

**Approved**



CITY OF  
**PALO  
ALTO**

**HUMAN RELATIONS COMMISSION**

**Thursday, February 12, 2015**

Council Chambers

Palo Alto Civic Center

250 Hamilton Avenue

7:00 PM

REGULAR MEETING

**ROLL CALL:**

**Commissioners Present:** Alhassani, Chen, Morin, O’Nan, Savage, Stone

**Absent:** Bacchetti

**Staff:** Minka van der Zwaag, Mary Constantino

**ORAL COMMUNICATIONS:**

Kimberley Lunt spoke on behalf of the Office of the City Clerk which is the Department within the city that handles recruitment for the Boards and Commission. The city is seeking applications for the Public Art Commission, Human Relations Commission and the Utility Advisory Commission. The deadline for the spring recruitment is March 3, 2015 and each term is for three years from May 1, 2015 through April 20, 2018. The Human Relations Commission has three expiring terms, the Public Art Commission has three expiring terms and Utility Advisory Commission has two expiring terms. Applications are available tonight, at the Office of the City Clerk or online. If there are any questions, call 329-2571.

**APPROVAL OF MINUTES:**

**Commissioner Stone made a motion to approve the minutes of January 15, 2015 Senior Summit meeting. Seconded by Commissioner Morin. AYES: Unanimous. Abstain: Alhassani**

**AGENDA CHANGES, REQUESTS, and DELETIONS:**

**BUSINESS**

1. **Discussion with Hillary Gitelman, Director of Planning and Community Environment, regarding a potential HRC role in issues relating to affordable housing and formation of Housing Issues Subcommittee – Chair O’Nan**

Chair O’Nan explained that last December Chair O’Nan and Commissioner Chen met with Ms. Gitelman, Director of Planning and Community Environment, and Tim Wong, Interim Advance Planning Manager to discuss the possible role for the HRC in affordable housing and try to define where the HRC can add value to this very difficult discussion. Ms. Gitelman stated that she wants to share what the department has in store this coming year and how the HRC can intersect. Mr. Wong worked full time on housing issues and an update to Housing Element which is one of the elements of the Comprehensive Plan and the only element that needs state approval. Mr.

# Approved

Wong worked with a citizen's panel, Council, and Planning and Transportation Commission and crafted a document which will guide our housing policies for 7 or 8 years. In developing the Housing Element one of the components is a set of implementation tasks that will be undertaken. The Housing Element is not an exception and many are prioritized the first few years of the program are going to have to start tackling some of the list for the first two years. One of them is completing the Nexus Study and looking at the relationship between of job creation and the demand for affordable housing and the city has joined a consortium of cities and retained the services of an economic consultant that are studying the nexus between job creation and the demand for affordable housing. Once the study is complete it gives the city the information it needs to go to its policy makers and talk about changes to the housing impact fees which are the fees that are collected on new development that are intended to offset their impact on housing demand. The city accumulates housing fees which can be spent on the rehabilitation and creation of affordable housing. In the spring there will be a draft of the Nexus Study and the first stop is the Finance Committee of the Council and engage them in discussion with stakeholders to try and figure out what the data in the Nexus Study means for policy changes having to do with impact fees.

Ms. Gitelman indicated that another task based on the Housing Element is to look at the potential changes to the zoning ordinance to facilitate merger of small parcels. Many of the parcels that are identified in the Housing Element are small mixed used sites and the housing advocates in the state encouraged the city to include a program around lot consolidation which has been prioritized as a first year item.

Ms. Gitelman stated that in the course of preparing for the Housing Element the city had some housing workshops to educate people on the planning process and to hear people's stories on housing and how they are coping with the high cost of housing. People came and shared personal stories and it became motivational. In the course of the discussions there were some ideas the HRC may want to investigate which are outside of the Planning Department realm and more for a nonprofit. The HRC possibly can join with a nonprofit partner. One of the ideas was co-housing for seniors. Palo Alto's population is aging and many seniors are aging in large dwelling units. In the course of these workshops a few of the participants spoke about a program in San Mateo County that facilitates co-housing arrangements. The other issue that kept surfacing at the workshops is tenant's rights and how tenants are coping with increased rents. During the joint session with the Council the HRC might want to ask Council if they would be interested in the HRC to further investigate these issues.

Commissioner Alhassani asked if there are affordable housing projects currently in Palo Alto. Ms. Gitelman stated that there is the Stanford affordable housing project which was part of the Mayfield Development Agreement and other market rate projects that have affordable units within them. Commission Alhassani asked where Palo Alto stands with the percentage of affordable housing. Ms. Gitelman added that the first section of the Housing Element has a lot of information on affordable housing. The Planned Community Zoning Reform, which many feel is problematic, has been used to create a lot of affordable housing and has been successful. Commissioner Alhassani asked if the reform will hinder the city's ability to continue. Ms. Gitelman stated that it was identified in the Housing Element that the current "time out" is a constraint on housing but committed with the state in the Housing Element that the city will work through the period and design a reform. Commissioner Chen stated that tenant's rights is a broad

# Approved

topic is there a specific program that she was interested in. Ms. Gitelman suggested that the HRC speak to Council before embarking on the program. Chair O’Nan stated that as part of the HRC oversight the HRC works with the Palo Alto Mediation Program and there is a law that when landlords evict a tenant they have to notify the tenant that they have a 60-day appeal period. The law is called Mandatory Response and many landlords do not comply and that is one issue that is under the HRC’s purview.

Chair O’Nan stated that when she attended some of the workshops she learned that there is an ordinance that residents cannot rent out part of their house if their lot is under a certain size and seniors expressed that they wanted to rent out their house but the city was preventing them. Ms. Gitelman stated that residents are limited on how many dwelling units (which means there is a kitchen) that can be on their property but you can rent out a bedroom. Chair O’Nan stated that some people were hoping that the law could be eased up. Ms. Gitelman stated that the issue is a Planning issue and has been included the Housing Element update which includes a policy to encourage legal second units.

## **2. Recommendations to Finance Committee for Community Development Block Grant (CDBG) Funding for Fiscal Year 2016 - Public Hearing**

Matt Weintraub, Planner and CDBG Coordinator, provided background information on Palo Alto’s annual funding from HUD under the CDBG program. Mr. Weintraub stated that the principle Federal program provides grants to improve physical, economic and social conditions primarily for persons of low or moderate income. Activities funded through CDBG must be one of three objectives:

- a. Benefit low and very low income persons;
- b. Aid in prevention or elimination of slums or blight; and
- c. Meet other community needs that are particularly urgent for the low income community

All of the activities funded by the city meet the first objective. On February 11, 2015 HUD notified the city of their FY2015/16 CDBG entitlement, which was \$442,460 or \$43,242 more than was anticipated. The additional unplanned entitlement amount represents 10.8 percent more than used for the selection committee or a 5.2% increase in total available funds in the fiscal year. The total estimated funding available for allocation in Fiscal Year 2015/2016 is \$881,674; which consists of the estimated entitlement grant of \$442,460; estimated program income of \$136,049; and \$303,164 in prior year resources.

Palo Alto has five funding categories in which to allocate funds:

According to Federal regulations, Public Service has a 15% of the entitlement grant and 15% of actual program income received during the previous fiscal year so therefore the maximum that can be allocated for Public Services for Fiscal Year 2015/2016 is \$82,910.

Planning & Administration which includes the administrative costs associated with managing the CDBG program has a 20% spending cap placed on the entitlement grant and program income from the following fiscal year, therefore, the maximum that can be allocated for Planning and Administration in Fiscal Year 2015/2016 is \$115,702.

There is no cap on the other three categories: Economic Development, Housing and Public Facilities.

# Approved

HUD requires the preparation of a five-year strategic plan of action, referred to as a Consolidated Plan, to address the priority housing and community development needs and to set goals for attaining identified objectives. The Draft 2015-2020 Consolidated Plan is currently under development for submittal to HUD by May 15, 2015. The primary objectives include the preservation of existing affordable housing units, supporting activities to end homelessness and provide community services to special needs populations, strengthening neighborhoods, promoting fair housing choice, and expanding economic opportunities for low income households.

A one-year action plan is required outlining the activities that will implement the strategies identified in the Consolidated Plan.

Currently, the CDBG program operates under a two-year funding request cycle and Fiscal Year 2016 is the first year in the funding cycle. Funding allocations are now required. The HRC Selection Committee met on January 29, 2015 and made funding recommendations, which are provided as Attachment C of the staff memo.

In addition, staff has prepared an update to the funding recommendations based on the final CDBG Entitlement from HUD, which includes additional unplanned funds. Staff proposes that the additional unplanned funds be distributed according to the following Contingency Adjustment, which is generally consistent with the strategy discussed at the Selection Committee meeting:

In the Public Services category that has a 15% cap, each applicant is recommended to receive an additional amount that represents the applicant's proportional share of funds originally recommended for allocation within the category, up to the amount requested.

In the Planning & Administration category, Project Sentinel is recommended to receive an additional amount up to the total amount requested, with the remainder applied to City Administration. In the remaining categories, Housing and Economic Development, the two remaining applicants are recommended to receive the remainder of the additional funds split evenly.

In summary in terms of proportionality (or how the pie is cut), the recommended funding allocations to the individual agencies are generally consistent with the funding allocations for the previous two fiscal years. The actual amounts are generally greater than the 2013/2014 allocations, and generally less than the 2014/2015 allocations.

It is staff's recommendation to open the Public Hearing and take public comment; and recommend that the Finance Committee and Council approve the HRC Selection Committee recommendations for the for Fiscal Year 2015/2016 incorporating the budget adjustments that are recommended by the HRC.

Ms. Hernandez, Senior Planner, informed the HRC that this is the time to set priorities. If the HRC believes that there is an agency or specific service that is more beneficial and you would like to prioritize that this is the time to do that for the next five years.

# Approved

Jeff Summerville from Mid-Peninsula Housing expressed his appreciation to apply for CDBG funding. Mr. Summerville stated that Mid-Peninsula Housing submitted a CDBG application for rehab for accessibility improvements and landscape to improve water efficiency. These resources will significantly preserve the asset and operations for the future. He hopes to significantly reduce the operations budget. Mid Pen Housing has been around since 1970 and is a nonprofit affordable housing developer. They have developed over 90 properties with thousands of affordable units in San Mateo and Santa Clara Counties. Palo Alto Gardens is located on San Antonio Road.

Maria Marroquin from the Day Worker Center in Mountain View. Ms. Marroquin stated that the organization has been helping the community since 1996. The Day Worker Center is in communication with Downtown Streets Team to create a partnership with helping people looking for work.

Adriana Caldera, from the YWCA Silicon Valley Domestic Violence Department thanked the HRC for their recommendation and continued support of the program and due to the funding, they were able to leverage additional funding to expand the services in the shelter and next year they can pilot a rapid rehousing program for fifteen families who are leaving their facility to help them into secure safe and affordable housing.

Chad Bojorquez from Downtown Streets Team expressed their gratitude for the HRC's continued support for their Workforce Program which is a thriving program helping homeless and extra low-income individuals. The program has made a lot of progress these last two year digging deeper in their employer relationships and building partnerships on a regional level. When the team members apply for jobs they do not get lost in the shuffle.

Chair O'Nan inquired why the Day Worker Center did not receive funding. Commissioner Stone stated that the Selection Subcommittee did not fund the Day Worker Center because the residents of City of Mountain View were receiving the benefit and the Selection Subcommittee suggested that the applicant further develop their program and verify that they are helping the residents of Palo Alto by working with Downtown Streets or other programs and resubmit their application for the second year funding. Chair O'Nan stated that she lives near the border of Palo Alto and Mountain View and does not want to create an artificial barrier. Ms. Marroquin stated that the Day Worker Center has been placing workers into different parts of the Palo Alto, and they have workers coming from Palo Alto. They are proactively looking for more employers in Palo Alto to connect more people who are homeless. The Day Worker Center Executive Director and Downtown Streets Team met and are going to make a strong connection.

Ms. Hernandez stated from the staff prospective one of the requirements from HUD is that the projects that the city recommends for funding must be ready to receive the funds and execute the program. The city has a timeliness test and that is why the Subcommittee recommended delaying the funding for the two years to give the Day Worker Center some extra time to work with Downtown Streets Team and next year they can come back to the HRC with more information.

Chair O'Nan stated that it is a very interesting idea but needs development. Commissioner Alhassani asked if there is anything about first time applicants receiving funding. Ms. Hernandez stated that there are a lot of federal regulations that they must comply with and there is not

# Approved

sufficient time to determine if the Day Workers Center is ready. Chair O’Nan asked if the job placement program is ready for CDBG funding to comply with the regulations. Ms. Hernandez stated it is not necessary the program itself but the readiness of the agency. Chair O’Nan stated that she would like to give some seed money to the Day Worker Center but she does not want to override the Subcommittee’s decision. Commissioner Stone addressed the point that it was difficult for the Subcommittee to make that determination. The Subcommittee kept hearing that it was helping employers in Palo Alto but the Subcommittee was less concerned about the employers of Palo Alto but concerned about the employees. Commissioner Chen stated that she would like to review their program after the collaboration with Down Streets Team and one concern she had was the transportation of the employees to Palo Alto. Ms. Hernandez said they do not need to resubmit an application but they might be asked for additional information once they work with Downtown Streets Team. Chair O’Nan informed Maria Marroquin of the Day Workers Center to make sure their documentation included how many workers you serve live in Palo Alto.

**Commissioner Savage made a motion to approve the Community Development Block Grant (CDBG) Funding for Fiscal Year 2016. Seconded by Commissioner Alhassani AYES: Unanimous**

Ms. Hernandez asked the HRC if there are any specific funding priorities that the HRC wants to set for the next five years. The HRC can inform staff of the priorities. The Planning Department will be sending the draft Consolidated Plan early next week. The HRC is not required to hold a formal hearing by HUD standards. The Finance Committee and Council will be reviewing the document. Chair O’Nan indicated that the HRC would like to discuss the priorities and discuss them at the March meeting.

3. **Debrief on Senior Summit and formation of a Senior Subcommittee – Chair O’Nan**

Chair O’Nan stated that the Senior Summit was created from the human needs assessments because there are many service providers who work with seniors but often they do not have a chance to communicate and collaborate with each other. Since the senior population is growing as the boomers age into their senior years the city is not prepared. Chair O’Nan thought it would be a good conversation on what is the most critical and pressing needs and the solutions that can be advocated. Chair O’Nan stated that she had a meeting with Supervisor Joe Simitian and there was potentially county money but the city needed to identify key programs and projects and possibly get the city to provide matching funds and the senior service area is a good topic for that kind of joint funding.

Chair O’Nan stated that the HRC had the Senior Summit and there was a larger attendance than expected. Council Member Pat Burt stayed for the entire event and Mayor Holman arrived closer to the end. The participants shared what their issues were and on the spot began collaborating. There were key issues that floated to the top but there was not enough time to do a deep dive to explore. The Senior Summit was not the complete circle but it was a great first step. It would be helpful to form a Senior Subcommittee and come up with a handful of issues whether to go to the city and ask for funding or the county. Transportation was the key issue and there were other issues to tackle. There is a need for two to three commissioners to form a subcommittee to identify some issues, have focus groups and figure out financing and come up with some studies. Chair O’Nan asked if there were any comments from anyone who attended. Commissioner

# Approved

Morin stated that she attended the meeting and wants to serve on the Subcommittee and was amazed how smoothly it went giving the number of people. The participants were inspired and energized. Commissioner Stone stated that it was an incredible event and wanted to volunteer to be subcommittee. Chair O’Nan added that she also wants to be on the subcommittee so she can continue with the topic. Commissioner Savage expressed the amazement of the diversity and dedication of the participants. Chair O’Nan said there was a great energy in the room. The Subcommittee will be a long term process figuring out where the subcommittee will concentrate but there are key things that we can direct our attention.

#### 4. **Update on the planning for the Civility Roundtable – Chair O’Nan**

Chair O’Nan was impressed by the Mountain View Civility Roundtable and wanted to plan a Civility Roundtable in Palo Alto but the complexity to plan and execute became too much so close after the planning of the senior summit so the event was cancelled. Chair O’Nan asked the HRC if anyone was interested in having a civility roundtable by partnering with another agency such as PTA, school board, or Palo Alto Police. Chair O’Nan stated she would like to raise the HRC profile and have several community events a year.

#### 5. **Study Session Preparation for Joint Council/HRC Study Session – Chair O’Nan**

Chair O’Nan stated that the HRC normally meet with Council in the fall but with the constitution of the Council changing the HRC delayed. The HRC leadership reviews with Council what they have accomplished and their future goals and priorities. The HRC wants to take the opportunity to preview what is going to Finance and Policy and Services of Council about increasing funding for human services in Palo Alto and give Council some comparable data from other communities that may help inform them on their decision and also discuss the rainy day fund which is what Council Member Burt proposed. This is a rare opportunity to meet with Council. Commission Chen asked if that would be a time to speak about affordable housing. Ms. van der Zwaag said it would be a good time but the HRC should do some more work on making it not as broad. Chair O’Nan stated that she does want to look into the programs Ms. Gitelman spoke about. Tenant’s rights and senior co-housing are good research areas. Chair O’Nan asked if any of the Commissioners were interested in researching the topics what Hilary discussed. Commissioner Chen volunteered to start the research. Chair O’Nan stated to look at neighborhood counties to see if they have programs and also contact Project Sentinel. Commissioner Morin volunteered to work with Commissioner Chen to research on the issues the Ms. Gitelman presented to the HRC.

Chair O’Nan stated it would be helpful that all commissioners provide a paragraph on what they have been doing. Commissioner Savage stated that the HRC has a partnership with Police Department perhaps it can bring up issues about vehicle stops and racial bias, taser use, there are a lot of new hires and other issues that can be discussed with Council. Commissioner Savage stated that she will write a summary. Chair O’Nan asked the other Commissioners who have served as liaisons to provide information to bring to Council.

#### 6. **REPORTS FROM OFFICIALS:**

##### **A. Staff Liaison Report**

1. Ms. van der Zwaag reported that Council Member Mark Berman is the new Liaison to the HRC and Cory Wolbach is the alternative Liaison.

# Approved

2. The Friends of Buena Vista is holding a rally *Save the Buena Vista* in front of City Hall on March 9 at 5:30 p.m. Supervisor Joe Simitian is hosting the rally.
3. The Mountain View HRC cannot host the county breakfast. They want to have the Palo Alto host again.

## ANNOUNCEMENTS

### CALL FOR AGENDA ITEMS (March 12, 2015)

1. HSRAP
2. HRC Breakfast
3. Affordable Housing
4. Senior Subcommittee
5. Discussion on post Study Session and debrief.
6. Civility Roundtable

## ADJOURNMENT

The meeting adjourned at 8:40 p.m.