



# CITY OF PALO ALTO CITY COUNCIL FINAL TRANSCRIPT MINUTES

Regular Meeting  
February 5, 2018

The City Council of the City of Palo Alto met on this date in the Council Chambers at 6:02 P.M.

Present: DuBois, Filseth, Fine, Holman, Kniss, Kou, Scharff, Tanaka, Wolbach

Absent:

## Closed Session

### 1. CONFERENCE WITH LABOR NEGOTIATORS

City Designated Representatives: City Manager and his Designees Pursuant to Merit System Rules and Regulations (James Keene, Ed Shikada, Charles Sakai, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Molly Stump, Terence Howzell, Lalo Perez, Kiely Nose)

Employee Organizations: Utilities Management and Professional Association of Palo Alto (UMPAPA); Service Employees International Union, (SEIU General Unit) Local 521; Palo Alto Peace Officers' Association (PAPOA); Palo Alto Fire Chiefs' Association (FCA); International Association of Fire Fighters (IAFF), Local 1319; Palo Alto Police Managers' Association (PAPMA); Unrepresented Management, Professional Employees, and Limited Hourly Employees

Authority: Government Code Section 54957.6(a).

Mayor Kniss: I'd like a Motion to go into Closed Session. First, I'm going to speak about what we're going to discuss. We have a conference with our labor negotiators, City-designated representative City Manager, and his designees pursuant to Merit System Rules and Regulations. That will include James Keene, Ed Shikada, Michelle Flaherty, Charles Sakai, Rumi Portillo, Sandra Blanch, Nicholas Raisch, Molly Stump, Terence Howzell, Lalo Perez, Kiely Nose, Eric Nickel and Robert Johnson. Employee organizations are going to be Utilities Management and Professional Association of Palo Alto, UMPAPA, Service Employees International Union, SEIU, General and SEIU Hourly Unit, Local 521, Palo Alto Police Officers' Association, PAPOA, Palo Alto Fire Chiefs' Association, FCA, International Association of Fire Fighters, IAFF, Local 1319, Palo Alto Police Managers' Association, PAPMA, Unrepresented Management, Professional Employees, and Limited Hourly

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Employees. Authority is Government Code Section 54957.6(a). Did I forget anything, City Clerk?

Beth Minor, City Clerk: Nope, you're good.

Mayor Kniss: In that case, I would entertain a Motion.

Council Member Wolbach: So moved.

Mayor Kniss: A second?

Council Member Holman: Second.

**MOTION:** Council Member Wolbach moved, seconded by Council Member Holman to go into Closed Session.

Mayor Kniss: All those in favor. The vote on that is unanimous with everyone now in the room. We will now go into Closed Session at least until 7:00. Thank you.

**MOTION PASSED:** 9-0

Council went into Closed Session at 6:05 P.M.

Council returned from Closed Session at 7:18 P.M.

Mayor Kniss announced no reportable action.

## Agenda Changes, Additions and Deletions

Mayor Kniss: We're starting tonight with any Agenda Changes, Additions or Deletions. Anyone have any one of those? Seeing none, we will move on to City Manager Comments.

## City Manager Comments

James Keene, City Manager: Thank you, Madam Mayor, members of the Council. A couple of items to report. First of all, starting out with a few science-related items tonight. The Palo Alto Baylands Nature Preserve is hosting a citizen science event on Saturday, February 17th, from 9:00 a.m. to 1:00 p.m. It's called Bioblitz. A Bioblitz is an intensive one-day observational study of biodiversity in a specific location, bringing scientists and volunteer citizen scientists together. People of all ages, abilities, and skill levels are welcome to participate in the event. They will be able to report and enter their observations to iNaturalist, a citizen scientist website where the public can post their findings from nature. Experts from Palo Alto

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Open Space, the Junior Museum and Zoo, Environmental Volunteers, Grassroots Ecology, Canopy, Santa Clara Valley Audubon Society, and the California Academy of Sciences will be on hand throughout the event to guide people and help answer questions. The event begins at the Lucy Evans Nature Interpretive Center. Any minors wishing to participate must have a waiver signed by a parent or a guardian. More information is available on our website. That is scheduled in the Baylands Saturday, February 17th, from 9:00 A.M. to 1:00 P.M. I did want to share that—there's no connection between these announcements and your agenda tonight. It just so happens that the Junior Museum and Zoo is hosting a special free family event on Wednesday, February 7th—that's this week—from 5:30 to 7:30 P.M. This event will showcase some of the favorite hands-on activities from our elementary school science programs. Kids and their families can meet zoo animals after hours, chat with JMZ teachers, and learn how to bring more science to school. I did want to share a new piece of public art, which will be at the Palo Alto golf course. Meet *Birdie*, a welcome addition to the Palo Alto collection of permanent public art installed at our municipal golf course, the Baylands course, along Embarcadero Road. The playful origami-inspired sculpture by Bay Area artist Joyce Hsu looks on the Baylands natural preserve joyfully, reminding visitors of a what a unique setting this is and an important habitat for migratory birds. A humorous play on words, *Birdie* spreads its kinetic wings while balancing on a white tee. As you know, the municipal golf course is scheduled to reopen this spring. You can see the artwork that is located along the golf course and practice area and is currently accessible to the general public. Lastly, just an update related to Eichler Guidelines. There's been some reporting in the news also. I think you've heard from folks. At the end of 2016, the Council authorized a consultant contract for the preparation of design guidelines for Eichler neighborhoods. The public review draft of the Guidelines have been available for review and comment since publication was announced at the HRB meeting on November 9, 2017. Comments received since publication, some of which were gathered at a community meeting at Mitchell Park Center on January 18, have been sent to the Historic Resources Board, HRB, who is expected to recommend revisions on February 22nd. The next step following that would be to bring the Guidelines to the City Council for your consideration. Staff hopes to do this in April and will be asking the Council whether the Guidelines should be used as voluntary educational materials or whether some of the Guidelines should be incorporated into our Municipal Code. Our Staff will lay out a series of options for Council's consideration. We're likely to receive email communications as you will too and other input in advance of the Council's agenda item. Stay tuned on that. That is all I have to report. Thank you.

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Mayor Kniss: Thank you, City Manager. Is there any specificity in when the golf course will open?

Mr. Keene: No. We're hoping to bring to the Council sometime within this next month the actual operator contract on the golf course. Once that's in place, then we will be ready for a springtime opening, but I don't have an exact date yet.

Mayor Kniss: We should have a big opening event of some kind because there's a lot of enthusiasm among golfers for this to open.

Mr. Keene: We should have a golf tournament with the City Council Members involved in it too perhaps. Some of it might be a form of comedy or something, but it would still be worthwhile.

Mayor Kniss: I hear that Council Member Holman is quite a good golfer.

Council Member Holman: Used to be. We could call this a hack-a-thon.

Mayor Kniss: Not a good start. Just another note about tonight. We are going to—with your revised agenda, just know that we're going to take up the housing issue first with a hard stop at 9:00. At 9:15, we'll begin the Evergreen discussion.

Mr. Keene: No, JMZ first.

Mayor Kniss: Sorry. Yes, JMZ first. Thank you very much.

Mr. Keene: Then the housing item and at 9:15, no later than 9:15, Evergreen.

## Oral Communications

Mayor Kniss: That takes us to Oral Communications. Do we have Oral Communications?

Beth Minor, City Clerk: Yes, we do. It's up on the board and (inaudible).

Mayor Kniss: Thank you. Under Oral Communications, you can see who's up there. Neva Yarkin, Roberta Ahlquist, Sea Reddy to start.

Neva Yarkin: Good evening, Mayor and City Council. My name is Neva Yarkin, and I live on Churchill Avenue. If the train corridor is going to be the biggest project ever in Palo Alto, you need to start listening to community experts, which we have, before you hire the real experts that we will all be paying for. Being realistic, we need to only focus on train options that the

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City can afford and not waste our time, energy, or money on other options. Get the City budget figured out first so we can have a realistic dollar amount for this train project. Whatever money is allotted for the trains, we know that it will probably go over budget, so there needs to be a big reserve. Stanford is doing a project for new graduate housing now. This project will be done in the fall of 2020. Maybe some of the same experts can be used for our project. I left the City Manager a copy of the project. There are other big projects in the area that can be looked at too. The City will be turned upside down by the magnitude of this project with major construction, road closures, more traffic, over-run costs for the project, delays, and many other upheavals. Let's not delay by hiring the wrong experts or doing the project cheaply but getting a project manager who is skilled, competent, and can handle a project this size. We will need other experts like structural engineering, architect, contractor, budget manager, a person with government experience to manage contracts, and many other skilled professionals. Please let's do this right for the citizens of Palo Alto. Thank you for your time.

Mayor Kniss: Thank you. Our next speaker is Roberta Ahlquist. Roberta, did I say it incorrectly? Here she is.

Roberta Ahlquist: City Manager, Council Members, Planning Commissioners, Planning committees, shape the kind of City in which we live. That has been going on for a long time. Women's International League for Peace and Freedom is interested in addressing the disparity between rich and poor. We have a City that is more white, wealthy, and walled-in than multiethnic, mixed in terms of income and ethnicity. If you walked down University Avenue 15 or 20 years ago, you would see little mom-and-pop stores, Leary's [phonetic] Electric—there were lots of them—Leaf and Petal and so on. Because of the rents on University Avenue and the surrounding Downtown both in University and California Avenue, we now have venture capitalists, buildings that we don't even know what's inside but more than likely high tech stuff. The feeling is not one of knowing your neighbor, knowing the little store owner, not really feeling that you could go into that building unless you knew and had some business there. We also have a homeless situation not only in Palo Alto but globally, in this country in particular. With the refugee crisis, it's global. Our interest is in having the City rethink what kind of community you want this to be. We'd like it to be more inclusive, more such that people who work here—even the janitors let alone City planners who I've talked to say they can't afford to live here. We hope that you will, when you do your zoning, down-zone certain sections of town, put a moratorium on demolition of existing rental housing, and think about a more intentional, more collaborative community rather than a white, wealthy, walled-in City. Thank you.

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Mayor Kniss: Thank you. Sea Reddy and then Stephanie Munoz.

Sea Reddy: Good evening, Mayor and City Council and citizens of Palo Alto and the neighbor cities. Congratulations to Philadelphia Eagles. One thing nice I saw was Tom Brady was a good sport. I think we should be proud of how he reacted after losing a close game. I'm excited about something that means to us a lot. Today I happened to run into a grocery store in south Los Altos. It's called Felipe Fresh Foothill Produce market on 2310 Homestead Road. It's a little shopping center similar to the College Terrace size. It's more produce than more items that are boxed up. It's a great thing for us to think about. When I talked to the manager, owner, or family, they said, "Palo Alto is very expensive, but they already have three places." It's for all of us to look at and encourage that kind of store for us so we can all enjoy and have a healthy life. Thank you.

Mayor Kniss: Thank you. Stephanie Munoz and then Steve Levy.

Stephanie Munoz: Good evening, Mayor Kniss and Council Members. Thank you for all the time you put in. I was thinking Saturday, "They're spending a whole Saturday just for us." Thanks. It's the same old song, but this is a little different refrain. You may remember a year or two ago I was really upset that Palo Alto High School was tearing down the Birge Clark gymnasium because it had toilets and showers and lots of nice floors that people could sleep on, that didn't have a sheltered, safe place. I really was taught that it is a sin to waste resources that you have, that poor people could use. I was really delighted when I read Palo Alto's reply to the Stanford GUP. The very first paragraph says Stanford is creating a need for housing without the housing to fill it in. I do not think you can, as far as you have the power, permit them to tear down the existing high-rise apartments just so they can replace them with other apartments fancier or better or wonderful. Somebody could use that housing. The people in the hospitals that sweep up and empty the bedpans need a place to live, and they ought to have a place to live. It was Mrs. Stanford's intention that everybody on that campus be part of the Stanford family. She did not intend that it be an elitist school where only the smartest and the best and the prettiest and the most capable could be happy. Don't let them tear those buildings down please, please. Thanks.

Mayor Kniss: Thank you. Steve Levy and then Terry Holzemer.

Stephen Levy: Hi. I came here 55 years ago. I first lived with roommates on Oxford when going to Stanford. We raised our family in homes near Duveneck. Twelve years ago we moved Downtown. I've never been able to drive a car; I don't see well enough. Our daughter couldn't drive a car; she

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had epilepsy. At some time, I did something that many of you share, which is to take the keys away from a parent. With aging, something like that will happen to many of us speaking tonight and perhaps on the dais. While most people drive and most people have cars, not everybody does. In our building at any time there are three to five people like me who either can't or have chosen not to drive out of 17 units. There are two or three more that work at home and don't need to commute. There are five families with children. One recently moved in because their children could walk to Addison, and the wife could either walk to the Marguerite or bike to her job at Stanford. While where I live and what I do can't eliminate a lot of commuting, a lot of people in my building drive to work. One thing that we do is eliminate many if not most of the non-work trips that clog the streets. I can walk nearly everywhere or take a Marguerite. My wife can drive me, or I can take Lyft. We use ...

Mayor Kniss: You've got a few more seconds. We didn't have you timed exactly right.

Mr. Levy: Location matters in housing, not necessarily for commuting but for all those non-work trips that you can do. Seniors like Nancy and myself will benefit from either more Channing Houses or more places as we age and want to give up the cars for people that have them. In thinking about that and thinking about 2030, we had a heck of a time finding a level place. Most of the places in our building, 800 High, at the time they were built were like townhouses. They were up and down. That's not going to work. If you're going to build housing for seniors who can afford it like we do, you want to make sure the location is right and they're level. Thanks.

Terry Holzemer: Good evening, Madam Mayor and Council Members. I appreciate the opportunity to come and speak with you tonight about something I'm not supposed to talk to you about, which is Item 8, which I know I'm not allowed to talk about. I would like to talk about the timing and about the agenda placement of this item on the agenda. When a matter of this importance comes to the Council, that involves an entire neighborhood, residents in this neighborhood, it is imperative that the Council take all possible precautions and action to ensure that the timing of such an item can be made as early as possible in the evening. I work as a school teacher here in Palo Alto, and I'm sure there are other people in similar situations. I know that it is vital to prepare my lessons every day for my students and to focus on my students as much as I can and hopefully not be sitting in a Council chamber at 10:30 in the evening. I know it is very difficult to arrange an agenda. I'm also the president of my homeowners association, so I know it is very difficult. However, this is an important item that involves many, hundreds, thousands even maybe of neighbors and

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residents. I would urge that you, when such matters come to this Council remember to make these items move up in the agenda and not make it the last item. Thank you.

Mayor Kniss: Thank you. Suzanne Keehn.

Suzanne Keehn: Good evening. I would just say I agree with everything Terry just shared. It makes us feel that when something is so important to so many people, in fact actually the whole City, maybe you don't want a lot of resident participation. I agree with what he says. When we have things this important, then please have them earlier in the agenda. Thank you.

Mayor Kniss: Thank you. Was that the last of our Oral Communications? Thanks very much.

## Consent Calendar

Mayor Kniss: We now have a Consent Calendar, where we move everything in one Motion unless someone has a comment or something needs to be removed. Are there any requests? Seeing none, could I have a Motion to move the Consent Calendar?

Council Member Scharff: Second.

**MOTION:** Vice Mayor Filseth moved, seconded by Council Member Scharff to approve Agenda Item Numbers 2-6.

2. Resolution 9737 Entitled, "Resolution of the Council of the City of Palo Alto Extending the Electric Rate Schedule E-1 TOU (Residential Time-of-Use Rate Adjustment) and Repealing Resolution 9495."
3. Resolution 9738 Entitled, "Resolution of the Council of the City of Palo Alto to Relinquish Enforcement of Parking Regulations to Stanford University of Off-street Parking Facilities Privately Owned and Maintained by Stanford University at the Following Locations: 217 Quarry Road (Hoover Pavilion Garage), Sweet Olive Way (Hoover Pavilion Surface Lot 1), 215 Quarry Road (Arboretum Children's Center Surface Lot 1A), 800 Welch Road (Cancer Clinical Trials Office), 780 Welch Road (Asian Liver Center Surface Lot)."
4. Adoption of an Ordinance Amending Chapter 10.56 (Special Speed Zones) of Title 10 of the Palo Alto Municipal Code to Reduce the Posted Speed Limit Near Private Schools.
5. Adoption of an Ordinance Amending Sections 4.42.190 (Taxi Meters) and 4.42.200 (Schedule of Rates, Display) of Chapter 4.42 of Title 4



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(Business and License Regulations) of the Palo Alto Municipal Code to Allow Taxicab Service to be Prearranged by Mobile Device Application and Internet Online Service.

6. Approval of a Construction Contract With Vila Construction, Inc. in the Amount of \$2,298,376 and Approval of Amendment Number 3 to Contract Number C13148737 With Advance Design Consultants Inc. in the Amount of \$206,623 for a Not-To-Exceed Amount of \$876,890 for Construction Phase Services for the Lucie Stern Buildings Mechanical and Electrical Upgrades, Capital Improvement Program Project PE-14015.

Mayor Kniss: Could you vote on the board? That passes unanimously.

**MOTION PASSED: 9-0**

## Action Items

9. Staff Recommends That Council Take the Following Actions Related to the Construction of the new Junior Museum and Zoo (JMZ): 1) Approve the Agreement Between the City of Palo Alto and the Friends of the Palo Alto Junior Museum and Zoo to Replace the Existing Building and Facilities Housing the Palo Alto Junior Museum and Zoo With a new Building and Facilities (Facilities Agreement), Including the Site Lease and Agreement Regarding use Restriction; and 2) Authorize the City Manager to Approve the Final Design for the new JMZ Based on the Recommendation of the Construction Liaison Team, and Consistent With the Preliminary Design Approved by the City Council on December 4, 2017; and 3) Amend the Fiscal Year 2018 Budget Appropriation Ordinance for the Capital Improvement Fund by: a) Increasing the Appropriation for the JMZ Renovation Project AC-18001 by \$682,000; and b) Increasing the Appropriation for Rinconada Park Improvements PE-08001 by \$1,629,000; and c) Decreasing the Infrastructure Reserve by \$2,311,000; and 4) Direct Staff to Identify a Funding Strategy for the Remaining Portion of the City's Contribution to the Project (\$3,898,000) as Part of the FY 2019 Budget Process.

Mayor Kniss: That takes us to the next item, which is ... There's an echo in here, isn't there? That would take us to an item that is advertised for being from 7:30 to 7:45. We will try and get this one done by 8:00 so that we can move quickly into housing and then into the Evergreen neighborhood issue tonight. Looking to Staff to talk about the JMZ, Junior Museum and Zoo. Rob de Geus.

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Rob de Geus, Deputy City Manager: Good evening, Mayor Kniss and Council Members. Rob de Geus, Deputy City Manager. It's a pleasure to be here to help present the next steps on this exciting project to rebuild the Junior Museum and Zoo. In December 2017, the Council approved unanimously the design of the new facility. As promised, we're back with draft agreements for your consideration to now build the new facility with the Friends. This evening, we'll also talk about the City budget needs for the project over and above the \$25 million privately raised by the Friends of the Junior Museum and Zoo. With that, let me introduce Assistant Director of Community Services Rhy Halpern. She's been the lead Staff on this project for many years. She will go over the project and summarize the agreements.

Rhyenna Halpern, Community Services Assistant Director: Good evening. Happy to be here. I wanted to start off by introducing to you the wonderful turnout we have tonight of JMZ Board Members, JMZ community members, and our Chair of the Friends of the JMZ, Aletha Coleman. If everybody could stand up.

Mayor Kniss: Maybe they could all stand up so we can who you are and who we're supporting. Quite a turnout. Thank you so much for being here.

Ms. Halpern: This is a slide you saw in December about the JMZ. As you know, our mission is to engage a child's curiosity in science and nature through hands-on activities and interaction with live animals. We have an amazing 184,000 visitors a year and about 200 animals representing about 50 species. It's a really exciting place to go. I call it the happiest place in Palo Alto. We're very excited and appreciative of Friends of the JMZ achieving their \$25 million goal, which was really made possible by the Peery family who offered a \$15 million match. We've been working on this agreement for about 2 years now. Tonight, we're going to be asking you—we have four recommendations; two have to do with the agreement, and the next two have to do with the budget. First, we wanted to go over the key provisions of the agreement. It is, as you've seen in your package, about an 80-page agreement. It covers a lot of different terms. Just a couple of key terms that it covers are the actual demolition of the existing JMZ and the building of the new JMZ; all sorts of budget and funding issues; a process for working between the Friends of the JMZ and the City, which will use a construction liaison team; the design of the project; the actual property; insurance; construction by Vance Brown. We also have the use restriction terms as an exhibit to the agreement as well as a site lease, which outlines the terms for the staging area. Those are the key provisions of the agreement. We wanted to talk about the budget a little bit here and the City contribution.

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Mr. de Geus: We do have some funds budgeted for this project in the Fiscal Year 2018 approved capital budget, and we have some funds built into the approved capital plan in 2019. What you see here is what we have funding for, \$3,317,000 for these items you see in the table. You'll see on this slide what is not currently funded. Staff is requesting this evening direction from Council to have Staff identify a funding strategy during the Fiscal Year '19 budget process in context with the infrastructure needs that we have across the City. As you can see, the areas that need funding are not all Junior Museum and Zoo building related. They also include Rinconada Park improvements. They're complementary to the new facility and the new parking lot and also include some improvements to the park itself. The total City contribution to the project including the ancillary items around the building is \$7,215,000.

Ms. Halpern: Before we open it up for your questions and comments, we wanted to just talk a little bit about the new JMZ and what we envision there in terms of making sure the visitor experience is successful. Isn't that a great photo? It's really wonderful. Leigh is actually in the audience here. I just wanted to review some of the working assumptions we have in the new JMZ. We plan on coming back next year with an actual pro forma for you to look at and give input on. We do assume that an enhanced visitor experience is required for the new JMZ so that the visitor will have a value-added experience from what they have now and that more marketing resources will be used. The admission charge and new membership levels as well as contributed income will increase the revenue. We do assume we'll need more Staff, specifically in the areas of visitor services, floor Staff, and animal care. Again, as we've mentioned before, we have agreed between the City and Friends of the JMZ that within 5 years of opening the new building, we will again discuss the options about talking about Friends becoming the possible operator for the JMZ. We have some next steps, and then we'll open it up to you. We are working now on remodeling plans for the move to Cubberley auditorium in the spring. We have groundbreaking in June or July. We plan on returning to Council in the winter of 2018-2019 on a naming proposal for the new JMZ. We continue to work, and we'll come back to you on establishing a long-term structure for financial and programmatic oversight of the operation, stabilizing and reducing the City's financial support for the operation, and outlining the possible transition of the operation to the Friends of the JMZ. With that, we will entertain any questions or comments that you have.

Mayor Kniss: As is usual, though, we will go to the public first, if there is any public. That must mean we're doing a great job. There are no public speakers. Does somebody want to speak? Did you fill out a card?

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Aletha Coleman, Friends of the JMZ Board Chair: I thought I was part of their presentation.

Mayor Kniss: Come right ahead. Come right up.

Ms. Coleman: Aletha Coleman, I'm the Chairman of the Board of the Friends of the Junior Museum and Zoo. I just wanted to give a little background and a lot of thanks. Years ago, I met Dan Garber, who at the time was the President of the Friends of the Junior Museum and Zoo. He showed me some concept drawings of what he and his Board thought would be a fabulous new Zoo. The cost was only \$11 million, and we thought, "This is never going to happen." Fifteen years later and, unfortunately for me, 30 pounds later, I'm honored to be here because we the Friends are thrilled to be presenting with the City an agreement allowing us to give the City of Palo Alto a new Junior Museum and Zoo worth \$25 million, that will serve our children, future generations of children, and their families for the next, we hope, 80 years. None of this could have been done without a lot of cooperation and a lot of work and a lot of energy expended into this whole process. I want to take a couple of minutes to thank everyone that we see has been involved. It's more than just community. It's you the Council because we have felt for 15 years the support of the Council and the City of Palo Alto for trying to get this done. We have felt the support of the City of Palo Alto Staff, notably Rob de Geus and Rhy here, over 4 years of not negotiations but discussions on how to get the best agreement we could for all of us. We are very thankful for the vision of John Aiken, who is the Executive Director. Six years ago, the minute I met him, I thought, "This guy has a vision for this Zoo." I'm thrilled to have been working with him for the past 6, 7 years maybe. Nine, okay. Time flies when you're having fun. I'm grateful for our staff, Taba [phonetic] and Julie and Charles and Leigh. Over the years, they have been here helping us and supporting us and getting stuff out at the very last minute and everything else. In addition to the community, we've had some major donors, which have allowed us to get to where we are. The Peery family, of course, everyone knows about their \$15 million challenge grant. I will tell you that when Marshall Koch, our Board Member who got the grant, told me about it, my first reaction was, "This is really great, but now we have to go and raise \$10 million." I'm very grateful for the Peery Foundation and the family. We couldn't have done it without several major donors like the Brin Wojcicki Foundation and the Christensens who, 10 years ago, gave us \$1 million and said, "We believe you can build the new Museum and Zoo." They started that, and they've given us more money. With my Board, who has given \$1.5 million or more of the \$10 million we had to raise, these four or five people have given 60 percent of the \$10 million that we've raised. We're so grateful for that. The other thing is I would like to thank members of my Board who, for

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the last 15 years, have been steadfast, hardworking, focused, and absolutely diligent. None of this could have happened without every single Board Member putting their heart, time, and effort into this. I want to thank especially Steve Emslie and Annette Bialson and Lisa Hendrickson and Bern Beecham, your former Mayor, for being on our government relations committee and working with Rob and Rhy to get this contract signed. I want to thank our master planning committee, Tim Stitt and Steve Reller and Lauren Angelo and Mark Murray, for working with CAW and the City Staff to have a design that everybody loves and can work with. I want to thank our development committee, Marshall Koch who can't be here tonight and who led the capital campaign, Kelly Bavor and Lauren Angelo and Jane Rytina. They have been absolutely—the four of them have worked tirelessly to ensure that we have the funds and the resources to get all of this done. I was going to ask everyone to stand, but Rhy beat me to it. I just want everyone to give themselves a big hand because we got here with a lot of effort on everybody's part. I have one more thing to say. You're not going to believe this, but I had lunch with Steve Emslie because he as well as everybody else knows how nervous I am about public speaking and how much I hate doing this, even if it is to thank everyone. Over lunch on Friday, he and I talked about what we were going to do. We made our list; we did everything, and then the fortune cookie came. I opened the fortune cookie, and this is what it says, "A dream of yours will soon become a reality." I am thrilled, and I want to get those shovels in the ground before I gain 5 more pounds.

Mayor Kniss: Thank you so much. That brings it back to us for comments, questions, Motions, and so forth. I'm going to call on Council Member Wolbach, who has been the liaison to the Zoo for a while.

Council Member Wolbach: People often hold some important concepts as mutually exclusive, idealist, realist, pragmatist. I often hear people say, "I'm not an idealist because I'm a pragmatist" or "Why don't you be more of an idealist and stop being such a"—"Be an idealist. Don't be such a realist." I've always thought it was a bit silly to divide those up. What I've seen from the Friends of the JMZ and the City Staff and everybody who's been supportive of this project is a good merging of those concepts. For years, there's been discussion about what the ideal would be. Then, there's the tempering of that saying, "Of the ideal vision that we can imagine about what the future JMZ would like, what's actually achievable? What's achievable based on the location, based on timeline, based on what's appropriate for our community, and based on fundraising?" That's the realistic tempering of the ideal. Then, how do we get there. Whatever it takes. Whatever it takes to make that realistic vision a reality. To me, that's the heart of pragmatism. I've been very impressed for just over a

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year now being the liaison to the Friends of the JMZ with what we've all observed, even if we don't get to sit in their meetings and watch this group of powerhouses really move things forward. It's really impressive. This project and the future of the JMZ really embodies some of the core Palo Alto values, science, education, culture, nature, and imagination. Again, tempering that imagination with reality and not just dreaming but taking what we imagined and making it a reality. That's something we encourage everybody who grows up in Palo Alto or moves to Palo Alto to embody. This project is just an example of that. With that, I'd like to move the Staff recommendation.

Council Member Scharff: Second.

**MOTION:** Council Member Wolbach moved, seconded by Council Member Scharff to:

- A. Approve an agreement between the City of Palo Alto and the Friends of the Palo Alto Junior Museum and Zoo to replace the existing building and facilities housing the Palo Alto Junior Museum and Zoo (JMZ) with a new building and facilities (Facilities Agreement), including the Site Lease and Agreement regarding use restriction;
- B. Authorize the City Manager to approve the final design for the new JMZ based on the recommendation of the Construction Liaison Team, and consistent with the preliminary design approved by the City Council on December 4, 2017;
- C. Amend the Fiscal Year 2018 Budget Appropriation Ordinance for the Capital Improvement Fund by:
  - i. Increasing the appropriation for the JMZ Renovation Project AC-18001 by \$682,000;
  - ii. Increasing the appropriation for Rinconada Park Improvements PE-08001 by \$1,629,000;
  - iii. Decreasing the Infrastructure Reserve by \$2,311,000; and
- D. Direct Staff to identify a funding strategy for the remaining portion of the City's contribution to the project (\$3,898,000) as part of the FY 2019 Budget Process.

Mayor Kniss: There is a Motion and a second. Several of you had already wished to speak. Do you want to add to your Motion?

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Council Member Wolbach: Just a couple of other comments. One of the challenges, one of the real challenges, that we face with the JMZ is how we balance the capital costs, the operating costs, and equity and access. Obviously, we need to increase the funding that comes to the JMZ, and having tickets is an important part of that. I know that we'll be able to continue the conversation over the coming years as we develop the model and shift eventually to a nonprofit operation model. We'll continue the conversation about how we can make sure that everybody, even if they're not white, wealthy, and walled-in, can come and participate and bring their kids no matter what part of the community or what their background is, to make sure everybody can participate. I know that everybody working on this project holds that value and will keep figuring that out. I know that's a concern to some people because of the new model of having ticketing costs. I think we can rest assured to say that conversation is not over, and we'll keep an open mind about how to maintain equity and access for everybody in the community. Yes, this is a lot of money that the City's putting in. I'd say it's definitely worth it. The amount that the community has put in is the larger share. I'm happy to see the City investing in our future.

Mayor Kniss: Greg, do you want to speak to your second?

Council Member Scharff: I do. Again, I want to thank all of you for your hard work. My kids went to Walter Hays, and they used to always go to the Junior Museum and Zoo, and they loved it. Over the years, we've visited many times. When you have smaller kids in Palo Alto, the Junior Museum and Zoo is one of those great places that always makes your kids smile, and you can always go there. It's just such a wonderful addition to the community. I am so glad we're actually moving forward on this. I'm still amazed that you raised all the money and got this done. I wanted to say the opposite in some ways. This is a great use of Palo Alto funds. When you think that we are leveraging—we're going to be putting in roughly \$7 million, and you're putting in \$25 million. That is fantastic. I can't do the math in my head on what percentage that is on the dollar. It's a great way to go. I've just to say I'm really proud of all of you for putting it together and for making it happen. It's easy not to make something happen in Palo Alto. It's really hard to put all the pieces together, have them come together, go through all of our Boards and Commissions, come to the Council, and actually get it done. I know it takes a lot of effort. Now, all I've got to say is on to Phase II. Thank you.

Mayor Kniss: Tom, you wanted to speak to the Motion.

Council Member DuBois: I guess we saw this it seems like a few weeks ago, but maybe it was a month or two. It was a good project then, and it's still a

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good project. I do have some questions about the financial implications. Was it a change for the City to pay for the parking lot? I don't remember that being discussed a couple of months ago.

Mr. de Geus: A couple of months ago, we already knew that the City would be paying for the parking lot. Really early on there was some hope that the raised funds would be able to pay for a portion of the parking lot. With the cost of construction going up, there just wasn't enough in the budget for the Friends to be able to contribute to the parking lot cost.

Council Member DuBois: It looks like they are still paying for a portion, and we're paying for a portion?

Ms. Halpern: Yes, they essentially are.

Council Member DuBois: We're paying for exhibits now, and we weren't before.

Ms. Halpern: Right. Basically just for efficiency, there was a swap of the City paying for exhibits instead of all of the parking lot, and Friends paying for a portion of the parking lot instead of the exhibits.

Council Member DuBois: Is that just timing to help us with our budget issues?

Ms. Halpern: The reason why is so that exhibits can be handled internally by the City because it will be a lot more efficient for us in terms of—the work it takes to create the exhibits needs to start right now. We'll be really pushing it to be ready for when the building opens. It's an efficiency for making sure the exhibits can be handled in the timeline.

Council Member DuBois: You mentioned transitioning to different governance but also needing to hire Staff. Will we determine the governance before Staff is hired?

Ms. Halpern: The governance actually is a conversation that we've agreed to have within 5 years. That is not firm. We actually need to make some changes before then, make some additional staffing before then. We've had some really good conversations with OMB on some ways to do that to lower the impact to the City's General Fund. We'll come back ...

Council Member DuBois: It'd just be a concern over staffing and then trying to transfer people. Last quick question. It referred in the report to creating a formal entrance to Rinconada Park. How much is that going to cost, just that part of it?



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Ms. Halpern: There are two parts to that answer. One is the parking lot. When we say parking lot, you have to think parking lot, pedestrian/bike pathway, and entrance area. The actual design of the JMZ includes an entrance plaza to the JMZ and to Rinconada Park. That is actually coming out of the Friends' budget. The City's budget for the parking lot is actually enhancing that plaza to a larger area. It's really quite beautiful; it's going to be really great. Right now, the area that is the dumpsters will become this beautiful park entrance area. It's merging the pedestrian and bike pathway. It's going to be just really great for the community.

Council Member DuBois: The design looked nice. I'm not sure we need formal entrances to all our parks. One nice thing about Rinconada is you can park all around the park and get to the pool and different parts of it. If we are looking at where we can reduce some costs, I just wondered if that was a potential ...

Ms. Halpern: It's modest what we're doing. It's modest; it's not grand. There is a park entrance plaza area, and it's very smart.

Council Member DuBois: Again, I like this project. I support this project. I'm concerned about our infrastructure budget being way over budget, and we just referred our Infrastructure Plan to Finance a week or two ago. I'll try a friendly Amendment and see if it flies. I would say that we move the Staff Motion subject to referring Items 3 and 4 to Finance as part of our infrastructure review. "C" and "D" up here.

James Keene, City Manager: Just a clarification. I understand the intent behind "D." That's a large unknown cost for which we don't have a pathway. I'm assuming that "C"—we have the mechanics already identified and outlined as to what we would be proposing to take the action.

Council Member DuBois: Then just "D" referring as part of that infrastructure discussion.

Mr. Keene: I would say that ...

Council Member Wolbach: That's coming to the Finance Committee anyway because it's in the budget process. That will come to Finance. I will not accept the Amendment because it's redundant.

Council Member Holman: I'd actually second the Amendment for clarity for the budget process. If Council Member DuBois wants to speak to his Amendment any further, I have comments.

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**AMENDMENT:** Council Member DuBois moved, seconded by Council Member Holman to replace in the Motion Part D, "direct Staff to identify" with "refer to the Finance Committee, as part of the infrastructure funding discussion, identifying."

Council Member DuBois: I do think it's important that we look at this as part of the discussion among infrastructure projects. What we're talking about is tradeoffs. To do this as a one-off versus our Fire Station or police station and everything else, when we've just sent it there a couple of weeks ago or last week—I don't remember when—doesn't seem like good process. I don't think there's much difference, but it's worth looking at these infrastructure projects together. Friends of the Junior Museum actually presented us with a good model. They had a two-story design. They had a \$25 million budget. They ended up cutting their project to stay within their budget. That's the kind of discipline we need when we look at our infrastructure projects. That's why I'm suggesting this Motion.

Council Member Holman: The reason I support this is because this is a really good project and worthy of support. We also have a larger responsibility to the public, and that is a fiscal responsibility having to do with our budget. It looks to me like, if we approve "A" through "D" tonight, we're committing that basically \$4 million to the Junior Museum and Zoo outside of the context of our budget consideration and our budget process and outside of the discussion of our infrastructure funding. That's what my concern is. It's not a criticism of the project. It's not an evaluation of whether it's worthy of this funding or not. It is because we are, as has been said by Staff several times—it's been referenced by the Council Members too—entering into a very challenging economic time, very challenging. It is just incumbent on us to do fiscal due diligence to have this discussion about a \$4 million contribution in the context of our infrastructure and budget discussions. I've made comments—this is not a one-off comment from me. I've mentioned several times both at Finance and at City Council meetings that we could not be working and building our infrastructure projects at a more expensive point in time. This is an incredibly unprecedented time in terms of cost of development. My support for moving Part D of this Motion to the Finance Committee to have a discussion in the context, if I say it again, is consistent with those comments I have made generally and at Finance and Council meetings before. I'm just trying to be a responsible Council Member in terms of our financing here. It should never be considered as a criticism of the project or lack of support of this project. It is about fiscal responsibility. Thank you.

Mayor Kniss: Council Member Scharff, then Council Member Wolbach and Vice Mayor Filseth.

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Council Member Scharff: I started my comments with how hard it is to get things done in Palo Alto. This is why it's so hard to get things done in Palo Alto. This project has been coming forward. You guys raised the money. If this Amendment passes, you won't be able to do your groundbreaking in the summer of 2018. In effect, we're saying we're very supportive of this project, but we're not going to put the \$4 million towards it if this passes, which means we can't do the project. I will not be supporting this. I know that we can find the \$4 million to do this. I know Staff knows; otherwise, they wouldn't have come up and brought it to us. I know that we have a huge problem with our Infrastructure Plan that needs to be funded. Whether or not we spend this \$4 million is not impacting that. This is a good \$4 million to spend. If we don't move forward and reward community members for all the hard work they put into doing this, they aren't going to do this kind of work. This Amendment sends the wrong message and is not about fiscal responsibility. This is about—this project would not happen then. You can't make the perfect in the world the enemy of the good. We need to get this done. We need to have the Junior Museum and Zoo folks leave this meeting tonight knowing that we're moving forward with the project, that it's happening, that their schedule is going forward. Think of all the hard work they've put into it. Here we're actually suggesting that we may not do this, that we're going to look at this through the budget process and decide whether or not we're going to do it in the context of our budget and our Infrastructure Plan. I find that stunning. We need to reward the people who worked hard on this. This is one of the best things we can do for the community when we have this amount of leveraged funds. I hope we'll all support this.

Mayor Kniss: Thank you. I think Council Member Wolbach was next. I see lights from Eric and Cory and Lydia.

Council Member Wolbach: Can I look to Staff for clarification on what would the implications of the Amendment on the table be for this project?

Mr. Keene: We're having a little bit of discussion right now just for a second.

Mr. de Geus: Council Member Wolbach, the point here is that Staff is actually recommending that we look to fund that \$4 million as part of our budget process and in context with the other significant infrastructure needs that we have. We're not asking where that funding is going to come from tonight. We are asking that we commit to finding a strategy to fund it.

Council Member Wolbach: That's the important point. Picking up on what Council Member Scharff was saying, given how many other resources are

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coming forward to support this long-awaited project, we need to send a very strong message and very clear message that we're moving forward with this. Again, I'm not going to support the Amendment because it's redundant. Council Member Scharff has illuminated that there may be actual negative consequences of this Amendment. For me, even beyond those I think it's redundant because this—prior to the Amendment, the main Motion would still provide an opportunity for the Finance Committee to dig into the proper way to fund this. That would then come back to Council. Prior to going to Finance, Staff is going to work on it. We're going to have Staff work on it, then Finance Committee, then it comes to Council. When it's at Finance Committee, the public can weigh in if they're critical of the Staff recommendation. When it comes to Council, the public can weigh in if they're critical of the Finance Committee's recommendation. There's plenty of opportunity for discussion in the original recommendation and the original Motion, so I will not be supporting this Amendment.

Mayor Kniss: Vice Mayor Filseth.

Vice Mayor Filseth: I was going to ask exactly the same question that the Rail Chair just asked, but I'm not sure I understood the answer. If we don't commit to this tonight, does the project go off the rails?

Mr. Keene: That's a different question than we were getting before. Let me ...

Vice Mayor Filseth: What are the implications for the project if the Amendment passes?

Mr. Keene: I don't want to throw another wrinkle in this whole thing. I'm more where Council Member Wolbach is. We're going to be talking about all these infrastructure issues with Finance regardless. You guys are already aware of that. We identified, even when we brought the infrastructure projects to the Council, the Infrastructure Plan and a number of other capital and infrastructure issues that we need to deal with. All this does is say that we will look at identifying a funding strategy for this \$3.898 million as part of the FY '19 budget process. That will include going to Finance. As you know, the City Staff doesn't have any ability to approve the budget. That will ultimately have to come to the Council when you adopt it in June. That being said, it's also safe to say the way this is constructed is that we are committing to doing this project.

Vice Mayor Filseth: That's my read.

Mr. Keene: It's how we precisely work out how we're going to pay for it that is yet to be determined. I don't know the actual cash flow piece of it. It

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may be something that extends over more than one fiscal year, this funding strategy. It would be a mistake to say that if you approve this, whether there's the Amendment or not, the basic intent is we're going to close that funding gap; we just don't yet know how to do that. You're directing us or not directing us as to how to proceed over the next couple of months.

Vice Mayor Filseth: Thanks.

Mayor Kniss: Lydia, did you want to speak to this?

Council Member Kou: Just to say a third time, having it go back to the Finance Committee and doing it through the FY 2019 budget process, to look at all the infrastructure projects that we're going to go through, is not going to delay the groundbreaking in June, yes?

Mr. de Geus: No, it shouldn't. It does assume we will find a solution and a strategy to fund it.

Council Member Kou: I understand. We're very much in support of the project, as I hear everybody say. It's just I want to make sure going back and being fiscally responsible and looking at the budget together with all the other projects that we have in terms of infrastructure is not going to delay this groundbreaking at least. We're still going to do the groundbreaking in June.

Mr. de Geus: Right. That's really what Staff's recommendation is, to go and look at a funding strategy in the context of all the other interests and needs that we have and different funding mechanism. That's the ...

Council Member Kou: When do we expect to go—do you have a tentative date for looking at the FY 2019 budget process?

Mr. de Geus: It's already begun.

Mr. Keene: We do that naturally. In this particular case of the Council Priority on infrastructure that you adopted again on Saturday at the Retreat, you have asked us to be sure in the Finance Committee we pay special attention to this infrastructure issue. Tomorrow night's Finance Committee meeting takes up the issue of infrastructure funding.

Council Member Kou: We're pretty much going into it. Thank you.

Council Member Scharff: Can I just clarify what Rob said? Rob, what I heard you say is—it seemed confusing. My understanding of this Amendment—if I'm wrong, tell me. My understanding of this Amendment is you don't want to commit to the \$4 million now.

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Council Member DuBois: Not to be blunt, I think you are wrong. If you read it, it just says identifying—if you read the end of it—funding sources. It's the same meaning. It's just saying do it in context with the other infrastructure projects, not on its own.

Council Member Scharff: What's the difference?

Council Member DuBois: Just that.

Council Member Scharff: What does that mean?

Council Member DuBois: We consider—it means if we all agree that this is a priority, we're going to have this list of infrastructure projects with overages. That \$4 million needs to come out of some other project.

Council Member Scharff: What Staff has directed Staff to do here is to find the \$4 million during the budget process. What your Amendment says is that we haven't committed to doing it.

Council Member DuBois: No. It says direct Staff—it says to refer to the Finance Committee as part of the infrastructure funding discussion, identifying the remaining portion of the City's contribution. It's still committed, but ...

Mayor Kniss: Excuse me. We're now debating in public, and I'm going to call an end to it.

Council Member DuBois: All I'm trying to say is do it in context, not on its own.

Mayor Kniss: At this point, everyone has spoken to this. You can identify it as you wish. I can tell you I'm speaking against the Amendment because I don't think it's in the spirit of what we're doing tonight. As I look at it, my math may be off a bit. Of \$25 million, our \$4 million is about 7-7 1/2 percent. It's a very small amount to commit to a group that has been astonishingly successful in raising money. We haven't had any other group in this City that has raised this much money. I'm supporting this, and I would encourage you all to vote whichever way you wish. We will end this item so we can get to the next one.

Mr. Keene: I'll say it after you vote.

Mayor Kniss: Let's vote on the board please. You're voting on the Amendment. This is a yes or no on the Amendment. The Amendment fails on a 6-3, and the yeses are Kou, Holman, and DuBois.

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**AMENDMENT FAILED:** 3-6 DuBois, Holman, Kou yes

Mayor Kniss: Now, would you please vote on the main Motion. The vote on the main Motion carries with—Karen is that a yes or a no?

Council Member Holman: It's a yes.

Mayor Kniss: That's a yes. This vote is unanimous. Congratulations to the group that came tonight. We appreciate your being here.

**MOTION PASSED:** 9-0

Mayor Kniss: City Manager, you wanted to add something?

Mr. Keene: I'll let sleeping dogs lie. That's okay.

Council Member Holman: Madam Mayor, I did want to make one clarifying comment. Down the dais, it was implied that this was an intention to kill the project. That was never an intention. I do not want that to stand. Thank you.

Mayor Kniss: Clarification taken. Please have the Clerk note it. We are done with the Zoo, which we left 15 minutes for about 45 minutes ago.

7. Review and Accept a Proposed Housing Work Plan for 2018-2019 and Refer Specific Elements to the Planning & Transportation Commission for Preparation of Related Zoning Ordinance(s).

Mayor Kniss: That takes us to our next item, which is going to be to review and accept a proposed Housing Work Plan for '18 and '19 and refer specific elements to the Planning and Transportation Commission for preparation of related Zoning Ordinances. We have only a little over half an hour. In that length of time, I would suggest if we have people from the public who wish to speak to this ... Thanks, Jim. With that, I would suggest that we hear from the public if they are here. We covered this item on Saturday in our Retreat and had general direction to go forward. Hillary, you want to introduce this item? You have a presentation, I know. Could you give me a sense, Beth, of—do you have cards from the ... There are seven cards from the public. We will try to get to those. In fact, let me just have a discussion for a minute with the Vice Mayor. Hillary, can you do your presentation in 20 minutes?

Hillary Gitelman, Planning and Community Environment Director: Easily.

Mayor Kniss: Thank you. We're going to have you do your presentation first, and then we will go to those who are listed on the board. As I said, we

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will do our best to be done no later than about 9:05 or 9:10 so that we can begin at 9:15 with Evergreen. The Vice Mayor and I agree that's the process. Thanks.

Ms. Gitelman: Thank you, Madam Mayor and Council Members. Hillary Gitelman, the Planning Director. I'm joined by Jeannie Eisberg [phonetic]. I wanted to thank you again for the opportunity to respond to the November 6th Colleagues' Memo. The Staff and I do relish this assignment. We've spent a lot of time preparing the draft Work Plan which, I hope, by now you've had time to review. I wanted to give you a brief summary. This is a little longer than the presentation we had on Saturday. I hope we can get into more depth on some of these issues, if not tonight then at a continued hearing. The draft Work Plan you've received provides some context and recommendations for implementation over a 2-year period. All of us by now agree that the region has a housing crisis. The rate of housing production has declined as the rate of job growth and housing prices have increased. In many communities, this is doubly troubling because the market-rate housing we produced 30 years ago or so is the more affordable housing of today. To the extent we are not producing housing at the same rate, we're getting ourselves in deeper trouble for the future. Here in Palo Alto, we're not immune to these housing woes. The Work Plan contains data about our current housing costs and what is considered affordable housing. We define this term using an accepted definition, which means housing that is affordable to households earning 120 percent of area median or less. The Work Plan gathers together tasks from the Colleagues' Memo, the Housing Element, the Comprehensive Plan. It also considers potential impacts of SB 35, the by-right or streamlined housing bill, passed by the Legislature in September and signed by the Governor towards the end of the year. As we talked on Saturday, we recently learned that only affordable projects here in Palo Alto will be subject to this streamlining process in this calendar year. HCD will review our eligibility or susceptibility to this program on an annual basis going forward. The Work Plan lays out the quantitative objectives we already have in place including our Regional Housing Needs Allocation, RHNA, which requires us to zone for 1,988 units, and our Comprehensive Plan projections for the year 2030. While our RHNA is heavily weighted towards affordable units and we require 15 percent currently of market-rate for-sale developments to be affordable, we don't really have an explicit quantitative goal for affordability. We can look at this further as we move forward with the economic analysis called for in the Work Plan. The City's history of producing housing units is illustrated here and in the Work Plan going back three RHNA cycles to 1998. As shown here, similar to the region as a whole, the rate of housing production in Palo Alto has declined over time. We will have to turn this around if we're going to meet our goals. The Comprehensive Plan projected 3,500 to 4,400 units between 2015 and 2030,



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which translates to between 230 and 294 units per year. We're already behind this goal because our production in 2015, '16, and '17 was not up to that level. We have to catch up, meaning that we're going to have to produce at least 300 units in this year and the years to follow if we're going to be on track to meet that projection. The Work Plan divides all of the tasks from the Colleagues' Memo, the Housing Element, and the Comp Plan into five different categories. I'm going to go through each one of those very briefly. The first category is ongoing projects and initiatives. This list contains many that I hope the Council is familiar with. You've asked us to review the efficacy of the ADU Ordinance adopted last year and come back to you with a recommendation from the Planning Commission on adjustments. That's headed back to you this spring. We also have headed to you a pilot project aimed at providing workforce housing that was just heard by the Planning Commission, an Ordinance creating an affordable housing overlay district. Of course, the North Ventura Avenue Coordinated Area Plan kickoff is on your agenda next week, and we've been working on a study of parking demand associated with different housing types and locations, which should be ready sometime this spring. The second category in the Work Plan is a category that includes a series of Zoning Ordinances we propose to prepare over the next 2 years. In 2018, the Ordinance would focus on eliminating constraints and making changes to stimulate housing in Downtown, the California Avenue area, and the El Camino zoning districts. It would also adopt minimum densities in the RM or multifamily zoning districts. Digging a little deeper into this first idea. One of the biggest challenges of getting more housing Downtown will be that most of the sites we're talking about are already developed with existing buildings and uses that are generating rent. Something has to pencil for the owner to engage in redevelopment of that site. In the recent past, we know that it has penciled for owners to redevelop sites in Downtown, and we have a few examples of recent buildings shown up here. What our Code is doing right now is causing owners and developers to build office space rather than housing. What we're going to be looking at is whether these building envelopes and the constraints we have in the Zoning Ordinance can be adjusted to make it easier and actually incentivize building housing in the Downtown and these other transit-served areas. In 2019, we'll look at other Ordinance revisions including some that might affect the R-1 and the R-2 district and need some further thought. The third category in the Work Plan consists of a few things from the Colleagues' Memo that we cannot implement without an economic analysis. We have one of the consultants who helped us with the update to our Housing Impact Fee Ordinance within the last couple of years poised to undertake this study as soon as the Council gives us the go-ahead on the Work Plan, hoping that that will lead to another Ordinance for Council's consideration by the end of this year. The fourth category in the Work Plan has to do with money. These are the funds

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that are set aside for the purpose of preserving or producing affordable housing in Palo Alto. They're made up of impact fees paid by developers. The Work Plan summarizes the current fund balances, what it costs generally to build a new unit of affordable housing, and what kind of subsidy the City has typically had to put into a project per unit to make the project feasible. If you use that historic subsidy level, we have enough in our funds right now to subsidize approximately 100 affordable units. Of course, that can only happen with other subsidies that the project will have to avail themselves of including tax credits that are now somewhat harder to get, I'm sure, because of the Federal tax bill and subsidies potentially associated with County Measure A. If this fourth category works out as we suggest, we would issue a notice of funding availability basically asking for proposals from entities wishing to use the funds to preserve or create housing, evaluate those proposals, and come up with a way to spend the City's money and actually create some units through subsidization this year. The fifth category includes a number of partnership opportunities, most of which the Council is aware of. The County Courthouse site is here; the Cubberley Master Plan is here; looking at the potential for housing development on Stanford-owned sites as called for in the Comprehensive Plan is here, and a number of other ideas. The Work Plan is based on an assessment of current resources available to us and a number of important assumptions. First and foremost, I think we all understand that we did a lot of community engagement, a lot of work with the community on the Housing Element and the Comprehensive Plan Update. We don't propose to redo that. What we're proposing here instead is very targeted outreach, particularly to people who have experience developing housing, and using our Zoning Ordinance to really find the levers that we need to push to make it more attractive to owners to redevelop their sites and provide the housing that we need. We also assume that we can use the Comprehensive Plan EIR and do only limited additional CEQA review. We're assuming there will be a relatively straight trajectory. We're hoping that the ideas we've outlined for the ordinances, for example, are things that came right from the Colleagues' Memo and other policy documents and, therefore, we have the Council's backing to proceed with those in an orderly fashion. The Work Plan has a timeline, lays out some of the items and how they play in relation to each other. We can easily go into a discussion of that in more depth. To get us started in a positive direction, we're recommending for this evening or next week, if you continue this item, that the Council first accept the draft Work Plan, then refer the 2018 Zoning Ordinance elements—I think that's on page 26 of the Plan—to the Planning and Transportation Commission for their work, and asking them to return an Ordinance to the Council for consideration sometime this year, and then refer the economic analysis and notice of funding availability and review of proposals to Policy and Services.

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That concludes our presentation. We're happy to hear from the public and any of your questions.

Mayor Kniss: Thank you so much for the presentation. We'll hold questions until we go to the public. Everyone, is this online, Hillary? Can people pull this up online, I presume?

Ms. Gitelman: They can.

Mayor Kniss: Thanks. The names are listed up on the board, starting with Danny Ross, Steve Levy, Bonnie Packer, Bob Moss, Elaine Uang, Pilar Lorenzana, and Grant Dasher. If there are others who wish to speak, would you get a card from the Clerk or give her a card. Thanks. Welcome.

Danny Ross: Good evening. My name is Danny Ross, and I'm Senior Development Manager at Palo Alto Housing. I'm excited this evening to see progress towards the development of housing in Palo Alto and applaud Staff for their work on this Housing Work Plan. I'm very hopeful that the affordable housing overlay is reviewed and implemented quickly because we are eager to continue our effort at our Wilton and El Camino Real project. The overlay option was the preferred path selected by a majority of Council during our Study Session in August of last year, 6 months ago. While Palo Alto is our hometown, we've expanded into San Mateo County and have been looking for sites as far south as San Jose. The housing crisis is a regional issue and one the City cannot solve alone. In addition to our 25 existing Palo Alto properties and proposed new development site at Wilton, we would love to provide even more affordable housing within this City as well. One of the major challenges that we face at our Wilton project and a key reason why we have not attempted to secure additional sites in Palo Alto at this time is the Retail Preservation Ordinance. The Ordinance responds to office space taking over retail space; however, there are unintended consequences for affordable housing development. Any use on one of our projects that is not housing or specifically serving housing such as retail and parking for retail is not eligible for tax credits. For 100 percent affordable developments, tax credits make up the majority of a project's financing. Without those credits, no new construction is financially feasible. The Retail Preservation Ordinance, therefore, puts retail ahead of housing development as it does not consider 100 percent affordable housing projects. I hope Council considers these impacts while assessing existing and proposed policies towards the effort of providing additional affordable housing. I would love to see the Retail Preservation Ordinance waived for 100 percent affordable housing developments. Short of that, some clear flexibility defined in the Code would be very helpful for our current and potential projects. Thank you very much.

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Vice Mayor Filseth: Thank you. The next speaker will be Stephen Levy.

Stephen Levy: I support the Work Plan. I have two additions for the economic analysis. One is what Danny just talked about. I agree with his position, but I'd really like to have a retail expert come in and explain to the audience and to the Council the implications of the Retail Ordinance outside of Downtown and outside of Cal. Ave. where I understand it, in places like El Camino, apart from everything and for affordable housing. I'd like to see the impact of the Retail Ordinance on the viability and financing of affordable housing studied. The second piece is in consideration of going from 15 to 20 percent for inclusionary zoning. I'd like to see the economic analysis to understand the impact if a portion of that inclusionary zoning is "missing middle" housing as opposed to straight low-income housing. I was very pleased at Palo Alto Housing last Wednesday for the 2555 El Camino project came out in support of the "missing middle" component. We're very excited to get the money. I'd like the economic analysis to look into whether having a portion directed to the "missing middle" is important. I support what Council Member Scharff said at the Retreat. Downtown and Cal. Ave. are the prime places for the quality of life reasons I talked about. If down the road apart from this, you'd like to support a low-income housing bond in Palo Alto, I'd love to be part of that campaign.

Mayor Kniss: Thank you very much. Bonnie Packer.

Bonnie Packer: Good evening, Mayor Kniss, City Council Members. The League of Women Voters of Palo Alto supports efforts by the City to increase the supply of housing for all, particularly for those with lower incomes. The League also supports walkable, mixed-use developments and efforts to increase the number and density of multifamily units, especially near transit centers and along transportation corridors. For this reason, we encourage you to adopt all the recommendations contained in the Staff memo submitting the Housing Work Plan for 2018-19. The excellent proposals in this Work Plan include urgently needed zoning updates that will encourage diverse housing near jobs, transit, and services. The League particularly supports the use of the City's affordable housing funds to stimulate the rehabilitation and the development of new affordable housing. We also applaud the recognition to address workforce or "missing middle" housing as well. Please do what is necessary to ensure that the Housing Work Plan recommendations, particularly the zoning updates, are implemented with all due speed to address the current housing crisis. Thank you.

Mayor Kniss: Thank you very much. Bob Moss and then Elaine Uang.

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Bob Moss: Thank you, Mayor Kniss and Council Members. I have some disagreements with the letter that was sent by the Council Members and by the Mayor, making some suggestions, and here are my objections. Eliminating the housing units and going to strictly FAR will eliminate your knowledge of what you're actually going to be developing. You will not be able to predict traffic impacts because every housing unit and multifamily generates eight trips per day. If you don't know how many units are going in there, you don't know how many trips you're going to generate. Every housing unit creates a negative cost to the City of about \$2,800 per year for services. If you don't know how many units are going in, you don't know how much it's going to cost the City. Furthermore, it makes it impossible for anybody living anywhere near that area to have any concept of what's going to be developed there in the future. School districts will have no idea of how many students are going to be generated by developments. You have to have zoning which specifies what does and doesn't go in. Secondly, you do not want to eliminate parking for housing, saying that people are going to take transit. They don't do that. Give you an example, Palo Alto Central, which is at the corner of California and Park. I talked to the chairman of the homeowners' association several years ago. They are right across the parking lot from the Caltrain Station. 85 percent of the people that live there drive alone to work. They don't take transit. People don't take transit in place of driving. Don't think you can eliminate parking spaces. Finally, when you talk about housing affordability, you have to realize that Palo Alto has some of the highest cost of land in the country, \$9 million an acre. That makes it extremely expensive to have affordable housing. Unless you can bring the land cost down, you're going to have real problems. I don't think that's going to happen.

Mayor Kniss: Thank you. Elaine Uang and then Pilar Lorenzana.

Elaine Uang: Thank you, Council Members, for taking this up. This is really important. I've been thinking about two friends lately, both named Mary. One actually came to me this week. She's a longtime childcare educator. She came to me this week and she said she's got to go; the rents increased; can I help her find a place somewhere. Another friend, Mary, told me a couple of months ago that if she gets another rent increase, she's gone. She's a 25, 30-year resident of the City of Palo Alto, lives Downtown, walks everywhere, doesn't own a car. She's exactly the kind of person that we should be targeting our Housing Work Plan toward. She's on the rocks. At the source of all of this is scarcity. It's housing scarcity. We have artificially scarified [sic] our housing resources in our City. The solution isn't to just say we've got to stop the demand. We do have to build more. I'm thankful for Planning Director Gitelman's numbers that show really how far in the hole we are. A particular interest for me is to look around our own

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neighborhoods right now and see what we already have. We have very good models for housing. There's a lot of middle-density housing from the 1920s, almost a hundred years ago, that are 4, 5.0 FAR, that are excellent models, Hotel President, Staller Court, Casa Real. We have lots of great "missing middle," and I don't mean middle income. I mean just duplexes, quadplexes, really in-between things, between single-family and apartment building types, that we can all draw from. I know tons of people who want to create multigenerational cottages and compounds on lots near Downtown. They can't because we have density limits that preclude that. We should really think about, as you evaluate this Work Plan, some of the historical models that we have, include those going forward. A lot of those recommendations have been made. The last piece I want to mention is with inclusionary; 20 percent of zero units is still zero affordable units. We really need to be thinking about 20 percent of 1,000 market-rate units to get those 200 affordable units. It's not just about 100 percent affordable, which is important. We really need to think about how we accommodate our inclusionary zoning. Thank you.

Mayor Kniss: Thank you. Next speaker and then ending with Grant Dasher unless somebody else wishes to speak.

Pilar Lorenzana: Good evening, Mayor Kniss, Vice Mayor Filseth, and members of the City Council. My name is Pilar Lorenzana, and I am Deputy Director for SV@Home. SV@Home is a nonprofit policy and advocacy organization. We really focus in ensuring that there's housing for all. Housing opportunity exists for everyone in our community. On behalf of our members, I'm here to voice our strong support for the Housing Plan that's being presented by Staff this evening and over the last weekend. I also do want to take the time to thank Hillary and Staff for their engagement and for the thoughtful process. We're really glad to see so many of the solutions that we support front and center in your list of Priorities for this year, whether it's accessory dwelling units, the North Ventura planning process, the implementation of the Comprehensive Plan, or finding new and innovative solutions such as the workforce housing overlay Ordinance that you all are thinking about. We really, really support your efforts to go big on housing. Additionally, we ask that you move forward with this Work Plan with speed and urgency. I want to say I commend all of you for your commitment to saying yes to housing this year. Like Elaine said, ultimately saying yes to housing means saying yes to people that already live and work in Palo Alto. Saying yes to housing means that Palo Alto is a community that welcomes people, people that care for children, people that raise and teach our next generation, and the people that have kept and continue to keep your City and your neighborhoods running. I think that is truly something worth our organization's support. We look forward to weighing in

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on these issues at the appropriate time and to helping the City achieve its affordable housing goals. With that, thank you very much.

Mayor Kniss: Thank you for coming. Grant Dasher and then Stephanie Munoz.

Grant Dasher: Thanks everyone. I'll try and keep this short so that you can move on to the RPP topic. I just wanted to voice my support for this initiative. This is a super important Housing Work Plan. I'm very excited to see the focus on transit-oriented development and building in and around transit. Specific policy issues like targeted increases in FAR and perhaps targeted height-limit increases subject to design considerations are things that should absolutely be on the table. Everyone else has said that housing is in crisis and we need to do something about it. I really wanted to start with a story. I didn't have a car until I moved to California. I really would like to go back to not having a car. I hate cars; I hate driving. I really wish that I could get around this community without a car. After moving Downtown, I think I reduced my car travel by about 80 percent because pretty much everything other than commuting to work didn't need a car anymore. That was a huge improvement in my quality of life. As transit improves, I'm really hoping that improvements in the Caltrain corridor that are coming along will make it possible for me to commute. The fact that I'm moving to Sunnyvale instead of Mountain View will make it possible for me to commute without driving at all. The only way that we're going to get to a less traffic community is if we take a risk on people not needing to drive. That requires us to go out on a little bit of a limb. We're not there yet as a community, but we can be. I really worry that if we don't take those risks, we're not going to get anywhere. I really would encourage the Council to take some risks on TDM, take some risks on transit-oriented development, and see if we really can build a neighborhood that people can get around without driving. Palo Alto is a leader in a lot of areas. We should be a leader in this area too. Otherwise, I worry that maybe our future for my generation and my kids' generation won't be as rosy as previous generations. Thank you.

Mayor Kniss: Thank you. Last speaker, Stephanie.

Stephanie Munoz: Good evening again. I think the Council's going in the right direction. The prodding from the State is kind of offensive, but I think they have the right idea about housing. I am worried that the housing prices—the inflation is going to get ahead of you. Even though you're trying hard now, it's going to get ahead of you. For that reason, you should make an across-the-board effort of giving economic incentives to private developers to make affordable housing. I believe that can be done by

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having denser apartments, higher apartments. They should be beautiful; they should be a contribution to the community. They should have nice things in them like little cafes or La Comida for seniors. Perhaps we should get a funding mechanism of citizens who could contribute for low interest or no interest but not as a contribution per se but rather as a no-interest loan toward getting certain housing elements underway that really shouldn't wait. The economic reason that they shouldn't wait is because the longer we wait, the higher the costs go. If you make it possible for private people to rent apartments, they could be rent controlled. It would be still worth their while to provide these apartments. You'd be glad you did it. Thank you very much.

Mayor Kniss: Thank you. At this point, we have presented the item. We can begin the conversation. We can even have a Motion. I've had a conversation with Molly. We're going to continue this item next week on Monday night, which certainly we will have to do. The Zoo took a little longer than we had anticipated. I'm going to call on the first two members. In about 15 minutes—these two clocks are somewhat different. What time do you actually have? We'll give this a little over 10 minutes. Let's take it 'til about—I think we can take it 'til about 9:10 depending on which clock you're looking at it. We will get as far as we can, and then we'll hold the rest of this for next week. We've heard the Staff presentation. We've heard from the public. Molly, I want to make sure I haven't made any process error. We can continue this for next week at a time certain or can we continue it for next week, which is the 12th, for a time uncertain?

Molly Stump, City Attorney: You're choosing a date. Where that item is placed on the agenda is subject to the City Manager and the Mayor coordinating on handling the agenda.

Mayor Kniss: Thank you very much. I saw lights initially from Fine, Holman, and after that either DuBois and Scharff or Scharff and DuBois. They went on while I was looking at Molly. And Wolbach. Some of these cannot come 'til next week. Council Member Fine, do you want to start this out?

Council Member Fine: Sure. Thank you, Madam Mayor. Were you indicating that you're expecting us to continue this or you would be willing to entertain ...

Mayor Kniss: I'm expecting this to be continued.

Council Member Fine: You would be willing for a Motion up there that we can continue?

Mayor Kniss: If somebody wants to make a Motion, you're free to do it.



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Council Member Fine: I'll do it at the end of my little chat. Thank you, Staff, very much for this. Also thank you to all nine of us up here for originally moving for the Memo unanimously. The City has taken a lot of work to begin to address the demand issue in terms of jobs, in terms of passing an office cap, and other measures to slow commercial growth. In this Work Plan, we finally have a good start to begin addressing housing and traffic issues in Palo Alto. This is also a great opportunity for us to put the Comp Plan into action. At the highest level, this Work Plan will streamline processes for affordable and market-rate housing, will improve our regulations to facilitate a greater variety and quantity of housing in our community, and will also increase the amount of housing we zone for near transit. Council Member Scharff put it pretty well at our Retreat this past weekend that we need to do two things. One is we need to make it easier to produce housing. Two, we need those outcomes to be bigger. As this report details—thank you, Hillary, for including some of the graphs—we're currently producing about 100 units on average. Through our Comp Plan and all the community engagement we did for that and through this Council's policy, we've roughly agreed upon a goal of about 300 units per year. We do need to triple our housing production if we believe those goals are real. I'm going to move the Staff recommendation ...

Council Member Scharff: Second.

Council Member Wolbach: Second.

Council Member Fine: ... with one quick item to add. That item is to add an item to the 2018 Work Plan to increase housing FAR Downtown, Cal. Ave., and El Camino.

**MOTION:** Council Member Fine moved, seconded by Council Member Scharff to:

A. Direct Staff to:

- i. Complete ongoing projects and initiatives designed to stimulate the production of affordable and workforce housing;
- ii. Develop and adopt one or more zoning amendment Ordinances with provisions designed to encourage production of a diversity of housing types in appropriate locations;
- iii. Prepare the economic analyses necessary to prepare and consider Ordinances increasing inclusionary requirements from 15 percent to 20 percent for new development, applying inclusionary requirements to new rental housing, and requiring

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payment of in-lieu fees or off-site replacement if existing units are removed from the housing stock resulting in a net loss of units;

- iv. Use the City's affordable housing funds to stimulate the rehabilitation and development of new affordable housing;
  - v. Partner with other agencies and organizations to meet the needs of underserved members of our community and to engage in community conversations about the use of publicly-owned land for affordable housing;
  - vi. Add an item to the 2018 Ordinance to increase housing Floor Area Ratio (FAR) in the Downtown, California Avenue, and El Camino Real areas;
- B. Refer Work Plan Items 2.1 through 2.6 to the Planning and Transportation Commission for input on the preparation of a 2018 Housing Ordinance and a recommendation for consideration by the City Council; and
- C. Refer Work Plan Items 3.1 through 4.2 to the Policy and Services Committee for input on possible policy changes and on the use of City housing funds.

Council Member Fine: It sounds like we're going to continue this to next week, which is fine. I was just writing myself some notes here. We know there's a housing problem. That's unquestionable at this point. We've heard from the public loud and clear that it is one of their top issues. We have some solutions. In my opinion, it's time for us to stop studying the issue and actually do something. I really hope we will be able to move this forward, whether it's tonight—that'd be great. If it's next week, so be it.

Mayor Kniss: Thanks for your brevity. Let me mention now because I think every one of you has had your light on with the exception of Eric. Greg Tanaka, you may not have had your light on, but I imagine you will. Again, we've got about 10 more minutes to talk about this. We will continue it. I will keep this list of when you put your light so that we can begin that next week. Karen, you're next. Greg, I'm sorry. You seconded it. Excuse me.

Council Member Scharff: Thanks. I obviously support this. I appreciate the Amendment. The Amendment is really important. It's really important to think about how do we actually get housing built in Downtown and California Avenue, which is the right place to go. We probably need to increase the housing floor area ratio. That seems like something that's going to take a

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bit of Staff work, and it's somewhat important to give us options, to tell us what it's going to look like, all those kinds of things, what the different options are. I'm really glad we're putting that in the Work Plan. I do have some small questions on the Work Plan I wanted to ask about. On 2.4.5, it says allow parking reductions based on TDM plans and on payment of parking in-lieu fees for housing in Downtown and Cal. Ave. Could Staff just basically tell me what they were thinking with what that looks like in terms of the Work Plan, what they'll be doing, what they're thinking about?

Ms. Gitelman: This is one of the ways in which our Zoning Ordinance currently favors office development over residential development. Office development is permitted to pay an in-lieu fee Downtown for parking rather than providing the parking onsite, in a sense sharing parking by paying into a collective parking structure. We're going to explore whether that option should be made available for housing, particularly Downtown and potentially in the California Avenue area. In both areas, we're building garages at substantial cost, and new housing could potentially contribute to that cost.

Council Member Scharff: We're going to explore it, and you're going to come back to us, right, with different ...

Ms. Gitelman: We're going to look at options. We would potentially draft something and include it in this Ordinance for your consideration.

Council Member Scharff: That's helpful to understand that. You're going to do some studies? Do people park in the parking garages and then walk to their apartment? Do we have any sense if that works? We know it works with office workers. I assume it works with housing workers, but I haven't really seen it. I haven't really seen stuff where you have offsite garages, and they're not necessarily that close to them. You're going to pool the money. TDM programs historically have worked a lot worse for housing than they have for ... I just would hope we'll do a bunch of work to understand how that works.

Ms. Gitelman: We really haven't analyzed all of these things in-depth, but we will do so. We'll find some precedents and bring you some concepts in the draft Ordinance.

Council Member Scharff: As part of the Work Plan on the parking stuff, we're looking at the car lite project on the VTA. What we're doing there is that's based on TDM plans. That would be housing based on that as opposed to parking. That's really what that project is like. We're obviously not doing parking—they're not paying into any parking districts. I was trying to understand where that would fall into that. If we decide that's a success, that would fall into that?

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Ms. Gitelman: That's right. There is a number of recommendations in this section of the Work Plan related to parking. There's also a suggestion in 2.6.1 that we could adjust parking requirements if we get data to support that in the study of different housing types and locations. We're looking at sample projects to see whether the type of housing that's provided and the proximity to transit and services influences the average car ownership and vehicle trips in and out. If there is some nexus there, it would be the basis to make some adjustments to parking requirements.

Council Member Scharff: The other question I had was explore implementing a no new net loss policy when housing is redeveloped. I wanted to understand a little bit what Staff was thinking there. If something is nonconforming but there's a housing unit on it, *i.e.*, it's been zoned for something else; it's nonconforming, were you thinking the no net loss policy would apply to that?

Ms. Gitelman: We have to think further about nonconforming situations. Our main objective was redevelopment of sites. We've seen it any number of times in the last few years where you have three units on a parcel. Someone buys the parcel, subdivides it, demolishes three units, and you end up with two. We're trying to explore whether there's a policy or program the City could put in place that says you can't eliminate a unit like that without creating a replacement somewhere or paying some kind of fee. The attorneys are not certain we can do this, but it's something we want to explore with our consultant.

Council Member Scharff: Maybe we could think about—I won't do it now. When I come back, I want to think about it a little bit. My concern is that this seems to not save a lot of units. I just want to make sure we understand. Is it then only going to be limited to basically—we're talking about single-family residential where there's more than one unit? I want to make sure we're not talking about Page Mill where we had the six homes that were clearly—we rezoned it to be something else. On Page Mill, where we're now building the office development there, there were six homes there.

Ms. Gitelman: We're building a project that includes residential units. In that case, it wouldn't apply. It would apply if there was a situation where you had multiple homes or a small apartment building that was being redeveloped for office. We'd say, "Wait a minute. You've got to replace the units."

Council Member Scharff: If we've rezoned it for that ...

Ms. Gitelman: We'll look at the nonconforming ...

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Council Member Scharff: ... that doesn't necessary make sense to me because we already charge people a housing fee when they develop office or when they develop something else. It doesn't make sense to me that we would ask something to be redeveloped, and then put an obstacle in the way of redeveloping it by saying, "You'd have to pay for this as well." I don't think that makes logical sense.

Ms. Gitelman: I take your point about nonconforming situations, and we'll look at that.

Council Member Scharff: In single-family situations in single-family neighborhoods, if you have a lot—say I build an ADU or I buy a house with an ADU on it, and I want to tear the ADU down. I assume that, for instance, would not apply because now you'd have two housing units. I wouldn't want to have incentives not to build ADUs. The biggest way to incentivize not building an ADU is saying, "If you build it, you can't get rid of it." My overall question on this is every time we ask you to do something, the Palo Alto Staff or whatever, what I hear back is you're overworked, you have way too much to do. It's a Staff resource. I just want to know at the next meeting how big a deal is this. Are we talking about losing ten housing units a year to this? Is this where Staff should be spending its time, given that we want to create a lot of housing units? The limiting factor seems to be Staff's time on doing the things we need to do. You don't have to answer that now. That's what I'm concerned about on this. I have some concern on a couple of these things besides that. We've added we want you to look at the FAR. I assume that's quite a bit of work frankly to go that and talk about increasing FAR. The Motion actually was El Camino, California Avenue, and University Avenue. To make those decisions, we're going to need to be able to see what a model looks like in each of those. What's a 2 FAR look like on Cal. Ave., what's it look like Downtown, what are the kinds of lot sizes, how do you make those decisions if we move to having pure FAR, which is basically some sort of form code as opposed to unit code? I'm assuming that's a lot of work for Staff. My question is, if this is your bandwidth, are there other things that you should not do or do you actually have more bandwidth and you can do more. I'm trying to get a sense of Staff's time and ability with the goal being to create more housing and take away the barriers. With that, I obviously support the Motion. I wanted to say you guys did a good job in putting this together.

James Keene, City Manager: Madam Mayor, I know you know you have 4 minutes left until 9:15.

Mayor Kniss: I've made a decision that we're stopping here. We need a few minutes to get reorganized. I want to tell everyone that I have to recuse

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myself on this because we own something within 500 feet of what we're going to be discussing—actually in the middle of what we're discussing tonight. I'm going to turn it over to the Vice Mayor, who will do an excellent job running this. Perhaps somebody ...

Council Member Holman: Madam Mayor? Are you saying we're ending this item?

Mayor Kniss: Yes. Hang on, because I'm about to read what's going to happen. We will be back for this ...

Council Member Holman: For this item?

Mayor Kniss: Yes. We'll be back for this item. When we get to this item next week, Karen, you start off the conversation. I'm trying to keep you in line—in order as much as I can. Karen, Tom, then I had Cory. Lydia, did you have your light on? By the time we're done with this, everyone will want to speak to it because this is one of our, as you know, Priorities for this year. We voted on it on Saturday. One of our top Priorities and one that is not only a Priority but also one that is responsive to our Comprehensive Plan and to our RHNA numbers, which are essential. With that, unless one of you has a question about this, we'll continue it next Monday night. Do we need a Motion?

Mr. Keene: Not really, no.

Mayor Kniss: In that case then, we're not really going to have one. As I said, we'll continue next week. We are going to gather back here at 5:00 next week, where we have a long Closed Session, and then we'll go into our regular session. If possible, I'm going to suggest that the City Manager and I take this item up first after we have our usual Oral Communications and so forth and then go on with the rest of the items. With that, not needing a Motion, I am going to declare a 5-minute reorganization and turn this over to Eric Filseth.

This Agenda Item continued to February 12, 2018.

Mayor Kniss left the meeting at 9:09 P.M.

Council took a break from 9:09 P.M. to 9:19 P.M.

8. PUBLIC HEARING: Two Resolutions: Resolution 9739 Entitled, "Resolution of the Council of the City of Palo Alto to Continue the Evergreen Park-Mayfield Residential Preferential Parking (RPP) Program With Modifications;" and Resolution 9740 Entitled, "Resolution

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of the Council of the City of Palo Alto Establishing 2-Hour Parking Along a Portion of El Camino Real Between College Avenue and Park Boulevard; and Finding the Action Exempt From the California Environmental Quality Act (CEQA) (Continued From December 11, 2017 and January 29, 2018)."

Vice Mayor Filseth: ... presentation, and then people can speak to the item. As of this moment, we have one group that's going to speak for 10 minutes, and then we have 14 other speakers. I think what we should do is the speakers should get 3 minutes because it's an important issue. People have waited a long time for this. People should get to do that. That said, if we get to an unwieldy number of speakers, if we get to 18 or 20 speakers, then it's going to go on too long, and we're going to have cut folks down to 2 minutes. What I would ask is that if everybody who wants to speak could please get their card in right away so we know, in the next few minutes. With that, let's come back to order. Staff, you have the floor.

Joshuah Mello, Chief Transportation Official: Good evening Vice Mayor, members of Council. I'm Joshuah Mello, the Chief Transportation Official for the City of Palo Alto. With me this evening is Philip Kamhi, our Transportation Programs Manager. This evening, Philip's going to give you a presentation on the status of the pilot RPP program in the Evergreen Park-Mayfield neighborhood and also present some Staff recommendations on making that program permanent. With that, I'll turn it over to Philip for the presentation.

Philip Kamhi, Transportation Planning Manager: Thank you. Good evening. This gives a bit of the program background leading up to today, which is not listed. The final thing that should be shown there is that the pilot program expires on March 31, 2018, which is coming right up, which means we'd like to start selling permits for this program next month if it's approved to continue. This slide compares the Evergreen Park/Mayfield program to some of the other programs and how the employee permits are allocated. You'll have to note that the Downtown program does not sell out to the maximum amount of permits that are available for employees, but the Evergreen Park/Mayfield program and the Southgate program do. There are 250 maximum employee permits that are available. The preference is given to low income and those that are on the waiting list for garages and lots. Currently, there's 524 employee daily permits that were sold. I'm not sure how many of those have been used because they're scratchers. They are self—once used, they become invalid. There's no permit cap for these daily permits similar to the one that exists in the Downtown RPP. Currently, each residence can receive up to three annual permit stickers as well as up to two transferrable annual permit hangtags. There are currently 11 residences or

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households that have purchased more than four permits. Businesses primarily in Zone A and B along El Camino Real notified Staff that they were having a shortage of permits. This occurred in the last permit sales. Permits are valid for 6 months. There's a list of at least 11 businesses that we received concern from. There are likely more than that. This slide shows occupancy counts that were done before the RPP program was in effect. You can see that this is Evergreen Park. There were 13 blocks that had over 85 percent occupancy at certain periods. This is Mayfield, which had 7 blocks with over 85 percent occupancy at certain periods. This is current. Previously, there were approximately 21 blocks that had over 85 percent occupancy with the program in effect. This is on a weekday at the peak, the highest occupancy period. There are approximately 5 blocks that exceeded 85 percent occupancy. The average occupancy in Zone A was 44 percent. The average occupancy in Zone B was 36 percent, and the average occupancy in Zone C was 53 percent. These slides illustrate what occupancy would look like. The slide on the left is illustrating 30 percent occupancy. The slide on the right is 40 percent occupancy. On the left is 50 percent occupancy. On the right is 60 percent occupancy. This is Staff's recommended threshold. On an average block with, say, ten spaces available, there would be four spaces that are actually available at any given time with a 60 percent occupancy, which means that typically somebody would be able to park within one or two parcels of their house. These slides show 70 percent and 80 percent occupancy. Those are both above the threshold that Staff would recommend. These would necessitate adjustment. This slide shows the current Zones A, B, and C and also the allocation of permits that currently exist. As I noted before on the parking occupancy, there's some bunching that occurs nearest to El Camino and California Avenue Business District. Also, the current zones split some of the streets, which could be confusing for somebody parking there. Staff is recommending redistributing the zones to reduce the bunching, as such splitting the zones. You'll see Zone A, which has had high occupancy nearest to El Camino. Splitting A into A and B would force some of the parking to move away from El Camino. Similar with Zones C and D, which are currently our Zone B. That would move some of the people parking currently right against the California Avenue Commercial Business District into Zone C. The same thing for E and F, which are our current Zone C. This shows the current Zones A, B, and C with their average weekday occupancy and the proposed new zones with their existing weekday occupancy. This is without redistribution. This is before we would say that certain permits would be allocated to certain zones. This is what's happening without that. This is a recommendation to increase by 40 permits for employees and to redistribute the permits based on the current zones. The 40 additional permits would be distributed through A, B, C, and D, which are formerly A and B where we had requests from employers to get more



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permits. The redistribution on this sheet is based on the percentage of supply that existed under the previous zones. This is not a recommended option; this is just so that we can understand. It's meant to illustrate the challenge of equally distributing permits throughout the zone. It would force Zone C to have an extreme number of permits compared to its current situation. It's actually impossible to balance. Even if we were to allocate zero permits in Zone E, we believe it would still have higher occupancy. This slide is just using the current distribution based on the total number of parking spaces available in the district but without a recommended increase in employee permits. Finally, we had a series of meetings with neighborhood stakeholders, businesses, and residents. I'm going to mention some of the requests that we received from them. This first one may sound familiar because it's very similar to the request from Southgate. Some businesses and some residents supported this. That'd be to create a new zone along El Camino to include unrestricted parking on the east side of El Camino Real from College to Park to accommodate approximately 38 parked vehicles. Using that current proposal for no increase in permits, which is Option 3 in your slides, it could easily accommodate 40 additional employee permits. I do say if an RPP on El Camino is recommended, it would require a separate Resolution. I believe we discussed today that it probably wouldn't; it probably could be incorporated into the current Resolution. Finally, these are some of the other stakeholder requests and concerns. Some of these are currently under way and we're working on. Some of these we don't recommend at this time. With that, the recommendation before you is to— I'll summarize; it's kind of long—create three new zones to make six total zones to better distribute employee parking; to increase the employee permits by 40; to add a cap to the daily permits similar to the Downtown district; to clarify some language regarding re-parking; and to reference the program goals of reducing impacts and set a threshold of occupancy of 60 percent; and to set the fees to match the Municipal Fee Schedule. With that, I'm happy to take any questions.

Vice Mayor Filseth: The next thing we'll do is go to the public. Let me ask one clarification since it's on your previous slide. Can you repeat what you said about adding El Camino, whether it could be part of this Motion or not?

Mr. Kamhi: I would like to make sure Molly's in on this. What Josh and I had discussed is we believe it would be incorporated into this current Resolution. It would not require a separate Resolution.

Vice Mayor Filseth: What we'll do then is go to the public. We'll look for clarification on the disposition of that afterwards. Beth, how many cards do we have?

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Beth Minor, City Clerk: Fifteen.

Vice Mayor Filseth: Anybody else that wants to speak, you have 1 minute to get in your card. Let's go to the public, and we'll target 3 minutes for each. The first group will be Michael Eager speaking for five residents, and you'll have 10 minutes.

Public Hearing opened at 9:33 P.M.

Michael Eager, speaking for Susan Heimlich, Margaret Heath, Joanne Koltnow, Paul Machado: My name is Michael Eager. I live in Evergreen Park on Park Boulevard. I'm speaking on behalf of quite a number of people. This was a collaborative effort to come up with a proposal and some comments. I'd like to ask the people in the audience who support this to stand. We've got quite a bit to go through, so I'll try to go quickly. We agree that the RPP was successful. It's reduced parking density in the neighborhood. We had a lot of people who were parking, getting on Caltrain; parking, going over to Stanford campus. They have mostly moved out of the neighborhood. We still have some issues, so we want to talk about that. We support rezoning, perhaps not exactly the same boundaries. If the Staff believes that six zones are easier to manage, we believe that too. We support improving the way permits are distributed. The existing scheme has been a bit of a land rush, where the first person in buys as many permits as they want or as many permits as they can. As might not come as a surprise, the last guy gets none. We don't see a basis for increasing the number of permits in the existing zones. If there is more area added as the Staff has indicated today, we could certainly agree to that. We don't believe that there's anything to warrant increasing the number of employee permits. We oppose any arbitrary density; we'll come back to that. We believe that's unsupported. Because there is a current issue with the businesses in the area, we support issuing 40 temporary permits valid until October to handle the problems that have been caused by the sale of the permits in the second half. As I said, we met all the expectations. It was a successful RPP. The first 6 months, there were no problems. When permits came up for renewal, all of a sudden there are problems. One of our questions was what changed. It took a long time to figure out what changed. It was the permitting process. If you read the Staff Report, there's really nothing that says there was a problem with permitting. There's this increased demand; we'd need more permits; people can't get permits. What really happened was this land rush. Some people got a lot of permits. People have more permits than they're using. We believe that there wasn't enough contact between the City Staff and the businesses. We believe that the process of buying permits is not as flexible or as efficient as it could be. We believe that the City doesn't really have

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much control over who gets permits, how many go to a business. All these are things, which can be addressed, should be addressed. We support the rezoning of the areas. Some people believe that splitting the current Zone B along Ash Avenue would be a better plan than splitting it vertically as the current Staff plan is. We believe that the issues around El Camino and the Stanford campus are part of the problem. The people who used to park in the neighborhood are now parking on El Camino. El Camino, which used to have some available parking for businesses, now has none. We support integrating El Camino, both sides of El Camino not just one side, into the RPP. I believe that we should ask Staff to coordinate with Stanford University to make sure that people working at Stanford have parking at Stanford and are not parking in the Evergreen Park neighborhood. The permitting system can be redesigned. I believe Philip has mentioned that there are plans to do this. We should only be selling permits to employers. The situation where you sell some number of permits to employers and then the employees come in amounts to double dipping. One employer buys ten; ten employees buy ten; that one employer ends up with 20. This is an imbalance in the distribution. We want permits to be for zones closest to the businesses. We want preference for neighborhood-serving businesses, the dentists and the medical and the other businesses that have been strong supporters of the community. We want to support them as well. We want to support low-income workers. Businesses, which have low-income workers, should get preferences. For buildings which have a TDM in place, the TDM should be addressing the parking issues. In many cases, these buildings were built with less than adequate parking because there was a TDM. If the TDM is not being managed, if it's not being enforced, it's ineffective, that does not mean that those businesses should then overflow into Evergreen Park and Mayfield. We don't think there's a basis for an increase in the permits on a permanent basis unless there is an additional area. We don't believe the City has shown that there is more demand. We believe there is an imbalance in supply and demand. Philip talked about some density levels. We asked at the stakeholder meetings where this 60 percent number comes from. It doesn't seem to have a basis in either surveys, in City planning, in transportation management. We don't know where it comes from. There were slides showing what it looks like. We're not really convinced that that's what it looks like. When Philip said that a 60 percent density level means that you'll find parking within two parcels, that isn't shown by his charts and his diagrams. Distribution of parking is not even throughout the zones. It's clumped; it's not scattered randomly. What happens is all the parking will be close to the business areas along El Camino, and there will be empty spaces 3 blocks away. We don't really believe that this standard is appropriate. We don't believe it's based on a factual survey. We believe the survey was done on 1 day. We don't know if it's representative or not. We believe if you want to establish a City-wide

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standard, don't start with Evergreen Park. Wait until you get good data. Good decisions are made by good data. I don't think we have good data in this case. We have an exigent circumstance with the businesses. They need permits. They weren't able to get them during the permit renewal. We believe the right solution is to allocate a number of permits, 40 permits, expiring in October to handle this exact problem, not to try and solve the problem in distribution, which Staff seems to be saying can be solved by just issuing more permits. If you don't solve the problem with distribution, then every time you have a problem, you'll come up and say, "We need to give more permits." We don't believe that's a good solution. We believe there should be an equitable distribution of permits. We don't believe there should be increased permits. We don't believe in an arbitrary and unfounded standard for occupancy. Other than that, we think the RPP is a success, and we should continue it. Thank you.

Vice Mayor Filseth: Thank you. The next speaker will be Jen Bayer. You'll have 3 minutes.

Jen Bayer: My name is Jen Bayer. I live on Oxford Avenue. My neighbors and I are here pleading our case because you've raised the voices of nonresident business owners, customers, and employees above our own. Despite our request to keep our residential neighborhood streets for residential use, you've allowed nonresidents to buy permits to park in front of our homes. Now you're being asked by Staff to let nonresidents occupy 60 percent of the parking along our streets. With the majority as nonresident parking, our nominal residential parking program is actually a commercial parking program. I'm reminded of George Orwell's novel titled *1984*. I recently studied European colonization, and I think my neighbors and I are being colonized. Outsiders are taking control of an important part of our neighborhood and using it for their benefit without our consent. Worse yet, they're doing it with your permission. It's as if you allowed nonresidents to prevent us from using Rinconada Park by reserving the fields, courts, picnic tables, and pool lanes. Both the use value, our enjoyment, and the market value of our homes are being diminished because you're allowing us to be colonized. The current situation in Evergreen Park with nonresidents parking hundreds of cars there daily and already clamoring to park more even before approved construction results in increased parking demand is an abuse. We endure the traffic, noise, air pollution, and risks of collision accompanying such use. Others enjoy its benefits. A few years ago, you instituted a residents only RPP program in College Terrace, a neighborhood immediately adjacent to Evergreen Park. Today College Terrace is free of nonresident parking. Evergreen Park can be too. Equal protection is what it entails to make it so. Please do this. Thank you for your consideration.

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Vice Mayor Filseth: The next speaker will be Hilary Bayer.

Hilary Bayer: Hi, my name is Hilary Bayer. I live on Oxford Avenue, and I'm here tonight to ask you to consider some thoughts about democratic governance, good urban planning, and fairness. First, let's think about democratic governance. Elected officials like you are responsible to voters. We vote where we live because everyone lives somewhere. Only some people own, operate, or are employed by businesses. In the early days of our country, we clung to the notion that property ownership was a necessary precondition to voting. We've since shed that vestige of feudalism. Like denying votes to women and slaves, we recognize it as inhumane. Each of us is represented where we live. Elsewhere, our interests are rightfully subordinate to those of residents. The residents in this room tonight elected you, and we are who you're by law representing. Second, let's consider best practices in community planning. Neighborhood streets are created to provide access to adjacent residences. They're designed for residence-related traffic and parking. This is universally recognized as a sound planning practice. Limiting residential neighborhood streets to residential uses improves the health, safety, and welfare of residents. As our representatives, that's what you've sworn to do. When residential streets are used as commercial parking lots, residential health, safety, and welfare are diminished. This result reflects a planning failure rooted in flawed analysis, misrepresentation, or other shortcomings of duty by government employees and elected officials. Residential parking limited to residents can at least mitigate such a failure. Finally, let's talk about fairness. Anyone who engages in economic activity is rightly responsible for bearing its full cost. Economists unanimously agree that forcing costs onto others contributes to inefficient allocation of resources and loss to society. Using neighborhood streets as commercial parking produces such a loss. With it we force residents to bear costs rightly borne by businesses. If we subsidize an activity, we'll have more of it. We're subsidizing building with insufficient parking and driving to work. In your recently adopted Comprehensive Plan, you called for the reduction of auto use. If you're serious, stop subsidizing parking. I've addressed democratic governance, best practices in community planning, and fairness. In the name of all three, please eliminate nonresidential parking from Evergreen Park streets. Thank you for considering my views.

Vice Mayor Filseth: Thank you. The next speaker will be David Schrom.

David Schrom: Thank you. My name is David Schrom. I too live on Oxford Avenue. As a preface, I want to say that I saw us referred to as a district here. We're a neighborhood. Just that kind of change of language is indicative of the difference between the kind of community I think all of you

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want to create here and the kind of community where people are anonymous and our homes are not our homes and our neighborhood streets are not friendly places that we occupy and know with our neighbors. I want to step back and ask why are we dealing with this whole thing in the first place. It's because we build and occupy commercial floor space without providing adequate parking. In the process, we virtually guarantee externalities. The sales pitch for non-neighborhood-serving business in this community has been the tax revenues will help our schools. With the kind of thing we're doing with this parking, we're actually turning that upside down. You have a proposal before you to build a parking garage in the California Avenue district, where the average parking space is going to cost more than \$60,000. If there are two parking spaces in front of my house and somebody avoids the cost of providing them for his business on the site or in the Business District, he saves \$120,000. If he takes that money last year and puts it in the S&P 500 index fund, he makes \$24,000. Even if you bought your house last year in Evergreen Park, that's your tax. What you've done is taken from the resident an amount of tax equal to what he already pays to the State and used it to subsidize the cost of the business. This is not fair. It's not reasonable. It's not going to give us the kind of community we want. It's a great way to recreate Manhattan on the West Coast. I hope that's something other than what you want to do and that you'll stop allowing people to park outside the Business District and off the business properties if what they want to do is business. Thank you very much.

Vice Mayor Filseth: Thank you. The next speaker will be Tim Mulcahy.

Dr. Tim Mulcahy: Good evening, Council Members. Thank you for listening to me speak tonight. First of all, I have to thank the City for at least trying to come up with some solutions and having some meetings with the residents and the neighborhood businesses. We have made some real progress; at least I felt like we did. I wanted to address this one thing about El Camino. It's really important that we get this done. If we went ahead and put 2-hour parking on El Camino and eliminated the RPP aspect of El Camino, then we actually lose spaces for early-arriving RPP people that can park on El Camino and not use the district. Then, they're forced back into the district. It's really important that it becomes an RPP. If we can get both sides of the street, so much the better. That takes more cars out of the district, more cars onto El Camino. Yes, we lose a mobile home or two, but we really need this space for our employees. They're coming a long ways. Caltrans [sic] doesn't work for all employees, and we are a long ways away from the end of Caltrans. My hope is that we can get this thing together, that we can figure out the solution, and we can go forward. There is definitely a demand in my district, in the A district, of 40 extra spots that nobody got. If somebody else got them from the other part of the City, I

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don't know that. I'd hate to have us come to the end of October and revisit this whole plan all over again or revisit the fact that we're scrambling with scratchers. In that aspect, I wish you the best of luck coming up with a great solution. Thank you very much.

Vice Mayor Filseth: Thank you. The next speaker will be Stan Bjelajac, if I said that right.

Dr. Stan Bjelajac: That's perfect. You come often enough, and people pick up on it. Dear Councilmen, thank you for having us again tonight. We all understand and should really be proud of how much we've begun to understand this program and how far we have come. Now, we have a very unique opportunity this evening to capitalize on all the cooperation we've had with the City. Thank you, Philip. Thank you to all the neighbors, Mike Eager, Paul Machado, I've had a chance to meet personally with. I think we've got some great solutions. Philip has done an incredible amount of work in a short time and really picked up on the flaws of the system. Tonight we have an opportunity to renew the RPP program with some modifications that will support the local businesses, the neighborhood-serving businesses, and neighbors alike. It's going to require a little bit of work. I agree with the expansion to El Camino. We have preached this along with the neighbors, and we're in full agreement from the beginning. It's going to decrease the density in the neighborhood. It's going to increase the supply. We also have to worry about putting a little bit of a cap on the supply as well. Going forward, I want to second what Michael Eager said. We want to make sure that only businesses associated with that zone can buy in that zone. That takes the guess work out of it. That'll go a long way. We're going to have a new vendor or a new system in place for purchasing. Having this employer-driven instead of tracking people and see who got how many permits—they should be bought through business. That's going to go a long way and really make this program predictable. I want to thank everybody. We got a lot of sympathy and a lot of support. Our business alone struggled, and many other small offices did, re-parking cars and doing things. It was a tough time. The number of 40 permits will help us a lot. Having some cheap permit that can be parked in the neighborhood until El Camino opens is very fair. We can build from there. If we include those three provisions, incorporation of El Camino starting tonight, making sure that businesses in Zone A can only purchase permits in Zone A, and direct the Staff to come up with a system that's employer-driven so we can more easily track things and make adjustments, will go a long ways. The last thing I want to say is the last 4 months were really hard for our office. We want predictability. We want to be able to provide the best care going forward, invest into the materials of the people. We want to make sure that we can recruit the best people and allow them to come and drive. With that

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said, there were some flaws like in any pilot program. It wasn't perfect; it did a lot of good. What we would like to see—we encountered a little wall. We want to direct the Staff or the Council to direct the staff or give them more authority to make small changes so that we don't have to wait 6 months if there's a big problem or something didn't work.

Vice Mayor Filseth: Thank you. The next speaker will be the Honorable Former Vice Mayor Jack Morton.

Jack Morton: Thank you, Vice Mayor and Council Members. How do we as a City get ourselves into these situations? Neighbors feel full-day parkers overwhelm their streets, and they lose ownership of what is their neighborhood. Neighborhood-supporting businesses are unable to get parking permits. First, we allow Stanford to massively overbuild without requiring that they make it economically attractive to park on Stanford and not in our neighborhoods. We also allow IT firms to move into an area where offices like my former offices have ten employees and now have three or four times as many employees. Neighbors were fully supportive of ensuring the viability of California Avenue business and supporting maximizing the Cal. Ave. garage because it serves their neighborhood. They want a neighborhood with full services. There's so little information available on the adequacy and utilization of recent parking requirements for projects approved in the last few years. The businesses and neighborhoods have not asked for a maximum garage to provide additional parking for Visa and other recent arrivals to our neighborhood but rather to make it possible for local businesses to hire people, generally staff at the lower income levels. I don't know where the slides and when the slides were taken. For the most part, they belie our onsite experiences. Certainly Staff didn't meet with the Cal. Avenue business group. If they had, we would have drowned them with our dissatisfaction with the permit process. I'm the Chair of the California Business District, and unfortunately we didn't meet, so I was not able to take this full proposal before our Board. I will do so at our February meeting. I personally fully support the conclusions of the report that was presented to you by the neighbors. I almost wonder wouldn't it be maybe a better idea to have the neighbors help us design a more rational permit system because that's one of the huge problems. Anybody that wants to get a permit, who has staff, found themselves unable to get through and unable to get the permits that their staff had previously enjoyed. We need to make more clear that what we're trying to do here is make a neighborhood and its supporting businesses function. Right now, everything's under stress. Good luck in solving a problem that's taken years to create. Thank you.

Vice Mayor Filseth: Thank you very much. The next speaker is Shannon McEntee.



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Shannon McEntee: Hi. First, let me thank you for all the work you do on behalf of our City. I really appreciate it. I know a little bit about how much you do. I have a slightly different angle than my neighbors. I just want to implore you to keep it as it is. It is an enormous improvement in both safety and livability. I have three examples to show you how it feels. I live on Sheridan, if you know where Chipotle is and the Sunrise Senior Living Center is. My building has 55 units. That varies from families of four to single people like myself to elderly, Stanford students. It's a real mix on bicycles, with walkers, everything. Of course, across the street is a big condo building and then the Sunrise facility. An example. A friend of mine from out of town came to visit sometime last year. She walks in; she doesn't know about the parking change. The first thing she says is, "I found a parking place." That's number one. Number two, the Sunrise Senior Living Center has their own parking underneath. Guess what was always happening? They would have their changeover at 10:00 p.m. and at 6:00 a.m., their staffing changes. They'd be out there on the street, talking, slamming their doors, honking. Somebody's in the driveway honking to get somebody to come out to go home. 10:00, 6:00 a.m., it was impossible. Guess what? Now, they're parking under their building where they have parking. We don't hear them anymore. The third example that I wanted to share was before the limits workers on my street would be coming and going at all times of early morning, through the day and night. Cars now, you lock it and it honks. You walk a few steps, "I forgot my purse," you run back, honk, you get your purse, slam the door again, honk to lock it, and you're gone. All day long the noise, the pollution, the disruption. That has just changed immeasurably. It is so much better. I just wanted to say don't give it back. Don't give it back. This is so important. My other neighbors here have done the measurements, and they're saying—I just want to keep it simple. The other thing I'd say is if we have another opportunity in the future for Bus Rapid Transit and things like that, we really need to work with our surrounding communities to improve the transportation opportunities. Parking isn't going to do it. It's never going to do it. It really has to be transportation. Thank you very much.

Vice Mayor Filseth: Thank you. The next speaker will be Wolfgang Dueregger.

Wolfgang Dueregger: Good evening. My name is Wolfgang Dueregger, and I live in Evergreen Park. First, I fully support the proposal that was brought forth to you tonight by our neighborhood regarding potential changes in the Evergreen Park RPP. I call us the Evergreeners. We consider small businesses that border our small neighborhood along the eastern side of El Camino Real between College and Park as part of our neighborhood that support the vitality and quality of life in Evergreen Park. The Evergreen Park

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RPP was crafted such that these small businesses also have parking available for their mostly low-income employees. In the first of 2017, life was good. Everybody was happy. In the second half, no more. Why? Because a few not-local neighborhood-serving businesses like IT firms were able to buy significant numbers of employee permits. As a consequence, very few employee permits were left for those small low-income, neighborhood-serving businesses that (a) got permits in the first half of 2017, and (b) for which the employee permits were designed in the first place. We understand the frustration of those small, low-income businesses, and we agreed to give them 40 additional temporary employee permits. Let me say this very clear, temporary means that there is a time limit for these 40 spots, and that expires on September 30, 2018. We hope that City Council will direct Staff to come up during that time—that's almost 8 months—with a comprehensive plan how to address the seemingly ever-increasing demand for more parking spots in Evergreen Park. We have right now 250 spots given away. Now, another 40. What's happening when, say, on 229 North California Avenue in the former (inaudible) building when this is again fully occupied? It's empty right now. What happens if 260 Cal. Ave. is fully occupied? What happens if the new office building on the 300 block on Cambridge gets developed? Will we meet every 6 months or 12 months here again, being asked, "Please neighborhood, give us another 40 spots" or whatever the number might be? My point is this. The demand will keep on going up no matter how we count. What is the City's policy to manage the demand? We have the exact same discussion again in a few months from now and, therefore, I want to ask City Council to direct Staff to start exploring in all seriousness multiple ways to mitigate existing employee parking demand in the Evergreen Park neighborhood by looking at various options like parking along El Camino Real on both sides, using the VTA parking lot, Caltrain parking lot, and/or providing shuttle buses from remote parking lots. Thank you so much.

Vice Mayor Filseth: Thank you. The next speaker will be Marilyn Mayo.

Marilyn Mayo: Good evening. I'm also a resident on Oxford Avenue. Most of the things have been said. I just want to highlight we did have a great meeting, our last meeting, with the Staff, with the small business people, and the residents. It was very copacetic. We're in agreement we want to support the small businesses maybe to the temporary permits that they need. In addition, I just want to highlight—do you know how messy the computer system is to do these permits? I was horrified to hear about it from the Staff. There are two systems that you have to go into to change permits to make it more equitable. I assume there's going to be a new one coming online because its embarrassing for this City to have such an outdated system to do such an important program. The other thing I would

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like to say is it's never-ending the demands from Cal. Avenue coming in with developments. We've got the security police station coming in. We've got a parking lot going out with a new one coming in. We need your help now to hold the line as much as you can to protect our neighborhood. Thank you.

Vice Mayor Filseth: Thank you. The next speaker will be Simon Cintz.

Simon Cintz: Good evening. My name is Simon Cintz. I was one of the business representatives on the original Downtown RPP stakeholders group. Our family owns four small commercial properties in Palo Alto. These properties have been in our family since the 1950s. By the way, none of these properties are in the Cal. Ave. area. I'm here tonight to speak about a common misconception that some residents and some of you on the Council have about our business community. It's true that retail and community-serving businesses are critical to our City. I agree 100 percent. It's also no secret that office workers are often considered as separate from the business community. Since they don't provide services directly to the residents, they are seen as expendable and, therefore, don't deserve the same right to park as other workers. Retail good, office bad. This is a dangerous misconception. Many retail establishments, especially restaurants, depend on the office workers for much of their income. A manager of one of the popular Cal. Ave. restaurants told me that about 80 percent of her Monday through Friday lunchtime business comes from local office workers. A successful business district is made up of many types of businesses and customers. Monday through Friday, these businesses depend on local office workers for much of their income. Making it difficult for office workers to find parking will eventually drive office uses away. When they leave Cal. Ave., they will take their employees with them, and those employees will no longer patronize the local neighborhood-serving businesses on Cal. Ave. Unfortunately, many small businesses can't survive only on the business from local residents. They need the office workers if they want to stay in business. I know everyone on the Council wants a vibrant Cal. Ave. shopping district. Please don't make the mistake of thinking that office workers are expendable and don't need RPP permits. Your desire to help businesses by shunning office workers will have the opposite effect. It's called unintended consequences. Please don't make that mistake. Thank you.

Vice Mayor Filseth: Thank you. The next speaker will be Sven Thiessen.

Sven Thiessen: Evening. Thank you for being here. Thank you for all your hard work. My name is Sven Thiessen. I live in the pi house, 314 Stanford Avenue. You guys got a hard rope to pull here. Maybe because I've lived in Washington, D.C., I feel like we've got it pretty cushy right now. Thank you

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for the work getting us there. My family supports and uses Dr. Wu, the steakhouse, the bike shop. We want that vibrant community. I want to support what the Staff Report said right there. We've got 250 parking spaces, permits already; 40 more, that's 290. That would be okay. What's critical is what this gentleman just said. Those office workers are going to go somewhere else, and we're going to lose that restaurant that we have already on California Avenue. More importantly, we're going to increase our carbon footprint, already massive, and increase the size of the Bay Area because those office workers are going to go somewhere. I just took a mess of kids snow camping. There's no snow in the Sierras. Driving back all I could see was new office park after new office park just eating land between here and Tracy. It just broke my heart. It's okay for us to get a little denser. We can live together; it's okay. Thank you.

Vice Mayor Filseth: Thank you. The next speaker will be Patrick Slattery.

Patrick Slattery: Good evening. Staff has requested some adjustments to the RPP designed to address resident and business concerns. The most bothersome of these adjustments is the adoption of a target cap of 60 percent for on-street parking. Where did the standard come from? Nobody seems to know. I think I may have found its source in Table 1 on page 4 of the Staff Report, existing weekday average occupancy. In that table, 60 percent is the highest rate at the busiest time of day in the most densely parked zone. That's what we're shooting for. What does it look like? In two footnotes, the Staff Report suggests we visualize 60 percent parked as a single block face with six parked cars and four empty spaces. That little visualization is clear, neat, and evenly spaced. Look at a real RPP with its 15 or 20 block faces, curved streets, cars bunched together, two gardeners' trucks and a fire engine. It's not so straightforward. The point is how would it look in a real zone. In front of your business, in front of your house, what will it be like in real life and how does it affect traffic, bicycles, pedestrians, and small children and tricycles? It might be awful, or it might just be okay. We can't let it become the permanent standard for RPP tonight and then spread on to Ventura, Old Town, Professorville, and down to wherever it meets the Bay's ever-rising shore. If we can't make changes tonight, at least ask the Staff to come back to Council in 6 months or less with a Resolution to reevaluate and change where necessary the 60 percent standard. Thank you.

Vice Mayor Filseth: Thank you. Our final speaker will be Gregg Forrest.

Gregg Forrest: Good evening. I am the owner of the Bike Connection at 2011 El Camino Real. I started my business in 1985 on Wellesley Street. I'm familiar with parking issues at my original home in Palo Alto. We had a

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terrible problem with Stanford, so I sympathize with all the people here who are completely aggravated with the situation. I look at them, and I've seen a lot of them come into my store. I think of them as all customers. I think of us as all part of the community, all part of the neighborhood. Why I'm here tonight speaking is pieces move. All of a sudden, El Camino moves, or we move parking here and more cars park in front of a house. If you move pieces, it doesn't matter if you don't fix how the permits are issued. If they still go to one company on California Avenue, and I don't get any, and I lose El Camino, that's a problem. You guys haven't been able to answer where the permits have even gone so far or that they're easily accessible. The first round was a soft roll on the website. Permit in A and B never came up for us. The next round, the reason why you got complaints is people that got permits the first time lost them to people that were sitting there waiting. That cycle is going to keep on continuing unless you figure out a way to issue the permits fairly. I own the property at 2011 El Camino Real, and we got zero permits. It's really hard. If the community decides that business should have no permits, I'm good with that. I'll figure out a way because we're all playing on a level playing field. That's not what's happening. There's 200-odd permits issued, and I didn't get a crack at them. I'm a neighborhood community-serving business. I'm the answer, not the problem. Thank you.

Public Hearing closed at 10:15 P.M.

Vice Mayor Filseth: Thank you. With that, we'll return to Council. I'm going to take what I think is a little bit of a risk here. There are enough issues raised and enough questions that our discussion would be well informed if we were able to take a round of just questions before we proceeded to comments and Motions. That being said, our Council has a venerable history of spending an awful lot of time doing that. What I would ask is if anybody has a question to ask of Staff, just a question, and the whole thing can be done and you don't need more than a minute or two, let's do a round of that. I intend to be very nasty about enforcing this. With that said, anybody that has a question, please push now.

James Keene, City Manager: Mr. Vice Mayor, may I ask just one thing just along those lines?

Vice Mayor Filseth: Please.

Mr. Keene: Appreciate your direction there. I'm going to take a risk too. What we've heard from neighbors and from businesses and the work that's been done is there is an answer to this that is within our grasp. Hopefully we wouldn't spend 3 hours just doing questions rather than getting to some

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resolutions that, when the time comes, there are some ways to accommodate the challenges we have right now that should be satisfactory. Some of it's learning from what we've learned at Southgate and some of the things people said today. I don't think we're starting from ground zero.

Vice Mayor Filseth: That's my vision too. If it looks like this is going to take 45 minutes or half an hour or something like that, then we won't do that. Let me ask this. From what you heard, is there anything—does Staff want a couple of minutes right now to respond to any of this?

Mr. Mello: Our recommendation was crafted quite a while ago. If you remember, this item was postponed and delayed and our presentation to you. In our conversations with the residents and the businesses, we've talked a lot about adding the east side of El Camino to the RPP program. That has a lot of merit to it. If we were to create a new zone that just included the east side of El Camino, that would add about 38 new spaces in inventory to the RPP. If we were to release 40 permits contingent on that new zone being created, with our typical show rate we'd see about 15 employee permits using that area, so there's plenty of room for the new employee permit parkers to park just along the east side of El Camino, if we were to go that direction.

Vice Mayor Filseth: Is that feasible?

Molly Stump, City Attorney: It certainly is. What you would need to do is give direction tonight that you wanted to do that. It would need to come back on your Consent Calendar so that specific notice is provided that that block face would be added to the parking district.

Mr. Keene: Then, we'd pursue the approval from Caltrans for that to take place as we did on Southgate.

Vice Mayor Filseth: With that, I have question lights from Council Members Holman, Wolbach, and Kou and also DuBois. Let's start with Council Member Holman.

Council Member Holman: Appreciate Staff input. I do have just a few questions. One is what you just talked about, the east side of El Camino. This part of El Camino is different than the Southgate part of El Camino. As Mr. Forrest said—I think that's right—this part of El Camino has a lot of businesses. If we create an RPP on that east side, are we not interfering with customer parking?

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Mr. Kamhi: The RPP regulations would allow for customer parking. It would allow for 2-hour parking similar to the rest of the neighborhood and the commercial zone.

Council Member Holman: I understand it would allow for customer parking, but would it take up customer parking?

Mr. Mello: That stretch of El Camino is currently unregulated, so there's a lot of long-term parking occurring there today. If we were to go to just 2-hour time-restricted, which is our original recommendation, that would encourage a lot of turnover and potentially open up quite a few more spaces for customers. However, that would not allow the employee parking. Given the fact that there's 38 spaces and if we were to release 40 permits, as I said, only about 15 employee permits would be expected to be there at any point in time. That leaves quite a bit of parking available for customers and visitors, and that would be turning over every 2 hours. Sorry, if I could add just one more point. We wouldn't expect a lot of resident permits to use El Camino. I don't think we'd see a lot of occupancy by resident permits.

Council Member Holman: I would think not, but we've had 40 requests for employee. Can Staff answer the question that pops up about employers and employees in the same employment both being granted permits, so there's a double dipping? Does that happen or does Staff know?

Mr. Mello: An employer account is eligible to purchase ten full-price parking permits.

Council Member Holman: The employer.

Mr. Mello: The employer. They cannot purchase low-income permits. Each individual employee that sets up an account can purchase one low-income permit or one full-price permit.

Council Member Holman: Doesn't that create a double-dipping situation where some businesses, some companies, are over-represented, if you will? It seems like.

Mr. Mello: All permits need to be tied to a vehicle. If an employer is purchasing ten permits, there need to be ten separate vehicles that those are assigned to. They can't buy permits and then give them out willy-nilly to employees that may have already purchased a permit. I will say that there is no right of first refusal with our current permit system. It's whoever can sign on the quickest when the permits are made available and purchase. If one employer spent a great deal of time getting ready and was there, they

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could buy their max permits and, given the small quantity of permits available in Evergreen, could eat up quite a bit of the supply.

Mr. Kamhi: If I can. With one exception, we can prioritize low-income and those on the garage wait list based on opening the program earlier for those. That's what the resolution says.

Council Member Holman: The low-income employees, you said, on the garage wait list would get priority in the neighborhood.

Mr. Kamhi: Low-income employees get priority, and those that are on the garage wait list get priority.

Council Member Holman: It's also come up that, if a building was approved with a TDM program based on the parking demand, the building occupant should not be granted permits in the neighborhood. Maybe it's a question for the City Attorney. Can we do that?

Ms. Stump: We've advised you in another forum that that's not a course that's appropriate for you to take this evening.

Council Member Holman: Sorry if I overlooked that; didn't see it. Can you speak to Slide 15. When this one was being presented, Staff said that, even though this is Option 2, unless I misunderstood this couldn't really be accomplished. Maybe I didn't understand what was said when this presentation was being given.

Mr. Mello: This slide shows the creation of the three new zones, so we would have six zones total, and reassigning the total number of permits to achieve some type of equilibrium in occupancy, to get as close as to equilibrium as possible in that last column. What you see there is Zone E has such a high occupancy rate. A lot of Zone E is resident and 2-hour parkers, not employees. In order to get the occupancy of Zone E down to that acceptable level where it's somewhat close to the other zones, you'd have to zero out the permits completely. The opposite of that is Zone C, where you'd have to dramatically increase the number of permits because the non-employee vehicle occupancy is so low. We're not recommending this solution because of how warped the permit distribution would be between the zones.

Council Member Holman: Understand the point about the permit issuance. If the parking load is such ...

Vice Mayor Filseth: Is it a question?



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Council Member Holman: It is. If the parking load is such that is it really wrong or inappropriate to not give any permits in some zones if that averages out the parking occupancy in those zones?

Mr. Mello: In a perfect world, yes. However, Zone C is the heart of the Evergreen Park residential neighborhood. We'd be assigning a pretty large number of permits to that zone. Zone E is the more mixed-use, Mayfield area directly abutting the Cal. Ave. Business District. Outside of the context of those zones, it may make sense. When you start to think about the repercussions of dramatically increasing the number of permits within the residential zone, I don't really see that as a feasible move.

Council Member Holman: You sort of answered this. Gregg Forrest also made a comment about—I think it was he—a run on the bank, my words here. When the permits become available, whoever is the most organized runs and gets them, and somebody else doesn't. Is there no meting out that's possible of permits so this run on the bank thing doesn't happen and there's a more equitable, fair, everybody gets to break the tape, so to speak?

Mr. Mello: We are moving forward with an RFP for a new parking permit system that would be a comprehensive parking permit system for all of our programs. Some of the functionalities that that will include will be enabling the right of first refusal to existing permit holders. Currently existing permit holders don't get any preference when they go to renew their permit. In fact, you can't renew a permit. You have to buy an entirely new permit. This system will also allow us to better prioritize low-income applicants. Also, we're going to use to try to persuade people to use alternative modes of transportation as well. Instead of just going directly to the permit purchase page, we might suggest using Caltrain or using other modes. We'll be bringing a contract to you this half of 2018 for a new parking permit system that will greatly enhance our ability to manage the permit sales and also provide much better data. One of the issues we have now is bringing data to you when we come to you with these programs. It's very hard to get the kind of data you expect out of this permit system that we currently have.

Vice Mayor Filseth: When do you anticipate that system being up and running?

Mr. Kamhi: We have an RFP that's about ready to go out, so it'll take some time. We also would like to do some testing on it before it goes live. It's a little bit hard to say, but possibly sometime in 2019.

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Mr. Keene: We'll have this before you. There's a fairly significant expense involved in this also, so it will have—sometime in the next 2 or 3 months, we're ...

Mr. Kamhi: I should clarify. Expecting to have it up and running sometime in fiscal year FY '19.

Vice Mayor Filseth: Do you anticipate it being up and running by the time of October 2018 when this cycle expires or will we use this system again?

Mr. Mello: Our original goal was to have it available for the next round of permit sales.

Vice Mayor Filseth: Council Member Holman, sorry I interrupted. Any more?

Council Member Holman: Just one last question, I believe it is. Thank you for that. That was going to be my next question. I think my last question is we have talked before about the ability of businesses to share permits within the business. While every permit needs to be tied to a license plate—I'm describing something that's come before Staff before. If you have an entity that half a dozen employees and they're part-time employees, let's just say for instance, each one of those employees has to get a permit because they can't share within the company. The other scenario is if a couple of those employees leave, then there's no possibility to get permits for the new employees.

Mr. Kamhi: I can probably jump in on that. When they purchase the permits—when an employer purchases the permits, it has to be tied to a license plate. However, they are transferrable. The businesses within Evergreen Park and Mayfield can transfer them within their business.

Mr. Mello: One of the differences in the Evergreen Park/Mayfield RPP—if you remember when you authorized the pilot, you made all of the employee permits hangtags. They're all transferrable. Downtown employees receive stickers as their first permit. In Evergreen, they are all hangtags.

Council Member Holman: Thank you for clarifying the difference. I think those cover my questions at the moment. Last question is should—I don't know what the outcome is going to be—there be 40 new permits issued in this neighborhood—it is a neighborhood. Comments will come later. Why make this permanent now as opposed to look and see how this works for another 6 months with 40 additional permits?

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Mr. Mello: Our proposal before you this evening would have us continue to monitor occupancy and then track any areas that go over the 60 percent occupancy, and then recommend adjustments to the program on an ongoing basis for areas that exceed that occupancy.

Council Member Holman: Thank you. I think that covers my questions.

Vice Mayor Filseth: Thank you. Council Member Wolbach.

Council Member Wolbach: One's a question that Staff might have a best practice recommendation. I think it's one we've talked about a little bit before. Council Member Holman was hinting at it too. This is a should question. Should permits be issued to employers or to employees or to both? Maybe that's not an easy question to answer, and maybe that's more a question for my colleagues. If Staff has a sense based on the experience here of best practices, happy to hear that. I've got one or two other quick questions.

Mr. Mello: I don't know that there's a right answer, especially from my point of view. I can say that giving the employers opportunities to purchase permits allows them to buy permits for folks that may not be proficient in English, may not be able to navigate our permit system, may not have a credit card or other means to purchase a permit. In a lot of cases, the employers will buy permits for employees that are intimidated by our permit system or just can't find the means to purchase a permit. That does give the ability for some employers to organize and purchase more permits than they would likely be able to secure if it was given out just on an employee basis.

Council Member Wolbach: If there was a different system, whether a lottery system or a limit to number of permits that could be purchased by an employer, is that something our current system could do or is that something a future system that we're putting out the RFP for could do?

Mr. Mello: The future system will have that capability. We're also going to have multilingual interfaces on the new system. We're going to have enhanced customer support with a call-in center that will have multilingual staff members. Hopefully that system will be much easier to navigate. It could eliminate the need for a lot of employers to buy permits for their employees.

Council Member Wolbach: What is the occupancy target, remind me, for Downtown? The Downtown RPP, what is our target for occupancy on the streets?

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Mr. Mello: We've tried to bring that to you several times, and it just hasn't gotten traction. 85 percent is the number that we've brought in the past, and that's really for a downtown commercial area. It's not for a residential neighborhood. The 60 percent was derived from what we thought was an appropriate supply of open spaces on a residential block coupled with the occupancy rates that we've seen in the Evergreen Park neighborhood. We don't currently have any set thresholds for occupancy in any of our RPP programs.

Council Member Wolbach: You got to my next question, which was where did this number come from. It was Staff's recommendation based on what you've seen in this district and trying to create a balance between the business needs and trying to preserve the interest of the community. It was basically just Staff's recommendation.

Vice Mayor Filseth: We're in a question, right?

Council Member Wolbach: I just wanted to make sure I understood the (crosstalk).

Vice Mayor Filseth: The question shark ...

Mr. Mello: There's not a lot of science in this. There are very few RPP programs in ...

Council Member Wolbach: I'm not critical of that. I just wanted to have an understanding. Several people had asked, and I just wanted to (crosstalk).

Mr. Mello: Staff's professional recommendation given our experience in the RPP programs that we operate.

Council Member Wolbach: Thank you for answering my questions.

Vice Mayor Filseth: Thank you. Let's see. Former Mayor Scharff.

Council Member Scharff: I want to ask a little bit about the occupancy of 60 percent or less. What I heard from the neighborhood is they were unhappy with the 60 percent. I heard that loud and clear. What happens if we deleted that sentence, on-street parking occupancy of 60 percent or less in the RPP? We don't have it in any other district. Would that be something that Staff could live with?

Mr. Mello: We could live with it. Ultimately, we do want to get to a place where we can create some kind of threshold that would flag a problem for us, and then we could bring it back to you for remedies. Right now, we're

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kind of flying blind, and we rely on complaints. There's no established threshold.

Council Member Scharff: That's what I've been struggling with, that exact issue. We could put 50 percent, but it seems arbitrary to do that tonight. What I heard from the neighborhood is they wanted more data. Since you don't have it in any other neighborhood, are you going to work on coming up with more data or something like that and thinking about it? If we don't do it tonight, is that a huge problem?

Mr. Mello: It's not a huge problem tonight. Ultimately, we need to get to a place where we have some kind of flag that we can use to identify when there's a problem.

Mr. Keene: If I just might add. I know the Council's aware of it. We've been building these piecemeal RPP programs around the City. We've learned from each one of them, and that's affected the design or some of the things we try. The idea of a threshold or getting to standardize some of this is designed for more than just this RPP district. There would be a way to apply this systematically. The point here is not to say this was just a grab-bag number. In one sense, it was an effort for the Staff to try to advance the concept of a threshold. I would just amplify what Josh was saying. It's not an absolute necessity, if you're not ready for that, for us to take that as part of this particular action.

Council Member Scharff: Any idea, if we include the east of El Camino—you have to come back to Council on Consent—how long it takes Caltrans to approve it? I probably asked you that with Southgate, but I don't remember.

Mr. Mello: I'm having déjà vu here. I think I said my best guess would be 3 months, but it could take anywhere from 2 to 6 months.

Council Member Scharff: That's from the date we submit, right? Got it. That's my questions.

Vice Mayor Filseth: Thank you. Council Member Kou to be followed by Council Member DuBois and then Council Member Fine.

Council Member Kou: Most of my questions have been answered. I do still have—I'm trying to understand. When you have 250 permits, how do you determine—you said ten per business. How did you determine how many businesses there are over there? Will the number of businesses over there end up taking most of the residential preferred parking permits?

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Mr. Mello: Any business that's registered with the Palo Alto Business Registry and is within the program area for the Evergreen Park/Mayfield RPP can create a business account in our permit system. A business account is eligible to purchase 10 employee parking permits.

Mr. Keene: The 250 is the total amount available for employees. That's completely separate from the number of permits that are provided to residents, which is 850-some or whatever it is.

Mr. Mello: We've sold 850, but that's unlimited. That's based on the number of residences times five.

Council Member Kou: Two hundred-fifty employees are parking in the neighborhood of Evergreen Park.

Mr. Mello: Two hundred-fifty vehicles are permitted to park, but only about 30-40 percent show up at a given point in time. Not all 250 are on-street at one point.

Council Member Kou: If that is such a low amount that you're saying, why would we need 40 more in the neighborhoods? Why increase it to 290 when you have only 30-40 percent ...

Male: Because you gave them all to 25 businesses.

Vice Mayor Filseth: Let's limit this to Staff, please.

Mr. Mello: We've received complaints from businesses that they were not able to purchase permits. We also documented fairly low occupancy in the bulk of the program area. There are some congested blocks. We thought it was reasonable to recommend a 40-permit increase.

Mr. Keene: If I could just add to that. The 40 increase is really designed as a way to try to triage and remedy some of this allocation problem with the understanding that, even if you did 40, you're still going to have this low percentage. It seemed to be acceptable. If we can transfer that to El Camino, then that's a whole different issue—a better issue.

Council Member Kou: Earlier you mentioned that the permits are prioritized to the low income and also to the garage wait list. The garage wait list, is it for the garage permit? If I understand correctly, the garage permits are more expensive than the ones in the neighborhoods or are they the same?

Mr. Mello: Currently, the garage permits are more expensive. The Resolution before you this evening would equalize the prices because the Muni Fee Schedule has equalized the prices between RPP and Downtown

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garages and lots and Cal. Ave. garages and lots. The exception being there would still be low-income permits available in the RPP. We don't currently have low-income reduced-price permits in the garages and lots. However, we will be recommending that in the coming fiscal year. We'll have complete equality in pricing between RPP and garage and lots.

Council Member Kou: Low income would be able to park in the garage?

Mr. Mello: We'll be bringing a recommendation forward for Fiscal Year '19 to create a low-income parking permit in the garages and lots.

Council Member Kou: The garage permits are only for the garage? The wait list.

Mr. Mello: Cal. Ave. is a little bit different. You get one permit, and you can park in any of the garages and lots in Cal. Ave. They're not assigned to a specific garage as they are Downtown.

Council Member Kou: Somebody brought up Wu Dentistry. Those are like work/live units. How many parking spaces are in that? Obviously there's (inaudible) over there, and it's office, not so much retail. Although, Wu is in there. How many parking spaces are in there and how is it regulated or enforced? Do you know?

Mr. Mello: We don't have that information tonight. If there's a representative from the business, they could likely answer that question. We don't have that information.

Council Member Kou: They're eligible for RPP?

Mr. Mello: If they're a registered business in the Palo Alto Business Registry, they could purchase employee permits.

Council Member Kou: Shouldn't they be actually contained in their own property since they are a live/work property?

Mr. Mello: For the RPP program, we don't currently ask folks to provide information on their supply of parking.

Council Member Kou: Thank you. I would think that—that's a comment.

Vice Mayor Filseth: Thank you. Council Member DuBois.

Council Member DuBois: I'm sorry. You're name's Peter?

Mr. Kamhi: Philip.

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Council Member DuBois: Philip, sorry. We did have a really extensive discussion about this in January last year. I don't know if you saw that. Back then we had a Motion to allow employees to share RPP permits. You said that we do that through hangtags. We also said we wanted to explore businesses being able to share permits in the Business District. Did we make any progress on that?

Mr. Mello: Our new permit system that we're going to bring forward will include garages and lots. That's going to give us a lot more flexibility in permit types and permit terms. We'll be able to sell weekly permits, daily permits. We can't do any of that currently. We're pretty hemmed in with outdated technology. We're still giving out stickers on an annual basis. That did register with us. We're looking for opportunities to implement that, but we really need the right system in place to do that.

Council Member DuBois: We did vote to approve that, to share permits. We also approved—we said valet parking and streamlining of parking in the garages in Cal. Ave.

Vice Mayor Filseth: Is there a question here?

Council Member DuBois: The question is what progress did we make in the last year on that.

Mr. Mello: We've reached out to Caltrain about sharing their lot. Their response was that they added four new trains to the Cal. Ave. station per day, and they wanted to wait and see how that worked out before they gave any parking away.

Council Member DuBois: This was for our garage, like valet parking in our Cal. Ave. garage.

Mr. Mello: During the installation of solar panels about 3, 4 months ago, we implemented valet parking on a temporary basis in the Cal. Ave. Business District. We actually saw zero cars valeted during about a month long period. If you remember, we brought you some of the occupancy numbers for the Cal. Ave. Business District for the garage discussion a couple of weeks ago. Aside from the 12:00-2:00 P.M. hours, the garages and lots are not really—had a high occupancy rate. They're about 66 percent.

Council Member DuBois: Interesting. One last thing we passed in that last Motion with Evergreen Park was we should accelerate a TMA for Cal. Ave. Is that making progress as well?



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Mr. Kamhi: Yes, we've definitely discussed this with the TMA. They seemed very interested in it. They've just recently hired an executive director at their last TMA board meeting. The new director seems very interested in doing that.

Council Member DuBois: Thank you. In terms of the target density, which seems to be a key question, did you guys give consideration to the underlying zoning differences between Mayfield and Evergreen Park, which seem to be very different? Most of the people here were from Evergreen Park. I think we had one person from Mayfield.

Mr. Mello: We did. The pilot actually allocated a larger number of employee permits to the Mayfield zone. If you remember my response to Council Member Holman's question about the balancing slide ...

Council Member Dubois: You had this one number, 60 percent. Why not have two numbers, one for the R-1 neighborhood and one for the higher-zoned neighborhood?

Mr. Mello: The 60 percent is really just our first attempt at surfacing the idea of a threshold. We fully expected the Council would maybe not elect to move that forward or make some modifications to that number.

Council Member DuBois: I think you've heard a lot of questions about the allocation process. It wasn't really addressed; it was kind of on your "other issues" slide. It seems to be the fundamental problem driving a lot of the angst. Do you guys have a proposal to handle the allocation of permits?

Mr. Mello: Do you mean the sales of permits?

Council Member DuBois: How businesses would be avoiding this land rush. Could we have a process where businesses renew and they know they're going to get a certain number of permits?

Mr. Mello: The new permit system that we'll be bringing forward will enable us to do a better prioritization. Right now, the way we prioritize is we have—for the first phase of this, we had a week period where only garage and lot wait list people could purchase permits. Then, we had a week where only low-income employees could purchase permits, and then we opened it up to the general public. With the new system, we'll be able to do that in a more automated fashion that won't be just these discrete time periods. The new system will also allow us to offer the right of first refusal for permit renewal. If somebody has a permit already, they'll be offered the chance to renew their permit before we release that for sale. That currently does not happen. What happened in Phase II of the pilot in Evergreen is a lot of the

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businesses that were able to purchase permits for the first 6 months were shut out for the second 6 months. That's why we received a lot of complaints. The new system will enable us to better manage the prioritization.

Council Member DuBois: My impression—tell me if I'm right or wrong. The crux of the problem is we didn't really have an issue in the first 6 months. People got shut out, and that's why we're talking about this tonight basically. Is that right?

Mr. Mello: In the Downtown RPP, we still haven't sold all of the permits that have been authorized so we haven't encountered this issue. In Evergreen, the permit supply has sold out, so we're starting to see businesses completely shut out of permit purchase, which we haven't seen that issue in either of the other two RPPs. This is a little bit unique.

Council Member DuBois: Thanks.

Vice Mayor Filseth: Council Member Fine.

Council Member Fine: My first question was along the lines of Tom's last question. Could you describe a little bit better how you would plan to distribute permits equally among businesses or by some measure, whether we increase 40 tonight or leave it at the 250? What would we do so that the bike shop gets some number of permits, the dentist gets some, the video store gets some?

Mr. Mello: Our recommendation before you this evening would reserve those 40 permits for businesses located outside of the Cal. Ave. parking assessment district, which would basically be the businesses along El Camino. They're not currently authorized to buy garage and lot permits in the Cal. Ave. Business District. This is really their only option for additional parking.

Council Member Fine: Are there any businesses within the RPP and within the Cal. Ave. district that didn't get permits in one of them?

Mr. Kamhi: That is possible.

Council Member Fine: I would venture that being outside the Cal. Ave. parking district is not necessarily your best indicator for that. Sorry, not a question. One other question.

Vice Mayor Filseth: I didn't say anything.

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Council Member Fine: I saw the look. This is a bit more of a thought experiment. As we go through each of these RPPs, something that would be helpful to us—I would put it to you—is what is the fair market value of the ability to park both for residents in front of and near their house and also for local businesses in that area. That's just a question. It would be helpful information if we could have that for these RPPs as we go through and skin the cat each time. The question is what's the fair market value of an RPP permit for an employee.

Mr. Mello: We'll try to bring that to you the next time we come forward with an RPP.

Vice Mayor Filseth: I have a couple of questions, hopefully brief. What is the City's ability, if we wanted to, to prioritize classes of businesses? One of the topics that's come up is these kinds of business and those kinds of business. Particularly under the new system, is that something we would be able to do?

Mr. Mello: Hillary, Philip, and I have talked a lot about this. We would need our new permit system in place, and we would need the Business Registry to work a little bit better on our end and include a couple more fields of information than it currently does. I would not under our current configuration and with our current permit system and vendor recommend doing that now. I think we would have a lot of mistakes, and we would be coming to you with a lot of corrections and explaining a lot of errors that would be unnecessary and highly probable under our current system. I would recommend waiting until we get our new permit system and making some tweaks to the Business Registry to better connect those two and take the human judgement out of it and make it a little more automated.

Vice Mayor Filseth: Thank you. All my other questions got asked already. We'll now open for comments and Motions. I see a light from former Mayor Scharff.

Council Member Scharff: Thank you. Actually one further question. I did note in the Staff Report that it says—what you said is the Municipal Code does not allow businesses outside of the California Avenue Business District to buy in the garages. Is that something we should change?

Mr. Mello: We could look into that and come back with an Ordinance to change that if we were directed to.

Council Member Scharff: We could direct you. I really wasn't sure it was the right thing to do, one or the other.

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Mr. Keene: Why don't we look at it and maybe see what ...

Council Member Scharff: That's what I was going to say. Feel free to come back if you think it's the right thing. I don't want to direct you tonight. I will make the Motion. I'll move the Staff recommendation with the following changes. The first change would be that we would in Number 2 strike that and add a new Zone G created on El Camino Real. Zone G would include the unrestricted parking on the east side of El Camino Real from College Avenue to Park Boulevard. Under Number B, it would say "increase employee permits for employers located outside the California Avenue Business District by 40 and distribute these employee permits within new Zones A, B, C, and D initially," would be the new word. "After Zone G is approved by Caltrans, those permits would be distributed in Zone G." I've been going back and forth in my head on this. We should strike in "E" the words "and maintaining an on-street parking occupancy of 60 percent or less in the RPP district." I don't feel we have enough information tonight to make that decision frankly. Finally my concern would be what happens if for some reason Caltrans doesn't approve it. The answer is, if Caltrans doesn't approve it, in a year we need to come back and reevaluate the 40 permits or just where we are. I know the neighborhood wanted this to be temporary. I heard they don't need it to be temporary if we move the parking to El Camino. We do need to look at that. The reason I chose a year and not 6 months is it may take 6 months from the date we submit. It's going to take a month; that puts us over into the next RPP cycle. That's why I chose a year period. I guess I need a second.

Vice Mayor Filseth: Second.

Council Member DuBois: I'll second it.

Vice Mayor Filseth: I beat you to it.

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

- A. Adopt a Resolution to conclude the "pilot" phase of the Evergreen Park—Mayfield Residential Preferential Parking (RPP) Program established by Resolution 9663 and make the Program permanent with the following modifications:
  - i. Create three new zones (for a total of six) to better distribute employee parking occupancy throughout the District;
  - ii. Increase employee permits for employees/employers located outside of the California Avenue Business District by 40 and

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distribute these employee permits within new Zones A, B, C, and D (previously Zone A and B) and move them to Zone G (see Part B) once approved by Caltrans, if Zone G is not approved, return to Council for direction within one year from April 1, 2018;

- iii. Add a cap to the employee daily permits, similar to the Downtown RPP District;
  - iv. Clarify language regarding re-parking;
  - v. Reference the program goals of reducing impacts of overflow parking from the commercial district on the neighborhood;
  - vi. Set fees to match the Palo Alto Municipal Fee Schedule; and
- B. Direct Staff to draft a Resolution establishing a new Zone G on the East side of El Camino Real between College Avenue and Park Boulevard;
- C. Direct Staff to make corresponding changes to the Administrative Guidelines for the RPP programs; and
- D. Find these actions exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Sections 15061(b)(3) and 15301 (existing facilities) of Title 14 of the California Code of Regulations.

Mr. Keene: You want to look at iv there and strike the last half of the sentence about "and maintaining an on-street parking occupancy."

Mr. Mello: It would be—we would add a second part that would say move them to Zone G upon Caltrans approval?

Council Member Scharff: Right. It would say "previously Zone A, B initially" or we could just say "and move them"—that'd be fine—"to Zone G when Zone G is approved." We do need a sentence that says "if Zone G is not approved, then we should come back in a year to reevaluate."

Vice Mayor Filseth: Is that it?

Mr. Keene: Just so we're clear. Would we assume that the 1-year period is within now as opposed to 1 year starting from when we get the response from Caltrans.

Council Member Scharff: That's correct.

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Mr. Mello: The permanent program will start on April 1st. I would say within a year from April 1st. Is that acceptable?

Council Member Scharff: That's acceptable.

Vice Mayor Filseth: Care to speak further to your Motion?

Council Member Scharff: Just briefly. This is a good compromise. Hopefully we get it approved, and hopefully there's absolutely no impact on the neighborhood. Hopefully, everyone's happy. Obviously, we can't control that. That's why we need to come back and reevaluate it if for some reason it doesn't work out that way. Everything on this, I think, works for everyone assuming that all happens. I think that's all I have.

Vice Mayor Filseth: I'll just speak briefly to it. Parking is a scarce resource. We need to manage it. The reality is either today or in the future there may not be enough supply no matter what we do to meet all potential demand for it. At the same time, we need to recognize that a neighborhood is a neighborhood and not just a parking resource. Neighborhood character needs to be a real constraint on this process. What we have in front of us is a pragmatic step forward. It will improve the situation. It'll provide some immediate relief to some of the kinks and wrinkles that were exposed during this process because we are blazing some new territory here. We're still in beta mode on these kinds of things. There's recognition that a lot of the things we really want to get—the endpoint we really want to get to are contingent on information technology, which isn't in place yet. We need to keep moving forward on that. At this point in time, this is the right thing to do. We have lights on from Council Member Holman, then Council Member Fine. I have Council Member Holman, Council Member Fine, Council Member DuBois, followed by Council Member Kou.

Council Member Holman: Clarification on one thing, which I think I just didn't hear. Why a year from April 1 as opposed to a year from now? I think I didn't hear that.

Mr. Mello: The permanent program will start on April 1st. The current pilot expires on March 30th.

Council Member Holman: We don't expect to—didn't you say earlier that was 6 months or so that you should hear from Caltrans. I don't know why we have to coordinate the 1 year with the permit program as opposed to ... Do you know what I'm saying? Why couldn't we make it 6 months as opposed to 1 year from April when the permits get issued?

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Mr. Mello: My read of the Motion is we will temporarily assign the permits to Zones A, B, C, and D. Upon approval from Caltrans, we will reassign those to Zone G. We're going to come back to you in a year if we are not able to reassign those, to present the current occupancy data, and discuss some alternatives. The permits expire in a 6-month and 1-year timeframe. Employee permits are 6 months; resident permits are 1 year. We can really only make changes in 6-month increments.

Council Member Holman: To the maker of the Motion, you removed in V the 60 percent occupancy or less. Why did you remove that?

Council Member Scharff: I removed that because the neighborhood asked for it. That's why I removed it.

Council Member Holman: I won't try to make this Amendment, but I will say, looking at the photographs that were part of the presentation, what looked like more neighborhood was 40 percent.

Mr. Keene: Let's not get into trying to figure out what that is.

Council Member Holman: I'm just telling you what my impression is.

Vice Mayor Filseth: I'll weigh in on it too for a second. It's not a procedural thing. Technically, we probably could approve something tonight. It may not be appropriate. There are policy implications to this, and it's a discussion which maybe ought to be agendized on its own.

Mr. Keene: I didn't mean to forestall it either. I still assumed, even though this was out, the concept of it—is there a threshold—is something that would still be on our plate as something to have further discussion with the Council about.

Council Member Holman: All I'm doing is saying what my impression was based on the presentation. I don't know what time of day those were. If those photos were taken and compared over a period of several days, then you arrived at what was typical or how you arrived at that. Those are my only questions. Thanks.

Vice Mayor Filseth: Let's see. Council Member DuBois.

Council Member DuBois: This is like a rare occurrence. The second week in a row we've had businesses and residents come to us in agreement, which is nice to see. I just want to point that out. We still need to address the key question, which is why have office permits in a residential neighborhood. State law says we can issue an RPP for residents and nearby merchants and

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special groups like schools. I think we're the only city to extend this to general office parking. We still need to figure out a way to prioritize among businesses. This is going to come back once demand goes up. I was one of the original authors of the Colleagues' Memo that started this district back in 2016. In that Memo, we were suggesting a target of 10 percent. If we're going to allow business parking, we have to say what's the right level for an R-1 neighborhood. Maybe Mayfield is different because it's not R-1. Lumping those two together and talking about them as a single district is a lot of the source of angst we're hearing tonight. When this came to us a year ago, we had a long discussion at Council about reducing business permits over time, similar to Downtown. I don't want to lose that concept either. At that time, we all agreed that we would wait until the Cal. Ave. garage was built. That still makes sense, but that was our discussion. It wasn't about a fixed occupancy rate. I'm glad we're considering the zones along El Camino like we did with Southgate. That was the right Motion. I was going to make a similar Motion. We haven't addressed the allocation issue in this Motion.

Vice Mayor Filseth: Do you want to propose an Amendment?

Council Member DuBois: I think I will. I would like to point out that there's a lot of CN zoning around here. We should prioritize merchants, local retailers and local retail services. Retail services is an important concept. That would include medical, but it's different than a regional or global service. One other thought I had is—we're fine with it tonight—we're moving the unlimited parking on El Camino now to further down on El Camino probably between Cal. Ave. and Page Mill. We may just be shifting the problem, depends on how far Stanford parkers want to walk. It's a good start. I have two Amendments. The first one I'll throw out there. Greg, I think you said you didn't think we needed it. To have Staff to come back with a recommendation on selling permits in the Business District garages to ensure that they're fully utilized. Hearing that ...

Council Member Scharff: I'm fine with that.

Council Member DuBois: ... they're not being filled up is a concern.

Council Member Scharff: I didn't want to make a choice tonight to tell them to do it. I'm fine with directing them to come back with a recommendation.

Vice Mayor Filseth: I accept it too.

**INCORPORATED INTO THE MOTION WITH THE CONSENT OF THE MAKER AND SECONDER** to add to the Motion, "direct Staff to return with a



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recommendation regarding selling garage and lot permits to businesses outside the inactive parking assessment district." (New Part E)

Council Member DuBois: The second Amendment was to direct Staff to come back with an allocation process that would prioritize neighborhood-serving retail and retail services in the allocation of permits.

Council Member Scharff: I just have to ask Staff a question. You said you don't have the software yet to do this.

Council Member DuBois: We could tie it to the new software. That would (crosstalk).

Mr. Keene: I didn't hear a date on that. If it's an intention, that's one thing. You need to cut us a little slack here on our ability to ...

Council Member DuBois: That's totally fine. This is going to come back after these 40, so we have some time. It could be tied to the new software.

Ms. Stump: Mr. Mayor, I also suggest that you add "to the extent feasible." There will be some legal review that's required because all of these programs do need to fit within the parameters set by State law.

Council Member Scharff: Tom, Staff's thought about this. They know we're concerned about it. It's tied somewhere far out there. I have no doubt you're going to be on the Council for a while. Why don't you wait 'til they get the software. We're going to start the Cal. Ave. garage; that'll probably change things as well. You'll see how this works after a year. We should wait.

Council Member DuBois: We saw demand for 40, so we want to expand by 40. I'm just concerned that the next project comes—I'll just make it as a Motion to see if there's a second. Direct Staff to return with an allocation process. The timeframe will be determined by Staff.

Council Member Holman: Second.

Council Member DuBois: Did I have a second?

Council Member Holman: Yes.

**AMENDMENT:** Council Member DuBois moved, seconded by Council Member Holman to add to the Motion, "direct Staff to return with an allocation process that prioritizes neighborhood serving businesses." (New Part F)

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Council Member DuBois: I just don't want to wait until we're behind again. I just want to make sure that this is captured. I'm not saying it needs to occur by a certain date. The allocation process is going to be important. This is the first district where we've run out of inventory. I think it's an issue we're going to encounter in other RPPs.

Vice Mayor Filseth: We have an Amendment. We have a Motion for an Amendment. We have a second. What I'm going to do is zero out the lights. If anybody would like to speak to the Amendment, they should register. I'm sorry. Council Member Holman, would you care to speak to your second?

Council Member Holman: I'm supporting this and strongly supporting it because it also was included, if I remember correctly, as a part of the original Colleagues' Memo. This is what—it takes care of the dentist that we're talking about. It takes care of the bike shop, those kinds of businesses that we really do want to support and prioritize them over general office. That was the original intention and direction in the original Colleagues' Memo.

Vice Mayor Filseth: Are there any speakers to the Amendment? Seeing (inaudible). That Motion passes with Council Member Scharff and Council Member Fine opposing and Council Member Kniss not present.

**AMENDMENT PASSED:** 6-2 Fine, Scharff no, Kniss absent

Vice Mayor Filseth: There were two other speakers. Council Member DuBois, are you finished?

Council Member DuBois: Yes.

Vice Mayor Filseth: There were two other speakers, which were Council Member Kou and Council Member Fine. Council Member Kou, to the main Motion.

Council Member Kou: I was just going to say that you guys don't have an enviable job over here with our land use going max to growth with the housing plan coming up and everything. Thank you for the presentation today. Council Member Holman basically has already asked the question. I was looking hopefully that—once Caltrans makes their decision, I was hoping it could be upon their decision that we revisit. It sounds like you said it's decided every 6 months, and that's a hard 6 months.

Mr. Mello: Yeah, because permits are issued. Somebody has the expectation that they'll be able to park in a particular zone for 6 months.

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We'd have to rescind the permit, and then send them a new permit for a different zone.

Council Member Kou: Is it possible for you guys to look up what I asked about the live/work units and how their parking situation is and what are the regulations behind it?

Mr. Mello: We can ask the Planning folks to do some research on the conditions of approval and the entitlement for those if you give us the specific address or location.

Council Member Kou: It's in the 1900 block of El Camino. I forgot the exact address. How does this work? I'm asking a question. When does the answer come back?

Mr. Mello: I'm not sure. Hillary's left for the evening.

Council Member Kou: How does this work?

Mr. Mello: We'll have to get with the Planning people and find out when we can get you that information.

Council Member Kou: Does it have to be in a public meeting again or is this something ...

Mr. Keene: Why don't you—we'll use our best effort. It's fairly simple for us to do; it's just something we could send to the whole Council. We wouldn't need to actually bring it back. It's just a response to a question.

Vice Mayor Filseth: Staff is okay with this?

Mr. Kamhi: Can I just confirm—are you talking about where Dr. Wu is located?

Council Member Kou: Yeah, that whole slew of live/work units. Overall, thank you to the maker and the seconder for bringing this up. Overall, I'm in support of it. There was something that disturbed me. Somebody mentioned that office employees are not expendable. They're not expendable, but we need to get it right. The owner of a building and the employer are responsible for ensuring parking is available for their employees, not the neighborhood and not the residents. I just want to make sure I point that out. I agree office employees are not expendable. Thank you.

Vice Mayor Filseth: Council Member Fine.

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Council Member Fine: Just a couple of quick comments and then one quick exhortation for my Colleagues. Council Member Kou just mentioned the max growth of housing and our land use. If I recall quickly, I don't think we have a single office project in the pipeline this year. We have one housing project of 56 units. I don't think that's to the max. Council Member DuBois asked a question, why are we doing these employee permits in the RPPs. I think that's a good guiding question for us. Some members of the public did point out this fact, that we have these neighborhood-serving businesses. Some of them may have had parking reductions. Some of them may just be oversubscribed in terms of employees, and that's something we have to deal with in one way or the other, whether we say no employees parking here or some threshold or put them in garages. I would put to all of us that we're really not going to get a handle on this until we begin using our pricing power for parking. That means our commercial districts and also our residential district where we're actually charging these employees some fair rate that moves them first into the garages, second into the commercial district. At the very last point, do we actually want these employees parking in neighborhoods? I would really encourage us to do that. Just a second question. I don't mean this in a tongue-in-check way at all. This is the second week we've spent more than 2 hours on an RPP item. Last week we were talking about ten employee permits; this week we're talking about 40. When we opened last week, one of my comments was that I worry our RPP districts are becoming too customized, and we are really getting into the weeds on some of these items. This is a good Motion; I'm going to support it. If we do want to protect our neighborhoods from parking intrusions, from these commercial impacts, we may want to think of better and more holistic, systematic solutions to it rather than trying to figure out is the level 40 percent, is it 60, is it 40 new permits divided among low-income businesses. This is a solvable problem. Other cities do have systems in place citywide. I would encourage us to think in those terms. For the time being, happy to support the Motion.

**MOTION AS AMENDED RESTATED:** Council Member Scharff moved, seconded by Vice Mayor Filseth to:

- A. Adopt a Resolution to conclude the "pilot" phase of the Evergreen Park—Mayfield Residential Preferential Parking (RPP) Program established by Resolution 9663 and make the Program permanent with the following modifications:
  - i. Create three new zones (for a total of six) to better distribute employee parking occupancy throughout the district;

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- ii. Increase employee permits for employees/employers located outside of the California Avenue Business District by 40 and distribute these employee permits within new Zones A, B, C, and D (previously Zone A and B) and move them to Zone G (see Part B) once approved by Caltrans, if Zone G is not approved, return to Council for direction within one year from April 1, 2018;
  - iii. Add a cap to the employee daily permits, similar to the Downtown RPP district;
  - iv. Clarify language regarding re-parking;
  - v. Reference the program goals of reducing impacts of overflow parking from the commercial district on the neighborhood; and
  - vi. Set fees to match the Palo Alto Municipal Fee Schedule;
- B. Direct Staff to draft a Resolution establishing a new Zone G on the East side of El Camino Real between College Avenue and Park Boulevard;
  - C. Direct Staff to make corresponding changes to the Administrative Guidelines for the RPP programs;
  - D. Find these actions exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to Sections 15061(b)(3) and 15301 (existing facilities) of Title 14 of the California Code of Regulations;
  - E. Direct Staff to return with a recommendation regarding selling garage and lot permits to businesses outside the inactive parking assessment district; and
  - F. Direct Staff to return with an allocation process that prioritizes neighborhood serving businesses.

Vice Mayor Filseth: Thank you. If there are no further questions, let's vote on the main Motion. That passes 8 in favor, 0 opposed with Council Member Kniss not present. Thank you very much. Thank you to Staff. Thank you to the neighbors. Thank you to the businesses. We have a plan. Thank you to Josh.

**MOTION AS AMENDED PASSED:** 8-0 Kniss absent

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Mr. Keene: Mr. Vice Mayor, if you would just indulge me for just a 1-minute comment here. These guys are great. This is the entirety of our Transportation Staff. We've lost Chris Cavao, who was on our Staff. These guys are custom designing RPP projects. They're doing intensive engagement. They're supporting the evolution of our TMAs. They're working on the parking garages, programs, the technology we need to revamp our IT systems. They're doing advocacy with regional agencies. They're supporting our Rail Committee in grade seps. They're doing traffic calming and safety improvements, many in response to neighborhood complaints. They're implementing the Bike and Pedestrian Plan. They're re-signalizing lights all over town. These guys. Both the scale of the work they have ...

Vice Mayor Filseth: I only see two of them, though. Where's the rest?

Mr. Keene: I know they're dying, saying "How do we remake our old systems" and even those are tough. Anybody who's done IT redesign and integration efforts across different departments knows how tough those jobs are. I just really want to shout out that they're doing a fantastic amount of work.

Council Member Kou: Seriously, thank you.

Vice Mayor Filseth: Thank you, guys. For what it's worth, I believe it's effort well spent. Parking is something that people in town are really passionate about.

## Inter-Governmental Legislative Affairs

Vice Mayor Filseth: I don't think there's anything on the Intergovernmental Legislative Affairs. Right?

James Keene, City Manager: No.

## Council Member Questions, Comments and Announcements

Vice Mayor Filseth: Council Member Questions, Comments, and Announcements. Council Member Wolbach.

Council Member Wolbach: I attended the first meeting of the year, as far as I know, of the Transportation Management Association. It was my first meeting as the liaison. At that meeting last week, they signed a new contract with a new firm that will be coming in to be the staff for our TMA. The firm is called Altrans. They were very interested to hear from myself, from Neilson Buchanan who was there, and from the Board Members of the

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TMA who were there about widespread interest in being more creative and possibly expanding to Cal. Ave. and doing other ambitious things over the coming year and years with the TMA. It showed a lot of promise. There was also a discussion about further collaboration with neighboring cities. I'll be meeting with a Council Member from Sunnyvale and a Council Member from Mountain View to talk about how we can work together more.

Vice Mayor Filseth: Other Council Member Questions, Comments, and Announcements? Seeing none, thank you very much.

Adjournment: The meeting was adjourned at 11:19 P.M.