



Planning & Transportation Commission Action Agenda: April 28, 2021

Virtual Meeting
6:00 PM

Call to Order / Roll Call

6:00 pm

Chair Hechtman: Thank you and good evening everyone. And welcome to the public, Staff and members of the PTC to this regular meeting of the Planning and Transportation Commission. Ms. Klicheva, will you roll the tape?

Ms. Madina Klicheva, Administrative Assistant: Yes. Sorry, just a second.

[An automated voice recording begins to play disclosing Zoom procedures.]

Chair Hechtman: Ms. Klicheva, will you call... conduct the roll call, please?

Ms. Klicheva: Sorry, forgot to unmute myself. Chair Hechtman?

Chair Hechtman: Present.

Ms. Klicheva: Vice-Chair Roohparvar?

Vice-Chair Roohparvar: Present.

Ms. Klicheva: Commissioner Alcheck?

Commissioner Alcheck: Here.

Ms. Klicheva: Commissioner Chang?

Commissioner Chang: Present.

Ms. Klicheva: Commissioner Lauing?

Commissioner Lauing: Present.

Ms. Klicheva: Commissioner Summa.

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2 Commissioner Summa: Present.

3
4 Ms. Klicheva: Commissioner Templeton?

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6 Commissioner Templeton: Present.

7
8 Ms. Klicheva: We have a quorum, thank you.

9
10 Chair Hechtman: Thank you. We are now moving onto oral communications.

11 **Oral Communications**

12 The public may speak to any item not on the agenda. Three (3) minutes per speaker.^{1,2}

13 Chair Hechtman: This section is for the public to speak on items that are not on tonight's
14 agenda. Please raise your hand if you wish to speak to an item that is not on tonight's agenda.
15 On the Zoom app, there is a raised hand button on the bottom of your screen. If you are dialing
16 in from a phone, press *9. Do we have any public speakers for oral communication?

17
18 Mr. Medina Klicheva, Administrative Assistant: At the moment we don't have any raised hands.

19
20 Chair Hechtman: Well, then we will move forward with agenda changes, additions and
21 deletions.

22 **Agenda Changes, Additions and Deletions**

23 The Chair or Commission majority may modify the agenda order to improve meeting management.

24 Chair Hechtman: Commissioner Members, are there any? How about Staff? Ms. Tanner.

25
26 Ms. Rachael Tanner, Assistant Director: Yes, we did want to note that one of the items that had
27 been scheduled for today was the Objective Standards, Item Five, has been rescheduled for the
28 May 12th meeting. So, it will be taken up on May 12th.

29
30 Chair Hechtman: So, I see currently we have two attendees so if either of you were here
31 specifically for the Objective Standards item on the agenda, it has been moved to May 12th.
32 Let's move now to City official reports.

33 **City Official Reports**

34 1. Directors Report, Meeting Schedule and Assignments

35 Chair Hechtman: Ms. Tanner, do you have a report for us?

36
37 Ms. Rachael Tanner, Assistant Director: Yes, Commissioners. Good evening, good to see you all
38 and we were just talking about hopefully seeing you all in person sometime later this year. We

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1 continue to await more information regarding what California reopening looks like and then
2 following from that, what it will look like to continue to work to restore in-person City services
3 and activities like Board, and Commission meetings.

4
5 Overall, the county's making really good progress on meeting vaccination rates throughout the
6 county and maintains a goal that 85 percent or more of Santa Clara County residents will be
7 vaccinated by August 1st. They're making some pretty good progress towards that so that's
8 certainly encouraging. For those watching, if you haven't gotten a vaccine, please consider it. If
9 you are wondering how you can get connected. My Turn is the way the state is coordinating
10 vaccinations so that is a great place to go as a resource to figure out where you can become
11 vaccinated if that's something that you are interested in. We still do also have testing.
12 Continuing to test for COVID-19 is important so there is still free testing available in Palo Alto
13 and there's more information about that on the City website.

14
15 We do want to announce that we're really proud, in our Planning and Development Services,
16 our Developmental Services side is offering a new feature which is virtual appointments. An
17 ability to go online and schedule an appointment to meet virtually if you are filing a new
18 Building Permit application. So, this would be a video appointment. It compliments our system
19 that already allows planning, building applications and documents to be uploaded online. But if
20 folks want to dialog with a project coordinator, have questions, want to check in on a project.
21 It's a really great way to kind of replicate the counter experience in the virtual environment. So,
22 folks can find that by heading to our website, cityofpaloalto.org/paloaltopermits and you can
23 find more information on how to get linked up with a virtual appointment with a project
24 coordinator. So, we're really excited about that. We think it will also help our development as
25 we do prepare to open in-person services as we get closer towards the end of the summer. To
26 ensure that folks can have a time when they're going to have their permit consider and having a
27 meeting. That way folks aren't just waiting around in the lobby or wondering how busy is it
28 today. We think it will be one of those pandemic efficiencies that we'll say why didn't we do
29 this sooner and so we hope it will be actually an amenity for our customers and create more
30 efficiency for our Staff as well.

31
32 We did go to City Council on August 19... August? April 19th, last Monday, to talk about the
33 street closure UpLift Local Program as well as Temporary Parklet Program. We did get direction
34 to keep the street closures open through the summer, actually to October 31st so our late
35 summer that we have, and then the Temporary Parklet Program through December 31st. We
36 also got direction to develop a permanent Parklet Program. So, I'll be working with the
37 Architectural Review Board on what are some design aspects of that program and we may also
38 come to PTC depending on how we put the program through the ordinance. Will it be in Title
39 18? Will it be under Public Works? So, we'll have some figuring out to do but we certainly are
40 looking forward to that work to figure out how to make parklets a part of our pedestrian and

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1 our downtown and shopping district environment. I will say that these programs continue to
2 evolve. The Resolution that supports both of these programs were based on the pandemic and
3 so as things continue to hopefully go in a good direction. We may need to return to Council
4 either with a different basis for these programs or they may just not be needed in the same
5 way that they're currently configured. So, happy to answer any questions about that.
6

7 And then lastly, on May 3rd which is next Monday's Council meeting. There are two items that
8 will be coming that are related to Planning and Development Services and transportation.
9 There's the Alma and Churchill Avenue intersection that transportation brought to you I think in
10 the beginning of April we had that discussion. So, that will be up at Council on the May 3rd and
11 then we'll also be discussing Community Development Block Grant funding. That's not an item
12 that came to the Planning and Transportation Commission. The Human Relations Commission is
13 actually the group that advises on the CDBG allocations, but that will also be the other action
14 item on May 3rd. So, with that, I'm going to hand it over to Nate Baird. He's going to give a few
15 more updates for transportation and parking and then we'll be happy to answer any questions.
16 Nate, did you want to give an announcement?
17

18 Mr. Nate Baird, Transportation Manager: I did. I needed to hunt for my (interrupted)
19

20 Ms. Tanner: Mute button? Yeah.
21

22 Mr. Baird: Unmute button. Sorry about that all, but it's good to see you all. I just want to let you
23 know we're continuing to do outreach with our Palo Alto Parking Action Plan. That helps us
24 translate our working plan items into strategies that we can implement both operationally and
25 in terms of the community outreach that we want to do.
26

27 An important tool that we have out right now is our parking survey. That was sent out very
28 broadly to residents but also to businesses and to employees and employers. So, we're hoping
29 to ask you all to help us get more folks to know about that survey and take it in.
30

31 We'll also be conducting some focus group meetings and so if... particularly because we've
32 been looking at Evergreen Park/Mayfield area and the California Avenue area and how those
33 parking districts relate to each other. We really need to get some more feedback from
34 businesses in particular. So, if you know folks who would like to convey a focus group from that
35 area and just talk with me about what's going on there and what we can do moving forward.
36 That could really help us figure out the right size recommendations for the employee
37 allocations and also next steps thinking about virtual permits and that area with LPR
38 enforcement that's coming. But more importantly, the LPR data collection that we get from
39 using those vehicles to understand parking occupancy throughout the City. So, all of that's
40 pretty exciting but it's also just... you know community outreach is how we can come up with

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1 the actions that are going to help us the most. But it is hard right now to get folk's attention
2 with the way the economy is right now and just how tough things have been locally. So, it's
3 hard to put one more thing on people's plates but I think there is an opportunity to figure out
4 what makes the most sense for Palo Alto right now.

5
6 Alright, so that's the parking update. Let folks know about that parking survey. We want
7 employees, employers, businesses, visitors, anybody who parks in Palo Alto can take that
8 survey and add value for us in terms of understanding what our parking needs are. Alright,
9 thank you all.

10
11 Ms. Tanner: Thank you and maybe the last thing I'll say is tomorrow or I think maybe the Friday
12 is when our City's budget will be released. So, if you're curious to see the City's budget, it will
13 be released on Friday and that's the report. Happy to answer any questions that you all may
14 have.

15
16 Chair Hechtman: Questions from the Commission? Commissioner Chang.

17
18 Commissioner Chang: So, Mr. Baird, how do we get to that parking survey and I don't think I
19 saw it but one route for publicizing it right now might be the Coronavirus news letter that
20 comes out twice a week.

21
22 Mr. Baird: Yeah, we did have it in the Coronavirus pretty recently so that did help... worked out
23 pretty well for us.

24
25 Ms. Tanner: We can send it to all the Commissioners and then we can send even just in a
26 message that you all can forward if you have groups or just folks you know who might be
27 interested. So, we'll it in a way that if you just want to forward it along and then folks can get
28 that link. I believe... is it through Survey Monkey or is it on our website?

29
30 Mr. Baird: We're actually using some of the capabilities of the new website too. So, that's
31 another good reason to check it out and try the survey out for yourself.

32
33 Chair Hechtman: Other questions from Commissioners? Then I will just note as Ms. Tanner
34 mentioned, that we have items coming to City Council, one of which is coming from PTC that
35 Commissioner Templeton, you're on deck as our Council representative in May with
36 Commissioner Summa as your backup.

37
38 Commissioner Templeton: Thank you.

39
40 Chair Hechtman: Alright, we will now move into our agenda with Item Number Two.

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Study Session

Public Comment is Permitted. Three (3) minutes per speaker. ^{1,3}

2. Study Session to Discuss and Provide Feedback on the Proposed Scope of Work for Items Referred by the City Council to the PTC Regarding the Community and Economic Recovery Plan; Specifically: (1) Quickly Evaluate and Propose Changes to Enable More Diverse Uses in More Sites, (2) Evaluate ways the City Can Curate a Strong Retail Mix, (3) Evaluate and Propose Changes to the Geography of the Retail Preservation Ordinance, and to (4) Refine Restrictions on Dining Establishments.

Chair Hechtman: Agenda Item Number Two, it's a study session to discuss and provide feedback on the proposed Scope of Work for items referred to in the City... referred by the City Council to the PTC regarding the Community and Economic Recovery Plan. Specifically, one, quickly evaluate and propose changes to enable more diverse uses in more sites; two, evaluate ways the City can curate a strong retail mix; three, evaluate and propose changes to the geography of the Retail Preservation Ordinance; and to four, refine restrictions on dining establishments. Ms. Tanner, may we have a Staff report, please?

Ms. Rachael Tanner, Assistant Director: Yes. I will share my presentation. Great, so good evening Commissioners. We're here to talk about the Scope of Work for the Community Economic Recovery Work Plan. Parts of it that the Council has referred to the Planning and Transportation Commission to take up.

So, just want to talk a little bit about what it is we're trying to do this evening. The purpose here is to provide the discussion and feedback regarding these items that have been referred to the PTC from Council. And Staff will incorporate the feedback that we receive today into the Scope of Work and schedule for the project.

So, a little bit of ways to think about how the presentation and discussion can go today is to think first about what is it that the City Council has asked the PTC to review? So, that's looking at those referrals. Second is to think why have they asked for this? So, what are the contributing factors that are leading us to need to take up this work beyond the Council telling us to? And then three, how might we approach this body of work? So, that's really where we'd love to get feedback from you all around how we can approach this task and get it done in a quick fashion as the Council asked and also on a tight budget. So, I think we're used to those time and money constraints.

So, first I want to talk a little bit about the current reopening statues, just to kind of root us in where we are right now today as of April 28th. This is a map on the right-hand side that shows

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1 the four risk levels that the State of California has established and each county is rated based
2 on its risk level. So, this is a little bit dated. This is from April 13th but it shows all the counties in
3 California and their risk level ranging from purple, widespread, all the way to minimal spread of
4 COVID-19 which is yellow. As you can see very few yellow-tiered counties and Santa Clara
5 County right now is in the moderate risk level which is the orange level. This allows some indoor
6 business operations.

7
8 On June 15th, California may fully reopen if two factors, two criteria, are met. One, the vaccine
9 supply is sufficient to serve all who wish to be inoculated and two, the hospitalization rates
10 remain low and stable. And at that time, it's been eluded to, although not I think specifically set
11 out that certain restrictions on the indoor operations for example may go away and many
12 activities may be allowed to resume. Mask wearing indoors may remain as a mandate and some
13 other limitations on the size of the very, very large gatherings but otherwise, it's fully reopened
14 possibly as soon as June 15th.

15
16 To give us a cross-section of ways that these different tiers can affect different industries. This
17 is just showing where we are in orange right now where for dining, for example, you can be
18 indoor up to 50 percent of capacity. Indoor retail is open with some protocols in place like
19 masks and other things but no capacity restrictions. And gyms right now can be open indoors
20 with a maximum of 25 percent capacity and of course, that may all evolve pretty significantly
21 on June 15th.

22
23 Next, I want to talk a little bit about the City Council referrals themselves and what have they
24 asked us to take up. This timeline tries to summarize some of those referrals and when they
25 happened. It's a summary a little bit from what is in the Staff report that you all have. So, last
26 November and that should actually say 11/9/20 so apologizes for the incorrect date there. Last
27 November we went to City Council and they asked us as a result of that meeting to quickly
28 evaluate and propose changes to enable diverse retail uses in more sites and to evaluate ways
29 to create a strong retail mix. Part of that discussion that evening was picking up on discussion in
30 September where we talked about... in that evening where we talked about some of the trends
31 in retail. Some of what we're seeing happening as a result of the pandemic locally and
32 regionally and really nationally in terms of retail. So, both the pandemic-related trend but also
33 even the trends that we had been observing before the pandemic and really asking ourselves.
34 Well, when we think about economic recovery, what can the City do to help prepare the City to
35 recovery? And one thing that we can do is try to have a regulatory framework that allows
36 businesses to open in some of the vacant storefronts that we have in Palo Alto which have
37 increases significantly due to the pandemic.

38
39 The Council asked... also asked us to review the geography of the Retail Preservation Ordinance.
40 In particular, thinking about should the Retail Preservation Ordinance apply to every location in

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1 Palo Alto as it does today? Does it need to be more tailored in its geography in where it
2 requires retail to be preserved?

3
4 So, the other thing they asked us to do that evening was to come back with some quick changes
5 that could help to enable some more retail and retail-like uses in more sites in the City. So, we
6 came back on December 14th with an ordinance to amend some part of... so for example,
7 thresholds for Conditional Use Permits for certain uses and a couple other small things. The
8 second reading of that though, ordinance was delayed until March 8th and so the quick change
9 was not so quick but that did pass on the second reading. And at that time, the PTC also... or
10 the Council also asked us to evaluate how to define and restrict dining establishments. And
11 that's because at that meeting there was a discussion and part of the ordinance is kind of
12 differentiate let's say a sandwich shop and an ice cream parlor from a full-service sit-down
13 restaurant, and how those different types and scale of uses should maybe have some different
14 requirements. In the ordinance is a suggestion to use the definition or a presence of a full
15 commercial kitchen as part of the deciding factor... determining factor. And there was some
16 push back from some members of the community of the retail and restaurant community and
17 so wanting us to take a closer look at that and see if there's a better way to define that. And for
18 the temporary changes that were made in that ordinance, they will need to come back to the
19 PTC for us to review them and make a recommendation to Council.

20
21 And then we're here today, 4/28/21 to talk about the Scope of Work and so we're trying to fold
22 these referrals and these items into the Scope of Work that we have before you today.

23
24 So, this is just another table, I won't go over it. It has the same information with the addition of
25 the March 22nd meeting. The 855 El Camino Real, you recall the Commission did recommend to
26 the Council to allow some of the ground floor office uses or medical office uses in Town and
27 Country. That will be coming back as a separate item. So, we're taking the other two referrals
28 together and that item will come back separately.

29
30 Now we'll talk a little bit about the trends and factors that are contributing to the need to take
31 up this body of work. So, this is kind of a simplified and somewhat idealistic version of how the
32 economy... local economy can work. We have Palo Altans who are shopping locally, who are
33 receiving goods and services locally. They are getting those services at local businesses that
34 generate profit for them to pay their employees and then there's taxes paid on the purchase
35 and sometimes on certain services. And then those taxes support our public services, our
36 infrastructure and its public programs and helps us support the quality of life in Palo Alto. Of
37 course, there are more contributing factors and other sources of taxes and sources of revenue
38 that fund public services. It's not just goods bought locally but that is an important part of our
39 local tax base that does provide, in part, for the high quality of life in Palo Alto. And I think as

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1 importantly, it contributes to a very strong sense of place and sense of community identity in
2 Palo Alto and in many other communities as well.

3
4 So, what has the happened in retail both before the pandemic and from the pandemic that has
5 threatened that vitreous cycle of support and high quality of life? The first is that the pandemic
6 caused not only a massive disruption in terms of not being able to go anywhere and do the
7 things we normally did and unfortunately, a very high loss of life in the United States. It also had
8 a massive disruption to the global economy leading to closures of business; especially retail and
9 restaurants. So, on the right you see a report from September 2020 from Yelp. They were using
10 their data base of all the businesses that are on Yelp to be able to understand what has closed
11 back... that was... this is September of 2020, that was open on March 1st of last year. So, just,
12 you know not, even a full year and what you can see is that restaurants, for example, 61
13 percent of restaurants had permanent closures, 39 percent were temporary. Shopping and
14 retail, very high closure rate. You can see some of the other categories having a lesser closure
15 rate but still pretty significant within their categories just a lower overall number even though
16 you say a lot of permanent closures. And so, we can see this in Palo Alto when we see quite a
17 number of vacancies in downtown, in Cal Ave, and other places across the town that use to
18 have thriving and viable businesses located there.

19
20 What I think is also I found quite troubling is just kind of how our state fits. It's not always easy
21 to get good local information but I think what this chart, also from the same Yelp report, shows
22 is where the most businesses closed by metro area. And so, we can see Los Angeles is number
23 one, it's the second-largest City in the country so perhaps not surprising; same thing for New
24 York. San Francisco area is third and that's pretty troubling. We don't see San Jose on the list
25 and I'm not sure if they included San Jose and San Francisco together in the same metro. You
26 see a number of California Cities actually on the list of closures and California overall is the state
27 by far the most permanent and temporary closures just as a pure number. And even when you
28 look at closures per... total closures and closures per 1,000. So, I think it's just showing that our
29 state is a bit of duress in terms of what our businesses have been facing.

30
31 There are also a lot of trends in retail that are also shifting and have been shifting for quite a
32 while that are not pandemic... brought on by the pandemic but perhaps have been passed even
33 further ahead because of the pandemic. So, for a while retail has been reorienting to more
34 efficient platforms that five consumers a one-stop shopping. So, retail is not dying. People
35 continue to buy things. Perhaps the pandemic did disrupt that, people have been saving more
36 but people are still buying things. It's just how they bought them and where they purchased
37 them and where they purchased them and how they got the goods was changing.

38
39 So, what we're seeing for in-person retail is a shift more towards enjoying experiences and then
40 just purchasing goods. So, this is the experience of being out with friends and family to go

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1 shopping or to grab a bite to eat, to enjoy browsing versus needing to get a certain product and
2 so you're going out and physically get it. Shoppers in Cities also want retail that's walkable from
3 housing and again, that's a lot about that experience. And retailers themselves are shifting to
4 what's called omnichannel which is where you can buy it on your phone, on your computer,
5 you can get in-store pickup, you can get a delivery. It's contactless so all of these things were
6 already happening in the background but now it's kind of almost you must have that to be a
7 successful retailer in the pandemic environment and particularly I would say in California and
8 the Bay Area.

9
10 Some of the more exacerbated trends because of the pandemic are consumers have mostly
11 tried a new way to purchase. I think in the McKenzie Report 77 percent of consumers have tried
12 a new way to purchase a good because of the pandemic and so where some folks maybe hadn't
13 tried online shopping before the pandemic. Maybe they have now and they believe that they
14 will continue to stick with that or use that in the future. So, that means some of these things
15 may be here to stay, these patterns of consumer behavior.

16
17 Consumers also have been spending fewer and are focused more on essential goods and
18 consumers have become more accustomed to staying at home. So, there's a little bit of concern
19 of are we creatures of habit as humans and how much will people... there may be some
20 demand to really get back out there and be in the world. And at the same time some reticence
21 or just people having what they need at home and not going out as much.

22
23 So, what do we want to do with all of this information and work that we've been given as a
24 body? What we want to propose is that we have a pretty narrow and focus scope. When we
25 first look at what are we trying to achieve? In particular, thinking about what is the impact that
26 we're seeking and what are some best practices from other successful retail areas we can
27 assess and look to as yeah, this is where we want to go and where we're headed.

28
29 That assessment of best practice is to look at a variety of retail environments, both pedestrian-
30 oriented like our Cal Ave and our University but also auto-oriented like our shopping centers or
31 places that are located on El Camino Real. That are more located... more oriented towards
32 automobile customers and foot traffic as well as our regional draws and then we have
33 neighborhood-serving areas. And so, understand the different types of retail environments we
34 have and what the best practices are for those. What mix of uses are present and really
35 successful in strong retail areas that have evolved to meet the current demands of our time and
36 then I'm going to say ok, that was successful. Let's compare what was successful to what we
37 have. What are our definitions? What are our code regulations? What are Development
38 Standards? This is where looking at the geography of the Retail Preservation Ordinance can
39 come in to say is that ordinance helping us to achieve a best practice and achieve what we want
40 to go... where we want to go and if not, what are the changes? Do we want to add new

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1 definitions, add new uses, refine the Ground Flood Development Standards? And then third is
2 to turn those, that gap analysis if you will, into what are our policy recommendations and
3 ordinances that we would want to bring to Council for consideration? I know I put this in three
4 meetings. I realize it may not be as crisp as three... just three meetings and there may be
5 activities in between but as kind of a way to think about the different phases of the work.

6
7 And this is the last slide, it closes us with the questions that were in the Staff report. Thinking
8 about our desired outcomes and then also thinking about the proposed scope of work. These
9 are some questions to hopefully guide the feedback that you may give to Staff today but
10 certainly are not meant to curtail discussion of other areas of interest that the PTC may have.
11 So, I will end my presentation there and turn it back over to the Chair.

12
13 Chair Hechtman: Thank you, Ms. Tanner. Before we... so, we will invite public comment but
14 before we do that I want to find out if any of the Commissioners have questions of Staff on the
15 Staff report. Alright, seeing no Commissioner (interrupted)

16
17 Vice-Chair Roohparvar: Wait.

18
19 Chair Hechtman: Oh.

20
21 Vice-Chair Roohparvar: Sorry, I'm trying to figure out how to raise my hand. Here we go.

22
23 Chair Hechtman: Alright, Vice-Chair Roohparvar.

24
25 Vice-Chair Roohparvar: I had just a clarifying question just so that I can understand and not
26 have it in my head going through this whole thing. Where you say that focusing the applicability
27 of the preservation ordinance may strengthen its impact on retail, the Retail Preservation
28 Ordinance. Could you explain that further? How does that work? Would it be like ok, we'll only
29 get... let me just leave it broad and then see how you answer.

30
31 Ms. Tanner: Well, for example, the Retail Preservation Ordinance essentially, my
32 understanding, looks at where retail was present I think it's March of 2017 and says that if a
33 new use goes there or a new building it built. That retail needs to be part of that. So, that
34 essentially spreads retail out over the entire City. Some of the best practices may indicate that
35 concentrating retail in areas could be a preferred strategy. And so, if you want to concentrate
36 retail in specific areas, preserving it everywhere doesn't achieve that. Does that make sense?

37
38 Vice-Chair Roohparvar: Yeah, I hear you, I get the argument, but versus saving it everywhere in
39 the City. Now you're only saving it in concentrated places, but it should result in greater retail
40 because it forces the concentration there.

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1
2 Ms. Tanner: I think the idea and again this is not like I'm saying this is the truth but an idea is
3 sometimes that there is clustering of businesses and that the clustering creates stronger
4 business for all those businesses. So, you might think of this is maybe a minute example but
5 antique districts. There's several antique stores local... co-located and you see this in different
6 industries where certain industries like to be near each other. You might think well, they're
7 competitors, you want to be away from each other but actually being concentrated as like hey,
8 that's where you go if you want to get your X. And you can go to all these shops and
9 comparison shops. So, for example, I live in San Francisco, Union Square, that's our retail
10 district and by concentrating it there. It becomes the place to go and do that type of shopping
11 activity. So, again, folks can disagree with this and clearly, the Council on this did decide a
12 couple years ago to expand retail preservation everywhere. And so, it's just a question that they
13 asked us to examine is having retail preservation everywhere what we want to do as we go
14 forward?

15
16 Vice-Chair Roohparvar: And the thought process is over time the retail else ware in the City
17 might become less but it will become more concentrate here because that's everyone is going
18 to co-locate.

19
20 Ms. Tanner: Yeah and it doesn't necessarily mean that retail will go away other places that it
21 could be prohibited as much is the ordinance in effect everywhere the way that it is today.

22
23 Vice-Chair Roohparvar: And then the second question I had, the data trends you showed for
24 Yelp. Those were California, right? Are those or not sure?

25
26 Ms. Tanner: The first slide was national (interrupted)

27
28 Vice-Chair Roohparvar: National.

29
30 Ms. Tanner: With the different categories and then the second slide was showing over the
31 metros.

32
33 Vice-Chair Roohparvar: The City. The national one that we saw, is that what you're also saying
34 categorically in terms of what Palo Alto, does that translate... do you guys have more specific
35 details as to what you're seeing? Where are you seeing retail leave in Palo Alto? Clearly, Cal Ave
36 and University and then what specific type and does that [unintelligible](interrupted)

37
38 Ms. Tanner: I don't have that level of detailed information available at the local level by
39 category in that way.

40

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1 Vice-Chair Roohparvar: And then I had one more question. The direction from City Council, was
2 it opened ended or are they open to creating an additional retail area? We have Cal Ave, we
3 have University, is that part of the scope of what we're going to discuss, or is it more surveying
4 (interrupted)

5
6 Ms. Tanner: There was no direction about geography, Vice-Chair. They wasn't like just look at
7 this area or just look at that area. So, there's certainly openness to how we want to tackle the
8 geography of retail. I think there is certainly a geographic component of what do we allow?
9 Where in the City? And so, I think that's certainly part of the looking at best practices and even
10 understanding what we allow today. What's the canvas and landscape for not just retail but
11 other uses as well that are active ground floor uses.

12
13 Vice-Chair Roohparvar: Understood. Thank you.

14
15 Chair Hechtman: Commissioner Lauing, questions of Staff before public comment.

16
17 Commissioner Lauing: Yeah, just one small clarification question on your Table 10 on the 3821.
18 You talk about the first half there, raise threshold for continued conditional use and then you
19 say (e) is the fine restrictions on dining establishments but that's not meant to be constrained.
20 In other words, if we thought other conditional uses should be changed, we can address that. I
21 was just confused with the way it was presented there.

22
23 Ms. Tanner: So, it is a little bit... it was an interesting motion, I'll say that. So, what specifically...
24 so the motion... it's a little bit confusing because the ordinance passed. So, the ordinance is
25 already in place, the temporary ordinance, and so I think what Council was responding to was a
26 request from the Town and County folks actually to say we don't think a commercial kitchen
27 should be what decides what category the restaurant falls into. Whether it's... and I would have
28 to go back and look at the category we named. I think we called it like food retail or something.
29 They don't want the kitchen to be the deciding factor and so Council said ok, well PTC, you take
30 a look at what should be the deciding factor. So, the way I see this fitting in and as part of what
31 we'll be doing, I imagine we'll be doing, is evaluating our definition of uses. What do we allow
32 and how do we describe it? And so, part of that update would be say well, we have this
33 definition. Do we agree with it or should we massage it further?

34
35 The rest of the ordinance though does need to come back and either could be somewhat part
36 of what we do with this project. But the ordinance is temporary and so to become permanent it
37 would need to be reviewed by the PTC first.

38
39 Commissioner Lauing: Right but just to... what I think I heard you say is that we're definitely
40 going to look at restrictions on dining establishments, but if there are other subsets of

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1 Conditional Use Permits for retail that we should look at. You will include that in the work that
2 comes back to us.

3

4 Ms. Tanner: Yes.

5

6 Commissioner Lauing: Ok, thank you.

7

8 Chair Hechtman: I'm not seeing any further... I am seeing a further question of Staff from
9 Commissioner Summa.

10

11 Commissioner Summa: Thank you. Was the concern about dining definitions the parking
12 requirements or? I was a little confused about what that was really... that issue was about.

13

14 Ms. Tanner: So, part of it was that. That if you have a smaller food retailer, that they have the
15 same parking establishments as a sit-down restaurant. So, they may have more turnover in
16 terms of customers coming in, getting ice cream and leaving than a restaurant but they have
17 the same parking standards as a restaurant. And so, there was a concern that especially, you
18 know part of the temporary ordinance is that it is time-limited. So, they can be really focused
19 on the recovery time period versus ongoing, throughout the Cities future operations. And so
20 are there some smaller food retailers that may be able to open more quickly that don't need a
21 full kitchen. That parking standard may hinder them from opening and a parking standard that's
22 for a restaurant may not be the appropriate standard to apply.

23

24 Commissioner Summa: Ok, thank you.

25

26 Chair Hechtman: Alright, we will now open the floor for public comments. Please raise your
27 hand if you wish to speak. On the Zoom App, there is a raise hand button on the bottom of your
28 screen. If you're dialing in from a phone, please press *9. Ms. Klicheva, are there public
29 speakers for this item?

30

31 Ms. Madina Klicheva, Administrative Assistant: Yes, we have one raised hand and Veronica will
32 share her screen with a timer. Ok, here we go, so our first speaker is and will be 3-minutes,
33 right?

34

35 Chair Hechtman: Welcome.

36

37 Ms. Klicheva: So, our first speaker is Hamilton Hitchings. Hamilton, you can unmute yourself
38 and have 3-minutes to share your comments. Thank you.

39

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1 Mr. Hamilton Hitchings: Hi, these are not well-prepared comments. I just... I'm watching this
2 meeting so I thought I'd share my conscious stream here. One of the questions... can you hear
3 me?

4
5 Chair Hechtman: Yes.

6
7 Mr. Hitchings: One of the questions is how long do you leave University Ave and Cal Ave closed
8 so that the restaurants can go out in the middle? And I think the priority should be on helping
9 the retail recover and so restaurants recover. You know there is some community impact
10 because the Caltrain station is at the end of Cal Ave and University still is a thoroughfare for 101
11 to Stanford. So, I think that needs to be weighed with the duration of how long to keep them
12 closed but I wouldn't be in any rush to reopen them. I think helping the devastation that has hit
13 the local retail and restaurants is pretty important.

14
15 With Town and County, I am not enthusiastic about putting medical on the first floor. Putting it
16 on the second floor honestly, you can I think go crazy would be my short answer but on the first
17 floor, I think it really does have a negative impact. So, I would recommend against that. On the
18 other hand, I do think giving them some flexibility on the restaurant stuff which they specifically
19 asked for. They had some very specific requests, could be really helpful to them as well.

20
21 Another thing I want to emphasize is the retail really is different in different places. For the
22 neighborhood-serving, the retail is critical because it allows you to walk instead of getting into a
23 car to go shopping and a lot of us throughout the City do that. It's the... and I know certain
24 whether you're in Mid-Town or where I am or down in South Palo Alto. They're really helpful so
25 I don't think putting medical in those is a good idea.

26
27 I... you know I'm not... I kind of feel like it's ok if some areas of El Camino we allow housing to
28 supersede retail specifically, south Oregon Expressway. Now, I think you should consult with
29 the folks who live in those areas but certainly from my perspective some of that retail does not
30 appear to be thriving or maybe concentrate it where you essentially have sub concentrations
31 within there. Thank you very much for entertaining my comments.

32
33 Chair Hechtman: Thank you.

34
35 Ms. Klicheva: Thank you for your comments. We don't have any raised hands. That concludes
36 public comments for this item.

37
38 Chair Hechtman: Thank you. I will bring it... bring this study session item back to the
39 Commission for discussion now. And so, as a study session item, we are really looking... Staff I

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1 think is looking for direction, perhaps consensus, but not basically motion-born items. So, I
2 think we're going to engage in a discussion and to maybe help frame the discussion.

3
4 I do want to point out that the... our focus tonight is not on the substance of the four items
5 listed in the agenda. Diverse uses, curating strong retail mix, the geography of the Retail
6 Preservation Ordinance and restrictions on dining establishments. Rather we are one step
7 before that substantive dialog tonight. As I understand it, what the input Staff wants from us
8 tonight is on how to go about... what... the Scope of Work, how to pursue that... the Scope of
9 Work that will study those four items. So, they're not looking for our specifics on those items
10 and this is where I believe the last slide Ms. Tanner showed, which maybe would be helpful to
11 pull back up, is our guide to help us frame our comments tonight. And I think that these are the
12 three and three items that you may have seen on Packet Page 18 in the... in our Staff Packet.
13 So, but I think this is where they're looking for our input. Ms. Tanner, do I have that right? Ok.
14 Alright, so with that in mind I would like a Commission to lead off the discussion with their
15 initial thoughts. And I think what I'd like to do here is ask the Commissioners each to take no
16 more than 5-minutes to make a first pass regarding any or all of these items and provide their
17 thoughts for Staff. Commissioner Chang, thank you for stepping up first.

18
19 Commissioner Chang: Thank you. I'm excited to talk about this because I think many people in
20 Palo Alto are excited to talk about this or to see some changes and just see reopening. And
21 hopefully, very soon after reopening not so many vacancies. So, when I was going through this,
22 a question that continually popped into my head and I'm hoping that by the end of the day... by
23 the end of today maybe we can give Staff some guidance or Staff can tell us if they have
24 prospective on this issue is what's the timing constraint on this? Because as I look at how City
25 Council phrased a lot of the questions, it was about doing this quickly and if I think about
26 pandemic recovery. These are things that need to be implemented quickly. In other words, if
27 we made a change to code in 3-months or 6-months, it's going to still take time for the market
28 to react to it. For a retail or potential small business to say ok, I want to take over this space so
29 it's going to take time. And so, if it's not something until we... it's not something that we can
30 implement until a year from now or a year and a half from now. I would venture to say that
31 might be too slow and so one way to prioritize what we look for and what data we request is
32 it's all in service something quick. And I would... I hope that we as... I don't know what quick
33 necessarily means and I would like to hear from the other Commissioners about that as well as
34 Staff but that is the imperative to me as I'm reading this.

35
36 Very quickly following after identification of a time constraint is I'd like to hear from Staff what
37 are those resource constraints? How many hours of Staff time do we have to put towards it if
38 we say we want these things to be done in 6-months or in a year or whatever the time
39 constraint... whatever the deadline is for us? And similarly, how much money do we have

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1 because I think Commissioner Roohparvar [note – Vice-Chair Roohparvar] was already eluding
2 to this. Gosh, it would be nice to have some local data on what are we seeing here.

3
4 So, after the time question and the resource question. My next question after that was ok, but
5 what's really the problem? Vacancies are the problem but why and I think that's where the data
6 or information and some of the work that I would want to see is why are we seeing some of
7 these vacancies. Because once we know why then we can take a look at where our code is or
8 what rules we have that might be causing some of these problems and then know what levers
9 we can pull. Because when I looked at this slide, I was like well we're the PTC, how much can
10 we actually do? What are the levers we can pull and then I said wait a second? We need
11 backup. I don't know what levers we can pull because I don't know what the problems are that
12 we're trying to solve.

13
14 So, that was sort of my... those were the questions that came up for me. It's not necessarily a
15 prioritization per se but hopefully, after we go through one round it will become clearer. And
16 then finally, just a quick comment about the Retail Preservation Ordinance. I think it's
17 interesting about this idea about maybe focusing on concentrating it in a few places but I also
18 note that that flies directly in the face of this McKenzie Report data that Ms. Tanner showed
19 about walkability and the desire for walkability. Because the few... the places that we have in
20 Palo Alto, I mean I'd want information on that. What percentage of residents are covered by
21 those concentrated areas and I would venture to say that there are whole swaths that would
22 benefit by more vibrant retail south of Oregon Express Way. But again, that may be a much
23 longer time frame problem that we can't solve in 6-months and so maybe we would put that on
24 the back burner in the interest of making immediate change now for revitalization. So, that's it,
25 thanks.

26
27 Chair Hechtman: Thank you, Commissioner Chang. Other Commissioners? Commissioner
28 Alcheck followed by Commissioner Summa.

29
30 Commissioner Alcheck: I was going to try to go later in the order but I'm going to jump in now.
31 I'm going to cut... I'm going to speak to half my points in this round and try to talk to four or five
32 of them. I don't know if I can make it in 5-minutes but I'll try.

33
34 I think this is... it is exciting to me that the Staff embracing this the way they are because I think
35 this is a very interesting opportunity... so there are two goals in my mind. The immediate term
36 survival of our existing businesses as they work to overcome what are the devastating impacts
37 of the pandemic. And secondarily, considering the long-term future of retail in our community.
38 Looking beyond the return to the status quo and instead, thinking of this as an opportunity to
39 make Palo Alto a tool for economic and social transformation. I think we either do it or we
40 don't but and we either fail or we succeed. That's how I feel about this.

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1
2 Really quickly, example of immediate terms of survival policy is that we should absolutely
3 encourage and we should not consider ending the street closures. It's not just about getting
4 back to open. It's about giving restaurants the opportunity to continue to benefit from that
5 added space so that they can recover losses from when they couldn't. I, in my mind, think it's
6 very reasonable to imagine that that space becomes less useable as we enter the winter of
7 next... the upcoming winter season. And so, any elimination of that early this summer or in the
8 fall seems like a terrible idea. We should take advantage of our warm fall, we should allow
9 restaurants to continue to benefit, Stanford will figure out a way to make it work by going
10 around University, and I think that it will still be a while before we're... all the businesses are
11 back. And frankly, the businesses are what make the downtown food scene work.

12
13 Another thing that we need to figure out how to encourage if it's not already some kind of
14 emergency policy is things like curbside pickup. That... all of those are tools that existing retail is
15 using now to facilitate their success.

16
17 Now moving onto this bigger idea which is the how-to reshape retail, rethink retail. I think that
18 as we consider sort of the roll of ground-floor retail. I share the view that this such space should
19 be treated as a quasi-public space. So, when we go to get our haircut or when we go to shop,
20 sometimes that's a private activity but sometimes it's not. Sometimes with that space, it
21 becomes very social, it's where people gather, and tonight's effort is about thinking of ground-
22 floor retail more expansively. And you know, many of us are probably familiar with that notion
23 of the third space; home, work, Starbucks. That was often considered an example of... their
24 business model was associated with the third space concept. I think we should be encouraging
25 developers and property owners repurpose ground floor store fronts with this third space in
26 mind. How can you attract people to spend time together, share space, share community?
27 That's how we have to look at ground floor retail. I can talk a little bit more about that in the
28 second-round if people want more examples.

29
30 When the Commission first reviewed the Retail Preservation Ordinance, I strongly opposed its
31 Palo Alto Citywide application. Today, I would encourage City Council to maybe focus the
32 application of the ordinance to our main streets, downtown and Cal Avenue. We should be
33 requiring commercial retail uses only in places where there is continuous retail frontage that is
34 most likely to succeed. Any Citywide Retail Preservation Ordinance that could apply to some
35 island of retail is not good policy.

36
37 And then the second half of that is focusing on the Retail Ordinance isn't enough. We have to
38 expand the definition of what uses are permissible and I would encourage Staff to consider not
39 just allowing by-right retail stores, restaurants, bars and cafes. But also, small-scale
40 manufacturing and non-commercial uses. Non-profit services, spaces for art and culture,

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1 performance uses, child care, elder care, medical facilities and shared working spaces. I think
2 we should basically assign a Staff member to research what are the most broadest definitions
3 that are happening in the US or maybe else ware and try to at least put that in front of the
4 decision-makers. So, examples are, we need to make it easier for pop-ups to lease and operate
5 space. Our code should be examined to figure out what can we do to encourage flexibility.
6 Specifically, what building codes are barriers to the flexibility that would be appropriate to
7 match the trend today of this fast-moving, entrepreneurial, opportunistic, flexible business
8 owner that's just like I've come up with this idea. I want to try it; the property owners are
9 welcoming to it. Oh, but it's going to take me 3-months to get this working and that's too long.
10 And so, moving things like moveable dividing walls, making approvals and permitting, especially
11 for TI work, really fast and easy. So, that businesses that are trying to open up shop can and
12 then I want to end on this concept which is this 15-minute City.

13
14 I don't know how many of you are familiar with this concept. It began in Paris, it took land use
15 aficionado by storm, it became very popular, captured their interest and the idea is basically
16 how might Cities better plan for residents to meet all of their needs within 15-minutes of their
17 home? Now I would suggest to you that at times Palo Alto seems to be moving in the opposite
18 direction. I'll give you an example, what happened to iSing was moving in the opposite
19 direction. We want our community to be a place where you, your family can participate in a
20 chore where you can get tennis lessons, where you can get massage, where you can see a hip
21 replacement doctor, where you can get... so and all within 15-minutes. And this concept is more
22 about integrating neighborhood-oriented businesses and amenities that I absolutely think we
23 should explore. So, the City should consider... along with this the City should absolutely
24 consider right now investing resources in things like our Chamber of Commerce or any other
25 merchant associations. I don't even know what merchant associations are present in our
26 community but we should be investing resources. Creating partnerships with them, asking them
27 how can we support you? And this concept of the 15-minute City flies in stark contrast to the
28 discussion we had earlier where you were identifying Union Square as this place that's where
29 we put everything that's retail. And this idea that why do people love Noe Valley? Because you
30 can walk to downtown Noe Valley from anywhere in Noe Valley and you can experience a very
31 retail-rich space.

32
33 And this concept of trying to bring these services and amenities into each neighborhood as
34 opposed to say you know what? Residential is only for residential. That's a mistake. I think
35 Edgewood Plaza is not my favorite example because it is so on the edge of our community that
36 but... and it's on 101 so it doesn't feel like it's within the residential community but it could
37 have been. It could have been in Eleanor Pardee Park and worked just as well for all of that
38 community.

39
40 Chair Hechtman: Commissioner Alcheck, are you near a pause point?

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1
2 Commissioner Alcheck: That's... I'll stop there. So, that's sort of... those are some of the
3 direction I would give Staff and to explore.

4
5 Chair Hechtman: There will be an opportunity for further comments Commissioner Alcheck. I
6 will go to Commissioner Summa followed by Commissioner Lauing.

7
8 Commissioner Summa: Thank you and well, first a quick question for Staff. Are we... is part of
9 the scope of this item to look at the Citywide Retail Preservation Ordinance or would that be
10 somewhere down the road?

11
12 Ms. Tanner: Yes, that is part of the scope of this project.

13
14 Commissioner Summa: It is. Ok, thank you for clarifying and then I think at a high level,
15 interesting ideas from my colleagues that I've already heard from and I certainly think we want
16 to preserve... so there's certain retail uses that we want to be... we want as many people in our
17 neighborhoods to be able to walk to; like pharmacies and coffee shops, cafes and restaurants
18 and grocery stores and even more. So, we want... I think we want to try to retain that as we
19 move through this process, walkable and that is certainly why I live where I live because I can
20 walk to the Cal Ave downtown very closely and before that, I lived in downtown Palo Alto.

21
22 So, I think it's important to retain that Citywide and I wonder if we don't need to think about
23 having a new retail center over near where the San Antonio near 101 area. We're thinking
24 about... where we're beginning to develop frankly a new residential neighborhood so I think we
25 should keep that in mind.

26
27 I do think we need Palo Alto-specific data and I'm not sure how much time it will take or how
28 much Staff time and budget there is for that but it's kind of like we don't have that data right
29 now.

30
31 I also think... I don't feel like we're post-pandemic yet and I see the pandemic as sort of... it's
32 outside of our normal retail concerns. It's like a meteor hit the Earth. It's a catastrophic event
33 so it doesn't align with regular retail thinking but it... so, I want to make sure that we keep that
34 in mind. And then so it's data and understanding the parameters as I think Commissioner Chang
35 put out there.

36
37 And then also for a long time, there's been a lot of discussion about having an Economic
38 Development Executive in the City to curate. Almost like Town and Country or Stanford
39 Shopping Center. The owner because it's one owner, how they curate those to be very
40 successful uses together. I don't think the Council discussed that most recently but I know that

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1 for many years former Mayor Holman has talked about the need for that and I believe it's come
2 up from some of our current Council Members. So, I think that's something we should talk
3 about here also.

4
5 And I don't want to get in the weeds but I also think there's an existing constraint outside of the
6 pandemic that affects the retail in the Cal Ave Business District which is the idea that the day
7 the business district froze. Everybody was frozen with those uses because unlike other areas,
8 it's not parked just per square foot, it's parked per use. So, and my best example, I think I've
9 used this before, is there was a frozen yogurt store that wanted to go in where a coffee shop
10 had been and in the Cal Ave Business District actually, walk-in restaurant services so carry out,
11 has the highest parking requirement and I forget what it is. Perhaps Assistant Director Tanner
12 remembers but it's really high and we actually, there isn't any ice cream store or anything on
13 Cal Ave. It would have been a great business to go in and it couldn't because of that. I think
14 keeping in mind that we don't want to burden the nearby RPP neighborhoods but I think that's
15 a constrain on Cal Ave and in the Cal Ave Business District and I think it's why we've also got so
16 many small gyms. So, I would like to explore that as part of this process and I'll leave it there for
17 now.

18
19 Ms. Tanner: Mr. Chair, may I respond to some of Commissioner Summa's points?

20
21 Chair Hechtman: Yes, Ms. Tanner.

22
23 Ms. Tanner: It's mainly just because I know there's a lot going on. I probably should draw a web
24 of all the projects in the City and how they connect to this one and to each other. Mr. Baird,
25 from the Office of Transportation, is working with planning on an effort to bring consideration
26 of how to use the parking resources in California Avenue. And one of those proposals is an in-
27 lieu program to allow some that use for public parking resources to allow some of the exchange
28 that use to happen when folks were paying into the Assessment District for the previous garage
29 that was built. So, we are bringing that forward to Council to consider and we can certainly
30 keep you all abreast of how that goes.

31
32 And then also there is a firm that has been contracted by the City, I think it's called Good City
33 Company. I believe that contract will be approved soon and that is to help with that economic
34 development piece that you talked about which has been noted by many to be missing. And so
35 that is the first step of not necessarily have a Staff person but having some focused resources at
36 the City's disposal for economic development.

37
38 Commissioner Summa: Thank you. What was the name of the company? The economic
39 (interrupted)

40

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1 Ms. Tanner: Good City Company and so I don't know if the contracts approved yet but I think
2 it's on its way. I may just literally be like needing to get sign kind of thing and so they'll be
3 working with the Council as well. So, we do have a couple initiatives that are running in parallel
4 and we will do our best to make sure that they are coordinated and not running into each
5 other.

6
7 Commissioner Summa: Excellent, thank you.

8
9 Chair Hechtman: Alright, Commissioner Lauing followed by Commissioner Templeton and then
10 Vice-Chair Roohparvar.

11
12 Commissioner Lauing: Yes, thank you. I definitely think the tone of the Staff report is correct, to
13 begin with, saying that we want to identify possible outcomes and to me, that means the
14 benefits that might come from our work on any of these issues. I think it's actually fairly easy to
15 articulate around the four that we have here what those benefits might be and if we want to
16 get it later I've written down what those could be. But that of course, is the starting point and
17 as Commissioner Chang mentioned, it's also we have to look at what problem are we trying to
18 solve here if there is one? If there isn't one but we can still improve, we can still look at it.

19
20 So, overall, the... particularly, I only have some comments that they were just stated. I look at
21 these four areas as very valuable for us to investigate for retail health whether in spite of the
22 pandemic. Because there may be ways we can really improve things and that's what we should
23 do. So, in fact, the immediacy that Council was trying to work on in September, October and
24 November has actually subsided. So, I don't want to go down a rabbit hole there but the
25 urgency in the November is not the urgency in May and beyond. Just one... just today the
26 Wallstreet Journal had a [unintelligible]... I can't see myself but I think this is on-screen... had a
27 front-page article on the second section that foot traffic is up 86 percent in 52 malls by outfit...
28 analytics outfit called Placer.ai. Shoppers are eager to get out again. They're returning home
29 with bags full of purchases. I can't read my own writing and Taubman said that their estimates
30 are way better than they even thought were going to happen 4-months ago. And another outfit
31 called Time Equities which owns dozens of malls said their rent collections have improved and
32 they're greater than 90 percent. So, I don't think we have to get bogged down in that, except to
33 say that we're coming out of it and I do think people don't want to stay home. They want to get
34 out and do some things. So, even one of the Staff items... Staff data items was quoting from
35 data that was 7-months ago in a 13-month pandemic. So, I think we're making great progress
36 but my first point is more to the point which is I think that we're going to be very productive on
37 this even if we didn't have to recover from that.

38
39 What comes at a question here is the timeline for each of these, the priority for each of these
40 and the urgency for these. So, I think we have to make good judgments about that and you

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1 correctly Staff, have warned us about the resources needed and the Scope of Work and the
2 expertise around those resources and the money you might need for consultants and whether
3 or not it's available. So, at some point soon, I do think as I think Commissioner Chang said, it
4 would be great if you could tell us, you know, we can only get two of the four of these done
5 which would eventually help us prioritize. So, I think that we can make great progress on all of
6 these but we have to decide what the timeline is, what the priority is and then work it.

7
8 In terms of the structure of doing that, I'm glad Ms. Tanner that you mentioned that three
9 meetings might not be the way. We just have to figure out what fits. I think we should look at
10 unbundling the four of these if we decide to do four which maybe we can get to later in the
11 meeting. It doesn't all have to be jammed in or it could be but it doesn't have to be all jammed
12 into a meeting if we want to do more of the urgent things first; or at some point, you might
13 decide between the Chair and Staff that some subset of Commissioners could work with Staff
14 on a subset to accelerate this before it comes to Council or sorry, to PTC. So, I'll hold there for
15 now. Thank you.

16
17 Chair Hechtman: Thank you. Commissioner Templeton.

18
19 Commissioner Templeton: Thank you. This is such an interesting opportunity to share a vision
20 for what retail can be like in a post-pandemic or towards the end of the pandemic if we act
21 quickly enough here in Palo Alto. So, it's really exciting and I'm so glad we're having this
22 conversation.

23
24 Just to share a little bit about answering your questions that are proposed here on the screen.
25 I... one thing I've really enjoyed and appreciated about the creative solutions that we and other
26 Cities have brought forward during the pandemic is the Euro-inspired but California-style
27 outdoor experiences. And, you know, some of it is retail, some of it is coffee shops and some of
28 it is restaurants. It's interesting to see the different use of the space that was dedicated
29 primarily to cars and seeing people in it and enjoying themselves. It's going to be hard for us to
30 get back to doing so much inside. So, I do like the idea and I'm appreciative that we're going to
31 extend this through the rest of the year in many cases but as something we should think about
32 what parts of that can we retain? And maybe it's not the extent of that dedicated car-free zone
33 but where would it be appropriate? And so, I think about several other Commissioners have
34 mentioned variations of this but I like to think of places that are destinations. Some place you
35 want to be, even if you don't have something "do" there. So, for example, you can imagine
36 when school was fully in session at Pally. Kids, students, would go over to Town and Country
37 just to hang out. Right, there are places we go and hang out. Other good examples of that in
38 our City are at the Mitchell Park Library where we have a Teen Center, we have a coffee shop
39 and café and we have a library and we have the park and so those are places that you just go.

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1 You know, we only have one small retail space there right now but understanding why that is
2 such a desirable place to be is because it's a destination.

3
4 And you asked what are the districts that we think are successful right now and we've
5 mentioned University Avenue and California Avenue, Town and Country, but also, I think
6 there's a lot to say about the Mid-Town Shopping Center which is very walkable. It's in a
7 neighborhood, has a lot of cafes and afterschool activities and things like that. So, it's a place
8 that you can get to by foot or by bike very easily. And then there's also the Charleston Plaza and
9 Cubberley which are adjacent to each other off of Middlefield Road and Charleston. When my
10 children were younger, we had a lot of activities at Cubberley and we would be able to... while
11 we waited for those activities to happen we would go shopping over at Charleston Plaza and so
12 that was an interesting connection as well. So, understanding the kid's activities or other,
13 maybe senior activities in conjunction with the retail spaces is something to think about.

14
15 What else? Walkability, bike parking, how do we fit in our shuttle program if it returns?
16 Especially for linear retail spaces like University Avenue. If you end up walking, you know, three-
17 quarters of a mile or a mile down the street. Are you planning to walk that back or are going to
18 try some other way like a scooter to get back to your vehicle? So, understanding how the
19 transit options play into those retail spaces is something I'd like to think about.

20
21 As far as the data, I really appreciated the trend data that you included. Even though it was
22 national, it was really helpful to see and having the metro area breakouts was cool too. But like
23 the others, it would be great to see if we could do something a little bit more hyper-local if
24 that's available.

25
26 And the only other thing to think about, I think Commissioner Alcheck mentioned having spaces
27 inside to hang out. I want to make sure that we also think is that possible outside? If we do that
28 outside, does that mean we have to change the nature of our sidewalk in certain of these retail
29 areas? So, making it broader so that people still are able to have that accessibility use of the
30 sidewalks with strollers, wheelchairs, etc. So, those are my initial thoughts. Thank you.

31
32 Chair Hechtman: Vice-Chair Roohparvar.

33
34 Vice-Chair Roohparvar: Great. First point, I agree we need... on the need to have I think we
35 need if possible a bit more granular data on Palo Alto and specifically vacancies and what type
36 of retail are we losing? And I'm not sure where you can get that from or how you can but to the
37 extent. I mean one idea would be if... I don't know who the landlords are in Palo Alto but there
38 are certain larger landlords that own all of Town and Country or portions of it. Speaking to
39 them because for sure they are tracking their own vacancy rates and they might be willing to
40 share that data.

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1
2 The second kind of point... not kind of. The second point I wanted to raise is goes back to I'd like
3 to be able to understand the whole... the policy ramifications or how it plays out where you
4 change an ordinance to concentrate retail in one place versus having it... preservation
5 ordinance apply everywhere. And then kind of goes back to, I was a bit confused Commissioner
6 Alcheck by your comment about the 15-minute City because I agree. You want to be able to, for
7 example, I don't live by University or Town and Country or whatever but within 15-minutes I
8 can get to Mid-Town. I would hate to see the retail that's walkable to me, us losing those over
9 time. So, I want to understand whether we look at how other Cities have done it or however
10 Staff wants to look at it from a policy perspective. I want to be able to understand how that
11 actually plays out before we make some sort of decision that we can't then unwind because
12 that's not the outcome we wanted.

13
14 The third thing I wanted to flag is and I heard a number of Commissioners raise this, is the
15 timeframe and the urgency issue. What do we need to immediately do and then what is more
16 long-term for the back burner? I will say I am a big fan of the street closures. I do think we
17 should continue them. I heard that one public commenter mentioned pushing medical to the
18 second floor and not the first. That makes sense to me and with pause, I'm going to come back
19 to this point. And then in terms of long-term, I do think we should consider creating new retail
20 areas. You know Mid-Town, San Antonio, all the different options people have flagged. I think
21 for long term we should consider it.

22
23 And the fourth thing I wanted to raise is we need to get more granular as to what retail mixes
24 work. I feel like we are in a vacuum right now saying what I just said no, I don't think medical
25 works on the first floor. I think that we should have more of this type of mix. There's actually...
26 you can go to different Cities and they can have a retail mix but it just isn't working. In the
27 landlord/tenant space where I have been, landlords typically have an anchor tenant and they
28 have a specific mix of retail that they put in place that works. So, we should better understand
29 the thought process that goes into how you create the proper retail mix. Not just ok, I want
30 retail here, whatever it is. Is it 60 percent restaurants, 30 percent I don't know shopping,
31 clothing stores? Whatever it is, I would like to get more data on what has worked. Whether you
32 need to speak to large-scale landlords who I know do this and track it and have metrics and
33 think about this; or whether you even look at other Cities like for example Redwood City.
34 Redwood City was not vibrant. They've been able to change their downtown or look at San
35 Carlos or Mountain View or Campbell. What have they've done and what mixes have worked
36 and not worked before... I would like to see more granular data in order to make a more
37 informed decision. Specifically, what should and should not be. You know, what we want to
38 encourage and not.

39

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1 One more thing I did want to say, I do think we should think more about the future of retail and
2 you did flag that in your Staff report. I do think that we're going to be moving towards more
3 experience centers where people... I think there's a store beta that we have where people
4 come in and look and experience different products but then go back home online and actually
5 purchase it. Or not co-working or those types of spaces but more of ghost kitchens. That's
6 really, really hot right now and or I know we're doing it, another variation of that, in... off the
7 University Avenue where we have Tone Up Coffee and Feist and Floral and Salvaje Wines that
8 have come in and they're kind of pop-ups. That seems... it creates a very kind of cool, hip,
9 forward-thinking vibe. So, we should really think about where retail is headed in the future and
10 try to plan for that too and maybe that's more a long-term thing. Thank you.

11
12 Ms. Tanner: Chair, if I may and I don't know if you want to add comments but after do, I might
13 want to respond just a couple comments that Commissioners have made when it's appropriate.

14
15 Chair Hechtman: I do have a few things to say but would your responses be more fresh now
16 than after that? Ok, alright, then I do just have a few points to make. First, I think Commissioner
17 Chang led off with exactly the right first issue and that is timing. To me, when I look at this
18 discussion on Scope of Work and we're going to have two or three more meetings about it and
19 then it's going at some point go to Council and maybe it comes back and this is not a short
20 process. And so, I think we have to recognize that and let that... first of all, we should have a
21 better understanding of the timing but if as I suspect, it's not a short process, we should have
22 that inform what the focus is in the scope of inquiry and the Scope of Work. And I guess what
23 I'm thinking is, it's the end of April. I don't see this coming to fruition until maybe... I don't
24 know, maybe at the end of the year. I'm interested to hear what Staff says but it may be early
25 next year before we actually start to pin these things down. And so, to the extent that some of
26 the possible things we might have Staff look at are related to how to save businesses suffering
27 in the pandemic, I think it's going to be too late for that and so that means to me, two things.
28 One, we shouldn't put that in our bucket to study and two, those kinds of issues I think we need
29 a more nimble approach which I think the City Council has shown through the pandemic in for
30 example allowing the streets to be used for restaurants and now extending that. So, I think for
31 the more urgent needs, we have to retain that more simplified approach to solving problems as
32 they arise and that the focus of this work that we're talking about needs to be more of the long-
33 term strategy to rebuild our retail infrastructure to the extent it has been torn down by the
34 pandemic. And so, this really, I think needs to take more of the longer view which is not to say
35 that it should take a longer time. So, that's the first point I wanted to make.

36
37 And I think the other comments I have really are related to that longer process. I think that in
38 terms of the tangible changes and experiences we want to see in Palo Alto. I mean I think we'd
39 all agree that what we want to see is vibrant retail forever. Really, right? No vacancies,
40 everything you need close by. But I think the realities of the marketplace are that landlords

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1 need some flexibility to shuffle and reshuffle their tenant mix and also, just to fill a space when
2 one becomes available. I am interested in Vice-Chair Rookparvar's thoughts about the proper
3 tenant mix and to the extent I'm familiar with that, where I've more often see it is where you
4 have an owner of a shopping center for example, whether it's Stanford Shopping Center or
5 Town and Country and they can control that mix. And even in that scenario, they know what's
6 going to work best and they may get approached by somebody who's willing to pay the rent but
7 it's not a great fit in the niche they need and they say no. I think that's much more difficult on
8 University Avenue or California Avenue where you have buildings owned by variety of owners.
9 And I don't know how through regulation you limit... you create a mix that they all have to
10 follow unless they all buy-in. But I do think that we need to, in this process, we need to look at
11 our regulations to make sure that they are not an impediment to the very thing that we're
12 trying to serve and let me just give you an example. I've got... I worked with a winery in a
13 different jurisdiction and they had a situation where they were going to have to pause their on-
14 sale... their onsite wine tasting which was a big problem for them because it's a substantial
15 source of revenue. So, we went to the City to find out well, what's involved in relocating
16 downtown on an interim basis and I was really pleased to find that the way that that City had
17 structured its zoning, all you needed was a Business License and of course, your ABC License.
18 There was no City impediment and this is something I think we have to focus on in the long run
19 in Palo Alto is, is our process amenable to quickly re-tenanting empty spaces.

20
21 On the... I think our... and a number of Commissioners have said this in one way or another. You
22 know we have a number of retail districts and I think that they have... that they raise different
23 issues. You know our four primary retail areas that I think of are all fed by El Camino at least in
24 one direction and that's Stanford, Town and Country, University, California. They're all along
25 that spine. We have different areas... and I've seen a fair amount of vacancy in those places. We
26 have these other I'll call more neighborhood places, Mid-Town, Edgewood Plaza, and I'm
27 curious to see if we've had less vacancy there because those are local serving. They are foot
28 traffic generated and for example, Mid-Town where I do most of... a lot of my shopping. If there
29 are vacancies, I actually haven't noticed. There may be some, but I think that's interesting, that
30 if it's true that places like Mid-Town are suffering through fewer vacancies through the
31 pandemic than a place like Town and Country which came to us because they were having so
32 many vacancies. What is that telling us about sustainable retail?

33
34 And that really brings me to this data idea that a number of people have mentioned and on
35 that, I do think that we really need to understand the vacancy rates in Palo Alto. Historically and
36 recently pandemic driven. One of the Commissioners mentioned we'd like to know why. I think
37 that's interesting information. My question is that... my question on that is with a limited
38 budget, can we do that in a cost-efficient way and find out why? I'm... I think that would be
39 useful information but depending on the price it may not be worth the price.

40

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1 So, those are my initial thoughts on this first round and now Ms. Tanner, you wanted to
2 respond to a few things and then we'll see if other Commissioners want to second comment.

3
4 Ms. Tanner: Thank you, Chair. Just a few comments. First, thank you all for your great
5 comments. I've been jotting them down on my old fashion notebook and to go back to some of
6 Commissioner Chang's questions that you all... some of you all have also picked up on. You
7 know timing is certainly critical. One of, I think, the most precious resource that we all have is
8 our time and how we use it. And so, what I hear is both kind of a desire to look long term
9 because I think as the Chair noted, some of the more immediate like rescue a business that
10 exists now activities. There's grant programs, there's the street program. I think that's not really
11 what we've been asked to look but is kind of what's next? How do we recover and rebuild and
12 re-tenant empty spaces? That could be a most basic way to look at it or in a more aspirational,
13 how do we achieve the Palo Alto kind of retail and ground floor that we desire in our dreams?

14
15 A way that we could do it to perhaps break this project down even further to move more
16 quickly might be look at the different types of retail. Take our retail areas and categorize them. I
17 think I've heard some of that from the Commissioners. So, for example, you might say you
18 could what Commissioner Hechtman [note – Chair Hechtman] just mentioned. Kind of here are
19 some kind of regional areas, downtown, Cal Ave that are on these regional corridors which is El
20 Camino. And they have different characteristics and then maybe have neighborhood shopping
21 centers. Maybe we could break down the categories and take a look at when we look at our
22 neighborhood shopping centers, do we see similar uses allowed and are those working? When
23 we're looking at our regional areas, what's allowed, is it working and a potential... I don't want
24 to say quick. I know we're supposed to say quick but a quicker way could be to say well, what
25 do we want to add? If a goal is flexibility to allow more things, then when we look at what we
26 allow today, what might we add that other Cities have added that has been successful? And
27 some of the things may be added in a neighborhood that aren't added regionally or vice versa.
28 The kind of regional, more kind of larger draws, maybe those have a different mix than the
29 neighborhood areas. So, that might be a way to kind of bit these down a little bit further and
30 then some of the other items. If we are able to take that to Council, get by-in, we're opening
31 and then we can do more refinements as we're able to have more resources.

32
33 In terms of timing, I would love to be able to bring something to Council by like the late fall
34 would be awesome. If we could even have our ideas enough together to get by-in from Council.
35 Hey, this is the direction we're headed, are we on the right... are you going to approve this if we
36 make this into an ordinance kind of thing would be great. Certainly, by the end of the year
37 would be awesome.

38
39 As far as resources, we have a little bit of budget to do some consultant help. I've been talking
40 to some of our folks and I think some of the data we may be able to get in terms of at least this

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1 point in time of our vacancies. If we do try to do a lot of data, it will eat up our... a bit of our
2 budget and I'd like to have some of the consultants focused on both... we have some
3 consultants who have retail expertise. And so, some of it they can bring to us and then also to
4 focus on what are the best practices and how does our code compare with those best
5 practices?
6

7 So, that's just some ideas. I know I maybe haven't responded to every Commissioner's
8 comments but if you have something you wanted me to respond to. Please do let me know in
9 your next round.
10

11 Chair Hechtman: Alright, thank you, Ms. Tanner. So, we are... we'll go now through the
12 Commissioners again. Any of you that have more to add? I'm not insisting that you have more
13 to add. We had this agenda item pegged to concluded at 7:45. We don't have to do that but I
14 would like everybody to be mindful of the time as you go through a second round of comments.
15 So, we'll [unintelligible – audio cut out] Commissioner Lauing and then go to Commissioner
16 Chang.
17

18 Commissioner Lauing: Thank you. First, I'd just like to comment just specifically anecdotally on
19 getting data from retailers on... and/or developers on why they left. They don't always fill out a
20 questionnaire when they leave and often there's a knee-jerk reaction in our town that well,
21 they couldn't afford the rent. So, University Art moved to Redwood City and the party store
22 moved to Mountain View. Well, if you go into those stores, you see that they have like triple
23 the space. That was really more of the drivers. So, I'm not sure all that work is going to get
24 super valid data in all cases. Just a warning sign before we run down that path.
25

26 I think Chair Hechtman articulated the problems extremely well as did Commissioner Chang, to
27 begin with, and it's part of what I was trying to say is we need to have a timeline and prioritizes
28 on this.
29

30 To my mind, to try to get a little bit constructive on where we go. I would suggest that there are
31 two things that we can take immediate action on. All be it, that by it plays out is going to be
32 immediate for an existing retailer. I do think that we're trying to be planning this to replace
33 empty store fronts is the focus if it's pandemic oriented but as I said before, I don't think it
34 should be specifically that.
35

36 So, what we were asked to define potentially consider the expansion of the definition of retail-
37 like. I think a benefit there is it would give landlords more tenant options and residents
38 potentially more fun buying experiences. I would articulate that as the benefit. I think that one
39 we could work on pretty quickly. Commissioner Alcheck, Summa and I in '17 worked on it one
40 night in the urgency of a Retail Protection Ordinance that was going to evaporate the next day.

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1 So, that's not ideal, but I think we could move on that one pretty quickly. Staff could come back
2 with here's 12 more suggestions of what we could include and we could maybe do that in one
3 meeting.

4
5 In the second case, I think that we should consider a reduction of issues with CUPs or other
6 restrictions which will encourage developers and tenants to take on the application process. I
7 think at the November meeting, Mayor Fine said something about one store was hung up
8 because of the grease trap and, you know, that's the kind of stuff we want to get out from
9 under. We don't want that to be interfering with a whole new retail store going in. So, I think
10 we could move on that one pretty quickly too. If Staff comes back and says here's the situation
11 now. Here's a couple suggestions on how we get that less onerous. I think we can move on that.

12
13 So, there's two of the four that we could then say, let's say we did that over the next month
14 and it went to Council, gets approved. Then is when the retailers have to go out and find the
15 new tenants to do that. So, that will play out and I think that we're getting a good
16 understanding that that's the nature of what we're dealing with here. A bit of a mid-term to
17 longer-term play.

18
19 The Retail Protection Ordinance, I think that's a long-term play. I think that needs some real
20 work because there's a lot of geographies. You know we have to hear from the public on that
21 and we have to hear from who's benefiting or not benefiting. So, I don't see that one as the
22 immediate, nor do I think that it's an emergency that we have to move on that.

23
24 And the fourth one, I'd appreciate my colleague's courage in trying to curate retail but I really
25 think as Commissioner Summa said, that's outside expertise that's needed. That's the retail czar
26 that's been talked about for years and years. At one point, I'm not putting anyone on the spot
27 here, but at one point I heard City Manager Shikada say that we could plug that not with a
28 person but with a consultant. Now again, I want to underscore, he didn't say there was a
29 budget there but we are coming up on a budget season. So, if that's deemed to be
30 extraordinarily important to get retail back on its feet. Maybe that needs to be in there. I don't
31 think we should be sitting on the dais anymore than I think the Council should and speculating
32 what the retail mix should be. I think that's well beyond our expertise. Particularly, because we
33 want something that's exciting and new and so on. So, we're looking for somebody to drive
34 internal people maybe including us, external people including retailers and the... excuse me...
35 public. I think it could be really important but I don't think we should actually move on that one
36 at all. I think we should focus on that part of the direction from PTC... from Council to PTC on
37 broadening the retail-like rather than curating by coming up with some grand new ideas. I
38 mean Los Altos has just opened what they call a food court to draw in a lot more people.
39 Probably a great idea. I'm sure PTC should sit around and figure out what are the next
40 [unintelligible] is for our town.

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1
2 So, I think we can get specific on those four and make progress on two of them. Make longer-
3 term progress on the third and say the fourth one needs to go to a retail consultant or person.
4 That's how I would see making progress on some of these. That's all, thank you.

5
6 Chair Hechtman: Commissioner Chang.

7
8 Commissioner Chang: I could not agree more with what Commissioner Lauing just said and
9 what Commissioner Hechtman [note – Chair Hechtman] said before. And in particular thought, I
10 wanted to respond to one point that Commissioner Hechtman [note – Chair Hechtman] made
11 about maybe not focusing too much on short-term because the train will have already left the
12 station by the time some of these changes take place. We'll be well into retail recovery from
13 the pandemic that is, though the longer-term issues will still be there.

14
15 That said, I think this is an opportunity because there are so many vacancies, at least according
16 to what we heard from Town and Country and what we're seeing with our own eyes. It's really
17 not easy for a new retailer to come in. There's build-out, there's time that takes place and in a...
18 I wanted to add to the short-term what I think we can impact quickly to-do list. In addition to
19 things like the Conditional Use Permit process, I do think a look at some of the code changes
20 that we could do. So, if we're going to spend some consultant time on this, taking... having a
21 consultant take a look at the code. I'm sure they would be able to pick up on gee, Palo Alto
22 requires this of a yogurt shop because of our parking. But we could change that tomorrow and
23 make that so much easier to fill a number of spaces by changing a few code requirements and I
24 think that we should do that. I think that that should be also on the short-term list. I also
25 completely agree with what Commissioner Lauing said that certain of these are longer-term
26 and they're not necessarily urgent and won't necessarily have any immediate barring on filling
27 these vacancies and recovering. That's it.

28
29 Chair Hechtman: Other Commissioners? Commissioner Alcheck, I know I cut you off a bit in
30 round one and so your hand is up.

31
32 Commissioner Alcheck: I can jump in, yeah. So, yeah, I think it sounds like all of us touched
33 upon this. There's these immediate-term goals and long-term goals and I think that if we're
34 trying to be specific in our direction. I think you should... we should... there should be
35 immediate... if the goal is to go back to Council quickly. I think there should be a report that
36 Staff puts together which describes all of the things we've don't so far. The application process
37 for putting your tables on the street, the curb side pick up designation, closing the... all of those,
38 we should just have those all innumerate in a Staff report. And then I think if we wanted to be
39 extra if we want to do extra work. We could just... a Staff member could try to evaluate
40 whether there are other Cities in the state or nation who have done anything else that's

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1 particularly intriguing. And we should review those and make recommendation to extend those
2 if there's a deadline approaching or just how to potentially pursue more of those options.

3
4 I share the view that we should act quickly to address the retail situation. I also think that the
5 writings on the wall about expanding the definition of retail. I just think we don't need to spend
6 a lot of time... let me put it to you this way. I think operating conservatively is actually more
7 dangerous. So, when we reviewed the Town and Country request, I struggled with it because I
8 didn't like the idea that the flexibility was being considered for just one retail site as opposed to
9 Citywide. It wasn't crystal clear to me that the medical office was appropriate for Town and
10 Country but that didn't stop me... certainly allow that specific site alone to accommodate
11 medical use seemed like poor land-use planning.

12
13 So, with that said, in the conversation of reimagining retail space and in different degrees. I think
14 the trends are clear. We need to widen the definitions currently in use and we have to
15 appreciate that acting conservatively is like playing with fire in my opinion. It's... if we burn our
16 retail it could take a long time to come back and so I think we have to... people have spoke to
17 this topic already at some of our meetings to specifically to Town and Country one. You can
18 look through the minutes of the City Hall meeting... the City Council meeting on the Town and
19 Country thing. There is broader acceptance right now for expanding that definition and we have
20 to expand that definition. And I just think let Staff come to us with a proposal to do so and I
21 don't think we should particularly be afraid of doing it piece mill. If there are five or six
22 expansions that you think are low-hanging fruit. Let's do that, pass that up.

23
24 If you need more time and more use... if the City Manager and his development team think they
25 need more time to get the City Council on aboard. Then look, our framework is not that we
26 seven have to come up with every solution. This is a City Manager-run City and I imagine the
27 City Manager has his own vision for how he wants to help this City succeed. It's on his legacy
28 and so I would be in favor of that... the City essentially coming to us with what they think are
29 immediately acceptable suggestions for expansion of the definition.

30
31 Let me just quickly respond to something that Commissioner Roohparvar [note – Vice-Chair
32 Roohparvar] asked which was look, I'm not suggesting that the Mid-Town retail is not worth
33 preserving. That is. I think the model for the preservation ordinance should be contiguous,
34 walkable retail. When I say walkable, I mean when you can walk from one shop to the other.
35 When you can't walk from one shop to the other, then why are we requiring preservation there
36 in and of itself? And so, we need to start with the map and go boom, retail, retail, retail, retail.
37 Look this cluster, cluster, let's make sure that we don't lose any of that. Alright, these other
38 areas, not so much but again, expanding the definition of retail does some what the same thing.
39 It allows for a lot more flexibility in those areas that aren't really good retail spaces. But it
40 doesn't serve the broader purpose, this long-term effort of how do we make retail work in the

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1 future. Not the status quo that we had in 2018 which was already behind the curve but what
2 does retail look in 2030.

3
4 I think Commissioner Templeton hit on it a little bit. This idea of shared space. Commissioner
5 Hechtman [note – Chair Hechtman] asked this question in the context or made this point. In the
6 context of Stanford mall, you’ve got one person who’s curating and deciding how he wants to
7 set it up or she wants to set it up or how they want to set it up and, in that regard, it’s much
8 more feasible. There are models. I’ll give you an example, SPUR, S.P.U.R, they’ve done studies
9 on this. They site that developers don’t always expect the financial return from ground floor
10 space in new development. And in many locations, they could be... we could have code that
11 encouraged them in-lieu of something to contribute that space to a non-profit or quasi-public
12 agency that was set up to own, curate and manage ground floor retail in neighborhoods. So,
13 there is a model that exists out there where an agency... something could be created that could
14 act as that coordinator of space. This is long-term stuff.

15
16 This is... what I want say is that I’m... I love that the Staff focused on... this is my favorite
17 sentence. Ok, as a result of this project, assuming it succeeds, what tangled changes would we
18 see and experience in Palo Alto and this idea of reflection and desired outcomes. I think if you
19 ask the 60,000 residents in Palo Alto what are the desired outcomes for your community?
20 They’ll be like I would love to have... some of them will say I don’t want parking on my street.
21 But a lot of them will say, they would love it if local sites allowed for other uses. We really
22 grappled in First Baptist with the notion that a music teaching company could exist. It was a for-
23 profit music lesson and it was like blowing our mind that the church could have that sort of use.
24 And I think that... look, residential... when residential streets get crowded in Palo Alto. I
25 understand that makes people uncomfortable. It creates lots of stress. I’m not suggesting that
26 we would loosen our parking requirements because it doesn’t phase me. I’m suggesting you
27 loosen our parking requirements because it beats the alternative. I’d rather have lots of cars
28 parked in a neighborhood a couple nights a week if it means our children can participate in a
29 meaningful, extracurricular activity very, very, locally. It’s a compromise. It's like I love beef but
30 I’m rarely eating it because I know doing so contributes to climate change. We’re making
31 sacrifices all the time which is why I love the premise of this report. Focusing on the desired
32 outcomes is the key and then once we identify... this is long-term. Once we identify the desired
33 outcomes, we need to empower our leaders to fight for them and protect them.

34
35 So, when you go through this process and I’m not a huge fan of setting up 22-person
36 Committees to come up with these ideas. But when we go through this process and we say ok,
37 what are our end goals? If this 15-minute City which means there’s a karate studio somewhere
38 local and I think what Commissioner Hechtman [note – Chair Hechtman] said about the Mid-
39 Town retail was interesting. I mean it’s interesting your question about vacancy. I know a dance
40 studio that left that place. I don’t know how the music... rock music place did particularly

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1 because of the COVID restriction. I know there' a hair salon in there that probably struggled. I'm
2 guessing the cleaner didn't have a lot of business. But for the most part, it does seem very
3 parked. I don't know if that's because of Walgreens but... and some of the, I don't know the
4 burrito places. For whatever reason... and the UPS store, who knows, but I think what I'm
5 suggesting is if you ask people what do they want in this community. At some point on that list
6 will be I want... I don't want somebody parking in front of my house. But also, people will say I
7 don't want to have to drive to Belmont for my kid to do fencing. That's a niche but I want to
8 drive to Cubberley. Ok, well maybe we should consider allowing pop-ups to operate in
9 Cubberley, see if they can create demand... at a very low cost, see if they can create demand for
10 their business model and then from that position find a space in downtown once they have
11 established clientele.

12
13 I mean this sort of flexibility where we decide as a City... this... the beauty of our community.
14 We get to say do we want to partner with people to bring these amenities and services or do
15 we want to just get the ruthless marketplace of New York City. Let's see what they can do and I
16 think in this particular moment we have to say well, we don't have the luxury of just watching.
17 We need to get involved. We've got to get our hands dirty and to the extent that we can
18 partner with... here's a good example. You have a developer that wants to build a building on
19 San Antonio. San Antonio is not contiguous retail. If you've got a Retail Preservation Ordinance
20 that's very, very strict in San Antonio. That's probably not a great use for it but if you can create
21 a scenario where that developer will somehow partner with the City to make that space
22 available so that the City can create an agency that oversees its leasing at very low cost. So,
23 people can try things out and see what works and then expand to other parts of Palo Alto.

24
25 I guess what I'm trying to say is I think this... I like the idea of bifurcating this. Bring the easy
26 hanging fruit that addresses COVID pandemic stuff but also let's begin this process... this larger
27 conversation and incorporate it into all of our conversations. It's not... when we talk about a
28 project in 3-months' time, let's not forget this concept of wait, what are... how are our parking
29 requirements making it harder for this to succeed and for the businesses that are trying to
30 move in quickly succeed? Does our restaurant have a different parking requirement than our
31 café? Does our café have a different parking requirement than a candle store and do we want
32 them to compete equally and succeed on a same playing field or do we want to create a
33 disparity?

34
35 Anyways, I'm going to stop. I talk too much but I loved that idea of desired outcomes because
36 when you pit a local provider of a service and their impacts against the community. It's very
37 easy to be like no, no, no, no, no. We don't like this parking traffic on Thursday nights. It's got to
38 go, but if you say well what do you want in your community and what are you willing to suffer
39 for that? I'm willing to suffer a lot for things for good amenities and so anyways. I'll sit in the
40 back row of a good concert and I think we have to start appreciating that because I am not as

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1 optimistic as some of you have sound tonight. I don't believe we walk out of this in 2023 and it
2 looks like it did in 2018. I think Stanford will continue to succeed, the shopping center, but I
3 think our downtown space is going to really struggle and I'm worried. I think the restaurants
4 might be ok but I don't think you'll see a lot of retail from a traditional standpoint there and so I
5 just want to get ahead of it.

6
7 Chair Hechtman: Thank you, Commissioner. Other Commissioners for round two? Any others?
8 I'm not seeing any hands so let me ask Ms. Tanner if you got what you came for on this item?

9
10 Ms. Tanner: This is extremely helpful. So, I just want to thank you all for your really insightful
11 comments and I tend to be overly ambitious sometimes. So, I think what you all have helped do
12 is to kind of focus on what are the immediate things that we can work on and just say there's a
13 couple referrals and we can't actually tackle them all at once and I think that's ok. That we can
14 focus where we have some energy and some kind of more quick things and then the next piece,
15 we'll take that when we finish the first one. So, that's been very, very helpful.

16
17 Chair Hechtman: Alright, then we will conclude Agenda Item Number Two and we're going to
18 take a break before we go to Agenda Item Number Three. But before we take that break, I do
19 want to tee up that agenda for you Commissioners so you can be thinking about it while you
20 take your break.

21 **Action Items**

22 Public Comment is Permitted. Applicants/Appellant Teams: Fifteen (15) minutes, plus three (3) minutes rebuttal.
23 All others: Five (5) minutes per speaker.^{1,3}

24

25 3. Renter Protection Policy Recommendation

26 Chair Hechtman: So, what we're going to do is I think we will... we've already had a Staff report
27 but I think we'll get from Staff a brief recap of the three items that we decided we made
28 recommendations on at our last meeting. And then we have six additional items to cover
29 tonight which we will do serially. And for each of those six items, I want to start with a lightning
30 round which was Commissioner Templeton's idea last time which I thought worked
31 exceptionally well to get a lay of the land before any Council Member [note – Commissioner]
32 maybe wants to hazard a motion. And then after the lightning round, we'll have discussion,
33 come to a recommendation and move to the next item. So, that's the strategy. I have 7:53 and
34 so we will break until 8 o'clock. See you back shortly.

35

36 [The Commission took a short break]

37

38 Chair Hechtman: Alright, let's move forward with our next agenda item. Let's see, our next
39 agenda item is Agenda Item Three. It's an action item, Renter Protection Policy
40 recommendations. So, this is a continuation of this action item from our April 14th meeting.

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1 There is no additional information coming from Staff so we had public comment on April 14th
2 and we won't be reopening that as we move forward. So, Ms. Bigelow, do you have a recap for
3 us of the items that we made recommendations on at our last meeting?
4

5 Ms. Lauren Bigelow, Partnership for the Bay's Future Fellow: Absolutely, it would be my
6 pleasure. Again, thank you for having me. It was an incredibly rich discussion and I'm delighted
7 to be back here again with you. So, let me just share my screen.
8

9 So, I'm just going to toggle over to our main list of the nine policies just to ground us in where
10 we went from top level. And so, you don't need to see all these, but you want see those. So, we
11 previously discussed the Rental Survey Program, expanding the Tenant Relocation Assistance,
12 and the Eviction Reduction Program when we talk about that.
13

14 With the rental survey, the motion that you decided on was recommending that the survey
15 program should be the top priority in all of the policies and potentially breaking it off from the
16 other items to move it forward. Also, covering the cost from the City's perspective is something
17 that we should think about. And also, the Commission wanted to make sure that Staff worked
18 in development with the PTC to make sure that the rental survey incorporates PTC and
19 community input prior to the execution of it. So that was the first motion of the evening.
20

21 And then we also talked Tenant Relocation Assistance in which you said that you recommended
22 that the Council consider expanding relocation assistance based on a metric that serves cost-
23 burdened households and should consider taking other measures as well to prevent
24 displacement.
25

26 And then we stopped on the Eviction Reduction Program which was really a patch for 1482 and
27 to make sure that the rental protections that were at the state level also covered as many
28 tenants as possible here in Palo Alto. And the motion that passed was that the PTC
29 recommended expanding state fair eviction legislation to include protections for rental units in
30 properties built within the last 15-years and rental units occupied by renters that moved in less
31 than a year ago. And that vote was 4-3 and the previous two motions passed unanimously.
32

33 So, that is where we have been with these discussion points and where we have to go. We still
34 have to tackle the Rental Stabilization discussion which again, is just talking about a patch to
35 make sure that the rent cap in 1482 covers folks who are not covered in that gap that was
36 mentioned in the previous slide. And Security Deposit Limits, also about limiting the amount
37 that landlords can change because of the high cost of rent in Palo Alto to enable people to live
38 in Palo Alto. Fair Chance Ordinance, is about making sure that we are not discriminatory in our
39 practices of renting out to people and making sure that the discrimination goes towards folks
40 who have been released from incarceration. And Right to Counsel, we want to talk about

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1 mainly as a great idea that was costly and we didn't really recommend that the City pursue it
2 because of that cost. But there are ways we could be involved with making sure that tenants
3 had some legal assistance when they went to talk to landlords in court. Because the majority of
4 them do not have that protection or security at this point and having that... even the offer of
5 the backing is something that seems to really help them stay in their homes. Ok and then TOPA,
6 Tenant Opportunity to Purchase Act and Proactive Code Enforcement were two policies that we
7 explored because other jurisdictions were exploring them in the Bay Area. And we thought it
8 was interesting but we did not recommend them.

9
10 So, with that summary, I am happy to turn over the conversation to you to tackle rent
11 stabilization.

12
13 Chair Hechtman: Alright, so thank you, Ms. Bigelow. I would like you to pull up your slides for
14 rent stabilization to guide our discussion and before we have our lighting round I did neglect to
15 mention, once we complete the ninth item, I think it may have been Commissioner Chang at
16 the last meeting who suggested that we take a stab at seeing if there's consensus on prioritizing
17 these items. And we already, with our survey, the first item, recommended that as the highest
18 priority. So, I think when we're done with item nine, we will have a discussion about items two
19 through nine to see if there's some agreement on a logical prioritization for those.

20
21 So, with that, let's go to our Renter Protection Policies and Ms. Bigelow if you'll briefly hit the
22 high points of this to remind us of what the issue and as you said before, what's the hole Staff is
23 suggesting we patch?

24
25 Ms. Bigelow: Absolutely, so the Rent Stabilization Policy that is in AB 1482 is that 5 percent rent
26 cap plus local rate of inflation which gives you 5 percent to 10 percent on rent increases. But
27 currently, there are some households, some units that are not covered by that. So, we think
28 that it impacts everybody and that it is a fairly low lift to adopt a patch to 1482 and I think that
29 is all that I will say on that.

30
31 Chair Hechtman: Alright, thank you.

32
33 Ms. Rachael Tanner, Assistant Director: If I can add Commissioner, the portion of the patch is
34 similar to the households for the last item which are those who have not been tenanted for a
35 year or less. Single-family homes, new buildings built in the last 15-years, and I always figure
36 the last thing if there's a number of things. There's one more group.

37
38 Ms. Bigelow: Duplexes.
39

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1 Ms. Tanner: Duplexes that are occupied by... where one unit is occupied by the owner. So,
2 those are the four categories that are not covered by the cap and increases and so the
3 Commission may, if they want to, extend the protection could do to all or some or of course,
4 none of those households.

5
6 Chair Hechtman: Thank you for that clarification. Lighting round, Commissioner Alcheck will
7 lead off.

8
9 Commissioner Alcheck: So, I... first thing, I think that the state-wide policy for rent control is
10 relatively new. I mean it's like 2018 and it brought rent control to every community in California
11 with these exceptions and I think actually to expand it would be a mistake. It's premature. The
12 pandemic has had a huge impact on rents across the Bay Area and I think it would be prudent
13 to see how those things develop as the market recovers. And those lower rents particularly
14 have... and sometimes... and the moratoriums on evictions have created so much turmoil that
15 inserting this right now would just be a total mistake.

16
17 I also think, to be perfectly respectful, I kind of feel like Staff is sort of approaching this not as
18 even-handed as I would. I went to try to figure out like what... why can't I... why did I have such
19 a hard time with this A and B. Rent... particularly, it would be rental units occupied by renters
20 that moved in less than a year ago. When you look at the literature about what the State of
21 California intended to sort of avoid with that. It was Airbnb. They were avoiding short-term
22 rentals. It's... the fact that we spent so much time on this last time, it was... we have a
23 requirement of 1-year leases in Palo Alto. We don't even allow Airbnbs so it's like who cares?
24 You can't even get a rental for less than a year in Palo Alto so why are we focusing so much
25 time on reducing eviction if there's no such thing? The same goes here. We don't allow units to
26 have short-term rentals so we don't need to create some additional policy for protecting, for
27 preserving lower rents for those units.

28
29 So, really, we're only talking about single-family homes that are not owned by a corporation,
30 rental units built in the last 15-years and I'll just focus on that one for a second. The
31 development industry is high-risk, the State of California... there's a lot of study about Costa
32 Hawkins first did it in 1995. And what they found was we needed to preserve the profitability of
33 a development for a certain number of years and this rolling 15-years is a really good
34 compromise compared to what it used to be in some communities that had rent control. And
35 so, I want to go in more depth if only if we need to on that item. Particularly the concept of
36 preserving the profitability or the ability for a project to become profitable earlier in its lifecycle
37 if it comes online during a downturn but I won't do that for now.

38
39 I just want to add that I think that the carve-out on the state, you know the say the state
40 describes it, is it's like well we don't apply to small 3-plex, quadplex. We don't apply to units

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1 that can't be sold apart from the single-family home like an ADU. I think that it was such a
2 dramatic change statewide that we should allow it to run its course, see how it works and not
3 consider expanding it at this time because particularly it's very strong. 5 percent max with
4 inflation which has historically for, let's say two decades, been meaningless. So, that's where I
5 stand on that.

6
7 Chair Hechtman: Thank you. Other Commissioners for the lighting round? I'm not seeing any
8 hands so I will give my lighting comment; is that I think on this issue that the state law is well
9 reasoned. And the lines that they drew I think are appropriate and that we should not expand
10 those lines. But if we do expand those lines, then I would not support expanding them along
11 the lines that Staff is recommended but rather I'd want to go back to this concept of who is
12 cost-burdened? Because the Staff expansion would provide renter protections to that
13 apartment on the top the floor where the rent is \$10,000 a month and I don't think that's
14 appropriate. So, if there were to be some aspect of this adopted, I would be... and I don't think
15 it should be but if it was, I think it needs to be focused on our housing cost-burdened
16 population only.

17
18 Other Commissioners for the lightning round? Thank you, Commissioner Templeton. You're
19 muted.

20
21 Commissioner Templeton: Sorry, I thought I pressed it. Thank you. Just thinking about the last
22 comment, I guess my concern if we restricted it to certain types of renters. That we might be
23 harming those types of renter's ability to secure a lease, to begin with. So, it might for example
24 make that specific demographic less appealing to lease to. So, that's my concern there.

25
26 Yeah, I think it's interesting having rents raised very suddenly has been a problem in our
27 community but I don't think I've seen as much of that problem since the state law went into
28 effect. So, I'm interested to hear more discussion on this but that's my initial thoughts. Thanks.

29
30 Chair Hechtman: Commissioner Summa, you're the next for the lighting round.

31
32 Commissioner Summa: Thank you. I guess I associate this with the prior item and that Staff is
33 recommending kind of a filling in the gap of coverage. And I could support, like the previous
34 item, I could support it for A and B with the understanding that people can't all get 1-year
35 leases in this town. And to a certain extent, that may have been somewhat alleviated but and
36 there are... there's an Airbnb two doors down from me and it's used like a hotel and my
37 concern with that is not that that's... my concern with that is it taking away a housing unit from
38 somebody who needs to live here or works here. So, I would support it in that regard.

39

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1 Chair Hechtman: Thank you. Commissioner Alcheck, I see your hand but I want to get through
2 this first lighting round and then I'll come back to you. Commissioner Chang.

3
4 Commissioner Chang: Thank you. I agree with Commissioner Hechtman [note – Chair
5 Hechtman] and Alcheck's reasoning in that rent control is pretty new. If I were to support
6 anything, it would be B. I worry that for B, the rental units occupied by renters that have moved
7 in less than a year ago but I'd want to hear more about how AB 1482 is supposed to interact
8 with our own local ordinance about yearlong leases to Commissioner Alcheck's point.

9
10 I do not support it for A because I worry about unintended consequences where we won't have
11 new housing built. And also, don't support it for C and D because those were carve-outs in the
12 state law for what I think were pretty good reasons. That's it.

13
14 Chair Hechtman: Vice-Chair Roohparvar.

15
16 Vice-Chair Roohparvar: So, I agree with what seems to be the common sentiment here in terms
17 of I'd like to see what happens with state law. I think comments have been said, let's see kind
18 of how this plays out, and then I just had two thoughts. Not questions but I don't know if Ms.
19 Bigelow has the answer to these but how Rent Stabilization Ordinances impact or incentivize or
20 disincentivize development and improvements to existing property? Basically, the quality and
21 quantity of housing stock. I'm just curious about that and then the second thing is.

22
23 I was also curious about how rent stabilization interplays with other housing in the area like
24 market-rate housing? Because if you have a certain number of supply and we already know that
25 we're not creating enough supply generally across the state to meet demand. If you have a
26 certain supply and you cap a percentage of those at a rate. Isn't that going to or would it... does
27 it impact... kick up the market-rate housing because now there's greater demand for that
28 limited, more limited stock of housing? What is the interplay there and those are just questions
29 I was curious about.

30
31 But in terms of this specific issue, yeah, I agree with what other Commissioners have said. I
32 don't know if you wanted to answer that Ms. Bigelow or address that later. Chair Hechtman,
33 however, you think it's appropriate or not answer if you don't have answers to it.

34
35 Ms. Tanner: Did you want us to do that now, Chair?

36
37 Chair Hechtman: Well, I don't see any... well, actually I see Commissioner Lauing's hand went
38 up and down. It's up again so let's finish the lighting round and then we can answer the
39 questions. Commissioner Lauing.

40

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1 Commissioner Lauing: Just briefly, items C and D are a definite no for me. I'm very concerned as
2 Commissioner Chang said about the unintended consequences and the signal that that could
3 send. On the other hand, I'm aware that that's a big chunk of folks so if there was some way to
4 get creative on that I would listen but generally I would be happy to wait a couple years and see
5 if it's a problem. Given that, as you said Commissioner Hechtman [note – Chair Hechtman] and
6 Commissioner Alcheck it's new so I would be... that's where I'm leaning right now. Thank you.

7
8 Chair Hechtman: Alright, let me have Ms. Bigelow answer Vice-Chair Roohparvar's questions
9 and then we will go to Commissioner Alcheck.

10
11 Ms. Tanner: Great. I also wanted to introduce... we have another participant with us as a
12 panelist who's Mathew Reed. He's with Silicon Valley At Home who's been our partner with the
13 Challenge Grant. So, just to say that he may also add some insight into this question along with
14 Ms. Bigelow. I think so if I said to say the answers are mixed in terms of the impacts of rent
15 control but we can answer the former questions specifically about the one-year and it is that
16 it's not about how long someone's lease is. It's about whether they have been a tenant for a
17 year or less. So, someone could have a year-long lease, be in month 10 and still be subject to a
18 rent increase that's over the 5 percent-plus CPI.

19
20 So, Ms. Bigelow and Mr. Reed, if you want to take the questions about the impacts of rent
21 control and what we see as results more of Rental Stabilizations Policies. Excuse me.

22
23 Ms. Bigelow: That is the question, isn't it? It... when dealing with Rent Stabilization Policies and I
24 think as Assistant Director Tanner mentioned the notion is that recent data that I have seen has
25 said that former thought process on economists behave have been somewhat disproven. And
26 so, it's kind of, as we said, mixed and that isn't a terrific answer for you but it does provide
27 something of an answer.

28
29 Vice-Chair Roohparvar: Thank you.

30
31 Ms. Tanner: Mr. Reed, did you want to add to that?

32
33 Mr. Mathew Reed, Silicon Valley At Home: I think there's a number of questions that came up.
34 One is what is the impact of rent control on production and in California, since rent control was
35 constrained by Costa Hawkins, the properties that have been affected were needed to be built
36 before 1995. And what the new state law does is say the impact on development is really on
37 the front end by the time. By the time a property is 15-years or older, a rent control restriction
38 is not really altering the decision to build and finance that property and that's where that
39 number comes from and that's what the function is.

40

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1 The state law is really a... it's an... you know it pre-dates COVID. It was a housing crisis
2 emergency response and so it's set at a very high rent level. It's 5 percent-plus CPI annually.
3 Significantly higher than most rent control limits in other Cities that have that. In Santa Clara
4 County we've actually only had one or two quarters where the annual rent inflation rate was
5 above that cap. So, it's really a crisis intervention cap as opposed to a real functional constraint
6 on rent increases.

7
8 The research... you know this has... everybody's got their own opinions and their own facts on
9 this one so I understand the concerns. I think the fairest thing that you can say is that really
10 strong rent control Cities like San Francisco. There is increase competition for non-controlled
11 units because there's less turnover in controlled units. That really only is operable if those rents
12 are actually being significantly constrained by the rent control limitations and so it's very
13 difficult to analyze across Cities. I don't think we'd see the same thing for example in San Jose
14 who's rent control... rent stabilization has always been at 5 percent per year or more. So, the
15 research that's been done and San Francisco is unique because the allowable rent increase in
16 San Francisco is very small. It's a proportion of the Consumer Price Index as opposed to 5
17 percent plus the Consumer Price Index so it is difficult.

18
19 I think this one is expected to have very little impact on rents. It's really intended to be an
20 emergency response to the crisis and to forestall the possibility that there would be massive
21 increases in rent.

22
23 The other thing that I would note is that while it is early and it has not been in effect long
24 enough to know exactly what the impact is. One of the real constraints with the state law is
25 that there's no real clear enforcement. It doesn't become operable unless a tenant were to take
26 a landlord to court essentially and so one of the things that's been happening locally is that
27 local folks have been adopting those provisions. But it allows there to be more of an
28 engagement locally with enforcement of those rights on behalf of the residents of the City who
29 are intended to enjoy those rights but that enjoyment is limited by the structure of how that is
30 monitored. So, that would be the only other point that I had. Thank you for bearing with me on
31 that. I hope it was helpful.

32
33 Vice-Chair Roohparvar: That was very helpful. Thank you.

34
35 Chair Hechtman: Alright, we are through the lightning round and I see Commissioner Alcheck
36 followed by Commissioner Templeton.

37
38 Commissioner Alcheck: So, first I just want to clarify something. When I said that I didn't think
39 that the Staff was necessarily approaching this so I guess even-handedly. I would suggest to you
40 that the reason why is because, under the notion of cost, it says limited cost. And I think that

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1 it's sort of inaccurate to have a conversation about rent control and essentially not address
2 the... there's certainly a tremendous amount of research and study that suggests that there's
3 actually really high costs for rent control. That is has a really negative consequences and there
4 are very strong advocates opposed to rent control. And we don't have one of those individuals
5 on our dais tonight but there are consequences to rent control that are maybe unwelcome. And
6 by saying there's no consequence to increasing Rent Control Policy, I just... that's my whole
7 point. It's like we're acting like there's only plus, there's only positive on this and I think if... I
8 think the concern from a lot of people when it comes to rent control is well how far does this
9 go? And then at what point does it result in underinvested in housing because of the
10 implications of not being able to recoup if you need to do repairs? We've heard those stories.
11 We've heard stories of individuals in our community whose landlords aren't going the work
12 they need to do and this wouldn't theoretically encourage... greater rent control in theory can
13 encourage that type of behavior. So, that's sort of what I meant by that and I just want to add.

14
15 I think there's... we have a problem here. This rental units occupied by renters that moved in
16 less than a year ago is true and in the State of California if you have some kind of month-to-
17 month tenancy. Your rent can be almost doubled but it is... we do not have that. You can't raise
18 the rent... well, let me rephrase. If you have a 1-year lease that describes your rent for the
19 lease. It cannot legally be increased during that time and so this is not a category that applies.
20 This was meant to deal with short-term... this should say, for our purposes, short-term rentals.
21 Meaning that if you have Airbnb, you don't... this doesn't apply. We don't have Airbnb in this
22 town and you have to have a 1-year lease. So, there is no scenario where on the 364th day
23 someone could give a double rent increase. That's not how it works. You could only... rent could
24 only increase on your 13th month which would then fall into this rule. So, I don't believe Staff
25 has it right on this one that there's this category of people in our community that are impacted
26 by this. Specifically, because of the other rule in our community about 1-year lease
27 requirements.

28
29 And then I would say that I feel like outside of that, if that's persuasive, I feel like there's
30 consensus here to recommend not expanding the application of rent control. I don't think that
31 expanding it would have any impact on enforcement. I think that notion is a little confusing
32 because if you raise the rent on someone and they don't pay it. They only pay the legally
33 allowed amount. You'd have to start an eviction proceeding which would bring them into court.
34 And so, the only remedy for the landlord would be to go to court as well if they were trying to
35 do something that they weren't legally allowed to do and it would be very hard to demonstrate
36 that they were allowed to do something if the rent control... if it was... exceed the 5 percent cap
37 or 5 percent plus inflation.

38
39 I... the last thing I would say is with respect to renting and properties built within the last 15-
40 years. Again, I think the rolling policy is much better than the previous Costa Hawkins approach

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1 that was referred to. But at the same time, how many properties can you think of that were
2 built in the last 15-years? The numbers are really low. I feel like one of the questions we had
3 last time was well, what's the... how big is this category? I don't think it's very large. I don't
4 think there's a lot of Palo Alto residents who are in 7-year old units and so I... if there is
5 consensus on this with an eye on the clock. I think we should see... I would... if the Chair so
6 wishes, I would make a motion saying that we don't recommend expanding rent stabilization at
7 the current time. But I will let you decide if that's something you want me to pursue because I
8 think there's more than four Commissioner who are ready to support that.

9
10 Chair Hechtman: I see Commissioner Templeton's hand up but just let me add the procedural
11 question. Once we get through the lightning round and everyone has had a chance to give their
12 overview, I think the floor is free for anyone who wants to try a motion to do so but let me...
13 let's go to Commissioner Templeton and then Commissioner Alcheck, you can decide what you
14 want to do. Commissioner Templeton.

15
16 Commissioner Templeton: Thank you. I have a couple of questions for Staff because I heard
17 some comments that I'm not sure are entirely accurate. So, would ADUs that were built in the
18 last 15-years count as being exempted or remodels? If a home was torn down and rebuilt? Ms.
19 Bigelow or?

20
21 Ms. Tanner: Let me start [unintelligible – low audio]

22
23 Commissioner Templeton: Sure.

24
25 Ms. Tanner: So, and I will welcome Mr. Reed to correct me. He here's to keep me honest and
26 along with other things. But with a remodel... maybe a new ADU would be... currently is not
27 covered under this. Again, if it's 15-years or newer, it wouldn't be covered under the 1482 so it
28 would not (interrupted)

29
30 Commissioner Alcheck: I don't mean to interrupt. I think there's a rule that says it doesn't apply
31 to units that can't be sold separately from the single-family home on the property. I think
32 there's a separate caveat, so an ADU is... can't be sold separate from the house and I think
33 there's a carve-out for that. So, it's sort of (interrupted)

34
35 Commissioner Templeton: Let's let Staff answer. Yeah, thank you.

36
37 Commissioner Alcheck: It's regardless of the 15-year mark by the way.

38
39 Ms. Tanner: That's correct and so (interrupted)

40

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1 Commissioner Templeton: And often they're owner-occupied, right? I think we have some
2 structures around that.

3
4 Ms. Tanner: The house. Yeah, so it could... it might fall in even the duplex category if you think
5 of it in that way as well. I think the other category you mentioned, I'm sorry, I'm (interrupted)

6
7 Commissioner Templeton: The second question I had was around the length of lease. As I
8 understand it, we're required to offer a 12-month lease but there are leases in existence in Palo
9 Alto that are less than 1-year, is that correct?

10
11 Ms. Tanner: Yes, someone is not required to accept a 1-year lease if they do not want that.

12
13 Commissioner Templeton: Right so there are leases in Palo Alto that would be affected by this
14 just to clarify a misstatement earlier. And then the other question I had and I guess this might
15 apply to all of the work we're doing on this agenda item. Does any of it apply to mobile home
16 rental fees or is that a totally different?

17
18 Ms. Tanner: That is a good question. Mr. Reed, do you know if space rent at mobile home parks
19 is covered by this state law? I know there had been some talk about when the law was being
20 discussed.

21
22 Mr. Reed: I don't believe that it is. I would have to check that. I believe there's a... I apologize. If
23 I remember correctly, there's a clean-up piece that may have done that but it's not through
24 1482 and I don't remember off hand if it was passed.

25
26 Commissioner Templeton: Ok, sorry to put you on the spot. I know in other communities
27 nearby, there was separate measures needed to be brought up in order to address the rental
28 situation in mobile home parks. And that we're seeing that in Sunnyvale and Mountain View
29 and things like that where this is an issue. Especially during COVID and just want to throw that
30 out there as something that's not on our list but that affects my neighboring community. I live
31 here in Barron Park right next to Bona Vista Mobile Home Park.

32
33 Ms. Tanner: Yeah, you are correct Chair [note – Commissioner], though that in that summary
34 that you just gave that if something is wanted to apply to mobile homes. It usually needs to be
35 clearly specifically stated that it applies to them otherwise, it typically does not apply to the
36 mobile home community.

37
38 Commissioner Templeton: Ok, alright, well that's just maybe something to think about for next
39 time because we do have a community here that would be affected by that. So, just thinking
40 about some of the comments. I know there are a lot of unknowns. I recognize there's a lot of

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1 unknowns in the rent stabilization but I also want to just push back a little bit on some of the
2 concerns that may be coming across as more unknown than they really are. Because we do
3 have neighboring communities that have similar protections and is that something that we
4 want to discuss? Is this aligned? Does Mountain View have something like this, for example,
5 this kind of patch and has it created the consequences that we've been speculating about
6 tonight?

7
8 Ms. Tanner: Mountain View does have some rent stabilization. My understanding though is that
9 they have their own local policy that is in effect and so I think as Mr. Reed was suggesting. This
10 is a... really some had phrased it as an anti-rent gouging measure so that folks couldn't... a
11 landlord couldn't really rack up the rent in 1-year very, very high which could lead to someone's
12 displacement. I think Mountain View's annual increase is probably more moderated than the 5
13 percent-plus CPI would be my... I don't know but maybe Mr. Reed or Ms. Bigelow can expand
14 on that.

15
16 Mr. Reed: Yes, Mountain View is significantly lower. I don't remember exactly what it is. They
17 float and so it's a little bit difficult to keep track. San Jose is at 5 percent.

18
19 Commissioner Templeton: So, are they seeing any kinds of these consequences that we've been
20 speculating about tonight?

21
22 Mr. Reed: I don't believe that they are but if you ask 12 people, two of them would tell you
23 something different. So, it's very difficult to assess the impact on private market actors. It's just
24 a very difficult thing to assess. Again, the most significant impact of this type of measure is tied
25 to whether it is constraining rents in the market or not. So, if you're rent is increasing annually
26 at less than 5 percent plus the CPI. There is effectively no impact of this constraint. So, it only
27 comes into play when the market, in this case, is extremely tight, and so we don't think that in
28 these cases it would be having the impact that is generally exhibited in the research. And again,
29 the most concrete study is in San Francisco and it shows non-controlled people, the rents were
30 increased because of the impact on housing supply and the lack of turnover. It did indeed keep
31 people in the City who are lower-income because it kept their rent at stable levels. So, that's
32 the most often sighted impact and that's in a City where the level was significantly below the
33 Consumer Price Index. So, probably 5 percent below what the state proposal is.

34
35 Commissioner Templeton: Alright, thank you.

36
37 Chair Hechtman: So, I've got really just one additional comment and then I will go to
38 Commissioner Alcheck who's got his hand up. And that is when we look at the Staff
39 recommendation and this item A to basically patch... fill the hole created by 1482. Not including
40 buildings built in the last 15-years. I think Mr. Reed explained to us why the state did it that way

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1 and it was not random but really based on it sounds like an economic analysis and while
2 Commissioner Alcheck makes the point well, ok even if you did apply it, it wouldn't apply to too
3 many buildings because we don't have a lot of rental units built in the last 15-years, I think
4 when we look forward, particularly through the next RHNA cycle into 2031, we want to build a
5 lot of rental units. And so, my concern would be that for the same reason that the state thought
6 we don't want to touch those new rental units, we don't want to impact... disincentivize them
7 from coming online. I don't know better than the state on this and so I'm... I would be loathe to
8 have that unintended consequence. Commissioner Alcheck, your hands up.

9

10 MOTION #1

11

12 Commissioner Alcheck: Just to clarify just because I want to answer the question because I
13 don't think it was appropriately answered. Mountain View does not apply its Rent Control
14 Ordinance to units built within the last 15-years, so that... I think that's a clear indication. First
15 of all, I want to say two things. I'm not opposed to rent control. There is rent control and the
16 notion that it will only take place if the market increases more than 5 percent. Well, maybe
17 that's a good number. Maybe if you're renting a place for \$2,000 a month, \$100 rent increase is
18 reasonable in a given year. So, you're right, it only really happens if it gets over 5 percent. I
19 don't necessarily think that... Mountain View shifts between three and change and 3.6. Right,
20 like 2.9 to 3.6. I think for this year it set it at 2.9. By the way, no one is going to rent increase
21 rents by 2.9 percent in Mountain View. They're dropping rents by 20 percent in Mountain View.

22

23 So, adding rent control this year is like saying we don't want you guys to raise prices a year
24 where you're lowering prices 20 percent. But the more important point I want to make is that
25 Mountain View is one of the leaders of housing production and they would never jeopardize
26 that attractiveness by saying new units apply. And that... I wish the Staff could have answered
27 that question because I think it's more meaningful when the Staff answers the question than
28 when a Commissioner does frankly.

29

30 So, but I'd like to suggest and I just want to say one more thing. I don't... it's true, theoretically,
31 there could be a lease that's less than a year. If some person came to Palo Alto and was like I
32 don't want to live here a year. I just want to live here for 6-months, thanks for your 1-year lease
33 but I can't accept that because I am out of here in 6-months because my 6-month job at
34 Stanford is over. If there was some random reason for it, then when that person exits because
35 they needed a short-term lease. This is not the tool that's going to solve this... that's not a wide
36 issue. It's a very limited application is sort of what I mean. So, I didn't mean to suggest that
37 there was never a possibility that it would apply to them.

38

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1 So anyways, with that, I would like to make... I guess we're motioning right so I'd like to make a
2 motion that we recommend Council does not expand upon rent stabilization at the... in the
3 current time and continue to rely on the state-wide cap and AB 1482 as written.

4

5 Chair Hechtman: We have a motion. Do we have a second? Commissioner Summa, I see your
6 hand up but it was already up. So, and now it's down.

7

8 Commissioner Summa: I had a question earlier but that's ok.

9

10 SECOND

11

12 Chair Hechtman: I'm not seeing any hands up. I will second the motion for the purpose of
13 discussion. Commissioner Alcheck, do you want to speak any further to your motion?

14

15 Commissioner Alcheck: I'll just... I think that... I think there's consensus here. I don't think that
16 we're suggesting rent control isn't a good tool in our community. I think I would suggest to you
17 that this rent control ordinance is in its infancy and before that, Palo Alto never had any rent
18 control. And the years that really made state-wide rent control a topic of great interest were
19 those years between 2012 and 2017 when we saw tremendous rent increases in the market.
20 Now the opposite is true which is that rents have dropped dramatically and so it already
21 applies. It's somewhat... let's just put it this way, based on the demographic in Palo Alto it is
22 not... it doesn't allow for gouging. I would suggest to you that 5 percent is not gouging and
23 more importantly, it's... this isn't forever. We get to review this... the City Council can continue
24 to review this and when... if this doesn't solve problems in Palo Alto when they occurred like
25 they did in 2012 to 2016. Then we can create a solution then.

26

27 Chair Hechtman: Thank you. Alright, I'll speak briefly to my second and then I'll go to
28 Commissioner Templeton. So, the... I guess the one thing that I want to point out is when we
29 look at the four items... the four potential patch items for rent stabilization. Of course, it's the
30 same four potential patch items we had on the eviction reduction. The just cause and I think
31 we're really... the fact that we did it in one place on eviction doesn't necessarily dovetail with
32 needing to do it here. I mean on evictions, what we're talking about is you have housing,
33 somebody wants to throw you out. Potentially put you on the street and we need to have some
34 protection against that. On this item, what we're talking about is you have housing and
35 somebody wants to raise your rent. And if you don't like the risk that your rent might get
36 raised by more than 5 percent, then what you do is, you find yourself a building that's 15-years
37 old and you rent there and you sign a 1-year lease. You don't take a 1-month or a 3-month or a
38 6-month lease and now you're protected under state law. And so those are the additional
39 thoughts I had regarding the motion on the floor. Commissioner Templeton.

40

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1 Commissioner Templeton: Thank you. Just to clarify what my fellow Commissioners have
2 stated. It's... you've both mentioned 5 percent is the cap, is that correct? I read it as 5 percent
3 plus CPI.

4
5 Chair Hechtman: Plus, CPI.

6
7 Commissioner Templeton: Which could be... I think there was a cap of 10 percent on that? Is
8 that correct?

9
10 Ms. Tanner: That's correct. 5 percent plus CPI with a no greater than 10 percent annually.

11
12 Commissioner Templeton: Right, so that's up to double just to make sure we're... I don't want
13 to misstate it and to minimize the situation and you know, there are some scenarios that we've
14 discussed where people might be in that situation. First, the idea of being able to choose... to
15 be choosy about where you rent in Palo Alto is difficult for many. Especially in the demographic
16 that we are trying to provide more protection for.

17
18 I would also say that if the eviction door is closed, then the price gouging door is the next
19 option for a renter to get... I mean an owner or the person in charge of the lease to get a person
20 out. So, let's not minimize that risk either. It is entirely possible that someone in a 14-year old
21 or 12-year old rental property might be faced with a price gouge lease renewal if we don't
22 make these changes. And that would be a door that's open for people to be evicted in another
23 way by being priced out deliberately and that does happen.

24
25 So, I think we're all thinking about a perfect world in a really well-planned world, but we also
26 have to understand these protections are here to close the gaps. The proposal is here to close
27 the gaps and to remove loop hole that are being abused. So, my understanding is that that is
28 why this is in front of us. So, I don't want to diminish that.

29
30 On the other hand, I was wondering if the maker could please repeat the motion wording so
31 that I can just respond to that? It was to not (interrupted)

32
33 Commissioner Alcheck: So, I would (interrupted)

34
35 Commissioner Templeton: Thanks.

36
37 MOTION #1 RESTATED

38

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1 Commissioner Alcheck: Yeah, that's fine, I can. The... I would recommend that City Council
2 doesn't expand upon the rent stabilization currently in place and rely on the state-wide Rent
3 Stabilization Law as written, AB 1482.

4

5 FRIENDLY AMENDMENT #1

6

7 Commissioner Templeton: Would you be open to saying at this time do to volatility related to
8 the pandemic and then we recommend (interrupted)

9

10 Commissioner Alcheck: I mean look (interrupted)

11

12 Commissioner Templeton: That they come back in 5-years to discuss this?

13

14 Commissioner Alcheck: If you, for example, were suggesting that you thought 5 percent was too
15 much and that you thought that the policy in Mountain View was instructive because they were
16 at 3.4. Hold on, if that's what you were suggesting, I would say ok. But I am very much sensitive
17 to the position that some of these renters are in but as a housing advocate, specifically a
18 residential housing development in a City that can't seem to get out of its own way to build
19 housing. You are talking about doing something that no other jurisdiction is really doing in the
20 state which is the 15-year protection makes it completely unlikely in (interrupted)

21

22 Commissioner Templeton: Hold on.

23

24 Commissioner Alcheck: A market that's volatile that developers will build. So, I am... I'm telling
25 you that the 15-year mark, that's the Holy Grail of affordable housing... of market-rate that has
26 20 percent affordable... the goal of having oh, we want to increase the percentages of
27 affordable housing. That's doesn't happen. No one builds anything, it never gets done, and so
28 (interrupted)

29

30 Commissioner Templeton: Commissioner? I was (interrupted)

31

32 Commissioner Alcheck: I think the question is what you mean by for now and frankly, I think
33 that's a different conversation.

34

35 Commissioner Templeton: Well, Commissioner I was trying to support your motion and I was
36 wondering if the biggest concern is that this is not the right time which you mentioned
37 repeatably. Then maybe we can advise Council to circle back in a period of time. That was the
38 main suggestion of the friendly amendment.

39

40 FRIENDLY AMENDMENT FAILED DUE TO LACK OF SUPPORT FROM THE MAKER

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1
2 Commissioner Alcheck: I think that I don't... let me put it to you this way. I don't think I need to
3 see this in 2-years. I think what I need to see is does this... does our current... does the current
4 state-wide program for rent protection create an environment in Palo Alto that encourages
5 housing development, but also protects renters to a reasonable extent. And I think it does and I
6 would suggest to you that I would need to experience a situation where it didn't before I would
7 say hey Council, you need to pay attention to this again. And I think we have a robust process
8 for advocacy in this community where it would get noticed and so, you know look, I would
9 suggest to you that if 60 percent of our renters are in home that don't apply. That's a bigger
10 sort of question because you want the rent control to apply to people and if our rental product
11 is all single-family housing. Is that something we should look into? Maybe, maybe. I think we
12 have to sort of see how this plays out. And this... I would suggest to you that for now... I would
13 suggest to you that this... there's couldn't be a worse time to think about increasing rent
14 stabilization efforts because we already have a moratorium situation. There's like no tools for...
15 I mean, it doesn't matter, no one is renting... increasing rents. You're just talking about what's
16 going to happen in 5-years when they theoretically get to a place where they could increase
17 rents by 5 percent.

18
19 You know, one thing I just want to mention to you is that when you're looking at Mountain
20 View for example, which is a market I'm quite familiar with. The current rates in Mountain View
21 are down 29 percent from where they were in 2019. Now Mountain View has currently the new
22 City Council... the current City Council passed a 2.9 percent rent rate... rental increase cap. So,
23 to put that in perspective, if you get into an apartment building in Mountain View that's under
24 the law like many of them are. It's going to take you a decade to get to the rent you were
25 paying in 2019. So, as our economy recovers, our housing providers don't. They get stuck
26 collecting 30 percent less than they did in 2019 while maybe people's salaries or their jobs have
27 brought them back to where they were in 2019.

28
29 So, look, housing is a problem, rents are a problem. I'm just saying we have to... we've got a
30 good policy here. Let's let it... my recommendation is we let City Council continue to see the
31 benefits of this law and let it play out. That's... and so I wouldn't put a time restriction on it or
32 suggest that they come back to it in 2-years. I think we're looking at a longer timeframe here
33 and I don't think it's worth amending it.

34
35 Chair Hechtman: So, ok, Commissioner Alcheck you're declining the friendly amendment if I
36 understand that correctly? Yes? Ok, then Commissioner Summa, your hand is up.

37
38 Commissioner Summa: Thank you, so I'm not going to be able to support this. I think
39 Commissioner Templeton asked a lot of really good questions, made good points, and I don't...
40 the argument that it's not going to cover a lot of people is not a very compelling argument to

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1 me if it helps some people. And this idea... I don't... well, first of all, rents in the Bay Area are
2 going up for the first time since last April. The rents are already going back up and we have
3 heard from half of our community are renters in Palo Alto. Nearly half and we... the price of
4 rental... the price of housing is the biggest problem for them.

5
6 I also... I wanted to ask Staff, I believe that Commissioner Alcheck felt that this... that A, letter A,
7 was directed at short-term housing companies that we don't have any of. Could Staff comment
8 on that?

9
10 Ms. Tanner: That's a great question, Commissioner Summa. I would ask Mr. Reed if he was
11 tracking that legislation during the legislative process. If he is aware if that's the intent. I will
12 confess, I was not tracking the conversation at the state level at this intensity to understand
13 that the intent was to not have it apply to short-term or vacation rentals. Do you know Mr.
14 Reed if that's the case?

15
16 Mr. Reed: It was broader than short-term rentals. There were a number of different elements
17 to the conversation. Not every City has a 1-year lease rule and some that do have shorter leases
18 anyways but it was definitely targets also at the ADU question.

19
20 Ms. Tanner: Ok, thank you.

21
22 Commissioner Summa: So, and then also, I believe Assistant Director Tanner, that we actually
23 get tax from Airbnb, the City of Palo Alto. So (interrupted)

24
25 Ms. Tanner: That is correct.

26
27 Commissioner Summa: Does the City have any information on how many short-term rental
28 units there are in Palo Alto or maybe you don't have that at your fingertips?

29
30 Ms. Tanner: No and I'm not sure how the taxes are remedied. How specific they are? If it's just
31 a bundle from Airbnb or if it is broken down more specifically. It's permitted from Airbnb so it
32 isn't from each individual rental unit but we could look into that.

33
34 Commissioner Summa: So, and then the other thing is I have anecdotally known people that
35 were refused the 1-year lease and had to go month to month which creates a lot of uncertainty
36 and fear. And we don't have a way to enforce the 1-year lease problem so I don't see... and
37 the... Mr. Reed has explained that this is actually anti-gouging sort of rent control. So, I don't
38 see the downside of this if it's not going to affect many people. The downside I see of this is the
39 downside of a lot of what we're doing tonight is that most of these... a lot of these things are
40 not enforced by municipalities. They can only be enforced by the very unlikely situation that the

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1 tenant can take the landlord to court which I don't think is very realistic either. So, I sort of feel
2 like anything that really isn't causing an unintended bad consequence that can help renters,
3 even if it's a few numbers of our renters, we should go for it. We can always change it if it
4 somehow is hurting something.

5
6 So, and I do think... just today in the San Francisco Chronicle there was an article about how the
7 rents are going up, first time, in San Francisco, San Jose and Oakland. So, this is going to be a
8 compelling problem for our community I think really soon again. So, for that reason, I won't be
9 able to support this. Thank you.

10

11 VOTE

12

13 Chair Hechtman: Alright, I'm not seeing any further Commissioner hands up so Ms. Klicheva,
14 let's conduct a roll call vote for the motion on the floor.

15

16 Ms. Madina Klicheva, Administrative Assistant: Commissioner Alcheck?

17

18 Commissioner Alcheck: Aye.

19

20 Ms. Klicheva: Commissioner Chang?

21

22 Commissioner Chang: Yes.

23

24 Ms. Klicheva: Chair Hechtman?

25

26 Chair Hechtman: Yes.

27

28 Ms. Klicheva: Commissioner Lauing?

29

30 Commissioner Lauing: Yes.

31

32 Ms. Klicheva: Vice-Chair Roohparvar?

33

34 Vice-Chair Roohparvar: Yes.

35

36 Ms. Klicheva: Commissioner Summa?

37

38 Commissioner Summa: No.

39

40 Ms. Klicheva: Commissioner Templeton?

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Commissioner Templeton: No.

Ms. Klicheva: The motion carries 5-2.

MOTION #1 PASSED 5(Alcheck, Chang, Hechtman, Lauing, Roohparvar) -2(Summa, Templeton)

Chair Hechtman: Let's see, Commissioners wishing to illuminate their no vote. I see Commissioner Templeton's hand. Is it for that purpose?

Commissioner Templeton: Yes.

Chair Hechtman: Ok, please do.

Commissioner Templeton: I appreciate that now might not be the time. I was hoping we would get a little bit more clarity from Staff about the implications of doing this now or later and comparisons to local neighboring communities. I hope that this will come back at some point in the future. It's unfortunate we couldn't include that in the motion but if say it does come back in 5-years. It would be really helpful to understand how communities like for example Mountain View, who has been able to build a lot of new buildings for rental even though they have the rental protections that extend further. So, I'd like to understand that better and if it does come back sometime in the future. It would be great to have that information. So, thank you for bringing us the opportunity and hopefully we don't see this exploited. Thank you.

Chair Hechtman: Commissioner Summa, did you wish to say anything further on your no vote?

Commissioner Summa: No, I think I already covered it. Thank you.

Chair Hechtman: Commissioner Lauing, your hand is up in between items here. What would you like?

Commissioner Lauing: I would just like to make the usual statement and make a comment on my for vote as opposed to my opposed vote. I would have supported the amendment by Commissioner Templeton to have a date to the future that we circle back on this. So, I'd like that to be recorded as it is obviously in the minutes. But I voted for it because of the other reasons that there's isn't much... there is rent protection from state law. And there's not much data and I think we can respond pretty quickly if we need to, to amend the ordinance. Thank you.

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1 Chair Hechtman: Thank you. Alright, I am thinking that that was our most challenging of the
2 remaining issues and I will now test that theory by starting to move us through the remaining
3 issues with item number five, the Security Deposit Limit. Can we have the Staff bullet points on
4 that?

5
6 Ms. Bigelow: Absolutely but you better knock on wood. Ok, so, we currently have California
7 Civil Code which allows landlords to charge different amounts for furnished or unfurnished
8 units. The average rent across the board in Palo Alto is \$2,940 a month. So, the amount for, at
9 average, for security deposit in an unfinished apartment would be \$8,820 and our
10 recommendation would be to adopt an ordinance limiting security deposits to 1 ½-times. And
11 go forth and discuss.

12
13 Chair Hechtman: Thank you. Lighting round, who would like to lead off? 1-minute comments.
14 No thunder, only lighting. Commissioner Alcheck, no thunder.

15
16 Commissioner Alcheck: I'll just say look; the City of Mountain View is at 2-months rent. The City
17 of San Jose, the City of Belmont, City... I mean I can name 10 Cities. I just... I think this is a tool
18 used to protect individuals who care a lot about their properties and are concerned. And if
19 you... here's the crazy irony, is that if you want some... people are willing to take more chances
20 when they get more security. And frequently, in the Bay Area, what you'll... first of all, the irony
21 here is that security deposits have gone out the window locally as a result of the pandemic.
22 People are competing so hard on tenants that they're willing to take \$200 or nothing.

23
24 But more importantly, the point I was going to make is that if you can't get a co-signer or if you
25 can't get someone with good credit to sign an application with you. This tool tends to
26 encourage people to take a greater risk on you and so it can also be a high hurdle as both
27 consequences. But considering that the jurisdictions all around us that I think are doing a good
28 job here don't do it, I would recommend that we don't make this change.

29
30 Chair Hechtman: Commissioner Chang.

31
32 Commissioner Chang: So, I recommend that we make this change and actually go further and
33 the reason for it is because our rents in Palo Alto are high. And so, if you think about... and in
34 many Cities actually, it's more typical. I remember when I was renting a place, it's more typical
35 to charge 1-months rent as a deposit and if you do the math at 1.5. It comes out to I think
36 \$4,400 and we looked at the income of people who are rent-burdened. If you're... most of the
37 people who are rent burdened are making \$75,000 or less. If it's \$75,000, that's 5 percent of
38 your income. If you're making \$30,000, you're talking more than 10 percent of your annual
39 income locked up in a security deposit and that is super significant. And so, I think that this is
40 probably one of the single biggest things that we could do to change the day to day life of

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1 renters. A lot of people don't have... you know that's their entire savings locked up in their
2 deposit. That's it.

3

4 Chair Hechtman: Commissioner Summa, followed by Commissioner Templeton.

5

6 Commissioner Summa: Thank you. I'm happy to follow Commissioner Chang because I agree
7 with her entirely and I also having been a renter for many years while in college and afterward
8 in the big City of Chicago. I think that the security deposit, especially at such high amounts,
9 creates asymmetry of power. And I just remember the terror every time I had to move of
10 worrying about whether I was going to get my security deposit back because there wasn't
11 anybody. Once again, there was no one to come in and say you left this place better which I
12 always did than you found it. There was no one to protect the rent from the... except, once
13 again, if you have the time and the money to take it to court against a landlord who
14 unscrupulously wanted to keep it. So, I will stop there and say that I agree with Commissioner
15 Chang. Thank you.

16

17 Chair Hechtman: Commissioner Templeton.

18

19 Commissioner Templeton: Thank you. I also agree with Commissioner Chang. I would also echo
20 Commissioner Summa's concern about the misuse of security deposit funds. That has happened
21 to me, that has happened to many people I know. It's totally unacceptable at the amounts that
22 we're talking about in Palo Alto if we continue the way we are. So, I like the suggestion of 1.2
23 times rent for now. And just Staff, later after this round, if you could clarify do you mean this to
24 apply to all kinds of properties or only corporate-owned or I would just like a little clarity on
25 that. Thank you.

26

27 Chair Hechtman: Commissioner Lauing.

28

29 Commissioner Lauing: Yes, I have similar concerns about the 2x rent. I thought that
30 Commissioner Chang was suggesting we go below 1.5 so, I'd be amenable to that. Obviously
31 and Commissioner Hechtman [note – Chair Hechtman] you've talked about this a number of
32 times. You'd like to get just to the rent-burdened people but if you did that in this case. Then
33 you'd be giving a disincentive for affordable housing units. So, I'm not sure that there's a good
34 way to just do it for people who are rent-burdened. I think you'd have to do it overall for all
35 renters.

36

37 And the other thing is that as we've all experienced as renters when they're using our money at
38 no interest rate, that really... that's a gouge right there. I'm wondering if we have any teeth that
39 we can do into that where the deposit is... generates interests for the tenant. That's all.

40

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1 Chair Hechtman: Vice-Chair Roohparvar.

2

3 Vice-Chair Roohparvar: Just quickly on that, I had a question. Do we have anything in Palo Alto
4 where we require interest on the deposit payments because there are certain Cities, if I'm not
5 mistaken, that do? No? Oh, interesting. Ok. Thank you.

6

7 Chair Hechtman: Additional comments Vice-Chair in the lightning round?

8

9 Vice-Chair Roohparvar: No.

10

11 Chair Hechtman: Ok. I think all of the Commissioners have spoken other than me so I will say
12 this. We've made a recommendation on Tenant Relocation Assistance to the City Council that
13 they move forward with that and find a metric that applies it only to cost-burdened portions of
14 our rental community. And I think here if we're going beyond state law, then whatever that
15 metric is and we don't know what the metric is yet. I expect it may be some sort of floor rent
16 that adjusts every year but that's the metric that I think would be appropriate to be applied
17 here. I don't... and again, I think it will work here if it's going to work for relocation. And so, you
18 can distinguish the people who are cost-burden renters from the person who again, is living at
19 the top of that building, paying \$10,000 of rent and neither needs nor deserves government
20 intrusion into the private relationship between that landlord and that tenant. They don't need
21 the protection and I don't think we should afford it to them. So, I'd be supportive of the 1.5
22 months with the same metric as the... that Council comes up with in relocation assistance.
23 Thanks.

24

25 Alright, so we are through the lightning round and I see Ms. Tanner's hand up. Ms. Tanner?

26

27 Ms. Tanner: I believe there were two questions, at least two questions that were asked during
28 the lighting round. One was about who would be impacted? So, certainly, the Commission
29 could include that in their motion. This would be similar to the 1-year lease which does apply to
30 all properties no matter what the configuration. In Palo Alto, you need to offer 1-year lease so
31 this would be similar.

32

33 I would caution about applying the rent burden. You know, rent burden is a function of the cost
34 of your rent and the income of your household. And so, in this case, if we're not calculated it as
35 a City and requiring it. It would be the landlord and tenant's discretion to calculate who is rent-
36 burdened and then to require a security deposit based on that burden. So, I just want to clarify
37 how that would be functionally implemented. And I just... there may be some... just as there are
38 limitations with ensuring landlords actually adhere to whatever the amount is. There would
39 certainly be limitations to ensuring that landlords adhere to some practice of evaluating their
40 tenants based on the cost burden metric.

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Chair Hechtman: So, let me have a follow-up question to that. If that's true here on the security deposit, won't it also be true for tenant relocation? That we base it (interrupted)

Ms. Tanner: Yes, but if... in that case the tenants are already there. They're a tenant who is being evicted. This is a prospective tenant who's preparing to pay a security deposit and being screened by the landlord and then the landlord would need to calculate their rent burden. And if they are rent burden, would need to apply the security deposit limit to that household. If that's what I understood you are recommending.

Chair Hechtman: Am I understanding that you're assuming that the metric that the City Council will come up with will be based on the tenant's income because I'm not assuming that.

Ms. Tanner: If you wanted it to be the cost burden households, then that would be the metric. Cost burden is if you pay more than 30 percent of your income for your rent, then your cost burden.

Chair Hechtman: Alright, thank you for that clarification. I see Commissioner Chang. So, we're out of the lighting round now so you're not constrained to 1-minute. Thank you to those of you who held with that constraint. Commissioner Chang.

Commissioner Chang: I'll be quick anyway but I think what Chair Hechtman was suggesting in the earlier item when he was trying to target eviction protection towards rent-burdened households was to come up with a different metric. Right, because I think in that one it was... the metric that we had was something about the number of units and he was suggesting that maybe that's not the right metric. Maybe it is if we find out that most of rent-burdened households, we would cover the vast majority of rent-burdened households if we looked at rents below \$5,000 or just a different type of threshold. And I think that that was what he was supporting so in a moment I'll let him confirm.

But with respect to the security deposit limit, I would say that regardless of what rent you're paying. Paying... having a deposit of two or three times the rent is highway robbery. I know so many families who are renting single-family homes and the rent might be \$6,000, \$7,000. So, now we're talking a deposit of \$14,000 to \$21,000. The family could buy a car with that and I just don't think it's necessary because the deposit is meant to cover damage caused by the family.

So, I still... I mean I definitely support limiting the security deposit to 1 1/2-times the rent across all rentals and like I said before, I would actually lower it further but there doesn't seem like there's necessarily support for that. That's it.

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Chair Hechtman: Commissioner Alcheck followed by Commissioner Templeton.

Commissioner Alcheck: So, I'm not incredibly invested in taking... opposing this but I just want to highlight two things. Number one the irony that we're so prepared and that the City's Council might be so prepared to be barrier-breaking when it comes to renter policy and yet it feels so ridged when it comes to housing production policy.

I think there's maybe more thought should be given to why other jurisdictions haven't done this and then I would just add that this does nothing to stop a landlord from improperly withholding a deposit. I don't know if Commissioner Summa had an experience. Maybe she lost a few despots in an illegitimate way and that is a terrible thing when that happens. But this doesn't reduce the likelihood of that happening. This does... so I don't... and I don't like the suggestion that we're talking about residents of Palo Alto in many cases who are landlords.

And I... you know, one of the things that I would be very much interested to know is how many of our local renters had to put double deposits down? This would be a part of that first item, data collection. And I'd be interested in surveying landlords in that data collection after and say how does the process of evaluating or setting security deposits informs your process for approving applicants?

The reason why people set security deposits high is two-fold. They have a concern the person can't pay. They're legitimately concerned they won't be able to collect rent or they're concerned about property damage. I don't think those concerns are illegitimate. I don't think that... let me put it to you this way. When was the last time you heard about a car repair that was less than like \$2,000? I mean I think there's a discrepancy... there's a gap here in our understanding of what happens when something goes sideways at a property. How much does it cost? Well, I would tell you if the property is renting for \$7,000, that property might be around \$11 million and so the scale of damage that can occur. I mean, let me be clear here, there are properties that sell for \$10 million in Palo Alto and rent for \$10,000 a month. There are some properties that sell for \$12 million in Palo Alto, they rent for \$20,000. They have ridiculous amenities and I just think I'm not worried about the guy who's renting a house for \$7,000. I think the real question is, is the... is that households that's lower... and again like I said, I'm not terribly invested.

and I think that this half a month is not that significant but I also feel like you don't do this without data and it would be one thing if every other community in our neighborhood reduced it. And then we go well, we're the outlier and we seem to be perfectly fine in your words gouging people but I don't... we're not relatively gouging people and so then we have to ask ourselves is that an acceptable adjective to use? And I'm not some... I don't... there's no love

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1 loss here for... I don't have... I'm not worried about the feelings of our local renters. I just
2 wonder if without data... my biggest concern and this goes to what Commissioner Hechtman
3 [note – Chair Hechtman] said was if I had to choose between two tenants and it was my
4 mothers' home. I'm not renting it out and I have... and one tenant I couldn't ask for 2-months
5 rent and the other one I could. Would I go to the 1 ½-month one or 1-month one? And so that
6 would be my concern about the suggestion that this somehow could be... my concern number
7 one is that people will create a legitimate preference for not taking risks which was a concern I
8 had earlier. This idea that maybe I would rent to a bunch of young adults if I was sufficiently
9 comfortable with the deposit I had because maybe they were rent-burdened. The rent-
10 burdened is still there and so the concern is well are you going to be comfortable leasing to
11 someone whose burden if you have concerns that they may not be able to make the
12 payments and they're willing to make the sacrifice of paying 50 or 60 or 70 percent of their
13 income on rent.

14

15 So, I think more data should happen here. I think it's... this is interesting to me that we're going
16 to push this forward and other communities in our neighborhood are not doing this. And again,
17 I almost wonder if I'll abstain from this vote just because I can't... it's hard to be super sure this
18 is the right path.

19

20 Chair Hechtman: Commissioner Templeton.

21

22 Commissioner Templeton: Thank you. Ms. Bigelow, can you tell us where you came up with the
23 number 1.5 for your recommendation?

24

25 Ms. Bigelow: So, when I looked at the amount that 1.5 offered of difference where it was leased
26 \$1,000 but it wasn't that far from 2-months rent. I wanted to make sure that there was a
27 difference that would be significant for renters for low-income renters without feeling like I was
28 changing things that much from what the amount was according to California Civil Code.

29

30 Commissioner Templeton: Ok, so it's a compromise to reduce it meaningfully for renters while
31 providing as much coverage as possible for landlords. Is that what you're saying?

32

33 Ms. Bigelow: Correct. I tried to moderate most of these proposals so that they took both sides
34 into consideration.

35

36 Commissioner Templeton: Great, thank you for clearing that up and do we know if any other
37 communities in the Bay Area have changed the security deposits? For example, did you bring
38 this up because you saw it in a neighboring community?

39

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1 Ms. Bigelow: Nope, I looked to Vermont and that was where this came from. So, they... I have
2 not seen it done in neighboring communities but it did seem like a significant change to get
3 people into homes. That would lower the obstacle to get them into that home.

4
5 Commissioner Templeton: Ok, so this is sort of a barrier to entry rather than like we were
6 talking about raising the rents. That's where the gouging was, right? This is more of a barrier to
7 entry?

8
9 Ms. Bigelow: Absolutely.

10
11 Commissioner Templeton: Well, while I am inclined to support Commissioner Chang's
12 suggestion to go lower. I do see the sense in the Staff's suggestion of starting here and seeing if
13 we can have that balance of meaningful change while still providing the security that the
14 landlords need. Is it motion time? Ms. Chang, if you wanted to make the motion you can. I'm
15 happy to do it myself as well. I don't know who's next.

16
17 Chair Hechtman: So, right now you have the floor. I see Commissioner Summa's hand up next.
18 So (interrupted)

19
20 MOTION #2

21
22 Commissioner Templeton: Alright, well I'll go ahead and make the motion and see if anyone
23 supports moving the Staff recommendation for number five.

24
25 Chair Hechtman: We have a motion to recommend the Staff recommendation. Commissioner
26 Summa, your hand is up.

27
28 SECOND

29
30 Commissioner Lauing: I'll second.

31
32 Chair Hechtman: We have a... sorry, did you want to second, Commissioner Summa? Your hand
33 was up.

34
35 Commissioner Summa: No.

36
37 Chair Hechtman: No, you're just (interrupted)

38
39 Commissioner Summa: I'm happy, it's fine the way it is. I'm happy.

40

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1 Chair Hechtman: Ok, alright, very well then Commissioner Lauing has seconded. Commissioner
2 Templeton, do you want to speak to your motion?

3
4 Commissioner Templeton: Yes, I think this is a reasonable recommendation for us to make
5 based on some of the challenges that we're hearing from community members about becoming
6 part of our community. And moving into Palo Alto there are barriers at every step along the
7 way, this is a barrier to entry, and I think that would help meet some of our community goals of
8 being more supportive to an economically more diverse population. So, I think this would be a
9 great way to work towards that. Thank you.

10

11 Chair Hechtman: Commissioner Lauing, your second.

12

13 Commissioner Lauing: Totally agree with everything Commissioner Templeton said. Exactly my
14 thoughts.

15

16 Chair Hechtman: Commissioner Summa.

17

18 FRIENDLY AMENDMENT #2

19

20 Commissioner Summa: Thank you. I would be... if the motioner and the seconder would be
21 interested, I heard some other colleagues were interested in perhaps a 1-month instead 1.5-
22 months. I don't know if there's any interest in that from the maker and seconder.

23

24 Commissioner Templeton: I'm interested in that. I think we could try it. The concern I have
25 mainly why it didn't go there now is this is already a big change and some colleagues have
26 mentioned that there might some anxiety amongst the landlords about not having enough
27 security. So, I thought this was a good compromise. We can try it. We can make that
28 recommendation. We can also adjust it to say to Council 1 to 1.5 and then they can work that
29 out.

30

31 Commissioner Summa: It's up to the maker and the seconder.

32

33 Chair Hechtman: Commissioner Templeton, do you want to modify your motion?

34

35 FRIENDLY AMENDMENT FAILED DUE TO LACK OF SUPPORT FROM THE MAKER

36

37 Commissioner Templeton: No.

38

39 Commissioner Summa: Ok.

40

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1 Chair Hechtman: Alright, other Commissioners wanting to comment on the motion on the
2 floor? Commissioner Chang.

3
4 Commissioner Chang: Yeah, having heard Ms. Bigelow's reasoning, I'm sold on the 1.5. So, I just
5 wanted to say that.

6
7 Chair Hechtman: Alright, I'm not seeing other hands so let me make a couple of comments.
8 First, if it's to be a number I think it should be 1.5. You know, at 1-months rent, what you have
9 to realize and I may have even done this some time in my rental career, when you get to that
10 last month, you just don't pay the rent and now, the 1-month rent is used for that purpose. And
11 the gouges I made in the floor or the hole I made in the wall that night I got angry, whatever.
12 The landlord has to chase me for that, so I think that there's a little bit of a buffer here with the
13 1.5 and that's why I like that number.

14
15 But I do need I think to clarify my continuing hesitation regarding the 1.5 and that is that it
16 should not apply across the board. And on that, I'm actually going to ask Staff, before you take
17 this to Council, to go back and review the minutes of item two because I think the way it's been
18 summarized here tonight was not my understanding or intention regarding that. And
19 specifically, the concept behind the recommendation for the different metric than units for
20 item two was not to be income-based. In fact, I think you'll find during the conversation of that
21 item and again, I'm bringing it up there because I think it's appropriate here. During the
22 conversation of that item, Commissioner Alcheck made the specific point that you're not going
23 to have landlords going and finding out the income level of every tenant to see if this applies
24 and I agree. And that's why I think it's going to be... the metric is most likely going... and I think
25 that the nature of my motion was that most... not every rent-burdened or cost-burdened
26 household would be protected. But that we would come up with the metric that would protect
27 most of them. I believe that will be a rental figure. It was not income-based so at a minimum
28 regarding item two, I'm going to ask Staff to review those minutes more carefully before they
29 take it to Council.

30
31 Ms. Tanner: Yeah, we did Chair, look at those and the motion was to have location assistance
32 be eligible specifically to cost burden units and not all units. So, we watched the tape actually
33 today on that so if your intention was that somehow the metric would get those units without
34 using their income. I do not see how we would know that it applies to them if we don't know
35 their income, so I am a little confused.

36
37 Chair Hechtman: So, and I don't know how to clear that up going backwards but I can tell you
38 on this one. What... the limitation I would want, which is not part of the current motion so
39 that's why I can't support it, is that there be a metric that protects most, but not every, person
40 who falls in those four categories of cost burden. And I believe that that metric would be

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1 looking at those four categories and figure out for example, what the typical rent they pay and
2 let's just say that was \$2,200. Then in this situation, and it would adjust over time, it would be
3 1.5-months' rent for everybody who was below that threshold. Anybody above that threshold,
4 free market.

5
6 Ms. Tanner: Ok, so I understand your intent is to get to a non-income-based metric that
7 captures everybody who is rent-burdened.

8
9 Chair Hechtman: Not everybody.

10
11 Ms. Tanner: Or at least most people who are rent-burdened.

12
13 Chair Hechtman: And I think I made that statement in the last hearing. So again, I don't know
14 what you can do about that now because that's done but here, and I'm sorry I'm taking a long
15 time to explain why I can't support the motion on the floor. Ok, are there any Commission
16 comments before we move to a roll call vote? I'm not seeing any. Oh, Commissioner
17 Templeton, the maker of the motion.

18
19 Commissioner Templeton: Just to clarify, your comments were to your no vote and not
20 direction to Staff. Is that right?

21
22 Chair Hechtman: Yes.

23
24 Commissioner Templeton: Ok, thank you.

25
26 VOTE

27
28 Chair Hechtman: Yes. Ms. Klicheva, can you conduct a roll call vote please on the motion?

29
30 Ms. Klicheva: Yes. Commissioner Alcheck?

31
32 Commissioner Alcheck: No.

33
34 Ms. Klicheva: Commissioner Chang?

35
36 Commissioner Chang: Yes.

37
38 Ms. Klicheva: Chair Hechtman?

39
40 Chair Hechtman: No.

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Ms. Klicheva: Commissioner Lauing?

Commissioner Lauing: Yes.

Ms. Klicheva: Vice-Chair Roohparvar?

Vice-Chair Roohparvar: Yes.

Ms. Klicheva: Commissioner Summa?

Commissioner Summa: Yes.

Ms. Klicheva: Commissioner Templeton?

Commissioner Templeton: Yes.

Ms. Klicheva: Motion carries 5-2.

MOTION #2 PASS 5(Chang, Lauing, Roohparvar, Summa, Templeton) -2(Alcheck, Hechtman)

Chair Hechtman: Thank you, Commissioners. I've already spoken to my no vote. Commissioner Alcheck, do you have anything to add regarding yours?

Commissioner Alcheck: Yeah, I mean it's ironic. I would say that after hearing the logic behind how the number was arrived at. I would say that I was... I went from an abstain to a no. It feels like no data was relied upon to come up with this numeric number with the exception of I guess a jurisdiction within Vermont.

And I would suggest to you that it will be a big pill to swallow if landlords in Palo Alto are like I guess if I'm not going to be able to count on that 1-month rent. I'll have to go after them for the hole they put in the floor. I mean I just... what I would suggest is that I think this is a dramatic departure from what all the jurisdictions that surround Palo Alto are doing. And it wouldn't... maintaining it would not imply that we were somehow less welcoming to residents who are rent-burdened. I think maintaining it would suggest that we were interested in understanding better how this tool is used in our City before making a change.

And I guess my huge question would be that once we collect data, what extent, what number of our residents are paying double deposits? I will... it will be very interesting to know if, for

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1 example, double deposits make a large portion of our rents that exceed a certain number
2 versus a different number. I just think we're blind here so to do something different is odd.

3
4 Chair Hechtman: Let's move on to item six, Fair Chance Ordinance. Ms. Bigelow.

5
6 Ms. Bigelow: Yep, I'm here. Sorry, technical difficulties. So, Fair Chance Ordinance is at its core
7 an anti-discrimination policy which is supposed to, as it says, restrict the landlord from
8 discussing criminal background in a variety of different places. So, we said that we thought that
9 the impact was high. Particularly for black and Latinx individuals who are disproportionately
10 impacted by incarceration. The cost would be limited, the feasibility would be medium due to
11 the subject matter itself and our recommendation would be to adopt a Fair Chance Ordinance
12 similar to Berkeley and the breakdown of the policies is Attachment B in your Staff report. So,
13 you can see the numerous different ways that a landlord can still tackle getting to know the
14 prospective tenant without giving a blanket ban, that's the word. There we go, alright.

15
16 Chair Hechtman: Questions on this item before the lightning round? Commissioner Summa, I
17 see your hand up. I don't see any other hands up so whether it's a question or your lighting
18 comment, go for it.

19
20 Commissioner Summa: Thank you. It's my lightning comment and I will be supporting this. I feel
21 very strongly that the unfairness of this and how it affects disproportionately affects people of
22 color that are disproportionately affected by having been incarcerated in this country. And I do
23 feel that it is incredibly... it's just something that's very dear to my heart to be concerned about
24 how difficult it is for people who have rightly or wrongly spent time incarcerated, have such a
25 difficult time finding work and finding places to live when they have so paid their debt or
26 whatever you want to call it to society and we still make this difficult.

27
28 I also think they're some sort of offensive, to be honest about sort of an implied assumption
29 that if you're trying to rent a home instead of being able to buy a home. That there's... it sort of
30 implied to me that there's a larger likelihood if you are a renter that you would have had a
31 criminal background and I just I think that's something we should move away from. And I'd be
32 happy to make a motion whenever my colleagues are... have finished and you think it's ready.

33
34 Chair Hechtman: Thank you. Vice-Chair Roohparvar.

35
36 Vice-Chair Roohparvar: I'd be supporting this because for the obvious reasons Commissioner
37 Summa stated. I also wanted to point out that this... there is already kind of ban on this under
38 the California Fair Employment and Housing Act where you can't inquire into a person's
39 criminal history because of the tie between incarceration and discrimination against black and
40 Latino persons. So, there is some nuance and the key case on this is Marina Point versus Wilson

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1 where the only time you can do it is if it's... poses a health and safety or there's a direct
2 correlation between their crime and the tenancy. So, maybe this is intended to close the gap
3 but clearly, there's state law support and I think we should go even further and I'm 100 percent
4 supportive of this.

5

6 Chair Hechtman: Commissioner Templeton, thank you.

7

8 Commissioner Templeton: I also support the Staff recommendation. Thank you

9

10 Chair Hechtman: Commissioner Lauing.

11

12 Commissioner Lauing: Yes, I am definitely supportive of this. We understand that there's issues
13 on the other side in terms of neighborhood concern but frankly, unlike a lot of other items in
14 this report. There is a good community data from a number of sources and Staff says that
15 they're going to be using the Berkeley model to address that. So, I'm completely comfortable
16 with this.

17

18 Chair Hechtman: Commissioner Chang.

19

20 Commissioner Chang: I'm also in support and I know that there might be concerns from a few
21 parties. But I think that the carve-out in the Berkeley law for somebody seeking a roommate,
22 the single-family homes, the duplexes, triplexes as well as still allowing providers to check the
23 sex offender list. Alleviate those concerns and so I am definitely in support of this also.

24

25 Chair Hechtman: Alright my lightning comment is that when I look at Packet Page... it's the...
26 well, actually I guess I'm looking at last... the one from last time. It's the comparison and I was...
27 incidentally, I'm supportive of us adopting a Fair Chance Ordinance. The question I have is
28 about when background checks are allowed and what kind of background checks are allowed?
29 And when I look at the Berkeley's allowances compared to the Seattle allowances, it seems like
30 the Seattle allowances, while limited to sex offender registries and HUD Housing Finance are a
31 little bit broader, have less process so easier for the landlord to do and I'm wondering from
32 Staff why... what made you lean in your recommendation to our body to the Berkeley model on
33 these issues rather than the Seattle model?

34

35 Ms. Tanner: I will ask Ms. Bigelow if she can respond to that question. I will note that in
36 addition, certainly, I think it's worth looking at and that is one question we did want to have
37 Commissioners talk about is if they had particular places where they did want the background
38 check to come into the process. You know that may be different from the Berkeley model but
39 Lauren, if you want to talk about Berkeley as the example that we most aligned with.

40

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1 Ms. Bigelow: Honestly, it was because of Berkeley being one of many regional jurisdictions who
2 had decided to adopt this. I believe Alameda County is looking at it and Richmond as well. So,
3 this was more in alignment with one of the items which my fellowship pushes on which is for
4 kind of trying to adopt more regional thinking on some of these. So, that's why we went
5 Berkeley but I would also say that if you're interested and you see a different model that is
6 more interesting in pursuing to you. We should absolutely talk about that.

7
8 Ms. Tanner: Great, thank you and I think along with promoting may be some degree of
9 similarity amongst the region. Although, I know we have very diverse jurisdictions in the region.
10 It is nice that it is also in the same legal structure in terms of the State of California as Palo Alto
11 obviously would be. But again, if there are parts of Seattle that you'd like us to look at or if it's
12 wholesale. You know certainly, we can look further into that as we go to Council.

13
14 Chair Hechtman: Thank you for those responses. So, we are through the lighting round and I
15 see Commissioner Templeton's hand.

16
17 Commissioner Templeton: Thank you. Just following up on your question. Is the primary
18 difference the chance to rebut?

19
20 Chair Hechtman: It seems to me... yeah, when I read these, that there's more process in
21 Berkeley and incidentally, it looked like Oakland has the same process as Berkeley. You have to
22 start with a Conditional Housing Offer, then you get their permission to do the check and you
23 allow them a chance to provide rebutting or mitigating information; which is a lot more process
24 than Seattle where you can just check. So, again my... I wasn't necessarily saying Seattle is
25 better. Just I wanted to know why Staff chose Berkeley's versions rather than Seattle.

26
27 Commissioner Templeton: Ok, thanks.

28
29 Chair Hechtman: Other Commission hands? Somebody want to make a motion? I'm not seeing
30 any hands for further comments so I would invite a motion. Commissioner Summa.

31
32 MOTION #3

33
34 Commissioner Summa: Appreciate the points you brought up about Seattle but I'm going to go
35 ahead and move Staff recommendation that says adopt Fair Chance Ordinance similar to
36 Berkeley; which gives a little leeway for nuance if we need to tweak it. So, I'm going to go ahead
37 and move Staff's recommendation.

38
39 SECOND

40

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1 Vice-Chair Roohparvar: I'll second. Giselle.

2

3 Chair Hechtman: Vice-Chair Roohparvar seconds. Alright, we have a motion and a second.
4 Commissioner Summa, you need to... do you want to speak further on your motion?

5

6 Commissioner Summa: I think I've covered it. Thank you.

7

8 Chair Hechtman: Vice-Chair Roohparvar, your second?

9

10 Vice-Chair Roohparvar: Same. I've covered it.

11

12 Chair Hechtman: Any Commissioners want to make further comments? Commissioner Alcheck.

13

14 Commissioner Alcheck: Yeah so, the struggle I think for me on this one is that... I mean I support
15 this but at the same time the optics of having a discussion about this seems like they're
16 complicated and what do I mean by that? I would be more interested in understanding what a
17 jurisdiction like Mountain View or San Jose or I don't know, any of the peninsula jurisdictions
18 were doing on this. And this may sound a little quirky but I don't typically look at Berkeley as an
19 example of the sort of civic process that we have here or an example of a City that has very
20 similar politics to us. And so, I... again, like I said, this is a challenge because the optics here are
21 what they are.

22

23 I certainly do not have any interest in perpetuating a policy that discriminates individuals for
24 actions that they have served time for, right? I also... you know it's interesting, will this... if this...
25 if we follow the Berkeley tact and it doesn't apply to single-family homes. Are we talking
26 principally of large multi-family properties in our town and is it really the case that those larger
27 multi-family operators are making decisions on the basis of criminal history? Or do those more
28 professional outfits have a more professional process? Sometimes the greatest infractions of
29 discrimination occur on a very unprofessional scale, on the smaller providers of housing.

30

31

32 I would be more comfortable supporting this it if was more specific. Understanding exactly
33 what... how this would work and more importantly, where... you know we talked about... we
34 had an individual... we had that other individual speak on how our recommendation was going
35 to fill a gap that the state law was leaving. It's almost astonishing to me that there's not a state
36 policy on this and I'm sort of an anti-discrimination advocate that believes that policy like this
37 should emanate from the largest political body it came from as opposed to jurisdiction by
38 jurisdiction. Now, that is... maybe that's suggesting that I'm willing to wait longer and that's...
39 and this is not something that we should wait on.

40

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1 I mean, like I said, this is a complicated issue. I would have been more comfortable if we had
2 more references to other jurisdictions other than Berkeley. And although, Berkeley maybe is a
3 leader in this sort of policy area and so maybe they are the jurisdiction we should be learning
4 from.

5
6 Let me ask this question, is the... well, I will just say one more thing. To me if someones inclined
7 to discriminate against someone for criminal history. I don't know that allowing them... not
8 allowing them to do it in a first-round makes it less likely either. And I will just add that it's like
9 there was the theater of COVID cleaning and then there... where everybody was temporary
10 checks and wiping down and you were like this must be safe then. And I... despite the previous
11 statement that I think the optics make this hard to have a conversation around because you
12 don't want someone to suggest that you don't have empathy for this problem.

13
14 I have another question which is does it actually solve the problem or is this just saying we're ok
15 with the discrimination... we're not ok with the discrimination but we know that it might be
16 happening in round two. So, this would be an example of is this... is tool effective? This... the
17 allowing for specific background checks... sorry, likewise, some communities ban the box on the
18 initial app but allow checks for after tenant passes the initial screen. So, is it... is the suggestion
19 that Berkeley doesn't allow checks after the initial screening and then my follow up question
20 would be are we... is there an impression that the only way you can check criminal background
21 history is asking the applicant; or are there tools and methods that allow landlords to check
22 without the knowledge of the applicant? Which means that it's happening but it's happening
23 without... I guess I support the notion that we would not continue to allow discrimination of the
24 sort that is envisioned here. I don't know that we have a tool here that number one, does it
25 effectively and I wish that we had a robust advocate that helped me understand the way
26 people get around this because I feel like there's allowance for that. So, I'm not sure yet. I'm
27 not sure what to say about this.

28
29 Ms. Tanner: Thank you, Commissioner. If I can respond? I think certainly any discrimination
30 ordinance and rules certainly can be avoided and not complied with. I mean look at lending or
31 any number of things where when we look at... you know they do tests. You know they submit
32 names, they do applications, and they find that persons of color have higher interest rates or
33 are not guaranteed for loans. So certainly, discrimination in lending is outlawed but we still in
34 the results that it does occur. You know how it's based, is it that sometimes persons of color do
35 they have lower credentials and we see that even when they have the same credentials as a
36 white person they may be denied some of the same opportunities. So, I think the concern
37 about its impact is important and certainly notable. However, I don't know if that... we would
38 know that at this point and without those kind of studies to look essentially to do kind of testing
39 of what do landlords do or look at the rates. And that's a level of detail I'm not sure that
40 Berkeley is able to track but perhaps they are able to. Again, it's tracking who's getting the units

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1 and we'd have to know more about the application, who even applies, we'd have to collect a lot
2 more data than I think is feasible to collect from landlords to know its impact.

3
4 I would ask... I don't know Ms. Bigelow, if you can speak more to the process in Berkeley in
5 terms of what actually happens at what point in time in terms of the screening, what is allowed,
6 and what's not? And I know Mr. Reed came back on camera as well. He may have something
7 additional to add to this topic. Lauren, do you know about the screening process? Where that
8 gets into... at what point a landlord can look into and inquire about the criminal background at
9 Berkeley?

10
11 Ms. Bigelow: I didn't speak with anybody specifically at Berkeley so I can't tell you exactly what
12 goes through that process other than the data that's outlined from just Cities. But I certainly
13 can if the Commission is interested in me doing that.

14
15 Mr. Reed: I can speak very briefly to this. I appreciate Commissioner Alcheck's comments.
16 These are not silver bullets. The reason this is a discussion actually and it's happening all over
17 the place. It is that we're creating sort of up-front barriers that are... they become mandatory
18 screeners because it's just... it's a shorthand. It's a way of filtering without engagement and
19 really the logic behind this is to change that. To say let's meet face to face and talk to each
20 other as people. And so, you have an ability to assess me as a person in the way you would
21 anybody else as opposed to just being put in the no pile. So, does it mean that there isn't
22 discrimination down the line? No, but it's intended to facilitate just the kind of interpersonal
23 interaction that makes that discrimination less lengthy. And you know, it's like anything else,
24 you don't pretend that it's going to solve all of the problems but you can also acknowledge that
25 it's an important change in the structure of the system and the process and the relationship
26 and that's actually what the intent is. So, that the substantive impact is actually simpler than
27 the complexity of the follow-up checks. It's really just to make sure that there's an in-person
28 engagement around that relationship before people just get put in the no pile.

29
30 Chair Hechtman: Commissioner Alcheck, were your questions answered?

31
32 Commissioner Alcheck: Yeah, I do... I want just a quick follow-up question if you don't mind?
33 You know that was interesting when... first of all, what you said spoke to me. This idea of
34 getting someone in the room with someone else before they've had the impression poison...
35 poison is not the right word but, you know, impacted in a negative way prematurely if you will.
36 If that's common practice in Palo Alto where applications are submitted before individuals
37 meet. I then... then this makes sense and I'll support it because of the goal. The implicit attempt
38 to improve the situation in any regard. Moving the needle in any direction, in the right direction
39 even if it's not significant.

40

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1 My practice in the Bay Area has been a little different. I think a lot of prospective tenants visit a
2 site before asking for an application. They'll typically receive an application during a tour and so
3 but that doesn't necessarily mean that doesn't happen and it couldn't improve the situation.
4 And my hope is actually that that process in and of itself improves the chances because that is
5 the more common practice. Certainly, with the more professional outfits that have onsite
6 managers which I assume the Berkeley one applies to since it doesn't apply to single-family
7 homes. That they're likely doing tours and having a packet.

8
9 I guess one of my biggest concerns is that the... I wonder what the... who the largest offenders
10 of this sort of situation are? Is it the larger providers of housing or is the smaller outfits that are
11 not in the business of providing housing? And in our community, that's a significant share of our
12 housing and so I guess the question is what logic would... I guess the question is what's the logic
13 to [unintelligible] not extending it to single-family homes? What right are you preserving for the
14 single-family homeowner that you think the larger property doesn't deserve? And I ask that
15 question kind of pointedly because if using your rubric of what this does, it seems like we
16 should apply it to every single housing unit in the City and I'm... it almost astonishes me that
17 Berkeley didn't do that. What were their grounds?

18
19 By the way, before anybody amends the motion, I'd want to know. When they did this
20 discussion at the City Council in Berkeley, why didn't they apply it to single-family homes
21 because maybe there is a good answer and I just don't see it or we don't have it. And so, I'll
22 support the motion, it makes sense to improve the situation but I think... I'm hoping that my
23 fellow Commissioners and may be members of Staff will realize that when they bring this to City
24 Council. Those are questions that they should know the answers to right away. They should
25 have the minutes for the Berkeley meetings so they know exactly why they excluded single-
26 family homes which the logic defies me at the current moment.

27
28 Ms. Tanner: Thank you for that Commissioner. I think that's certainly something we can look
29 into as we go to City Council. I think it's a great point. We can look at Berkeley's rationale. Often
30 times generally speaking on rationale for excluding single-family and we could even look at
31 excluding single-family that's not part of a corporation or an LLC. I think for many years there
32 was a perception and perhaps a reality that single-family homes weren't rented at the same
33 rates as multi-family and that they are more likely to be, let's say, accidental landlords. Maybe I
34 have a starter home and I bought a new house but I'm renting our my old one and that's my...
35 that's the extent of my rental portfolio is my old house. And so, I think that's kind of the idea
36 but I think it's certainly to your point there's worth looking into and seeing if we can broaden
37 where does this apply. And if that's really the rationale, maybe there's a way we can really set
38 those folks aside or to your point. That they... still, if they're just evaluating somebody and
39 meeting a tenant. They can still decide that's not the tenant for them so why have the
40 restriction in place. I think it's a great point. Thank you.

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Chair Hechtman: Commissioner Summa.

Commissioner Summa: I have to say as a maker of a motion I went with Staff recommendation because I thought it would be the most palatable to most of my colleagues. But I could... I would entertain broadening it as Commissioner Alcheck said through friendly amendments or as I pointed out before, it says similar to Berkeley. So, if Staff felt that there were some refinements that needed to be made before it goes to Council. There is an option to do that but I'm open to friendly amendments. I just didn't... I just think this is such an important thing to do. I didn't want to risk going... appearing too extreme and broadening this but I'm totally open to it.

Chair Hechtman: Commissioner Chang.

Commissioner Chang: So, I'd say that I am in favor of the wording as is where if Staff does... Staff has the... there's the latitude to be able to change things if necessary, but I also think that there's a huge advantage to regional consistency for something like this.

Secondly, I don't... I completely support this but what I don't want to happen and I'm working off anecdotal evidence. I have a neighbor who was not living in their house for a couple years. They didn't need to rent it so they didn't and I don't want to give anybody an excuse to not rent it. If they're kind of... because we need more housing. That's our big challenge so if it... if other jurisdictions... I mean I would love to find out also what were the reasons for these carve-outs. But I could see somebody saying well, I am biased against this and if I'm going to be subject to that it's just not worth it to me because it already wasn't worth it to them. Actually, on our street, there are several houses that are vacant. I don't know what the story is behind all them and so I wouldn't want to create an additional hurdle. And so that... so for those two reasons, I think it's a good idea to keep the motion as is but then allow that latitude so that if Staff does more investigation and finds out additional information for where it might make sense to cover even more properties. Then that would be great. That's it.

Chair Hechtman: I guess I will chime in at this point. So, what we have really in front of us, the model if you will for this Fair Chance Ordinance, is we have four models from Seattle, Portland, Berkeley and Oakland which are four Cities that are undeniably more progressive than we are. And I don't have a problem following... becoming more progressive on this issue. Frankly, I think it's kind of cool that we would step up and do that. But I am really concerned about thinking that we know better than these people who are in the business of being progressive about these carve-outs regarding single-family homes. Because when you look at the table that was provided by just Cities, you see all four of them have these carve-outs and before I even suggest that we think about something different, I'd want that fully vetted to know why. Why all four of

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1 these which didn't... again, I think Oakland and Berkeley probably built on each other but I don't
2 know that Seattle and Portland which kind of have a different but similar rubric, I don't know
3 that they were the same so I wouldn't want to wander there and I'm not really comfortable
4 with this language in the Staff recommendation similar to if it means that after this leaves us,
5 Staff could add something as dramatic as oh and this applies to single-family homes. And in
6 fact, so I wanted to ask about that language similar to because we have the Berkeley ordinance.
7 And I was wondering if Staff, right now, knew of any change that it was thinking it would want
8 to make to the Berkeley ordinance so that it's similar to rather than identical to?

9
10 Ms. Tanner: I don't believe there are any changes. I think my comments were more directed
11 towards what perhaps Commissioner Summa said which is if the Commission wants to give us
12 further direction, that we could accept that and carry that forward.

13
14 Chair Hechtman: Alright, thank you. Commissioner Alcheck.

15
16 FRIENDLY AMENDMENT #3

17
18 Commissioner Alcheck: So, I'm going to make a friendly amendment here. Don't... I don't think
19 it's our job to try to figure out what's politically consumable. If the rationale is that these other
20 examples are... if Berkeley... here's my theory on why Berkeley didn't do it because a greater
21 percentage of homeowners probably vote. And it's easier for someone to say yeah, that
22 apartment building, they should allow former convicts to rent and it's wrong to stop them. But
23 it's a little harder from someone to get behind it on their street where there are four empty.
24 And I think we shouldn't say to ourselves well maybe it wouldn't get the... I think we should
25 recommend what makes logical sense to the City Council and the City Council has to grapple
26 with the politics of the demographics here.

27
28 I completely agreed with you that the Cities that are examples here are far more progressive
29 than us. Under that logic, I wouldn't recommend a more palatable solution. I would
30 recommend the right solution and if... in the absence of a good reason why it shouldn't apply to
31 a single-family home. Then I think the right thing to do would be to suggest that it does and
32 then are out City Council can grapple with the politics of that.

33
34 But at first, I was not going to support the motion at first when Doria suggested... when
35 Commissioner Summa suggested she was looking for an amendment. I was like well you know
36 what? I just said I didn't want to make a change just yet because I wanted to hear the logic, but
37 then when I hear your comment, Chair Hechtman. I realized you know what? If the logic isn't
38 really available and I can't figure one good reason why my neighbor should theoretically, this is
39 theoretical because I don't know that he would, but theoretically, behave a discriminatory
40 rental practice. It's... I'm not discouraging my neighbor from renting his home because I'm

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1 asking him not to discriminate against people who've been formally incarcerated which our
2 data shows is largely individuals of minorities. I'm not asking my neighbor to be a better person
3 and I'm demonstrating to the community that our City believes so much in that. That we're
4 willing to make it law and so if there's a neighbor here who is so financially secure that they can
5 just leave their house blank well, they're going to. And if they're not, then they're going to rent
6 it in a non-discriminatory way.

7
8 So, with that, I would suggest that I would like to make a friendly amendment that the
9 exception to single-family homes makes no sense. We shouldn't have an exception for single-
10 family homes. This should apply to all rental units if we think that this policy makes sense.

11

12 Chair Hechtman: Alright, we have a proposed friendly amendment. Maker of the motion?

13

14 FRIENDLY AMENDMENT #3 FAILS DUE TO THE LACK OF SUPPORT BY THE MAKER

15

16 Commissioner Summa: As... I'm sorry Commissioner Alcheck because I agree with you but I
17 don't know that I can risk having this fail by adding that in now. And I think that the Council,
18 when it goes to them, will have your very well put words to read and they may, in fact, decide
19 to change it. But as you and Chair Hechtman have said, Palo Alto is not as progressive a place
20 either of the four examples. So, I am... I feel what you're saying and I think it's probably the
21 right thing to do but I think it's probably moving too far in one step for most of my colleagues
22 tonight. And so, I think will have to, despite my feelings, I think I will have to not accept it.

23

24 Chair Hechtman: Ok, friendly amendments declined. Any other Commissioners have comments
25 to make before a roll call vote? Vice-Chair Roohparvar.

26

27 Vice-Chair Roohparvar: I just wanted to say, I mean seconded and I'm supportive of this motion
28 but I would be supportive of a motion where this applied to all single-family... to single-family
29 homes as well and going all the way on this. Just wanted to throw that out there but I did
30 second this motion. I want something to pass but I don't think we should be shy to take this
31 head-on. Though I recognize maybe it's not the right City but throwing that out there.

32

33 Commissioner Alcheck: Commissioner Hechtman [note – Chair Hechtman], can you... would you
34 mind just clarifying that if the motion didn't pass? We could remake the motion so it's not as if
35 we only get one shot at this.

36

37 Chair Hechtman: So, if... I think what Commissioner Alcheck is saying is if the friendly
38 amendment were accepted and the motion put on the floor and the motion failed, we still have
39 to make some motion about what recommendation we were going to make on Fair Chance. So,

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1 with that knowledge, does anyone have anything further to say on this motion before a roll call
2 vote? I don't see any hands so Ms. Klicheva, will you conduct a roll call vote?

3

4 Ms. Klicheva: Yes. Commissioner Alcheck?

5

6 Commissioner Alcheck: No.

7

8 Ms. Klicheva: Commissioner Chang?

9

10 Commissioner Chang: Yes.

11

12 Ms. Klicheva: Chair Hechtman?

13

14 Chair Hechtman: Yes.

15

16 Ms. Klicheva: Commissioner Lauing?

17

18 Commissioner Lauing: Yes.

19

20 Ms. Klicheva: Vice-Chair Roohparvar?

21

22 Vice-Chair Roohparvar: No.

23

24 Ms. Klicheva: Commissioner Summa?

25

26 Commissioner Summa: Yes.

27

28 Ms. Klicheva: Commissioner Templeton?

29

30 Commissioner Templeton: Yes.

31

32 Ms. Klicheva: The motion carries 5-2.

33

34 MOTION #3 PASSED 5(Chang, Hechtman, Lauing, Summa, Templeton) -2(Alcheck, Roohparvar)

35

36 Chair Hechtman: Alright, thank you. So, we have three more items that are part of this Agenda
37 Item Three but it's 10:15 and so I want to (interrupted)

38

39 Vice-Chair Roohparvar: Can (interrupted)

40

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1 Commissioner Alcheck: Sorry, I'm sorry Commissioner Hechtman [note – Chair Hechtman] I got
2 to speak to the... I have to speak to the no vote.

3
4 Chair Hechtman: Alright, alright, sorry.

5
6 Vice-Chair Roohparvar: I'd like to speak... me too.

7
8 Commissioner Alcheck: The optic... I think the optics here (interrupted)

9
10 Chair Hechtman: Wait, wait.

11
12 Commissioner Alcheck: Are challenging so I want to have a chance.

13
14 Chair Hechtman: Ok, let me... so I have... well, I thought your hand was up but now it's down.
15 So, Commissioner Alcheck, I'm sorry to jump the process on the no votes. So, we'll go with
16 Commissioner Alcheck first and then Vice-Chair Roohparvar on your no votes.

17
18 Commissioner Alcheck: Thank you so the message that I hope Council hears is that there was
19 interest in a more expansive version of this and that at least my vote against it was in the
20 interest of encouraging a broader application of this policy. And I am a little dismayed that we
21 didn't get a chance to do that. I do appreciate though that the optics are so challenging that I
22 didn't repurpose the friendly amendment because I don't want to put someone in a position to
23 vote against that version. But I think there might have been a chance that I could have passed
24 and I hope that the Staff would consider... if they bring the Commission motion to the City
25 Council. That they still provide any background they have on the logic for the exclusion of
26 single-family homes. Including if the logic was political in nature because I think that even if
27 that's the case. If you shed light on it, it could encourage people to support the change if they
28 know that the only reason why it wasn't supported was basically politics so.

29
30 Chair Hechtman: Vice-Chair Roohparvar. Vice-Chair Roohparvar.

31
32 Vice-Chair Roohparvar: Same rationale. I'm actually pretty disappointed and I've never said this
33 to this Commission before but I'm pretty disappointed we didn't go further. If we're going to
34 talk the talk, we should walk the walk and we can do BLM and whatnot all across our City
35 streets but we're not willing to take this further. There's nothing that I heard tonight that
36 explained to me why there's this arbitrary line between what we're proposing now and why it
37 can't be expanded to single-family residential homes. It feels very, I'm just going to say it,
38 nimbyish to me. Yeah, I don't want to... because it's a single-family home and on my street but.
39 So, I'll just leave it at that and I do hope that the rationale is explained to City Council and they

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1 have an opportunity to think about it or explain why it should not be expanded to single-family
2 homes other than the fact well other Cities haven't done it. Thank you.

3

4 Chair Hechtman: Commissioner Templeton.

5

6 Commissioner Templeton: Thank you. I just wanted to suggest that Commissioners that want to
7 make an addition on this point might be able to. I guess we could check with our legal advisor
8 but I think that the point has been taken. Regardless of how the motion was over specified or
9 underspecified, that Staff, when it presents to Council, can bring the additional information
10 what we lack tonight and wouldn't be able to base our votes on tonight. So, I think it's
11 understandable that some our Commission is frustrated that we don't have the data and that
12 we weren't able to be more specific but I think we have given the feedback to Staff. And I have
13 good faith that they will present a more well-rounded and data-oriented take on this when they
14 go to Council. So, I'm not as frustrated as some of my colleagues and I think that we have
15 gotten through. Thank you.

16

17 Ms. Tanner: Certainly (interrupted)

18

19 Chair Hechtman: Alright (interrupted)

20

21 Ms. Tanner: I believe that if you did want another motion, there could be one, but we don't
22 necessarily need it. As Commissioner Templeton said, to convey the substance of the motion
23 and discussion from the PTC to the Council.

24

25 Chair Hechtman: Alright, so we have three more items so the remainder of tonight's agenda is
26 three more items on the renter protection which may go quickly or not, and then a discussion
27 of the Committee handbook. The Boards, Commissions, and Committee handbook. It's 10:20
28 and so I'd like to have a check-in with the Commissioners to see what your appetite is for going
29 further tonight or continuing these items, one or both of these items, to a future PTC.
30 Commissioner Templeton. You're muted.

31

32 Commissioner Templeton: I am muted. I am fine with continuing these items to a future
33 meeting. I think we've had a lot of substantive discussion tonight, passionate discussion and I'm
34 not sure that how many more hours of productivity we have in us.

35

36 Chair Hechtman: Commissioner Alcheck.

37

38 Commissioner Alcheck: I would very much like to do these items tonight. They seem to be... at
39 least seem to be diminishing levels of controversy as we continue. The last item, for example,
40 wasn't a unanimous vote but I think all of us were on the same page and I think the last couple

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1 issues are less complicated. I would really like to continue so this doesn't become three
2 meeting item.

3

4 Chair Hechtman: Any other Commissioners want to weigh in? Commissioner Summa.

5

6 Commissioner Summa: I think for sure we should finish this item and then maybe we can...
7 we're really close and then maybe we can see how the majority of the Commission feels about
8 the handbook item.

9

10 Chair Hechtman: Thank you. Commissioner Lauing.

11

12 Commissioner Lauing: Yes, given that items eight and nine are not even recommended by Staff.
13 We may only have one substantive issue. So, I'd support finishing this tonight so it's done and it
14 can start to get ready for Council. I do not think we should move onto the handbook item
15 because I don't think it's a 15-minute item. It was mentioned last week that your pre-meeting
16 went very, very long and I think there are actually some substantive issues in there that we
17 should talk about. So, I don't think we should tackle that tonight.

18

19 Chair Hechtman: I'm not seeing any other hands up. I would like to finish the current item and
20 then as Commissioner Summa I think suggested, when we get to the end of the next item, then
21 let's talk about the handbook and whether to put that off.

22

23 So, let's move on to Right to Counsel. Ms. Bigelow?

24

25 Ms. Bigelow: Okay-dokay. So, the basic notion here is that a significant amount of renters don't
26 have legal representation when they go to court. A 2015 study said 98 percent was the amount.
27 This builds off of Palo Alto's existing mediation and our recommendation is not to pursue this
28 particular entity right now because of its high cost. The cost of providing legal services to many,
29 many renters is large. I... we do suggest that Palo Alto finds a way to endorse the Housing Court
30 initiative that is being pursued at the county level in Santa Clara County. And also, to direct
31 state lobbyists to endorse AB 1478 which is a spot bill to help set up funding for jurisdictions
32 that want to pursue Right to Counsel.

33

34 Chair Hechtman: Alright, thank you. I guess a question of Staff. If we followed the Staff
35 recommendation and the Council agreed, how does that play out? Does the Council authorize...
36 does the Council officially endorse this Housing Court initiative? Do we have a state lobbyist?

37

38 Ms. Tanner: Great questions. We do have a state lobbyist and so this would be part of the
39 legislative packet or kind of agenda that the lobbyist lobbies for on this behalf of the City. And
40 then as far as endorsing, that could look like a letter to perhaps the court. And also, I think it's a

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1 bit of a campaign of peer pressure I would say where, as you well know, the court is not
2 beholding to the supervisors and they can set up their own rules I believe I understand. So, it's
3 really trying to encourage the county court system which had been talking about this and Mr.
4 Reed may be able to talk to it more. And there's some resistance and some reluctance and it's
5 just kind of saying hey, we all think that this would be a good idea and perhaps writing to the
6 supervisor, writing to the court to encourage them to pursue this further. Mr. Reed, do you
7 have any further update on how that initiative maybe is or isn't going to establish the Housing
8 Court Initiative to the county?

9
10 Mr. Reed: Yes, I think you had it exactly right. Some institutions are... institutional changes
11 works differently in different places and so that's a real challenge. The intent is to create a
12 space prior to standing in front of a judge to discuss resolution and it's optional. In some places,
13 it's a service that's available. The goal would be for it to be a formal part of the process. It's
14 been highly effective in other places.

15
16 I would just point out that this is... when this became a topic of discussion, it was before we
17 were facing down what is going to be a torrential process for the courts. And so, it's actually
18 incredibly timely because it may provide an outlet for the court not to be overwhelmed by the
19 amount of activity.

20
21 So, it can serve multiple functions. There's an ongoing discussion between the county and the
22 City of San Jose and the court and it's an ongoing discussion. And I think weighing in on that
23 discussion would only be constructive.

24
25 Chair Hechtman: Thank you. Lighting round. Commissioners? Commissioner Chang.

26
27 Commissioner Chang: So, I'm a huge supporter of this because as we spoke about throughout
28 the two nights, we've addressed all the other points before this. Most of the things do not have
29 teeth because when a tenant is in trouble and they're rent-burdened. They don't have... there's
30 no recourse, right? There's... they can't hire a lawyer and go through all that process so I think
31 it's extraordinarily... if we believe in all the prior motions that we've made. We need to make
32 sure that they are enforceable and since we can't do it on our own because it's cost-prohibitive.
33 I am in support of this proposal by Staff.

34
35 Chair Hechtman: Commissioner Alcheck.

36
37 Commissioner Alcheck: I would say that I'm conflicted on this one. Not actually conflicted but I
38 have conflicted thoughts on this one because it's not... first of all, there's, on one hand, I feel
39 like we have asked a lot of our property... our housing providers here. They're not only
40 weathering a difficult storm but we've taken some of the tools by which they can enforce the

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1 payment of rent. [unintelligible] the Eviction Moratorium on them and there's no seeming end
2 in sight for that. And there are... there is a process now where if a person is still a tenant, the
3 state can provide some funds to fill the gap between what that tenant has not paid to their
4 landlord. I am aware of that.

5
6 But I... my concern isn't so much that an individual who should be represented can't get
7 representation. It's the ancillary point what Mr. Reed said which is that somehow that
8 requirement would slow access down. And if there are individuals that are failing to contribute
9 let's say and a landlord can't get them out. And they have to now wait in a much longer line
10 because of this requirement. Then that burden shifts, the burden of access to justice shifts in a
11 direction that I think some could argue well they're in a better situation to endear but we don't
12 know that actually. There isn't a clear indication that this would apply only to big boys and not
13 to the small providers of housing which we know in our community is a large number of people.

14
15 And even more so, I think maybe the people in our community are more capable of weathering
16 time for justice but maybe other communities that where this happens aren't. And so, pushing
17 the whole state in this direction, I just... there are other tools. Some Cities require mediation,
18 processes for eviction, or have a different process for handling tenant/landlord disputes that
19 may be more appropriate. So, I just... I feel like this is just saying oh, you know, of course, we
20 support this. This is a good thing but maybe there are alternatives that are more appropriate
21 and so I'm not sure about this one.

22
23 I mean of course, I like the idea of it. I just... I don't know that it's necessarily the perfect
24 solution and I'm not suggesting that it has to be a perfect solution but I don't even know if it's a
25 good solution.

26
27 Chair Hechtman: Commissioner Lauing.

28
29 Commissioner Lauing: Yes, I think that this is a big problem for tenants and a sad problem
30 because they can't afford it and there's no prompt way to do it. So, in the absence of any other
31 alternatives, I think this is a pretty good start. What I would add to this and I'm not sure how
32 much action the City can take. But I would like to see some pro bono attorneys involved in
33 hooking up with the City, offering services on some of this and so if there's a way we can
34 encourage that as part of the motion to help folks out. That would be great.

35
36 I do think it's good to do it regionally and to get the visibility as is being suggested here. And I'm
37 not seeing any other great alternative so I think this is a good place to start.

38
39 Chair Hechtman: Commissioner Summa.

40

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1 Commissioner Summa: Thank you. I agree with Commissioners Chang and Lauing that this is a
2 pretty good thing and I'm not... I mean I... it's hard... it's frustrating to me that a lot of what
3 we've done tonight, and Commissioner Chang mentioned this, won't have... doesn't have any
4 legal recourse unless the tenant has the resources to pursue that themselves. And, you know,
5 there are 11 at-fault reasons and four no-fault eviction and I think this is pretty important. And
6 I... if there was a way to have... make a recommendation as Commissioner Lauing said, some
7 sort of pro bono program that we could get people interested in, in Palo Alto. I think that would
8 be... that would also be interesting to me. So yeah, I will be supporting the Staff
9 recommendation.

10

11 Chair Hechtman: Vice-Chair Roohparvar.

12

13 Vice-Chair Roohparvar: I'm definitely supportive of this motion. Just as an attorney, legal
14 services has become a luxury. Unless you're pretty darn wealthy, you're going to be able to
15 afford an attorney and I've seen it time and time again with landlord/tenant issues where
16 tenants just give up because it's cost-prohibitive. So, 100 percent I think I would be supportive
17 of this. Unfortunately, it sounds like we don't have the funds to establish it ourselves but we
18 can link up with the City or county or use whatever legislative efforts we have to maybe
19 establish this more on a county or state level.

20

21 And I would also suggest, a lot of pro bono work comes out of major law firms. So, to the extent
22 that we could partner with a Latham or a Greenberg or any of those major law firms to see if
23 this is something they would work with the City on and provide counsel or whatnot to help out.
24 That would be great because they do... law firms do have quotas, specifically larger law firms, of
25 pro bono hours that they want their attorneys to meet. And that's where you're going to I think
26 unlock talented resources to support so that's an idea to think about.

27

28 Chair Hechtman: Commissioner Templeton.

29

30 Commissioner Templeton: I just wanted to say I also support the Staff recommendation on this
31 one.

32

33 Chair Hechtman: Thank you. I support the Staff recommendation on this and just wanted to
34 share an experience. When I was in law school in San Francisco, we had something that I think
35 was called the Tenant Assistance Clinic and it was staffed by law students. Typically, I think
36 second and third-year law students under the guidance of a licensed lawyer who had gotten
37 permission from the San Francisco Superior Court that these law students had provisional
38 permission to represent tenants in that forum. And frankly, there's a commonality to these
39 issues and you really don't need to be Clarence Darrow to argue them and my impression was
40 that that clinic did a lot of good. We've got a pretty good law school across El Camino and I'm

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1 wondering if there's ever been a dialog with them about having... getting their law students
2 involved in this capacity?

3
4 Ms. Tanner: I appreciate the friendly rivalry of law schools. I think Stanford is pretty ok
5 probably. You know I'm not a lawyer so I wouldn't really know, but with that, I would say I think
6 it sounds like an interesting idea. I don't know Mathew, if you are aware of similar clinics that
7 might be operating in our county, or certainly, there are many across the country. But that
8 might be something to explore with the Law Foundation or others who are already working
9 with them in legal services.

10
11 Mr. Reed: There are not and I'll just go back. Part of the function of this state bill is to sort of
12 find access money and help to fund some that work. It's not actually... it's not enough to
13 actually meet the full needs but it's a program that would help fund it. It's... I'm pleased that
14 was the experience in San Francisco. We don't have that.

15
16 Ironically, I'll just share briefly, there are professional mediators who would love to volunteer to
17 be part of this collaborative court idea. And apparently, there's a real deep bench of folks in
18 that but it's hard to get otherwise well-enumerated professionals to come in to do pro bono
19 work. That is not... as you said it's not... I don't... it's not rocket science. It may or may not build
20 your courtroom experience in the way that other types of pro bono work do I think is the
21 challenge.

22
23 Ms. Tanner: Our attorney Mr. Yang has let me know that Stanford does send students to the
24 Community Legal Services in East Palo Alto so perhaps that's a place to explore. Not that we
25 want to necessarily send our residents there but especially if we are talking about folks who
26 have lower incomes. That might be within the service provisions of what that legal service tries
27 to provide even though we're across the county and City lines from them. That's a great
28 suggestion.

29
30 Chair Hechtman: Commissioner Alcheck, your hand is up.

31
32 Commissioner Alcheck: I was going to say the same. I was going to say that if you... it called the
33 Housing Pro Bono Project actually and Stanford has it and UC Davis where I went to law school
34 has it and I'm almost positive almost every law school in California has a program like that. And
35 you know look, interestingly I worked at a very large law firm also and my pro bono work was in
36 land use and facilitating jurisdictions north of the Golden Gate in amending their Housing
37 Element. So, that they could produce affordable housing.

38
39 I think one of the things I would just like to add here is it's not that simple as just find some
40 attorneys and get them to do pro bono. There are a lot of underrepresented issues and

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1 attorneys typically pursue the ones that are of interest to them. You know that they have some
2 skills and look, I'll support this motion.

3
4 I appreciate the concept but I also think that it's probably a mistake to say that we've
5 considered the issue and here's how we feel and we're done. We do have some control inside
6 of Palo Alto and maybe what you're really saying is... first of all, let me say this. I think a
7 significantly large proportion of renter/landlord relationships are... don't rise to the level of
8 friction that brings them to court. So, we're talking about those that do and it is an issue, the
9 access to representation, but a different question would be, do we want to encourage Staff to
10 consider or to ask City Council if they want to consider alternative programs that provide
11 tenants with some eviction safeguards like mandatory mediation? Where you do have a
12 representative in the room and so it's just this seems to me like we can't pay for it in our
13 community, we think you should do this. But I actually think maybe the better thing would just
14 be to say in conjunction with all the other stuff Staff is doing related to these items. Present
15 tools that enhance renter's ability to represent their interest in court and maybe there's a more
16 diverse set. I think that would be a better motion than this one, to be frank and that's what I
17 would do if I was making a motion. If there's support for it, I'll make it.

18
19 Chair Hechtman: So, there is no current motion on the floor Commissioner, that I recall.
20 Commissioner Lauing.

21
22 MOTION #4

23
24 Commissioner Lauing: Yes, I wanted to correct that vacancy there. I would like to move the Staff
25 motion of Right to Counsel items (1) endorse the concept of Right to Counsel, (2) advocate to
26 the county, etc. as it's written, (3) support legislative efforts to fund Right to Counsel AB 1487,
27 and add (4) establish partnerships with pro bono legal services for Palo Alto tenants. So that
28 would cover the discussion we've had about reaching out to partners and availing our residents
29 of those services which seem to have a pretty common... hit a soft spot with that idea I think so.

30
31 Chair Hechtman: Alright, we have a motion. Commissioner Summa, your hand was already up.
32 Are you interested in seconding?

33
34 SECOND

35
36 Commissioner Summa: I will second and I had a question if I can add it now for Staff?

37
38 Chair Hechtman: Sure.

39

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1 Commissioner Summa: And I think I read in our Staff report, I can't find it right now, I believe
2 that mediation is mandatory in Palo Alto if requested by either party. Is that correct?

3
4 Ms. Tanner: That is correct, Commissioner Summa.

5
6 Commissioner Summa: Thank you, so second.

7
8 Chair Hechtman: Commissioner Lauing, want to speak further to your motion?

9
10 Commissioner Lauing: No, I think I've summarized it and we've had a good discussion on it.
11 Thank you.

12
13 Commissioner Summa: Commissioner Summa, your second?

14
15 Commissioner Summa: I don't think I need to add anything.

16
17 VOTE

18
19 Chair Hechtman: Any other Commissioners want to discuss the motion? I see no hands. Ms.
20 Klicheva, will you conduct a roll call vote?

21
22 Ms. Klicheva: Yes. Commissioner Alcheck?

23
24 Commissioner Alcheck: Aye.

25
26 Ms. Klicheva: Commissioner Chang?

27
28 Commissioner Chang: Yes.

29
30 Ms. Klicheva: Chair Hechtman?

31
32 Chair Hechtman: Yes.

33
34 Ms. Klicheva: Commissioner Lauing?

35
36 Commissioner Lauing: Yes.

37
38 Ms. Klicheva: Vice-Chair Roohparvar?

39
40 Vice-Chair Roohparvar: Yes.

-
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Ms. Klicheva: Commissioner Summa?

Commissioner Summa: Yes.

Ms. Klicheva: Commissioner Templeton?

Commissioner Templeton: Yes.

Ms. Klicheva: The motion carries 7-0.

MOTION #4 PASSED 7(Alcheck, Chang, Hechtman, Lauing, Roohparvar, Summa, Templeton) -0

Chair Hechtman: Thank you. Let's move to item eight. Ms. Bigelow?

Ms. Bigelow: Absolutely, so TOPA/COPA is the Tenant or Community Opportunity to Purchase Act and that essentially is a way for residents to be notified when a landlord is selling the property. So, that they can organize a way to purchase it. The risk is or the impact is for any folks who are at risk of displacement due to the sales but it seems like the feasibility is low due to the fact that cost of entry for Palo Alto properties is remarkably high. And we're talking about wanting to protect low-income renters so our recommendation was not to pursue it at this time.

Chair Hechtman: Thank you. Any questions on this item before the lightning round? Commissioner Templeton, your hand is up so you can do either.

Commissioner Templeton: Oh, ok great. I have questions. Is there some limitation on this if we were to recommend it? Are you thinking of only certain types of properties or?

Ms. Tanner: No, there could be any limitations if the Commission did choose that. You know it could be multi-family. You could designate a unit count above or below or all properties if that were the case. We're happy to explain more about these different types of legislations that other Cities have passed if there are questions about it.

Commissioner Templeton: Ok and the cost in millions is not to the City or to the property owner, right? That's a potential cost to the (interrupted)

Ms. Tanner: Yeah, it should probably be amended to say low cost for the City, high cost for it to be actualized. So (interrupted)

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1 Commissioner Templeton: So (interrupted)

2

3 Ms. Tanner: Yeah, for in order for folks to take advantage of it.

4

5 Commissioner Templeton: Ok so I'm... are other Cities doing this?

6

7 Ms. Tanner: Other Cities are doing it. I will say certainly I would say Staff isn't vehemently
8 opposed to it, but when we look at the other pieces of legislation that we've already been
9 directed at least from the PTC to recommend bringing in ordinances. This would probably be
10 the lowest impact, so if it were to be supported by the Commission. We think it should be
11 probably last on the list of things to take up in terms of priority.

12

13 In part, what you do see in some communities, I think Washington DC in my limited opinions is
14 one of the stronger Cities that has both the ordinance and a system of organizing tenants and
15 funding the purchase of the buildings to actually have this be meaningful to preserve tenants in
16 their homes. Otherwise, it's just a nice opportunity that maybe some well-off tenants can take
17 advantage of.

18

19 Commissioner Templeton: So, is it specifically multi-family housing that this is intended for?

20

21 Ms. Tanner: Typically, that is the focus.

22

23 Commissioner Templeton: I see and then the cost to implement would be the cost of a stamp
24 for the owners or?

25

26 Ms. Tanner: So, some Cities have it and I know Mathew has experience with this as well. Some
27 Cities have it that its kind of a... it could be Right of First Refusal, so the property goes on the
28 market. There's a certain time window, 30-days, 60-days, 45-days in which the tenant or the
29 community, depending on how the legislation is structured. So, it could be the tenants of the
30 building, it could be a non-profit housing provider or housing develop and operator. Has the
31 opportunity to come in with a bid for that property that I... sometimes it has to either meet
32 market rate or face an appraisal or if there is an offer from someone else. The tenant of the
33 community has the opportunity to match that. So, it can be structured in different ways but
34 essentially, it creates a window of time in which that tenant or community partner can make a
35 bid to compete for that property.

36

37 Commissioner Templeton: Alright, I'm going to shift to my lighting round then and say that I
38 think this has a lot of potential to be a game-changer. A lot of turnover we're experiencing in
39 Palo Alto, especially in rental of smaller properties or single-family homes, is that the property
40 transfers possibly because of a death or someone leaving and then the tenant has to leave

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1 because they're changing ownership. So, it's interesting to think about could this provide a
2 layer of stability for Palo Alto because of our unique type of rental market. So, if indeed the cost
3 is low to the City and low to the landlords. I think it could have a pretty good upside for the
4 buyers who would benefit. Would be able to stay if they had enough noticed time to start
5 pulling their financing together. That is, to also agree with you, that it probably wouldn't help
6 some of our community members that are... that have lower income so that's the downside.
7 Thank you.

8

9 Chair Hechtman: Commissioner Summa, followed by Commissioner Alcheck.

10

11 Commissioner Summa: I sort of feel two ways about this. I sort of agree with Chair...
12 Commissioner Templeton that this could... if this doesn't become an actual cost or
13 administrative burden for the City. I can see the value in it, especially when I think of so many...
14 we have two totally different types of renters. We have some kind of people that don't stay
15 here long and then we have people that stay in the same places for years and years as renters
16 and during that time, they may have been able to accumulate a down payment. And oftentimes
17 because of the value of property in Palo Alto. Oftentimes these properties are owned by people
18 that live very far away, across the country, or something and the tenants don't even know the
19 name of the property owner. They just know the management firm so given that the cost...
20 actual cost and the administrative burden to the City would be really low. I don't see the... I
21 don't how this hurts and if it resulted in a few happy stories. I can see the value in it.

22

23 Chair Hechtman: Thank you. Lightning round comments Commissioner Alcheck.

24

25 Commissioner Alcheck: I'll be as quick as I can. I think... I can't support this one. It seems a little
26 half-baked. Data that I would want to have, I would definitely would want to better understand
27 from a broker's perspective how this would impact process. I think that... the example given
28 made it sound like it didn't apply to single-family homes. That this was sort of a larger sort of
29 you know I've heard about this in the perspective of a mobile home park. I feel like that
30 happened locally and we saw that play out. But and I've also heard stories where the renters
31 buy homes from their landlords locally also so I know it happens informally. I just think there's a
32 market place and it probably would be good to hear from the people who administer that
33 market place which in California are the brokers before we would recommend this.

34

35 So, I just... I wouldn't encourage Council to pursue a policy that I don't even... I can't wrap my
36 hand around.

37

38 Chair Hechtman: Vice-Chair Roohparvar.

39

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1 Vice-Chair Roohparvar: I'm just struggling with thinking through how this would actually be
2 implemented because if you're offering... if it's a ROFR and you're... a Right of First Refusal and
3 you're offering the property to the tenants before you test it on the market. You don't know
4 the market price like you're not given the opportunity to see what the price comes in at the
5 market. I think it's just... I think practically speaking it's a bit odd. I've seen this work in the
6 context where the tenants can price match whatever the landlord is able to get on the market.
7 And they have the right to meet the same conditions and take over the property or take for
8 purchase the property. But this is proposing the tenants have the right to buy it before it's even
9 on the open market so how would you set that price? Would the landlord come in and be like...
10 I mean I think it incentivizes landlords to say ok even though their properties were a 5. They can
11 say I want 7 or you get into this battle of appraisers as to, you know, my appraiser says it's this
12 much, yours says it's that much so let's bring in a third party. I just don't see how it's... this is
13 going to work from a practical perspective.

14

15 So, I can't support it unless I get some greater clarity from Staff.

16

17 Chair Hechtman: Mr. Reed, do you have some response? You're muted. There you go.

18

19 Mr. Reed: Yeah, you know I just... I actually I'd like to ask your actual Staff if they are interested
20 in having this conversation. We can... I can help to shed some light on some of these questions.
21 I recognize the frustration. I think they haven't recommended it. It's almost 11 o'clock. I don't
22 want to abuse my... I can talk about this all night. I'm here but I don't want to abuse that
23 privilege so.

24

25 Ms. Tanner: Certainly, there's no conflict from us. I do think we're still in the lighting round so I
26 don't know Chair if you want us to come back to those questions from the Vice-Chair after that.

27

28 Chair Hechtman: I do.

29

30 Mr. Reed: [unintelligible]

31

32 Chair Hechtman: No, no, I'm glad you spoke up to let us know that you're available when we
33 get through the lighting round. Let's see, Commissioner Templeton I see your hand up but
34 we're going to (interrupted)

35

36 Commissioner Templeton: Yeah, we can go later. I had a response as well to Vice-Chair.

37

38 Chair Hechtman: Ok, yeah, we're going to leap over you to Commissioner Lauing for the lighting
39 round and then Commissioner Chang.

40

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1 Commissioner Lauing: I definitely see both sides of this argument but I had understood from
2 Staff, in light of the other high priorities, this is one that they probably didn't want Council to
3 spend much time on and because it wouldn't be... it would be de minimis impact.
4

5 I also agree with Commissioner Alcheck and Roohparvar that we kind of don't know what we're
6 doing here. So, making a decision to go forward with this, without the data and with Staff
7 saying we don't want to do it because of Council priorities. I'm a little uncomfortable so I guess
8 what I would say to kind of split the baby is that if there's an interest in looking at this. I think
9 that we would have to ask Staff to come back with a little bit more data to explain how this
10 would work, how much work would be involved in processing it and that it's got to get to
11 litigation and so on. I mean not litigation sorry, to an ordinance.
12

13 Chair Hechtman: Commissioner Chang.
14

15 Commissioner Chang: Exactly what Ed [note – Commissioner Lauing] said but I guess from my
16 perspective, it seems like while it may not be expensive. It's not going to help that many people
17 in terms of the overall goal of all of these protections which is to help rent-burdened folks. It
18 doesn't sound like there's much of a downside necessarily of having it, provided it's written
19 correctly and I don't think that we have... because this wasn't a Staff recommendation. I don't
20 think we have enough information to make sure that any motion that we make would be
21 written correctly and so I would say if we don't want to say we reject the idea. I would say then
22 that we should table it for the future. It's clearly lower priority than everything else so that's
23 what I would say.
24

25 Chair Hechtman: So, I have a couple questions. First one, a sentence in our Staff report says
26 TOPA/COPA ordinances are being explored by several neighboring jurisdictions as a means of
27 stabilizing the community. I thought I heard in response to Commissioner Templeton's question
28 earlier Ms. Tanner, you may have said that several jurisdictions are doing it and are actually
29 moving forward with this rather than exploring it. So, I would like some clarification on where
30 neighboring jurisdictions are. Are they implementing or exploring?
31

32 Ms. Tanner: Some are implementing, some are exploring, so San Francisco does have this policy
33 in place. I think Berkeley and San Jose are pretty far towards exploring it. You know I think that
34 they're wanting to do and figuring out how might be a way to phrase it. They agreed that they
35 want to do it as a City and it's more figuring out the policy. Mr. Reed or Ms. Bigelow, any other
36 Cities that may be in our region that are either already have it in place or exploring it?
37

38 Ms. Bigelow: East Palo Alto is exploring it as well. TOPA/COPA has become a topic of great
39 interest to a lot of folks in my fellowship and so it has been picked up by several of those

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1 jurisdictions as something that they've wanted to explore. But I can't think of others that
2 already have it so I bow to Mr. Reed to see if he can come up with other names as well.

3
4 Ms. Tanner: I think he's shaking his head no so those are the neighboring that have either are
5 far down the road or have it implemented.

6
7 Chair Hechtman: Alright, so it does sound like it's a mixed bag. Some are exploring but some are
8 actually moving forward. Alright, my second question is I've heard at least three Commissioners
9 say that this would be low cost but the slide I'm looking at the screen right now says cost
10 estimated in millions. So, I feel like I missed a comment somewhere. What did I miss?

11
12 Ms. Tanner: I think that probably would be more accurate than the estimated cost to actualize
13 this is in the millions in terms of if folks are actually going to purchase their properties. The cost
14 would be pretty high to have an impact. The cost to the City to write the legislation and the
15 ordinance is obviously the cost of Staff time and it's pretty low on the City side. So, this might
16 be a little bit of a misrepresentation on this slide. I apologize.

17
18 Chair Hechtman: Thank you for that clarification. So, my lighting round is I don't... in my work, I
19 don't like Rights of First Refusals, Rights of First Offer, I think they chill the market, they hurt the
20 property owner and I'm not supportive of them here. So, I am supportive of Staff
21 recommendation.

22
23 Ok, so that's our lighting round. Commissioner Templeton, your hand has been up and so I'm
24 happy to... I wanted to remind you that Mr. Reed has offered to provide some input if we want
25 it. And I'm going to open the floor to you and take it in any direction you want.

26
27 Commissioner Templeton: Well thank you. Alright, so I'm going to make a pitch to all of those
28 who have spoken about this to try to share a vision of how this could be really cool for Palo Alto
29 and really low cost and we did talk about that line item is incorrect. It is very low cost to the
30 property owner and low cost to the City.

31
32 The capital that someone would need to raise to purchase property in Palo Alto is probably very
33 high but the implementation question that Vice-Chair Roohparvar and some others brought up.
34 What if instead of making a bid, doing first refusal and all these other problematic approaches.
35 What if we simply recommended that a property notify the tenants 30-days before the sale?
36 That gives them time to shop the market but also gives the tenants or potentially a non-profit
37 housing association time to pull that capital together. And I think and I'd be interested to hear
38 your comments those of you who thought it might hurt the property owner. I think this might
39 be a good comprise and it might be the more expedient way to get affordable housing in Palo
40 Alto is to make sure that that time on the market is sufficient for us to get in there. Because one

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1 of the challenges that we have had in our community is that our time on market is very, very
2 small. And so, it's hard to pull together capital through some of our affordable housing non-
3 profits but if we gave... if we had more time, that might change the calculus there.

4
5 So, that's where I'm thinking and how it could be feasible, not harm the property owner and
6 benefit Palo Alto by providing a potential source of affordable housing within our existing
7 market without changing the footprint or shape of our community. Thank you.

8
9 Chair Hechtman: Other Commissioners? We are past the lighting round. Commissioner Alcheck
10 followed by Commissioner... oh, no?

11
12 Commissioner Alcheck: No, no, I want to talk.

13
14 Chair Hechtman: Ok, Commissioner (interrupted)

15
16 Commissioner Alcheck: Sorry, I was just lowering my hand so that it was... I always forget to do
17 that. I just look, I just want to say this in the interest of time, I won't support... I don't think we
18 should support this at this time. This is a classic example of, in my opinion, of trying to come to
19 an answer for something that I don't have a lot of context for. So, the same comment that I
20 made earlier. I would... before I would even try to craft language, I would want to have a
21 conversation... I would want Staff to have a conversation with the individuals who administer
22 the process, brokerages that do multi-family housing to some extent and also brokerages that
23 do smaller duplex kind of housing, and just understand how this would work. They might have a
24 solution that's better than the one that we aren't... that we can come with. So, I don't know if
25 this is considered an offensive term, it's half-baked in my mind. Like this is good but it's not
26 ready for prime time and I think there's no shame in just saying ok, we've got a lot of big
27 priorities here. Let's set this one so I'd like to move to the next item.

28
29 Do we need a motion to not recommend?

30
31 Ms. Tanner: You could have a motion to concur with the Staff recommendation which is to not
32 pursue it.

33
34 MOTION #5

35
36 Commissioner Alcheck: Ok, so in the interest of time, I will make a motion that we not advance
37 any recommendation in concurrence with Staff. Is that right? Ok.

38
39 Chair Hechtman: We have a... Ms. Tanner, your hand is up.

40

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1 Ms. Tanner: I just wanted to offer, I think a couple Commissioners have mentioned not ready
2 for legislation. I just want to be clear, none of these items are going to the Council as legislation.
3 We are going to take to Council your recommendation to either pursue or not pursue these
4 conceptual ideas. Then based on their direction, legislation would be drafted that would return
5 to you all. So, if you... just to say and not to try to challenge the motion, I just want to be clear
6 what the next step is for all of these items in that a... some type of... if you did want to suppose
7 this idea and concept. That it's not going to go forward to the Council as legislation at this time.

8
9 Commissioner Alcheck: If I could just clarify? I think my motion, the idea and the intent behind
10 it is to some extent prioritization. There's a lot on the plate, adding to the plate even good ideas
11 make all the ideas less of a priority and so it's not so much that I don't think that you haven't
12 presented a solid thing for us to stand on. It's that this isn't a policy that I think is worth
13 spending the finite amount of time you do have this current moment. I just don't think it's an
14 issue in our City to the extent that it might be in other jurisdictions like Washington DC maybe
15 but I don't even know. So, that was the impetus.

16
17 SECOND

18
19 Chair Hechtman: So, we have a motion but we don't yet have a second. I will second for
20 purpose of discussion and recognize Commissioner Templeton.

21
22 Commissioner Templeton: Thank you. I just wanted to say that I was hoping to hear some
23 feedback on my idea before we got to a motion. So, I... if this motion fails I will recommend that
24 we ask Staff to go forward with a general concept and come back to us with much more detail
25 so that we can refine it. Thank you. Oh, and I'd still like to hear from others about the idea but I
26 guess that's after this motion has been handled.

27
28 Chair Hechtman: Ok, so Commissioner Alcheck, have you spoken to your motion? I think you
29 did. Alright, I'm going to speak to my second and in doing that, I'm going to provide some
30 feedback on Commissioner Templeton's suggestion.

31
32 I guess what I would say is again, these are restraints on the sale of a property. If they're done...
33 that they have any kind of meaning and it's really a lot more complicated than to provide any
34 kind of right with sufficient timing. It's more complicated than just oh give us a notice 30-days
35 before you're going to sell. I mean you're going to get that notice when they put the big sign
36 out front for sale. So, this is... it's a more complicated issue and I just think it's an area that we
37 should not weigh into at this time. So, that's why I'll be supporting this motion to not weigh
38 into that this time.

39
40 Commissioner Summa, followed by Commissioner Lauing.

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Commissioner Summa: Sure, and I'll comment on this motion and also respond to Commissioner Templeton. I think Commissioner Templeton's idea was to purchase homes for the or units I should say through this program for low market housing. I mean below-market housing. Is that what you were suggesting?

Commissioner Templeton: Potentially. I don't think we can restrict who could purchase the property but if we give a sufficient amount of time. That would allow our below-market-rate and affordable housing organizations an opportunity to pull together the funds and make a big. So, I think we'll have... we can't guarantee that they'll win but we could potentially set ourselves up to have more properties go under their management through a process like this.

Commissioner Summa: Yeah, so then they would be BMR. You know, I think it's a very interesting idea but I... and maybe... I don't know if TOPA/COPA can be used this way. If it's only... it sounds like you would be giving the advance notification to affordable housing providers. I don't... it's a really good idea, it's creative, but I'm beginning to think that we don't know... agree with some of my other colleagues that we don't have enough details about this tonight. And that Staff wasn't very interested in pursuing it and given that we've asked them to pursue all these other things. I'm kind of leaning towards asking Staff to... supporting the motion and asking Staff to come back to this at some time in the future because we just had two little skinny paragraphs here. And there was no discussion of First Right of Refusal or how many, how long, what duration, or any of the details. So, it is very hard to imagine supporting... pursuing this right now for me. Even though I think your idea is really creative and good.

Chair Hechtman: Commissioner Lauing.

Commissioner Lauing: Yeah actually, that's pretty much what I was going to say. So, I won't elaborate too much but I think that conceptually it would be phenomenal if we have a chance for... obviously probably what comes to a lot of our minds is the President Hotel. You know if they had enough notice to scatter around and find \$40 million and buy that, but for one thing that's not going to be in 30-days. It's going to be probably longer than that and secondly, First Right of Refusal versus they get a chance to make a bid is another. So, there's just so much stuff here that we would have to debate in terms of how that would be implemented and executed. That we just don't have that I don't see how we go forward on it. I would love it to be able to come back but having said that, I can feel Staff cringing somewhere that that's another thing that they would have to come back with and they haven't even prioritized it.

So, I'm kind of with, more or less, exactly what Commissioner Summa and I really appreciate your idea, Commissioner Templeton.

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1 Chair Hechtman: We have Vice-Chair Roohparvar followed by Commissioner Templeton. Nope?
2 Yeah, Vice-Chair Roohparvar.

3
4 Vice-Chair Roohparvar: I'll be super quick because I know we've spent a lot of time but I did
5 want to give that feedback. I really like Commissioner Templeton's idea but I agree. I just think
6 we need it more flushed out and exactly what the rest of the Commissioners said.

7
8 Chair Hechtman: Ok now Commissioner Templeton.

9
10 Commissioner Templeton: Thank you. I guess since several people mentioned that they were
11 curious about Staff response on further developing. Would that be something that we do now
12 or after the vote since it may influence people's vote?

13
14 Chair Hechtman: No, I think we can hear from Staff now. Does... Ms. Tanner, does Staff
15 understand the... what they're being looked to for at this moment?

16
17 Ms. Tanner: For? I don't know Commissioner, what you're talking about. Responding to your
18 specific idea?

19
20 Commissioner Templeton: Someone... I think a couple of Commissioners were concerned that
21 you... that Staff may have a negative response to pursuing this any further or refining it further.
22 And I was just curious if that's true?

23
24 Ms. Tanner: I would say part of it is what is the it? So, if it is an idea that... I mean I think there
25 could be... not to complicate it but two motions. One is to not pursue TOPA/COPA in the form
26 that's been typically pursued regionally but to pursue and modify the idea of 30-day
27 notification to perhaps residents or tenant occupant of properties and possibly affordable
28 housing developers in the region of a notice that the property is going to go for sale.

29
30 Commissioner Templeton: Ok, yeah.

31
32 Ms. Tanner: That's an idea we could look into.

33
34 Commissioner Templeton: Maybe as a second motion?

35
36 Ms. Tanner: Yeah.

37
38 Commissioner Templeton: Ok, alright, thank you. Thanks for chiming in everyone. I appreciate
39 your feedback.

40

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1 Ms. Tanner: I think... I would still say if we do get to prioritization, maybe that's also where the
2 Commission may say this is last on the list in terms of where we have the most impact for
3 tenants. You know, some of the other ones may be above that. It's not to... but I do hope that
4 part of our goal is to have a menu or a slate of policies that the City can keep working on over
5 the next... it's really going to be a few years' worth of policy development. So, I don't think it
6 hurts to have it on the list as long as it's not the first thing that we're getting to.

7
8 Chair Hechtman: Commissioner Templeton, questioned answered sufficiently?
9

10 Commissioner Templeton: Yes, thank you all.

11
12 Chair Hechtman: Alright, then we have a motion to recommend Staff recommendation. We
13 have a second. I'm not seeing any other hands. Can we have a roll call vote, Ms. Klicheva?
14

15 Ms. Klicheva: Yes. Commissioner Alcheck?

16
17 Commissioner Alcheck: Aye.

18
19 Ms. Klicheva: Commissioner Chang?
20

21 Commissioner Chang: Yes.
22

23 Ms. Klicheva: Chair Hechtman?
24

25 Chair Hechtman: Yes.
26

27 Ms. Klicheva: Commissioner Lauing?
28

29 Commissioner Lauing: Yes.
30

31 Ms. Klicheva: Vice-Chair Roohparvar?
32

33 Vice-Chair Roohparvar: Yes.
34

35 Ms. Klicheva: Commissioner Summa?
36

37 Commissioner Summa: Yes.
38

39 Ms. Klicheva: Commissioner Templeton?
40

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1 Commissioner Templeton: No.

2

3 Ms. Klicheva: The motion carries 6-1.

4

5 MOTION #5 PASS 6(Alcheck, Chang, Hechtman, Lauing, Roohparvar, Summa) -1(Templeton)

6

7 Commissioner Templeton: Thank you.

8

9 Chair Hechtman: Commissioner Templeton, do you want to speak to your no vote?

10

11 Commissioner Templeton: I do, thank you. While I think that this is an underdeveloped
12 proposal and that has left some ambiguity which I understand why my colleagues would not be
13 ready to move forward with this one. I think it's got an idea that has some potential and so I
14 wanted to find additional ways to pursue it. And to be consistent with that I wanted to vote on
15 the no recommendation because I would like to support measures that reduce displacement.
16 So, hopefully, Chair, after this I'd like to make a motion?

17

18 Chair Hechtman: Yeah, staying on this item eight (interrupted)

19

20 Commissioner Templeton: Yes.

21

22 Chair Hechtman: If I'm understanding you right? You've not spoken to your no vote. There are
23 no other no votes and so the floor is yours to make a second motion on this subitem.

24

25 MOTION # 6

26

27 Commissioner Templeton: Thank you. I would like to move that Council ask Staff to pursue
28 other means of preventing displacement at the point of sale which may or may not include
29 giving a period of time of notice that is a sale is going to occur. So, that we may encourage non-
30 profit housing partners to be more likely to bid on properties and increase our affordable
31 housing inventory in Palo Alto. Hopefully, that made sense. If you have questions, feel free to
32 ask.

33

34 SECOND

35

36 Commissioner Chang: I'll second that.

37

38 Commissioner Templeton: Thank you.

39

40 Chair Hechtman: Commissioner Chang seconds I think? Is that right?

-
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Commissioner Chang: Yes.

Chair Hechtman: Ok, thank you. Alright, so Commissioner Templeton, do you want to speak further to your motion?

Commissioner Templeton: I think I've covered it. Thank you.

Chair Hechtman: Alright, Commissioner Chang, to your second?

Commissioner Chang: I think it's a lovely idea if we can actually do it, but when we get to prioritization I would probably prioritize it later. But I think it's a lovely idea and I would like to eventually see it come back to us.

Chair Hechtman: While I'm waiting for Commissioner's hands to go up I guess I have a question. So, the form of your motion really routes it through the City Council back to us potentially. Do we have to take that route? Do we have the ability to ask Staff to just interact with us directly or do we have to have to get Council permission before they can come back to us?

Commissioner Templeton: I would love to hear Assistant Director Tanner answer that. My understanding is that we can't direct Staff ourselves.

Ms. Tanner: That's correct.

Chair Hechtman: Alright, anyone wish to speak to this motion raise your hand. Commissioner Alcheck followed by Commissioner Summa.

Commissioner Alcheck: I feel like if I could ask Staff to come back to us with some interesting investment of resources into a topic, it wouldn't be this one. So, I get to ask Council to direct Staff to work with us on a topic, it wouldn't be on how groups of tenants could purchase multi-family properties in Palo Alto. It would be... well, I'll say that. It would be on something else.

Chair Hechtman: Commissioner Summa.

Commissioner Summa: I think you called on me.

Chair Hechtman: Yeah, sorry.

Commissioner Summa: No, that's alright. I guess what I would really like and I'm not sure if this motion gets to it but I would really like to hear more about this from Staff. Partially, as multiple

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1 jurisdictions around us are pursuing it. I would just like to know more about it to know even
2 whether your idea is feasible legally and everything. We just don't know. Would it make just as
3 much sense to ask Staff to come back with an update on TOPA/COPA which sounds kind of like
4 a tropical drink?
5

6 Ms. Tanner: It does. We could all use one right now. I would just say Commissioner Summa,
7 that we can certainly do a couple of things. One is just provide some hopefully quick
8 information about what's going on supplemental to the Commission meetings. And I do want to
9 correct that we... the Commission can direct Staff to do things. However, we're not obliged to
10 do it depending on resources. So, just to say, you know, anyhow you may know how that's
11 going to go. But we could certainly maybe provide an informational item on it because it isn't
12 that we didn't... we did look into it. So, we do have a bit of resource through Ms. Bigelow and
13 Mr. Reed that we can provide about just what's happening and how does this work in other
14 places.
15

16 Commissioner Summa: Thanks for the answer and I think there's an easier way to do it Chair
17 Templeton [note – Commissioner Templeton] and the seconder than to send it to Council and
18 have it come back. I think that takes up more resources than we need and what we really want
19 is more information and updates maybe. And maybe we need to do a little investigation on our
20 own and it could be a great... if it is a viable idea and it is a lovely idea as Commissioner Chang
21 said. Maybe it's a perfect ad hoc issue also. So, I just wanted to offer that.
22

23 Chair Hechtman: While I'm waiting for more hands let me ask another question. Ms. Tanner,
24 based upon what you just said and I mean what it sounds like is Staff did a fair amount of
25 looking into this, decided it shouldn't be pursued at this time, and basically gave us the short
26 version in the Staff report but it has more information that it could give us. And I'm wondering
27 along the lines of Commissioner Templeton looking for additional information, is that the kind
28 of information that could come back in a Director's Report at a future meeting?
29

30 Ms. Tanner: Certainly, a summary could and additionally, providing some of the materials that
31 you could read ahead of time or afterward, in addition to the oral report. I think it may not... I
32 would say Commissioner Templeton's idea is an intriguing one, it's a little bit outside I think of
33 what some of the other folks are doing. So, it wouldn't specifically speak to your motion
34 Commissioner Templeton, but it would provide some other ideas. So, I don't know if that's
35 helpful, Chair?
36

37 You know, not to make this more complicated and I hate to suggest it but whatever. I like
38 people to get along and agree so here I am. We could maybe continue this particular item or
39 after the informational that we have, we can just talk as a body and see if you want to bring
40 back this particular thing and fold it into Staff report to Council. Realistically, we're going to get

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1 to Council before the Council's recess so it isn't like next month we've got to turn this around
2 for City Council.

3
4 Chair Hechtman: So, we have motion and a second. We've had a little bit of discussion
5 (interrupted)

6
7 Commissioner Templeton: Chair?

8
9 Chair Hechtman: Yes.

10
11 Commissioner Templeton: Chair, should I amend the motion to not through Council?

12
13 Chair Hechtman: It's your choice based upon what you've heard and whether... it sounds like if
14 it just stays at this level with Staff, then it might be a little more limited than the full breadth of
15 what your motion envisioned. So, (interrupted)

16
17 Commissioner Templeton: Ok, well that's fine. We'll just leave it as is. Alright, thanks.

18
19 Chair Hechtman: Alright, so we have a motion, we have a second. I don't see any further hands
20 so Ms. Klicheva, will you conduct a roll call vote?

21
22 Ms. Klicheva: Sure. Commissioner Alcheck?

23
24 Commissioner Alcheck: No.

25
26 Ms. Klicheva: Commissioner Chang?

27
28 Commissioner Chang: Yes.

29
30 Ms. Klicheva: Chair Hechtman? Chair Hechtman?

31
32 Chair Hechtman: I'm sorry, no.

33
34 Ms. Klicheva: No, so ok. Commissioner Lauing?

35
36 Commissioner Lauing: Yes.

37
38 Ms. Klicheva: Vice-Chair Roohparvar?

39
40 Vice-Chair Roohparvar: Yes.

-
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Ms. Klicheva: Commissioner Summa?

Commissioner Summa: Yes.

Ms. Klicheva: Commissioner Templeton?

Commissioner Templeton: Yes.

Ms. Klicheva: The motion carries 5-2.

MOTION #6 PASS 5(Chang, Lauing, Roohparvar, Summa, Templeton) -2(Alcheck, Hechtman)

Chair Hechtman: Alright, we have one more item. Ms. Bigelow, if you will take us to item nine.

Ms. Bigelow: Of course, so the last but not least of the prioritized policies that we explored was Proactive Rental Inspection and the idea behind that is it's supposed to keep Cities stock of rental housing safe and up to code by having code inspectors routinely go out to all of the rental units in Palo Alto. And what we thought was that the feasibility of that happening was somewhat low due to implementation would be difficult. Also, the trust of the matter is that these are traditionally policies explored by jurisdictions that have something of less than stellar housing stock. And so, does it make sense to put something on the books that basically is just there to be there because we already have a great housing stock if the prices are to be believed?

Ms. Tanner: And I'll just add that the way these are typically implemented is proactive so there's Staffing that is routinely and regularly going out that's quite costly. So, this is estimated cost in millions and then to Ms. Bigelow's point, not only do we have generally good standards and meeting of our Building Codes. We also have the ability if it's not meeting code to use our Code Enforcement services, limited as they are, to address any substandard issues that would arise. So, it's a little more reactive than proactive but it's still an opportunity for tenants to avail themselves of any challenges with their housing.

Chair Hechtman: Alright, I see Commissioner Summa and Chang have their hands up. Questions before the lightning round? No, ok, both lighting round so we'll start with Commissioner Summa.

Commissioner Summa: Thank you. I will be very brief. I think this is 100 percent impractical and unnecessary given the Code Enforcement complaints... Code Enforcement actions are complaint-based and I don't see why this should be different. It would be asking our sole

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1 Enforcement Officer to inspect half of the City's residential units on a regular basis. So, I can
2 honestly say that I am 100 percent in agreement with Staff on this one.

3

4 Chair Hechtman: Commissioner Chang.

5

6 Commissioner Chang: I am also 100 percent in agreement with Staff. It seems like there isn't
7 necessarily a problem so why are we trying to solve something that's not necessarily a problem
8 and is very expensive and seems infeasible. That's it.

9

10 Chair Hechtman: Thank you. Commissioner Lauing.

11

12 Commissioner Lauing: I want to concur. There's not really a problem here and it's too expensive
13 even if there was one.

14

15 Chair Hechtman: Alright, while waiting to see if there are other Commissioners I will state that I
16 also support Staff's recommendation here. And I'm still not seeing any hands so I'm going to ask
17 if somebody would like to make a motion.

18

19 Commissioner Chang: I move... oops, I should raise my hand. I'm raising my hand.

20

21 Chair Hechtman: Commissioner Chang. Thank you.

22

23 MOTION #7

24

25 Commissioner Chang: It's late. I move that we support Staff's recommendation regarding
26 Proactive Rental Inspection Program.

27

28 SECOND

29

30 Commissioner Summa: Second.

31

32 Chair Hechtman: So, we have a motion. I think that we recommend Staff's recommendation.

33

34 Commissioner Chang: Oh, right.

35

36 VOTE

37

38 Chair Hechtman: To not pursue this from Commissioner Chang and a second from
39 Commissioner Summa. Either of you like to speak further to your motion or second

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1 respectively? No. Alright, any Commissioners need to weigh in on this? Seeing no hands, Ms.
2 Klicheva will you conduct a roll call vote?

3

4 Ms. Klicheva: Yes. Commissioner Alcheck?

5

6 Commissioner Alcheck: Aye.

7

8 Ms. Klicheva: Commissioner Chang?

9

10 Commissioner Chang: Aye.

11

12 Ms. Klicheva: Chair Hechtman?

13

14 Chair Hechtman: Aye.

15

16 Ms. Klicheva: Commissioner Lauing?

17

18 Commissioner Lauing: Yes.

19

20 Ms. Klicheva: Vice-Chair Roohparvar?

21

22 Vice-Chair Roohparvar: Yes.

23

24 Ms. Klicheva: Commissioner Summa?

25

26 Commissioner Summa: Yes.

27

28 Ms. Klicheva: Commissioner Templeton?

29

30 Commissioner Templeton: Yes.

31

32 Ms. Klicheva: The motion carries 7-0.

33

34 MOTION #7 PASS 7(Alcheck, Chang, Hechtman, Lauing, Roohparvar, Summa, Templeton) -0

35

36 Chair Hechtman: Thank you. Alright so we had discussed taking one more step on this agenda
37 item before it leaves and that is trying to prioritize those things that we are directing to the
38 Council below... other than the survey program which we've already designated as the top
39 priority. So, it is 11:30 and we would be prioritizing I think items 2 through eight, even though
40 we didn't move forward our recommendation. We moved forward this related

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1 recommendation so I think it would need to be included in the prioritization. So, I guess I'd like
2 to hear from the Commissioners as to whether they want to take this on and finish this off
3 tonight? So, Commissioner Lauing?

4
5 Commissioner Lauing: Just two comments. One, we're down to approximately I think it was
6 seven or eight recommendations and we worked through it and Council is going to have to
7 work through it anyways. So, I'm not sure how prioritization helps that much but the second
8 thing I'll say is that Staff may have prioritization or it might be in the order of prioritization. So
9 just to shortcut this, if this is the order that they would prefer. We could discuss endorsing that
10 set of priorities.

11
12 Chair Hechtman: Commissioner Lauing, I think you're asking Staff if the order they presented is
13 their order of priority?

14
15 Commissioner Lauing: That's right and if it is, we can discuss. We don't have to agree but we
16 can at least their order.

17
18 Ms. Tanner: Well, that's a good question. We did have an order when we wrote it.

19
20 Ms. Bigelow: I think that was what was intended.

21
22 Ms. Tanner: Yeah, I think that was kind of the idea. I think we're certainly open to amending
23 that but definitely, number one is number one and I think we all agreed on that. But yeah,
24 certainly, it is in an order that we would recommend but open to the Commission's will.

25
26 Chair Hechtman: Very helpful. Commissioner Alcheck.

27
28 Commissioner Alcheck: I just want to highlight in my memory the prioritization that we did with
29 number one was very specific. And what we were basically saying was that we wanted Council
30 to separate number one from the work that happens on potentially two through nine because
31 if number one has a different team or a more advanced timeline. Then when it comes... if can
32 be completed far earlier, then it informs the follow-up on two through nine tremendously or
33 two through seven or whatever. And so, I think the message of it wasn't priority, it was like this
34 is the highest priority because X and so we would recommend that Council direct Staff to bring
35 this separately from those other items and hopefully on an earlier timeline.

36
37 And I think that to be honest, I think that the Rental Survey Program if it's done with some level
38 of communication between the teams I guess if you will or it could be the same person, could
39 inform the reprioritization of the remaining items. And so, I kind of think we leave this to the

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1 team at City Hall to figure out with the direction we gave them specifically on number one last
2 time.

3

4 Chair Hechtman: Other Commission comments? Commissioner Chang.

5

6 Commissioner Chang: I agree because when I was concerned about prioritization it was
7 primarily making sure that the Rental Survey Program gets the right priority.

8

9 The one other comment I would make is regarding the Fair Chance Ordinance. Since we're not
10 necessarily pursuing that... sorry, not Fair Chance Ordinance, the Right to Counsel. We're not
11 necessarily pursuing that our self. We're just suggesting that we endorse or support other
12 efforts and so I... and I think that it's critical to do that in order for anything that we do to be
13 effective. So, I also wonder and I would leave this up to Staff, but I do kind of wonder do we pull
14 that out a little bit and approach it with the priority that it is due given whatever else is going
15 on legislatively or funding-wise because it's a regional effort? So, that one feels a little bit
16 different to me as well although certainly not as high a priority per se on the execution of all the
17 other things as the Rental Survey Program.

18

19 Chair Hechtman: Commissioner Summa.

20

21 Commissioner Summa: Thank you. I think both comments my colleagues said sound correct and
22 also, our votes show the majority priority. Our votes alone show which... you know, if we had a
23 unanimous vote, that shows that we all believed and it shows a higher priority. I feel like we
24 would be almost voting again at this late at night which seems a little redundant.

25

26 Chair Hechtman: Commissioner Templeton.

27

28 Commissioner Templeton: I agree. I don't think Staff needs additional input to form a priority.
29 We've spoken at length about these things.

30

31 Chair Hechtman: Alright, Commissioner Chang, I think the idea for the prioritization was yours.
32 Are you comfortable with this resolution?

33

34 Commissioner Chang: Yes, I'm comfortable.

35

36 Chair Hechtman: Then are we finished with the Agenda Item Three or is there anything any
37 Commissioner feels needs to be said? Alright, so we are finished with Agenda Item Three.
38 Good.

39

40 **Commission Action:** Motion by Alcheck, seconded by Hechtman. Pass 5-2 (Summa, Templeton)

-
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1 **Commission Action:** Motion by Templeton, seconded by Lauing. Pass 5-2 (Alcheck, Hechtman
2 against)

3 **Commission Action:** Motion by Summa, seconded by Roohparvar. Pass 5-2 (Alcheck,
4 Roohparvar against)

5 **Commission Action:** Motion by Lauing, seconded by Summa. Pass 7-0

6 **Commission Action:** Motion by Alcheck, seconded by Hechtman. Pass 6-1 (Templeton against)

7 **Commission Action:** Motion by Templeton, seconded by Chang. Pass 5-2 (Alcheck, Hechtman
8 against)

9 **Commission Action:** Motion by Chang, seconded by Summa. Pass 7-0

10

11

12 4. Review the City Boards, Commissions, and Committees Handbook and Recommend
13 Adjustments to Implement the Handbook's Directions.

14 Chair Hechtman: Our next item is Action Item Four, review the City Boards, Commission and
15 Committee Handbook and recommend adjustments to implement the Handbook's direction.
16 Mr... Commissioner Lauing, am I going to see your hand here?

17

18 Commissioner Lauing: Yes, but I'll be repetitive. We're 2 ½-hours past our time limit and now's
19 not the time to take on another agenda item that's not critical.

20

21 Chair Hechtman: Do you have a motion? This is not a lighting round.

22

23 Commissioner Lauing: I move adjournment.

24

25 Chair Hechtman: A little premature. How about (interrupted)

26

27 Commissioner Lauing: I turned it into a lighting round, what's wrong with that?

28

29 Chair Hechtman: Do you want to move to continue this item to a future (interrupted)

30

31 MOTION

32

33 Commissioner Lauing: Yes, no, I do. I think we should continue it a date uncertain to give Staff
34 their own leeway in terms of when this should come back in terms of other priorities.

35

36 SECOND

37

38 Commissioner Summa: Second.

39

-
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1 Chair Hechtman: I see the lighting fast second of Commissioner Summa. Any discussion on the
2 motion? I just want to check with Staff that this motion workable for you?

3
4 Ms. Rachael Tanner, Assistant Director: Yes.

5
6 Chair Hechtman: Yeah, I'm seeing Ms. Tanner say yes. I do see Mr. Alcheck... Commissioner
7 Alcheck's hands up.

8
9 Commissioner Alcheck: I don't know that this will do what I hope it will but I just feel like
10 there's this expectation been created that this item is going to take up a lot of time. And I don't
11 know what Commissioner Lauing is referring to with respect to the pre-Commission meeting.
12 But this item feels like... I mean I don't know how many of you attended the... you probably all
13 did, attended, or listened to the introduction to us at a training seminar. My hope that this item
14 doesn't take that much time since I don't know that we have any authority to amend it. So, I'd
15 love for any Commissioners to email me on the side if they are expecting this to take a long
16 time at the next meeting because I'd like to know before.

17
18 Commissioner Lauing: Yeah, I can just respond to that, Chair?

19
20 Commissioner Alcheck: Yeah, please do.

21
22 Commissioner Lauing: I think Ms. Roohparvar [note- Vice-Chair Roohparvar] warned us at the
23 last meeting that during the pre-meeting, the pre-meeting on this item was very long. So, there
24 are some issues there so that's all the data that I think we need, but I will just elaborate to say
25 that one of the things that's in there is for us to come up with a Work Plan. To my knowledge,
26 that's never happened in PTC history so we have to talk a little bit about that. How we're going
27 to do it, what does that entail and so on and so on. So, this is not a 15-minute item, no
28 question.

29
30 Commissioner Alcheck: I'm sorry, I thought the Work Plan was going to be a part of our retreat
31 and we were just going to pick a date and then come up with a Work Plan. I misunderstood that
32 one.

33
34 Commissioner Lauing: That's part of what we have to sort out, it may be.

35
36 Commissioner Alcheck: So, part of the agenda of this item is to develop a Work Plan for the
37 Commission?

38
39 Commissioner Lauing: Well, the idea of the Work Plan in the Commission is something that we
40 have to talk about for the first time ever so.

-
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Commissioner Alcheck: Got it. I will prepare then.

VOTE

Chair Hechtman: Ok, we have a motion and a second to continue Item Four to a data uncertain.
Ms. Klicheva, can we have a roll call vote?

Ms. Madina Klicheva, Administrative Assistant: Yes. Commissioner Alcheck?

Commissioner Alcheck: Aye.

Ms. Klicheva: Commissioner Chang?

Commissioner Chang: Yes.

Ms. Klicheva: Chair Hechtman?

Chair Hechtman: Yes.

Ms. Klicheva: Commissioner Lauing?

Commissioner Lauing: Yes.

Ms. Klicheva: Vice-Chair Roohparvar?

Vice-Chair Roohparvar: Yes.

Ms. Klicheva: Commissioner Summa?

Commissioner Summa: Yes.

Ms. Klicheva: Commissioner Templeton?

Commissioner Templeton: Yes.

Ms. Klicheva: Motion carries 7-0.

MOTION PASSED 7(Alcheck, Chang, Hechtman, Lauing, Roohparvar, Summa, Templeton) -0

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1 Chair Hechtman: Thank you.

2 **Commission Action**: Motion by Lauing, seconded by Suma. Pass 7-0

3

4 5. Public Hearing: Request for Recommendation on Objective Standards Project
5 Including the Following Modifications to Title 18: 1) New Chapter 18.24, Objective
6 Design Standards, That Would Replace Existing Context-Based Design Criteria
7 Contained in Multiple Chapters of Title 18; 2) Modifications to Chapters 18.30(J) and
8 18.30(K): Affordable Housing (AH) and Workforce Housing (WH) Overlay Districts to
9 Eliminate the Legislative Process Requirement; 3) Expansion of Affordable Housing
10 (AH) and Housing Incentive Program (HIP) to PTOD-Eligible Properties; 4) Changes to
11 Remove Inconsistencies and Redundancies, and Streamline Project Review in various
12 Title 18 Chapters (Continued to May 12, 2021)

13 Chair Hechtman: Action Item Number Five, the request for recommendation on Objective
14 Standard Project, as announced at the beginning of the meeting, has been continued to May
15 12th, 2021.

16 **Approval of Minutes**

17 Public Comment is Permitted. Five (5) minutes per speaker.^{1,3}

18 4. March 31, 2021 Draft PTC Meeting Minutes

19 Chair Hechtman: Approval of the minutes. We have March 31st, 2021 draft PTC minutes revised
20 I believe my Commissioner Chang and myself. Can we have a motion to approve the minutes as
21 revised?

22

23 MOTION

24

25 Commissioner Summa: I'll make the motion.

26

27 SECOND

28

29 Commissioner Chang: I second.

30

31 Chair Hechtman: Commissioner Chang seconded. Do we have to call a roll call vote every time
32 or can we just say all in favor on a procedural motion like this?

33

34 Ms. Rachael Tanner, Assistant Director: Mr. Yang.

35

36 Chair Hechtman: Mr. Yang?

37

38 Mr. Albert Yang, Assistant City Attorney: I believe the rules call for a voice vote.

-
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1
2 Ms. Tanner: Yeah, I think so.
3
4 Mr. Yang: So, I suppose that could be an all-in favor.
5
6 Chair Hechtman: Alright, I thought I might save us 12-seconds but I just spent 30. Alright, Ms.
7 Klicheva, will you take a roll call vote?
8
9 Ms. Madina Klicheva, Administrative Assistant: Yes. Commissioner Alcheck?
10
11 Commissioner Alcheck: Aye.
12
13 Ms. Klicheva: Commissioner Chang?
14
15 Commissioner Chang: Yes.
16
17 Ms. Klicheva: Chair Hechtman?
18
19 Chair Hechtman: Yes.
20
21 Ms. Klicheva: Commissioner Lauing?
22
23 Commissioner Lauing: Yes.
24
25 Ms. Klicheva: Vice-Chair Roohparvar?
26
27 Vice-Chair Roohparvar: Yes.
28
29 Ms. Klicheva: Commissioner Summa?
30
31 Commissioner Summa: Yes.
32
33 Ms. Klicheva: Commissioner Templeton?
34
35 Commissioner Templeton: Yes.
36
37 Ms. Klicheva: Motion carries 7-0.
38
39 MOTION PASSED 7(Alcheck, Chang, Hechtman, Lauing, Roohparvar, Summa, Templeton) -0
40 **Commission Action:** Motion by Summa, seconded by Chang. Pass 7-0

-
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1 **Committee Items**

2 Chair Hechtman: Committee items? Anyone have Committee items for us tonight?

3

4 Commissioner Templeton: I do. XCAP presented at the City Council and we're done. Yeah, like
5 really, really done.

6

7 Chair Hechtman: Congratulations.

8

9 Commissioner Templeton: Thank you. Bye.

10

11 Commissioner Lauing: That was a big deal, good job.

12 **Commissioner Questions, Comments or Announcements**

13 Chair Hechtman: Alright, let's move to Commissioner questions, comments, announcements or
14 future agenda items? Not seeing any hands. Nothing? I will just mention that I got a notice that
15 tomorrow night and Friday night if you go out to Highway 101 safely, actually, that's going to
16 one of the frontage roads, they are going to put those overpass bike bridges up the next couple
17 of nights. So, I'll see you out there.

18

19 Commissioner Templeton: I have a quick question. In our little chart of... oh sorry, you can't see
20 it because of my background but in our little chart on Packet Page 7 where it says all of our
21 meetings. We have a meeting for May 10th that's not in there and we have a meeting for May
22 12th that I'm not sure if it's going to happen because we're doing May 10th. Can we clear that
23 up?

24

25 Ms. Rachael Tanner, Assistant Director: Certainly, we are not planning to cancel the May 12th
26 meeting. We can add the May 10 joint meeting with City Council and yeah, so we had not
27 discussed as a Commission is canceling that and we hadn't assumed that we would. So, I know
28 that's a busy week for the Commission.

29

30 Commissioner Templeton: Ok, so we're going to meet both Monday evening and Wednesday
31 evening, the 10th and the 12th?

32

33 Ms. Tanner: That is what we have planned. I think it's within the Commission's discretion to
34 move to cancel a meeting or to reschedule it if that's desired.

35

36 Commissioner Lauing: When will we get the agenda for the 10th?

37

38 Ms. Tanner: I believe it gets published tomorrow.

39

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1 Commissioner Templeton: So, you weren't moving the one from the 12th to the 10th. You're
2 intending to do both? That was the confusion.

3
4 Ms. Tanner: Yes, that's correct. Then the 10th is the joint meeting with City Council regarding
5 the Housing Element kind of kick-off and then on the 12th is our regular Commission meeting.

6
7 Chair Hechtman: Commissioner Alcheck, I see your hand.

8
9 Commissioner Alcheck: A quick clarification, the joint meeting though, it's not... we're not there
10 for the whole... we're just one item. It could be like an hour and a half.

11
12 Ms. Tanner: That's correct. It is... well, last time I had seen the agenda and I will check and I'll
13 forward it all to you tomorrow when it's published electronically. And if... we actually should
14 coordinate to get you hard copies as well because they do hard copies for the Council but I
15 don't think the clerk will have all of your addresses for the delivery. So, we'll work on that but I
16 can forward the agenda and it will have the final times. Last time I looked it was starting... this
17 item was slated to start at 7:00 but that could have changed if other items have moved around.

18
19 Commissioner Templeton: That makes a lot more sense. I'm glad you
20 [unintelligible](interrupted)

21
22 Commissioner Alcheck: By the way, I literally can't remember the last time we had a joint
23 meeting. I could have been like 3-years ago or 4-years ago but there's not a lot of Commission
24 minutes... Commissioner Member talking minutes. They... they're... you know. There are
25 multiple go (interrupted)

26
27 Commissioner Templeton: Good to know.

28
29 Commissioner Alcheck: There are multiple rounds.

30
31 Ms. Tanner: They talk and you listen kind of thing.

32
33 Commissioner Alcheck: Yeah, yeah, that's how it's been in the past. A lot of nodding.

34
35 Chair Hechtman: Alright, I think with that we are adjourned. Thank you, everyone.

36 **Adjournment**

37 11:40 pm

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