321]...

Council Member Tanaka registered no votes on Agenda Item Numbers 4- Authorize the City Manager to Enter Into the Following Agreements for the City's Fair Value Commuting Project... and 7- Adoption of a Memorandum of Agreement...

4. Authorize the City Manager to Enter Into the Following Agreements for the City's Fair Value Commuting Project (Partially Funded Through a Federal Transit Administration Grant): 1) an Agreement With RideAmigos in an Amount Not-to-Exceed \$150,620 for a Term of 15 Months, and 2) an Agreement With the San Francisco Bay Area Planning and Urban Research Association (SPUR) in an Amount Not-to-Exceed \$100,000 for a Term of 15 Months.
5. Approval of Amendment Number 1 to Contract Number C19173096 With Prospect Silicon Valley to Update the Rate Schedule to Include the Chief Executive Officer's Billing Rate.
6. Resolutions 9804 Entitled, "Resolution of the Council of the City of Palo Alto to Designate the Amount of Project Expenditures to be Reimbursed by Clean Water State Revolving Fund Proceeds for the Funding of the Discharge Infrastructure Improvement (Outfall Pipeline)" and Resolution 9805 Entitled, "Resolution of the Council of the City of Palo Alto the Primary Sedimentation Tanks and Electrical

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Upgrade Projects at the Palo Alto Regional Water Quality Control Plant.”

7. Adoption of a Memorandum of Agreement Between the City of Palo Alto and Utilities Management and Professional Association of Palo Alto.
8. Approval of City of Palo Alto's Employee Paid Parental Leave Policy and Amendment to City Merit System Rules and Regulations Chapter 7-705(c).
9. PUBLIC HEARING / QUASI-JUDICIAL: 3877 El Camino Real [17PLN-00321]: Recommendation on Applicant's Request for Approval of a one lot Vesting Tentative Map to Divide an Existing 0.75 Acre Parcel Into 17 Residential Condominiums and one Commercial Condominium. Environmental Assessment: Mitigated Negative Declaration Adopted by Council on September 18, 2017. Zoning Districts: CS and RM-30.
10. Approval of a Donation of \$25,000 From the City Council Contingency Fund to Support Butte County Fire Relief, Resilience, and Recovery After the Camp Fire.
11. Resolution 9806 Entitled, “Resolution of the Council of the City of Palo Alto Authorizing the City Manager to Enter Into a Project Specific Maintenance Agreement With the State of California Department of Transportation for the Highway 101 Pedestrian/Bicycle Overpass Project; and Approve the Easement Agreement for Public Access, Utilities, and the Bicycle/Pedestrian Overcrossing Between Google and the City, and Delegate Authority to the City Manager, or his Designee, to Sign the Easement Agreement for the Project (PE-11011).”
12. Ordinance 5454 Entitled, “Ordinance of the Council of the City of Palo Alto Amending Chapter 4.42 (Taxicabs and Other For-Hire Vehicles) of Title 4 (Business Licenses and Regulations) of the Palo Alto Municipal Code as Mandated by State Law (Assembly Bill 939) (FIRST READING: November 26, 2018 PASSED: 9-0).”
13. Ordinance 5455 Entitled, “Ordinance of the Council of the City of Palo Alto Amending Section 2.04.190 (Standing Committees – Special Committees) of Chapter 2.04 (Council Organization and Procedure) of Title 2 (Administrative Code); and Amending Section 12.10.060 (Coordination with City) of Chapter 12.10 (Street Cut Fees) of Title 12 (Public Works and Utilities) of the Palo Alto Municipal Code to Conform

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to a Seven-member City Council (FIRST READING: October 29, 2018 PASSED 9-0)."

MOTION FOR AGENDA ITEM NUMBER 4 PASSED: 7-2 Kou, Tanaka no

MOTION FOR AGENDA ITEM NUMBER 7 PASSED: 8-1 Tanaka no

MOTION FOR AGENDA ITEM NUMBER 9 PASSED: 8-1 Kou no

MOTION FOR AGENDA ITEM NUMBERS 5-6, 8, 10-13 PASSED: 9-0

Action Items

14. Approval of a Five-year Operating and Revenue Sharing Agreement With Team Sheeper for Operations of the Rinconada Pool (Continued From November 26, 2019).

MOTION: Council Member Scharff moved, seconded by Vice Mayor Filseth to authorize the City Manager to approve a five-year revenue share contract with Team Sheeper for operational oversight of Rinconada Pool's aquatics programming effective January 1, 2019.

MOTION PASSED: 9-0

15. Approval of: 1) Construction Contract C19173521 With Swinerton Builders in the Amount of \$39,395,153; 2) Amendment Number 3 to Contract Number C16163034 With Nova Partners, Inc. in the Amount of \$1,249,193 for Construction Management Services; 3) Amendment Number 1 to Contract Number S18171787 With Romig Engineers, Inc. in the Amount of \$99,000; 4) Authorization to Negotiate and Execute Four Easements for Underground Shoring Tie-backs; 5) Authorization to Negotiate and Execute a Short-term Lease for a Parking Lot From the County of Santa Clara; 6) Authorization to Negotiate and Execute a Month-to-Month Lease of Parking Stalls From Caltrain; and 7) a Budget Amendment for Capital Improvement Fund Project PE-18000 for the new California Avenue Area Parking Garage.

MOTION: Council Member Scharff moved, seconded by Mayor Kniss to:

- A. Approve and authorize the City Manager or his designee to execute a contract with Swinerton Builders in an amount not-to-exceed \$39,395,153 for the New California Avenue Area Parking Garage, Capital Improvements Program Project PE-18000;
- B. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Swinerton Builders for

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related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed \$2,954,636;

- C. Approve and authorize the City Manager or his designee to execute Amendment Number 3 to Contract Number C16163034 with Nova Partners, Inc. to add construction management for the New California Avenue Area Parking Garage to the scope of services and increase compensation by \$1,249,193 for a total contract amount of \$5,808,928;
- D. Approve and authorize the City Manager or his designee to execute Amendment Number 1 to Contract S18171787 with Romig Engineers, Inc. to increase compensation by \$99,000 for a total contract amount of \$149,000 as a sole source contract, exempt from competitive solicitation as impractical and unavailing under PAMC 2.30.360(b)(2);
- E. Authorize the City Manager or his designee to negotiate and enter into easement agreements with four adjacent private property owners for shoring tie-backs beneath those properties including a total not-to-exceed compensation of \$25,000 combined;
- F. Authorize the City Manager or his designee to negotiate and enter into a short-term lease agreement with the County of Santa Clara for the parking lot on the southeast corner of Grant Avenue and Birch Streets;
- G. Authorize the City Manager or his designee to negotiate and enter into a month-to-month lease agreement for up to 44 parking stalls in the California Avenue Caltrain Station parking lot; and
- H. Amend the Fiscal Year 2019 Budget Appropriation for the Capital Improvement Fund by:
 - i. Increasing the New California Avenue Area Parking Garage project (PE-18000) Fiscal Year 2019 appropriation by \$2,450,000; and
 - ii. Decreasing the Infrastructure Reserve by \$2,450,000.

MOTION PASSED: 9-0

Council took a break from 8:32 P.M. to 8:48 P.M.

- 16. PUBLIC HEARING: Adoption of an Ordinance Amending Section 18.18.120 (Grandfathered Uses and Facilities) of Chapter 18.18 (Downtown Commercial District) of Title 18 (Zoning) of the Palo Alto Municipal Code (PAMC) to Adjust Regulations Relating to Noncomplying

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Facilities. California Environmental Quality Act (CEQA); This Ordinance is Within the Scope of the Comprehensive Plan Environmental Impact Report (EIR) Certified and Adopted on November 13, 2017 by Council Resolution No. 9720; Alternatively, the Ordinance is Exempt From Environmental Review Under CEQA Guidelines Section 15061(b)(3) (Continued From December 3, 2018).

Council Member Scharff advised he would not participate in this Agenda Item due to his ownership of real property within 500 feet of affected properties. He left the meeting at 8:49 P.M.

Public Hearing opened at 9:28 P.M.

Public Hearing closed at 10:30 P.M.

Council took a break from 10:30 to 10:41 P.M.

MOTION: Council Member Fine moved, seconded by Vice Mayor Filseth to:

- A. Find the Ordinance within the scope of the Comprehensive Plan Environmental Impact Report (EIR) certified and adopted on November 13, 2017 by Council Resolution No. 9720;
- B. Adopt the Ordinance with the following changes:
 - i. Remove from Municipal Code Section 18.18.120(b)(2), "for continual use and occupancy, by the same use;"
 - ii. Add to Municipal Code Section 18.18.18.120(b)(2), "(F) The residential portion of any grandfathered facility referenced in this subsection shall not be converted to a non-residential land use or reduced in size or number of units. An applicant may request that the requirement of this subsection to retain the same residential use be adjusted or waived based on a showing that applying the requirement to the applicant's property would cause a violation of state or federal law;" and
- C. Direct Staff to initiate a text amendment to amend Palo Alto Municipal Code (PAMC) Section 18.18.120 in accordance with the procedures set forth in PAMC Chapter 18.80 with review and recommendation by the Planning and Transportation Commission and in accordance with the Council's action on this Ordinance.

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SUBSTITUTE MOTION: Council Member Holman moved, seconded by Council Member DuBois to Direct Staff to initiate a text amendment to amend Palo Alto Municipal Code (PAMC) Section 18.18.120 in accordance with the procedures set forth in PAMC Chapter 18.80 for the Planning and Transportation Commission to review and recommend an Ordinance based on Option 3 provided to Council on this date, and direct the Planning and Community Environment Director to prioritize this topic with the Planning and Transportation Commission.

INCORPORATED INTO THE SUBSTITUTE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER "and return to Council in the first quarter of 2019."

SUBSTITUTE MOTION AS AMENDED RESTATED: Council Member Holman moved, seconded by Council Member DuBois to Direct Staff to initiate a text amendment to amend Palo Alto Municipal Code (PAMC) Section 18.18.120 in accordance with the procedures set forth in PAMC Chapter 18.80 for the Planning and Transportation Commission to review and recommend an Ordinance based on Option 3 provided to Council on this date; and direct the Planning and Community Environment Director to prioritize this topic with the Planning and Transportation Commission and return to Council in the first quarter of 2019.

SUBSTITUTE MOTION AS AMENDED PASSED: 6-2 Fine, Tanaka no, Scharff absent

State/Federal Legislation Update/Action

None.

Adjournment: The meeting was adjourned at 11:35 P.M.