



CITY OF
**PALO
ALTO**

Planning & Transportation Commission

Action Agenda: January 31, 2024

Council Chambers & Virtual
6:00 PM

Call to Order / Roll Call

6:00 pm

Chair Summa called to order the January 31st Planning and Transportation Commission (PTC) meeting.

Administrative Associate Ms. Veronica Dao conducted the roll call and announced all commissioners were present.

Oral Communications

Chair Summa invited members of the public to share their comments with the Commission on items not on the Agenda.

Ms. Veronica Dao announced there were no speakers in person and one speaker on zoom.

Bruce Arthur, Chairperson of the Palo Alto Bicycle Advisory Committee (PABAC), spoke regarding a motion PABAC passed for a request for the PTC to complete a parking survey and apply due diligence regarding CalTrans' plans for adding bicycle lanes along El Camino. It's worth investigating, despite the loss of parking should those bike lanes be added.

Agenda Changes, Additions and Deletions

Chief Planning Official Amy French announced there were no changes from staff.

City Official Reports

1. Directors Report, Meeting Schedule and Assignments

Senior Transportation Engineer Mr. Rafael Rius stated that staff are still waiting for a response from CalTran with regards to setting up a community meeting about the El Camino Real repaving and bikeways project. The Parking Manager will be bringing a comprehensive update to the PTC sometime in March.

1 Commissioner Hechtman inquired about the letter received from CalTran requesting approval
2 on design aspects which prompted the City to forward questions to CalTran, and if the City
3 received answers to their questions.

4 Mr. Rius responded they had received answers from CalTrans, along with a draft set of plans.
5 Both are posted on the website; he would ensure Ms. Dao had the link available for the
6 commissioners.

7 Commissioner Reckdahl asked if the City had results yet from the survey Public Works did for
8 the Wilkey Way Bike Bridge resurface project.

9 Mr. Rius stated he had not yet seen those results; he would inquire with Public Works and
10 report back to the PTC.

11 Chief Planning Official Ms. Amy French thanked council and stated that there are a number of
12 upcoming meetings as noted in the report and staff hoped to have a study session on the
13 CalTrans El Camino bike lanes and parking project on an Agenda in the near future.

14

15 **Study Session**

16 Public Comment is Permitted. Three (3) minutes per speaker.

18 2. Study Session: Peer Cities Comparison and Stakeholder Interviews Results

20 Chief Planning Official Amy French reported that Monday night Council had a retreat, and they
21 modified the priority for what used to be called Economic Recovery and Transition, now
22 referred to as Economic Development and Transition. Staff retained a consultant back in 2021,
23 but never published the report that was received the end of the summer 2022. That report took
24 a look at Redwood City and Mount View as comparable cities, then staff modified the scope to
25 expand it in the Spring of 2023, and PTC had the introduction to the current iteration of this
26 study last October 25th. The consultants are back again to talk about the outreach interviews
27 and comparisons to the peer cities.

28 Ms. Surabhi Barbhaya, consultant from Michael Baker International, introduced herself and
29 colleagues Dan Wery and Cameron Savoie and provided results from the peer city interviews
30 and stakeholder outreach to compare commercial zoning codes with Palo Alto's codes. City's
31 chosen were Santa Monica, Los Altos, Redwood City, and Mountainview. Additionally, they
32 interviewed a mix of seven business owners and property managers to help inform the
33 consultants in recommending the needed zoning changes as related to retail recovery. Focus
34 was concentrated on downtown California Avenue, Middlefield Road and San Antonio Road in
35 east Palo Alto. Santa Monica was listed as a peer city because of their Third Street Promenade
36 as this is where their retail is concentrated, however the study will show all of the commercial
37 districts in Santa Monica included in the matrix. Similar to Santa Monica, the consultants

1 focused on the Commercial Retail Sales zones in Los Altos which is located in their downtown
2 triangle area and determined that to be relevant to the California Avenue area in Palo Alto.
3 Redwood City and Mountainview information was blended to create the matrix, the
4 information used was from their prior interviews last year, which was analyzed based on their
5 current element cycles.

6 Mr. Dan Wery explained that the peer city's zoning comparison considered twelve different
7 criteria with focus on seven for the purpose of the study results. Ground floor restrictions
8 compared the Retail Preservation Ordinance (RPO), the ground floor (GF) and the residential (R)
9 combining districts to Santa Monica's BC zone and in Los Altos, their CRS zone. Palo Alto was
10 found to be far more restrictive with more levels of complication and some overlapping base
11 zones. Santa Monica has a limitation on formula or franchise restaurants and their definition for
12 that is 150 locations nationwide. Palo Alto uses formula retail. Santa Monica allows more uses
13 than is allowed in Palo Alto, "by rights" uses that are not subject to a conditional use permit or
14 other restrictions. City of Los Altos uses retail, restaurants, kind of cocktail lounges, personal
15 services, like Palo Alto. Santa Monica allows a greater variety of uses on those ground floors. All
16 three cities were comparable regarding conditional uses. Palo Alto and Santa Monica both have
17 size limits that trigger conditional use permits when reached. Palo Alto's RPO does not allow a
18 change of existing retail use to anything other than retail or retail like, which again makes Palo
19 Alto more restrictive. They prohibit changes from retail city wide, so it's very comprehensive, to
20 all retail areas. And the relief values, if you want relief from that provision, it's the highest
21 standard you can get. In the non-ground floor in R combining districts, which is a lot like El
22 Camino Real and some of the other zones, then there is an easier standard which is the
23 alternative active use. In the non-ground floor and R combining district areas, that's a much
24 easier hurdle, noting that takes out the ground floor and the R combining districts which cover
25 all of University and all of California Avenues.

26 Commissioner Reckdahl inquired how often Palo Alto uses the alternative active use for the
27 retail preservation.

28 Ms. French answered not often.

29 Chair Summa noted that some of the slides in the presentation were not accurate in terms of
30 what Palo Alto allows as retail use, providing it's not office space, on the ground floor.

31 Vice-Chair Chang noted the comparison matrix seemed that in the Bayside Conservation Area
32 there was a problem if you changed from a retail use. It's actually no different than the
33 downtown, maybe with the exception of a different square foot threshold based on size.

34 Mr. Wery continued with the comparisons and moved on to the parking minimum standards.
35 Santa Monica has no minimum standards any more, they eliminated those in 2017 or 2019.
36 They've now established parking maximum ratios and for example, would be like maximum of
37 two or 2.5 spaces per 1,000 square feet for retail, which is very low. Most minimums in most
38 cities would be around 3.5 or four spaces per 1,000 square feet. Los Altos has a parking district,
39 parking requirements are exempt for the first 1.0 floor area ratio; they can make any change

1 they want, and don't need to provide any additional parking and they've got six acres of
2 parking that they've provided.

3 Chair Summer inquired if the same data was used for all three situations, as it didn't seem as if
4 they did, which makes the comparison between the three cities difficult.

5 Mr. Wery agreed, and stated that's because all three cities handle parking differently, and the
6 other reason we're looking at this is because particularly University and California are almost all
7 within one half mile of the stations, the State has not prohibited the use of minimum parking
8 requirements in those areas. In Palo Alto the formula retail applies to all businesses with ten or
9 more locations nationwide. It's a pretty low standard for all franchises. That restriction comes
10 in the R retail district which applies on California Avenue, so this is really applicable to California
11 Avenue. If you have any sort of franchise really with ten or more nationwide, then you need to
12 get a Conditional Use permit (CUP). That does not apply downtown, midtown or on El Camino
13 Real. By contrast, Santa Monica has a similar formula definition, but it's limited to restaurants
14 with more than 150 locations nationwide. So, a much higher standard in terms of the number
15 on a nationwide basis and it's limited to just restaurants. Those would be limited to upper
16 floors, they are not allowed on the ground floor, they'd be allowed on a second floor or upper
17 floor, so if it were in kind of a mall, food court type arrangement, that might work. The other
18 criteria there is also if you're placing orders at a walk up window or counter or machines. It's
19 really narrowly targeted towards fast foods. In Los Altos, there is no limit, there is no restriction
20 on formula retail, in fact they don't have any chain stores in terms of retail, and they're actually
21 looking to maybe get some and bring a little new activity into their downtown.

22 Cameron Savoie, Michael Baker International, presented the stakeholder interviews information
23 which included a standard series of questions focused on retail, ground floor regulations,
24 permitting processes, parking, strategies to improve retail, among other recommendations.
25 Santa Monica loosened use restrictions to allow for creative and temporary uses that provide
26 entertainment to address high vacancy rates, they also don't have minimum parking
27 requirements and they removed them prior to the implementation of Assembly Bill 2097, but
28 they do have a parking cap in their downtown. In Los Altos, they allow for a change of use by
29 right, and they do not use Conditional Use permits, the use is either permitted or it's not
30 permitted. Mountain View and Redwood City also allow change of use, including retail, by right
31 with no discretionary approval required. In Redwood City, similarly there are no restrictions on
32 change of ground floor uses, they also provide incentives for retail mixed use and technical
33 assistance in the form of a retail task force to attract and facilitate new business. Also, in
34 Redwood City they allowed change of use of existing space without the requirement for
35 additional parking. Seven business stakeholders were also interviewed that included the
36 Chamber of Commerce, Premier Property management, Freud Bothers, Ellis Partners,
37 Performance Gains, Italico and [TIMESTAMP 49:01 Unintelligible] Kitchen. One of the key
38 recommendations we received related specifically to the City Code, first one being rescinding
39 the ground floor retail protection ordinance. Secondly, rescind formula retail on California
40 Avenue. Some other comments included leave it to the market, don't force retail, and the code
41 is too rigid and narrowly defined. The standards are too complex.

1 Ms. Barbhaya went over the next steps which included two more appearances before the PTC,
2 zoning recommendations in February and the parking study recommendations in March. Also in
3 March the consultants will provide a summary of the parking study recommendations that has
4 most to do with the impact of AB 2097; basically you don't need to provide parking for
5 multifamily mixed use and any commercial areas that are within half a mile of transit and
6 [TIMESTAMP 51:15 Unintelligible] California Avenue and University, and the downtown area.
7 The final presentation will be in May or June in front of City Council.

8
9 Chair Summa opened public comments.

10 **PUBLIC COMMENTS**

11 There were no public comments.

12 Commissioner Templeton expressed concerns about the content and how it's presented and
13 asked if all of the future meetings with the consultants are for study sessions.

14 Ms. French stated that any zoning changes would have to be reviewed and recommended
15 through the PTC, particularly any changes to Title 18.

16 Commissioner Templeton commented that this presentation is not currently in a form that the
17 community can respond to. It is inaccurate and some of the comparisons are incomplete, and
18 her hope was that her colleagues could be more articulate given the disturbances out front. The
19 point is that the feedback from the PTC would likely be about improving the accuracy and
20 making sure that this is something that the Commission can see Palo Alto's community
21 reflected in. It's really important. There's a lot of work here still to be done.

22 **The PTC took a brief break and returned with all members present.**

23 Commissioner Hechtman commented that the presentation lacked comparisons but
24 appreciated that Santa Monica has taken a comparatively aggressive approach to dealing with
25 parts of their downtown where they felt it was not living up to its potential. He would have
26 liked to have seen more information on Redwood City and Mountain View and noted that the
27 business stakeholder comment number ten was "need to be flexible and work with the market"
28 and really, that's where he hoped this process takes Palo Alto. Not a gutting of the RPO, but
29 rather a refinement so that we have the flexibility to react to changing market conditions and
30 keep the downtown and California Ave and other retail areas vibrant.

31 Vice-Chair Chang agreed with the previous two Commissioner's comments and noted that they
32 really haven't seen information that clearly outlines the current problems. To make ordinance
33 changes there not only needs to be an accurate understanding of what the baseline is and a
34 clear understanding of specific problems. There isn't an adequate problem definition unless
35 there is and it hasn't been presented. She's concerned with the gathering of the data and if
36 there is enough data to provide apples to apples comparisons. Seven data points is not enough

1 when three of them are landlords, one Chamber of Commerce, and three tenants. None of
2 which are traditional retail. None of which are in downtown Palo Alto, or restaurants from each
3 area. There's Italico who has several locations throughout town and serves particular clientele.
4 So, for problem identification, Santa Monica focused on the Third Street Promenade downtown
5 area, but that's not at all really analogous to Cal Ave or anything but our downtown. In terms of
6 the scope, if we're looking at adjusting the retail preservation ordinance, we need to
7 understand what the implications would be citywide. As part of the Housing Element, maybe
8 we relax the Retail Preservation Ordinance in other areas, other than our retail corridors right
9 now, like Cal Ave and downtown Palo Alto, but there was no benchmarking about that with
10 respect to other cities and how they're thinking about it. We also know that coming down the
11 pike we've got some really big change happening in Palo Alto in areas that aren't at all
12 analogous to both the triangle in Los Altos, as well as downtown Santa Monica and may be
13 much more analogous to say Pico, or Montana in Santa Monica, or on El Camino in Los Altos
14 because they're going to see a ton of housing development on El Camino. We're going to see a
15 ton of housing development on San Antonio, and the City needs to be cognizant of if retail will
16 be needed to serve those many residents that will be coming into those areas, the PTC needs to
17 think about whether to relax our retail preservation in those areas, or what is needed instead to
18 make sure people have that fifteen minute radius type thing that the PTC keeps hearing about.

19 Chair Summa noted that Commissioner Templeton left the meeting.

20 Commissioner Lu inquired if the feedback provided at this meeting would be incorporated into
21 the current slides or if they planned to create new slides in the presentation.

22 Mr. Wery stated likely both which would give them an opportunity to see how the data has
23 evolved as they work it in.

24 Commissioner Lu commented that he agreed with Commissioner Hechtman in that the
25 direction that he would at least like to go would be more like Santa Monica where Palo Alto
26 becomes moderate and make some things more flexible, and less like Los Altos, where they get
27 rid of formula retail restrictions all together or be too laissez faire.

28 Mr. Wery added that some of the data had been hard to get. They had hoped to interview a lot
29 more of the business owners. Several different meetings and appointments were set up and
30 invitations were sent, they just had a hard time getting anybody really to participate. What was
31 being reported is what they're able to collect over several months.

32 Chair Summa inquired if they walked into business or attempted contact through the phone or
33 email. Ms. Barbhaya answered mostly through emails and the phone. Chair Summa stated that
34 if they were to walk into businesses, they would likely find that all business owners would
35 happily talk about the problems to someone they can see is listening.

36 Commissioner Reckdahl commented that he had the same reaction that Commissioner [Vice
37 Chair] Chang had, in that slide 17 lists the business stakeholder comments and that was really
38 good information, but it wasn't actual information. For example, code is too restrictive and

1 complex, or the City is not known as business friendly, that doesn't set the Commission up to
2 do any specific actions. It would be really nice to have concrete examples of why... where it's
3 too restrictive or why is it not business friendly and... eventually the City is going to have to
4 change the laws and we want to know what aspects we should be changing. More data is
5 needed and that data needs to be in a form that is actionable and lead the PTC to specific things
6 as opposed to generalities.

7 Commissioner Akin asked if the consultants had reached out to any of the list of business that
8 the PTC shared in October who had relocated out of Palo Alto. Ms. Barbhaya stated they had
9 not talked to them and were unsuccessful in reaching out to them.

10 Commissioner Akin stated that echoes Commissioner Reckdahl's comments about
11 understanding the fundamental causes of the problems. Regarding Santa Monica and parking,
12 one might argue that Santa Monica eliminated parking minimums and established maximums
13 early because they had a glut of parking and structures and another factor that suggests that is
14 that they're actually eliminating entire floors of parking structures and turning them into
15 outdoor cinemas. How this translates to the task at hand is they need to come up with
16 commensurate descriptions of the amount of parking that are available in these cities so that
17 staff can guess what kind of zoning changes would be needed to provide adequate parking in
18 Palo Alto without having an access. This is a hard problem that should be considered at the
19 subsequent meeting, but at the very least something like parking space per square foot of
20 retail, something that makes a measurement that can be compared between cities. 101 Alma,
21 the Mark, Mio over on Everett and more than a dozen decent sized medium density
22 developments, including all of those that came about as part of the SOFA realignment, and
23 these are all within a short walk of the downtown business area. Show a graph that says how
24 much more retail space is expected per unit of living space, housing space added. There is a
25 study that did an analysis of how retail changes with densification in an area, and it says
26 unsurprisingly that retail space does go up as density increases. Perhaps a little more
27 surprisingly it says that the amount of retail space per resident goes down and the reason for
28 this is fairly obvious... that this is what increasing density means. There is less space for
29 everything per person, less space for retail, less space for housing. Less living space. That's what
30 increasing density means. Palo Alto needs to understand where they are on that spectrum in
31 order to make a reasonable decision about rezoning for additional amounts of housing, where
32 it goes and for how much.

33 Chair Summa stated most of her comments had already been covered by her colleagues.
34 Regarding the parking that Commissioner Akin mentioned, Palo Alto has Traffic Demand
35 Management (TDM's) that provide automatic reductions of parking that the Planning Director
36 can use at his discretion and there is in Lieu parking downtown. Pre-pandemic was noted in the
37 data however, Palo Alto still had a huge shortage of parking spots downtown with no way of
38 knowing how much of that will change. It created a horrible undesirable impact on
39 neighborhood streets, so there are already mechanisms in place. Action 9, to consider
40 amending section 1876.2, it's actually .020, architectural review of the municipal code to enable
41 more over the counter approvals for minor changes... we already have that in our code. It's

1 1876.020 b1B, and that gives the Director, one person of planning and development services,
2 the ability to designate what are minor enough projects so they don't have to have any review
3 whatsoever. The PTC is finding it difficult to actually get the level of data that we need from
4 your report, there are also mistakes. Los Altos in the report was considering introducing CUPs
5 specifically for nail salons and some other personal services, but it was nail salons because they
6 have too many of them in their downtown area, and that's the way Palo Alto uses CUPs. To
7 have some control over the mix of businesses, which is very important for a healthy retail area.
8 At a higher level, it's not either explained in the report or identified the cause of either
9 vacancies or lack of attractiveness of our retail spaces and at the last PTC meeting the
10 Commissioners anecdotally provided a list of businesses that had relocated to outside of Palo
11 Alto and are still in business. That's the kind of specific information the PTC needs to make
12 changes to zoning codes that are meaningful in terms of achieving retail goals; and not just sort
13 of ideology based assumptions. Seven stakeholders aren't enough when there isn't a difference
14 in variety. It was the Chamber of Commerce downtown and three large property holders, no
15 business operators, and we have legacy businesses that have been here for generations in
16 some cases, and they would love to information on what they thought about what the
17 problems were. The Commissions intuition is that the problems are the high rents, and the
18 change in patterns of purchasing things with the internet. But the PTC can't affect those things
19 at all by changing zoning codes. If zoning codes are going to change, let's do it in a meaningful
20 way that means something, not just gives us the impression that we're streamlining and
21 relaxing things when it's not going to help at all. City Council motions from their August
22 meeting emphasized getting information from all the retail areas across the city and one
23 member emphasized El Camino south of Paige Mill Road because that is the downtown for a
24 huge portion of Palo Alto. A lot of hard work has gone into this report, but much more rich
25 information is needed before the PTC can address making zoning code changes.

26 Commissioner Hechtman added that the purpose of this project was for economic
27 development, to make the retail component of the city more vibrant. His fear is that this report
28 will be rushed and move past the PTC and go on to City Council for zoning changes that don't
29 actually help the business community. It's important to make sure the business community is
30 involved in these discussions. It's a critical component that is being overlooked. If it's a budget
31 constraint, they should consider finding a way to make it happen.

32 The Commission thanked the consultants and staff for their work.

34 **COMMISSIONER COMMENTS**

35 Commissioner Hechtman shared some plumbing issues he had over the New Year holiday and
36 found out that in order to fix a broken pipe a permit is required. He used the online portal for
37 making an appointment, he was able to get one within 15 minutes and within the hour he had
38 his permit. Many thanks to Ariella Yendler. The process for that worked great. He called a few
39 other plumbers for additional estimates and found it was a clog not a broken pipe. He called
40 Ms. Yendler who referred him to the process for unused permits. Many thanks to all those who

1 helped him in such a fast manner, and the organization that built the mechanism that worked
2 so well.

3 Commissioner Reckdahl shared his water heater break story and the Palo Alto process that
4 worked well for him. The permit is scheduled for Friday, so he reserved the finality of it.

5

6 **ADJOURNMENT**

7 7:51 pm

Palo Alto Planning & Transportation Commission

Commissioner Biographies, Present and Archived Agendas and Reports are available online: <http://www.cityofpaloalto.org/gov/boards/ptc/default.asp>. The PTC Commission members are:

Chair Doria Summa
Vice-Chair Bryna Chang
Commissioner Allen Akin
Commissioner Bart Hechtman
Commissioner George Lu
Commissioner Keith Reckdahl
Commissioner Carolyn Templeton

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View online: <http://midpenmedia.org/category/government/city-of-palo-alto> or on Channel 26.

Show up and speak. Public comment is encouraged. Please complete a speaker request card located on the table at the entrance to the Council Chambers and deliver it to the Commission Secretary prior to discussion of the item.

Write to us. Email the PTC at: Planning.Commission@CityofPaloAlto.org. Letters can be delivered to the Planning & Community Environment Department, 5th floor, City Hall, 250 Hamilton Avenue, Palo Alto, CA 94301. Comments received by 2:00 PM two Tuesdays preceding the meeting date will be included in the agenda packet. Comments received afterward through 2:00 PM the day of the meeting will be presented to the Commission at the dais.

Material related to an item on this agenda submitted to the PTC after distribution of the agenda packet is available for public inspection at the address above.

Americans with Disability Act (ADA)

It is the policy of the City of Palo Alto to offer its public programs, services and meetings in a manner that is readily accessible to all. Persons with disabilities who require materials in an appropriate alternative format or who require auxiliary aids to access City meetings, programs, or services may contact the City's ADA Coordinator at (650) 329-2550 (voice) or by emailing ada@cityofpaloalto.org. Requests for assistance or accommodation must be submitted at least 24 hours in advance of the meeting, program, or service.