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**HUMAN RELATIONS COMMISSION**

**Thursday, May 14, 2015**

Community Meeting Room

Palo Alto Civic Center

250 Hamilton Avenue

7:30 PM

**SPECIAL MEETING**

**ROLL CALL:**

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

**Absent:** Chen, Savage

**Council Liaison:** Council Member Berman

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

Chair O’Nan stated that she wanted to spend a couple of minutes acknowledging the many contributions of the late Ray Bacchetti. Ray served on the commission for a better part of a decade and was tirelessly devoted to the community in so many capacities. The commission will remember him and his sage words of advice that he always had. Council Member Berman shared that reading the article online he learned even more in what Ray had done in the community and that Ray’s fingerprints are everywhere in Palo Alto, and we are all lucky to have worked with him. Commissioner Alhassani stated that Ray was a mentor to all of us.

**ORAL COMMUNICATIONS:**

Linea Wickstrom, Monroe Drive Ms. Wickstrom stated that she is taking every avenue to advocate for the City of Palo Alto loosening its restrictions on R1 lots so with parents of adults with developmental disabilities can put cottages on their lots. Ms. Wickstrom stated that she has a 2,000 square-foot house on a 10,000 square-foot property and lives 100 yards off El Camino so her son can walk to stores, banks, etc. The restrictions on mother-in-law units are so extreme that parents of young adults with disabilities are in despair and many have tried to get through the regulations. She said, “I am here hoping this commission can take avenues to help urge the city to loosen the restrictions so we can accomplish affordable housing for people with disabilities.” Ms. Wickstrom stated that people on SSI have to have a separate post office address.

**APPROVAL OF MINUTES:**

None

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

Ms. van der Zwaag suggested removing item #1 (Welcoming Incoming HRC Commissioners) and that Commissioner Morin requested removing item #3 from the agenda Ms. van der Zwaag also suggested removing item #6 and continue next month when there is a full HRC present. The meeting will start with

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the discussion with Brent Butler and anything that would require a vote do next since Commissioner Morin needs to leave early. Ms. van der Zwaag suggested starting the meeting with item #2 and #8 and then down the normal path with 4, 5 and 7. Chair O’Nan asked if the new chair and vice chair should be selected tonight because the new commissioners who will be joining us do not have much insight into leadership. Ms. van der Zwaag replied that the HRC technically can vote because you have four members tonight but that might feel odd for new members to not have a say. Chair O’Nan continued that it may be confusing to the new members not knowing anyone.

## **BUSINESS**

### **1. Welcome to the incoming Human Relations Commissioners – Chair O’Nan**

Item was postponed until June

### **2. Discussion on affordable housing with Brent Butler, City of East Palo Alto Planning Manager**

Chair O’Nan stated that Council Member Wolbach mentioned that the HRC should hear from Brent Butler Planning Manager, City of East Palo Alto because this commission has been worried about affordable housing issues, and the HRC is very interested to find out what is happening in our sister city. Mr. Butler stated that he wanted to discuss some of the issues facing the City of East Palo Alto and added that the City of East Palo Alto hired him to work on long range planning and the city had identified specific needs of housing affordable and health of safety issues. East Palo Alto is approximately 49% on the regulatory flood plan, 90% of the city is on the liquefaction zone and because of the historical use of pesticides in significant areas, the city has residual contamination, therefore the city wants to increase housing in a resilient sustainable way so that it does not put life and property at risk. One of the first things that had to be done was identify the issues surrounding those flood prone and liquefaction areas. The City of East Palo Alto was designated as a Brownfield Showcase Community by the Environmental Protection Agency so there was a great deal of characterization of the containments which would have potential impact on life which caused significant challenges to develop a resilient holistic community. First the city had to identify some of the vulnerabilities and identify how East Palo Alto can collaboratively work with partners to resolve some of the issues.

The City of East Palo Alto has realized that it is very important that when it looks at displacement and the health connection that home has the potential for creating a healthy environment. The risks of displacement when the availability of housing is beyond what they can afford people are more likely to accept substandard housing creating an unhealthy environment and pay more than what they can reasonably afford and all of these create stress and depression. When a person is displaced, there is loss of access to their family and connections and leaves longer commutes. Critically important is that it disrupts school relationships which are associated with lower rates of performance.

1948 was a critical period because that is when the Supreme Court held that covenants based on race can be upheld in a state court. Consequently in the 1950’s there was a change in the demographics in the community. During a 20-year period there was an urban renewal effort in San Francisco after the war in 1949 when 3,000 homes in the African American community were demolished and that displacement lead to an increase in African American population in unincorporated San Mateo County which became East Palo Alto. Post World War II until the city’s incorporation in 1983 that area of the county experienced suburbanization and an increase of population of color. Unfortunately at the same time there were unwanted land uses such as the San Mateo County dump, hazardous waste facilities and the placement of uses not necessarily beneficial to health. The City of East Palo Alto was

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challenged by how the city could change this legacy. How can it create an environment that will provide for the sensitive receptors, the youth and the elderly, an environment that would not impact their health? The city applied for \$1 million grant to update the general plan targeting the improvement of health. The city had specific health and demographic tracking data that suggested that the city needed to target health since the city had a higher mortality rate than the county. The city also recognized that the top causes of death were related to environmental health and a significant percentage of the population that had respiratory distress. Highway 101 brings approximately 400,000 vehicles through East Palo Alto. The incomplete combustion particle and the lack of a robust urban forest have likely contributed to the higher rate of asthma, pulmonary and heart disease and diabetes. The median age of the city in 2011-2013 was about 27 years which was the most youthful population within the region which would indicate that the city has a disproportional share of sensitive receptors that are individuals whose age is so young they are more likely negatively impacted by the environment.

There have been significant trends over the last few years. The African American population has been declining significantly and a large increase of Hispanic and Latino population has increased the number of households with limited English speaking skills. The other issue the city was facing is fairly significant overcrowding in the households. A significant and concerning finding is that 70% of the household income is being spent on rent which indicates that they are cutting corners elsewhere. The city has partnered with Ravenswood Family Health Center and their physicians have indicated that many children are malnourished. Displacement affects health by longer commutes, disruption in school and childhood relationships, overcrowding, economic stress and social cohesion is impacted by families having to work multiple jobs so there is no guidance and stewardship of the family unit.

Through the process of outreach to many community members how can the city create a mixed income community that provides for the entire ranges of incomes in the city? The first objective was to provide permanent deed restrictive affordable housing. The restriction on the land will limit the occupancy of the home to certain income groups. Regulations were established to prevent displacement of existing residents. A mobile home conversion ordinance was adopted which required that if a mobile home park closes the displacement costs must be provided to the mobile homeowner and payment for the cost of the mobile home must also be paid to the owner. There are 2600 units in the rent stabilization program which provides a fair rate of return for the property owner but the rents must not be escalated above the CPI.

The City of East Palo Alto has also identified the need for new parks and open space and with the concern of public health the city wanted to increase the ability for the population to walk and bicycle. The city partnered with the California Endowment and the police department established "fit zones". There was also a concern about crime so that the residents would not go into areas of the city where they heard gun shots so the city established shot spotter technology and expanded police resources in those areas. The police engaged the community in healthy activities and employed navigators from the health clinics and activities to take back the public space and get people active again. The city is also changing the approach of the city design which focused on "driver delay" which is not being responsive to the needs of pedestrians and bicyclist. Driver delay is the amount of seconds that a person is delayed at an intersection and if a project increased that delay it would require some sort of mitigation. The city adopted their first bicycle transportation plan and at the same time multi mobility insuring that projects target improving non-motorist transportation.

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The city also had to pay attention to the city's fiscal health. When the city was established, the primary base of the city's general revenue was property tax which was not significant. The city established three different redevelopment areas: University Circle, Ikea shopping area and the third is an extensive Master Specific Plan Ravenswood area which has not taken off but the city is trying to incentivize that redevelopment area. The Council has identified six strategic priorities the first to enhance public safety and emergency preparedness since 49% of the city is on a flood plain, police trying to address crime, enhance economic vitality with general fund revenue being so limited. The city wanted to improve customer relationships and residents and make city services user friendly.

The city is drafting a general plan and the goal is to decrease the disparity of East Palo Alto and surrounding communities in mortality and morbidity. The city identified 26 areas that it could monitor and measure the effectiveness by expanding the urban forest, expansion of affordable units, and the expansion of general fund revenue. The city used these indicators to see if the plan is approaching the mission of the community. The city had to realize that there is such a need for infrastructure but the city has to partner with other agencies. The city has partnered with Palo Alto and the Joint Power Authority with regards to flooding and San Mateo County with regards to housing and transportation. To find partnerships is probably one of the most viable approaches that the city has.

Chair O'Nan stated that she feels there is a real issue in East Palo Alto and surrounding areas regarding gentrification because of the lack of housing in Silicon Valley and professionals swooping in and as the community changes it becomes more prosperous and people of color get pushed out of their communities. She asked if gentrification was a positive or a dangerous threat to East Palo Alto. Mr. Butler replied that gentrification from the standpoint of displacement is problematic and many residents in the City of East Palo Alto are concerned that the community they know is changing and the city has responded comprehensively because the founding of the city was based on the insurance of protections and one of the first municipal ordinances adopted was regarding rent stabilization and just cause eviction of which the goal was to provide a disincentive for speculators to come in and buy the real estate and evict the residents for profit.

The city has continued to implement innovative and aggressive legislative ordinances such as the mobile home conversion ordinance. The city adopted an urgency ordinance no new land use entitlements can be adopted on the west side of the city for the duration of the time the general plan process continued. The city is doing everything it can because gentrification has negative connotations.

Commissioner Morin asked is there is a moratorium on the west side of the city. Mr. Butler stated that Highway 101 divides the city into two parts and its a fairly significant barrier and on the Palo Alto side of Highway 101 there are three different land use areas:. Willows - extends into Menlo Park; Woodland - adjacent to Crescent Park and University Circle – location of Four Seasons Hotel and 400,000 square feet of Class A office space and has an average density of 10,000 persons per square mile, the area of the city with the most multi-family units. On the east side of the freeway, with the exception of University Avenue, some of the buffer areas to Highway101 and Willow Road, the city is largely single family home and best practices and planning would encourage that to continue because much of the area is flood prone areas. FEMA guidance states that those areas that have the potential of flooding and it is best to keep them low density.

Commissioner Morin inquired if the moratorium affects the area around IKEA? Mr. Butler responded that the actual area covered by the moratorium is west of Highway101. East Bayshore does not

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benefit from the moratorium but the city does have a mobile home park that benefits from the mobile home conversion ordinance, some of the multifamily structures near the freeway would also benefit from the condominium conversion ordinance and the city also has the rent stabilization and just cause eviction ordinance. The census study indicates the west side shows low income but high education containment which leads many to believe there are a lot of Stanford students in the area.

Commissioner Stone asked Mr. Butler to explain the Rent Stabilization and Just Cause Ordinance. Mr. Butler explained when the city was first established the concern of the community was displacement. The voters approved an ordinance that provides for a mandatory registration of property owners. Through the registration the city identified the current rents and CPI index, and what percentage change would be allowed. If property owners make improvements there is a right to recover the costs. There has been a history of evictions not based on reasonable grounds so the city included protections so property owners would not evict tenants to increase the rents. There is a state law called Costa Hawkins Rental Housing Act which requires any vacant apartment be decontrolled if a tenant moves then that unit is reset to the current market rent.

Commissioner Alhassani stated that the region overall is experiencing an economic boom but it seems that East Palo Alto has not reaped a share of it and someone more market oriented might say it is because of all the ordinances are creating barriers. How do you know if you are putting so many economic barriers? Mr. Barker responded that in 1983-1984 the only non-residential taxes came from a McDonalds, but now the city has one of the largest grossing businesses in the Bay Area, IKEA, and the Four Seasons is generating revenue to the general fund. The city has increased the non-residential share of the general fund growth and with regards to the future, the city has identified that it is surrounded by one of the largest job growth areas in the regions. The city wants to approach growth in a very balanced way with the requirement that 20% of residential development accommodate low income which does not include the unemployed but people who are providing services in the region.

Commissioner Morin stated that she is fascinated by driver delay. Can Mr. Butler explain more about driver delay? East Palo Alto has direct access to the Dumbarton Bridge which produces higher vehicle flow than you would in Palo Alto. Mr. Butler explained that members of the community have a diversity of opinion on this subject. Some community members believe there should be something like they see on the University Avenue in Palo Alto, one lane each direction, to force cars to go around the city. Many members of the community say if cars stop and go it is associated with greater releases of combustible incomplete particles and particulate matter from cars, trucks and diesel engines. Some regard the approach being considered by Menlo Park to accommodate the Facebook expansion through the use of a new rail on the old Dumbarton track may be a viable alternative because it reduces the need of individuals to get around without a car and reduce the toxic air contaminants.

Chair O’Nan said that Mr. Butler’s presentation mentioned preserving existing residents in their housing and avoiding displacement, but that in Palo Alto we struggle with how to manifest affordable housing. She asked if in East Palo Alto do they have guidelines for creating new affordable housing or are they focusing on preventing the loss of existing affordable housing? Mr. Butler replied that the city adopted the Nexus Study which is a new case law that provides a defensible approach to charging fees or requiring developers to include affordable housing in market rate developments. There is a diversity of opinion on how to use the Nexus Study; some communities favor providing affordable housing in market rate developments others favor in lieu fees, payment in lieu of building and when sufficient funds are generated it is used for affordable housing. With regards to other approaches the

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state has identified the building of second units as a viable source for affordable housing because it does not require the purchase additional land. One of the opportunities for Palo Alto would be to incentivize second units because it does not change the character of the community. The city would not see a large construction of buildings you would have context-sensitive development. Some studies show that 70 percent of the homes in Palo Alto are occupied by one or two individuals and the footprint with the amount of square footage per person is very large so second units might be a way to approach it.

Commissioner Alhassani asked what Mr. Butler's dream scenario is and what areas the city's low hanging fruit that cities could partner on. Mr. Butler explained that cities share a lot of issues that are common and flooding is one. The city is very concerned that in the event of an earthquake each community has the ability to put out fires because the city has the concern with low water pressure. If any of our lines break and the city has a significant fire, it will just spread to surrounding communities. Another area for potential collaboration is that City of East Palo Alto shoulders a significant share of the region's affordable housing and diversifying that by allowing all communities to have a share would reduce East Palo Alto's burden because affordable housing is often tax exempt. Palo Alto's current Housing Element indicates there are 2,200 units in vision and Palo Alto has a 3 to 1 imbalance - for every 3 jobs there is one resident employed within the city so there are a lot of people coming into this community.

Commissioner Stone asked since East Palo Alto's role is to protect their citizens has that role inhibited the city's ability to raise more money or economic vitality? Mr. Butler replied that one of the approaches is to have growth moderated. The city's rapid explosion of commercial property such as University Circle and Ikea is still in transition and the city is trying to incentivize the third redevelopment area now. The market is very strong now but they have cycles; for instance, the technology bust of 2001 and recession in 2009 and in these peak cycles we are able to achieve a lot but the city also wants to be sustainable. The city's approach has been cautious because by moving at a fast pace it might cause impacts and that is why they are looking at the General Plan update. The city has 26 indicators, the city implements the plan, then looks at what the city has done and how it has worked. The Second Unit Ordinance in 2010 did not do the trick so they fine-tuned it in 2014, and the city is monitoring the ordinance to see how many new units are being developed. The city also has the problem of overcrowding. The market is so strong it is forcing impacts on neighborhoods that they have no control over. Persons are so concerned about housing they are taking garages and converting them into living space which provides unsafe and substandard conditions. It is a hard balancing act.

Council Member Berman inquired if Mr. Butler had any idea of renter occupied to property owners of people that live in East Palo Alto. Mr. Butler replied that there are 7,700 units and roughly 3,000 that are multifamily rentals which compute to 35-40%. Council Member Berman added that Palo Alto's percentage is 45-55% renter occupied versus owner occupied.

### **3. Update from the Affordable Housing Subcommittee - Commissioner Chen**

Item was postponed until June

### **4. Update from the Homeless Vets Subcommittee – Commissioners Alhassani and Stone**

Commissioner Alhassani stated that a date is selected and location booked for Friday, July 17 at the Mitchell Park Community Center. They currently have a rough draft of an agenda and have a list of community members and organizations to reach out to and have been in touch with a public affairs

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officer at the Veteran's Administration who does their newsletter, and they want to include a save the date. The subcommittee still has some ironing out to do with the programs and details on how things will work. Commissioner Alhassani requested a time to touch base with staff that next week and talk about the invitations.

## **5. Update from the Senior Services Subcommittee – Chair O’Nan (10 minutes)**

Item was postponed until June

## **6. Selection of Human Relations Chair and Vice-Chair – Chair O’Nan – Action**

Chair O’Nan stated that she has been on the HRC for five years and traditionally the chair and vice-chair that would serve one term and then the vice-chair stepped up to chair. When she took the chair position, Commissioner Bacchetti stayed the vice-chair and we served a second term. Chair O’Nan added that none of the other commissioners have served in leadership so she would be willing to continue remain as chair but need a vice chair. Chair Morin stated that Commissioner Chen should be present during this discussion. Commissioner Alhassani stated that it feels awkward that the rest of the commission is not present. Chair O’Nan agreed that the selection will be continued until June.

## **7. Discussion on the planning of a Civility Roundtable- Chair O’Nan**

Commission Morin stated that she and Commission Chen attended the Mountain View Civility Roundtable and topic was *Could Ferguson Happen Here*. Commission Morin shared that she believes the roundtable was not relevant to Palo Alto. Chair O’Nan disagreed that it is relevant to Palo Alto, and she has spoken to many Hispanic and African Americans who feel they have been targeted unfairly by the police but many of the problems have been mitigated because Palo Alto has a great Police Chief who has been very sensitive to the needs of minority residents.

Chair O’Nan stated that Council Member Wolbach would like the HRC to host a Civility Roundtable like Mountain View’s. Ms. van der Zwaag stated that possibly one commissioner could handle the load if there was a community group that would carry the load. Chair O’Nan added that possibly the Mountain View HRC would be willing to meet with them to share their best practices. The item was continued to the next meeting when more commissioners are present.

## **8. Debrief of HSRAP meeting with the Finance Committee – Chair O’Nan - Action**

Chair O’Nan reported that the HRC recently met with the Finance Committee to discuss the recommended allocations for Human Services Resource Allocation Process (HSRAP) for FY2016.. The Staff recommendation included a 2.6% CPI increase. Chair O’Nan explained that in the past HSRAP received regular increases and the increases stopped about 10 years ago and funding went down or was stagnate. She made a pitch that the regular CPI increases should be restored so when the HSRAP budget cycle comes up both the HRC and the agencies have a better sense of the funding landscape. The HRC also presented some information that Council had requested in the past regarding how other communities fund human services and the response from the Council was mixed. The Finance Committee was open to the cost of living increase for this cycle but not open at this time to a long term reinstatement of regular increases and not receptive to another increment above the cost of living increase. The comparison to other communities received a negative reaction particularly from Council Member Scharf who felt that our comparison showed that Palo Alto already gives a lot to local nonprofits. Council Member Scharf felt that the Council has already given enough to HSRAP. Vice Mayor Schmidt made a pitch for some extra HSRAP funding but the other Council Members were not receptive. Chair O’Nan thinks the should go back with a clearer and coherent approach to Policy

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and Services Staff van der Zwaag stated that the current HSRAP budget is \$436,000 and if we continued with the CPI increases from 2002 we would be around \$521,000. Chair O’Nan stated she will work with staff and the HSRAP Subcommittee to get ready for the Policy and Services in the fall. Council Member Berman stated in terms of stability for agencies, a two-year contract is not a lot of stability since the HRC can decide not to renew an agency’s grant every two years. An agency should not count on HSRAP for long term planning purposes Chair O’Nan added that last year Council approved a rainy day fund which has put \$50,000 in reserve. The HRC discussed regular CPI increases and maintaining the reserve fund and potentially opening up a flex fund to give them an additional funding option to address urgent needs. Council Member Berman stated that it is an intriguing idea because agencies come to Council, and Council funds them from the general or contingency fund but it makes sense for people to come to the HRC. The idea of a combining the flex fund and the reserve fund and having a minimum reserve is an interesting idea. Council Member Berman stated if the city had a policy to fund a CPI increase and then the City has a \$4 million deficit, Council would suspend the increase. Chair O’Nan stated that the suspension has impacted the agencies who serve our community.

Chair O’Nan asked the commissioners if they had any thoughts about approaching Council via the Policy and Services Committee to make HSRAP funding increases regular and sustainable. Commissioner Stone stated that is the way to go through Policy and Services now that the Finance Committee had their say and the HSRAP Subcommittee can look at it little closer. Ms. van der Zwaag added that it is important to go to Policy and Services with very clear policy decisions that you want them to consider. Chair O’Nan stated that she would regroup with the Subcommittee and staff and work with them over the summer to get ready for the fall.

## **8. Discussion on Countywide HRC Breakfast – Chair O’Nan (10 minutes)**

Chair O’Nan stated that annually there is a countywide HRC breakfast that is hosted by one of the local agencies and Palo Alto did it a few years ago to great success. Recently the new chair of the Outreach Committee for Santa Clara County Office of Human Relations, Clarissa Moore contacted Chair O’Nan to say she was doing outreach across the county and wanted to meet the local HRC’s to discuss her great ideas and plans. It was decided to have countywide breakfast on Wednesday, June 17 and invite Clarissa Moore to speak which will give her a chance to meet many people and explain the county’s mission and to foster a relationship between the city and county. Ms. van der Zwaag stated that staff will contact Santa Clara, Mountain View, Sunnyvale, San Jose and staff can send an invitation out on Monday. Chair O’Nan added that she would like to move forward and will write a quick introduction asking attendees to share updates and have Clarissa serve as the keynote speaker and all of the local officials need to be invited.

## **REPORTS FROM OFFICIALS:**

### **A. Commissioner Report**

1. Commissioner Alhassani shared that the Palo Alto Mediation spoke in front of Council. Ms. van der Zwaag said that she was in attendance, and the Palo Alto Mediation gave a very nice presentation. They did not get any questions from the Council except for sincere thanks from the Mayor.
2. Chair O’Nan stated that she received a lovely email from Ray’s widow thanking her for staying in touch.



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## **B. Staff Liaison Report**

1. Ms. van der Zwaag shared that Consuelo Hernandez of the Planning Department had one more community input on the Comprehensive Plan. The Planning Department is obtaining community input on the Comp Plan on May 30 by hosting a summit on critical issues and the HRC is encouraged to attend. Ms. van der Zwaag will follow up to make sure the HRC members get an invitation. Commission Alhassani shared that the event will start the process of editing and drafting the Comp Plan. There are over 400 Palo Altans who have RSVP. The summit is on May 30 at 9 a.m. at the Mitchell Park Community Center.

## **CALL FOR AGENDA ITEMS (June 11, 2015)**

1. Welcome to the incoming Human Relations Commissioners
2. Update on the Affordable Housing Subcommittee
3. Update on the Senior Services Subcommittee
4. Update on the Homeless Vets Subcommittee
5. Discussion on the planning of a Civility Roundtable
6. Selection of Human Relations Chair and Vice-Chair
7. Project Sentinel on the Mandatory Response Program
8. Dr. Barr to speak about homelessness in Palo Alto
9. Retreat in August

## **ADJOURNMENT**

1. The meeting adjourned at 9:40 p.m.