



CITY OF  
**PALO  
ALTO**

# Planning & Transportation Commission Action Agenda: May 31, 2023

Council Chambers & Virtual  
6:00 PM

## Call to Order / Roll Call

6:02 pm

Chair Summa welcomed everyone to the regular meeting of the Planning and Transportation Commission (PTC).

Ms. Veronica Dao, Administrative Assistant, conducted the roll call and announced all Commissioners were present.

## Oral Communications

The public may speak to any item not on the agenda. Three (3) minutes per speaker.<sup>1,2</sup>

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

Ms. Liz Gardner referenced the joint meeting recently held between the City Council and the PTC. She requested the Commission clarify what the PTC Commissioner's point regarding the City providing a subsidy on utilities for low-income folks meant. She believed providing a subsidy for utilities was only subsidizing the cost of extraordinary energy costs, not housing costs, and that providing that subsidy was not enough. She recommended the Commission receive more education on fair housing.

## Agenda Changes, Additions and Deletions

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

Ms. Amy French, Chief Planning Official, stated there were no changes from Staff.

## City Official Reports

### 1. Directors Report, Meeting Schedule and Assignments

Ms. Amy French, Chief Planning Official, noted City Council on Monday, June 5, 2023, would continue their discussion on the Accessory Dwelling Unit (ADU) Ordinance, the Fire Arm Ordinance as well as begin discussions on the Rental Housing Stabilization Ordinance. Coming

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1 up for the Council's June 19, 2023, were several items on their Consent Calendar that may be of  
2 interest to the Commission, but did not require PTC representation. She requested  
3 Commissioners to inform Staff of any meetings they miss during the summer months.

4 Mr. Rafael Rius, Senior Transportation Engineer, announced the Middlefield and Lincoln Road  
5 Section Analysis was nearing completion of Staff's review and would be published within the  
6 next two to three business days. Staff would hold the community meeting for that analysis in  
7 the third week of June. Upcoming Office of Transportation items to be discussed at PTC was the  
8 Crescent Park Neighborhood Traffic Calming Project.

9 Commissioner Reckdahl mentioned the left turn light at some stop lights was turning green  
10 even with no cars.

11 Mr. Rius predicted the detection infrastructure was not working properly and invited folks to  
12 report that to the City using the 311 services.

13 Commissioner Templeton appreciated the update that Caltran's El Camino Real repaving  
14 project will begin in Palo Alto after the sewer upgrades. She mentioned some asphalt patches  
15 had been installed in South Palo Alto and that was very much appreciated. She requested Staff  
16 inform the Commission of any way they can encourage further re-paving work to be done on El  
17 Camino Real.

## 18 **Study Session**

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

### 20 2. Study Session to Review the Draft North Ventura Coordinated Area Plan

21 Commissioner Lu informed the Commission and the public that he would be recusing himself  
22 from the item due to his home being within 500-feet of the North Ventura area.

23 Mr. Sheldon Ah Sing, Planner, explained the City adopted its Comprehensive Plan in November  
24 of 2017 which included a policy regarding establishing a Coordinated Area Plan (CAP) in the  
25 North Ventura area. Goals and objectives were adopted in March of 2018, a working group was  
26 established in April of 2018 and they forwarded alternatives for PTC consideration in March of  
27 2021. In January 2022, the Council endorsed the preferred plan with further refinements made  
28 to the plan in late 2022. Based on those refinements, Staff drafted a planning document which  
29 the PTC was to consider and provide recommendations to City Council. During this timeline,  
30 Staff continued to receive development proposals called pipeline projects, and pipeline projects  
31 were not required to adhere to the NVCAP (North Ventura Coordinated Area Plan). Staff  
32 conducted robust community engagement that included community workshops, working group  
33 meetings, stakeholder meetings, and online surveys. Provided in an attachment to the Staff  
34 Report was a summary of the components of the plan that are required by the Municipal Code

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1 and how the plan is compliant with the Municipal Code. Also, attached in the Staff Report were  
2 the six goals and six objectives of the NVCAP and how the plan is consistent with the goals and  
3 objectives identified by the Council.

4 Ms. Marc Agnes, Perkins & Will, shared the NVCAP area including 60 acres that were bounded  
5 by Oregon Expressway and Page Mill Road to the north, El Camino Real to the west, Lambert  
6 Avenue to the south, and the Caltrain rail to the east. The area was within a half-mile distance  
7 from the California Avenue Caltrain Station. The Council endorsed plan included flexible  
8 frameworks for land use, ecological, urban form, and a mobility network. One key component  
9 of the plan was building heights and this allowed buildings to range in height between two and  
10 five stories. The taller buildings were envisioned to be along El Camino Real and the east side of  
11 Park Boulevard. A minimum 15-foot ceiling height is required for the ground floor in mixed-use  
12 buildings and the building height was expected to transition down near the lower-density  
13 residential areas. The plan envisioned 530 residential units to be built within the 20-year  
14 lifespan of the plan. Parcels currently zoned commercial would become mixed-use zoning and  
15 the plan included provisions that allowed limited new office space up to 5,000-square feet per  
16 parcel. With respect to the adaptive reuse of the historic Cannery Building, any adaptive reuse  
17 was to be consistent with the Secretary of the Interior's Standards, and additional analysis may  
18 be required to determine the feasibility of the proposed use. An implementation action was  
19 included within the plan document that directed Staff to explore within the first year after the  
20 adoption of the plan the nomination of the Cannery for the California and/or National Register  
21 of Historic Places or Palo Alto's historic inventory. With respect to ground floor edges, the  
22 highest proposed concentration of retail was to be located along El Camino Real with smaller  
23 concentrations along Park Boulevard, Lambert, Page Mill, and Ash. Ground floor spaces are to  
24 be designed in a way to accommodate a wide variety of commercial spaces, cafes, maker  
25 spaces, co-working spaces, and professional services. The plan also called for the naturalization  
26 of Matadero Creek. This included new habitat areas, a channel that could mitigate a 100 year  
27 floor event, and recreational trails within the 2.5-acre public park around the creek.

28 Mr. Ah Sing explained the NCVAP land use designation and Municipal Code zoning designation  
29 crosswalk table. They showed the connection between the plan and how the plan would be  
30 implemented in the Zoning Code. The maximum height in the NVCAP was 55-feet with a range  
31 of Floor Area Ratios (FAR). Staff would return to PTC at a later time to discuss in depth the  
32 proposed zoning permitted uses and Development Standards. With respect to environmental  
33 review, Staff was preparing a supplemental Environmental Impact Report (EIR) that tiered from  
34 the Comprehensive Plan. Staff anticipated the release of the environmental document to be in  
35 late summer of 2023. For the next steps, a study session was to be held with the Architectural  
36 Review Board (ARB) and Historical Resources Board (HRB) in the coming weeks. Then  
37 subsequent follow-up study sessions with the PTC and ARB. Afterward, Staff would return to  
38 PTC for recommendations to be forwarded to Council later in the year. In conclusion, staff was  
39 seeking confirmation that the project was substantially consistent with the Council's endorsed

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1 plan, substantially met the stated goals and objectives, and that the plan met the requirements  
2 for CAPs stated in the Municipal Code.

3 Chair Summa invited Commissioners to ask clarifying questions of Staff.

4 Commissioner Templeton was excited to see the project moving forward. She noticed the  
5 diagram of El Camino Real included bus lanes and asked if those were included in the plan, or  
6 placed there as an oversight.

7 Mr. Ah Sing remarked no improvements were envisioned for El Camino Real.

8 Commissioner Templeton mentioned she'd love to discuss with Staff and Caltrans, a future  
9 meeting, options for the parking lane along El Camino Real. If the parking lane is turned into bus  
10 lanes, she asked where would the parking be for the proposed retail spaces. Also, discussion  
11 must take place about sidewalk improvements if El Camino Real were to become a retail area.

12 Mr. Ah Sing suggested in the Implementation Chapter include a list of items that should be  
13 explored.

14 Commissioner Templeton loved that idea.

15 Commissioner Reckdahl referenced Packet Page 161 and asked about the implementation of  
16 the mobility hub.

17 Ms. Sylvia Star-Lack, Transportation Planning Manager, answered the mobility hubs concept  
18 was new for Palo Alto. She envisioned a concept that co-located all the various mobility in one  
19 area.

20 Commissioner Reckdahl liked the idea but was concerned about the amount of area that  
21 electric vehicle (EV) charging stations take and the availability of space on the street.

22 Ms. Star-Lack restated the idea was still in the conceptual stage, but predicted the areas would  
23 have various configurations.

24 Commissioner Hechtman requested Staff explain in more detail what they were seeking from  
25 the Commission with respect to the Code requirements. He stated that the plan must be  
26 consistent with the City's General Plan.

27 Mr. Ah Sing referenced Packet Page 205 which was an attachment that detailed what the Code  
28 requirements were.

29 Commissioner Hechtman understood Packet Page 205 showed consistency with the Municipal  
30 Code but not the General Plan.

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1 Mr. Ah Sing concurred there must be consistency between the NVCAP and the General Plan.  
2 Also, a finding must be made about any Zoning Amendments in that they are consistent with  
3 the Comprehensive Plan.

4 Mr. Albert Yang, City Attorney, confirmed the NVCAP must be consistent with the City's General  
5 Plan.

6 Vice-Chair Chang remarked the Sobrato proposal for the redevelopment of the Cannery  
7 Building had indicated that with all the changes being proposed for that project. The Cannery  
8 Building would no longer be historically eligible or could be adaptively re-used. She asked why the  
9 NVCAP recommended Staff continue to seek out historical designation and adaptive reuse.

10 Mr. Ah Sing answered there was uncertainty about whether the Sobrato project would  
11 continue to move forward. The NVCAP had been a community-based plan from the beginning  
12 and Staff continued on that path so as not to base the plan on a specific project.

13 Mr. Yang added the Sobrato project explored adaptive reuse for residential projects and found  
14 that was infeasible. It was not explored whether other uses could result in adaptive reuse. The  
15 Sobrato project was still going through the City process and had not been approved.

16 Chair Summa opened public comment.

17 Ms. Liz Gardner stated the City had suffered since the plan began in 2017 in terms of wildfires  
18 and COVID. Folks were just now catching up to what was happening within the City again. She  
19 wanted to know more about the residential units and if the plan considered the acreage to be a  
20 cultural area of diverse and varying populations. Also, she wanted to know how the NVCAP  
21 connected with the updated Housing Element. She found the project to be a once-in-a-lifetime  
22 opportunity for the City to embrace housing in an equitable way with high-quality units that  
23 encompassed all ages, all abilities, and all incomes. She wanted to see the area be a place for  
24 homes, businesses, and people, not just for profit.

25 Ms. Lauren Bigalow, Board President of Palo Alto Renters Association, believed NVCAP was a  
26 plan that would bring Palo Alto back to an innovative and productive City in terms of affordable  
27 housing. She supported the proposed plan and believed it was following the right direction the  
28 City should be moving in. She emphasized that renters do care about the development of  
29 housing and affordable housing.

30 Chair Summa closed public comment and returned to the Commission for discussion.

31 Chair Summa mentioned she was a member of the NVCAP Working Group and thanked the  
32 Staff for the proposed plan. She appreciated the proposed bicycle and pedestrian plan for Park  
33 Boulevard. With respect to the office, while she supported the proposal, she recommended the

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1 office be specified for neighborhood-serving uses. With respect to PF zones, she found it  
2 appropriate to have only 100 percent affordable housing projects be allowed on those sites.  
3 She was hoping for a mix of unit sizes because the City was lacking in family-sized units and she  
4 recommended that be emphasized in the NVCAP. Through personal research, the City had 461  
5 housing units approved or pending in the NVCAP area and she found that interesting when  
6 including that with the Housing Element sites. She wanted to see if the plan required, not  
7 encouraged, active uses on the ground floor. She referenced Packet Page 136 and asked how  
8 buildings heights would impact the existing low-density residential homes in the area.

9 Mr. Ah Sing explained all projects were required to adhere to the City's existing Objective  
10 Standards regarding transitions, step-downs, and step-backs for projects located near low-  
11 density residential.

12 Chair Summa recalled the Objective Standards retained the Daylight Plane, but no longer  
13 included the transition zone that described a prescribed distance between the larger building  
14 and low-density residential.

15 Mr. Ah Sing explained the properties along El Camino Real were 150-feet deep. Specifically, for  
16 NVCAP, the buildings were allowed to go up to 45-feet in height.

17 Chair Summa restated that if there was a standard distance buildings must comply with it when  
18 adjacent to low-density residential homes.

19 Ms. Amy French, Chief Planning Official, noted the Objective Standards were applicable in  
20 specific zones.

21 Mr. Ah Sing added that projects that fall under State Law Density Bonus would be allowed an  
22 additional 33-feet above the base zoning district.

23 Chair Summa summarized that buildings with a 45 to 55-foot height could have an additional  
24 33-feet if they invoke the Density Bonus Law.

25 Mr. Ah Sing confirmed that was correct.

26 Vice-Chair Chang asked how affordability was defined in the State definition for 100 percent  
27 affordable housing. The definition outlined in NVCAP defined it as 80 to 120 percent average  
28 median income (AMI).

29 Mr. Yang answered up to 120 percent of AMI.

30 Vice-Chair Chang asked if the Daylight Plane Standard was required for Density Bonus Projects.

31 Mr. Yang answered no, the Daylight Plane provision would not apply.

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1 Commissioner Templeton summarized that the diagram on Page 107 was misleading. It did not  
2 represent edge cases such as all the projects being 100 percent affordable housing and having  
3 heights up to 88 feet. She requested multiple diagrams be drafted to show the community what  
4 the build-out may look like in different scenarios.

5 Chair Summa wondered if Council understood they were approving a plan that could build up  
6 to 88-foot buildings that had no truly affordable units.

7 Commissioner Reckdahl referenced Packet Pages 16 and 66 and asked what NV-PF stood for.

8 Mr. Ah Sing explained the new zone included a 1-acre portion that was for a 100 percent  
9 affordable housing site located across from the Cannery.

10 Commissioner Reckdahl asked what the difference in zoning was between NV-PF and PF.

11 Mr. Ah Sing restated that the difference was the 100 percent affordable housing project.

12 Commissioner Reckdahl referenced Packet Page 199 and inquired why the preferred plan  
13 allowed new ground for small professional offices but the draft plan had removed that  
14 language.

15 Mr. Ah Sing explained Staff, at the time, was considering amortization of the space, but quickly  
16 realized that would be too complicated.

17 Commissioner Reckdahl wanted the draft plan to limit office to neighborhood-serving office.

18 Mr. Ah Sing appreciated the feedback.

19 Commissioner Reckdahl mentioned three Commissioners were on the NVCAP Working Group  
20 and the top three priorities for the Working Group were to prioritize housing over the office,  
21 commit to building affordable housing and improve the quality of life in the neighborhood. The  
22 Working Group was supportive of having cafés, dentists, and other neighborhood-serving  
23 offices, but not tech offices. He mentioned the grid structure proposed in the plan and recalled  
24 the neighborhood wanted that for pedestrians and bicycles, but not vehicular traffic. He  
25 recommended that be highlighted in the document that the grid structure was for pedestrians  
26 and bicycles only. He moved back to the table on Packet Page 16 and noticed the FAR limits  
27 were listed but it did not specify what percentage of mixed-use was office and what percentage  
28 was housing.

29 Mr. Ah Sing explained more specificity on that point would be discussed at the follow-up  
30 meeting.

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1 Commissioner Hechtman understood the State Density Bonus Law had been in existence for a  
2 while.

3 Mr. Ah Sing confirmed that was correct.

4 Commissioner Hechtman asked how many qualified State Density Bonus Law projects did the  
5 City approve.

6 Mr. Yang added the State Density Bonus Law provision that provided the extra 33-feet was 3 or  
7 4 years old and the project located at 3001 El Camino Real was approved with the extra height.

8 Commissioner Hechtman inquired how tall that project would be.

9 Mr. Yang answered no.

10 Commissioner Hechtman remarked if the City wanted to avoid the risk of losing the Daylight  
11 Plane due to the bonus 33 feet then allowed building heights along El Camino Real would have  
12 to be 12-feet tall. The reality was it was not easy to build 100 percent affordable housing and he  
13 predicted a full build-out of State Density Bonus Law projects was unrealistic. He requested  
14 Staff to bring forward a more realistic scenario that identified the number of affordable housing  
15 projects they predicted would be located along El Camino Real. He asked how many new  
16 residential units were forecasted for the NVCAP in the new Housing Element.

17 Mr. Ah Sing understood there were opportunity sites located in the Housing Element in the  
18 NVCAP area and the plan was consistent with the projected unit yield.

19 Commissioner Hechtman wanted to understand the relationship between the unit yield in the  
20 Housing Element and the unit yield proposed in the NVCAP.

21 Commissioner Reckdahl mentioned on Packet Page 50 it said the Housing Element had  
22 identified 15 properties in the NVCAP and the unit yield was 348.

23 Commission Hechtman stated that must be considered because you cannot overbuild the  
24 Housing Element and he requested Staff return with more information. He referenced Packet  
25 Page 62 and noticed the office square footage was proposed to be reduced by 278,000-square  
26 feet and retail square footage was projected to be reduced by 7,500. He understood that while  
27 office would be phased out of the area, new office could be allowed in various pockets of the  
28 NVCAP area.

29 Mr. Ah Sing answered yes, the office was to be decreased to build more residential.

30 Commissioner Hechtman mentioned the retail square footage was being decreased because  
31 the Fry's site was no longer going to be retail.

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1 Mr. Ah Sing confirmed that was correct.

2 Commissioner Templeton referenced Packet Page 63 and noted there was a lot of office space  
3 on the block where Fry's was located. She asked if the project at 3001 El Camino Real was  
4 Mike's Bikes.

5 Mr. Ah Sing believed that was correct.

6 Commissioner Templeton noted that the site was in the plan but was not reflected in the  
7 diagram.

8 Chair Summa recalled 3001 El Camino Real was a truly affordable housing project with an AMI  
9 range of 30 to 60 percent. That is a very different project that received a bonus and deviations  
10 from the City's code than any future proposed 120 percent AMI projects.

11 Commissioner Templeton agreed but did not believe that made a difference to the folks who  
12 would lose light from high-rise buildings. She encouraged the Commission and Staff to consider  
13 how much high-rise buildings will impact nearby low-density residential homes.

14 Vice-Chair Chang agreed with many of the comments made by Commissioner Reckdahl and  
15 Chair Summa made, in particular about community-serving retail. With respect to how the  
16 NVCAP and the Housing Element tied together, she understood the Housing Element was an 8-  
17 year plan and the NVCAP was a 20-year plan. With that said, it made sense that the Housing  
18 Element unit yield would be lower than the NVCAP because one plan was longer than the  
19 other. She also was concerned about the potential heights and the impacts on the existing low-  
20 density residential homes nearby. She predicted the current residents in the neighborhood  
21 would not agree that the plan was consistent with the goals and objectives highlighted in the  
22 NVCAP document with respect to proposed height limits. Especially if the 88-foot building was  
23 at 120 percent AMI because housing that met the affordability guidelines was not affordable in  
24 Palo Alto. The City must present all implications to the community and identify mitigations for  
25 negative impacts.

26 Mr. Yang mentioned that 100 percent affordable projects almost always going to be utilizing  
27 funding sources that require 60 percent affordability. He noted he was not aware of any  
28 projects that could do a 100 percent affordable project at the 120 percent of AMI because  
29 there was no funding available.

30 Vice-Chair Chang understood that any funding source would have its requirements for  
31 affordability, but there were examples of 120 percent of AMI for studio units that equated to  
32 the market rate in Santa Clara County.

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1 Mr. Yang commented that the workforce housing project in the City had units at 140 percent to  
2 150 percent of AMI. Typically, rental projects did not have 120 percent of AMI.

3 Commissioner Akin seconded Commissioner Reckdahl's comments about the proposed grid  
4 structure. The Comprehensive Plan EIR identified an increase in traffic congestion and the  
5 Housing Element EIR indicated the Vehicle Miles Traveled (MVT) was not going to decrease  
6 either. The City must understand it will have to plan for a substantial increase in traffic City-  
7 wide. With that said, a fully connected street grid for vehicular traffic was not a good idea.

8 Mr. Ah Sing clarified the plan was not proposing additional streets, but adding additional  
9 pedestrian grid connections.

10 Commissioner Akin referenced the pipeline projects and their drastically different designs than  
11 envisioned for the NVCAP area. He wondered if developers believed that the NVCAP plan was  
12 economically attractive. That factor was not addressed in the NVCAP document before the  
13 Commission and he asked if there was a plan to provide additional economic analysis.

14 Mr. Ah Sing remarked Staff would provide an economic feasibility update because there was a  
15 significant change in State Law regarding the elimination of underground parking.

16 Commissioner Akin commented the Sobrato project proposed relatively low townhouse-type  
17 construction in which the City preferred more density. He requested Staff provide more details  
18 about economic feasibility at a future meeting.

19 Commissioner Hechtman appreciated Commissioner Akin's comments regarding economic  
20 feasibility. He mentioned the issue of economic feasibility was a concern of the Commission and  
21 the Commission had asked Staff to provide a financial feasibility study for Alternative 2 and  
22 Alternative 3 in 2020. The study identified Alternative 2 had a shortfall of \$130 million,  
23 Alternative 3 had a shortfall of \$37 million, and Alternative 3B was supplied that was self-  
24 sufficient. Alternative 3B was the recommendation the PTC forwarded to Council, which later  
25 chose Alternative 1 with modifications. The consultant highlighted at the PTC meeting that one  
26 item that drove the cost was the required underground parking. Now, State Law has changed  
27 and was no longer allowing City to require the underground parking which dramatically  
28 affected the previous financial feasibility studies. He agreed with Commissioner Akin's request  
29 and suggested the economic analysis show the Commission what the shortfall will be to  
30 develop the NVCAP with the current developer fees in place and how the City planned to pay  
31 for that shortfall.

32 Chair Summa recalled reading that the City will have to significantly increase utility services and  
33 if so, an evaluation of developer fees would be important.

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1 Mr. Ah Sing agreed there was mentioned about a water main that may need to be upsized but  
2 that depended upon development.

3 Commissioner Hechtman commented if the cost was increased for development, then the  
4 developer was less likely to develop the sites, unless those costs could be passed on to the  
5 consumer.

6 Chair Summa said the 33-foot additional height for Density Bonus Law did not only impact  
7 single-family homes but also adjacent shorter buildings. The City must strongly consider not  
8 creating areas in Palo Alto that are completely different in terms of quality of life. Also, the City  
9 must understand that the NVCAP, as presented, did not connect North Ventura with the rest of  
10 the neighborhood. When the Council reinstated the Planned Community (PC) Zone, the object  
11 was to use the zone for housing projects and not to add to the jobs/housing imbalance.

12 Commissioner Templeton commented currently along Lambert Avenue was industrial light uses  
13 and that was recommended to be retained. That section of Lambert Avenue was an indication  
14 to folks living in the neighborhood that they were outside of the neighborhood and she asked if  
15 that disconnect between the two neighborhoods should remain.

16 Mr. Ah Sing clarified the NVCAP envisioned that stretch to be a residential mixed-use  
17 neighborhood along Lambert Avenue.

18 Commissioner Templeton stated the plan identified it as medium-density mixed-use.

19 Mr. Ah Sing reinforced that there will be very limited commercial on the mixed-use parcels and  
20 it was not envisioned to have those sites be 100 percent commercial.

21 Commissioner Templeton asked if a residence could be built there.

22 Mr. Ah Sing answered yes.

23 Commissioner Templeton suggested the document encourage residential uses over light  
24 industrial or medium-density mixed-use.

25 Mr. Ah Sing added that NVCAP anticipated that medium mixed-uses would have a density  
26 between 31 and 70 dwelling units per acre with a 2.0 FAR.

27 Commissioner Templeton encouraged Staff to explore further ways to encourage housing.

28 Chair Summa asked if Staff had any more questions for the Commission.

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1 Mr. Ah Sing summarized Staff will provide more clarification about the connected grid, provide  
2 an update on economic feasibility, showing the transitions between different structures and  
3 affordable housing.

4 Ms. French added Staff would bring back data about approved and pending projects. She noted  
5 the 3001 El Camino Real project's proposed height was 59-feet.

6 Mr. Ah Sing noted Staff would return at a future meeting to discuss zoning.

7 Commissioner Templeton stated the plan looked great.

8 Chair Summa appreciated that the plan proposed exploration of making the Cannery a historic  
9 resource. She wished the plan discouraged very tall buildings from being constructed near the  
10 low-density residential homes and that the plan kept the look consistent with the rest of Palo  
11 Alto.

12 [The Commission took a short break]

### 13 **Action Items**

14 Public Comment is Permitted. Applicants/Appellant Teams: Fifteen (15) minutes, plus three (3) minute rebuttal. All  
15 others: Five (5) minutes per speaker.<sup>1,3</sup>

16 3. PUBLIC HEARING: Recommendation to City Council on the Adoption of an Ordinance  
17 Amending the Palo Alto Municipal Code to Add Chapter 9.65, Rental Registry  
18 Program, to Establish a Mandatory Registry Program of Rental Units and Provide  
19 Feedback on the Rental Registry Program Unit Registration Form. CEQA Status -  
20 Exempt under CEQA Guidelines Section 15061(b)(3).

21 Chair Summa announced Commissioner Lu rejoined the meeting.

22 Ms. Rebecca Atkinson, Planner, introduced several Staff members who worked on the project,  
23 including Sheldon Ah Sing, Jennifer Fine, and Minka van der Zwaag. She reported after  
24 extensive discussion, on November 29, 2021, the City Council supported the creation of a  
25 Rental Registry (Registry). The design and implementation of the Registry was referred to the  
26 Policy and Services Committee (P&S) which considered the Registry on December 13, 2022. P&S  
27 supported the registry and recommended initial registration of rental units within the City,  
28 what information should be collected, and event-based reporting. The Registry will be  
29 considered by the Housing Ad Hoc Committee before returning to the Council for  
30 consideration. The purpose of the Registry was to learn about the Palo Alto landscape, to help  
31 make data-informed policy decisions, to support community awareness of existing renter  
32 protections, and support the implementation of the Housing Element's goals. When  
33 implemented, landlords would be required to provide contact information, rental unit

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1 characteristics, rent information, and tenancy information and sign an affidavit. For the  
2 implementation of the Registry, the City must have an enabling ordinance in the Municipal  
3 Code as well as program administration. An ordinance would allow a new chapter for the  
4 Municipal Code to be drafted, allow the City to collect rental information, allow the City to  
5 collect a cost recovery fee, and other key points. With respect to program participation, P&S  
6 recommended the Registry require all rental housing structures to register, including single-  
7 family homes, multi-family apartments, and Accessory Dwelling Units (ADU)/Junior Accessory  
8 Dwelling Units (JADU). P&S also supported that the Registry requires initial registration of rental  
9 units, an annual renewal, an affidavit that ensured information was correct, and event-based  
10 registration. With respect to penalties, the section created a way to reduce the overall cost of  
11 the Registry and it created a penalty waiver process for good cause.

12 Ms. Jennifer Fine, Deputy City Attorney spoke about privacy and the Public Records Act. Privacy  
13 was a large concern raised by the community during the community meetings. She explained  
14 the City's records were subject to the Public Records Act (PRA) which meant the records had to  
15 be disclosed upon request. There were limited exceptions that allowed the City to withhold  
16 records and that included trade secrets and proprietary information, but the City must disclose  
17 those records if it was deemed within the interest of the public. PRA did not require constant  
18 live sharing of records and records are released only upon request. The City had 10 days to  
19 respond to a request and only applied to existing records. The privacy section of the draft  
20 ordinance affirmed the City would abide by its obligations under the PRA, but that the City  
21 would only publish the sensitive Registry information in the aggregate.

22 Ms. Atkinson presented the draft Rental Registration Form and mentioned the form would have  
23 autofill and drop-down menus to make it easier to fill in and promote information consistency.  
24 Staff anticipated that the software would be able to bulk upload information for multiple rental  
25 units. Also, the great majority of the information would be readily accessible to landlords when  
26 the unit is placed on the rental market. The form used the categories identified and approved  
27 by P&S. For the next steps, Staff currently was reviewing the responses the City had received  
28 for its Request for Proposals (RFP). In the summer of 2023, Staff would complete the RFP  
29 evaluation and hold meetings with PTC and the Housing Ad Hoc Committee before returning to  
30 City Council in the fall of 2023 for the adoption of the ordinance and approval of the consultant  
31 contract. With respect to the Human Relations Commission's (HRC) recent feedback, HRC  
32 accepted the basic framework of the Registry as presented by Staff, but they requested Staff  
33 address several outstanding issues including the penalty structure, privacy mandates, and fees.  
34 Staff was requesting a recommendation from PTC to the City Council on the adoption of the  
35 draft Rental Registry Program and feedback on the Rental Registry Form.

36 Chair Summa invited Commissioners to ask clarifying questions of Staff.

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1 Vice-Chair Chang asked, as currently drafted, was the Registry trying to capture every rental in  
2 the city.

3 Ms. Atkinson confirmed all rental units would have to register.

4 Commissioner Akin inquired if it was intentional to exclude Airbnbs.

5 Ms. Atkinson answered the City currently did not have a policy that allowed short-term rentals.

6 Chair Summa opened public comment.

7 Ms. Leannah Hunt, a resident and practicing realtor in Palo Alto, mentioned as a realtor she was  
8 very dismayed with the proposed Registry. During the HRC meeting, the motion was  
9 unanimously approved even though four Commissioners expressed concerns about the  
10 Registry. The unknown cost of implementing and maintaining the Registry was a big concern  
11 and the Registry asked for very detailed personal questions. She predicted the Registry would  
12 not reduce rents in Palo Alto but increase them as landlords passed the fees onto tenants.  
13 While the City's downtown Business License Tax had brought in new revenue to the City, it did  
14 not entice new services to downtown. The Registry was first considered when the President  
15 Hotel was in crisis and the proposed ordinance would not alleviate the City's need for all types  
16 of housing. Many private owners who rent out a small number of units would no longer want to  
17 remain in the rental industry if the Registry were approved. She encouraged the Commission to  
18 consider all of the ramifications the Registry will have and she reminded the Commission that  
19 there were already many sources that could be used to obtain rental data.

20 Ms. Angie Evans commented for 20 years the City has had a Rent Registry and she strongly  
21 supported a robust Registry that collected data on all housing types. She firmly believed that  
22 tenant protections prevented displacement. Having up-to-date data was very important to have  
23 to create the right policy solutions. The City had no verifiable data on rents or renters in Palo  
24 Alto. With respect to the concern regarding the cost of the program, California instated  
25 Proposition 13 which ensured that any cost from the program would not financially burden a  
26 landlord or the tenants. She thanked the Commission for their hard work and encouraged them  
27 to recommend approval.

28 Ms. Lauren Bigalow, Board President of the Palo Alto Renters Association (PARA), was delighted  
29 to see the Registry moving forward and that the City was putting in so much effort to making  
30 the Registry a balanced process. She echoed the previous speaker that the City currently had no  
31 mechanism to track rent increases and no data on evictions. Having proper data would allow  
32 the City to effectively and efficiently affirmatively further fair housing for almost half of Palo  
33 Alto. She expressed strongly that the Registry should not be implemented in a phased process  
34 and that the information collected was too detailed. She concluded by requesting that the City  
35 quickly implement the Registry as quickly as possible.

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1 Ms. Emily Anne Ramos, Silicon Valley At Home, provided a brief background of the fruition of  
2 the Rental Registry so far. In November 2021, the City Council approved several rental  
3 protections with the top priority being the Registry. The Council understood that to protect  
4 tenants, the City needed data-backed information to make informed decisions. She urged the  
5 Commission to recommend approval of the Registry to City Council.

6 Mr. Robert Reed understood the City had a problem, but believed the Registry was not the  
7 solution. He stated for a small property owner to have to meet a bunch of requirements by the  
8 City, that they already had to meet by the County, the State, and the Federal Government was  
9 asking too much. He predicted the cost of the program would be passed to tenants because  
10 that was the cost of doing business. He mentioned his family had been providing rental homes  
11 in Palo Alto for over 60-years and the rents had never been as much as 50 percent of the value  
12 of the property. He believed the Registry would become onerous and discourage folks from  
13 wanting to provide rental units. He recommended that landlords with four units or less be  
14 exempt from the Registry. If the City wanted any investment in rental housing on the lowest  
15 level in Palo Alto, the City must protect the small investors. The only solution to the problem  
16 was to build more housing, but cities in California continued to decrease in population and the  
17 problem may be self-correcting in the long term.

18 Ms. Keri Wagner thanked the Commission for bringing the Rent Registry to the forefront. It was  
19 very important to understand what type of inventory was in the city and to know the rental  
20 trends. Along with other benefits the Registry would provide, it could also inform the City on  
21 transportation planning. She suggested the fees remain low, especially for folks with a small  
22 number of units.

23 Mr. Anil Babbar, California Apartment Association, was concerned about the confidentiality of  
24 the data from the perspective of the property owner as well as tenants. With respect to cost,  
25 the City of San Jose has had a Rent Registry for several years and the rents had stayed below  
26 the cap. He echoed the comment that data was readily available and that having a Registry  
27 would continue to label Palo Alto as a City that was anti-housing.

28 Ms. Liz Gardner, a renter in Palo Alto, supported the City in its pursuit of a Rent Registry and  
29 encouraged the City to pursue rent stabilization. The City had a real problem with respect to  
30 unhoused folks and current renters being unable to relocate because of the unattainable rents  
31 and unattainable tenant requirements.

32 Mr. Ryan O'Connell, How to ADU, strongly supported the Rent Registry as proposed by Staff.  
33 Now was the time to measure, manage and monitor the City's regulation's success with a Rent  
34 Registry. He recommended the Commission consider the survey work and research provided by  
35 Staff to make an informed recommendation to City Council.

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1 Ms. Jess Hudson, United Way Bay Area, supported the Rent Registry which would provide  
2 community data and prevent housing instability and displacement in Palo Alto. The Registry  
3 should be inclusive of all rental units and it would protect the City's most vulnerable  
4 populations.

5 Ms. Anna Toledano, a renter in Palo Alto, thanked Staff for their efforts in drafting the Rent  
6 Registry Program. The Registry would provide information not only to the City but to tenants  
7 looking for a rental unit. She concurred with the previous comment that the Rental Registry  
8 should be implemented as soon as possible.

9 Ms. Amie Ashton wanted to see more support for renters in the City and as a homeowner, she  
10 wanted to do her part to protect renters in the City.

11 Ms. Sam Durston, a renter in Palo Alto, shared that very recently his rent was increased by \$250  
12 and the City needed a Rent Registry to be able to track increases and dispute them  
13 appropriately. He shared the concerns about the cost of housing and encouraged the City to  
14 provide more dense housing to increase the supply and reduce the price. A Rent Registry was  
15 very important for the City to have in order to implement Assembly Bill (AB) 1482 and that the  
16 Registry be inclusive of all types of rentals.

17 Chair Summa asked if the Commission was allowed to stop taking more speakers.

18 Ms. Amy French, Chief Planning Official, remarked the Commission could close the public  
19 hearing.

20 Chair Summa closed the public hearing and noted that there had been no new raised hands in  
21 the past 10 minutes.

22 Ms. R. Elysa Gurman shared she currently lived with her family because she could not afford to  
23 rent or own a home in Palo Alto. She appreciated Staff's work on the proposed Registry and she  
24 encouraged the Commission to recommend approval to the City Council. She asked if Staff saw  
25 in other cities' Rent Registry's demographics that were more impacted by evictions.

26 Mr. Ryan Carrigan, Silicon Valley Association of [audio cut out], spoke in opposition to the Rent  
27 Registry. The Registry was going to be very costly for the City and a Google search could provide  
28 plenty of data on rental units within the City. He concluded that using City resources on drafting  
29 and implemented the Rent Registry would be better spent on building more housing in the City.

30 Ms. Edie Keating was proud that Palo Alto was moving forward with a Rent Registry. The City of  
31 Mountain View implemented strong renter protections after following rent control in 2016. An  
32 involuntary Rent Registry was later implemented in the City of Mountain View but no landlords  
33 registered. The City of Mountain View then made the registration required but compliance did

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1 not reach capacity until a late registration fee was implemented. A crucial part of a Rent  
2 Registry was to have an enforcement mechanism.

3 Ms. Randy Mont-Raynaud [note – phonetics] agreed there would be a cost to have the Registry  
4 but there was also a cost of not protecting the more vulnerable folks in the community.

5 Mr. Adam Schwartz strongly supported the Rent Registry and the proposed ordinance. While he  
6 owned his home, his adult children were struggling to find a place to live. Now was the time for  
7 the City to protect renters.

8 Chair Summa brought the item back to the Commission for discussion.

9 Commissioner Templeton appreciated all the comments made by the public. She began with  
10 the form and suggested Staff remove the question asking how many folks were living in the  
11 rental unit household. She believed the question may be harmful and suggested the question  
12 be phrased such as max number of people intended for the unit. With respect to the burden of  
13 filling out the form, rental applications were much longer and she did not believe the form  
14 would cause a burden to landlords. She strongly supported the Rent Registry and believed  
15 having the information would help the City make more informed data-driven decisions.

16 Commissioner Akin suggested Staff explain why a given item of data was necessary and  
17 sufficient for a given goal. That would help Council and the community understand why specific  
18 questions were being asked. With respect to privacy, he found the tenancy information a  
19 particularly sensitive section of the form. He inquired if the City would have software that  
20 automatically did incremental updates. If so, that presented a cybersecurity concern and he  
21 recommended Staff consider what information could be aggregated rather than retaining the  
22 original information.

23 Vice-Chair Chang supported the Registry and recalled when PTC discussed renter protections. It  
24 was very hard to decide on many of the items because there was no data. She acknowledged  
25 the burden the Registry may place on landlords as well as the cost being passed through to  
26 tenants. Based on public comment, tenants were excited about the Registry and the fee spread  
27 over the cost of a year was relatively low given the amount of rent charged in the City. With  
28 respect to the form, she echoed the comments made by Commissioner Akin and Commissioner  
29 Templeton but believed two sections could be combined as they appeared to be duplicative.  
30 Those sections were the amenities and services under Rental Unit Characteristics and Rent  
31 Information. She questioned why that information was pertinent, but understood that it may  
32 help inform green space, design, and the size of unit decisions. She recommended it be clear  
33 that the rental unit size was internal square footage and to clarify the year of the last model  
34 question. She mentioned that dormitory-type housing and other types of rental units may not  
35 fit precisely in the questions and she suggested Staff consider that with any revisions. With  
36 respect to tenancy information and reasons for vacancy, she asked whether that was a for-

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1 cause vacancy or a without-cause vacancy, and suggested the question be asked in a broader  
2 way that did not have a negative ramification. With respect to rental property contact  
3 information, she reminded me that not all owners are individuals. Some were corporations and  
4 she recommended the question be clarified that a contact person must be listed from the  
5 corporation. With respect to rent information, she asked what monthly initial base rent amount  
6 was referring to and asked what was the intent behind the question. She agreed it was an  
7 important data point, but the City must be very clear on what it was asking. The same  
8 clarification needed to be applied to additional non-optional charges and optional charges.

9 Commissioner Hechtman overall was supportive of the Rental Registry but was concerned with  
10 several pieces as proposed. He asked Staff what was the number of rental units within the City.

11 Ms. Atkinson answered the running estimate was over 11,400.

12 Commissioner Hechtman recalled the Municipal Code required landlords to offer a 1-year lease.  
13 He asked if the Municipal Code required landlords to offer a 1-year lease at renewal.

14 Ms. Fine remarked she needed some time to check the Municipal Code.

15 Commissioner Hechtman commented the City did not have rent control and so there was no  
16 law prohibiting a landlord from passing on any costs to the tenant.

17 Ms. Atkinson said the ordinance did not have such a provision, but if added, it would be very  
18 hard to enforce.

19 Commissioner Hechtman remarked he was glad such a provision was not in the ordinance  
20 because it would be hard to enforce. With respect to the PRA, the form was asking for financial  
21 information and he asked if that information was considered to be proprietary.

22 Ms. Fine answered if requested, the City would have to disclose that information to the  
23 requester. A provision of withholding proprietary information was that it gained value from  
24 secrecy, but that argument could not be made because much of the information was already  
25 publicly available. She confirmed a 1-year lease must be offered at the time of renewal.

26 Commissioner Hechtman noted Commissioner Templeton, off mic, mentioned that a tenant  
27 was not required to sign a 1-year contract at renewal. With respect to the process, he  
28 understood the Registry would not be returning to the PTC and he asked the Commission if it  
29 would be interested in having the ordinance and form come back for another review. He asked  
30 in cities that had a Rental Registry, did Staff see any impacts on a reduction of rental stock or  
31 increased costs.

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1 Ms. Atkinson mentioned in the interviews Staff had with other jurisdictions, those questions  
2 were not asked.

3 Commissioner Templeton noted there were two public speakers from other cities present and  
4 suggested that questions be directed to them.

5 Chair Summa encouraged Commissioner Hechtman to ask his questions of the two experts in  
6 the audience.

7 Commissioner Hechtman asked what the City of Mountain View's experience was with respect  
8 to rental stock.

9 Ms. Ramos concurred it took the City of Mountain View a long time to implement its Registry  
10 and many scenarios took place that required the City of Mountain View to have a Registry. With  
11 respect to trends and patterns, the City of Mountain View made its Registry mandatory in the  
12 middle of the Covid-19 Pandemic but the City of Mountain View was able to connect what data  
13 it had collected with the eviction data from the court system. That cross-connection indicated  
14 that many evictions were happening outside the courts and that many folks were self-evicting.  
15 With respect to rent increases, the City of Mountain View saw a decrease in rent but that was  
16 mainly due to the Pandemic.

17 Commissioner Lu announced he generally supported the Registry. He wanted to understand  
18 how the data would be used, how much of the data would be used for better implementation  
19 versus policy development, and what existing policies would be better informed with the data  
20 collected from the Registry. If Staff could not provide a comprehensive answer now, he  
21 requested it be provided offline.

22 Mr. Sheldon Ah Sing, Principle Planner, remarked P&S discussed those questions. Staff drafted a  
23 matrix of what policy questions may arise and those were coupled into categories and then  
24 placed on the Registry Form.

25 Commissioner suggested Staff investigate ways the City could delay reporting of PRA so it  
26 happened at the 10-day mark instead of in real-time. Also, if there was a way to notify property  
27 owners that a PRA was requested.

28 Ms. Fine answered there are strict deadlines for the PRA and the City was required to respond  
29 promptly. One option was to collect data on a delay but that would result in the City working  
30 with outdated data. Staff had not discussed anonymizing the data after the retention period  
31 was completed, but predicted that would logistically be difficult to do.

32 Commissioner Lu stated anonymizing the data was not a top priority of his, but was curious to  
33 know how it may evolve. With respect to ADUs, he understood why there was support to have

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1 a separate policy, but he wanted to see ADUs included in the Registry to have complete rental  
2 data. With respect to privacy and cost, he shared that the City of Santa Monica has a very  
3 robust rental control and Rental Registry Program. It was not a problem having folks be able to  
4 access the Registry and see what other renters were paying for rent. He agreed that passing the  
5 costs onto tenants was not something that could be mitigated. The City of Santa Monica  
6 allowed landlords to directly pass on 50 percent of the Registry and Rent Control Fees to the  
7 tenant. In his personal experience, that was never a problem. He recommended collecting APNs  
8 and that may help the City understand sale prices and unit size. With respect to vacancies, he  
9 was interested in collecting more data on when the unit may go back onto the market or when  
10 the last tenancy occurred. With respect to evictions, he suggested collecting data on what  
11 portion of the security deposit was kept, what was the reason for the evictions, and other  
12 similar questions.

13 Commissioner Reckdahl stated during the Housing Element update, the City had no data about  
14 affordability, rental affordability, and had no idea about what rental folks were not being  
15 served. With that said, he strongly supported the Rental Registry but agreed with several of the  
16 points raised about privacy. With respect to cost, he reference Packet Page 27 and mentioned  
17 having two full-time Staff persons dedicated to the Registry seemed excessive.

18 Ms. Atkinson answered that one neighboring jurisdiction had one Staff person as a percentage  
19 and the consultant did all the work. Other cities had their Staff in a Program Manager role and  
20 another in an administrative customer service role.

21 Commissioner Reckdahl inquired if the customer service person would help landlords fill out  
22 the form.

23 Ms. Atkinson confirmed that was correct.

24 Mr. Ah Sing added the key to the Registry program was to have participation so there must be  
25 ongoing outreach.

26 Commissioner Reckdahl agreed if 1 percent of landlords needed help, that added up. With  
27 respect to fees, the Staff Report suggested a range of \$40 to \$200 per unit and he asked if Staff  
28 knew where in that range the City was leaning towards.

29 Ms. Atkinson answered the City was actively reviewing proposals for the procurement of  
30 software and Staff could not discuss cost information at this time.

31 Commissioner Reckdahl asked what the biggest cost would be.

32 Mr. Ah Sing predicted Staffing will be the biggest cost.

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1 Ms. Atkinson added any cost recovery fee or participation fee was a process that would be set  
2 by City Council.

3 Commissioner Reckdahl asked if below-market-rate (BMR) units would have to pay the fee.

4 Ms. Atkinson requested some time to review the draft ordinance.

5 Commissioner Reckdahl recommended that BMR and ADU units not pay the fee, but be  
6 required to register for the Rental Registry.

7 Mr. Ah Sing mentioned the cost was administrative feedback, not a change in the ordinance.

8 Chair Summa echoed that this was data that was sorely needed in the City and was very  
9 impressed by the other Commissioner's comments regarding the form. She referenced Page 2  
10 of the ordinance and asked if the definition of Residential Rental Unit was describing a JADU.

11 Commissioner Templeton explained a JADU was a separate dwelling with a separate kitchen.

12 Chair Summa confirmed they had separate kitchens but asked if that was not something the  
13 City wanted to know about in the Registry. She mentioned there were situations in the City  
14 where folks were renting out a bedroom and the tenants shared the kitchen with the owner.

15 Ms. Atkinson stated the last sentence in Definition E intended to not capture folks renting out a  
16 bedroom within someone's overall home.

17 Chair Summa asked why that was being excluded and not captured.

18 Ms. Atkinson answered P&S recommended retaining the existing participation requirements in  
19 the existing Registry.

20 Commissioner Templeton explained the difference between a JADU and Definition E was if the  
21 owner was in the room-sharing situation. With respect to privacy, she predicted the software  
22 the City procures will be able to handle data separation and recommended information about  
23 the tenant be on a separate account. She supported Vice-Chair Chang's suggestion of combing  
24 duplicative questions. With respect to fees, she recommended that ADUs be required to  
25 register for the Rental Registry at the same time they pay their fees.

26 Vice-Chair Chang disagreed that landlords with four or fewer units should be exempt from the  
27 Rental Registry, but if the fee presents a burden to those small landlords. She suggested  
28 exempting landlords with a single unit from the fee but keeping the penalties as presented. She  
29 asked how often would a landlord have to input the information into the system if the landlord  
30 has the same tenant with an annual lease that is renewed. She hoped that a once-a-year  
31 update was enough unless there was a substantial change in tenancy. With respect to the fee,

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1 she asked if the fee would be collected annually or every time an update was made in the  
2 system.

3 Mr. Ah Sing restated that the fee will be a one-time annual fee.

4 Commissioner Hechtman recommended the Rental Registry Form begin with a statement that  
5 included language about the use of the information, privacy, confidentiality, and fees. With  
6 respect to Packet Page 230, he asked why it was important to know if the property owner was a  
7 Palo Alto resident, and if it was not important then it should be removed. He recommended for  
8 the property manager that there be autofill if the information was not changing from the  
9 previous questions. With respect to Rental Unit Characteristics, he recommended clarifying  
10 what the total number of housing units at the property meant. He referenced Packet Page 232  
11 and recommended removing the questions on the security deposit, initial rent, and additional  
12 rent charges because they were too invasive. He suggested allowing the tenant to have the  
13 option of supplying that information.

14 Commissioner Templeton asked if the questions about the security deposit, initial rent, and  
15 additional rent charges were the City's way of ensuring the landlords were in compliance with  
16 existing laws.

17 Ms. Atkinson answered that was correct.

18 Commissioner Hechtman suggested the question ask if the security deposit, or rent increase,  
19 was within the amount allowed by State Law.

20 Commissioner Templeton commented they could enter the information but that information  
21 would not be stored.

22 Commissioner Hechtman noted if it is entered into the system then it becomes a public record.

23 Commissioner Templeton answered that it did not have to be delivered to the City.

24 Commissioner Hechtman confessed he was unsure how that would work but was open to  
25 suggestions. He supported Vice-Chair Chang's to combine duplicative questions and  
26 recommended changing the question "number of people in a rental unit household" to  
27 "maximum number of occupants allowed by lease". With respect to the ordinance, he  
28 suggested the Statement of Purpose be changed to "Residential Registry Program". He  
29 referenced Packet Page 220, Section 9.65.030 C(2), and was concerned that the City Manager  
30 would have the authority to ask for additional information on select landlords. He wanted there  
31 to be a public process when questions are proposed to be changed and that the City Manager  
32 should not have the authority to ask additional questions. With respect to Event-Based  
33 Registration Amendments, he seconded Vice-Chair Chang's concern about having to re-enter

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1 the information into the system when a subtle change is made. He agreed with Vice-Chair  
2 Chang that landlords should have to enter the information once a year and suggested that the  
3 landlord be obligated to provide information to the tenant on how the tenant can provide  
4 information any time there was an increase in rent, evictions, etc. With respect to fees, the  
5 Staff Report indicated that the fee would not exceed cost recovery but that was not in the  
6 ordinance. If that was what was proposed then that language should be included in the  
7 ordinance. Also, Staff must consider the potential fee amount not paid by exempt parties and  
8 how that will be distributed and recovered from other folks participating in the Registry.

9 Ms. Fine noted the fee section in the ordinance had language that provided a tie to the cost of  
10 the program.

11 Commissioner Hechtman found that language to be too loose when compared to what was  
12 stated in the Staff Report. With respect to the penalties, he recommended those amounts be  
13 limited to cost recovery too in the ordinance. He was concerned folks would not receive proper  
14 notice that they are required to register their rental unit and then be penalized when they miss  
15 the deadline. He recommended the first-time violation be waived if there was good cause for  
16 lack of proper notice.

17 Mr. Ah Sing explained giving the City Manager authority would allow the City to make minor  
18 additions or deletions to the program without having to go through an entire process. If that  
19 was not supported, he suggested it be changed to P&S or the Housing Ad Hoc Committee. With  
20 respect to penalties, a soft rollout of the program was going to take place which would require  
21 a lot of outreach and there was no intention to begin penalizing folks at the get-go.

22 Commissioner Lu suggested collecting data on if there were children under the age of 18 living  
23 in the rental unit, tenant disability, or whether the tenant is a senior. This would follow along  
24 with what the City of Los Angeles collected. He acknowledged there may be privacy concerns  
25 with collecting that type of data but suggested Staff consider it. He asked if tenant safety was a  
26 concern and if so, he believed there may be data worth collecting there as well. He believed it  
27 would be useful to collect data on the initial terms of the rent and any discounts that may have  
28 been applied. He remarked he disagreed with the privacy concerns of collecting the rental  
29 amounts and the security deposit. There was already public data on the purchase price of  
30 homes, mortgage information, and monthly payments. He predicted a lot of valuable data  
31 would be lost if the questions were rephrased to be broader.

32 Commissioner Templeton thanked Commissioner Hechtman and Commissioner Lu for their  
33 comments. She suggested Staff considered compliance from folks who have built illegal rental  
34 units. She explained to Commissioner Hechtman that folks coming back annually to renew their  
35 information with the Rental Registry would not be filling out the form entirely again, only  
36 updating the portions that had changed. She suggested providing a leaflet when renters come

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1 to turn on their utilities about ways they can input information into the program. County and  
2 utility data could provide data that was being asked on the form and she suggested Staff  
3 consider removing questions that could easily be found by searching. She agreed with  
4 Commissioner Lu that financial data was already available and believed it would not cause a  
5 burden to landlords and tenants to disclose that information.

6 Commissioner Reckdahl agreed it was essential to know the security deposit and monthly rent  
7 amount.

8 Chair Summa stated that rents are broadly advertised.

9 Commissioner Akin mentioned a product called Yield Star was a product folks used to trade  
10 proprietary rental information to set rents to higher levels. So, making that information public  
11 would eliminate that problem.

12 Chair Summa recommended having the form come back when revisions are made.

13 Commissioner Hechtman added to have the ordinance come back as well.

14 Mr. Ah Sing explained the intention was to have the program launched by the end of the year,  
15 but believed having the form come back was feasible.

16 Chair Summa agreed the Commission may be able to provide clear direction on the ordinance  
17 now and then have the form come back at a future meeting.

18 Commissioner Templeton recommended the form come back to the Commission for review  
19 after the software was chosen and the draft version be shared at that time.

20 Mr. Ah Sing explained the Registry had two phases. Phase One was approving the ordinance  
21 and Phase Two was procuring the software and implementation.

22 Commissioner Templeton recommended the Commission provide guidance on what should be  
23 forwarded to Council for the ordinance and that the form come back after it is inputted into the  
24 software.

25 Mr. Ah Sing agreed.

26 Commissioner Hechtman was concerned because some of his proposed changes to the  
27 ordinance were concept changes.

28 Commissioner Templeton asked when was the item scheduled to go Council.

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1 Chair Summa suggested voting separately on the changes to the ordinance and then another  
2 vote on the form.

3 Commissioner Templeton did not want to decouple them.

4 MOTION #1

5 Commissioner Templeton moved the Staff recommendation that PTC provide feedback and  
6 that Staff bring the form back when Staff has the chance to mock it up in the software.

7 SECOND

8 Vice-Chair Chang seconded the motion but hoped Staff would bring any additional questions  
9 back when the form returns to the Commission.

10 Commissioner Reckdahl encouraged Staff to make the questions very precise.

11 VOTE

12 Ms. Veronica Dao, Administrative Assistant, conducted a roll call vote and announced the  
13 motion passed 7-0.

14 MOTION #1 PASSED 7(Akin, Chang, Hechtman, Lu, Reckdahl, Summa, Templeton) -0

15 MOTION #2

16 Commissioner Hechtman moved move that the PTC recommend to City Council the adoption of  
17 the Draft Rental Registry Program Ordinance, adding Palo Alto Municipal Code Chapter 9.65 in  
18 the form of Attachment A with the following modifications. In the purpose, Section 9.65.010,  
19 add the word "Residential" before "Rental Registry Program". In 9.65.030 C(2) and D(2),  
20 provide a process for requiring information that was not required through the registration form  
21 to prevent unequal treatment of different landlords. In Section 9.65.030 D, event-based  
22 registration amendments, give some consideration to whether some modification of this  
23 potentially repetitious process can be designed, so that person doesn't necessarily have to do  
24 the annual registration if they have recently done one or more of the other updates. In Sections  
25 9.65.030 F and 9.65.050 A, revise the language to provide greater clarity that the fee will be  
26 limited to cost recovery, and in 9.65.050, the penalty section, consider adding to Subpart B  
27 some reference to lack of receiving notice of the existence of the program being good cause for  
28 waiving the first penalty fee.

29 SECOND

30 Commissioner Templeton seconded.

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1 MOTION #2 FRIENDLY AMENDMENT #1 and #2

2 Commissioner Lu was concerned that the proposed language regarding unequal treatment of  
3 landlords would not allow the City to have lower fees for small landlords, BMR units, or ADUs.

4 Commissioner Templeton suggested the language be “to prevent abuse of power”.

5 Commissioner Lu was concerned having the fees entirely related to cost recovery would bind  
6 the City to charge a small fee because the program was neutral.

7 MOTION #2 AMENDMENTS DECLINED

8 Commissioner Hechtman answered with respect to unequal treatment, the change he  
9 suggested was specific to the provision that allowed the City Manager or designee  
10 authorization to ask for additional information. His suggestion was to require everyone to  
11 provide the same information.

12 Chair Summa suggested eliminating that provision.

13 Commissioner Hechtman believed the concept was to allow Staff to make small changes  
14 without having to go to City Council and his recommendation in the motion was to have a  
15 process for those small changes. With respect to cost recovery, he explained Staff clocks their  
16 time when they have to handle Code Enforcement issues and that cost is passed to the violator.  
17 With that said, he declined to accept the amendments.

18 Commissioner Lu wanted to see the language changed from “require” to “have Staff explore”  
19 forwarding a notice to renters.

20 Commissioner Hechtman explained he was following Vice-Chair Chang’s suggestion to explore a  
21 way to streamline Subpart D of 9.65.030. He asked if the motion was clear and sufficient for  
22 Staff.

23 Mr. Ah Sing confirmed Staff was comfortable with the motion.

24 Commissioner Reckdahl mentioned he had the same reaction as Commissioner Lu regarding  
25 cost recovery for the penalty. He believed Staff time would not be charged to the violator and  
26 asked if that provision was necessary to have in the motion.

27 Commissioner Hechtman answered the City would pass those costs to the violators.

28 Commissioner Templeton asked if that was the cap or was the City required to charge a violator  
29 the entire cost of the recovery.

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1 Commissioner Hechtman answered the proposal was a cap.

2 Chair Summa explained fees and penalties were different things. A fee was cost recovery and a  
3 penalty was set in a penalty schedule and there was a minimum for misdemeanors.

4 Commissioner Hechtman explained his motion indicates that the penalty is cost recovery for  
5 the cure of the violation.

6 Commissioner Templeton asked what was Commissioner Hechtman's intention to tie the  
7 penalty to cost recovery.

8 Commissioner Hechtman restated that the Staff Report indicated that the penalty would be  
9 cost recovery.

10 Commissioner Templeton mentioned that a public commenter stated that a penalty was  
11 required in order to receive a high level of compliance. It was not specified in the ordinance  
12 how that would be done, what the schedule would be and Commissioner Hechtman's  
13 suggestion was giving it a boundary. That was why she supported the motion as presented.

14 Commissioner Hechtman restated the boundary he was suggesting was outlined in the Staff  
15 Report.

16 Chair Summa invited Staff to provide some clarification on the issue.

17 Ms. French understood it was stated that way in the Staff Report to cover a \$25 fee for  
18 processing. The City had an Administrative Penalty Schedule that had flat rates and the City did  
19 not cost recovery Staff's time on a case-by-case basis.

20 Commissioner Hechtman asked what the fine was currently for violators not participating in the  
21 Registry.

22 Ms. Atkinson restated that the penalty fee had not been set by Council at this time. She  
23 mentioned that the software would have a mechanism that would automatically notify and set  
24 a fee for folks that do not register.

25 Commissioner Lu recommended giving Staff the flexibility to set an appropriate fee.

26 Commissioner Templeton remarked the financial matter was not before the Commission.

27 Chair Summa recalled Staff has the ability to not charge a penalty for the first violation across  
28 the penalty board. With that said, she did not want to see the penalty tied to the cost recovery  
29 concept and the fee.

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1 Commissioner Templeton agreed.

2 MOTION #2 AMENDED

3 Commissioner Hechtman removed the cost recovery limitation from 9.65.050 A from the  
4 motion.

5 Commissioner Templeton accepted the amendment.

6 Commissioner Hechtman agreed that setting a penalty fee was not PTC work, it was Council's  
7 work and that was stated in the ordinance.

8 VOTE

9 Ms. Dao conducted a roll call vote and announced the motion passed 7-0.

10 MOTION PASSED 7(Akin, Chang, Hechtman, Lu, Reckdahl, Summa, Templeton) -0

11 **Commission Action:** Motion by Templeton, seconded by Chang. Passed 7-0  
12 **Commission Action:** Motion by Hechtman, seconded by Templeton. Passed 7-0

13 **Approval of Minutes**  
14 Public Comment is Permitted. Five (5) minutes per speaker.<sup>1,3</sup>

15 4. Approval of Planning & Transportation Commission Draft Verbatim and Summary  
16 Minutes of April 26, 2023.

17 MOTION

18 Chair Summa moved to approve the draft verbatim and summary minutes of April 26, 2023.

19 SECOND

20 Commissioner Reckdahl seconded.

21 VOTE

22 Ms. Veronica Dao, Administrative Assistant, conducted a roll call vote and announced the  
23 motion passed 6-0-1.

24 MOTION PASSED 6(Akin, Chang, Lu, Reckdahl, Summa, Templeton) -0 -1(Hechtman abstain)

25 **Commission Action:** Motion by Summa, seconded by Reckdahl. Pass 6-0-1 (Hechtman abstain)

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1 **Committee Items**

2 None

3 **Commissioner Questions, Comments or Announcements**

4 Commission Templeton asked if the Commission would be taking a summer break. She  
5 mentioned the first week of August was the beginning of school and she would most likely be  
6 absent for the August 9, 2023 meeting.

7 Chair Summa was not in favor of the PTC taking a summer break but suggested a break should  
8 be coordinated with Staff.

9 Ms. Amy French, Chief Planning Official, was not opposed to targeting a specific date and so far  
10 there were no items scheduled for the August 9<sup>th</sup> meeting.

11 Commissioner Hechtman was comfortable taking a summer break and canceling the August 9<sup>th</sup>  
12 meeting.

13 Vice-Chair Chang reported City Council passed the Accessory Dwelling Unit (ADU) Ordinance  
14 with some modifications. They ruled to use the “where feasible” language with respect to the  
15 entryway location for ADUs relative to the entryway of the main dwelling unit. Council also  
16 ruled to send back to PTC the affordable ADU component of the ordinance. Lastly, the Council  
17 unanimously approved the Firearms Ordinance.

18 Chair Summa adjourned the meeting.

19 **Adjournment**

20 10:45 pm

21

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