



**City Council
Special Meeting
Monday, August 22, 2022
5:00 PM
Council Chamber & Virtual
AMENDED AGENDA**

Amended agenda items appear in red below

Pursuant to [AB 361](#) Palo Alto City Council meetings will be held as “hybrid” meetings with the option to attend by teleconference/video conference or in person. To maximize public safety while still maintaining transparency and public access, members of the public can choose to participate from home or attend in person. Information on how the public may observe and participate in the meeting is located at the end of the agenda. Masks are strongly encouraged if attending in person.

HOW TO PARTICIPATE

VIRTUAL PARTICIPATION

[CLICK HERE TO JOIN](https://cityofpaloalto.zoom.us/j/362027238) (<https://cityofpaloalto.zoom.us/j/362027238>)

Meeting ID: 362 027 238 Phone:1(669)900-6833

The meeting will be broadcast on Cable TV Channel 26, live on YouTube at <https://www.youtube.com/c/cityofpaloalto>, and streamed to Midpen Media Center at <https://midpenmedia.org>.

TIME ESTIMATES

Time estimates are provided as part of the Council's effort to manage its time at Council meetings. **Listed times are estimates only and are subject to change at any time, including while the meeting is in progress.** The Council reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting or to adapt to the participation of the public.

REVISED PUBLIC COMMENTS

Public Comments will be accepted both in person and via Zoom for up to three minutes or an amount of time determined by the Chair. All requests to speak will be taken until 5 minutes after the staff's presentation. Written public comments can be submitted in advance to city.council@cityofpaloalto.org and will be provided to the Council and available for inspection on the City's website. Please clearly indicate which agenda item you are referencing in your email subject line.

PowerPoints, videos, or other media to be presented during public comment are accepted only by email to city.clerk@cityofpaloalto.org at least 24 hours prior to the meeting. Once received, the City Clerk will have them shared at public comment for the specified item. To uphold strong cybersecurity management practices, USB's or other physical electronic storage devices are not accepted.

CALL TO ORDER

SPECIAL ORDER OF THE DAY

1. Interviews for the Human Relations Commission

AGENDA CHANGES, ADDITIONS AND DELETIONS

PUBLIC COMMENT

Members of the public may speak to any item NOT on the agenda. Council reserves the right to limit the duration of Oral Communications period to 30 minutes.

CONSENT CALENDAR

Items will be voted on in one motion unless removed from the calendar by three Council Members.

2. Review and Approve the Williamson Act Contract Renewals Within Palo Alto City Limits (2022)
3. 2515 El Camino Real: Ratify a BMR Regulatory Agreement Permitting Rental of Two Units at Below Market Rates and Approve and Authorize the City Manager to Execute and Record Amendment No. 1 to the Regulatory Agreement. Environmental Assessment: Exempt from CEQA Pursuant to Guidelines Section 15601(b)(3).
4. 1985 Louis Road (First Congregational Church of Palo Alto) [22PLN-00159]: Appeal of a Director's Decision Approving a Safe Parking Program Permit to Allow Overnight Parking of up to Four (4) Vehicles at the Subject Property. Environmental Assessment: Exempt. Zoning District: R-1 (Single-Family Residential).

AA1. Repeal of a Resolution Adopted on August 8, 2022 and Adoption of a Revised Resolution Establishing Advisory Spending Guidelines for Business Tax Proceeds

AA2. Approval of the City Position for the 2022 Cal Cities Annual Conference Resolution

CITY MANAGER COMMENTS

ACTION ITEMS

Include: Reports of Committees/Commissions, Ordinances and Resolutions, Public Hearings, Reports of Officials, Unfinished Business and Council Matters.

5. Consider a Recommendation to Review and Endorse the 2023-31 Draft Housing Element Goals, Policies and Programs and Updated Sites Suitability Inventory and Analysis; Provide Direction on Possible Land Use Policy Changes to Promote Housing in Certain General Manufacturing (GM) and Research, Office and Limited Manufacturing (ROLM) Districts; and, Receive an Update on the Housing Element Project Schedule.

[Public Letters](#)
[Presentation](#)

AA3. City Auditor Vacancy: Council Direction on Next Steps

COUNCIL MEMBER QUESTIONS, COMMENTS, ANNOUNCEMENTS

Members of the public may not speak to the item(s)

ADJOURNMENT

INFORMATION REPORTS

Information reports are provided for informational purposes only to the Council and the public but are not listed for action during this meeting's agenda.

6. Contracts Awarded by the City Manager and Chief Procurement Officer

OTHER INFORMATION

Standing Committee Meetings - None

[Public Comment Letters](#)

Schedule of Meetings

AMENDED AGENDA ITEMS

Items that have been added/modified from the original publication of the agenda are listed below. Any corresponding materials are appended to the end of the initial packet. If full items have been added to the Agenda, they will be denoted with a number starting with AA, meaning Amended Agenda item.

AA1. Repeal of a Resolution Adopted on August 8, 2022 and Adoption of a Revised Resolution Establishing Advisory Spending Guidelines for Business Tax Proceeds

AA2. Approval of the City Position for the 2022 Cal Cities Annual Conference Resolution

AA3. City Auditor Vacancy: Council Direction on Next Steps

PUBLIC COMMENT INSTRUCTIONS

Members of the Public may provide public comments to teleconference meetings via email, teleconference, or by phone.

- 1. Written public comments** may be submitted by email to city.council@cityofpaloalto.org.
- 2. Spoken public comments using a computer** will be accepted through the teleconference meeting. To address the Council, click on the link below to access a Zoom-based meeting. Please read the following instructions carefully.
 - A. You may download the Zoom client or connect to the meeting in-browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
 - B. You may be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
 - C. When you wish to speak on an Agenda Item, click on "raise hand." The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak.
 - D. When called, please limit your remarks to the time limit allotted.
 - E. A timer will be shown on the computer to help keep track of your comments.
- 3. Spoken public comments using a smart phone** will be accepted through the teleconference meeting. To address the Council, download the Zoom application onto your phone from the Apple App Store or Google Play Store and enter the Meeting ID below. Please follow the instructions B-E above.
- 4. Spoken public comments using a phone** use the telephone number listed below. When you wish to speak on an agenda item hit *9 on your phone so we know that you wish to speak. You will be asked to provide your first and last name before addressing the Council. You will be advised how long you have to speak. When called please limit your remarks to the agenda item and time limit allotted.

[CLICK HERE TO JOIN](#) **Meeting ID: 362 027 238 Phone:1(669)900-6833**



City of Palo Alto
Office of the City Clerk
City Council CAO Report

(ID # 14580)

Meeting Date: 8/22/2022

Report Type:

Title: Interviews for the Human Relations Commission

From: Lesley Milton, City Clerk

Recommendation

Conduct interviews with all applicants for the Human Relations Commission.

Discussion

Boards and Commissions are established as advisory bodies to the City Council, made up of community volunteers that provide essential feedback on matters of importance to the community. The City Clerk's office advertises and recruits for vacancies, the Council considers the applications, interviews desired candidates, and makes recommendations for appointment for the open positions.

Commissioner Patti Regehr resigned from the Human Relations Commission on May 31, 2022. As such, the current vacancy staff is requesting to be filled is:

- One (1) position on the Human Relations Commission, with term expiring March 31, 2023

A total of 6 applications have been submitted during the recruitment period. On Monday August 8, 2022 the City Council directed that all applicants be scheduled for interview and consideration. The interview schedule will be as follows:

Schedule of Interviews for August 22, 2022

Human Relations Commission		
5:00 PM	Donald Barr	In-person
5:10 PM	Katie Causey	Virtual
5:20 PM	Chitra Sharma	In-person
5:30 PM	Tracy Navichoque	In-person

5:40 PM	Sunita De Turreil	Virtual
5:50 PM	Kat Synder	In-person

Membership Requirements

Per PAMC [2.22.010](#), The Human Relations Commission requires each member of the commission to have Palo Alto residency.

Human Relations Commission: One position
Term ending March 31, 2023

- Palo Alto Residency

Public Outreach

Palo Alto Municipal Code 2.16.060 requires public notification regarding vacancies of the Commissions as follows, "The City Clerk shall exercise their discretion in choosing the method of advertisement that will most effectively reach potential candidates." Based on the September 14, 2021 Policy & Services Committee meeting report ([available here](#)) regarding Board and Commission Member demographics and community representation the City Clerk's office expanded recruitment efforts through additional means to "most effectively reach potential candidates".

The Human Relations Commission special recruitment invited applications from June 10, 2022 through July 27, 2022 through the new online application process. The vacancy was advertised through various methods in partnership with the Communications team. This included paid and digital print advertisements in the Daily Post and Palo Alto Weekly; via the City's website and social media channels; in physical locations of the Palo Alto Libraries and Community Centers; and distributed by e-mail and through the City subscription-based notification lists.

ATTACHMENTS:

- **Attachment1.a:** HRC - All Applications_Redacted (PDF)

Human Relations Commission Application

Submission date: **15 July 2022, 1:40PM**
Receipt number: **8**
Related form version: **3**

Personal Information

Name **Donald Barr**

Address

City

Postal Code

Cell Phone Number

Home Phone Number

Email Address

Are you a Palo Alto resident?

Yes

Do you have any relatives or members of your household who are employed by the City of Palo Alto, who are currently serving on the City Council, or who are Commissioners or Board Members?

No

Are you available and committed to complete the term applied for? **Yes**

Fair Political Practices**No**

California state law requires board/commission members to file a disclosure of financial interests ([Fair Political Practices Commission, Conflict of Interest, Form 700](#)).

Do you/your spouse have an investment in, or do you or your spouse serve as an officer or director of, a company doing business in Palo Alto which you believe is likely to:

1. Engage in business with the City;
2. Provide products or services for City projects; or
3. Be affected by decisions of this Board or Commission?

Excluding your principal residence, do you or your spouse own real property in Palo Alto?

No

How did you learn about the vacancy on the Human Relations Commission?

City Website

Consent to Publish Personal Information on the City of Palo Alto Website

Read the code, and check only ONE option below:

I give permission for the City of Palo Alto to post to the City's website the attached Board and Commission Application intact. I have read and understand my rights under Government Code Section 6254.21. I may revoke this permission at any time by providing written notice to the Palo Alto City Clerk.

Alternate Contact Information - Address

Alternate Contact Information - Phone Number

Alternate Contact Information - Email

Personal and Job Experience

Please list your relevant education, training, experience, certificates of training, licenses, and professional registration.

(621 characters max)

MD - University of California, San Francisco 1973
PhD - Sociology, Stanford University 1993
Licensed physician in California, 1974 - present
Faculty, Stanford University, 1993 - present, teaching
courses on U.S. Health Care Policy and on Racial and
Social Inequality in Health.

Employment Information

Company/Employer Name

Stanford University

Occupation

Professor of Pediatrics, and of Education (by
courtesy)

Is your Company/Employer your current one or last?

Current Employer

Please describe your involvement in community activities, volunteer and civic organizations, including dates and any offices held.

(1242 characters max)

For more than 2 decades I have been involved in developing affordable housing in Palo Alto and in providing services to the homeless. I founded the Community Working Group and led the non-profit organization in the development of the Opportunity Center in Palo Alto, which provides housing, social services, and medical care to the homeless. I also led the organization's effort in developing the affordable housing facility at 801 Alma in Palo Alto. I served on the Board of the organization for more than 10 years. I founded the nonprofit organization that is now the Peninsula Healthcare Connection (PHC), and currently serve as Board Secretary. PHC is a federally certified (lookalike) health clinic that provides medical services and social services support to the currently homeless and to the formerly homeless who have been placed in housing. For the past year I have also served on the Board of Directors of Avenidas, the senior services agency in Palo Alto. I have also worked for more than two decades at Stanford to reduce racial inequalities in access to medical school. With my support, a substantial number of former Stanford students from under-represented racial minorities have become successful health care professionals.

Application Questions

1. Why are you interested in serving on the Human Relations Commission and what experience would you bring to the position?

(1518 characters max)

The Palo Alto community is facing a number of challenges, some as a result of the pandemic and some unrelated to the pandemic. Seniors – those age 65 or older – are one of the groups most affected by these challenges. As a member of the Board of Directors of Avenidas, I have committed to addressing the personal and social needs of seniors in Palo Alto. Issues such as social isolation as a result of the pandemic and rising costs of housing have impacted the lives of a number of senior residents of Palo Alto. As a member of the HRC I would work both to learn about and to address these issues. As I have also been working for many years to support the homeless population in our community, I would also address the needs of this population as a Commissioner. As a member of the HRC I would build on my experience addressing the needs of seniors and of the homeless to work to understand and to support the needs of all members of our community, with a focus on the needs of socially and economically disadvantaged populations.

2. Please describe an issue that recently came before the Commission that is of particular interest to you and describe why you are interested in it.

(1449 characters max)

Archived video meetings are available from the [Midpen Media Center](#).

As part of the May 24 meeting, the HRC established a series of “ad hoc sub-committees” to address issues that are part of the 2022-23 HRC Work Plan. I note that the membership of the sub-committee on “Housing/Homelessness – Advocacy” was “TBD”, which I take to mean to be determined. As a Commissioner, I would hope to play a role in this important public health issue. Through my work in support of the homeless, I am aware that there are a number of groups in the population we consider homeless or at risk of becoming homeless. These include the recently housed, the unhoused who come to the Opportunity Center for services, and the unhoused who remain isolated and do not seek services. It is important to learn more about these populations through collaboration with both County agencies and community organizations that focus on the needs of these populations.

I also note that, in identifying the issues to be addressed by the HRC ad-hoc committees, the social and economic needs of the population of seniors in our community were not included. I would advocate to establish an ad-hoc committee to assess and address the needs of seniors. In this role I would work to collaborate with Avenidas in addressing this issue.

3. If you are appointed, what specific goals would you like to see the Human Relations Commission achieve, and how would you help in the process?

(1656 characters max)

As I have indicated in my response to the earlier questions, I would like the HRC to focus on understanding and supporting the needs of seniors and of the homeless. A key step in this process would be to gather data from other governmental agencies and from community groups on the social, economic, and health care needs of these groups. The Commission can then suggest to the City Council and the City government steps that might be taken to address these needs. As an additional goal, I would encourage the HRC to address the needs of another group in our community: workers in the retail and service sectors of our community. It would be important to learn about the typical wages and income of these workers, and where their income places these workers on the spectrum of housing affordability (e.g., moderate-income, low-income, very-low-income). As the City Council continues to consider options for expanding housing in our community, including the housing needs of workers will be essential. The HRC could play a central role in this process.

4. Human Relations Commission Members work with the documents listed below. If you have experience with any of these documents, please describe that experience. Experience with these documents is not required for selection.

(690 characters max)

I have no personal experience with any of these documents. As a member of HRC, I would read each of these documents to learn about the issues they address.

[Human Services Needs Assessment \(2020\)](#)

[Muni Code 9.72 – Mandatory Response Program](#)

[Community Services Element of the Comprehensive Plan \(2017\)](#)

If you'd like to provide any additional documents, please [Tall Tree-2006.pdf](#) upload below.

Please confirm that you have read the Boards and Commissions Handbook.

Yes

View the [Boards and Commissions Handbook](#).

Signature

Name of signatory: Donald A Barr

A handwritten signature in black ink that reads "Donald A Barr". The signature is written in a cursive style with a large initial 'D'.

[Link to signature](#)

Date Completed

07/15/2022

Select FILE --> PRINT to print this story.

News - Wednesday, February 1, 2006

Education, housing activists win 'Tall Tree' awards

Honors planned for Barbara Spreng, Donald Barr, Children's Health Council, Lockheed Martin Advanced Technology Center

by Jay Thorwaldson

School-leadership activist Barbara Spreng and advocate for the homeless Donald Barr, M.D., have been named 2006 recipients of the Tall Tree Award by the Palo Alto Chamber of Commerce.

The Children's Health Council has been cited as outstanding non-profit organization and the Palo Alto-based Lockheed Martin Advanced Technology Center as outstanding business, due to its support for community programs.

The awards will be presented Wednesday, April 5, at the 26th annual Tall Tree Awards dinner, this year at the Crowne Plaza Cabana hotel in Palo Alto.

Spreng will receive the award for "outstanding volunteer" for her years of work on behalf of Palo Alto schools, including key roles in raising funds, and for her community and education work generally.

The array of organizations for which she has worked include the Palo Alto Council of PTAs (PTAC), Palo Alto Foundation for Education, Adolescent Counseling Service - she served terms as board president of all three organizations. She also has been active with Palo Altans for Government Effectiveness, Leadership Midpeninsula, the Foundation for a College Education and others.

"Barbara personifies the meaning of 'outstanding volunteer,'" Mayor Judy Kleinberg said in a nomination letter. "She has unselfishly, and with little recognition, devoted her talents and time to a broad cross-section of organizations committed to improving the quality of life for children and families in Palo Alto."

Spreng also has worked as a child advocate for Kids in Common, a Silicon Valley children's advocacy organization, where she helped create an immunization program for underprivileged children in the region.

Nancy Shepherd, another former PTAC president, noted that "Few presidents have ever served during a parcel-tax campaign, let alone two in one year! Her service leadership style contributed directly (to) the development and final success of these campaigns."

Dr. Barr, named "outstanding professional," was founding president of the Community Working Group on Homeless Services beginning in 1998 after a flood shut down a small drop-in center. He spearheaded the creation of the Opportunity Center, now under construction on Encina Avenue between the Palo Alto Medical Foundation and Town & Country Village Shopping Center.

"Don's devotion to responding creatively, in this very tangible way, to the problem of homelessness in our community is unprecedented," the Rev. Jeffrey Vamos of the Community Working Group board - which nominated Dr. Barr - said of his leadership.

"Don has been the key factor in the creation of this \$24 million facility," which will be "a lasting legacy to our whole community," the Rev. Vamos said.

He noted that Dr. Barr has performed without pay the duties of a CEO in the complex, often challenging development of the center. "He has performed this service in addition to his duties as a professor of sociology at Stanford - where he has also received the Dinkelspiel Award for his outstanding work - and his work as a practicing physician at the Palo Alto Medical Foundation," he said.

The Children's Health Council, for just over a half century, has provided diagnostic, treatment and counseling services for children and families facing the challenges of learning disabilities and emotional and speech problems, ranging from autism to dyslexia, depression to hyperactivity disorders.

It also operates the Esther B. Clark School for young persons aged 7 to 17 who are unable to function in public or private school systems, typically transitioning them back into regular schools within a year or two. The school is named for the late Esther Clark, one of the first women pediatricians on the Peninsula and an early partner with the Palo Alto Medical Clinic. The CHC was initially founded to address needs of children stricken with polio, but evolved to include a range of complex medical problems and their side effects.

The Lockheed Martin Advanced Technology Center (ATC), in the Stanford Research Park, is comprised of more than 700 people engaged for the past half century in research and development for Lockheed Martin Space Systems.

The ATC community activities have included being a founding community leader in "Palo Alto Green," the city-wide effort to create a more sustainable environment through use of renewable energy. The company executed the first renewable power purchase nationally by a leading defense and aerospace contractor.

The firm has donated to scores of local and regional organizations, directly and through an employee-giving program. In the past year, it has contributed to Habitat for Humanity, Committee for Green Foothills, Community School for Music and Arts, Resource Area for Teachers, the Marine Science Center, Camp Anytown, Junior Achievement, Teach for America, the Arts Council of Silicon Valley and the California League of Conservation Voters - in addition to other programs.

Editor Jay Thorwaldson can be reached at jthorwaldson@paweekly.com.

Find this article at:

http://www.paloaltoonline.com/weekly/story.php?story_id=132

Human Relations Commission Application

Submission date: **14 June 2022, 10:54PM**

Receipt number: **4**

Related form version: **3**

Personal Information

Name **Katie Causey**

Address

City

Postal Code

Cell Phone Number

Home Phone Number

Email Address

Are you a Palo Alto resident?

Yes

Do you have any relatives or members of your household who are employed by the City of Palo Alto, who are currently serving on the City Council, or who are Commissioners or Board Members?

No

Are you available and committed to complete the term applied for? **Yes**

Fair Political Practices

No

California state law requires board/commission members to file a disclosure of financial interests ([Fair Political Practices Commission, Conflict of Interest, Form 700](#)).

Do you/your spouse have an investment in, or do you or your spouse serve as an officer or director of, a company doing business in Palo Alto which you believe is likely to:

- 1. Engage in business with the City;
- 2. Provide products or services for City projects; or
- 3. Be affected by decisions of this Board or Commission?

Excluding your principal residence, do you or your spouse own real property in Palo Alto?

No

How did you learn about the vacancy on the Human Relations Commission?

Email from the City

Consent to Publish Personal Information on the City of Palo Alto Website

Read the code, and check only ONE option below:

I request that the City of Palo Alto redact my home address, phone numbers, and email address from the attached Board and Commission Application prior to posting to the City’s website. I am providing the following alternate information and request that the following contact information below:

Alternate Contact Information - Address

Alternate Contact Information - Phone Number

Alternate Contact Information - Email

Personal and Job Experience

Please list your relevant education, training, experience, certificates of training, licenses, and professional registration.

(621 characters max)

I was born and raised in Palo Alto where I have lived my entire life I attended PAUSD for my entire K-12 education

I graduated from the George Washington University in 2017 with a Bachelor's in Women's Studies where my program primarily focused on looking at community issues and different approaches to resolve them (for example: addressing discrimination, harrassment, intersectional approaches resolving conflict between communitis with complex history between eachother, etc.).

Employment Information

Company/Employer Name

Palo Alto Forward

Occupation

Community Engagement Manager

Is your Company/Employer your current one or last?

Current Employer

Please describe your involvement in community activities, volunteer and civic organizations, including dates and any offices held.

(1242 characters max)

I've been a member of the American Association of University Women since 2017 and have been hired as community advocate for them to speak on issues such as addressing sexual harassment in schools.

In 2019 I assisted the Palo Alto Recreation Foundation with their fundraising and community outreach.

Since I was a teenager I have actively volunteered in Palo Alto and the Bay Area.

Between 2019 - 2020 I served on the Fund Development Council for the Junior League of San Francisco which supports a variety of programs in the Bay Area including those used in Palo Alto. I was also awarded by them for my volunteer work in the community and my leadership.

I've worked on a variety of local campaigns and in 2020 ran for PAUSD Board of Education.

From the end of 2021 until last month I worked as an Organizer for the Palo Alto Renters' Association primarily helping tenants in Palo Alto facing eviction during the pandemic.

I am currently a student completing the necessary coursework to become eligible for a Master's in Bioengineering.

Between 2018 - 2020 I served as Chair for the League of Women Voters Palo Alto Committee to End Gun Violence, I also supported their Climate Change Committee.

1. Why are you interested in serving on the Human Relations Commission and what experience would you bring to the position?

(1518 characters max)

I've been interested in serving on the Human Relations Commission the last several years, as I stated before my undergraduate degree was in Women's Studies and how my program worked was we would look at the history of different communities and identities, and each week we would get an example based on a real case of an issue in a community (mediating a conflict, discrimination, harassment, etc.) and we would discuss the different interest groups and perspectives involved, and how to solve the issue from both a lens of community action and also policy change. I've brought that perspective to a work with a variety of nonprofits in the area and I've heavily volunteered in the community since I was a teenager. The Human Relations Commission covers a very broad range of subjects I'm highly interested in. I also can say from running for office I know how to be open and seek feedback from a wide range of community members in Palo Alto. I'm also a young LGBT+ woman someone who grew up in this community and I currently balance multiple jobs and being a student, a huge reason I haven't applied to this commission sooner is a 4 year unpaid position is a big commitment, but this was the perfect timing of I know I can commit to the next 9 months.

2. Please describe an issue that recently came before the Commission that is of particular interest to you and describe why you are interested in it.

(1449 characters max)

Archived video meetings are available from the [Midpen Media Center](#).

As an Organizer at the Palo Alto Renters' Association I met with members of the Human Relations Commission to give feedback on the impact of renters protections in Palo Alto based on my last 6 months of working with tenants. While there's a very wide range of subjects the Human Relations Commission covers that I am interested in, housing is such a critical issue and evictions are happening now. As someone who grew up here working as an organizer, the impact of evictions are horrific they rip our community apart I've seen first hand what happens in Palo Alto when someone faces eviction whether their a single parent just trying to keep their kid in the local schools or they're elderly on social security and have lived in this community for decades.

3. If you are appointed, what specific goals would you like to see the Human Relations Commission achieve, and how would you help in the process?

(1656 characters max)

While this appointment is only for 8-9 months I would love to help the Human Relations Commission in any manner possible in furthering their work to support independent investigation of the hate crimes that have occurred the last several years, as their occurrence has been deeply unsettling. If this was 9 months where we had an unlimited amount of time and resources I would love to work to further support our LGBT+ youth in Palo Alto whether through a pride celebration or youth community resources.

4. Human Relations Commission Members work with **NA**
the documents listed below. If you have experience with
any of these documents, please describe that
experience. Experience with these documents is not
required for selection.

(690 characters max)

[Human Services Needs Assessment \(2020\)](#)

[Muni Code 9.72 – Mandatory Response Program](#)

[Community Services Element of the Comprehensive Plan \(2017\)](#)

If you'd like to provide any additional documents, please
upload below.

Please confirm that you have read the Boards and **Yes**
Commissions Handbook.

View the [Boards and Commissions Handbook](#).

Signature

Name of signatory: **Katie Causey**



[Link to signature](#)

Date Completed

06/14/2022

Human Relations Commission Application

Submission date: **13 June 2022, 8:57PM**

Receipt number: **3**

Related form version: **3**

Personal Information

Name **Sunita de Tourreil**

Address

City

Postal Code

Cell Phone Number

Home Phone Number

Email Address

Are you a Palo Alto resident?

Yes

Do you have any relatives or members of your household who are employed by the City of Palo Alto, who are currently serving on the City Council, or who are Commissioners or Board Members?

No

Are you available and committed to complete the term applied for? **Yes**

Fair Political Practices

No

California state law requires board/commission members to file a disclosure of financial interests ([Fair Political Practices Commission, Conflict of Interest, Form 700](#)).

Do you/your spouse have an investment in, or do you or your spouse serve as an officer or director of, a company doing business in Palo Alto which you believe is likely to:

- 1. Engage in business with the City;
- 2. Provide products or services for City projects; or
- 3. Be affected by decisions of this Board or Commission?

Excluding your principal residence, do you or your spouse own real property in Palo Alto?

No

How did you learn about the vacancy on the Human Relations Commission?

Email from the City

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Read the code, and check only ONE option below:

I request that the City of Palo Alto redact my home address, phone numbers, and email address from the attached Board and Commission Application prior to posting to the City’s website. I am providing the following alternate information and request that the following contact information below:

Alternate Contact Information - Address

City Hall HRC contact address (my home address should not be listed)

Alternate Contact Information - Phone Number

650-796-5287

Alternate Contact Information - Email

sunita@chocolatedividends.org

Personal and Job Experience

Please list your relevant education, training, experience, certificates of training, licenses, and professional registration.

(621 characters max)

I have a graduate degree in Science, worked in medical research for many years, became an entrepreneur and have my own business for nearly 20 years. I served on the HRC for a partial term, like the one I am applying for, I trained to be a Court Appointed Special Advocate in the early 2000s, for children in the foster system.

Employment Information

Company/Employer Name

Happy Chocolate Experiences, LLC

Occupation

entrepreneur

Is your Company/Employer your current one or last?

Current Employer

Please describe your involvement in community activities, volunteer and civic organizations, including dates and any offices held.

(1242 characters max)

**HRC Fall 2020-Spring 2021
Palo Alto Girls Softball Assistant and Head Coach**

Application Questions

1. Why are you interested in serving on the Human Relations Commission and what experience would you bring to the position?

(1518 characters max)

I served a partial term in 2020-2021, and I learned a lot about how the organization works, the kind of grant work we do, and how we can make sure all voices are heard. I am interested in serving again, because it is my main way to engage and do my civic duty, as I am not a citizen of this country (by choice) and yet I feel I owe my community my engagement, and it deserves alternate points of view that come from being raised in another country, with parents who were nationals of yet two other countries.

2. Please describe an issue that recently came before the Commission that is of particular interest to you and describe why you are interested in it.

(1449 characters max)

Archived video meetings are available from the [Midpen Media Center](#).

I remain interested in all issues relating to bringing compassion and kindness to all of our neighbors. An ongoing issue that remains on my radar, is to do with the unhoused, the cost of housing and ensuring that post-Covid we are able to enable folks who are struggling to be able to have the support needed to be able to keep finding more opportunity, not less.

3. If you are appointed, what specific goals would you like to see the Human Relations Commission achieve, and how would you help in the process?

(1656 characters max)

I believe that a national reckoning is necessary and underway, to rectify inequities and economic and racial injustices, and Palo Alto needs to do its part. It's leaders and our community have a responsibility to see where we have historically fallen short, and continue to fall short, and take an honest and humble look at how our systems (housing, policing, parks and recreation) are not serving all. We must be the innovative leader, showing how we take Silicon Valley principles and apply them to community problems. We are leaders at thinking outside of the box, and daring greatly. We can do this with more than tech, we can also lead the way in fostering a more inclusive and welcoming community that is a tight knit group of folks who are stronger together. We can show that inclusion leads to so much more than the sum of its parts. None of this needs to be a pure sacrifice, we can all grow and be better by being better together.

4. Human Relations Commission Members work with the documents listed below. If you have experience with any of these documents, please describe that experience. Experience with these documents is not required for selection.

(690 characters max)

I believe I worked with the Human Services Needs Assessment and some other guidelines used for doing the CBDG grants and helping with the granting of emergency funds.

[Human Services Needs Assessment \(2020\)](#)

[Muni Code 9.72 – Mandatory Response Program](#)

[Community Services Element of the Comprehensive Plan \(2017\)](#)

If you'd like to provide any additional documents, please upload below.

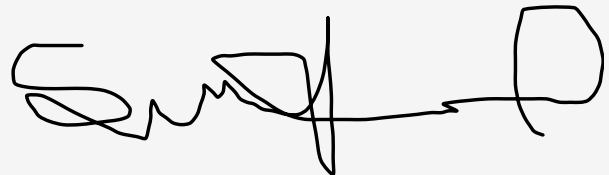
Please confirm that you have read the Boards and Commissions Handbook.

Yes

View the [Boards and Commissions Handbook](#).

Signature

Name of signatory: Sunita de Turreil



[Link to signature](#)

Date Completed

06/13/2022

Human Relations Commission Application

Submission date: **26 July 2022, 3:46PM**

Receipt number: **12**

Related form version: **3**

Personal Information

Name **Tracy Alejandra Navichoque**

Address

City

Postal Code

Cell Phone Number

Home Phone Number

Email Address

Are you a Palo Alto resident?

Yes

Do you have any relatives or members of your household who are employed by the City of Palo Alto, who are currently serving on the City Council, or who are Commissioners or Board Members?

No

Are you available and committed to complete the term applied for? **Yes**

Fair Political Practices

No

California state law requires board/commission members to file a disclosure of financial interests ([Fair Political Practices Commission, Conflict of Interest, Form 700](#)).

Do you/your spouse have an investment in, or do you or your spouse serve as an officer or director of, a company doing business in Palo Alto which you believe is likely to:

- 1. Engage in business with the City;
- 2. Provide products or services for City projects; or
- 3. Be affected by decisions of this Board or Commission?

Excluding your principal residence, do you or your spouse own real property in Palo Alto?

No

How did you learn about the vacancy on the Human Relations Commission?

City Website

Consent to Publish Personal Information on the City of Palo Alto Website

Read the code, and check only ONE option below:

I request that the City of Palo Alto redact my home address, phone numbers, and email address from the attached Board and Commission Application prior to posting to the City’s website. I am providing the following alternate information and request that the following contact information below:

Alternate Contact Information - Address

Alternate Contact Information - Phone Number

Alternate Contact Information - Email

Personal and Job Experience

Please list your relevant education, training, experience, certificates of training, licenses, and professional registration.

(621 characters max)

Bachelors Degree in History from Northwestern University

Master's Degree in Public Diplomacy from USC

Employment Information

Company/Employer Name

Stanford University

Occupation

Program Manager

Is your Company/Employer your current one or last?

Current Employer

Please describe your involvement in community activities, volunteer and civic organizations, including dates and any offices held.

(1242 characters max)

Volunteer at the Boys and Girls Club of the Peninsula

Application Questions

1. Why are you interested in serving on the Human Relations Commission and what experience would you bring to the position?

(1518 characters max)

Although I have only lived in Palo Alto since January of 2020, I am keen to serve and contribute to my community. As a first generation American who first learned to speak Spanish, I have constantly seeking ways to make equity a priority for all, especially when it comes to language and translation. My current work revolves around human rights and ensuring that our right to privacy and free expression are protected in digital spaces. I would like to contribute my fresh perspective and dedication equality. Most of my work in this space has been through volunteer positions but I would like to complement that work with discussions about policy. I am currently a program manager at Stanford and can bring organizational, management, and analyst skills to the commission. I have also lived and worked abroad (Turkey, Uruguay, and Guatemala) so I am willing seeking to integrate worldly perspectives. In the past, I served as an education manager for the Los Angeles World Affairs Council and also as an arts educators for several art museums, where I was tasked with focusing on integration and equity for all demographics and learning abilities.

2. Please describe an issue that recently came before the Commission that is of particular interest to you and describe why you are interested in it.

(1449 characters max)

I would like to work and learn about all topics but am keen on contributing to the reduction of hate speech in our communities. I am particularly interested in this topic because my employment explicitly deals with the nuances of freedom of speech and considers the negative impacts of hateful discriminatory speech and its adverse effects on communities. This topic was explicitly debated during the March 10, 2022 meeting.

I would also like to work on human rights specific projects.

Archived video meetings are available from the [Midpen Media Center](#).

3. If you are appointed, what specific goals would you like to see the Human Relations Commission achieve, and how would you help in the process?

(1656 characters max)

My goal is to ensure that all persons can participate equally. Moreover, I would like to contribute to the promotion of community awareness and understanding. The pandemic has isolates us greatly. As a relatively new community member, I would like to sponsor more neighbor initiatives so that we can interact with one another. My goal is to oil the wheels of conversation. When we speak to one another, we can put in place a better practice of listening! When we listen, we can better understand one another. I would also like to use the robust park system in Palo Alto as a medium through which we can apply some of the commission's laudable goals.

Secondly, I live next to two elderly neighbors. While I help day to day with groceries and some digital literacy, I would like to consider policies that could assist our aging neighbors at a city wide level.

4. Human Relations Commission Members work with the documents listed below. If you have experience with any of these documents, please describe that experience. Experience with these documents is not required for selection.

(690 characters max)

[Human Services Needs Assessment \(2020\)](#)

[Muni Code 9.72 – Mandatory Response Program](#)

[Community Services Element of the Comprehensive Plan \(2017\)](#)

None at the moment but willing and able to learn and engage.

If you'd like to provide any additional documents, please upload below.

Please confirm that you have read the Boards and Commissions Handbook.

Yes

View the [Boards and Commissions Handbook](#).

Signature

Name of signatory: Tracy Navichoque

A handwritten signature in black ink, appearing to read "Tracy Navichoque". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

[Link to signature](#)

Date Completed

07/26/2022

Human Relations Commission Application

Submission date: **17 June 2022, 5:43AM**
 Receipt number: **6**
 Related form version: **3**

Personal Information

Name	chitra sharma
Address	[REDACTED]
City	[REDACTED]
Postal Code	[REDACTED]
Cell Phone Number	[REDACTED]
Home Phone Number	
Email Address	[REDACTED]
Are you a Palo Alto resident?	Yes
Do you have any relatives or members of your household who are employed by the City of Palo Alto, who are currently serving on the City Council, or who are Commissioners or Board Members?	No
Are you available and committed to complete the term applied for?	Yes

Fair Political Practices

No

California state law requires board/commission members to file a disclosure of financial interests ([Fair Political Practices Commission, Conflict of Interest, Form 700](#)).

Do you/your spouse have an investment in, or do you or your spouse serve as an officer or director of, a company doing business in Palo Alto which you believe is likely to:

- 1. Engage in business with the City;
- 2. Provide products or services for City projects; or
- 3. Be affected by decisions of this Board or Commission?

Excluding your principal residence, do you or your spouse own real property in Palo Alto?

No

How did you learn about the vacancy on the Human Relations Commission?

City Website

Consent to Publish Personal Information on the City of Palo Alto Website

Read the code, and check only ONE option below:

I give permission for the City of Palo Alto to post to the City’s website the attached Board and Commission Application intact. I have read and understand my rights under Government Code Section 6254.21. I may revoke this permission at any time by providing written notice to the Palo Alto City Clerk.

Alternate Contact Information - Address

Alternate Contact Information - Phone Number

Alternate Contact Information - Email

Personal and Job Experience

Please list your relevant education, training, experience, certificates of training, licenses, and professional registration.

(621 characters max)

MS Pharmaceutical Sciences - worked in the Biotech industry for over 25 years and have a mindset to work towards better governance and compliance in public health for communities.

Have been part of the PTA at Duveneck and Palo Alto High School, and volunteered heavily in the school district for the last 11 years.

Am the block disaster coordinator and also helped neighbors widely during Covid, esp those with preexisting conditions and vulnerabilities.

Am actively engaged as a parent leader in the BSA Troop 57 Boy Scout troop in Palo Alto.

My life goal is to volunteer and give back to my neighbors and community.

Employment Information

Company/Employer Name

gCompliance, Inc.

Occupation

Scientist

Is your Company/Employer your current one or last?

Current Employer

Please describe your involvement in community activities, volunteer and civic organizations, including dates and any offices held.

(1242 characters max)

1989-1992 Built a audio book library with recorded books for the visually handicapped in Bombay, India
1992-1994 Raised funds for natural disasters such as floods and earthquakes in the world for the school of Internally affairs, UConn , CT

1995-1999 Served a non-profit to assist poor children gain scholarships.

2000-2004 Worked to raise money to serve Breast cancer

2013 Raised money and walked 39.2 miles for Breast cancer awareness.

2006-2017 Active volunteer in PAUSD schools, Duveneck PTA and PALY PTA-2022 Parent leader in BSA Boy Scouts of America Troop 57

Application Questions

1. Why are you interested in serving on the Human Relations Commission and what experience would you bring to the position?

(1518 characters max)

I want to work on actionable items on the city's community planning and help my community

2. Please describe an issue that recently came before the Commission that is of particular interest to you and describe why you are interested in it.

(1449 characters max)

Castelija school building issue

Archived video meetings are available from the [Midpen Media Center](#).

3. If you are appointed, what specific goals would you like to see the Human Relations Commission achieve, and how would you help in the process?

(1656 characters max)

I would like to streamline homelessness and see how best to svt

4. Human Relations Commission Members work with the documents listed below. If you have experience with any of these documents, please describe that experience. Experience with these documents is not required for selection.

(690 characters max)

I do not have any experience but would love to learn more.

[Human Services Needs Assessment \(2020\)](#)

[Muni Code 9.72 – Mandatory Response Program](#)

[Community Services Element of the Comprehensive Plan \(2017\)](#)

If you'd like to provide any additional documents, please upload below.

Please confirm that you have read the Boards and Commissions Handbook.

Yes

View the [Boards and Commissions Handbook](#).

Signature

Name of signatory: Chitra Sharma



[Link to signature](#)

Date Completed

06/17/2022

Human Relations Commission Application

Submission date: **26 July 2022, 3:45PM**

Receipt number: **13**

Related form version: **3**

Personal Information

Name **Kat Snyder**

Address

City

Postal Code

Cell Phone Number

Home Phone Number

Email Address

Are you a Palo Alto resident?

Yes

Do you have any relatives or members of your household who are employed by the City of Palo Alto, who are currently serving on the City Council, or who are Commissioners or Board Members?

No

Are you available and committed to complete the term applied for? **Yes**

Fair Political Practices

No

California state law requires board/commission members to file a disclosure of financial interests ([Fair Political Practices Commission, Conflict of Interest, Form 700](#)).

Do you/your spouse have an investment in, or do you or your spouse serve as an officer or director of, a company doing business in Palo Alto which you believe is likely to:

- 1. Engage in business with the City;
- 2. Provide products or services for City projects; or
- 3. Be affected by decisions of this Board or Commission?

Excluding your principal residence, do you or your spouse own real property in Palo Alto?

No

How did you learn about the vacancy on the Human Relations Commission?

Other: watching HRC and City Council meetings

Consent to Publish Personal Information on the City of Palo Alto Website

Read the code, and check only ONE option below:

I request that the City of Palo Alto redact my home address, phone numbers, and email address from the attached Board and Commission Application prior to posting to the City’s website. I am providing the following alternate information and request that the following contact information below:

Alternate Contact Information - Address

Alternate Contact Information - Phone Number

Alternate Contact Information - Email

katsnyderux@gmail.com

Personal and Job Experience

Please list your relevant education, training, experience, certificates of training, licenses, and professional registration.

(621 characters max)

User Experience Researcher/Designer, Catalina Labs, Palo Alto, CA, 2016-2017

User Experience Researcher, Go Live Labs, Sunnyvale, CA, 2016

M.A. Psychology, Cognition and Perception UT Austin, 2014 (PhD Coursework)

B.S. Symbolic Systems, Stanford University, 2006

Educated in PAUSD 1990-2002

Peace Ambassador Training (one evening, July 2020) via San Jose Peace and Justice Center. Learned de-escalation tactics useful for march and rally organizers.

Poll Monitor Training (one evening, before each volunteer day) via Asian Law Caucus - Northern California chapter

Employment Information

Company/Employer Name

Ashworth College, HVAC certification program

Occupation

student

Is your Company/Employer your current one or last?

Current Employer

Please describe your involvement in community activities, volunteer and civic organizations, including dates and any offices held.

(1242 characters max)

- **350 Palo Alto Steering Committee Member, March 2022-present. Helped organize the 2022 Earth Day event co-sponsored by the City of Palo Alto. Organized an upcoming demo of an induction cooktop powered by an electric vehicle at the Sept 25th Midtown Ice Cream Social.**
- **Palo Alto Against ICE, head of Ordinance Committee, 2019-2020. The primary goal was to research whether to and how to pass a city ordinance that prohibits the city from contracting with any companies that pass information to ICE. We also ran actions such as public comment campaigns against allowing Palantir to co-sponsor any city cultural events, and a protest rally in front of Palantir that got covered in Business Insider.**
- **Volunteer Poll Monitor - Asian Law Caucus - Northern California chapter. November 2020 general election, monitored 4 precincts in San Francisco. June 2022 primary election, monitored 4 precincts in Stanislaus County.**
- **Co-op Director, Laurel Housing Co-op, Austin, TX, 2008-2009 Ran a 60 person housing co-op as well as managing a team of house officers. Ran house elections and weekly house meetings.**
- **Board Member (and Finance Subcommittee Member), College Houses Board of Directors, Austin, TX, 2008-2009**

Application Questions

1. Why are you interested in serving on the Human Relations Commission and what experience would you bring to the position?

(1518 characters max)

This particular slot only runs through March and it leaves the Climate Emergency workplan item without any commissioners. I've attended the HRC meetings for the past 3 years, I've watched every S/CAP meeting, and I'm a steering committee member of 350 Palo Alto. I believe I'm well positioned to start work on the HRC and also to help head the Climate Emergency item.

Participating in city government meetings has taught me the scope of different committees/commissions and of the standard deliverables from one body to another. Getting from ideas to action involves understanding the city process and how different suggestions create different administrative burdens. I also learn some of the latest city work on electrification through my weekly 350 Palo Alto meetings, which gives me more context for the city's plans around the climate emergency and can help me make recommendations that are better scoped for the city.

My graduate psychology background helps me digest and summarize the latest research about racial trauma and effective healing interventions. We need to use every tool in our toolbox to help provide healing and create community resiliency as hate crimes only continue to increase.

My work in cognitive psychology, and user experience research and design, is especially pertinent when designing for communities with disabilities or other marginalized communities. I would also be well-equipped to read through that research and bring that knowledge to the table when designing new policies.

2. Please describe an issue that recently came before the Commission that is of particular interest to you and describe why you are interested in it.

(1449 characters max)

Archived video meetings are available from the [Midpen Media Center](#).

I have followed the national conversation around policing, racism, and criminal justice reform since Trayvon Martin was killed in 2012, but that was mostly educating myself on the latest academic research around the subject. After the death of George Floyd, I made a promise to myself to get actively involved in these issues at a city level because I can best make a difference at the local level. I followed the 8 Can't Wait conversations through the HRC, City Council and various other city forums at the time. I gave comment where I thought appropriate - around changes in police policy, around the first amendment right to protest, and around the press' role in police oversight. I even read through academic papers around police policy reform and pulled out an actionable suggestion, which the HRC's then Vice Chair Valerie Stinger forwarded to City Council.

Over time and with experience, I'm learning to hone my recommendations to better interface with city government and I have also gradually gotten a wider sense of the number of departments and bodies that could and should be considered stakeholders in these issues. I am committed to strengthening the city's process around improving police policy as informed by a wide variety of community, academic research, and criminal justice perspectives.

3. If you are appointed, what specific goals would you like to see the Human Relations Commission achieve, and how would you help in the process?

(1656 characters max)

Note: Because of the short timeframe, I would first ask the HRC to help me scope and prioritize the following ideas

Climate Change: develop a disability-inclusive plan for public safety power shutoffs, wildfires, and floods.

- Collect and summarize background research on what people across the spectrum of disability need from emergency services.**
- Interview a range of disability activists, disability organizations, people with disabilities, and caregivers**

(when applicable) on their emergency services needs and the barriers to meeting them.

- Seek out partnerships with governmental and non-governmental organizations that help provide emergency services to people with disabilities. Include any relevant stakeholders around our city's emergency services in this conversation.
- Start a conversation around whether any of the organizations from the previous bullet point should be invited to apply for HSRAP grants, including the Emerging Needs fund.

Hate Crimes:

- Flesh out trauma-informed interventions for victims of Hate Crimes
- Partner with a community group that holds bystander intervention trainings and create an advertising campaign to urge Palo Alto residents to complete the training

Police Reform:

- The HRC's review of 8 Can't Wait (as directed by City Council) was triggered by a national tragedy. Going forward, it makes sense to create objective criteria for triggering a review of police policy by the City Council - and/or by the HRC, when applicable. I would recommend that the HRC, in co-operation with relevant stakeholders, draft a set of criteria for City Council to review.

4. Human Relations Commission Members work with the documents listed below. If you have experience with any of these documents, please describe that experience. Experience with these documents is not required for selection.

(690 characters max)

I am familiar with the Human Services Needs Assessment document as that shows up during HRC meetings. I am not familiar with the other two, but feel confident I could use them to fulfill my duties.

[Human Services Needs Assessment \(2020\)](#)

[Muni Code 9.72 – Mandatory Response Program](#)

[Community Services Element of the Comprehensive Plan \(2017\)](#)

If you'd like to provide any additional documents, please upload below.

Please confirm that you have read the Boards and Commissions Handbook.

Yes

View the [Boards and Commissions Handbook](#).

Signature

Name of signatory: Katherine "Kat" Snyder



[Link to signature](#)

Date Completed

07/26/2022



City of Palo Alto

City Council Staff Report

(ID # 14413)

Report Type: Consent Calendar

Meeting Date: 8/22/2022

Summary Title: Williamson Act Contract Renewal (2022)

Title: Review and Approve the Williamson Act Contract Renewals Within Palo Alto City Limits (2022)

From: City Manager

Lead Department: Planning and Development Services

Recommendation:

Staff recommends that the City Council take the following actions:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15317; and
2. Approve the renewal of Williamson Act contracts listed in Attachment A.

Executive Summary:

The City of Palo Alto currently has 23 properties (350.05 acres of land) in contract under the Williamson Act. The proposed Council action would extend these 23 existing Williamson Act contracts between the City and landowners for another ten-year term starting January 1, 2023. The City did not receive any request for nonrenewal during this reporting cycle. Following Council action, the City will submit its annual report to the California Department of Conservation by October 31, 2022.

Background:

The California Land Conservation Act of 1965, commonly known as the Williamson Act, is a State program. The program discourages agricultural lands from being converted to urban uses, preserves open space, and promotes efficient urban growth patterns. Under the Williamson Act, private landowners can voluntarily restrict their land to agricultural and compatible open-space land uses under a minimum ten-year rolling term contract. These contracts are administered by the respective jurisdictions. In return, the State assesses the restricted parcels for property taxes at a rate consistent with their actual use or generated income, rather than

potential market value. The program provides property tax relief to owners of agricultural land who agree to limit the use of their property to agricultural or other approved compatible uses.

On July 24, 1974, the City adopted Ordinance No. 2663 to institute rules for both establishing and administering Williamson Act contracts for Palo Alto properties. The rules regarding the administration of established contracts limit the allowable uses of the property to what is described in the contract. The regulations also provide that the contract must remain in place when a property is sold, ensuring that the new owners are subject to the same use restrictions. The contracts are for a rolling ten-year term with a renewal date of January 1 each year, at which time one year is added to the contract term. The term would remain a total of ten years unless the City or property owner provides notice of non-renewal.

The California Department of Conservation's Williamson Act Program requires participating cities and counties to complete and submit applications for an Open Space Subvention Act¹ payment per Government Code section 16144. The code states:

"On or before October 31 each year, the governing body of each county, city, or city and county shall report to the Secretary of the Resources Agency the number of acres of land under its regulatory jurisdiction which qualifies for state payments pursuant to the various categories enumerated in Section 16142, together with supporting documentation as the secretary by regulation may require."

While the State no longer provides meaningful subvention payments² to local agencies, this reporting requirement remains in the law.

Every year, at least 80 days prior to the January 1 renewal date, the City Council reviews the contracts. Also, at that time, Council may initiate a notice of non-renewal for any contract or approve a notice of non-renewal submitted by a landowner. If the Council takes such action, then that contract does not renew on January 1 and terminates ten years later. Under certain conditions, the Council may also approve a landowner's request to cancel a contract. Should Council not approve a notice of non-renewal or cancellation, the contract automatically renews for the ten-year term each January 1.

¹ Working in conjunction with the Williamson Act, the Open-Space Subvention Act provides for the partial reimbursement of property tax revenue lost as a result of participation in the program to local governments. Cities and counties are eligible to receive \$5 per acre of prime agricultural land enrolled in the program and \$1 per acre of non-prime land.

² A subvention payment is paid to the local governments to offset loss of property tax revenue due to lower assessments for Williamson Act parcels. The amount of the state subvention to localities is based on the amount and type of land under contract. The Legislature suspended subvention payments in FY 2010-11 and has not reinstated them.

Discussion:

The Williamson Act Property Report for the calendar year 2022 (Attachment A) includes information on the 23 existing parcels in Palo Alto currently under contract, as well as parcels undergoing the process of non-renewal. Attachment A lists 2022 assessed land values, acreages, and the land class (prime and non-prime land) for these parcels. Attachment B is a map showing the locations of these individual parcels.

Properties Under Contract Renewal

The owners of all 23 properties are renewing their contracts with the City for another ten-year term, starting from January 1, 2023. Of the 23 contracts, the privately-operated Palo Alto Hills Golf and Country Club is not eligible for tax benefits. Although this golf course is a permitted use, only golf courses that are open to the public and charge minimal green fees are eligible for tax benefits.

A total of 350 acres of land are under Williamson Act contracts in the City. Approximately 42% of this land (147 acres) is defined as prime land with a Class I or Class II natural resource conservation service rating. Class I or II lands are considered to have the features to sustain long-term agricultural production. Private individuals own about 70% of the land under contract. Stanford University Board of Trustees owns another 27%, while the City of Palo Alto owns the remaining three percent. The [Williamson Act Status Report 2020-21](#)³, published by the California Department of Conservation in May 2022, provides a detailed report of all lands enrolled in the program throughout the state of California from January 1, 2020, through December 31, 2021.

Properties Under Contract Non-Renewal

There were no applications for Williamson Act contract non-renewal filed with the City between November 1, 2021, through August 1, 2022. At present, there are two parcels, previously approved for non-renewal by the Council (in 2014 and 2016), that are undergoing the ten-year non-renewal process for termination. The two parcels will reach the end of their remaining terms on December 31, 2024, and 2026 respectively (see Attachment A for parcel details).

Policy Implications:

³ https://www.conservation.ca.gov/dlrp/wa/Documents/stats_reports/2018%20WA%20Status%20Report.pdf

The recommended action implements Ordinance No. 2663 regarding the administration of the Williamson Act for Palo Alto properties. The Williamson Act program complies with the goals of the Natural Environment Element of the City's Comprehensive Plan 2030. The Natural Environment Element encourages the protection and conservation of Palo Alto's open space, natural resources, and ecosystems. Program N1.3.1 of Goal N-1 specifically supports the preservation of Palo Alto's Williamson Act agricultural preserves.

Resource Impacts:

The City does not receive any property tax revenue for those parcels enrolled in the Williamson Act program. The State of California bases property tax assessment for Williamson Act parcels on a rate consistent with the actual land use or generated income, rather than its potential market value. Because of this method of assessment, the City does not receive market value tax revenue for these properties. Based on data collected from the County Assessor's Office, the City would have received approximately \$16,216 in tax revenue if the parcels were not under Williamson Act contracts.

Historically, the City received approximately \$1,000 a year in subvention payments from the State to partially offset the foregone revenue. However, the State suspended funding for these payments in 2011. The Assembly Bill 1265 allowed participating cities and counties to recapture ten percent (10%) of the benefits; however, the implementation of this provision is generally only cost-effective for cities and counties that have significant acreage under contract.

Timeline:

This is an annual report due to the California Department of Conservation by October 31 of each year.

Stakeholder Engagement:

This is a required annual reporting to the Department of Conservation. The City does not typically perform public outreach or contact affected property owners unless changes are initiated by the property owners. This type of reporting does not require any additional public engagement.

Environmental Review:

The proposed project is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15317 (Open Space Contracts or Easements) of the CEQA Guidelines.

Attachments:

Attachment2.a: **Attachment A: List of Williamson Act Properties, 2022 (PDF)**
Attachment2.b: **Attachment B: Williamson Act Parcels Map, 2022 (PDF)**

List of Parcels under Williamson Act Contract to Renew on January 1, 2023

Number	APN	Street Name	Full Address	Owner Name	Williamson Act Land Ownership	Zoning	Acreage after Deducting Homesite Exclusion	Homesite Exclusion	Land Class	Contract Start Date	Contract Status	Assessed Land Value 2021 ¹ <small>(Assessed Information as of 6/30/2021)</small>	Assessed Land Value 2022 ¹ <small>(Assessed Information as of 6/30/2022)</small>
1	120-31-001 ²	El Camino Real	103 El Camino Real	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	PF	0.72	No acreage deducted	Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$12,988	\$12,988
2	120-31-009 ²	El Camino Real	103 El Camino Real	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	PF	10.00	No acreage deducted	Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$180,705	\$180,705
3	142-16-052	Coyote Hill Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	36.02	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$17,421	\$17,421
4	142-16-057	Coyote Hill Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	15.33	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$9,605	\$9,605
5	142-16-064	Deer Creek Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	4.04	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$2,964	\$2,964
6	142-16-065	Deer Creek Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	16.70	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$10,411	\$10,411
7	142-16-069	Coyote Hill Road	No Street Number	Leland Stanford Jr., Univ. Board of Trustees	Stanford University Land	AC (D)	12.48	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$7,929	\$7,929
8	182-33-014 ³	Arastradero Rd	1525 Arastradero Rd	City of Palo Alto	City of Palo Alto Land	PF	11.42	No acreage deducted	Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$0	\$0
9	182-35-008	Alexis Dr	Alexis Dr	Palo Alto Hills Golf and Country Club, Inc.	Private Ownership	OS	5.52	No acreage deducted	Prime	5/1/1973	Unchanged; contract will continue for at least another 10 years.	\$56,600	\$57,732
10	182-35-035	Alexis Dr	3000 Alexis Dr	Palo Alto Hills Golf and Country Club, Inc.	Private Ownership	OS	119.92	No acreage deducted	Prime	5/1/1973	Unchanged; contract will continue for at least another 10 years.	\$1,559,988	\$1,591,187
11	351-05-024	Page Mill Rd	3845 Page Mill Rd	Judith A. Block Trustee	Private Ownership	OS	7.72	One acre deducted for homesite	Non Prime	2/16/1976	Unchanged; contract will continue for at least another 10 years.	\$57,145	\$58,277
12	351-05-042	Page Mill Rd	3837 Page Mill Rd	David P. and Cynthia Lautzenheiser Trustee	Private Ownership	OS	9.00	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$434,050	\$442,718

Number	APN	Street Name	Full Address	Owner Name	Williamson Act Land Ownership	Zoning	Acreage after Deducting Homesite Exclusion	Homesite Exclusion	Land Class	Contract Start Date	Contract Status	Assessed Land Value 2021 ¹ <small>(Assessed Information as of 6/30/2021)</small>	Assessed Land Value 2022 ¹ <small>(Assessed Information as of 6/30/2022)</small>
13	351-05-043	Page Mill Rd	No Street Number	Richard D. Guhse Trustee	Private Ownership	OS	19.01	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$1,411	\$1,411
14	351-05-044	Page Mill Rd	3905 Page Mill Rd	Michael R. Lowry	Private Ownership	OS	5.43	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$198,854	\$202,831
15	351-05-045	Page Mill Rd	3895 Page Mill Rd	Marc and Lesley Wilkinson	Private Ownership	OS	9.00	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$1,137,647	\$1,160,399
16	351-05-046	Page Mill Rd	3885 Page Mill Rd	William W. and Sharon T. Luciw Trustee	Private Ownership	OS	7.45	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$1,136,471	\$1,159,190
17	351-05-047	Page Mill Rd	3875 Page Mill Rd	Richard D. Kniss Trustee & Et Al	Private Ownership	OS	10.00	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$705	\$705
18	351-05-048	Page Mill Rd	3865 Page Mill Rd	Grace Carland Trustee	Private Ownership	OS	9.00	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$39,306	\$40,079
19	351-05-049	Page Mill Rd	3855 Page Mill Rd	Patrick K. Suppes	Private Ownership	OS	10.00	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$566,399	\$577,726
20	351-12-062	Skyline Blvd	5061 Skyline Blvd	Rogers Noah	Private Ownership	OS	10.39	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$223,058	\$227,503
21	351-12-063	Skyline Blvd	5065 Skyline Blvd	Robert Schulte Trustee Et al	Private Ownership	OS	11.35	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$523,314	\$533,780
22	351-12-066	Skyline Blvd	2287 Skyline Blvd	Robert Schulte Trustee Et al	Private Ownership	OS	-0.76	No acreage deducted	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$30	\$30
23	351-25-015	Page Mill Rd	4201 Page Mill Rd	Bruce A Leak	Private Ownership	OS	10.31	One acre deducted for homesite	Non Prime	Unknown	Unchanged; contract will continue for at least another 10 years.	\$1,740,820	\$1,775,580
List of Parcels undergoing Non-Renewal Process													
24	351-12-006	Skyline Blvd	1405 Skyline Blvd	Midpeninsula Regional Open Space District	Midpeninsula Regional Open Space District	OS	138.59		Non Prime	2/26/1973	Contract Terminates 12/31/24	\$0	\$0

Number	APN	Street Name	Full Address	Owner Name	Williamson Act Land Ownership	Zoning	Acreage after Deducting Homesite Exclusion	Homesite Exclusion	Land Class	Contract Start Date	Contract Status	Assessed Land Value 2021 ¹ <small>(Assessed Information as of 6/30/2021)</small>	Assessed Land Value 2022 ¹ <small>(Assessed Information as of 6/30/2022)</small>
25	351-05-050	Page Mill Rd	3849 Page Mill Rd	Jeffrey A. and Mary L. Thomas	Private Ownership	OS	10		Non Prime	2/7/1977	Contract Terminates 12/31/26	\$1,608,303	\$1,606,500

Source: City of Palo Alto, Williamson Act Parcel Database 2022.

Note¹ Santa Clara County Assessors Office, Website:<https://www.sccassessor.org/online-services/property-search/real-property>

Note² The City of Palo Alto leases this land for public use; however, it is privately owned.

Note³ Value not assessed because land is owned by public agency.



City of Palo Alto City Council Staff Report

(ID # 14663)

Meeting Date: 8/22/2022

Report Type: Consent Calendar

Title: 2515 El Camino Real: Ratify a BMR Regulatory Agreement Permitting Rental of Two Units at Below Market Rates and Approve and Authorize the City Manager to Execute and Record Amendment No. 1 to the Regulatory Agreement. Environmental Assessment: Exempt from CEQA Pursuant to Guidelines Section 15601(b)(3).

From: City Manager

Lead Department: Planning and Development Services

Staff Recommendation

Staff recommends that the City Council:

1. Ratify a Below Market Rate (BMR) Regulatory Agreement (Attachment A) executed in 2019, which permits the property owner to rent, rather than sell, two units at affordable rates, so long as all units on the property are offered for rent.
2. Approve and authorize the City Manager to execute and record Amendment No. 1 (Attachment B) to the BMR Regulatory Agreement, which would align rental rates with City policy.

Background

On May 23, 2016, the City Council approved¹ an application to redevelop the former Olive Garden site at 2515-2585 El Camino Real. On June 25, 2018, the City Council approved² a vesting tentative map for condominium purposes for the site, allowing up to 13 residential and 13 commercial retail condominiums. At the time, the property owner explained to staff that they did not have any present intention to file a condominium plan with the state and sell the units separately. Although a subdivision map provides an option to do so in the future, the property owner's intention was to maintain sole ownership of the property and offer the units for rent.

Because the units could be offered for sale, the property was subject to the City's 15% inclusionary housing ordinance and was required to provide 1.95 (13 x .15) units on-site at below market rates (BMR). Although the City's ordinance allows a property owner to provide

¹ <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/00-archive/2016/05-23-16-approved-action-minutes.pdf>

² <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/00-archive/2018/06-25-18-action-minutes.pdf>

just one unit in such circumstances (with in-lieu fees paid for the 0.95 fractional unit), the property owner in this case agreed to provide 2 units on site. Palo Alto Municipal Code Chapter 16.65 allows the provision of affordable rental units as an alternative means of compliance to offering affordable units for sale. In addition, Ordinance No. 5409³ set forth City policy regarding the number units and level of affordability required for a rental alternative. Under the code, a rental alternative must be approved by the City Council and requires a showing that it would be infeasible to provide the units for sale.

Given the property owner's stated intention to offer the units for rent, staff prepared a BMR Regulatory Agreement that required that the two BMR units be offered at affordable rents. In addition, consistent with City policy, the Regulatory Agreement requires if any unit on the property was ever sold, the two BMR units would need to be offered for sale as well, also at affordable sales prices. The BMR Regulatory Agreement was executed in 2019 and recorded with the County as document no. 24092602.

The project has been constructed and is now ready to be offered for rent. As staff was preparing to coordinate the addition of the rental units at below market rates, staff discovered that the rental alternative was never presented to the City Council for approval. In addition, staff found that the rental rates were not clearly specified.

Discussion

Given the history of this property and the fact that the property owner constructed the project with the understanding that it could be operated as a rental property, staff recommends that the City Council ratify the 2019 BMR Regulatory Agreement authorizing the rental alternative to for-sale BMR units. Also, understanding that it would be a rental property, the property owner has represented that they have not prepared the necessary documents to file a condominium plan with the state and create a homeowner's association, which would be necessary to offer any of the units for sale. And that process would reportedly take about a year to complete. In these circumstances, staff believe it would create substantial hardship to require sale of the BMR units, without generating significant benefit for the City.

Staff also recommends that the City Council approve and authorize the City Manager to execute and record Amendment No. 1 to the Regulatory Agreement, which clarifies the BMR rental rates and creates a right of first refusal for existing tenants in the event the BMR units are offered for sale.

As noted above, in the event the property owner does create condominium units and offer a unit for sale, they must also offer the BMR units for sale at an affordable price. Pursuant to the City's inclusionary ordinance, this means sales prices affordable to households earning 100% and 120% of the Area Median Income (AMI). By contrast, while the units are offered for rent, Amendment No. 1 clarifies that they must be priced at a rate affordable to households earning

³ <https://www.cityofpaloalto.org/files/assets/public/city-clerk/ordinances/ord-5409.pdf>

70% of the AMI. In other words, in exchange for the ability to offer BMR units for rent rather than for sale, the property owner must provide a deeper level of affordability.

Policy Implications

Staff believe this recommendation is consistent with existing City policy, as expressed in PAMC Chapter 16.65 and Ordinance No. 5409. In addition, the right of first refusal provided through Amendment No. 1 is consistent with the City's anti-displacement goals.

Resource Impact

None.

Environmental Assessment

The staff recommendation is exempt from review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3) because it can be seen with certainty that there is no possibility that the proposed activity will have a significant impact on the environment.

Attachments:

- **Attachment3.a:** Attachment A - County Copy Regulatory Agreement and Declaration of Restrictive Covenants regarding BMR Units 2515-2585 El Camino Real
- **Attachment3.b:** Attachment B - Amendment No. 1 to Regulatory Agreement and Declaration of Restrictive Covenants regarding BMR Units 2515-2585 El Camino Real

****This document was electronically submitted to Santa Clara County for recording****

24092606

Regina Alcomendras
Santa Clara County - Clerk-Recorder
01/04/2019 01:49 PM

Titles: 2 Pages: 71

Fees: \$0.00

Tax: \$0.00

Total: \$0.00

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Palo Alto
Office of the City Attorney
250 Hamilton Avenue, 8th Floor
Palo Alto, CA 94301

No fee for recording pursuant to
Government Code Section 27383

**REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE
COVENANTS REGARDING BELOW-MARKET-RATE UNITS**

2515-2585 El Camino Real

A.P.N. Nos.: 124-33-066 and 124-33-067

This Regulatory Agreement and Declaration of Restrictive Covenants Regarding Below-Market-Rate Units (the "Agreement") is made and entered into as of 18th. OCTOBER 2018 by and between the City of Palo Alto, a charter city and municipal corporation (the "City") and Palo Alto Properties Investment, LLC, a California limited liability company (the "Developer").

RECITALS

A. Defined terms used but not defined in these recitals are as defined in Article 1 of this Agreement.

B. On May 23, 2016, the City Council approved Developer's application for Site and Design Review and on June 25, 2018, the City Council approved Developer's application for a Vesting Tentative Map for construction of 13 for-sale condominium housing units and up to 13 commercial condominium units (the "Development") on that certain property in the City, generally known and described as 2515-2585 El Camino Real, Palo Alto, California (the "Property") and more particularly described in Exhibit A¹ attached to this Agreement and incorporated by reference.

C. The Development is subject to the City's Below-Market-Rate ("BMR") requirements as contained in Program H.3.1.2 of the 2015-2023 Housing Element (the "Housing Element") and Palo Alto Municipal Code ("PAMC") Chapter 16.65 that new for-sale housing development include at least fifteen percent (15%) BMR dwelling units.

D. To satisfy the requirements of Housing Element Program H.3.1.2, the Developer shall construct and sell two (2) dwelling units at an initial sales price affordable to a household

¹ The parties will record an amendment to this agreement updating Exhibits A and B following recordation of a final map and finalization of the condominium plan for the Development.

making 80 to 100 percent of the Santa Clara County median income (the "Low Income Units"). The Low Income Units shall collectively be referred to as the "BMR Units".

E. The Developer is required to sell the BMR Units to buyers from Eligible Households (the "Initial Buyers") and the execute certain documents with each Initial Buyer that will restrict the sales price to maintain the affordability of the BMR Units for a period of ninety-nine (99) years.

F. Developer acknowledges and agrees that the in connection with its approval of the Development, the City provided adequate and proper notice pursuant to Government Code Section 66020 of Developer's right to protest any requirements for fees, dedications, reservations, and other exactions as may be included in this Agreement, that no protest in compliance with Section 66020 was made within ninety (90) days of the date that notice was given, and that the period has expired in which Developer may protest any and all fees, dedications, reservations, and other exactions as may be included in this Agreement.

G. In order to ensure that the entire Development will be used and operated in accordance with these conditions and restrictions, the City and Developer wish to enter into this Agreement.

THEREFORE, the City and Developer agree and acknowledge that the above recitals are true and accurate, and are incorporated into this Agreement by this reference, and they hereby agree as follows.

ARTICLE 1 DEFINITIONS

1.1 Definitions

When used in this Agreement, the following terms have the respective meanings assigned to them in this Article 1.

(a) "Affordable Rent" is the maximum allowable Rent for a BMR Unit that is leased by Developer prior to its sale and is equal to one-twelfth (1/12th) of thirty percent (30%) of Area Median Income for Santa Clara County, adjusted for assumed household size of one person in a studio BMR Unit, two persons in a one-bedroom BMR Unit, three persons in a two-bedroom BMR Unit, and one additional person for every additional bedroom thereafter.

(b) "Affordable Sales Price" means the maximum allowable sales price for a BMR Unit in effect at the time of its sale by the Developer to an Eligible Household.

(c) "Agreement" means this Regulatory Agreement and Declaration of Restrictive Covenants Regarding Below-Market-Rate Units.

(d) "BMR" means below-market-rate.

- (e) "BMR Units" is defined in Recital D.
- (f) "City" means the City of Palo Alto.
- (g) "City Deed of Trust" means a Deed of Trust and Security Agreement securing performance under the Resale Restriction and City Note in a form substantially similar to that shown in Exhibit F.
- (h) "City Note" means a Promissory Note in favor of the City in a form substantially similar to that shown in Exhibit E.
- (i) "Developer" means Palo Alto Properties Investment, LLC, and its authorized representatives, assigns, transferees, or successors-in-interest thereto.
- (j) "Development" is defined in Recital B.
- (k) "Director" means the Planning and Community Environment Director for the City or the corresponding successor position.
- (l) "Eligible Household" means a household which has been determined by the City or its designee to be eligible to purchase a BMR Unit as a Low Income Household, in compliance with the Housing Element and this Agreement.
- (m) "Indemnitees" is defined in section 6.3.
- (n) "Initial Buyers" is defined in Recital E.
- (o) "Housing Element" means the City's 2015-2023 Housing Element, which is Chapter 4 of its Comprehensive Plan.
- (p) "Low Income Household" means a household whose income does not exceed the one hundred percent (100%) of the Santa Clara County median income.
- (q) "Low Income Units" means the BMR Units that are required to be initially sold to Low Income Households.
- (r) "Market Rate Units" are dwelling units in the Development that are not BMR Units.
- (s) "Property" means the real property described in Exhibit A attached hereto and incorporated herein.
- (t) "Rent" is the total of monthly payments by the Tenant of a BMR Unit for all of the following: (1) use and occupancy of the BMR Unit and land and all facilities associated with the BMR Unit, including but not limited to parking, bicycle storage, storage lockers, and use of all common areas; (2) any separately charged fees or service charges assessed by the

Developer which are required of all tenants of Units in the Project, except security deposits; (3) an allowance for utilities paid by the Tenant as established by the Santa Clara County Housing Authority, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuel, but not telephone service or cable TV; and (4) any other interest, taxes, fees or charges for use of the land or associated facilities that are assessed by a public or private entity other than the Developer and paid by the Tenant.

(u) "Tenant" is a household occupying a BMR Unit pursuant to a valid lease or rental agreement with the Developer.

(v) "Resale Restriction" means an Occupancy, Resale, and Refinancing Restriction Agreement, with Option to Purchase at Restricted Price in a form substantially similar to that shown in Exhibit D.

(w) "Term" means the term of this Agreement, which commences on the date of this Agreement and continues until the earlier to occur of (i) ninety-nine (99) years from the date of this Agreement, or (ii) the sale of 100% of the BMR Units to Initial Buyers from Eligible Households in compliance with the terms of this Agreement.

1.2 Exhibits. The following exhibits are attached to and incorporated into this Agreement:

- Exhibit A Legal Description.
- Exhibit B BMR Location and Production Schedule.
- Exhibit C Affordable Sales Price and Affordable Rent.
- Exhibit D Form of Resale Restriction.
- Exhibit E Form of City Note.
- Exhibit F Form of City Deed of Trust.

ARTICLE 2 CONSTRUCTION OF DEVELOPMENT AND BMR UNITS

2.1 Construction of BMR Units. The Developer shall construct and sell the BMR Units, consisting of two (2) Low Income Units in the approximate location shown and described on Exhibit B at an Affordable Sales Price. If, after recordation of this Agreement and the Amendment described in footnote one, above, the Developer proposes to change the location of any BMR Unit within the Development, the Developer shall submit a written request for such change to the Director, who shall have sole discretion to approve or deny such request.

2.2 Construction Timing. The BMR Units shall be constructed in proportion to construction of the Market Rate Units. No certificates of occupancy or final inspections shall be issued for any Market Rate Unit unless a proportional number (generally one certificate of

occupancy for a BMR Unit for each six Market-Rate Units issued certificates of occupancy) of certificates of occupancy or final inspections have been issued for BMR Units. If, after recordation of this Agreement, the Developer proposes to change the BMR Unit production schedule, the Developer shall submit a written request for such change to the Director, who shall have sole discretion to approve or deny such request.

2.3 Design and Appearance of BMR Units. The design, bedroom count, appearance, and general quality of the BMR Units shall be compatible with those of the Development as a whole.

ARTICLE 3 SALE OF BMR UNITS

3.1 Sale by Developer to Eligible Households.

(a) Developer shall sell the BMR Units to Eligible Households at prices not in excess of the then-current Affordable Sales Prices provided by the City. The Affordable Sales Price shall be the absolute maximum price that the Developer or any other seller may receive as compensation for the sale of a BMR Unit. The Developer or other seller may not charge or receive any additional amount for a BMR Unit regardless of whether the additional amount is (a) for options, upgrades or additional improvements to the BMR Unit, (b) paid through escrow or outside of escrow, (c) paid prior to, after or as part of the purchase escrow or (d) paid in cash or in kind, unless a reasonable accommodation is approved by the City for buyers requiring options or accommodations related to a disability, in which any additional cost shall be paid through escrow with prior written approval by City.

(b) The Developer shall actively market the BMR Units, openly and in the same general manner as the Market-Rate Units, allow prospective buyers to view the BMR Units, model units or floor plans, disclosure documents, and any other relevant sales materials, as may be available. Developer's sales agents shall provide the same general quality of customer service to the BMR Unit buyers as provided to market-rate buyers, shall display information about the availability of the BMR Units in a readily noticeable manner in the sales office and/or Project sales website, and shall disclose the BMR Unit restrictions to any prospective buyers in a timely manner. Selected applicants shall be responsible for obtaining their own financing for the BMR Units. Developer shall comply with applicable fair housing laws in the marketing and sale of the BMR Units. Purchase contracts between Developer and Eligible Households shall include requirements that buyers execute documents for the benefit of the City as described in Section 3.3 below.

(c) The City or its designee shall verify an Initial Buyer's eligibility pursuant to this Agreement before Developer may accept the Initial Buyer's offer to purchase a BMR Unit. Developer agrees to pay a transaction fee in compliance with the City's then-applicable Master Fee Schedule, per sale of each BMR Unit, or any such fee for the reasonable cost of administering this Agreement as may be adopted by resolution of the City Council.

(d) Eligible Households shall submit purchase offers directly to Developer, and Developer shall accept offers to purchase in the order received, provided that such offers

include a letter from the City certifying buyer's eligibility, a valid check for the required good faith deposit, and a preliminary first mortgage loan approval. Developer shall conduct any additional screening of applicants deemed necessary and not in violation of fair housing laws.

(e) The Developer shall be independently responsible to make good faith efforts to market and sell the BMR Units in compliance with this Agreement, and shall cooperate with City in good faith in the effort to sell the BMR Units to Eligible Households in a timely manner.

(f) Once Developer has accepted an offer from an Eligible Household or existing Tenant of a BMR Unit, Developer shall allow at least ninety (90) days from the date escrow has been opened for escrow to close, whether to the original Eligible Household or to a subsequent City-approved Eligible Household. If an Eligible Household fails to close escrow within the applicable ninety (90)-day period, Developer shall notify City of any intent to dissolve escrow at least ten (10) business days prior to dissolution. In the event of a dissolution, Developer shall resume marketing the BMR Unit until it accepts an offer from a second Eligible Household. Developer shall allow at least ninety (90) days from the date the second escrow has been opened for escrow to close. If a second Eligible Household fails to close escrow within the applicable ninety (90)-day period, Developer shall notify City of any intent to dissolve escrow at least ten (10) business days prior to dissolution. In the event of a second dissolution, Developer may sell the BMR Unit at its fair market value and pay to the City an amount equal to the difference between the actual contract sale price of the BMR Unit and the Affordable Sales Price.

(g) If Developer has not received any purchase offer from an Eligible Household for a BMR Unit within one hundred eighty (180) days after the BMR Unit has been offered for sale, the Developer shall provide a one hundred eighty (180) days' notice to the City and shall satisfy any further conditions that may be reasonably required by the City, including but not limited to, further efforts to find an Eligible Household and/or additional marketing by the Developer to attract an offer to purchase from an Eligible Household. If escrow has not closed on the BMR Unit sale within an additional sixty (60) days from date of Developer's acceptance of such offer under this Section, Developer may sell the BMR Unit at its fair market value and pay to the City an amount equal to the difference between the actual contract sale price and the Affordable Sales Price.

(h) If a BMR Unit is sold at fair market value as specified in subparagraphs (f) or (g) above, such BMR Unit shall not be subject to any requirements of this Agreement following City's receipt of applicable payment. Upon receipt of such payment, City shall provide Developer with a recordable document releasing the BMR Unit from this Agreement.

3.2 Affordable Sales Prices. The BMR Units shall be sold to Eligible Households at sales prices that do not exceed Affordable Sales Prices established by the City. Affordable Sales Prices for the BMR Units in effect on the date of this Agreement (and subject to change annually thereafter) are shown in Exhibit C attached hereto and incorporated herein. Developer acknowledges and agrees that Affordable Sales Prices are determined based on current income

levels in Santa Clara County, changes to which are published annually by the State of California, Department of Housing and Community Development.

3.3 Homebuyer Documents and Security Instruments. Prior to the sale of each BMR Unit, the Developer shall ensure that:

(a) The Initial Buyer and the City execute the Resale Restriction, which shall be recorded against the BMR Unit at close of escrow on the sale to the Initial Buyer. The Resale Restriction shall be recorded immediately following the grant deed to the Initial Buyer, unless otherwise approved in writing by the City.

(b) The Initial Buyer signs the City Note that obligates the Initial Buyer to pay the City any excess sales proceeds or excess rents received by the Initial Buyer if the Initial Buyer fails to comply with the Resale Restriction on rental or resale of the BMR Unit.

(c) The Initial Buyer signs the City Deed of Trust to secure performance of the Eligible Household's covenants under the Resale Restriction and payment of the amounts due under the City Note if the Initial Buyer fails to comply with the terms of the Resale Restriction. The City Deed of Trust shall be recorded against the BMR Unit, subordinate only to the Resale Restriction and the lien for the first mortgage loan obtained by the Initial Buyer to finance the purchase of the BMR Unit unless otherwise approved in writing by the City.

3.4 Compliance Reports, Inspections, Monitoring. Within five (5) days following the sale of any BMR Unit by the Developer to an Eligible Household, Developer shall forward, or shall cause escrow officer to forward to the City, copies of the buyer's and seller's settlement statement and all closing documents, including Resale Restriction, City Note, and City Deed of Trust executed in connection with the sale.

ARTICLE 4 RENT REGULATORY PROVISIONS

4.1 Rental of BMR Units Prior to Sale. If the Developer elects not to sell any of the units at initial project occupancy and instead offer them for rent, the Developer shall lease the BMR units at an Affordable Rent as provided in this Article 4. At the time that any unit in the Project is offered for sale, the BMR units shall be offered for sale at Affordable Sales Prices to Eligible Households as provided in Article 3, above.

4.2 Affordability and Occupancy Covenants.

(a) Occupancy Requirements. Subject to the provisions of subsection (e) of this Section below, BMR Units shall be rented to and occupied by or, if vacant, available for occupancy by, Low Income Households. The BMR Units shall not be kept vacant or used for any purpose except for residential use and shall be offered for rent to Eligible Households at Affordable Rents.

(b) Allowable Rent. Subject to the provisions of subsection (e) of this Section below, the maximum Rent charged to Tenants of the BMR Units shall not exceed Affordable Rent.

(c) City Approval of Rents. Initial Rents for all BMR Units shall be approved by the City prior to occupancy at the time the Developer submits to the City the marketing plan required by Section 4.4 below. The City shall review all proposed Rent increases to determine whether the proposed increases are consistent with the provisions of this Agreement. Developer shall certify to the City that Developer is not charging any fee other than Affordable Rent to Tenants of the BMR Units for all of the components of Rent defined in Section 1.1 above.

(d) Schedule of Affordable Rents. The City has provided the Developer with a schedule of Affordable Rents for the BMR Units in effect on the date of this Agreement, set forth in attached Exhibit C. The City annually determines Affordable Rents (including utility allowances) based on changes in Area Median Income and utility allowances, and Developer shall obtain a copy of the schedule from the Director.

(e) Increased Income of Tenants from Low Income to Above Low Income. If, upon recertification of a Tenant's Household Income, the Developer determines that the Tenant's Household Income has increased and exceeds the qualifying income for a Low Income Household, then the Tenant shall be given written notice that: (i) Tenant's Rent shall be increased sixty (60) days after the date in the notice to an amount to be determined by Developer but not to exceed Rent for a comparable Market-Rate Unit; and (ii) Tenant shall vacate the BMR Unit six (6) months from the date of the notice or upon expiration of the Tenant's lease, whichever is later. If, prior to the date by which the Tenant must vacate the BMR Unit, another Unit is vacated which is not designated as a BMR Unit and is of appropriate bedroom size, the Developer may, at the Developer's option, request the Director to approve a change in the location of the BMR Unit; allow the Tenant to remain in the original Unit; and designate the newly vacated Unit as a BMR Unit if approved by the Director.

4.3 Lease Provisions. The Developer shall use a form of Tenant lease (the "Tenant Lease") approved by the City for the BMR Units. The Tenant Lease shall, among other matters:

(a) provide for termination of the lease for failure: (1) to provide any information required under this Agreement or reasonably requested by the Developer to establish or recertify the Tenant's qualification, or the qualification of the Tenant's household, as an Eligible Household in accordance with this Agreement, or (2) to qualify as an Eligible Household as a result of any material misrepresentation made by such Tenant with respect to the Household Income computation or certification;

(b) provide that the Rent may not be raised more often than once every twelve (12) months. The Developer will provide each Tenant with at least sixty (60) days written notice of any increase in Rent applicable to such Tenant;

(c) prohibit subleasing of the BMR Unit or any portion of the BMR Unit or any spaces reserved for the use of the Tenant, contain nondiscrimination provisions, and include the Tenant's obligation to inform the Developer of any need for maintenance or repair;

- (d) include reasonable rules of conduct consistent with California law;
- (e) allow termination of the tenancy only for an increase in Tenant's Household Income above qualifying income for Low Income Households or for good cause, including violation of the terms and conditions of the Tenant Lease, violations of applicable federal, state, or local law, or other good cause;
- (f) include, at Developer's option, the obligation for Tenant to provide a security deposit not exceeding two months' rent; and
- (g) be consistent with Palo Alto Municipal Code Section 9.68, which requires that Tenants be offered a one-year lease, unless the Tenant is over-income, as described in Section 4.2(e) above.

4.4 Marketing, Income Certification and Reporting.

(a) Required City Approvals. At least sixty (60) days before any Units in the Project receive a final inspection or certificate of occupancy, the Developer shall notify City of the availability of the BMR Units and provide to the City its proposed marketing plan for the BMR Units as described below; its management policies as described in Section 4.5 below; the proposed form of Tenant Lease to confirm conformance with the provisions of Section 4.3 above; and proposed Affordable Rents for the BMR Units, all for City review and approval. The BMR Units shall be marketed concurrently with the marketing of the Market-Rate Units.

(b) Marketing Plan. The Developer's marketing plan shall be consistent with the provisions of this subsection (b). Upon receipt of the marketing plan, the City shall promptly review the marketing plan and shall approve or disapprove it within thirty (30) days after submission. If the marketing plan is not approved, the Developer shall submit a revised marketing plan within thirty (30) days.

(1) Local Worker and Resident Preference. Eligible Households with a member who is either a resident of the City of Palo Alto or employed within the City limits shall be given preference for occupancy of the BMR Units.

(2) Section 8 Vouchers and Certificate Holders. The Developer will review applications from prospective tenants of BMR Units, on the same basis as all other prospective tenants, of persons who are recipients of federal certificates for rent subsidies pursuant to the existing housing program under Section 8 of the United States Housing Act or any successor. The Developer shall not apply selection criteria to Section 8 certificate or voucher holders that are more burdensome than criteria applied to all other prospective tenants for the BMR Units, nor shall the Developer apply or permit the application of management policies or lease provisions with respect to the Project which have the effect of precluding occupancy of BMR Units by such prospective tenants.

(3) Marketing Materials. The marketing plan submitted to the City shall include the following: means to be used to advertise BMR Units to the public upon initial occupancy and as vacancies occur and maintenance of a waiting list; the amount of any application screening fee to be imposed by Developer, and information to be provided to

applicants, including conditions and restrictions applicable to occupancy of the BMR Units, current Affordable Rent, permitted Rent increases, maximum qualifying income for an Eligible Household, requirement for annual Household Income recertification, preferences, and requirement to vacate the BMR Unit if the Tenant's Household Income exceeds the maximum qualifying income.

(c) Income Certification.

(1) Prior to Developer's entering into a lease with a prospective tenant of a BMR Unit, the prospective tenant household shall be certified by the City or its assignee, currently the Palo Alto Housing Corporation, as an Eligible Household.

(2) Annually thereafter, the Developer will obtain, complete and maintain on file Household Income certifications for each Tenant renting any of the BMR Units. Developer shall make a good faith effort to verify that the Household Income statement provided by a Tenant is accurate by taking two or more of the following steps as a part of the verification process for all members of the Tenant household age eighteen (18) or older: (a) obtaining a minimum of the three (3) most current pay stubs; (b) obtaining an income tax return for the most recent tax year; (c) conducting a credit agency or similar search; (d) obtaining the three (3) most current savings and checking account bank statements; (e) obtaining an income verification form from a current employer; (f) obtaining an income verification form from the Social Security Administration and/or the California Department of Social Services if an adult member of the Tenant's household receives assistance from either of such agencies; or (g) if the Tenant is unemployed and has no such tax return, obtain another form of independent verification. Copies of annual Tenant Household Income certifications shall be provided to the City or its assignee for review.

(3) As an alternative to the procedure described in subparagraph (ii) of this subsection (c), Developer may contract with a provider approved by the City to certify Tenant Household Incomes on an annual basis.

(d) Reports to City.

(1) Annual Report. The Developer shall submit to the City on April 1st of each year a report, in a form prescribed by or otherwise acceptable to the City, verifying compliance by Developer with the terms of this Agreement and certified as correct by the Developer under penalty of perjury. The annual report shall include without limitation the following information:

(A) Certifications of eligibility for all Tenants of BMR Units at the time of initial occupancy and upon the yearly anniversary of their continuing tenancies. Such certification shall include:

a. Verified Household Income statements. Developer shall retain in the Tenant's file all verifications of Tenant's Household Income obtained as required in subsection (c) of this Section.

b. Number of persons in each BMR Unit.

(B) Certification of the amount of Rent charged for the year for all BMR Units.

(C) Other information reasonably required by the City.

(2) Other Reports. Within fifteen (15) days after receipt of a written request, Developer shall provide any other information or completed forms requested by the City to ensure compliance with this Agreement.

4.5 Management of Property and Property Maintenance.

(a) Management Responsibilities. The Developer is responsible for all management functions with respect to the Project, including, without limitation, the annual recertification of household size and Household Income (subject to review by the City or its assignee), selection of Tenants, maintenance of a waiting list for the BMR Units, evictions, collection of Rents and deposits, maintenance, landscaping, routine and extraordinary repairs, replacement of capital items, and security. The City shall have no responsibility over management of the Project.

(b) Approval of Management Policies. The Developer shall submit its written management policies with respect to the Project to the City for its review and shall amend such policies if necessary to ensure that such policies comply with the provisions of this Agreement.

(c) Property Maintenance. The City places prime importance on quality maintenance to ensure that all developments within the City which include affordable housing units are not allowed to deteriorate due to below-average maintenance. Developer shall provide the BMR Units with the same level and quality of maintenance, including performance of repairs and periodic replacement of fixtures as the Market-Rate Units. The Developer agrees to maintain all interior and exterior improvements, including landscaping, on the Property in good condition and repair (and, as to landscaping, in a healthy condition) and in accordance with all applicable laws, rules, ordinances, orders and regulations of all federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials.

(d) Remedies. In the event that the Developer breaches any of the covenants contained in this Section 4.5 and such default continues for a period of ten (10) days after written notice from the City specifying the nature of the breach with respect to graffiti, debris, waste material, or a health or safety violation, or thirty (30) days after written notice from the City specifying the nature of the breach with respect to general maintenance, landscaping and building improvements, then the City, in addition to whatever other remedy it may have at law or in equity, shall have the right (but is not required) to enter upon the Property after ten (10) days' prior written notice to the Developer describing the nature of the City's intended actions and to perform or cause to be performed all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Property, as specified in a correction plan approved by the City, and to attach a lien on the Property, or to assess the Property, in the amount of the expenditures incurred by the City or its agents arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, plus an

administrative charge equal to fifteen percent (15%) of the amount of such expenditures (the expenditures plus the administrative charges are the "Correction Costs"), if Developer does not remit the full amount of the Correction Costs to the City within thirty (30) days after City notifies Developer of the full amount of the Correction Costs.

(e) Taxes and Assessments. Developer shall pay all real and personal property taxes, assessments, if any, and charges and all franchise, income, employment, old age benefit, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Property; provided, however, that Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event Developer exercises its right to contest any tax, assessment, or charge against it, Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

4.6 Agreement to Limitation on Rents. The Developer hereby warrants and covenants that it has voluntarily agreed to the limitations on rents provided in this Agreement and that the terms of this Agreement are fully enforceable. Accordingly, the Developer hereby acknowledges and expressly agrees it will not prosecute or pursue any claims, charges, demands, or actions, whether in law or equity, which it asserts or could assert against the City with respect to the BMR Units, including any limitation on rents for the BMR Units. The Developer further expressly waives the provisions of Civil Code Section 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

ARTICLE 5 ENFORCEMENT

5.1 Covenants Running with the Land. The City and Developer hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall apply to and bind Developer and its heirs, executors, administrators, successors, transferees, and assignees having or acquiring any right, title or interest in or to any part of the Property and shall run with and burden such portions of the Property until terminated in accordance with Section 5.2. Until all or portions of the Property are expressly released from the burdens of this Agreement, each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered, and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument. In the event of foreclosure or transfer by deed-in-lieu of all or any portion of the Property prior to completion and sale of all of the BMR Units, title to all or any portion of the Property shall be taken subject to this Agreement.

5.2 Release of Property from Agreement.

(a) Upon sale of one hundred percent (100%) of the BMR Units, execution of the Resale Restrictions in compliance with this Agreement; any payment of any applicable in-lieu fees, the entire Property shall be released from the burdens of this Agreement.

(b) Prior to the sale of all BMR Units, upon sale of each of the Units in the Project to an individual buyer, City shall execute and record a release of each such Unit from the burdens of this Agreement if at the time the Developer is in compliance with all terms of this Agreement, including, without limitation, Developer's obligations to market and sell BMR Units concurrently with Market Rate Units.

5.3 Default. Failure of the Developer to satisfy any of Developer's obligations under the terms of this Agreement within thirty (30) days after the delivery of a notice of default from the City will constitute a default under this Agreement. In addition to remedies for breach of this Agreement, the City may exercise any and all remedies available to it under law or equity, including but not limited to:

(a) withholding, conditioning, suspending or revoking any permit, license, subdivision approval or map, or other entitlement for the Project, including without limitation final inspections for occupancy and/or certificates of occupancy;

(b) instituting against the Developer, or other parties, a civil action for declaratory relief, injunction or any other equitable relief, or relief at law, including without limitation an action to rescind a transaction and/or to require repayment of any funds received in connection with such a violation;

(c) where one or more persons have received financial benefit as a result of violation of this Agreement, the City may assess, and institute legal action to recover as necessary, a penalty in any amount up to and including the amount of financial benefit received, in addition to recovery of the benefit received;

(d) requiring the Developer or his/her successors in interest to the Property to pay the City rent for a BMR Unit from the date of any unauthorized use of the BMR Unit; and

(e) any other means authorized under the City of Palo Alto Municipal Code.

5.4 Remedies Cumulative. No right, power, or remedy given to the City by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given to the City by the terms of any such document, or by any statute or ordinance or otherwise against Developer and any other person. Neither the failure nor any delay on the part of the City to exercise any such rights and remedies shall operate as a waiver thereof, nor shall any single or partial exercise by the City of any such right or remedy preclude any other or further exercise of such right or remedy, or any other right or remedy.

ARTICLE 6
GENERAL PROVISIONS

6.1 Term. The provisions of this Agreement apply to the Development for the entire Term. This Agreement is binding on any successor, heir or assign of Developer, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, except as expressly released by the City.

6.2 No Subordination to Security Interest. In no event may this Agreement be subordinated to any mortgage, deed of trust, or other security financing interest encumbering the Property or the Development. The Agreement shall be recorded against the Property subject only to such other exceptions and exclusions reasonably acceptable to the City and shall not be subordinated to any future mortgages, deeds of trust, or other security financing interests encumbering the Property or the Development.

6.3 Indemnification.

(a) To the full extent permitted by law, the Developer shall indemnify, defend at its own expense, and hold the City and its elected officials, officers, employees and agents in their official capacity (collectively "Indemnitees") harmless against any and all claims, suits, actions, losses and liability of every kind, nature and description made against it and expenses (including reasonable attorneys' fees) which arise out of or in connection with this Agreement, including but not limited to the marketing and sale of the BMR Units, except to the extent such claim arises from the grossly negligent or willful misconduct of the City or Indemnitees. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement, provided that nothing shall require either party to disclose any documents, records or communications that are protected under the attorney-client privilege or attorney work product privilege.

(b) The provisions of this Section shall survive the expiration of the Term and any release of part or all of the Property from the burdens of this Agreement.

6.4 Appointment of Other Agencies. At its sole discretion, the City may designate, appoint or contract with any other public agency, for-profit or non-profit organization to perform some or all of the City's obligations under this Agreement.

6.5 Records. Developer shall retain all records related to compliance with obligations under this Agreement for a period not less than five (5) years from the date of origination of such records, and make them available to City employees or others designated by the City for inspection and copying on five (5) business days' written notice. The City shall be entitled to monitor compliance with this Agreement, and Developer shall cooperate with City monitoring, including obtaining Affordable Sales Price and Eligible Household income verification upon request of the City.

6.6 Monitoring Fee. Developer agrees to pay an annual monitoring fee as may be adopted by resolution of the City Council which is in force and effect for a similar class of BMR units.

6.7 Nondiscrimination. All of the BMR Units shall be available for sale to members of the general public. The Developer shall not give preference to any particular class or group of persons in renting or selling the BMR Units, except to the extent that the BMR Units are required to be sold to Eligible Households and as required by this Agreement; provided, however, there shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, sexual orientation, marital status, national origin, source of income (e.g., SSI), age (except for lawful senior housing), ancestry, or disability, in the leasing, transferring, use, occupancy, tenure, or enjoyment of any Unit nor shall the Developer or any person claiming under or through the Developer, establish or permit any such practice or practices of discrimination or segregation with reference to sale of any Unit or in connection with the employment of persons for the construction, operation and management of the Development.

6.8 Recording and Filing. The Developer shall record this Agreement, and all amendments and supplements to it, in the Official Records of Santa Clara County against the Property prior to the recordation of any parcel map or final subdivision map or issuance of any building permit for the Project, whichever occurs first.

6.9 Governing Law. This Agreement is governed by the laws of the State of California.

6.10 Waiver of Requirements. No waiver of the requirements of this Agreement shall occur unless expressly waived by the City in writing. No waiver will be implied from any delay or failure by the City to take action on any breach or default of Developer or to pursue any remedy permitted under this Agreement or applicable law. Any extension of time granted to Developer to perform any obligation under this Agreement will not operate as a waiver or release from any of its obligations under this Agreement. Consent by the City to any act or omission by Developer shall not be construed to be consent to any other or subsequent act or omission or to waive the requirement for the City's written consent to future waivers.

6.11 Amendments. This Agreement may be amended only by a written instrument executed by all the parties hereto or their successors in title, and duly recorded in the real property records of the County of Santa Clara.

6.12 Notices. All notices required herein shall be sent by certified mail, return receipt requested, express delivery service with a delivery receipt, or personal delivery with a delivery receipt and shall be deemed to be effective as of the date received, the date delivery was refused, or the date returned as undeliverable as indicated on the return receipt as follows:

City: City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301
Attn: City Manager

Developer: Palo Alto Properties Investment, LLC
1 Market St, Steuart Tower Suite 1475,
San Francisco, CA 94105
Attn: President and CEO

Such addresses may be changed by notice to the other party given in the same manner as provided above.

6.13 Severability. If any provision of this Agreement is found invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining portions of this Agreement shall not in any way be affected or impaired thereby.

6.14 Multiple Originals; Counterparts. This Agreement may be executed in multiple originals, each of which is deemed to be an original, and may be signed in counterparts.

[Signatures on following page.]

SIGNATURE PAGE

IN WITNESS WHEREOF, the City and Developer have entered into this Agreement, as of the date first written above.

DEVELOPER:

PALO ALTO PROPERTIES INVESTMENT, LLC,
a California limited liability company

By: [Signature]

Its: HAI RONG LIANG
CTO.

CITY:

CITY OF PALO ALTO, a charter city and
municipal corporation

By: [Signature] ED SHIMADA FOR
JIM KEENE, City Manager

APPROVED AS TO FORM

By: [Signature]
Albert S. Yang
Deputy City Attorney
(T. SHIMIZU, DEPUTY
CITY ATTY. FOR
ALBERT S. YANG)

Signature Page

Page 17

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ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

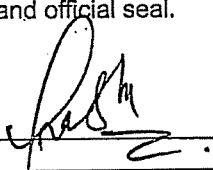
State of California
County of San Francisco

On 18th October, 2018 before me, Prabha Giri, Notary Public
(insert name and title of the officer)

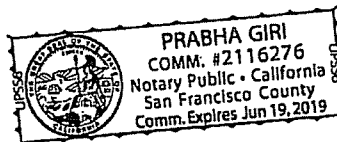
personally appeared Hairong Liang
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature 

(Seal)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

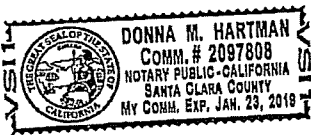
COUNTY OF SANTA CLARA

On December 21, 2018 before me, DONNA M. HARTMAN, Notary

Public, personally appeared EDWARD SHIKADA, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Donna M. Hartman
Name: DONNA M. HARTMAN
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A**LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF PALO ALTO, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

All of Lots 50, 51, 52 and 53 as said Lots are shown upon that certain Map entitled "Mayfield as Surveyed by W. Paul, Esq., by J.J. Bowen County Surveyor", which Map was filed in the Office of the Recorder of the County of Santa Clara, State of California on July 9, 1867; Book C of Miscellaneous, Page 641, and being more particularly described as follows:

BEGINNING at the intersection of the Northeasterly line of El Camino Real (120 feet wide) with the Northwestern line of Grant Avenue (60 feet wide); thence along said Northeasterly line of El Camino Real Northwestern 260.00 feet to the most Westerly corner of said Lot 50; thence along the Northwestern lines of said Lots 50 and 53 Northeasterly 185.63 feet to the most Northerly corner of said Lot 53; thence along the Northeasterly line of said Lot 53 Southeasterly 130.00 feet to the most Easterly corner of said Lot 53; thence along the Southeasterly line of said Lot 53 Southwesterly 50.00 feet to the most Southerly corner of said Lot 53 and being on the Northeasterly line of said Lot 51; thence along said Northeasterly line of Lots 51 and 52 Southeasterly 130.00 feet to the said Northwestern line of Grant Avenue; thence along said Northwestern line of Grant Avenue Southwesterly 135.63 feet to the point of beginning. Pursuant to that certain Lot Merger recorded May 24, 1996, Book P346, Page 631, of Official Records.

APN/Parcel ID(s): 124-33-066 and 124-33-067

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EXHIBIT B**BMR UNIT LOCATION AND PRODUCTION SCHEDULE**

UNIT 1 AND UNIT 12 AS SHOWN ON THE ATTACHED PLAN.

PRODUCTION SCHEDULE:

THE BMR UNITS ARE TO BE COMPLETED AT THE SAME TIME AS THE BALANCE OF THE PROJECT AND THE MARKET RATE UNITS LOCATED THEREIN.

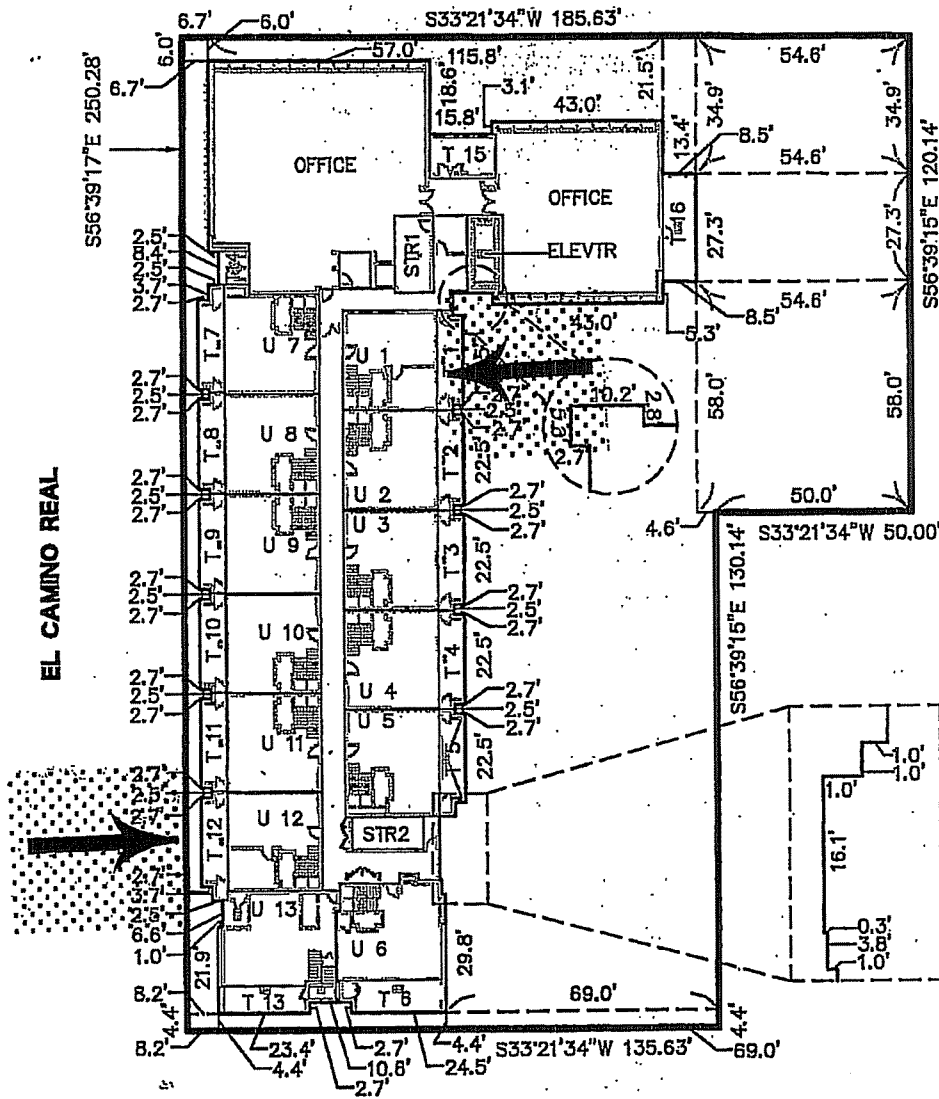
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CONDOMINIUM PLAN 2515 EL CAMINO REAL CONDOMINIUMS



SHERMAN AVENUE



GRANT AVENUE

SECOND LEVEL FLOOR PLAN

DRAWING NAME: K:\2015\156027 ECR Palo Alto\SUR\DWG\CONDO PLAN\2515 ECR_Sheet 02_LVL2OUT.dwg

SHEET 8 OF X

EXHIBIT C
AFFORDABLE SALES PRICE AND AFFORDABLE RENT

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Exhibit C

**City of Palo Alto Affordable Housing Ownership Program
Prices for New Affordable Housing Units
for Households at 80% of Median Income
Revised November 2017**

Persons In Household	80% of County Area Median Income	Affordable Prices at 80% of Median Income
1	\$59,400	\$175,400
2	\$67,900	\$212,400
3	\$76,400	\$249,300
4	\$84,900	\$286,200
5	\$91,650	\$315,500

Assumed Household Size for Unit Type	Unit Type	AH Unit Price
		(Assumes 80% of Area Median Income)
1	Studio	\$175,400
2	1 Bedroom	\$212,400
3	2 Bedrooms	\$249,300
4	3 Bedrooms	\$286,200
5	4 Bedrooms	\$315,500

VARIABLES AND ASSUMPTIONS:

Area Median Income: State HCD 4-person household (As of 6/9/2017)	\$113,300
Annualized Rates:	
Interest Rates (As of June 2017)	3.850%
Mortgage Insurance (As of June 2017)	1.00%
Property Taxes	1.25%
Total Effective Interest Rate	6.10%
Number of Monthly Payments:	360
Loan-To-Value (5% downpayment):	95%
Allowance for: HOA Association Dues; Repairs & Maintenance Costs, & Fire Insurance (Per Month)	\$475
Loan Terms:	
Zero (0) Loan Points	
30 Year, Fixed Rate, Fully Amortized Loan	
Maximum of 30% of Gross Income for All Housing Costs (mortgage, private mortgage insurance, property taxes, HOA dues, repairs & maintenance allowance, fire insurance)	

S:\PLAN\PLADIV\Long Range Planning\Housing\BMR Program\BMR Annual Prices\DB 11-2017 Prices at 80

November
2017

EXHIBIT D
FORM OF RESALE RESTRICTION

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Exhibit D

NO RECORDING FEE PURSUANT
TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY

Title Company Name
Escrow #

AND WHEN RECORDED MAIL TO

City Manager
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**OCCUPANCY, RESALE, AND REFINANCING RESTRICTION AGREEMENT, WITH
OPTION TO PURCHASE AT RESTRICTED PRICE**

**CITY OF PALO ALTO
BELOW MARKET RATE PURCHASE PROGRAM**

Owner:

Property Address:

Affordable Housing Cost:

\$ _____

**NOTE: THIS AGREEMENT GRANTS THE CITY AN OPTION TO BUY YOUR
PROPERTY AT A RESTRICTED PRICE THAT MAY BE BELOW THE MARKET
VALUE.**

This Occupancy, Resale, and Refinancing Restriction Agreement, with Option to
Purchase at Restricted Price (the "Agreement") is entered into as of this ___ day of
_____, 201_, by and between the City of Palo Alto, a charter municipal corporation (the
"City") and _____ ("Owner").

895/04/1399129.4

RECITALS

A. To further its goal of creating affordable home ownership opportunities for low-income and moderate-income persons and families, the City has adopted a program for the sale of some homes at a price below fair market value following policies contained in the Housing Element of the City's General Plan and in the City's Below Market Rate Housing Program Ordinance (Chapter 18.14 of the Palo Alto Municipal Code) (together the "BMR Program").

B. Owner intends to purchase the property located at _____, which is more particularly described in Exhibit A attached hereto and incorporated by this reference (the "Property") at a cost affordable to Owner and below the unrestricted fair market value of the Property, as shown on page 1 of this Agreement (the "Affordable Housing Cost"). The Property has been made affordable to Owner through the terms of the BMR Program. The Owner has agreed to execute and comply with this Agreement in consideration of the Owner's purchase of the Property at the Affordable Housing Cost.

C. Owner is an eligible moderate income purchaser, intends to purchase the Property, intends to live in the Property as an owner-occupant, and agrees to maintain the Property as Owner's principal residence (an "Eligible Purchaser").

D. The purpose of this Agreement is to place occupancy, refinancing, and resale controls on the Property and to require the payment of any excess proceeds of sale or excess rental proceeds to the City. This Agreement also provides the City an option to purchase the Property at a restricted price. The occupancy, refinancing, and resale controls prevent the Owner and subsequent purchasers from using the Property for purposes incompatible with the BMR Program and realizing unwarranted gains from sale of the Property at an unrestricted price. The terms and conditions of this Agreement are intended to provide the necessary use and resale restrictions to ensure that the Property is used, maintained, and preserved as housing affordable to eligible low and moderate-income purchasers.

E. The Owner is receiving the following purchase money loan(s):

<u>Name of Lender</u>	<u>Amount</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

The purchase money loans listed in this Recital E is the "First Lender Loan." The lender of the First Lender Loan is the "First Lender." The First Lender Loan is secured by a deed of trust executed by the Owner in favor of the First Lender and recorded in the County of Santa Clara concurrently with this Agreement (the "First Lender Deed of Trust").

F. The Owner's obligations to pay the City any excess sale proceeds and excess rents according to this Agreement are evidenced by a promissory note (the "City Note"). This Agreement and the City Note shall be secured by a deed of trust and security agreement on the Property (the "City Deed of Trust").

G. The Property constitutes a valuable community resource by providing decent, safe, and sanitary housing to persons and families of low and moderate incomes who otherwise would be unable to afford such housing. To protect and preserve this resource it is necessary, proper, and in the public interest for the City to administer the occupancy, financing, and resale controls by means of this Agreement.

NOW, THEREFORE, in consideration of the benefits received by the Owner and the public purposes served by the BMR Program, the Owner and the City agree as follows:

AGREEMENT

The foregoing recitals are hereby incorporated by reference and made part of this Agreement.

1. DEFINITIONS

The following terms are specially defined for this Agreement and their definitions can be found in the sections indicated below:

- A. "Advances" – Section 7.F
- B. "Affordable Housing Cost" – Recital B
- C. "Affordable Rent" – Section 3.A
- D. "Agreement" - First sentence on page 1
- E. "BMR Program" – Recital A
- F. "City" – First sentence of the Agreement on page 1
- G. "City Deed of Trust" – Recital F
- H. "City Note" – Recital F
- I. "City Response Notice" - Section 7.C
- J. "Declaration of Default" – Section 12.C
- K. "Default" – Section 12.A
- L. "Designated Purchaser" – Section 6.B
- M. "Eligible Capital Improvements" - Section 8.A

- N. "Eligible Purchaser" – Recital C
- O. "Excess Rents" – Section 3.B
- P. "Excess Sales Proceeds" - Section 10.A
- Q. "Fair Market Value" - Section 8.B
- R. "First Lender" - Recital E
- S. "First Lender Deed of Trust" - Recital E
- T. "First Lender Loan" - Recital E
- U. "HUD" is the United States Department of Housing and Urban Development.
- V. "Inheriting Owner" – Section 5.C
- W. "Permitted Transfer" – Section 5.B
- X. "Property" - Recital B
- Y. "Indexed Price" - Section 8.A
- Z. "Maximum Resale Price" - Section 8
- AA. "Option" - Section 6.A
- BB. "Owner" - First sentence of the Agreement on Page 1
- CC. "Owner's Notice of Intent to Transfer" - Section 7.A
- DD. "Permitted Encumbrance Amount" – Section 11.B
- EE. "Term" – Section 17
- FF. "Transfer" - Section 5.A
- GG. "VA" is the United States Veterans Administration.

The following exhibits are attached to this Agreement:

- Exhibit A: Legal Description of the Property
- Exhibit B: Form of Owner Occupancy Certification
- Exhibit C: Form of Owner's Notice of Intent to Transfer
- Exhibit D: Form of Owner Request for City Subordination to Refinance First Lender Loan

2. OWNER CERTIFICATIONS; OWNER OCCUPANCY REQUIREMENT

The Owner certifies that the financial and other information previously provided in order to qualify to purchase the Property is true and correct as of the date first written above. The Owner shall occupy the Property as the Owner's principal place of residence for the Term of this Agreement. The Owner shall be considered as occupying the Property as the Owner's principal place of residence if the Owner is living in the unit for at least ten (10) months out of each calendar year, maintains a valid homeowner's property tax exemption, and provides reasonable requested documentation to verify occupancy.

A. Annual Certification of Owner Occupancy. On or before February 1 of each calendar year, the Owner, under penalty of perjury, shall provide an annual written certification to the City, in the form shown on Exhibit B of this Agreement, that the Owner is occupying the Property as his or her principal place of residence, unless the City has approved a temporary waiver of the occupancy requirement in writing as provided in Section 2.B; or the City has approved rental of the Property in writing as provided in Section 3 below. The City may request additional documentation from the Owner(s) to demonstrate that the Property is Owner's principal place of residence. The Owner agrees to fully cooperate with the City in promptly providing all information requested by the City to assist the City in monitoring Owner's compliance with this Agreement.

B. Temporary Waiver of Occupancy Requirement. The City may, in its sole discretion, grant a temporary waiver of this occupancy requirement if all of the following conditions are met: (1) the City has determined that the Owner will incur substantial hardship if he or she is not permitted to temporarily vacate the Property; (2) the Owner provides a written request to the City for a temporary waiver of the occupancy requirement before vacating the Property; and (3) the term of the occupancy waiver is not greater than one (1) year. A temporary vacancy shall only be considered approved if the City approves the request in writing.

3. RENTAL OR LEASING OF PROPERTY

A. Prohibition on Renting or Leasing the Property. The Owner shall not rent or lease the Property except with the prior express written consent of the City. The City may, in its sole discretion, approve the rental or leasing of the Property if all of the following conditions are met: (1) the Owner demonstrates to the City, in the City's sole discretion, that the Owner will incur substantial hardship if he or she is not permitted to rent or lease the Property; (2) the term of the rental or lease is not greater than twelve (12) months and cannot be extended without the City's written approval; (3) the lease requires the tenant to maintain the Property and surrounding property in good condition and prohibits subleasing; (4) the rent for the Property does not exceed the lesser of: (i) thirty percent (30%) of the income of the tenant household that is renting the Property, or (ii) the Owner's monthly cost of principal and interest on the First Lender Loan, and property insurance, property taxes, and homeowners association dues, if any, associated with Property (the lesser rent is the "Affordable Rent"); and (5) the City certifies that the tenant's income meets the income limits, as adjusted by household size, that are applicable to the Property.

B. Payment of Excess Rents. Any lease of the Property in violation of this Agreement is prohibited. The Owner agrees that, in the event the Owner rents or leases the Property in violation of this Section 3, any rents paid to the Owner by the tenant or lessee in excess of the Affordable Rent ("Excess Rents") shall be due and payable to the City immediately upon receipt thereof by the Owner. Such Excess Rents shall be considered a recourse debt of the Owner to the City, which the City may collect by legal action against the Owner, by foreclosure under the City Deed of Trust, and/or by exercising the Option.

4. MAINTENANCE AND INSURANCE REQUIREMENTS

A. Maintenance. The Owner shall maintain the Property, including landscaping, in good repair and in a neat, clean and orderly condition and will not commit waste or permit deterioration of the Property.

B. Insurance. The Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the Property (adjusted every five (5) years by appraisal, if requested by City), naming the City as an additional insured. Additional insurance requirements are set forth in the City Deed of Trust.

5. RESTRICTIONS ON RESALE AND TRANSFER OF THE PROPERTY

A. Transfer. Any Transfer of the Property will be subject to the provisions of this Agreement including, without limitation, the Option described in Section 6 below. "Transfer" means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Property, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest (unless approved as provided in Section 3 of this Agreement), an interest evidenced by a land contract by which possession of the Property is transferred and Owner retains title, or a deed of trust. Any Transfer without satisfaction of the provisions of this Agreement is prohibited and shall constitute a Default.

B. Permitted Transfers. Notwithstanding Section 5.A, the following forms of Transfer shall be considered a "Permitted Transfer" and shall not constitute a Default, but all such transferees shall continue to be bound by this Agreement:

- (1) To a spouse or domestic partner;
- (2) Between spouses or domestic partners as part of a dissolution proceeding or divorce;
- (3) To an inter vivos revocable trust in which Owner is the beneficiary, trustor, and trustee subject to the provisions of Section 5.E;
- (4) By operation of law on the death of a joint tenant;
- (5) A refinancing of the First Lender Loan in accordance with Section 11.C of this Agreement, or

(6) Execution of a deed of trust subordinate to the City Deed of Trust in accordance with Section 11.D of this Agreement.

However, Owner shall provide written notice of all Permitted Transfers to the City under Section 5.D, and all owners of the Property shall continue to occupy the Property as his or her principal place of residence.

C. Inheritance. In the event a Transfer occurs by devise or inheritance due to death of the Owner, the administrator of the Owner's estate, the trustee of Owner's trust, or the person inheriting the Property shall provide written notice to the City of the Owner's death within thirty (30) days of the date of death and the following procedures shall apply:

(1) If the person inheriting the Property was previously a co-owner who was income qualified, or who obtained title through a Permitted Transfer, then the inheritance is permitted. All other persons inheriting the Property shall be an "Inheriting Owner." The Inheriting Owner shall provide the City with income and other information, to be verified by the City, so that the City may determine if the Inheriting Owner qualifies as an Eligible Purchaser.

(2) If the City determines that the Inheriting Owner is an Eligible Purchaser, such Inheriting Owner shall be permitted to take ownership of the Property provided that the Inheriting Owner shall enter into a new agreement, note, and deed of trust, in a form determined by the City, for a new Term and comply with all obligations under those documents, including occupancy of the Property as his or her principal place of residence.

(3) If the Inheriting Owner fails to qualify as an Eligible Purchaser or does not provide the City with information to determine if the Inheriting Owner is an Eligible Purchaser, he or she shall be required to Transfer the Property to an Eligible Purchaser at a price not exceeding the Maximum Resale Price, and/or the City may exercise the Option; provided, that if the Inheriting Owner is a minor child, such Inheriting Owner and his or her legal guardian may occupy the Property for the time period prescribed by Probate Code Section 6500 without the City determining that the legal guardian of any such Inheriting Owner is an eligible purchaser.

(4) Failure of an Inheriting Owner to follow the procedures and file the notices described in this Section 5.C shall constitute a Default under this Agreement and the City may then exercise any of the remedies available to it, including, without limitation, exercise of the Option.

D. Notice of Permitted Transfer. Owner shall provide notice to the City of any transfers described in Sections 5.B and 5.C of this Agreement within thirty (30) days of the date of transfer.

E. Transfer to Inter Vivos Revocable Trust. With the prior written approval of the City, the Property may be transferred to an inter vivos revocable trust where the Owner is the beneficiary, trustor, and trustee of the trust; except that if the Owner lacks capacity and is subject to a conservatorship, a third party trustee may be named. The trust must contain language reasonably acceptable to the City describing the restrictions of this Agreement. Transfer of the Property to any other form of trust is prohibited and shall constitute a Default.

6. GRANT OF OPTION TO PURCHASE; ASSIGNMENT OF OPTION BY CITY

A. Grant of Option. In consideration of the economic benefits received by the Owner resulting from purchase and ownership of the Property at the Affordable Housing Cost, Owner hereby grants and gives to the City a right to purchase all of Owner's right, title, and interest in and to the Property ("Option") for the Maximum Resale Price, calculated as provided in Section 8 below, upon the occurrence of either of the following:

(1) The City receives an Owner's Notice of Intent to Transfer (defined in Section 7.A of this Agreement); or

(2) The City declares a Default as provided in Section 12 of this Agreement.

B. Assignment of Option. The City may, instead of purchasing the Property itself, assign the Option to another public agency, a nonprofit corporation, or to an Eligible Purchaser (each a "Designated Purchaser").

C. Exercise of Option. The City acknowledges and agrees that the Option shall only be exercised for the purpose of retaining the Property as an affordable housing unit as provided in Section 13.

D. Option Term. The term of the Option extends for the Term of this Agreement. The City's rights to exercise the Option shall survive any Transfer of the Property by the Owner in violation of this Agreement. As long as the Option has not been expressly abandoned, any actual or attempted Transfer of the Property in violation of the terms and conditions of this Agreement shall be a Default and shall be voidable at the election of the City.

E. HUD-Insured and VA-Guaranteed Mortgages. Notwithstanding the above, if Owner has acquired the Property by a mortgage insured by the Secretary of the United States Department of Housing and Urban Development ("HUD") or guaranteed by the Secretary of the Department of Veteran's Affairs ("VA"), and a notice of default under such mortgage has been recorded pursuant to California Civil Code Section 2924 (or successor provisions), this Option shall automatically terminate if title to the Property is transferred to HUD or the VA by foreclosure or deed-in-lieu of foreclosure under such mortgage, or if the insured mortgage is assigned to the Secretary of HUD or VA.

7. NOTICE OF INTENDED SALE OR TRANSFER

A. Transfer Notice. In the event the Owner intends to Transfer or vacate the Property, the Owner shall promptly give the City written notice of such intent (the "Owner's Notice of Intent to Transfer"), in the form shown in Exhibit C attached to this Agreement. The Owner shall give the City the Owner's Notice of Intent to Transfer prior to notifying real estate brokers or lenders of Owner's intent to Transfer the Property and prior to listing of the Property on the Multiple Listing Service. The Owner's Notice of Intent to Transfer shall be sent to the City by certified mail, return receipt requested at the address provided in Section 26 of this Agreement.

B. Real Estate Broker. The Owner should not contract with a real estate broker to sell the Property until the Owner has received the City Response Notice as provided in Section 7.B below, as the services of a broker will not be required if the City exercises the Option to purchase the Property.

C. City Response Notice. The City shall respond in writing (the "City Response Notice") to the Owner's Notice of Intent to Transfer within thirty (30) days of City receipt of a complete Owner's Notice of Intent to Transfer. The City Response Notice shall inform the Owner of the City's election to proceed under one of the following two alternatives:

(1) City Exercise of Option. The City Response Notice may notify the Owner that the City elects to exercise the Option, or assign the Option to a Designated Purchaser, and shall include the City's calculation of the Maximum Resale Price to be paid by the City as provided in Section 8 below. The City may choose to assign the Option to a Designated Purchaser at any time after the City has decided to exercise the Option but before the close of escrow.

(2) City Determination Not to Exercise Option. Alternatively, the City Response Notice may notify the Owner that the City elects not to exercise the Option. In this event, the Owner may sell the Property subject to the provisions of Section 9. The City Response Notice shall include an information packet regarding the Property and the sale process for distribution to applicants on the BMR Program waiting list maintained by the City.

D. Preparation for Sale Procedure. Following delivery to the City of the Owner's Notice of Intent to Transfer, the Owner shall prepare the Property for sale, as follows:

(1) within thirty (30) days of delivery of the Owner's Notice of Intent to Transfer, the Owner shall obtain and deliver to the City a current written report of inspection of the Property by a licensed structural pest control operator, and within the sooner of (a) sixty (60) days from the date of delivery of the Owner's Notice of Intent to Transfer, or (b) prior to close of escrow on the Transfer, the Owner shall repair all Section 1 deficiencies noted in the pest report including damage caused by infestation or infection by wood-destroying pests;

(2) within thirty (30) days of the date of the Owner's Notice of Intent to Transfer, the Owner shall allow the City to inspect the Property to determine its physical condition, and, within the sooner of (a) sixty (60) days from the date of the inspection report, or (b) prior to close of escrow on the Transfer, the Owner shall repair all damage and deferred maintenance noted in the inspection report;

(3) if the Property is vacant, the Owner shall maintain the Property, including the exterior landscaping, in good condition and shall maintain utility connections until the close of escrow on the Transfer;

(4) in the event of exercise of the Option by the City, the Owner shall permit a final walk-through of the Property by the City or the Designated Purchaser in the final three (3) days prior to close of escrow on the Transfer.

The Owner shall cooperate with the City throughout the process for preparing the Property for sale described in this Section 7.D in promptly providing all information requested by the City to assist the City in preparing the Property for sale.

E. Escrow. If the City Response Notice notifies the Owner that the City intends to exercise the Option, the City or the Designated Purchaser shall open an escrow account for its purchase of the Property. Close of escrow shall take place on such date which is the later to occur of the following: (a) ninety (90) days after the date of the City Response Notice, or (b) ten (10) days after Owner has done all acts and executed all documents required for close of escrow.

F. Deposit of Funds Into Escrow. Prior to the close of escrow, the City or the Designated Purchaser shall ensure that funds are deposited to pay the Maximum Resale Price of the Property. All Advances previously paid by the City shall be repaid from escrow. "Advances" include any payment by the City of costs including, but not limited to, principal, interest, taxes, assessments, insurance premiums, homeowners' fees, and associated late fees, costs, interest, attorneys' fees, costs of investigation (including but not limited to costs of investigating compliance with the owner occupancy requirements of Section 2), pest inspections, resale inspections, and other expenses related to the Property, which Owner has failed to pay or has permitted to become delinquent or which are required to remove liens and encumbrances as provided in Section 7.G below or which are otherwise due to the City. Closing costs and title insurance shall be paid by City or its Designated Purchaser and Owner pursuant to the custom and practice in the County of Santa Clara at the time of the opening of escrow, or as may be provided otherwise by mutual agreement. Owner agrees to do all acts and execute all documents necessary to enable the close of escrow and Transfer of the Property to the City or its Designated Purchaser.

G. Removal of Exceptions to Title. The Owner shall convey title to the Property at the close of escrow free and clear of any mortgage, lien, or other encumbrance, unless approved in advance in writing by the City or its Designated Purchaser. If the amounts deposited into escrow by the City or its Designated Purchaser are not sufficient to satisfy all liens and encumbrances recorded against the Property, then the Owner shall deposit into escrow the additional sums that are required to remove the liens and encumbrances.

H. No Obligation. In no event shall the City become liable or obligated in any manner to Owner by reason of the assignment of the Option, nor shall the City be in any way liable or obligated to Owner for any failure of the Designated Purchaser to consummate a purchase of the Property or to comply with the terms of this Option, or any escrow instructions or agreement for the purchase of the Property.

8. DETERMINATION OF MAXIMUM RESALE PRICE

If the City exercises the Option, the maximum sales price (the "Maximum Resale Price") that the Owner shall receive for purchase of the Property shall be the LESSER of the Indexed Price or the Fair Market Value.

A. Indexed Price.

(1) The "Indexed Price" of the Property is total of (1) the Affordable Housing Cost of the Property at the time of purchase by the Owner, increased by the one-third of the percentage of increase in Consumer Price Index, All Urban Consumers, for the San Francisco-Oakland-San Jose area published by the U.S. Department of Labor, Bureau of Labor Statistics, from the date of the original purchase of the Property by the Owner to the date of receipt by the City of the Owner's Notice of Intent to Transfer, and (2) where applicable, adjustments made as provided in Section 8.A (2) below.

(2) Where applicable, the Indexed Price shall include an upward adjustment reflecting the depreciated value of any substantial structural or permanent fixed improvements which the Owner has made to the Property after purchase of the Property. No such adjustment shall be made except for improvements made or installed by the Owner which conformed with applicable building codes at the time of installation and whose initial costs, as verified by invoices, receipts, or similar forms of documentation, exceed \$5,000. Improvements meeting the above requirements are referred to in this Agreement as "Eligible Capital Improvements." In addition, the Indexed Price shall be increased by Two Thousand Dollars (\$2,000) per year that Owner owned the Property if the Property has no violations of applicable building, plumbing, electric, fire or housing codes or any other provisions of the City of Palo Alto Building Code, and all other repairs are made to put the Property into a "sellable condition". Items necessary to put the Property into sellable condition shall be determined by the City, and may include cleaning, painting and making needed structural, mechanical, electrical, plumbing and fixed appliance repairs and other deferred maintenance repairs.

B. Fair Market Value.

(1) In certain circumstances it may be necessary to determine the fair market value of the Property without taking account of the resale restrictions imposed by this Agreement (the "Fair Market Value"). These circumstances include: (1) where the parties wish to determine if the Indexed Price exceeds the Fair Market Value in order to determine the Maximum Resale Price as provided in Section 8; and (2) where the Owner is selling the Property to a purchaser at an unrestricted price as provided in Section 9.

(2) If it is necessary to determine the Fair Market Value of the Property, it shall be determined by a certified MAI or other qualified real estate appraiser approved in advance by the City. If possible, the appraisal shall be based upon the sales prices of comparable properties sold in the market area during the preceding three (3)-month period. The cost of the appraisal shall be shared equally by the City and the Owner, unless the appraisal is obtained from a new purchaser, or unless the appraisal is necessary because the Owner wishes to refinance the First Lender Loan or take out a new subordinate loan as provided in Section 11, in which event the Owner shall pay the cost of the appraisal.

(3) Nothing in this Section shall preclude the Owner and the City from establishing the Fair Market Value of the Property by mutual agreement in lieu of an appraisal.

9. SALE OF HOME BY OWNER IF CITY DOES NOT EXERCISE OPTION TO PURCHASE

In the event the City Response Notice notifies the Owner that the City does not want to exercise the Option or assign it to a Designated Purchaser, the Owner may elect to sell the Property to a purchaser at unrestricted fair market value. The City shall reconvey the liens of this Agreement and the City Deed of Trust and cancel the City Note, provided that the Owner pays the Excess Sales Proceeds to the City as provided in Section 10 below and provide the City with the following documentation associated with such a Transfer:

A. The name and address of the purchaser;

B. The final sales contract and all other related documents which shall set forth all the terms of the sale of the Property, including a HUD-1 Settlement Statement. Said documents shall include at least the following terms: (a) the sales price; and (b) the price to be paid by the purchaser for the Owner's personal property, if any, for the services of the Owner, if any, and any credits, allowances or other consideration, if any.

C. A written certification, from the Owner and the purchaser in a form acceptable to the City, that the sale shall be closed in accordance with the terms of the sales contract and other documents submitted to and approved by the City. The certification shall also provide that neither the purchaser nor any other party has paid or will pay to the Owner, and the Owner has not received and will not receive from the purchaser or any other party, money or other consideration, including personal property, in addition to what is set forth in the sales contract and documents submitted to the City. The written certification shall also include a provision that in the event a Transfer is made in violation of the terms of this Agreement or false or misleading statements are made in any documents or certification submitted to the City, the City shall have the right to foreclose on the Property or file an action at law or in equity as may be appropriate. In any event, any costs, liabilities or obligations incurred by the Owner and the purchaser for the return of any moneys paid or received in violation of this Agreement or for any costs and legal expenses, shall be borne by the Owner and/or the purchaser and they shall hold the City harmless and reimburse their expenses, legal fees and costs for any action they reasonably take in good faith in enforcing the terms of this Agreement.

D. A copy of the MAI or other qualified appraisal for the Property.

E. Upon the close of the proposed sale, a copy of the final sales contract, HUD-1 Settlement Statement, escrow instructions, and any other documents which the City may reasonably request.

10. PAYMENT TO CITY OF EXCESS SALES PROCEEDS

A. Excess Sale Proceeds. If the Owner Transfers the Property at an unrestricted price as provided in Section 9 above, or if the Owner makes a Transfer in violation of this Agreement, the Owner shall pay the Excess Sales Proceeds to the City. For purposes of this Agreement, "Excess Sales Proceeds" shall mean the amount by which the gross sales proceeds received by the Owner from the new purchaser exceed the Maximum Resale Price for the Property. However, if the Owner Transfers the Property as provided in Section 9 and is otherwise not in

Default under this Agreement, the amount of Excess Sales Proceeds due to the City shall be reduced by the amount of any actual closing costs and real estate commission paid by the Owner at Transfer, up to a maximum of six percent (6%) of gross sales proceeds.

B. The amount of any Excess Sales Proceeds shall be a debt of the Owner to the City, evidenced by this Agreement, secured by the City Deed of Trust. The Owner acknowledges that the City shall have no obligation to cause release or reconveyance of this Agreement or of the City Deed of Trust until the Excess Sales Proceeds are paid to the City. The City shall utilize the Excess Sales Proceeds for City affordable housing programs. The Owner and the City acknowledge that the formula for calculation of the amount of Excess Sales Proceeds due from the Owner to the City is intended to cause the Owner to receive the same net sales proceeds from sale of the Property at an unrestricted price to an purchaser in conformance with this Agreement as the Owner would receive from sale of the Property to the City or to an eligible purchaser at the Maximum Resale Price.

11. REFINANCE OF FIRST LENDER LOAN; NEW SUBORDINATE LOANS

A. City Consent Required. The Owner covenants and agrees not to place any additional mortgage or deed of trust, including any line of credit, on the Property without obtaining prior written consent of the City. A form for use by the Owner in requesting City subordination to a refinanced First Lender loan or requesting consent for a subordinate loan is attached as Exhibit D to this Agreement.

B. Permitted Encumbrance Amount. The "Permitted Encumbrance Amount", is defined as the greater of: (i) ninety percent (90%) of the Maximum Resale Price, or (ii) the remaining balance of the original First Lender Loan; provided, however, that the City may, in its sole discretion, permit a greater encumbrance amount if a greater encumbrance amount would prevent substantial hardship to the Owner.

C. Refinance. The City shall permit a prepayment and refinance of the First Lender Loan and shall agree to subordinate this Agreement and the City Deed of Trust to the refinanced First Lender Loan provided that:

- (1) Following such refinance, the principal amount of all debt secured by the Property does not exceed the Permitted Encumbrance Amount;
- (2) The refinanced First Lender Loan is a fully amortized fixed rate loan, is fully documented, has a term not exceeding thirty (30) years, and requires no balloon payments;
- (3) If the remaining balance of the original First Lender Loan exceeds ninety percent (90%) of the Maximum Resale Price, then the refinanced First Lender Loan reduces the Owner's principal and interest payments; and
- (4) The total new housing cost to the Owner after the refinance does not exceed the Owner's ability to pay.

D. Subordinate Loans. Subordinate loans, including second or junior loans and equity lines of credit, are not permitted except as expressly approved by the City in writing. The City shall permit only those subordinate loans that conform to the following:

(1) Following the addition of the subordinate loan (calculated assuming a maximum permitted draw on any equity line of credit), the principal amount of all debt secured by the Property shall not exceed the greater of: (i) seventy-five percent (75%) of the Maximum Resale Price, or (ii) the remaining balance of the original First Lender Loan; provided, however, that the City may, in its sole discretion, permit a greater encumbrance amount if a greater encumbrance amount would prevent substantial hardship to the Owner.

(2) The subordinate loan is a fully amortized fixed rate loan, is fully documented, has a term not exceeding thirty (30) years, and requires no balloon payments; and

(3) The total new housing cost to the Owner after the addition of the subordinate loan does not exceed the Owner's ability to pay.

E. Request for Notice of Default. As a condition for subordination of the City Deed of Trust or approval of a subordinate loan, a request for notice of default and notice of sale regarding the refinanced First Lender Loan or subordinate loan shall be recorded in the Office of the Recorder of the County of Santa Clara for the benefit of the City.

F. Purpose of Restrictions. The City and the Owner agree that the requirements of this Section 11 are necessary to ensure the continued affordability of the Property to Owner and to minimize the risk of loss of the Property by Owner through default and foreclosure of mortgage loans. Owner further acknowledges that violation of the provisions of this Section 11 shall constitute a Default under this Agreement.

12. DEFAULTS

A. Events Constituting Default. The following events shall constitute a "Default" by the Owner under this Agreement:

(1) The City determines that the Owner has made a misrepresentation to obtain the benefits of purchase of the Property or in connection with its obligations under this Agreement;

(2) The Owner fails to owner occupy the Property, as required by Section 2 above;

(3) The Owner rents or leases the Property, not in compliance with Section 3 above;

(4) The Owner actually Transfers, or attempts to Transfer, the Property in violation of this Agreement;

(5) The Owrier fails to provide information to the City necessary to determine Owner's compliance with the requirements of this Agreement.

- (6) Judicial foreclosure proceedings are commenced regarding the Property;
- (7) A notice of default is issued under any financing secured by the Property, or the City receives any other notice of default as provided in Civil Code Section 2924b, or the Owner is in default on any other financing secured by the Property.
- (8) The Owner executes any deed in lieu of foreclosure transferring ownership of the Property;
- (9) A lien is recorded against the Property other than the lien of the First Lender Loan, the City Loan, or a loan approved by the City as provided in Section 11.D; or
- (10) The Owner otherwise fails to comply with the requirements of this Agreement, the City Note, or the City Deed of Trust.

B. Remedies. Upon a declaration of Default by the City under this Agreement, the City may exercise any remedies at law or in equity, including without limitation any or all of the following, none of which shall be an exclusive remedy:

- (1) Declare all sums due under the City Note immediately due and payable without further demand;
- (2) Declare a default under the City Note;
- (3) Invoke the power of sale under the City Deed of Trust;
- (4) Apply to a court of competent jurisdiction for such relief at law or in equity as may be appropriate;
- (5) Take such enforcement action as is authorized under the Palo Alto Municipal Code;
- (6) Declare a Default under the City Note and City Deed of Trust and pursue all City remedies under the City Deed of Trust; and
- (7) Exercise the Option as provided in Section 13 of this Agreement.

C. Notice and Cure.

(1) The City may give written notice to the Owner specifying the nature of any violation. If the violation is not corrected to the satisfaction of City within a reasonable period of time, not longer than thirty (30) days after the date the notice is mailed, or within such further time as the City may provide at its sole discretion, the City may declare a Default under this Agreement by written notice to Owner ("Declaration of Default"). However, if the Owner is in default under any financing secured by the Property, the City may send a Declaration of Default upon receipt of any notice given to the City as provided in Civil Code Section 2924b or through any other means and may exercise its remedies upon Default as provided in this Section and Section 13.

(2) The City shall notify the First Lender in the manner set forth in Section 26 of this Agreement if the City has sent a Declaration of Default under this Agreement or declared a Default under the City Note or the City Deed of Trust.

D. Recordation of Requests for Notice. Requests for notice of default and any notice of sale under any deed of trust or mortgage with power of sale encumbering the Property shall be recorded by the City in the Office of the Recorder of the County of Santa Clara for the benefit of the City.

13. EXERCISE OF OPTION UPON DEFAULT

A. Exercise of Option. The City shall have thirty (30) days after issuing a Declaration of Default to notify Owner and First Lender of its intent to exercise the Option. Not later than ninety (90) days after the City has notified the Owner of its intent to exercise the Option under this Section, Owner and the City shall complete all acts and execute all documents necessary to enable the close of escrow and transfer of the Property to the City, including but not limited to removal of all exceptions to title as required by Section 7.G. If Owner has cured all Defaults prior to close of escrow, City and Owner, at City's sole discretion, may by written agreement determine that City shall not exercise the Option.

B. Court Order. If there is a stay or injunction imposed by court order precluding the City from exercising the Option within the applicable time period, then the running of such period shall be tolled until such time as the stay is lifted or injunction dissolved and the City has been given written notice thereof, at which time the period for exercise of the Option shall again begin to run.

C. Right of City to Reinstate Mortgages. In the event of default and foreclosure, the City shall have the same right as the Owner to cure defaults and redeem the Property prior to the foreclosure sale and shall be deemed to be Owner's successor in interest under California Civil Code Section 2924c (or successor sections) solely for the purposes of reinstating any mortgage on the Property that has led to the recordation of the notice of default. As Owner's deemed successor in interest, the City shall be entitled, but not required, to pay all amounts of principal, interest, taxes, assessments, insurance premiums, advances, costs, attorneys' fees and expenses required to cure the default. Nothing herein shall be construed as creating any obligation of the City to cure any such default, nor shall this right to cure and redeem operate to extend any time limitations in the default provisions of the underlying deed of trust or mortgage.

14. NONLIABILITY OF THE CITY

A. No Obligation to Exercise Option. The City shall have no obligation to exercise any Option granted it under this Agreement. In no event shall the City become in any way liable or obligated to the Owner or any successor-in-interest to the Owner by reason of the Option, nor shall the City be in any way obligated or liable to the Owner or any successor-in-interest to the Owner for any failure to exercise the Option.

B. Nonliability for Negligence, Loss, or Damage. Owner acknowledges, understands and agrees that the relationship between the City and the Owner is solely that of a property owner and the administrator of an affordable housing program, and the City does not assume any

responsibility for or duty to the Owner to select, review, inspect, supervise, pass judgment on, or inform Owner of the quality, adequacy or suitability of the Property or any other matter. The City owes no duty of care to protect Owner against negligent, faulty, inadequate or defective building or construction or any condition of the Property, and the Owner agrees that neither Owner, or Owner's heirs, successors or assigns shall ever claim, have or assert any right or action against the City for any loss, damage or other matter arising out of or resulting from any condition of the Property and will hold the City harmless from any liability, loss or damage for these things.

C. Indemnity. Owner agrees to defend, indemnify, and hold the City and its officers, employees, agents, board members and/or council members harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees that the City may incur as a direct or indirect consequence of: (1) Owner's Default, performance, or failure to perform any obligations as and when required by this Agreement or the City Deed of Trust; or (2) the failure at any time of any of Owner's representations to the City to be true and correct.

15. RESTRICTIONS ON FORECLOSURE PROCEEDS

If a creditor acquires title to the Property through a deed in lieu of foreclosure, a trustee's deed upon sale, or otherwise, the Owner shall not be entitled to the proceeds of sale to the extent that such proceeds otherwise payable to the Owner when added to the proceeds paid or credited to the creditor exceed the Maximum Resale Price. The Owner shall instruct the holder of such excess proceeds to pay such proceeds to the City (in addition to any other amounts due the City from the Owner under this Agreement), in consideration of the benefits received by the Owner through purchase of the Property at Affordable Housing Cost.

16. RESTRICTION ON INSURANCE PROCEEDS

If the Property is damaged or destroyed and the Owner elects not to rebuild or repair the Property, the Owner shall pay the City the portion of any insurance proceeds received by the Owner for such destruction or damage which is in excess of the Maximum Resale Price calculated as provided in Section 8 above.

17. TERM OF AGREEMENT

All the provisions of this Agreement, including the benefits and burdens, run with the Property and this Agreement shall bind, and the benefit hereof shall inure to, the Owner, his or her heirs, legal representatives, executors, successors in interest and assigns, and to the City and its successors, until the earlier of (i) fifty-nine (59) years from the date of purchase of the Property by Owner; (ii) the date of Transfer of the Property to an Eligible Purchaser or an Inheriting Owner where the Eligible Purchaser or Inheriting Owner enters into a new agreement, note, and deed of trust in a form determined by the City; or (iii) the date of Transfer of the Property to another purchaser at an unrestricted price and payment of all principal and interest due under the City Note, including but not limited to payment of all Excess Sales Proceeds (the "Term").

18. SUPERIORITY OF AGREEMENT

The Owner covenants that he or she has not, and will not, execute any other agreement with provisions contradictory to or in opposition to the provisions of this Agreement, and that, in any event, this Agreement is controlling as to the rights and obligations between and among the Owner, the City and their respective successors.

19. SUBORDINATION

Notwithstanding any other provision herein, the provisions of this Agreement and the City Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust and shall not impair the rights of the First Lender in the event of default under the First Lender Deed of Trust by the Owner. Such remedies under the First Lender Deed of Trust include the right of foreclosure or acceptance of a deed or assignment in lieu of foreclosure. After such foreclosure or acceptance of a deed in lieu of foreclosure, this Agreement and the City Deed of Trust shall be forever terminated and shall have no further effect as to the Property or any transferee thereafter; provided, however, if the holder of such First Lender Deed of Trust acquires title to the Property pursuant to a deed or assignment in lieu of foreclosure, this Agreement and the City Deed of Trust shall automatically terminate upon such acquisition of title, only if (i) the City has been given written notice of default under such First Lender Deed of Trust with a sixty (60)-day cure period (which requirement shall be satisfied by recordation of a notice of default under California Civil Code Section 2924) and (ii) the City shall not have cured the default within such sixty (60)-day period or commenced to cure and given its firm commitment to complete the cure in form and substance acceptable to the First Lender.

20. NONDISCRIMINATION

The Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Owner or any person claiming under or through the Owner establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Property. The foregoing covenant shall run with the land.

21. RIGHTS OF HUD, CALHFA AND VA

Notwithstanding any other provision in this Agreement to the contrary, this Agreement shall not diminish or affect the rights of HUD, the California Housing Finance Agency ("CalHFA") or the VA under the First Lender Deed of Trust insured by HUD, held by CalHFA, or guaranteed by the VA and utilized to purchase the Property or recorded against the Property in compliance with Section 11 above. Notwithstanding any other provision in this Agreement to the contrary, all of the provisions of this Agreement shall terminate and have no further force and effect if the title is acquired by HUD, CalHFA, or the VA, or another party upon foreclosure of a deed of trust securing a loan insured by HUD, held by CalHFA, or guaranteed by the VA.

22. HUD FORBEARANCE RELIEF

Notwithstanding any other provision of this Agreement, the Option as provided in Section 6 above shall not be exercised by the City when a deed of trust insured by HUD is secured by the Property, and: (i) the owner is undergoing consideration by HUD for assignment forbearance relief; or (ii) the owner is undergoing consideration for relief under HUD's Temporary Mortgage Assistance Payment ("TMAP") program.

23. INVALID PROVISIONS

If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

24. CONTROLLING LAW

The terms of this Agreement shall be interpreted under the laws of the State of California. The venue for any legal action pertaining to this Agreement shall be Santa Clara County, California.

25. NO WAIVER

No delay or omission in the exercise of any right or remedy of City upon any default by Owner shall impair such right or remedy or be construed as a waiver. The City's failure to insist in any one or more instance upon the strict observance of the terms of this Agreement shall not be considered a waiver of the City's right thereafter to enforce the provisions of the Agreement. The City shall not waive its rights to enforce any provision of this Agreement unless it does so in writing, signed by an authorized agent of the City.

26. NOTICES

All notices required herein shall be sent by certified mail, return receipt requested, express delivery service with a delivery receipt, or personal delivery with a delivery receipt and shall be deemed to be effective as of the date received, the date delivery was refused, or the date returned as undeliverable as indicated on the return receipt as follows:

To the Owner:

At the address of the Property.

To the City:

City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301
Attn: City Manager

With a copy to:
 PAHC Housing Services, LLC
 725 Alma Street
 Palo Alto, CA 94301-2403
 Attn: BMR Housing Administrator

To the First Lender:

[To be inserted]

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section.

27. CITY APPROVAL

The City Manager or his or her designee is authorized on behalf of the City to deliver any approvals or consents that this Agreement requires. The City, in its sole discretion, may assign its duties under this Agreement to a third party.

28. INTERPRETATION OF AGREEMENT

The terms of this Agreement shall be interpreted so as to avoid speculation on the Property and to insure to the extent possible that its sales price and mortgage payment remain affordable to persons and families of lower or moderate income, as applicable.

29. COVENANTS RUNNING WITH THE LAND

A. Owner hereby subjects the Property to the covenants and restrictions set forth in this Agreement. Owner hereby declares its express intent that the covenants and restrictions set forth herein shall be deemed covenants running with the land and shall pass to and be binding upon all parties having any interest in the Property throughout the Term of this Agreement. Each and every contract, deed, lease or other instrument covering, conveying or otherwise transferring the Property or any interest therein, as the case may be, shall conclusively be held to have been executed, delivered and accepted subject to this Agreement regardless of whether the other party or parties to such contract have actual knowledge of this Agreement.

B. The Owner and the City hereby declare their understanding and intent that: (i) the covenants and restrictions contained in this Agreement shall be construed as covenants running with the land as provided in California Civil Code Section 1468 and not as conditions which might result in forfeiture of title by Owner; (ii) the burden of the covenants and restrictions set forth in this Agreement touch and concern the Property in that the Owner's legal interest in the Property may be rendered less valuable thereby; and (iii) the benefit of the covenants and restrictions set forth in this Agreement touch and concern the land by enhancing and increasing the enjoyment and use of the Property by eligible purchasers, the intended beneficiaries of such covenants and restrictions.

C. All covenants and restrictions contained herein without regard to technical classification or designation shall be binding upon Owner for the benefit of the City and eligible purchasers and such covenants and restrictions shall run in favor of such parties for the entire period during which such covenants and restrictions shall be in force and effect, without regard to whether the City is an owner of any land or interest therein to which such covenants and restrictions relate.

30. SPECIFIC PERFORMANCE

Owner acknowledges that any breach in Owner's performance of Owner's obligations under this Agreement shall cause irreparable harm to the City. Owner agrees that the City is entitled to equitable relief in the form of specific performance upon its exercise of the Option, and that an award of damages shall not be adequate to compensate the City for Owner's failure to perform according to the terms of this Agreement.

31. OWNER'S ACKNOWLEDGEMENT OF RESALE RESTRICTION

Owner acknowledges and agrees that:

A. This Agreement places certain restrictions and limits the price for which Owner may sell the Property. Owner may not enjoy the same economic or other benefits from owning the Property that Owner would enjoy if this Agreement did not exist.

B. Absent the provisions of this Agreement, the Property could not be made available to eligible purchasers, such as the Owner, at an affordable price.

C. Owner understands all of the provisions of this Agreement. Owner agrees to the provisions of this Agreement with the understanding that this Agreement will remain in full force and effect as to the Property throughout the Term of this Agreement.

D. OWNER UNDERSTANDS THAT THE DETERMINATION OF THE MAXIMUM RESALE PRICE OF THE PROPERTY CAN BE MADE ONLY AT THE TIME OF THE PROPOSED TRANSFER, TAKING INTO CONSIDERATION INCREASES IN THE CONSUMER PRICE INDEX, WHICH CANNOT BE ACCURATELY PREDICTED, AND THAT THE SALES PRICE MAY NOT INCREASE OR DECREASE IN THE SAME MANNER AS OTHER SIMILAR PROPERTY WHICH IS NOT ENCUMBERED BY THIS AGREEMENT. OWNER FURTHER ACKNOWLEDGES THAT IN SETTING THE SALES PRICE OF THE PROPERTY, THE PRIMARY OBJECTIVE OF THE CITY AND THIS AGREEMENT IS TO PROVIDE HOUSING TO ELIGIBLE PURCHASERS AT AFFORDABLE HOUSING COST. THE MAXIMUM RESALE PRICE WILL ALMOST CERTAINLY BE LESS THAN THAT OF OTHER SIMILAR PROPERTIES THAT HAVE NO RESTRICTIONS.

Initialed by Owner(s)

[Signatures Follow on Subsequent Page]

IN WITNESS WHEREOF, the parties have executed this Agreement on or as of the date first written above.

CITY:

OWNER:

CITY OF PALO ALTO, a charter city and municipal corporation

By: _____

By: _____

Title: _____
(Type Name and Title)

Title: _____
(Type Name)

STATE OF CALIFORNIA)
)
COUNTY OF SANTA CLARA)

On _____, before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

STATE OF CALIFORNIA)
)
COUNTY OF SANTA CLARA)

On _____, before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

895104\1399129.4

EXHIBIT A

Legal Description of the Property

895104\1399129.4

A-1

EXHIBIT B

Form of Owner Occupancy Certification

To: City of Palo Alto ("City").

From: _____ ("Owner")

Property Address: _____ ("Property")

Date: _____

By signature below, I _____ [insert name or names of Owner] hereby certify to the City under penalty of perjury that I/we occupy the Property located at _____ [insert address] (the "Property") as my/our principal place of residence and that I/we have lived in and physically occupied the Property for _____ () [insert number] months of the calendar year _____ [insert previous calendar year]. Attached to this letter is a copy of my homeowners property tax exemption showing my place of residence.

The Owner hereby certifies that the above information is true and correct and this Owner Occupancy Certification is signed under penalty of perjury on _____, 20__.

By: _____
Owner [type name]

By: _____
Owner [type name]

Due Date: February 1 of each calendar year.

Attach copy of property tax bill showing address of Property.

EXHIBIT C

Form of Owner's Notice of Intent to Transfer

To: City of Palo Alto ("City")

From: _____ ("Owner")

Property Address: _____ ("Property")

Date: _____

Please be notified that the Owner intends to transfer the Property listed above.

A. The following information is provided to the City as provided in Section 7 of the Resale Agreement:

1. Address of Property: _____
2. Date Owner purchased Property: _____
3. Affordable Housing Cost when Property was purchased: _____
4. Date Owner intends to vacate Property: _____
5. Date Property will be placed on market: _____
6. Name and phone number of person for City to contact to schedule inspection:
 _____ and _____
 (name) (phone number)

B. As required by Section 9 of the Resale Restriction Agreement, the following documents are attached to this Notice:

1. Copy of HUD-1 Settlement Statement from Owner's purchase of the Property
2. If Owner has made Eligible Capital Improvements to the Property that Owner wishes to include in the City's calculation of Indexed Price, check box below

Yes, I have made Eligible Capital Improvements as provided in Section 8.A.2 of the Resale Agreement. They are _____ [describe improvements] and were completed on _____ [insert date]. I attach the following documents to this letter:

- a. copy of City letter granting prior approval of these improvements;
- b. evidence of cost of these improvements;
- c. appraisal showing value added to Property by the improvements.

C. I have not yet listed the Property for sale with a multiple listing service, or contacted a real estate broker or financial institution. I agree to prepare the Property for sale by: _____

- 1. obtaining a pest control report within thirty (30) days of the date of this notice,
- 2. repairing all damage noted in the pest report within the sooner of: (i) sixty (60) days from the date of this notice, or (ii) two (2) weeks prior to close of escrow or the transfer of the Property,
- 3. allowing the City to inspect the Property within thirty (30) days of this notice,
- 4. if requested by the City following the City's inspection, I will obtain a home inspection report from a licensed home inspector,
- 5. maintaining utility connections until the Property is transferred,
- 6. permitting a walk through by the City prior to close of escrow or the transfer.

This Owner's Notice of Intent to Transfer is certified by Owner to be true and correct and is signed on _____ [insert date] under penalty of perjury.

By: _____
Owner

By: _____
Owner

EXHIBIT D

Form of Owner Request for City Subordination to Refinance First Lender Loan or for Subordinate Loan

To: City of Palo Alto ("City")

From: _____ ("Owner")

Property Address: _____ ("Property")

Date: _____

The Owner hereby requests the City to approve the Owner's refinance of the existing First Lender Loan on the Property [provide information for all First Lender Loans if more than one First Lender Loan] and/or approval of a subordinate loan. The Owner provides the following information which it certifies to be true and correct:

1. Affordable Housing Cost at time of purchase: \$ _____
2. Original Principal Balance of existing First Lender Loan: \$ _____
3. Interest Rate of Existing First Lender Loan:
or subordinate loan. _____ %
4. Principal Amount of Proposed New First Lender Loan
or subordinate loan: \$ _____
5. Interest Rate of Proposed New First Lender Loan
or subordinate loan: _____ %

The Owner hereby certifies the above information is true and correct and this Owner Request is executed under penalty of perjury on _____ [insert date].

By: _____
Owner

By: _____

EXHIBIT E
FORM OF CITY NOTE

895161879533.1

Exhibit E

NOTICE TO BORROWER: THIS DOCUMENT CONTAINS PROVISIONS
RESTRICTING ASSUMPTIONS.

CITY OF PALO ALTO
PROMISSORY NOTE
Secured by Deed of Trust
(Below Market Rate Purchase Program)

Excess Sales Proceeds,
Excess Rents, and Advances

City of Palo Alto, California
_____ [Date]

FOR VALUE RECEIVED, the undersigned _____ (the "Borrower") promises to pay to the City of Palo Alto, a charter municipal corporation (the "City"), at 250 Hamilton Avenue, Palo Alto, CA 94301, Attn: City Manager, or such other place as the City may designate in writing, any amounts due to the City as Excess Sales Proceeds, Excess Rents, and Advances as provided in that Occupancy, Resale, and Refinancing Restriction Agreement, with Option to Purchase at Restricted Price of even date herewith (the "Resale Agreement").

1. Purpose of Note. Borrower is purchasing the property located at _____ (the "Property")

pursuant to policies contained in the Housing Element of the City's General Plan and Chapter 18.14 of the Palo Alto Municipal Code (the "Legal Requirements") as part of an effort by the City to create affordable home ownership opportunities for low-income and moderate-income persons and families. The Legal Requirements provide for the sale of some homes at a price below fair market value at affordable prices.

Pursuant to the Legal Requirements, the purchase price of the Property has been set below its unrestricted fair market value so that the Property will be affordable for purchase by moderate income households.

Because the purchase price has been set below the unrestricted fair market value, the Borrower is required and has agreed to execute the Resale Agreement, which restricts the price of the Property upon resale and which requires the Borrower to pay any Excess Sales Proceeds at resale to the City. In addition, the Resale Agreement prohibits the Borrower from renting or leasing the Property except under limited circumstances and requires the Borrower to pay any Excess Rents to the City. The Resale Agreement also requires the Borrower to pay Advances. This City Note evidences: (a) the obligation of the Borrower to pay any Excess Rents to the City as provided in the Resale Agreement; (b) the obligation of the Borrower to pay any Excess Sales Proceeds to the City as provided in the Resale Agreement; and (c) the obligation of the Borrower to pay any Advances pursuant to the Resale Agreement.

1. Security. This City Note is secured by a deed of trust dated the same date as this City Note (the "City Deed of Trust"). Borrower and City have also executed the Resale Agreement. Borrower acknowledges that this City Note is given in connection with the Borrower's purchase of the Property as part of a program of the City to assist in the purchase of residences by low and moderate income households. Said property, including both the real property and all improvements now or hereafter erected on the property, and all easements, rights, appurtenances and all fixtures now or hereafter attached to the property, shall be referred to in this City Note as the Property. The term "Property," as used herein, shall have the same meaning as the term "Security" is used in the City Deed of Trust.
2. Definitions. The capitalized terms set forth in this City Note shall have the same meanings as in the Resale Agreement.
3. Term. The term of this City Note shall be the same as the Term of the Resale Agreement.
4. Payment. Any Excess Sales Proceeds plus Excess Rents and Advances owed under this City Note or the Resale Agreement shall immediately become due and payable: (i) in the event of a Default by the Borrower under this City Note, the Resale Agreement, the City Deed of Trust, or the First Lender Loan; or (ii) on the date Transfer is made whether voluntarily, involuntarily, or by operation of law and whether by deed, contract of sale, gift, devise, bequest or otherwise. Failure to declare such amounts due shall not constitute a waiver on the part of the City to declare them due in the event of a subsequent Transfer.
5. No Assumption of City Note by Subsequent Buyers. Borrower acknowledges that this City Note is given in connection with the purchase of the Property as part of an effort by the City to assist in the purchase of the Property by low or moderate income households. Consequently, this City Note is not assumable by subsequent purchasers nor by the successors and assigns of the Borrower.
6. Prepayments. The City Deed of Trust shall remain on the Property to secure payment of the Excess Sales Proceeds, Excess Rents, and Advances, if any, and to secure performance of the Resale Agreement, and so cannot be prepaid.
7. Default. The Borrower shall be in default under this City Note if (i) he or she is in Default under the Resale Agreement, City Note, City Deed of Trust, or First Lender Loan, (ii) fails to pay any money when due under this City Note; or (iii) breaches any representation or covenant made in this City Note or the Resale Agreement.
8. Acceleration. Upon a Declaration of Default, the full amount of any Excess Rents, Excess Sales Proceeds, Advances or any other amounts due under this City Note, if any, shall be immediately due and payable. Any failure by the City to pursue its legal and equitable remedies upon Default shall not constitute a waiver of the City's right to issue a Declaration of Default and exercise all of its rights under this Note, the Resale Agreement, and the City Deed of Trust. Nor shall acceptance by the City of any payment provided for herein constitute a waiver of the City's right to require prompt payment of any remaining payments owed.

9. Nonliability for Negligence, Loss, or Damage. Borrower acknowledges, understands and agrees that the relationship between Borrower and City is solely that of borrower and lender, and that the City and its designated agents neither undertake nor assume any responsibility for or duty to Borrower to select, review, inspect, supervise, pass judgment on, or inform Borrower of the quality, adequacy or suitability of the Property or any other matter. The City and its designated agents owe no duty of care to protect Borrower against negligent, faulty, inadequate, or defective building or construction or any condition of the Property, and Borrower agrees that neither Borrower, nor Borrower's heirs, successors or assigns shall ever claim, have, or assert any right or action against City or its agents for any loss, damage, or other matter arising out of or resulting from any condition of the Property and will hold City and its agents harmless from any liability, loss, or damage for these things.

10. Indemnity. Borrower agrees to defend, indemnify, and hold the City and its designated agents harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees that the City and its designated agents may incur as a direct or indirect consequence of:

- (a) Borrower's failure to perform any obligations as and when required by this City Note, the City Deed of Trust, and the Resale Agreement; or
- (b) the failure at any time of any of Borrower's representations or warranties to be true and correct.

11. Attorneys' Fees and Costs. Borrower agrees that if any amounts due under this Note are not paid when due, to pay in addition to principal and accrued interest, all costs and expenses of collection and reasonable attorneys' fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed:

12. Joint and Several Obligations. This Note is the joint and several obligations of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

13. No Offset. Borrower hereby waives any rights of offset it now has or may hereafter have against City, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.

14. Waiver. Borrower and any endorsers or guarantors of this Note, for themselves, their heirs, legal representatives, successors and assigns, respectively, severally waive diligence, presentment, protest, and demand, and notice of protest, notice of dishonor and notice of non-payment of this Note, and expressly waive any rights to be released by reason of any extension of time or change in terms of payment, or change, alteration or release of any security given for the payments hereof, and expressly waive the right to plead any and all statutes of limitations as a defense to any demand on this Note or agreement to pay the same, and jointly and severally agree to pay all costs of collection when incurred, including reasonable attorneys' fees.

15. Notices. All notices required in this Note shall be sent by certified mail, return receipt requested, or express delivery service with a delivery receipt, or personally delivered with a delivery receipt obtained and shall be deemed to be effective as of the date shown on the

delivery receipt as the date of delivery, the date delivery was refused, or the date the notice was returned as undeliverable as follows:

To the Borrower:

At the address of the Property.

To the City:

City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301
Attn: City Manager

With a copy to:

PAHC Housing Services, LLC
725 Alma Street
Palo Alto, CA 94301-2403
Attn: BMR Housing Administrator

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section 12.

16. Controlling Law. This Note shall be construed in accordance with and governed by the laws of the State of California.

17. Assignment by City. The City may assign its right to receive the proceeds under this Note to any person, and upon notice to the Borrower by the City, all payments shall be made to the assignee.

18. Severability. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

19. Entire Agreement. This Note (along with the Resale Agreement and City Deed of Trust) sets forth the entire understanding and agreement between the City and the Borrower, and any amendment, alteration or interpretation of this Note must be in writing signed by both the City and the Borrower.

BORROWER:

[Type Borrower's Name]

EXHIBIT F
FORM OF CITY DEED OF TRUST

895161879533.1

Exhibit F

NO RECORDING FEE PURSUANT
TO GOVERNMENT CODE SECTION 27383

RECORDING REQUESTED BY

Title Company Name

Escrow #

AND WHEN RECORDED MAIL TO

City Manager

City of Palo Alto

250 Hamilton Avenue

Palo Alto, CA 94301

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DEED OF TRUST
AND SECURITY AGREEMENT
CITY OF PALO ALTO
BELOW MARKET RATE PURCHASE PROGRAM
(_____ [Property Address])**

THIS DEED OF TRUST AND SECURITY AGREEMENT ("Deed of Trust") made this
____ day of _____, 201____, among the trustor, _____ (the "Owner"),
whose address is _____;
_____ [Title Company] ("Trustee"), and the City of Palo Alto,
as Beneficiary.

The Owner, in consideration of the promises herein recited and the trust herein created,
irrevocably grants, transfers, conveys and assigns to Trustee, in trust, with power of sale, the
property located in the City of Palo Alto, State of California, described in the attached Exhibit
"A" (the "Property").

TOGETHER with all the improvements now or hereafter erected on the Property, and all
easements, rights, appurtenances, and all fixtures now or hereafter attached to the Property, all of
which, including replacements and additions thereto, shall be deemed to be and remain a part of
the Property covered by this Deed of Trust; and

TOGETHER with all articles of personal property or fixtures now or hereafter attached to
or used in and about the building or buildings now erected or hereafter to be erected on the
Property which are necessary to the complete and comfortable use and occupancy of such
building or buildings for the purposes for which they were or are to be erected, including all
other goods and chattels and personal property as are ever used or furnished in operating a
building, or the activities conducted therein, similar to the one herein described and referred to,
and all renewals or replacements thereof or articles in substitution therefor, whether or not the
same are, or shall be attached to said building or buildings in any manner; and all of the
foregoing, together with the Property, is herein referred to as the "Security."

To have and to hold the Security together with acquittances to the Trustee, its successors and assigns forever;

TO SECURE to the City the performance of the covenants and agreements of Owner contained in that certain Occupancy, Resale, and Refinancing Restriction Agreement, with Option to Purchase at Restricted Price executed by and between the Owner and the City of even date herewith (the "Resale Agreement");

TO SECURE to the City the payment of Excess Rents, Excess Sales Proceeds, and any Advance (as such terms are defined in the Resale Agreement and evidenced by that certain Promissory Note executed by the Owner for the City's benefit of even date herewith (the "City Note")) that may become due by Owner to City.

TO SECURE the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Owner herein contained.

OWNER AND CITY COVENANT AND AGREE AS FOLLOWS:

1. Owner's Estate. That Owner is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Security, that other than this Deed of Trust, the Security is encumbered only by: (a) that deed of trust executed by Owner in connection with a loan made to Owner by _____ (the "First Lender"), securing a promissory note executed by Owner in favor of the First Lender ("First Lender Note"), to assist in the purchase of the Property; and (b) the Resale Agreement. Owner agrees to warrant and defend generally the title to the Security against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring the City's interest in the Security. (As used in this Deed of Trust, the term "First Lender" shall also include all successors and assigns of the First Lender.)

2. Payment of Excess Sales Proceeds, Excess Rents, and Advance. Owner will promptly pay to the City, when and if due the: (i) Excess Sales Proceeds as provided in the Resale Agreement and City Note; and (ii) Excess Rents as provided in the Resale Agreement and City Note; and (iii) any Advance as provided in the Resale Agreement and City Note.

3. Resale Agreement. Owner will observe and perform all of the covenants and agreements of the Resale Agreement.

4. Charges; Liens. Owner will pay all taxes, assessments and other charges, fines and impositions attributable to the Security which may attain a priority over this Deed of Trust, by Owner making any payment, when due, directly to the payee thereof. Upon request by the City, Owner will promptly furnish to the City all notices of amounts due under this paragraph. In the event Owner makes payment directly, Owner will promptly discharge any lien which has priority over this Deed of Trust; provided, that Owner will not be required to discharge the lien of the First Lender Deed of Trust or any other lien described in this paragraph so long as Owner

will agree in writing to the payment of the obligation secured by such lien in a manner acceptable to the City, or will, in good faith, contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Security or any part thereof.

5. Hazard Insurance. Owner will keep the Security insured by a standard all risk property insurance policy equal to the replacement value of the Security (adjusted every five (5) years by appraisal, if requested by the City). If the Security is located in a flood plain, Owner shall also obtain flood insurance.

The insurance carrier providing this insurance shall be licensed to do business in the State of California and be chosen by Owner subject to approval by the City.

All insurance policies and renewals thereof will be in a form acceptable to the City and will include a standard mortgagee clause with standard lender's endorsement in favor of the holder of the First Lender Note and the City as their interests may appear and in a form acceptable to the City. The City shall have the right to hold, or cause its designated agent to hold, the policies and renewals thereof, and Owner shall promptly furnish to the City, or its designated agent, the original insurance policies or certificates of insurance, all renewal notices and all receipts of paid premiums. In the event of loss, Owner will give prompt notice to the insurance carrier and the City or its designated agent. The City, or its designated agent, may make proof of loss if not made promptly by Owner. The City shall receive thirty (30) days' advance notice of cancellation of any insurance policies required under this section.

Unless the City and Owner otherwise agree in writing, insurance proceeds, subject to the rights of the First Lender, will be applied to restoration or repair of the Security damaged, provided such restoration or repair is economically feasible and the Security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the Security of this Deed of Trust would be impaired, the insurance proceeds will be used to repay any amounts due under the Resale Agreement and City Note, with the excess, if any, paid to Owner. If the Security is abandoned by Owner, or if Owner fails to respond to the City, or its designated agent, within thirty (30) days from the date notice is mailed by either of them to Owner that the insurance carrier offers to settle a claim for insurance benefits, the City, or its designated agent, is authorized to collect and apply the insurance proceeds at the City's option either to restoration or repair of the Security or to pay amounts due under the Resale Agreement and City Note.

If the Security is acquired by the City, all right, title and interest of Owner in and to any insurance policy and in and to the proceeds thereof resulting from damage to the Security prior to the sale or acquisition will pass to the City to the extent of the sums secured by this Deed of Trust immediate prior to such sale or acquisition, subject to the rights of the First Lender.

6. Preservation and Maintenance of Security. Owner will keep the Security in good repair and in a neat, clean, and orderly condition and will not commit waste or permit impairment or deterioration of the Security. If there arises a condition in contravention of this Section 6, and if the Owner has not cured such condition within thirty (30) days after receiving a City notice of such a condition, then in addition to any other rights available to the City, the City

shall have the right (but not the obligation) to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Security to recover its cost of curing.

7. Protection of the City's Security. If Owner fails to perform the covenants and agreements contained in this Deed of Trust or if any action or proceeding is commenced which materially affects the City's interest in the Security, including, but not limited to, default under the First Lender Deed of Trust, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then the City, at the City's option, upon notice to Owner, may make such appearances, disburse such sums and take such action as it determines necessary to protect the City's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Security to make repairs.

Any amounts disbursed by the City pursuant to this paragraph, with interest thereon, will become an indebtedness of Owner secured by this Deed of Trust. Unless Owner and City agree to other terms of payment, such amount will be payable upon notice from the City to Owner requesting payment thereof, and will bear interest from the date of disbursement at the lesser of (i) ten percent (10%); or (ii) the highest rate permissible under applicable law. Nothing contained in this paragraph will require the City to incur any expense or take any action hereunder.

8. Inspection. The City may make or cause to be made reasonable entries upon and inspections of the Security; provided, however, that the City will give Owner reasonable notice of inspection.

9. Forbearance by the City Not a Waiver. Any forbearance by the City in exercising any right or remedy will not be a waiver of the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by the City will not be a waiver of the City's right to require payment of any amounts secured by this Deed of Trust.

10. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or any other document, or afforded by law or equity, and may be exercised concurrently, independently or successively.

11. Hazardous Materials. Owner shall keep and maintain the Property (including, but not limited to soil and ground water conditions) in compliance with all, and shall not cause or permit the Property to be in violation of any, Hazardous Materials Law. Owner shall not do, nor allow anyone else to do, anything affecting the Security that is in violation of any Hazardous Materials Law. The preceding two sentences shall not apply to the presence, use, or storage on the Security of small quantities of Hazardous Materials that are generally recognized to be appropriate to normal residential uses and to maintenance of the Security.

"Hazardous Material" shall mean (i) any substance, material, or waste that is petroleum, petroleum-related, or a petroleum by-product, asbestos or asbestos-containing material, polychlorinated biphenyls, flammable, explosive, radioactive, Freon gas, radon, or a pesticide, herbicide, or any other agricultural chemical, and (ii) any waste, substance, or material defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous

materials," "toxic materials," "toxic waste," "toxic substances," or words of similar import under any Hazardous Materials Law.

"Hazardous Materials Law" shall mean any federal, state or local laws, ordinances, or regulations relating to any Hazardous Materials, health, industrial hygiene, environmental conditions, or the regulation or protection of the environment, and all amendments thereto as of this date and to be added in the future and any successor statute or rule or regulation promulgated thereto.

Owner shall promptly give City written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Security and any Hazardous Material or Hazardous Materials Law of which Owner has actual knowledge ("Hazardous Material Claims").

Without the City's prior written consent, which shall not be unreasonably withheld, the Owner shall not take any remedial action in response to the presence of any Hazardous Materials on, under or about the Property, nor enter into any settlement agreement, consent decree, or other compromise in respect to any Hazardous Material Claims, which remedial action, settlement, consent decree or compromise might, in the City's reasonable judgment, impair the value of the Security; provided, however, that the City's prior consent shall not be necessary in the event that the presence of Hazardous Materials on, under, or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not reasonably possible to obtain the City's consent before taking such action; provided that in such event the Owner shall notify the City as soon as practicable of any action so taken. The City agrees not to withhold its consent, where such consent is required hereunder, if (i) a particular remedial action is ordered by a court of competent jurisdiction, (ii) the Owner will or may be subjected to civil or criminal sanctions or penalties if it fails to take a required action; (iii) the Owner establishes to the reasonable satisfaction of the City that there is no reasonable alternative to such remedial action which would result in less impairment of the Security; or (iv) the action has been agreed to by the City.

12. Successors and Assigns Bound. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of the City and Owner subject to the provisions of this Deed of Trust.

13. No Assumption of Deed of Trust by Subsequent Buyers. Borrower acknowledges that this Deed of Trust is given in connection with the purchase of the Property as part of an effort by the City to assist in the purchase of the Property by low or moderate income households. Consequently, this Deed of Trust is not assumable by subsequent purchasers nor by the successors and assigns of the Borrower.

14. Joint and Several Liability. All covenants and agreements of Owner shall be joint and several.

15. Notice. Except for any notice required under applicable law to be given in another manner: (a) any notice to Owner provided for in this Deed of Trust will be given by certified mail, addressed to Owner at the address shown in the first paragraph of this Deed of

Trust or such other address as Owner may designate by notice to the City as provided herein; and (b) any notice to the City will be given by certified mail, return receipt requested, or express delivery service with a delivery receipt, or personally delivered with a delivery receipt, to City of Palo Alto, 250 Hamilton Avenue, Palo Alto, CA 94301, Attn: City Manager or to such other address as the City may designate by notice to Owner as provided above. Notice shall be effective as of the date received by City as shown on the return receipt.

16. Governing Law. This Deed of Trust shall be governed by the laws of the State of California.

17. Severability. In the event that any provision or clause of this Deed of Trust or the Resale Agreement conflicts with applicable law, such conflict will not affect other provisions of this Deed of Trust or the Resale Agreement which can be given effect without the conflicting provision, and to this end the provisions of the Deed of Trust and the Resale Agreement are declared to be severable.

18. Captions. The captions and headings in this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

19. Nondiscrimination. The Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, sex, sexual orientation, marital status, ancestry or national origin in the sale, transfer, use, occupancy, tenure or enjoyment of the Property, nor shall the Owner or any person claiming under or through the Owner establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Property. The foregoing covenant shall run with the land.

20. Nonliability for Negligence, Loss, or Damage. Owner acknowledges, understands and agrees that the relationship between Owner and City is solely that of two separate parties in an arm's length transaction, and that City neither undertakes nor assumes any responsibility for or duty to Owner to select, review, inspect, supervise, pass judgment on, or inform Owner of the quality, adequacy or suitability of the Security or any other matter. City owes no duty of care to protect Owner against negligent, faulty, inadequate or defective building or construction or any condition of the Security and Owner agrees that neither Owner, or Owner's heirs, successors or assigns shall ever claim, have or assert any right or action against City for any loss, damage or other matter arising out of or resulting from any condition of the Security and will hold City harmless from any liability, loss or damage for these things.

21. Indemnity. Owner agrees to defend, indemnify, and hold City and its officers, employees, agents, board members harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees that City may incur as a direct or indirect consequence of:

(a) Owner's failure to perform any obligations as and when required by the Resale Agreement, the City Note, and this Deed of Trust; or

(b) the failure at any time of any of Owner's representations or warranties to be true and correct.

22. Acceleration; Remedies. Upon Owner's breach of any covenant or agreement of Owner in the Resale Agreement, the City Note, or this Deed of Trust, including, but not limited to, the covenants to pay, when due, any sums secured by this Deed of Trust, the City, prior to acceleration, will mail by express delivery, return receipt requested notice to Owner specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than thirty (30) days from the date the notice is received by Owner as shown on the return receipt, by which such breach is to be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Security. The notice will also inform Owner of Owner's right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of default or any other defense of Owner to acceleration and sale. If the breach is not cured on or before the date specified in the notice, the City, at the City's option, may: (a) declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by California law; (b) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Property, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any breach hereunder or invalidate any act done in response to such breach and, notwithstanding the continuance in possession of the Security, the City shall be entitled to exercise every right provided for in this Deed of Trust, or by law upon occurrence of any uncured breach, including the right to exercise the power of sale; (c) commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; (d) deliver to Trustee a written declaration of default and demand for sale, pursuant to the provisions for notice of sale found at California Civil Code Sections 2924 et seq., as amended from time to time; or (e) exercise all other rights and remedies provided herein, in the instruments by which the Owner acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

The City shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorneys' fees.

23. Owner's Right to Reinstate. Notwithstanding the City's acceleration of the sums secured by this Deed of Trust, Owner will have the right to have any proceedings begun by the City to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Security pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Owner pays City all sums which would be then due under this Deed of Trust and Owner cures all breaches of any other covenants or agreements of Owner contained in the Resale Agreement or this Deed of Trust; (b) Owner pays all reasonable expenses incurred by City and Trustee in enforcing the covenants and agreements of Owner contained in the Resale Agreement or this Deed of Trust, and in enforcing the City's

and Trustee's remedies, including, but not limited to, reasonable attorneys' fees; and (c) Owner takes such action as City may reasonably require to assure that the lien of this Deed of Trust, City's interest in the Security and Owner's obligation to perform the obligations and pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Owner, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

24. Due on Transfer of the Property. Upon a Transfer (as defined in the Resale Agreement) of the Property or any interest in it, the City shall require immediate payment in full of all sums secured by this Deed of Trust.

25. Reconveyance. Upon payment of all sums secured by this Deed of Trust, and following the expiration of the Term of the Resale Agreement, City will request Trustee to reconvey the Security and will surrender this Deed of Trust, the City Note, and the Resale Agreement to Trustee. Trustee will reconvey the Security without warranty and without charge to the person or persons legally entitled thereto. Such person or persons will pay all costs of recordation, if any.

26. Substitute Trustee. The City, at the City's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. The successor trustee will succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

27. Superiority of First Lender Documents. Notwithstanding any provision herein, this Deed of Trust shall not diminish or affect the rights of the First Lender under the First Lender Deed of Trust or any subsequent First Lender deeds of trust hereafter recorded against the Security in compliance with the requirements of the Resale Agreement.

Notwithstanding any other provision hereof, the provisions of this Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust and shall not impair the rights of the First Lender, or such lender's assignee or successor in interest, to exercise its remedies under the First Lender Deed of Trust in the event of default under the First Lender Deed of Trust by the Owner. Such remedies under the First Lender Deed of Trust include the right of foreclosure or acceptance of a deed or assignment in lieu of foreclosure. After such foreclosure or acceptance of a deed in lieu of foreclosure, this Deed of Trust shall be forever terminated and shall have no further effect as to the Property or any transferee thereafter; provided, however, if the holder of such First Lender Deed of Trust acquired title to the Property pursuant to a deed or assignment in lieu of foreclosure and no notice of default was recorded against the Property by such holder in connection therewith, this Deed of Trust shall automatically terminate upon such acquisition of title, only if: (i) the City has been given written notice of default under such First Lender Deed of Trust with a sixty (60)-day cure period (which requirement shall be satisfied by recordation of a notice of default under California Civil Code Section 2924); and (ii) the City shall not have cured or commenced to cure the default within such sixty (60)-day period or commenced to cure and given its firm commitment to complete the cure in form and substance acceptable to the First Lender.

28. Request for Notice. Owner requests that copies of the notice of default and notice of sale be sent to Owner at the address set forth in Section 15 above.

IN WITNESS WHEREOF, Owner has executed this Deed of Trust as of the date first written above.

OWNER:

[Type Owner's Name]

STATE OF CALIFORNIA)
)
COUNTY OF SANTA CLARA)

On _____, before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

895041578296.3

EXHIBIT A

Legal Description of the Property

A-1

895104\1578296.3

**AMENDMENT NO. 1 TO REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIVE COVENANTS REGARDING
BELOW-MARKET-RATE UNITS AT 2515-2585 EL CAMINO REAL
A.P.N. Nos. 124-33-066 and 124-33-067**

This Amendment No. 1 (“Amendment”) to the Regulatory Agreement and Declaration of Restrictive Covenants Regarding Below-Market-Rate Units at 2515-2585 El Camino Real, recorded on January 1, 2019 as Instrument No. 24092606 in the Official Records of Santa Clara County, California (“Agreement”) is entered into this ____ day of _____, 2022 by and between the City of Palo Alto, a California chartered municipal corporation (“City”), and Palo Alto Properties Investment LLC, a California limited liability corporation, (“Developer”) (collectively, “Parties”).

WHEREAS, Section 16.65.030 of the Palo Alto Municipal Code (“PAMC”) requires that residential ownership projects containing three or more units shall provide at least fifteen percent of the dwelling units in the project shall be made available at affordable sales price to very low, low, and moderate income households.

WHEREAS, Section 16.65.080 of the PAMC allows the City Council to authorize, as an alternative means of compliance when provision of affordable ownership units is infeasible, the provision of affordable rental units in a residential ownership project.

WHEREAS, Section 16.65.080, subdivision (c) of the PAMC further provides that the City Council may by ordinance or resolution specify the percentage and affordability level of rental affordable units that are equivalent to provision of on-site for-sale affordable units.

WHEREAS, on April 17, 2017, the City Council of the City of Palo Alto adopted Ordinance No. 5409, specifying that a rental alternative for residential ownership projects shall provide at least fifteen percent of the dwelling units in the project at rates affordable to low income households.

WHEREAS, the Parties entered into the Agreement to govern the below-market-rate units for a residential ownership project at 2515-2585 El Camino Real (“Project”).

WHEREAS, the Agreement includes provisions for a rental alternative to for-sale affordable units, but this alternative was neither approved by the City Council in accordance with PAMC Section 16.65.080, nor did it specify the level of affordability required by Ordinance No. 5409.

WHEREAS, the Agreement indicated that exemplary affordable rents would be provided in Exhibit C, yet no such Exhibit was attached.

WHEREAS, the City has asserted that the rental alternative provisions of the Agreement are invalid as a non-legislative act in conflict with the City’s zoning laws.

WHEREAS, Developer has fully constructed the Project in reliance upon the rental alternative provisions of the Agreement.

WHEREAS, the Parties wish to amend the Agreement to bring it into compliance with the PAMC and effectuate their earlier intent to the greatest extent possible.

NOW, THEREFORE, the Parties agree as follows:

1. The definition of “Affordable Rent” provided in Section 1.1 (a) of the Agreement shall be amended to read as follows:

“(a) ‘Affordable Rent’ is the maximum allowable Rent for a BMR Unit that is leased by Developer prior to its sale. Affordable Rent shall be calculated at a level affordable to Low Income Households, as follows: one twelfth (1/12th) of thirty percent (30%) of seventy percent (70%) of Area Median Income for Santa Clara County, adjusted to assumed household size of one person in a studio BMR Unit, two persons in a one-bedroom BMR Unit, Three persons in a two-bedroom BMR Unit, and one additional person for every additional bedroom thereafter. An example of this calculation for the calendar year 2022 is provided in Exhibit C.”

2. Exhibit C to this Amendment No. 1 shall replace Exhibit C to the Agreement.
3. Section 4.1 of the Agreement, “Rental of BMR Units Prior to Sale,” is amended to read as follows:

“4.1 Rental of BMR Units Prior to Sale. If the Developer elects not to sell any of the units at initial project occupancy and instead offer them for rent, the Developer shall lease the BMR Units at an Affordable Rent as provided in this Article 4. At the time that any unit in the Project is offered for sale, the BMR Units shall be offered for sale at Affordable Sales Prices to Eligible Households as provided in Article 3, above. Notwithstanding Section 3.1 above, if the BMR Units are occupied by Tenants who qualify as Eligible Households at the time such units are offered for sale, Developer shall first offer the BMR Units to such Tenants.

4. Section 4.6, “Waiver of Rights Under the Costa-Hawkins Act,” is added to the Agreement as follows:

“4.6 Waiver of Rights Under the Costa-Hawkins Act. In consideration of the right to offer BMR Units for rent under this Article 4, Developer hereby waives and releases the City from any and all claims that may arise under the Costa-Hawkins Act (Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code), with respect to the Rent restrictions contained in this Agreement. In the event Developer, or its successors should challenge the validity of such Rent restrictions, the BMR Units

shall immediately be offered for sale at Affordable Sales Prices pursuant to Article 3.”

- 5. Except as modified by this Amendment, all provisions of the Agreement shall remain in full force and effect.

Developer

City

City Manager or City Manager Designee

Date: _____

Date: _____

Approved as to form:

City Attorney or City Attorney Designee

EXHIBIT C

MAXIMUM INITIAL AFFORDABLE RENTS FOR AFFORDABLE UNITS AND MAXIMUM INCOME LEVEL OF TENANTS

(Provided for reference. These limits are adjusted annually, as determined and published by the City. Project shall be subject to the Affordable Rents and Household Income limits in effect at the time Developer submits marketing plan to City.)

A. Affordable Rents.

Affordable Rent is defined in Section 1.1 of this Agreement. The table below illustrates how Affordable Rent is calculated, based upon 2022 State Income Limits adopted by the California Department of Housing and Community Development and contained in California Code of Regulations, Title 25, Section 6932.

Number of Bedrooms	AMI* for Assumed Household Size	70 Percent of AMI	Maximum Annual Rent	Maximum Monthly Affordable Rent** (1/12 of Maximum Annual Rent)
2BD	\$151,560	\$106,155	\$31,847	\$2,654

* AMI is Area Median Income.

**A reasonable allowance for tenant-paid utilities must be deducted from the Tenant's monthly payments to the Developer. See definition of Rent in Section 1.1 for other fees and charges that must be deducted from the Tenant's monthly payments to the Developer. 2022 utility allowances are available at:

https://www.scchousingauthority.org/assets/1/6/2022_UA_Schedule_Calculation_Sheets_effective_10-1-21.pdf

B. Maximum Household Income of Tenants at 70% AMI (Income Limits)

Household Size (Number of Persons)	Maximum Gross Annual Household Income
Three (3)	\$106,155
Four (4)	\$117,950

Income limits for larger households available upon request from the City.



City of Palo Alto City Council Staff Report

(ID # 14609)

Meeting Date: 8/22/2022

Report Type: Consent Calendar

Title: 1985 Louis Road (First Congregational Church of Palo Alto) [22PLN-00159]: Appeal of a Director's Decision Approving a Safe Parking Program Permit to Allow Overnight Parking of up to Four (4) Vehicles at the Subject Property. Environmental Assessment: Exempt. Zoning District: R-1 (Single-Family Residential).

From: City Manager

Lead Department: Planning and Development Services

Recommendation:

Staff recommends that Council uphold the Director's Decision to approve a Safe Parking Permit at 1985 Louis Road, the First Congregational Church of Palo Alto.

Executive Summary:

On July 20, 2022, the Planning and Development Services Department received a timely request for an appeal of the Safe Parking Permit application, 22PLN-00159 at 1985 Louis Road, the First Congregational Church of Palo Alto. This item is on the consent calendar and if approved would affirm the Director's decision. The Council may alternatively choose to pull it off consent with support from at least three Council members. If pulled the item would be considered at a future noticed public hearing.

The Appellant is asking for the following items to be considered: Vehicle emissions relating to potential idling of vehicles, overall proximity to residential uses, the fact that the County of Santa Clara does not authorize the use of background checks for Safe Parking, and overall potential security issues.

These requests go beyond what is currently required by the current Safe Parking Program and implemented at two other Safe Parking sites. Staff recommends that Council deny the appeal request and uphold the Director's Decision to approve the project.

Background:

City Council approved the Safe Parking ordinance in January of 2020¹, which is now Palo Alto Municipal Code Section 18.42.160. Since this approval, five congregations applied for Safe Parking Permits. Of the five, two have been approved and are in operation; one is on hold by the applicant's choice; one received approval but withdrew after the application was appealed by neighbors; and the last is the subject of this appeal.

The two in operation, located at 3373 Middlefield Rd. and 505 E. Charleston Rd., have been operating since May 2021 and October 2021, respectively. There have been no calls that required police emergency response or that led to a police report being taken. Additionally, the 505 E. Charleston permit was originally appealed by the neighbor, and considered by Council on August 9, 2021². Council voted to pull it from Consent, however, the appellant withdrew their appeal before the appeal hearing was held.

Project Description

On May 11, 2022, the First Congregational Church of Palo Alto (FCCPA) applied for a Safe Parking Permit. The permit allows four (4) passenger vehicles to park onsite during the hours of 7:00 pm to 7:00 am. The Safe Parking Lot would be operated by MOVE Mountain View (MOVE MV), as per the agreement dated March 25, 2022 (Attachment D).

Required Findings

A Safe Parking Permit application is required to meet the following Findings:

1. The proposed safe parking use complies with the standards listed PAMC 18.42.160(f), as follows:
 - a. Qualifying site. Safe parking may be allowed on a parcel with an existing, legal church or religious institution use.
 - b. Number of vehicles. At no time shall more than 4 vehicles be used for safe parking.
 - c. Hours of operation. A safe parking use may only occur between the hours of 6:00 p.m. and 8:00 a.m.
 - i. The applicant has chosen to further limit this to 7:00pm to 7:00 am which is allowed. This ensures the overnight parkers have left the premises prior to on-site preschoolers arriving.
 - d. Noise. Audio, video, generator, or other amplified sound that is audible outside the vehicles parked in the safe parking program is prohibited.
 - e. Shelter in vehicles. All persons receiving safe parking shall shelter within the vehicles. No person shall be housed in tents, lean-tos, or other temporary facilities.
 - f. Required facilities. Accessible restroom facilities, including a toilet and handwashing sink, shall be available to persons utilizing the site for safe parking

¹ Link to January 13, 2021 Staff Report: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutesreports/reports/city-manager-reports-cmrs/year-archive/2020/safe-parking-10789.pdf>

² Link to August 9, 2021 Staff Report: <https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/2021/id-12386.pdf>

at all times during the hours of operation. These facilities may be the existing onsite facilities or mobile facilities brought onsite on a temporary basis to serve persons utilizing safe parking.

- g. Contact information. The following emergency contact information shall be posted on site in a place readily visible to persons utilizing safe parking: (i) a contact phone number for the safe parking program operator; (ii) the police non-emergency phone number; and (iii) 911. The safe parking program operator shall be available at all hours of operation at the posted phone number and shall be the first contact for non-emergency matters.
 - h. Connection to county case management system. The safe parking use shall be managed and operated by a safe parking program operator that participates in the federal Homeless Management Information System with Santa Clara County or other county.
 - i. Safe, clean, orderly premises. The safe parking area and other onsite areas accessed by persons utilizing safe parking shall be maintained in a safe, clean and orderly condition and manner.
 - j. Compliance with laws. The safe parking use shall be operated in a manner that is fully in conformance with all state and local laws including regulations and permit requirements.
2. The proposed safe parking use at the location requested will not adversely affect the health, safety, or welfare of persons residing or working in the surrounding area.
 3. The proposed site is adequate in size and shape to accommodate the safe parking use.

Director's Approval

The project was tentatively approved with conditions on July 6, 2022, subject to a 14-day appeal period (Attachment C). Per PAMC 18.42.160(d)(2)(ii), and notice was sent to all owners and occupants of property within 600 feet of the subject property.

As a courtesy, the Planning and Development Services Department arranged a community meeting for neighbors to learn more about the project. A recording of the July 12, 2022 meeting and copy of the Q&A report are available online.³ As noted in the appellant's statement (Attachment B), some attendees were disappointed with the virtual meeting which had more than 70 attendees. Staff attempted to efficiently answer questions using the Q&A feature but to some, this approach was viewed as restricting an open discussion about the specific project and the Safe Parking Program and homelessness generally.

The appellant is a group of neighbors representing at least 29 individuals and 19 properties in vicinity of the proposed project, including one who lives directly adjacent at 940 Embarcadero Road. The appeal letter (Attachment B) states their concerns, including:

- Vehicle emissions relating to potential idling of vehicles
- Overall proximity to residential uses

³ See Meeting Recording and Q&A Report: <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/1985-Louis-22PLN-00159>

- The fact that the County of Santa Clara does not authorize the use of background checks for Safe Parking
- Potential security

Discussion:

Idling Vehicles

Car emissions from idling safe parking vehicles near residential properties is a concern expressed by the appellant. While it is not anticipated idling would occur often due to moderate temperatures and fuel costs to run a vehicle for extended periods of time, idling cars is a possibility. Per PAMC 10.62.030, vehicle idling is not allowed except in certain circumstances. Specifically, it is only allowed when “necessary to provide heat to an occupied vehicle if the outside ambient temperature is below 40 degrees Fahrenheit, or idling is necessary to provide cooling to an occupied vehicle if the outside temperature is more than 85 degrees Fahrenheit”. The majority of the year, the outside temperature is above 40 degrees and less than 85 degrees between 7pm and 7am. During the winter months (approximately November through March), nighttime temperatures are sometimes in the 30’s.

Staff anticipates that during the winter, occupants will use extra blankets and clothing layers to maintain heat in the car. If they become too uncomfortable to sleep, they would turn on the car for a period of time until it is comfortable enough to sleep again. Additionally, in the event of dangerously cold temperatures, Santa Clara County opens additional Warming Centers.⁴ Last year, the County operated two overnight warming center locations in San Jose from December 17, 2021, to April 30, 2022. In Palo Alto, two rotating shelters, Heart & Home and Hotel de Zink, also provide indoor temporary shelter during the winter months.

The appellant includes historic weather graphs and information in the Attachment B and argues that car idling will occur more frequently than staff expects and will result in pollution potentially compromising the health and safety of nearby residents; impacts to health and safety are a consideration in the approval of a Safe Parking Program permit.

The applicant has prepared a response letter to the appeal statements included in Attachment C and states that in 2021 there were only 11 nights below 40 degrees and that the applicant intends on providing blankets to assist with cold weather-related concerns. Moreover, any idling from cars would not likely be perceived by neighbors as their windows would likely be closed during weather.

Overall Proximity to Residential Uses

The appellant requests the four spaces proposed for Safe Parking Program be relocated toward Louis Road. This action, the appellant suggests, would provide a greater distance from residential structures, offer more privacy for the Program’s participants and benefits from less

⁴ Additional information on Santa Clara County Office of Emergency Management’s Cold Weather Safety programs is available here: <https://emergencymanagement.sccgov.org/residents/cold-weather-safety#:~:text=need%20of%20assistance.-,Overnight%20Warming%20Locations,pm%20%2D%207%3A00%20am.>

automobile traffic on Louis Road, better parking lot lighting and proximity to the church's security cameras.

The Safe Parking Ordinance did not establish a required minimum distance. However, through the community outreach for the 3373 Middlefield permit, a minimum of 25 ft was established as an initial precedent. The proposed parking spaces would be approximately 34 feet away from nearest residential property line.

The applicant acknowledges the two parking lots on the site and notes that the parking lot near Louis Road is used by individuals participating in various activities and meetings at the church, including groups not affiliated with the church that meet regularly in the evening and use the on-site parking spaces nearest Louis Road. The applicant further asserts the parking lot near Embarcadero is less noisy and provides more privacy to safe parking participants.

Background Checks

Discussion surrounding background checks was also discussed as a part of the appeal request for the 505 E. Charleston permit (see footnote 2). In summary, Santa Clara County does not support their contractors (MoveMV) in conducting background checks at temporary shelters as a part of the "housing first" approach to their supportive housing system, including homelessness prevention services, temporary shelter programs, and supportive housing programs. Additionally, in response to the previous appeal request, MoveMV has added the following screening questions to their standard application for participants in the Safe Parking Program: 1) if they are on parole or probation, and if so, 2) if there are any legal restrictions on where they are allowed to reside.

The appellant references the California Fair Employment and Housing Act as a law that allows providers to use criminal background checks and includes references to a number of jurisdictions in California that require some form of background checks or screenings as a part of their safe parking programs; this information is available in Attachment B.

Staff appreciates resident interest for background checks but is concerned such action may not align with the City Council's housing for social justice and economic balance priority and this type of screening may not address perceived safety risks.

A criminal background check in housing decisions is permissible within the parameters of state and federal discrimination laws, namely the California Fair Employment and Housing Act and the federal Fair Housing Act. The California Department of Fair Employment and Housing requires that background checks focus only on those criminal convictions that have a "direct and specific negative bearing on a substantial, legitimate, and nondiscriminatory interest or purpose of the housing provider, such as the safety of other residents, the housing provider's employees, or the property." State regulations also require that if criminal background checks are used as part of a housing decision, there must be "no feasible alternative practice that would equally or better accomplish the identified interest with less discriminatory effect." (See

Section 5 in the DFEH handout “Housing and Criminal History FAQ”, include within Attachment B. *See also* 2 CCR 12266).

State regulations prohibit a “blanket ban” on those with a criminal record or felons residing in housing. (*See* 2 CCR 12269). Instead, each individual who has a criminal record must be evaluated on a case-by-case basis to identify whether any convictions are “directly related”, and whether there is any mitigating information in response to a directly-related conviction. (*See* 2 CCR 12266). The applicant must have an opportunity to present mitigating information him or herself. Mitigating information includes “credible information about the applicant that suggests that the applicant is not likely to pose a demonstrable risk to the health and safety of others, the property, or other substantial, legitimate, and non-discriminatory interest or purpose of the housing provider.” The state gives the following examples of mitigating information:

- The age of the individual when the criminal conduct occurred;
- The amount of time that has passed since the date of conviction;
- Whether the conduct arose as a result of a disability;
- Whether the conduct arose from status as a survivor of domestic violence;
- Whether the individual has maintained a good tenant history before and/or after the conviction;
- Whether there is evidence of rehabilitation efforts, including satisfactory compliance with all terms and conditions of parole and/or probation; successful completion of parole, probation, mandatory supervision, or post release community supervision; and
- Other conduct demonstrating rehabilitation, such as maintenance of steady employment. (*See* Section 8 in Attachment B, Fair Housing And Criminal History FAQ).

State regulations prohibit using some types of criminal history information in a housing decision. This includes arrests that did not result in a conviction, convictions that have been dismissed, expunged, or rendered inoperative, juvenile criminal histories, and arrests that were diverted from prosecution under specific types of diversion programs. (*See* 2 CCR 12269).

Failure to comply with these regulations can be considered a violation of these statutory protections against discrimination in housing. The DFEH has voiced concern that the use of criminal histories in housing decisions can lead to an “unjustified discriminatory effect” as “African Americans, Hispanics (or Latinos), and certain other groups face higher rates of arrest, conviction, and incarceration than the general population. The use of criminal history information in housing decisions can therefore have a disproportionately negative effect on these protected groups.” (*See* Section 2 in Attachment B, Fair Housing And Criminal History FAQ). A housing provider does not have to have any intention of discrimination to run afoul of these laws.

Separately, state law regulates the use of the Megan’s Law database of registered sex

offenders. Information disclosed from using the database cannot be used for housing or accommodations purposes, except to “protect a person at risk.” (See Penal Code 290.46(j)). Megan’s Law does not impose a blanket ban prohibiting registered sex offenders from living near schools or parks. That blanket restriction was originally passed by the voter initiative in 2006 but was deemed unconstitutional by the California Supreme Court in 2015. (See *In re Taylor* (2015) 60 Cal.4th 1019). Such restrictions now must be applied on a case-by-case basis in administering probation and parole.

Implications of Background Checks

In addition to the policy implications described previously, background checks require time and resources. A third party must perform the background check, which creates a cost. The time required to perform the check varies based on the way the operator chooses to implement a check. Whether a few days or a few weeks, the check does create a barrier to providing services to the unhoused person(s) as quickly as possible.

Some participants may be deterred from reaching out if they know a background check is required due to fears about engaging with the criminal justice system. It has been suggested that undocumented participants may be further deterred. Participants must, however, have a valid driver’s license and insurance.

The public discourse at Council meetings and community meetings has also raised issues regarding perceptions of crime among unhoused persons as well as issues of equity. It can be argued that the need to have background checks performed for those living in their vehicles is based on a perception that these persons may be more likely to have perpetrated a crime and will be more likely to perpetrate a crime in the future.

The Council for the Homeless, however, states that a person who is homeless is no more likely to be a criminal than a person who is housed.⁵ Indeed a number of studies have examined homelessness and crime and support this perspective. For example, the *Washington Post* found that:

“A review of four research papers and interviews with policy experts, economists, housing providers and longtime neighbors of shelters suggests a more complicated narrative. On average, researchers have found supportive housing facilities servicing the homeless and other vulnerable populations rarely lead to higher crime rates or a drop in property values — and sometimes even raise the latter if the shelter helps stabilize a distressed community.”⁶

Further, while tenants of apartments may have background checks performed in accordance with the law, homeowners are not subject to background checks. This creates a financial

⁵ The Council notes there is one legal exception: camping ordinances. Homeless persons are more likely to be charged with crime of camping, loitering, or other crimes based on state and local laws.

⁶ https://www.washingtonpost.com/local/social-issues/dc-residents-fret-over-shelter-plan-citing-crime-and-property-values/2016/02/27/7be82f4c-d978-11e5-925f-1d10062cc82d_story.html

inequity in that a homeowner able to afford a home does not need to provide information regarding any past crimes, yet an unhoused person seeking a place to park in their vehicle overnight does.

Lastly, the persons served in the congregation-based Safe Parking Program are living in their vehicles. This site would specifically serve those living only in passenger vehicles, not recreational vehicles. These persons can legally park on many public streets in Palo Alto for up to 72 hours—including streets in the vicinity of UUCPA. No background check is performed for those persons who park on public streets. Thus, while a background check might prevent or deter a person from participating in this program—even a person with a criminal history—a background check will not prevent or deter them from seeking shelter in their vehicle and parking in public areas.

Security

The final concern listed in the appeal request letter was regarding overall site safety and security, specifically incident reporting and on-site supervision. The applicant asserts that there is no visibility into incidents that occur at safe parking sites and that limited drive by supervision by the operator is insufficient to provide any meaningful security. Attachment B includes a list of California jurisdictions reported by the appellant as requiring of overnight supervision.

Per correspondence with the Palo Alto Police, dated July 28, 2022, there have been no incidents reported to Palo Alto Police from the two active safe parking sites. MoveMV has reported only one incident within Palo Alto involving a participant that needed to be relocated to another safe parking facility that allowed pets to accommodate the participant's dog.

Incidents at safe parking facilities that require attention may be reported to MoveMV, to the church, to the City's Planning and Development Services Department or, if needed, through a police report. Planning Staff checks in with MoveMV and the churches from time to time, as required by PAMC 18.42.160 (e), and no incidents have been reported or observed. The churches participating in Safe Parking see this use as an extension of their ministry.

MoveMV includes site security as a part of its standard operations. Each site has check-in and check-out staff in the evenings and mornings to ensure no one besides the designated participants arrive, and that the participants leave in the morning by the required time. Overnight, a rotating security crew is used to monitor all of MoveMV's sites, with at least two check-ins to each parking lot. They are also on-call to respond to any incidents at the parking lots.

Policy Implications:

If the subject appeal stays on consent, the Director's decision to approved the safe parking facility would be sustained and the applicant could begin operating the facility in compliance with the approval. If pulled by three or more Council members, the decision would be stayed pending a noticed hearing by the City Council likely in late September.

Stakeholder Engagement:

Notices of the tentative decision were provided in accordance with the Municipal Code. In addition to the community meetings described above, staff has been in regular communication with the applicant and appellant. Applicant, appellant, and community members who have asked to be notified have been advised of this item being scheduled on the agenda and opportunities to provide public input.

Public Comments:

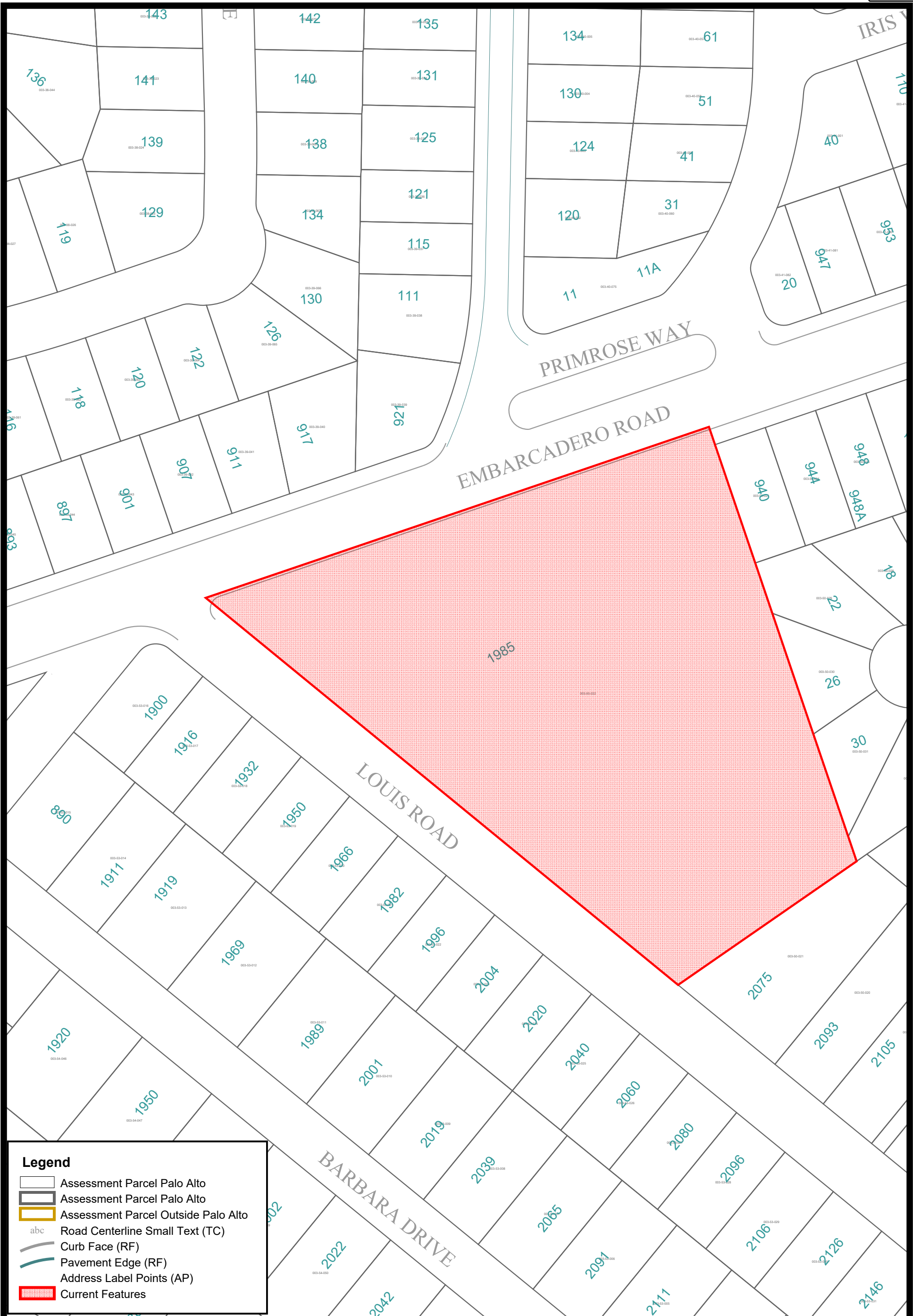
To date, a number of public comments were received via email, and are attached to this report as Attachment F.

Environmental Review:

This project is exempt from CEQA per Section 15301 (Existing Facilities).

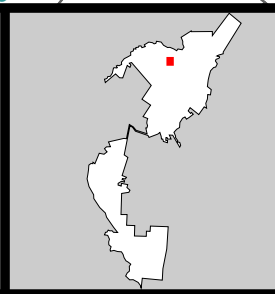
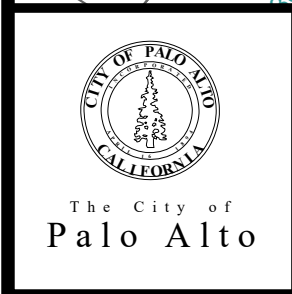
Attachments:

- **Attachment4.a:** Attachment A - Location Map
- Attachment4.b: Attachment B - Appeal Documents
- Attachment4.c: Attachment C - FCCPA Appeal Response Letter
- Attachment4.d: Attachment D - Director's Approval Letter
- Attachment4.e: Attachment E - Link to Project Documents
- Attachment4.f: Attachment F: Correspondence



Legend

- Assessment Parcel Palo Alto
- Assessment Parcel Palo Alto
- Assessment Parcel Outside Palo Alto
- Road Centerline Small Text (TC)
- Curb Face (RF)
- Pavement Edge (RF)
- Address Label Points (AP)
- Current Features



**Attachment A:
Location Map
1985 Louis Road**

This map is a product of the City of Palo Alto GIS

A north arrow pointing upwards and a scale bar showing 0 feet to 87 feet.



CITY OF PALO ALTO
Office of the City Clerk
APPEAL FROM THE DECISION OF DIRECTOR OF
PLANNING & DEVELOPMENT SERVICES*

For appeals of final decisions on Architectural Review Board and Home Improvement Exception applications (rendered after public hearing), this appeal form shall be completed and submitted by appellant within fourteen days from date of the Director's decision.

* Director of Planning includes his designees, which are Planning Managers or the Chief Planning Official

Appeal Application No. Receipt No.
Name of Appellant Todor Ganev Phone () 650-815-5685
Address 940 Embarcadero Road Palo Alto 94303
Street City ZIP

LOCATION OF PROPERTY SUBJECT TO APPEAL:
Street Address 1985 Louis Road
Name of Property Owner (if other than appellant) First Congregational Church of Palo Alto
Property Owner's Address 1985 Louis Road Palo Alto 94303
Street City ZIP

The decision of the Director of Planning & Development Services dated July 6, 2022

whereby the application 22PLN-00159 by The Rev. Dr. Eileen Altman
(file number) (original project applicant)

was approved, is hereby appealed for the reasons stated in the attached letter (in duplicate)
(approved/denied)

Date: 7-19-2022 Signature of Appellant [Handwritten Signature] (Todor Ganev)

PLANNING COMMISSION RECOMMENDATION TO THE CITY COUNCIL (TO BE FILLED OUT BY STAFF):

Date Approved Denied

Remarks and/or Conditions:

CITY COUNCIL DECISION (TO BE FILLED OUT BY STAFF):

Date Approved Denied

Remarks and/or Conditions:

SUBMITTAL REQUIREMENTS SATISFIED:

- 1. Letter stating reasons for appeal Received by:
2. Fee (currently \$595.00) Received by:

Todor Ganev
940 Embarcadero Rd
Palo Alto, CA 94303

City of Palo Alto Planning Department:
250 Hamilton Avenue - Fifth Floor
Palo Alto, CA 94301

July 20, 2022

Dear City of Palo Alto Planning Department:

I represent a group of neighbors residing in the vicinity of First Congregational Church of Palo Alto (FCCPA) at 1985 Louis Road.

I am writing to formally appeal the decision to approve the Safe Parking Program sponsored by Move Mountain View (MMV) at FCCPA. The application in question (22PLN-00159) was conditionally approved on July 6, 2022.

As a preamble, allow me to clarify that we have nothing against helping the unhoused and those less fortunate. In fact, many of us regularly volunteer and donate to such causes.

However, we are forced to resort to this appeal, because we have serious concerns about this particular program and especially about the way it is being implemented by FCCPA and MMV. We have tried, in good faith, to discuss mutually acceptable solutions with FCCPA, but, unfortunately, they have not been receptive to the neighbors' suggestions, despite declaring the opposite.

In the interest of clarity, we can categorize the concerns in two main groups:

- A. The impact on the immediate Church neighbors' health, safety, and welfare.
- B. The broader impact on the safety and welfare of the entire neighborhood.

Our concerns are as follows:

A. Impact on the immediate Church neighbors' health, safety, and welfare.

Palo Alto Municipal Code: 18.42.160 (d)(1)(ii) states. "The proposed safe parking use at the location requested will not adversely affect the health, safety, or welfare of persons residing or working in the surrounding area".

The safe parking spots chosen by FCCPA clearly violate this Municipal Code requirement. Namely:

The parking spaces and facilities for this program are closer to neighbors' houses and properties than any other church sites currently operating Safe Parking in Palo Alto.

Since the vehicle dwellers will be allowed to idle their cars as an exemption to the City environmental regulations, this will put the immediate neighbors at risk. There are at least 5 children living in the residences that share fences with the Church, one of whom suffers from asthma. (Documentation, including a Doctor's note confirming that the elevated pollution can adversely affect the child are available, but not included here, in order to protect the minor child's identifying information)

FCCPA are asserting that that since the vehicles will be allowed to idle only when temperatures are below 40 degrees or above 85 degrees Fahrenheit, such idling will be rare. This is not a real excuse, because even rare idling is a hazard to the neighbors. However, it is highly doubtful that these will be rare occasions. Even a perfunctory perusal of historical hourly nighttime data for Palo Alto (c.f. <https://www.timeanddate.com/weather/usa/palo-alto>) reveals that in January and February 2022 temperatures fell below 40 degrees for multiple nights in a row. (Please refer to the charts enclosed at the very end of this letter) In addition, this regulation may be well-intentioned, but appears practically unenforceable.

As a solution to the health and welfare concerns of the immediate neighbors, we have requested FCCPA, on multiple occasions, to move the safe parking spots to the Louis Road side of the Church. Looking at the geometry and other considerations, that parking lot is a much better choice as it:

- Is further away from any residential structures
- Has more space to spread clients out for privacy.
- Has Church security cameras which monitor the parking lot.
- Has better lighting than the Embarcadero lot.
- Louis Road has less automobile traffic than Embarcadero Road.

FCCPA has refused to move the parking spots further away from the impacted neighbors and has offered no valid reasons why they are not willing to accept this very reasonable compromise.

To wit: FCCPA have stated (most recently at a community meeting on 7/12/22) that placing the parking spots on the Louis side will interfere with the preschool that rents rooms at FCCPA. But, in contradiction, pastor Rev Altman herself has publicly stated (see, for example, PaloAltoOnline.com article of 7-15-22) that the Church has set the hours for the safe parking program at 7 p.m. to 7 a.m. so that the vehicle dwellers will not be there when the preschool is in session and children are present. Similar statement was made also at the 7/12/22 community meeting. Therefore, this is not a valid reason.

Another unconvincing argument from FCCPA has been that the Louis Road lot is the primary lot that most of the Church and community members use for evening events. They are claiming that it would be more disruptive for the vehicle dwellers to park there amongst the frequent comings and goings in the evening. It is not even entirely clear what FCCPA means by this statement, but any way one looks at it, this is also unpersuasive. The safe parking spots will be reserved, plus why would the vehicle dwellers be inconvenienced by the benevolent Church attendees? Further, some minor inconvenience (if any at all)

during occasional events cannot even begin to compare with long-term risks to the neighbors' health and welfare.

In short, per this section, we respectfully request that the City of Palo Alto Planning Department rescind the temporary permit granted to approve the Safe Parking Program sponsored by Move Mountain View (MMV) at First Congregational Church of Palo Alto (FCCPA.) until FCCPA moves the safe parking spots to the Louis Road side, so as not to put the health and welfare of the immediate neighbors at risk.

B. Broader impact on the safety and welfare of the entire neighborhood

Here are some of the issues that will predictably impact the entire neighborhood and are of major concern to many of us.

1. SAFETY.

Our community members are entitled to a proactive approach to safety, with criminal background screening provided before problems occur. However, this is not what this program entails.

The screening process for potential clients of this program is not publicly known. The responses to questions about the screening process have been vague and, at times, contradictory. Move Mountain View has stated that it will not check to see if applicants are convicted sex offenders or have recently committed a violent felony. There is conflicting information about whether this is legally prohibited by California Housing First laws.

In short, Move Mountain View are essentially gathering a group of unscreened individuals, placing them in proximity to each other (and to residential homes/schools), and not safeguarding the community by running criminal background checks of these vehicle dwellers.

Failure to screen for sex offenders or recent violent felons is inconsistent with the best practices set by other cities. See examples from other SPP programs across Santa Clara County and the State:

1. Cupertino (guidelines suggest screening by experienced service provider, including Megan's law check)¹;
2. Culver City (the only people eligible for the program are "[i]ndividuals who are 18 years and older, [drive] an operational vehicle, and [complete and pass] a background check")²;
3. Fullerton ("[a]ll participants will be required to pass a background check to be eligible to enter the program. Registered sex offenders, a history of criminal arrests, or a conviction for a violent crime are disqualifiers for the program... Each participant will be vetted by the City of Fullerton and Fullerton PD")³;
4. Los Angeles (the Safe Parking LA website states that "[a]ll adults are also screened in the National Sex Offender database")⁴;
5. Monterey (participants must be alcohol and drug free, free of police warrants, and the program will not accept applicants with severe mental illness)⁵;

6. Morgan Hill (applicants are vetted through the Morgan Hill PD and must pass a background check)⁶;
7. Redwood City/San Jose (Life Moves excludes violent felons and sex offenders)⁷;
8. San Diego ("[a]ll adults are run through the Megan's Law database and the National Sex Offender Registry. They are also asked if they have been convicted of a violent crime which disqualifies them for enrollment." Also, "[the operator's] case managers will work with the Sheriff's Department...")⁸;
9. San Luis Obispo (background check required)⁹;
10. Santa Barbara (City of Lompoc) (resolution of the City Council requires that "participants shall submit to a criminal history background check")¹⁰;
11. Santa Cruz (the Safe Spaces Parking Program will "[d]etermine criminal background to exclude those that have a record for sexual predation, violent crime or criminal behavior associated with substance abuse.")¹¹; and
12. Walnut Creek (background checks for violent crimes, sexual assaults or open warrants by the police).¹²

In fact, the Homeless Policy Research Institute released a study of safe parking programs and noted that "[m]ost programs... screen out sex offenders and recent violent felons using a background check system" (emphasis added).¹³ Much like landlords presently conduct background checks for their prospective tenants, these other programs recognize the importance of screening.

The new FEHA law just prohibits providers from issuing blanket bans for criminal records and limits allowable denial to crimes that could have a direct impact on the community, such as violent crimes, sexual offenses, etc. I have attached an FAQ regarding this law for reference.

Such a requirement would not be onerous. In order to participate in the SPP program, the Guests must have a valid license, car insurance and registration. Thus, applicants to the program should already have the documentation required in order to apply.

Additionally, the ultimate goal of the program is to transition participants to stable housing and find a job. A quote from a 2018 Mercury News article about Move MV/Lots of Love states that "[t]he goal is not to merely give them a safe space, but to get them out of their vehicles and into permanent homes. Everyone who participates will have to sign up for housing and demonstrate they are serious about the task."¹⁴ Participants also need to show willingness to work with case workers to find permanent housing. Accordingly, the Palo Alto SPP program should be finding participants who are willing to provide the information for a background check, as it demonstrates "seriousness about the task" and is an indicator of greater likelihood of their success in the program. This is especially true since background checks will often be required by landlords and employers as participants work to transition to more permanent housing (see, e.g., a survey by HR.com shows 96% of employers require background checks).¹⁵

Further, as FCCPA is in close proximity to a number of homes with young children, local elementary and middle schools (e.g., Greene Middle School, Duveneck Elementary School, Stratford school) the failure to check for sex offenders is of particular concern and may adversely affect the health and safety of the surrounding area.

This presents an obvious conflict with the Safe Biking to School and similar initiatives of the City and the Palo Alto Unified School District.

2. LACK OF INCIDENT TRACKING.

There is no public visibility into incidents that happen at these sites. Unlike public police logs, there is no way for citizens-at-large to know about fights, loud music, public drunkenness, and other public nuisances, unless the Palo Alto Police are called **and** file an incident report.

In fact, at recent meetings FCCPA and MMV made efforts to deflect and suppress all questions about past incidents at other Safe Parking locations.

3. LACK OF SUPERVISION.

Move Mountain View has indicated that they only have resources for someone to drive by a couple of times a day. This does not provide any real security. It is in stark contrast with other SPP locations across California which provide for overnight supervision.

Alameda County Safe Parking Program - [the safe parking program] includes “evening security”.¹⁶

Cupertino (Winter Faith) - shelter manual suggests an overnight supervisor¹⁷

Fullerton (Pathways of Hope) - Security guards will be on site during all program hours. The program location will be surveilled by the Fullerton PD as part of [its] patrol route. Vehicles will be searched by security upon arrival to the lot each night.¹⁸

Livermore - "City will provide an overnight attendant at the Parking Lot during the hours the lot is available for the Safe Parking Program. The overnight attendant will be responsible for checking in parking guests, enforcing program rules, ensuring parking guests have left the premises by the designated time, and reporting incidents and program status to the City."¹⁹

Long Beach - provides “overnight security”. Also “security staff will be on site one-half hour prior to, during and one-half hour post the operational hours of the program”. Finally, “[v]ehicles will not be allowed to park within a three-block radius of the lot to minimize impacts to the local community. The provider will monitor for this and violators of this rule will be warned; repeat violators will be exited from the program. There will be zero tolerance for substance use or acts of aggression at the site.” (emphasis added).²⁰

Los Angeles - “All program locations include access to a restroom facility and the security of a guard.”²¹

Morgan Hill (FOCUS program/Morgan Hill Bible Church) - Lots are protected by “hired security detail” and also have volunteers for the first and last two hours blocks of the program.²²

Palmdale - “The program is staffed by nighttime parking lot monitors and operates 7 days a week from 7:00 p.m. to 7:00 a.m.”²³

Redwood City - lot located across the street from Police station

Sacramento - the site is "staffed around the clock"²⁴

San Diego (Jewish Family Safe Parking Program) - onsite security guard for all hours of the program²⁵

San Luis Obispo (40 Prado Safe Parking Program) - someone is on site providing supervision and "cameras monitor the parking lot 24/7"²⁶

Santa Barbara (City of Lompoc) - Resolution of City Council states that "monitoring and oversight shall be provided during safe parking hours."²⁷

Union City - "The City of Union City Community and Recreation Services Department will be providing an attendant to be present throughout the night at all of the locations."²⁸

Walnut Creek (Trinity Safe Parking Program) - Guardian Security will provide one staff person per shift to perform security services for the program from 9:15 pm to 6:15 am, seven days a week.²⁹

Further, the vehicle dwellers are supposed to leave the church every morning and park at least 0.5 miles away, but there is no clear provision for how this rule will be enforced and verified. And 0.5 miles still means that they will remain in our neighborhood, without control in proximity to the schools and on school biking routes.

4. PROCEDURAL.

Many of the neighbors feel that they were not properly informed about FCCPA's plans and they have either not been allowed to participate in discussions with FCCPA or their feedback has been minimized or even entirely ignored.

For example, many of the nearby neighbors on Morton Way were not informed, and, as one disturbing example, even the residents of the house on 22 Morton Way, which shares a fence with the Church and is quite close to the chosen parking spots, (bounds seen on FCCPA application map) only learned about the plans late, and only by chance, from word of mouth.

Neighborhood feedback has been either editorialized or outright ignored by both Move Mountain View and Church representatives. A meeting was held on 7/12/22 (Recording of the meeting available at <https://www.cityofpal Alto.org/News-Articles/Planning-and-Development-Services/1985-Louis-22PLN-00159>) and it was advertised as a community meeting, but it did not include a true discussion. The meeting involved only one-sided extolling of the program and silencing any inconvenient questions or rebuttals submitted by online chat. Some neighbors even complained that their written questions were being edited in real time during the meeting.

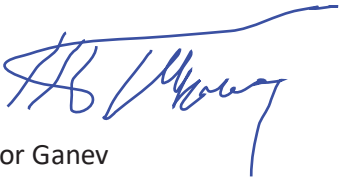
We need a real discussion, with the neighbors' concerns being heard and addressed properly and in good faith, not only in words or symbolic gestures.

Conclusion

Once again, let me reiterate, that we have nothing against helping the unhoused and those less fortunate. However, we are forced to submit this appeal, because the proposed program implementation at the First Congregational Church contains fundamental flaws and risks to neighborhood health, safety, and welfare, which the program sponsors have been unwilling to address.

Please revoke the temporary Safe Parking Program permit granted to the First Congregational Church of Palo Alto and Move Mountain View and deny any further permits until the issues with the program flaws have been resolved in a fair and satisfactory manner.

Sincerely,



Todor Ganey

P.S. As I mentioned, I represent other neighbors who reside in the area, have concerns and find it necessary to submit this appeal. I have included their names and addresses here by their own request and with their permission:

Maria Sanchez, 22 Morton Way, Palo Alto CA 94303

Pedro Rodillo, 22 Morton Way, Palo Alto CA 94303

Rita Chuang , 22 Morton Way, Palo Alto CA 94303

Susy Fan, 2181 Louis Rd, Palo Alto 94303

Robin Love, 2096 Louis Rd, Palo Alto, CA 94303

Jessica Fan, 2093 Louis Rd, Palo Alto, CA 94303.

Stephanie Yu, 2093 Louis Rd, Palo Alto, CA 94303

Purvi Kapadia, 2126 Louis Rd, Palo Alto CA 94303

Kalpesh Kapadia, 2126 Louis Rd, Palo Alto CA 94303

Maria Jiao, 1982 Louis Road, Palo Alto 94303

Laura Oliveira, 2146 Louis Rd Palo Alto CA 94303
 Rafael Oliveira, 2146 Louis Rd Palo Alto CA 94303
 Shalini Advani, 2142 Bellview Drive, Palo Alto, CA 94303
 Stephanie Jun, 40 Primrose way. Palo Alto, CA 94303
 Justin Chueh, 1992 Barbara Dr, Palo Alto, CA 94303
 Kathryn Jordan, 114 Walter Hays, Palo Alto, CA 94303
 Grace Chang, 165 Heather Ln, Palo Alto, CA 94303
 Karen Latchford, 171 Heather Ln, Palo Alto, CA 94303
 Ian Latchford, 171 Heather Ln, Palo Alto, CA 94303
 Nishita Kothary, 1071 Embarcadero Rd, Palo Alto 94303
 Niraj Shah, 1071 Embarcadero Rd, Palo Alto 94303
 Angela Dayton, 1595 Channing Avenue, Palo Alto, CA 94303
 Katie Kostal, 190 Walter Hays Dr, Palo Alto, CA, 94303
 Randy Stoltenberg, 874 Garland Dr, Palo Alto, CA 94303
 Ekta Kapur, 2368 Saint Francis Dr, Palo Alto, CA 94303
 Manoj Batra, 2368 Saint Francis Dr, Palo Alto, CA 94303
 Angie Ball, 1425 Edgewood Drive, Palo Alto, CA 94301

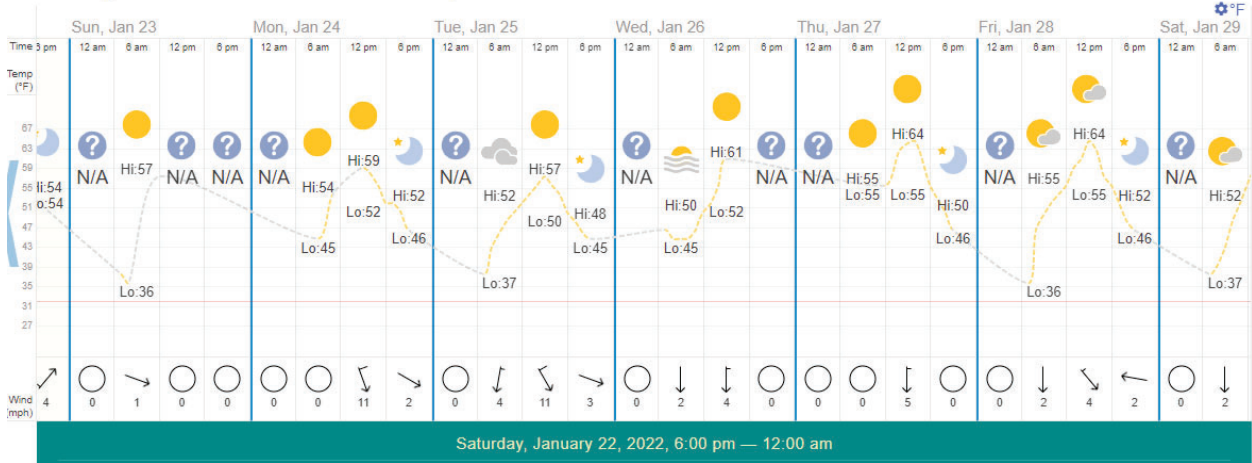
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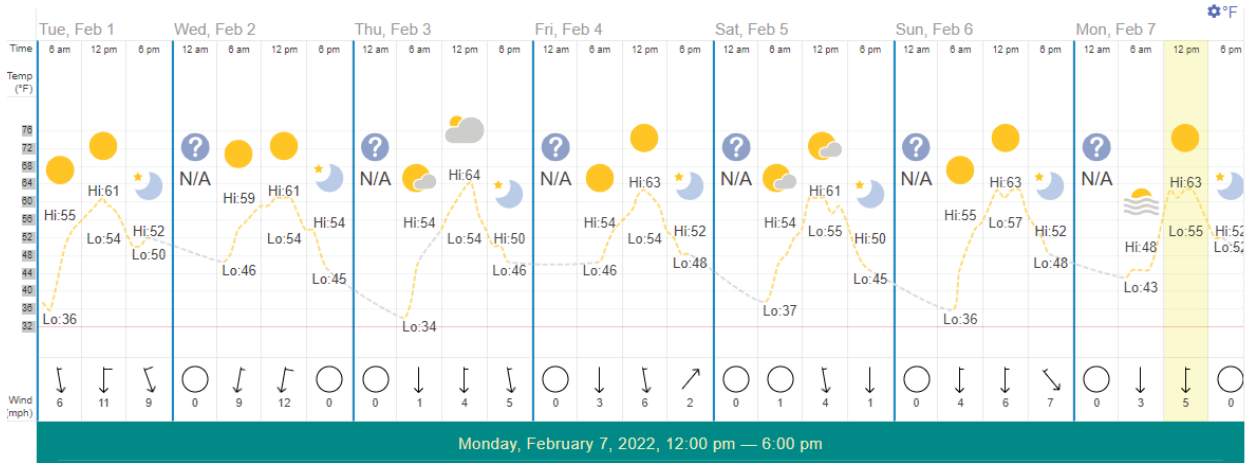
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Examples of Temperatures falling close to or below 40 Degrees Fahrenheit at Night in 2022

January 2022 Weather in Palo Alto — Graph



February 2022 Weather in Palo Alto — Graph



Addendum to the Appeal of the conditional approval of application 22PLN-00159

This document is an addendum to the Appeal of the conditional approval of application 22PLN-00159 by First Congregational Church of Palo Alto (FCCPA) at 1985 Louis Road.

The document's purpose is to address certain assertions made at the July 12, 2022 meeting and elsewhere and reinforce arguments for the Appeal. Namely:

- A. Vehicle idling will not be rare, contrary to incorrect assertions.
- B. Vehicle idling is a health hazard, especially for children and those suffering from asthma.

A. Vehicle idling will NOT be rare

The Safe Parking rules, as currently stated, will allow unrestricted vehicle idling at night if the temperatures fall below 40 degrees Fahrenheit. The Appeal, as filed on July 20, 2022, featured just a few examples of temperatures falling below 40 degrees in the past months. As stated there, that was just a perfunctory perusal of data, to make a point, and that even rare idling is a hazard the neighbors, especially to the children.

More detailed review of Palo Alto climate data statistics from multiple past years (see for example, USclimatedata.com) shows that normal temperatures in January routinely fall below 40 degrees Fahrenheit and this is a possibility in all 31 days in January (Table 1. below). Similar normal temperatures can be seen for February (Table 2. below). Temperatures that are close to 40 F, albeit a bit higher, can be seen in other months (c.f. USclimatedata.com).

Further, it appears that the temperature-based rules for idling will be very difficult to enforce. It is not clear how the vehicle dwellers are expected to measure temperature and comply. It is conceivable that if the temperature is somewhat over 40 degrees, idling will still occur. There is also the potential of confusion, unnecessary arguments and conflicts over a few degrees difference in measurements.

In view of the above, the only reasonable conclusion is that idling will NOT be rare. Therefore, once again, we urge FCCPA to consider that the effect of idling will be significant and move the Safe Parking spots further away from the neighbors' fences, if not out of good will toward the existing neighbors, then in order to comply with Palo Alto Municipal Code: 18.42.160 (d)(1)(ii) which states "The proposed safe parking use at the location requested will not adversely affect the health, safety, or welfare of persons residing or working in the surrounding area".

U.S. Climate Data

Home United States California

Monthly Daily History Geo & Map

Daily normals Palo Alto - California - January

January

Day	High °F	Low °F	Prec/mo inch	Prec/yr inch	Snow/mo inch	Snow/yr inch
1 Jan	57.5	37.8	0.08	0.08	0.00	0.00
2 Jan	57.5	37.8	0.20	0.20	0.00	0.00
3 Jan	57.6	37.8	0.28	0.28	0.00	0.00
4 Jan	57.6	37.9	0.39	0.39	0.00	0.00
5 Jan	57.7	37.9	0.47	0.47	0.00	0.00
6 Jan	57.7	38.0	0.55	0.55	0.00	0.00
7 Jan	57.7	38.0	0.67	0.67	0.00	0.00
8 Jan	57.8	38.1	0.75	0.75	0.00	0.00
9 Jan	57.8	38.1	0.83	0.83	0.00	0.00
10 Jan	57.9	38.2	0.94	0.94	0.00	0.00
11 Jan	58.0	38.2	1.02	1.02	0.00	0.00
12 Jan	58.0	38.3	1.14	1.14	0.00	0.00
13 Jan	58.1	38.3	1.26	1.26	0.00	0.00
14 Jan	58.2	38.4	1.34	1.34	0.00	0.00
15 Jan	58.2	38.4	1.46	1.46	0.00	0.00
16 Jan	58.3	38.5	1.54	1.54	0.00	0.00
17 Jan	58.4	38.5	1.61	1.61	0.00	0.00
18 Jan	58.4	38.6	1.73	1.73	0.00	0.00
19 Jan	58.5	38.6	1.81	1.81	0.00	0.00
20 Jan	58.6	38.7	1.93	1.93	0.00	0.00
21 Jan	58.7	38.8	2.01	2.01	0.00	0.00
22 Jan	58.8	38.8	2.13	2.13	0.00	0.00
23 Jan	58.9	38.9	2.20	2.20	0.00	0.00
24 Jan	59.0	38.9	2.32	2.32	0.00	0.00
25 Jan	59.1	39.0	2.40	2.40	0.00	0.00
26 Jan	59.2	39.0	2.52	2.52	0.00	0.00
27 Jan	59.3	39.1	2.64	2.64	0.00	0.00
28 Jan	59.4	39.1	2.72	2.72	0.00	0.00
29 Jan	59.5	39.2	2.83	2.83	0.00	0.00
30 Jan	59.6	39.3	2.95	2.95	0.00	0.00
31 Jan	59.7	39.3	3.07	3.07	0.00	0.00

Table 1. Daily Normal Temperatures for January, Palo Alto CA (Source: USClimateData.com)

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U.S. Climate Data

Home United States California

Monthly Daily History Geo & Map

Daily normals Palo Alto - California - February

February

Day	High °F	Low °F	Prec/mo inch	Prec/yr inch	Snow/mo inch	Snow/yr inch
1 Feb	59.8	39.4	0.12	3.19	0.00	0.00
2 Feb	59.9	39.5	0.24	3.31	0.00	0.00
3 Feb	60.0	39.5	0.35	3.39	0.00	0.00
4 Feb	60.1	39.6	0.47	3.50	0.00	0.00
5 Feb	60.3	39.7	0.59	3.66	0.00	0.00
6 Feb	60.4	39.8	0.71	3.78	0.00	0.00
7 Feb	60.5	39.8	0.83	3.90	0.00	0.00
8 Feb	60.7	39.9	0.94	4.02	0.00	0.00
9 Feb	60.8	40.0	1.06	4.13	0.00	0.00
10 Feb	60.9	40.1	1.18	4.25	0.00	0.00
11 Feb	61.1	40.2	1.30	4.37	0.00	0.00
12 Feb	61.2	40.3	1.42	4.49	0.00	0.00
13 Feb	61.3	40.4	1.54	4.61	0.00	0.00
14 Feb	61.5	40.5	1.65	4.69	0.00	0.00
15 Feb	61.6	40.6	1.73	4.80	0.00	0.00
16 Feb	61.8	40.7	1.85	4.92	0.00	0.00
17 Feb	61.9	40.8	2.01	5.04	0.00	0.00
18 Feb	62.1	40.9	2.09	5.16	0.00	0.00
19 Feb	62.2	41.0	2.20	5.28	0.00	0.00
20 Feb	62.4	41.1	2.32	5.39	0.00	0.00
21 Feb	62.5	41.2	2.44	5.51	0.00	0.00
22 Feb	62.7	41.3	2.56	5.59	0.00	0.00
23 Feb	62.8	41.5	2.68	5.71	0.00	0.00
24 Feb	63.0	41.6	2.76	5.83	0.00	0.00
25 Feb	63.1	41.7	2.87	5.94	0.00	0.00
26 Feb	63.3	41.8	2.99	6.02	0.00	0.00
27 Feb	63.4	41.9	3.07	6.14	0.00	0.00
28 Feb	63.6	42.0	3.19	6.26	0.00	0.00
29 Feb	63.6	42.0	0.00	0.00	0.00	0.00

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Table 2. Daily Normal Temperatures for February, Palo Alto CA (Source: USClimateData.com)

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B. Vehicle idling is a health hazard, especially for children and those suffering from asthma.

It is well-known that vehicle exhaust is a health hazard. There are numerous publications and directives by various reputable sources, such as the United States Environmental Protection Agency, The California Office of Environmental Health Assessment and others.

For example, the United States Environmental Protection Agency (<https://www.epa.gov/schools/idle-free-schools-toolkit-healthy-school-environment>) states:

*“Idling vehicles contribute to air pollution and emit **air toxins**, which are pollutants known or suspected to cause cancer or other serious health effects. Monitoring at schools has shown elevated levels of benzene, formaldehyde, acetaldehyde and other air toxics during the afternoon hour coinciding with parents **picking up their children**. Children’s lungs are still developing, and when they are exposed to elevated levels of these pollutants, children have an increased risk of developing asthma, respiratory problems and other adverse health effects. Limiting a vehicle’s idling time can dramatically reduce these pollutants and children’s exposure to them.”*

Please note that the US EPA voices concern about vehicle idling even during the relatively short time when parents are picking up their children from school. Then, following basic logic, the prolonged vehicle idling near the children’s homes that will occur at the currently chosen FCCPA’s Safe Parking program spots presents an even greater hazard than said vehicle idling during the shorter school pickup time.

Also, the US EPA specifically mentions the risk of asthma and other respiratory diseases in children due to idling. Let me reiterate that there are at least 5 children living in the immediate vicinity of the Safe Parking spots, one of whom does suffer from asthma. (*medical documentation is available, but not included here, in order to protect the minor’s identity*)

There are additional potential health byproducts to the idling that are not discussed here, including, for example, noise and lack of sleep, which also can lead to a decline in one's wellbeing.

Finally, the area already has traffic pollution, as Embarcadero Road is a busy street, (traffic issues are not discussed here, as they are being addressed by the City and the residents via other initiatives), so it is inconsiderate to force even more pollution and potential harm on the existing residents, when a very reasonable solution exists – again, as previously stated, FCCPA can simply move the Safe Parking spots further away from the residents’ fences, within their larger Louis Rd parking lot. It is unfathomable why FCCPA authorities are refusing this relatively minor consideration to their existing neighbors without a valid or compelling reason.

Fair Housing And Criminal History



FAQ

The Fair Employment and Housing Act prohibits discrimination against tenants or homeowners based on various protected characteristics, such as race, national origin, ancestry, disability, sexual orientation, marital status, and gender identity

Housing providers sometimes check whether a person has a criminal history when making a housing decision, such as whether to rent to an individual. While providers have legitimate interests in screening potential tenants to determine if they can fulfill their obligations as tenants, individuals with criminal histories face barriers to housing even when their history bears no relationship to their ability to be responsible tenants.

New regulations from the Department of Fair Employment and Housing (DFEH) address when and how housing providers may lawfully consider criminal histories, in order to protect against unlawful discrimination. DFEH is providing this guidance concerning the use of criminal history by providers or operators of housing.

1 | Which California laws apply to the use of criminal history by housing providers?

California's Fair Employment and Housing Act (FEHA) protects people from [housing discrimination](#) based on protected characteristics including race, color, national origin, religion, disability, gender, gender identity, familial status, veteran/military status, sexual orientation, and source of income. Most housing providers are also covered by the Unruh Act, which prohibits discrimination on the basis of immigration status, citizenship, and primary language, among others. Having a criminal history is not in itself a protected characteristic under FEHA or the Unruh Act. However, regulations that went into effect on January 1, 2020 implement FEHA with respect to the use of criminal history in housing (California Code of Regulations, Title 2, Sections 12264-12271).

2 | When does a housing provider violate California law if they consider someone's criminal history?

A housing provider's policy or practice regarding criminal history will violate California law when it has an unjustified discriminatory effect on members of a protected class, even when the provider had no intent to discriminate. In California as in the rest of the nation, African Americans, Hispanics (or Latinos), and certain other groups face higher rates of arrest, conviction, and incarceration than the general population. The use of criminal history information in housing decisions can therefore have a disproportionate negative affect on these protected groups.

In addition, a housing provider's policy or practice regarding criminal history will violate California law if it constitutes intentional discrimination on the basis of a protected characteristic. For example, it is unlawful for housing providers to: use criminal history screenings to intentionally exclude individuals because of their race, only run criminal history screenings on certain racial groups, or treat individuals in different racial groups differently based on comparable criminal history information.

Additional information relevant to this question are provided in the FAQs below and the regulations.

■ Fair Housing And Criminal History

3 | Who must comply with California's fair housing laws?

- Landlords
- Property management companies
- Homeowners associations
- Public housing authorities
- Real estate agents
- Home sellers
- Property insurers
- Builders
- Mortgage lenders
- Tenant screening companies
- Consumer reporting agencies
- Others

4 | Can a housing provider advertise or indicate a blanket ban against applicants with criminal records?

No. Housing providers cannot make any statement indicating a blanket ban on renting to anyone with a criminal record. The law prohibits advertisements, screening policies (oral or written), or statements with blanket bans such as “No Felons” or “We Don’t Allow Criminals Here.” However, it is not unlawful for a housing provider to advertise or state that it will run a lawful criminal history check.

5 | May a housing provider lawfully check an applicant's criminal history?

Yes. Generally, a housing provider may check the criminal history of an applicant, although there are some types of criminal history information that providers may not seek or consider (see FAQ 6 below). If a housing provider intends to deny someone housing (or otherwise take an adverse action against someone) it must be based on a past criminal conviction. And, the law requires the provider to follow certain guidelines, which are set forth in the regulations (see FAQ 7 below). Most importantly, the conviction the provider is concerned about must be a “directly-related conviction.” This means a criminal conviction that has a direct and specific negative bearing on a substantial, legitimate, and nondiscriminatory interest or purpose of the housing provider, such as the safety of other residents, the housing provider's employees, or the property.

In determining whether a criminal conviction is directly-related, a housing provider should consider the nature and severity of the crime and the amount of time that has passed since the criminal conduct occurred. For example, a ten-year-old misdemeanor conviction for a driving offense would not likely be directly-related to fulfilling financial obligations because there is no rational relationship between the violation and the identified business interest. In contrast, a recent criminal conviction for residential arson could be directly-related to the risk that an individual may injure other residents or property because there is a rational relationship between recently committing residential arson and injuring residents or property.

■ Fair Housing And Criminal History

6 | **What types of criminal history information are a housing provider prohibited from considering?**

It is unlawful for a housing provider to seek or consider the following:

- Arrests that did not lead to a conviction;
- Information indicating that an individual has been questioned, apprehended, taken into custody, detained, or held for investigation by law enforcement;
- Infractions;
- Referral to or participation in a pre-trial or post-trial diversion program or a deferred entry of judgment program, unless the applicant offered this information as mitigating information (see FAQ 8 below);
- Criminal convictions that have been sealed, dismissed, expunged, or otherwise rendered legally inoperative, unless the applicant offered this information as mitigating information (see FAQ 8 below); or
- Adjudications or matters processed in the juvenile justice system, unless pursuant to an applicable court order or unless the applicant offered this information as mitigating information (see FAQ 8 below).

7 | **If a housing provider would like to consider criminal history information (aside from the prohibited information detailed in FAQ 6 above), what should the provider's policy or practice look like?**

A housing provider may consider certain criminal history, but the provider's policy or practice should:

- Be narrowly tailored and focus on whether any criminal conviction is “directly-related” (see FAQ 5 above);
- Provide an opportunity for applicants to present individualized, mitigating information either in writing or in person if the housing provider is concerned about an applicant's past conviction;
- Provide written notice of the opportunity to all applicants to present mitigating information if a housing provider is concerned about a past conviction;
- Consider the factual accuracy of the criminal history information of the applicant, meaning the background report does not contain outdated, incorrect, or falsified information or information that is erroneously attributed to the individual being considered;
- Delay seeking, considering, or using a third-party report of criminal history information until after an individual's financial and other qualifications are verified;
- Provide a copy or description of the criminal history background check policy to an applicant upon request; and
- Consider mitigating information in determining whether to rent to an applicant with a past criminal conviction.

■ Fair Housing And Criminal History

8 | What is mitigating information?

Housing providers should consider mitigating information when considering an applicant's criminal history. Mitigating information means credible information about the applicant that suggests that the applicant is not likely to pose a demonstrable risk to the health and safety of others, the property, or other substantial, legitimate, and non-discriminatory interest or purpose of the housing provider. Mitigating information must be credible information that a reasonable person would believe is true based on the source and content of the information.

Mitigation information includes but is not limited to:

- The age of the individual when the criminal conduct occurred;
- The amount of time that has passed since the date of conviction;
- Whether the conduct arose as a result of a disability;
- Whether the conduct arose from status as a survivor of domestic violence;
- Whether the individual has maintained a good tenant history before and/or after the conviction;
- Whether there is evidence of rehabilitation efforts, including satisfactory compliance with all terms and conditions of parole and/or probation; successful completion of parole, probation, mandatory supervision, or post release community supervision; and
- Other conduct demonstrating rehabilitation, such as maintenance of steady employment.

9 | May a housing provider rely on third parties to perform criminal history checks?

Yes. However, it is not a defense for a housing provider to have relied on a third party's criminal history report if the use of the criminal history violates fair housing laws, and such third parties are also subject to California's fair housing laws. Housing providers that rely on criminal histories prepared by third parties, such as consumer reporting agencies, may wish to seek from the third party details on any criminal records discovered so that the housing provider can make a lawful, individualized assessment. Furthermore, other laws limit the extent to which consumer reporting agencies can report such information.

It is unlawful for these agencies to report records of an applicant's arrest, indictment, information, misdemeanor complaint, or conviction of a crime that, from the date of disposition, release, or parole, are more than seven years old (California Civil Code section 1785.13).

■ Where can I obtain more information?

Please see our website at www.dfeh.ca.gov for more information and resources.

Randy Stoltenberg
874 Garland Dr.
Palo Alto, CA 94303

July 17, 2022

Jodie Gerhardt
Manager of Current Planning
City of Palo Alto
250 Hamilton Ave
Palo Alto, CA 94301

Dear Ms. Gerhardt-

I'm writing to support the appeal of approved Safe Parking Program permit application 22PLN-00159 by the First Congregational Church of Palo Alto located at 1985 Louis Rd, Palo Alto 94303.

We have lived at our current address for 14 years, and while it is not within 600 feet of the church, our neighborhood is within a half mile and could be impacted by this program. Our main concern is for the safety of our children and neighbors. The program as administered by Move Mountain View does not adequately vet the participants. They claim federal and local regulations do not allow proper background checks. If so, then the program should be reevaluated as lack of proper vetting will unnecessarily endanger our neighborhoods. My family has been the victim of assault by the homeless in Palo Alto. The individual in question entered our place of worship during our Sunday services and verbally assaulted many members of our congregation. He had to be physically removed by the stronger men in attendance, but that put them in unnecessary danger. He later showed up at First Congregational Church when my wife was there with our newborn for a preschool parents meeting. You can imagine her alarm at seeing him again knowing his propensity for erratic behavior. One of the teachers took a picture of him as previously requested by the police. He then began to yell profane language threatening her if she did not delete the picture. We understand this episode does not define all homeless in our community, but it does display the risk taken by advocating policies that attract the homeless population.

We also have friends in Palo Alto that have suffered much more serious, almost fatal, offenses at the hands of homeless people who should not have been allowed in public due to outstanding arrest warrants. The safety of my children is of utmost importance to me. I oppose any effort that would attract a permanent flow of homeless individuals into our neighborhood. I recognize that the majority of those experiencing homelessness are great people who need a hand. But it only takes one bad experience to impact a child, a family, or a neighbor for a lifetime.

In our congregation, we have cared for many displaced individuals and families over the years. Each of these cases has been handled individually with the resources of the congregation. While I applaud the efforts of the First Congregational Church to reach out to those experiencing homelessness, they are not entitled to assume risk for the entire neighborhood. None of the presenters from the church had small children which I think is a major factor for many of those in opposition to this permit. And even if they did, their desire to participate in this program should not supersede the safety concerns of their neighbors.

Also, I know from canvassing the neighborhood that many individuals were not properly notified by the church or the city of this application. While not malicious, the failure to properly inform should at least invalidate the original application. It is not within the spirit of this process to exclude neighbors from the decision to host a Safe Parking Program site.

Thank you for your attention to this matter. I repeat my request that the current application approval be revoked and the matter be brought before the City Council so the affected neighbors can have their concerns properly addressed in a public forum.

Sincerely,

A handwritten signature in black ink, appearing to read "Randy Stoltenberg". The signature is written in a cursive style with a long horizontal flourish at the end.

Randy Stoltenberg



First Congregational Church of Palo Alto

UNITED CHURCH OF CHRIST

1985 Louis Road, Palo Alto, California 94303-3499

August 5, 2022

Palo Alto City Council
250 Hamilton Ave.
Palo Alto, CA

Dear Council Members,

The First Congregational Church of Palo Alto (FCCPA) recently applied for and received conditional approval from the Planning Department to launch a Safe Parking Program (SPP) for four parking spaces on our church campus in accordance with Palo Alto Ordinance #5490. Subsequently, an appeal was filed by Mr. Todor Ganev to prevent implementation.

FCCPA would like to respond to Mr. Ganev's appeal because we do not believe it fairly represents interactions between FCCPA and our neighbors. Applying to participate in SPP was not a decision our congregation made impulsively. FCCPA spent six months studying Safe Parking programs and exploring program parameters established by the Palo Alto City Council and City Staff. We met extensively with Move Mountain View (MMV) and with representatives from the two Palo Alto churches currently approved for SPP.

On January 20, 2022, we notified FCCPA's immediate neighbors in a letter sent via the United States Postal Service that we were considering applying for SPP. We invited our neighbors to a community meeting held at 7:00 p.m. on February 2, 2022, via Zoom. Together with Move Mountain View we provided an overview of our proposed SPP and gave attendees an opportunity to ask questions and provide feedback. We listened carefully to their feedback and, based on concerns expressed by a neighbor about SPP's potential impact upon a child with asthma, we moved the proposed parking spaces to a different location. We also recorded the meeting and made it available for members of the public who asked to see it.

Mr. Ganev's appeal implies that FCCPA has not listened to nor responded to feedback from our neighbors. That is not true. During the FCCPA February meeting and the July session facilitated by City Planning Staff, we answered questions and responded to concerns. Over the past six months, our ministerial staff has also listened to and responded to concerns as neighbors have contacted FCCPA. Everything we have done has been in the spirit of keeping our neighbors informed, of responding to concerns, and of abiding by SPP regulations. We believe the tentative approval granted by the Planning Department acknowledges and affirms our efforts.

Mr. Ganev's appeal cites two concerns:

- A. The impact on the immediate Church neighbors' health, safety, and welfare
- B. The broader impact on the safety and welfare of the entire neighborhood

We would like to respond to his concerns.

Rev. David Howell, SENIOR PASTOR

Rev. Dr. Eileen Altman, ASSOCIATE PASTOR

Tel: 650.856.6662 • Fax: 650.856.6664 • email: office@fccpa.org • web site: www.fccpa.org

The impact on the immediate Church neighbors' health, safety, and welfare

Mr. Ganey protests the location of the four SPP parking spaces, stating they are too close to neighboring houses. The City of Palo Alto regulations stipulate SPP parking spaces must be at least 20' away from neighboring property lines. The proposed FCCPA spaces are a minimum of 34' 6" away from neighboring property fences, far exceeding the City's 20' requirement.

Mr. Ganey indicates the exhaust of idling SPP cars will be harmful to residents' health. SPP regulations state participants may only turn their engines on if the temperature exceeds 85 degrees or dips below 40 degrees. 2021 Palo Alto temperature data indicates there were 11 nights when the temperature dipped below 40 degrees – that's 3% of a year's 365 days which means 97% of the time idling engines would not be permitted. Furthermore, if the temperature is below 40 degrees, it seems unlikely that residential windows would remain open because of the cold. No nights exceeded 85 degrees (https://world-weather.info/forecast/usa/palo_alto/january-2021/). To assist with cold weather-related concerns, FCCPA plans to provide warm blankets as part of a Welcome Box for SPP participants to help them stay warm. FCCPA also plans to provide neighbors with a SPP information flyer including contact phone numbers available 24/7. If any issues arise, neighbors can immediately call SPP staff to address the situation.

Mr. Ganey also objects to the location of SPP in the Embarcadero Road Parking Lot and wants SPP moved to FCCPA's other parking lot on Louis Road. FCCPA does have two parking lots (one off Louis Road and the other off Embarcadero Road). We considered both in deciding which one would be better suited to SPP and determined the Embarcadero Lot was a better choice for accommodating both SPP guests and FCCPA activities. Because SPP will operate between 7:00 p.m. and 7:00 a.m., it will overlap with a variety of activities and meetings routinely occurring on the church campus. Church members, committees, youth groups, musical ensembles, church activities, and community groups not affiliated with the church regularly meet at FCCPA in the evening. Most participants park in the Louis Road lot because it is closer to the church sanctuary and social hall, where most evening activities occur. It therefore seemed most logical to situate SPP in the Embarcadero Lot to provide less noise and more privacy for SPP guests who will be trying to sleep.

The broader impact on the safety and welfare of the entire neighborhood

Mr. Ganey also states the safety and welfare of the entire neighborhood will be jeopardized by SPP at FCCPA because background checks are not done on participants. It is important to look at the program's record to date.

Both the Palo Alto Unitarian Universalist Church and the Highway Church currently operate SPP in Palo Alto. Neither church has received SPP complaints from neighbors. FCCPA recently reached out to MMV to see if any complaints have been received from neighbors. Mr. Michael Love of MMV responded, "We provide multiple points of contact to alert us of problems or concerns; through our switchboard, at direct phone numbers for neighbor contact, and email/text. We have not received any neighbor complaints. We have bi-monthly community meetings to listen to any concerns. These meetings have had no attendees. When the City does the public meetings to review the congregational permit, no complaints have been aired." Ms. Michelle Covert of the County of Santa Clara stated during the July meeting that in the five years

SPP has been in existence, "The program has not had a single incident that resulted in significant danger toward staff members, neighbors, or program participants."

MMV does screen potential SPP participants with professionally-trained case workers who interview applicants according to an established protocol designed to best match applicant and program. Case workers have a variety of options to which they can refer applicants. If mental health, drug addiction or other serious issues are present, MMV staff refer applicants to other support programs providing more intensive services, rather than to SPP.

Applicants who become part of SPP must have a car, driver's license, valid automobile registration, and insurance, and must commit to working with a case worker to secure permanent housing. Program participants must check in weekly with their case worker and must consent to personal and car identification information being shared with the Palo Alto Police Department. They also must be prepared for a security guard to randomly check on them throughout the night. MMV works diligently to ensure SPP does not jeopardize community safety.

Most SPP participants have previously lived in or near Palo Alto, but have become unhoused due to rising rents or job loss. Many are senior citizens. Often, participants are working several jobs. SPP is intended as a temporary measure for transitioning to more stable housing, not as a permanent housing solution.

At the July meeting facilitated by the City of Palo Alto, Ms. Michelle Covert, Housing and Homeless Coordinator for the County of Santa Clara, indicated that Santa Clara County has a Housing First policy and therefore does not support background checks. MMV receives funding from Santa Clara County for SPP so is not permitted to conduct background checks.

While FCCPA understands Mr. Ganev and our neighbors may be worried that SPP will jeopardize their safety, SPP's record for the past five years indicates protocols and precautions are in place to protect the neighbors' and community's health, safety, and welfare. FCCPA would not be moving forward with our application to provide SPP if we felt we were endangering our community, especially Palo Alto's children and youth.

We know you as Council Members take community safety seriously and would never establish a program that would jeopardize community safety. Instead, you have implemented SPP as a strategy to provide those who regularly sleep in their cars on city streets with a safe place to sleep and with help to locate more permanent housing. You have established regulations governing how SPP should operate at local churches, protecting both the interests of neighbors and SPP participants. FCCPA has followed those regulations and will continue to do so if our SPP is allowed to proceed. Thank you for your commitment to providing such vital support to our community's unhoused.

Thank you,



Rev. Dr. Eileen Altman
FCCPA Associate Pastor



Wesley Chow
FCCPA SPP Co-Chair



Anne Campbell
FCCPA SPP Co-Chair

**PLANNING & DEVELOPMENT SERVICES**

CITY OF
**PALO
ALTO** 250 Hamilton Avenue, 5th Floor
Palo Alto, CA 94301
(650) 329-2441

July 6, 2022

Rev. Eileen Altman
1985 Louis Road
Palo Alto, CA 94303
eileen@fccpa.org

Subject: 1985 Louis Road, 22PLN-00159, Safe Parking

Dear Rev. Altman:

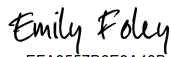
The Safe Parking application for the project referenced below was conditionally approved by planning staff on behalf of the Director of Planning and Development Services, as it was found to meet the applicable Findings set forth in Palo Alto Municipal Code (PAMC) Section 18.42.160(d).

PROJECT: Request for a Safe Parking Program permit to allow overnight parking of up to four (4) vehicles as incidental to the existing religious institution. Environmental Assessment: Exempt per CEQA Section 15301 (Existing Facilities). Zoning District: R-1.

This Director's decision shall become final fourteen (14) calendar days from the postmark date of this mailing (or on the next business day if it falls on a weekend or holiday) unless a written appeal is filed with the City Clerk pursuant to PAMC Section 18.42.160(d)(3). A public community meeting will be held during this period. If a hearing is not requested, the use may begin on the fifteenth (15) day after the post date of this letter. The project approval shall be effective for eighteen months and may be extended as noted in the conditions of approval. Application for renewal must be made prior to expiration.

If you have any questions regarding this determination, please do not hesitate to contact me at emily.foley@cityofpaloalto.org.

Sincerely,

DocuSigned by:

EFA3557B6E9A43B...
Emily Foley, AICP
Project Planner

Attached: Findings and Conditions of Approval

FINDINGS FOR APPROVAL:

As set forth in PAMC 18.42.160(d), The director has found the subject safe parking permit is in conformance with the following findings:

1. The proposed safe parking use complies with the standards listed in subsection (f) of this Section [18.42.160](#).
2. The proposed safe parking use at the location requested will not adversely affect the health, safety, or welfare of persons residing or working in the surrounding area.
3. The proposed site is adequate in size and shape to accommodate the safe parking use.

The approval of this project shall be subject to the following conditions of approval.

CONDITIONS OF APPROVAL:**Planning Division**

1. CONFORMANCE WITH PLANS. Construction and development shall conform to the approved plans entitled, "Safe Parking, First Congregational Church of Palo Alto" submitted electronically on June 14, 2022 and on file with the Planning Department, 250 Hamilton Avenue, Palo Alto, California except as modified by these conditions of approval.
2. QUALIFYING SITE. Safe parking must be operated with an existing, legal church or religious institution use.
3. NUMBER OF VEHICLES. At no time shall more than four (4) vehicles be used for safe parking.
4. HOURS OF OPERATION. A safe parking use may only occur between the hours of 6:00 pm and 8:00 am.
5. NOISE. Audio, video, generator, or other amplified sound that is audible outside the vehicles parked in the safe parking program is prohibited.
6. IDLING OF VEHICLES. Additional idling is allowed if necessary to provide heat to an occupied vehicle if the outside ambient temperature is below 40 degrees Fahrenheit, or idling is necessary to provide cooling to an occupied vehicle if the outside temperature is more than 85 degrees Fahrenheit.
7. SHELTER IN VEHICLES. All persons receiving safe parking shall shelter within the vehicles. No person shall be housed in tents, lean-tos, or other temporary facilities.
8. REQUIRED FACILITIES. Accessible restroom facilities, including a toilet and handwashing sink, shall be available to persons utilizing the site for safe parking at all times during the

22PLN-00159

hours of operation. These facilities may be the existing onsite facilities or mobile facilities brought onsite on a temporary basis to serve persons utilizing safe parking.

9. CONTACT INFORMATION. The following emergency contact information shall be posted on site in a place readily visible to persons utilizing safe parking: (i) a contact phone number for the safe parking program operator; (ii) the police non-emergency phone number; (iii) 911, (iv) a representative for the church, and (v) a representative for the City of Palo Alto (i.e. the Assistant Director of Planning and Development Services). The safe parking program operator shall be available at all hours of operation at the posted phone number and shall be the first contact for non-emergency matters.
10. CONNECTION TO COUNTY CASE MANGEMENT SYSTEM. The safe parking use shall be managed and operated by a safe parking program operator that participates in the federal Homeless Management Information System with Santa Clara County or other county.
11. SAFE, CLEAN, ORDERLY PREMISES. The safe parking area and other onsite areas accessed by persons utilizing safe parking shall be maintained in a safe, clean and orderly condition and manner. Litter shall be picked up on a regular basis.
12. COMPLIANCE WITH LAWS. The safe parking use shall be operated in a manner that is fully in conformance with all state and local laws including regulations and permit requirements.
13. ACCESS FOR EMERGENCY RESPONSE. Access for Emergency Response vehicles shall be maintained at all times, to the satisfaction of the Fire Department.
14. INDEMNITY: To the extent permitted by law, the Applicant shall indemnify and hold harmless the City, its City Council, its officers, employees and agents (the "indemnified parties") from and against any claim, action, or proceeding brought by a third party against the indemnified parties and the applicant to attack, set aside or void, any permit or approval authorized hereby for the Project, including (without limitation) reimbursing the City for its actual attorneys' fees and costs incurred in defense of the litigation. The City may, in its sole discretion, elect to defend any such action with attorneys of its own choice.
15. PERMIT EXPIRATION. The project approval shall be valid for a period of eighteen month from the original date of approval, unless suspended or revoked sooner as set forth in the PAMC. In the event the use has not commenced within the time limit specified above, the approval shall expire and be of no further force or effect. In no event shall a permit be valid beyond the expiration date of interim Ordinance No. 5490.
16. PERMIT EXPIRATION EXTENSION. If the director does not find any violation of the permit conditions or PAMC Section 18.42.160 during the initial 90-day period, the permit shall be automatically extended for up to an additional 270 calendar days.

17. PERMIT EXPIRATION RENEWAL. If the director does not find any violation of the permit conditions or PAMC Section 18.42.160 during the 270-day extension period, the permit shall be renewed and be valid for a period of up to one year or the expiration of this interim Ordinance No. 5490, whichever is earlier. This renewal shall take the form of an Over-the-counter (OTC) permit and be reviewed by the Director of Planning or his designee.

Attachment D

Project Plans

In order to reduce paper consumption, a limited number of hard copy project plans are provided to Board members for their review. The same plans are available to the public, at all hours of the day, via the following online resources.

Directions to review Project plans online:

1. Go to: <http://www.cityofpaloalto.org>
2. Enter the project address "1985 Louis" in the "Search.Find.Connect" box
3. On this project specific webpage you will find a link to the project plans and other important information

Direct Link to Project Webpage:

<https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/1985-Louis-22PLN-00159>

From: [Ann Shimakawa](#)
To: [Foley, Emily](#)
Subject: First Congregational Safe Parking Community Check-in Mtg
Date: Tuesday, July 12, 2022 7:49:00 PM

You don't often get email from ann_shimakawa@yahoo.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Dear Emily,

Thank you so much for organizing the community meeting on the Safe Parking program at First Congregational Church. It was very informative and clearly, your team and Move MV deserve a lot of credit for enabling such a worthwhile program.

I live several blocks away, so this really won't impact me - but I support the Safe Parking program. It sounds like the Unitarian Church program has been quite successful and I'm hopeful our neighborhood will follow their model of understanding and grace.

Best regards,

Ann Shimakawa
951 Elsinore Dr

From: [Linda Zausen](#)
To: [Foley, Emily](#); Amber@movemv.org
Subject: FW: Safe Parking at First Congregational Church
Date: Wednesday, July 20, 2022 1:44:34 PM

You don't often get email from lzausen@pghwong.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

From: Linda Zausen <lzausen@pghwong.com>
Sent: Tuesday, July 19, 2022 6:34 PM
To: 'Emily.Foley@cityofpaloalto.org' <Emily.Foley@cityofpaloalto.org>; 'Rachael.Tanner@cityofpaloalto.org.'; 'Amber@movemv.org' <Amber@movemv.org>
Cc: 'Jodie.Gerhardt@cityofpaloalto.org' <Jodie.Gerhardt@cityofpaloalto.org>
Subject: Safe Parking at First Congregational Church

I listened into your Safe Parking Neighborhood Check-In on July 12, but some of my questions were not completely answered.

What is the MAXIMUM number of people allowed per vehicle? It was stated that the average number is 2 or 3 people, but what is the maximum?

It was stated that RVs would not be allowed. What about vans & SUVs? A small SUV is about the same size as a car; a medium-sized SUV about the same as a large car; and a large-sized SUV about the same as a truck.

How long can a program participant remain in a safe parking slot? It was stated that this is a case-by-case basis and that most participants didn't remain there "very long". But what is the MAXIMUM length of time one can remain? Is there even a maximum duration?

How is the requirement permitting only over-night parking enforced? It was stated that a monitor will check that parking spaces are only occupied by participants with permits in the evening, and another morning check will be made to assure they have vacated their parking spaces. What if someone over-sleeps or gets sick? A sick person, especially a child, wouldn't be expected to leave at 7:00 am, would he?

It was stated that program participants would have to move their cars at least one mile away during the day. Public libraries are desirable places for the homeless, especially when it is very hot or very cold. RinCanada Library is less than a mile from the church. How will you assure that participants do not utilize this facility?

It was stated that anyone wishing to appeal this approval would have to do so by July 20, but I could not find any information on your or the City of Palo Alto web-sites as to how one goes about doing this. Nor could I find any telephone numbers or any contact persons who knew of this process. Will there be a full public hearing or is this a done deal? These things were unclear during the meeting.

I am a democrat. And I realize that homelessness is a serious problem, and I'm sure that the intentions of the good people at the church are well meant. As are those of the public & non-profit organizations involved in this program. But there are better solutions.

I would appreciate hearing from someone at the City or involved in this program. A one-on-

one conversation with a “live” person would be much more beneficial than an e-mail string or a ZOOM conference.

Linda Zausen

872 Embarcadero

Palo Alto

650.888.1280

From: [stephanie_jun](#)
To: [pdsdirector](#); [Foley, Emily](#)
Subject: Fwd: [duvneck] Safe Parking Program, Zoom call tomorrow
Date: Tuesday, July 12, 2022 9:15:54 AM

You don't often get email from stephaniejun@yahoo.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

To city of Palo Alto officials,

I live across the street from first Congo and have been a lifetime resident of Palo Alto and a homeowner in this neighborhood for 15 years. I object to and do not support starting the parking program at the first Congo facility in the middle of a residential neighborhood.

Please do not start this program here.

There are many other less disruptive sites.

Many thanks,
 Stephanie Jun

Begin forwarded message:

From: Tilli <tillik@gmail.com>
Date: July 11, 2022 at 11:10:43 AM PDT
To: Duvneck Elementary <duvneck-elementary@googlegroups.com>
Subject: [duvneck] Safe Parking Program, Zoom call tomorrow

Dear Fellow Duvneck School Parents:

I am writing today on behalf of myself and other neighbors with a serious safety concern for our neighborhood and our children.

The First Congregational Church of Palo Alto (@ Louis and Embarcadero) is planning to participate in the so-called "Safe Parking Program", bringing homeless vehicle dwellers from all over (not just Palo Alto) into their parking lot and our neighborhood.

We all support helping the unhoused and Palo Alto is already spends millions and millions of our tax money on related initiatives. **However**, this particular program is fundamentally flawed and poses significant concerns. Namely:

- **NOT SAFE** The Palo Alto Planning Department has officially stated that even convicted criminals cannot be precluded from participating in the program, even if they are convicted drug dealers or sexual predators, including pedophiles. **Moreover, they are intentionally not doing background checks on vehicle dwellers!** This presents significant risks, particularly for our more vulnerable, and especially for our children, as there are at least 3 schools in the vicinity of the church. There is also an obvious conflict with the Safe Biking to School initiatives.

- **NO COMPLIANCE WITH REGULATIONS** The vehicle dwellers will be exempt from the existing environmental regulations. For example, unlike the tax-paying citizens, vehicle dwellers will be allowed to have cars idling for extended periods of time, blowing exhaust toward the residents.
- **NO REAL SECURITY** The First Congregational Church aims to abdicate their responsibilities to an out-of-town organization, **Move Mountain View**, which uses tax money to impact Palo Alto neighborhoods. Only drive-by security a couple of times per day is planned. There is a first-hand account from another location that in the past security guards hired by Move Mountain View have been doing drugs together with the vehicle dwellers.
- **NO ACCOUNTABILITY** -It is not clear who is accountable for making sure that incidents that have happened at other so-called "Safe Parking" locations do not happen here. Actual examples exist for trash thrown into neighbors' yards, smoking, public urination, drugs, noise, dogs barking, fights.
- **NO TRANSPARENCY** The First Congregational Church has failed to properly inform many of the affected neighbors about their intentions, which is a big red flag. Their answers to neighbors' concerns have so far included confusion and contradictions.
- **NO CONTROL OVER EXPANSION** The vehicle dwellers are supposed to leave the church every morning and park at least 0.5 miles away. This means that they will remain in our neighborhood and around schools without control. Also, if the program takes effect, there is a real concern that RVs and other vehicles not associated with the program will be attracted to our neighborhood.
- **NO APPRECIABLE SUCCESS** This program's success rate of rehabilitating homeless is very low, as admitted by Move Mountain View. You can google 'Safe Parking Program' on NextDoor and see firsthand feedback from neighbors all over the vicinity.

Please join the Public Hearing meeting on Tuesday, July 12, 2022 at 6 pm via Zoom and express your concerns, if you have them. You can join by following this link: <https://cityofpaloalto.zoom.us/j/89772126436>. You can also join by calling +1 (669) 900-6833 and entering Meeting ID: 897 7212 6436.

Please also tell your neighbors or folks around you about this issue and the zoom meeting.

According to a City Council member who actually shares our concerns, often busy working parents do not join such meetings, and then a small vocal group of activists wins the motions by default.

In addition, you may write/email the members of the Palo Alto City Council (<https://www.cityofpaloalto.org/Departments/City-Clerk/City-Council>) with the same concerns and request.

You can also send inquiries and emails to Emily Foley and Jonathan Lait today. Here are their email addresses. They are from the Planning department.

pdsdirector@cityofpaloalto.org

Emily.Foley@cityofpaloalto.org

Thank you in advance,

Tilli

--

You received this message because you are subscribed to the Google Groups "Duveneck Elementary" group.

To unsubscribe from this group and stop receiving emails from it, send an email to duveneck-elementary+unsubscribe@googlegroups.com.

To view this discussion on the web visit

<https://groups.google.com/d/msgid/duveneck-elementary/8f0a9a6a-2698-444b-a4ed-1d110a54bb81n%40googlegroups.com>.

From: [William R. Harrison](#)
To: [Foley, Emily](#)
Subject: Fwd: "Safe Parking" at First Congregational, Louis Road
Date: Tuesday, July 5, 2022 6:40:09 PM

You don't often get email from wrharrison614@gmail.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

From: "William R. Harrison" <wrharrison614@gmail.com>
Subject: "Safe Parking" at First Congregational, Louis Road
Date: July 5, 2022 at 6:37:59 PM PDT
To: Emily.Foley@cityofpaloalto.org

Hi, Emily,

We object itinerant parking at First Congregational, 1985 Louis Road, because by definition itinerants are those who move from place to place. They have no connection at all with the local community in the 1985 Louis Road neighborhood.

These itinerants create risks of sanitation, more vehicle and foot traffic, noise, and possible crime. For these reasons, some of us who live in this neighborhood object to so-called "Safe Parking" at First Congregational.

William R. (Bill) Harrison
121 Heather Lane

From: [Tilli](#)
To: [Foley, Emily](#); [Gerhardt, Jodie](#); [Lait, Jonathan](#)
Subject: Fwd: Safe Parking program
Date: Monday, August 8, 2022 2:35:10 PM

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Dear esteemed City Council members-

I am a mother of 4 who lives in Palo Alto near the First Congregational Church. While I did not sign the appeal, because I live more than 600m from the church, I am opposed to the program in its present form and am writing to ask that you amend it to make it safe for residents. (Application 22PLN-00159)

My biggest ask is for **Background checks** (so obvious, but yet I can't believe we still have to explain). Other programs in the country have background checks. No reason for us to compromise our residents' safety.

What we hear in opposition to background checks is -->

"Background checks do not always work, so no need to do them"

Response: So if we apply this logic to every law, we will have to live without laws, because no law is perfect in protecting 100% of the citizens.

Another thing we hear is-->"We did not have to undergo criminal background checks in order to buy our houses, why do we want it from the vehicles dwellers? Credit check for mortgage is not the same as criminal background check"

As far as I recall when I got my mortgage for our house is we had a credit check, and also comprehensive questions on whether one has **mental illness, criminal and civil liabilities, pending court actions, etc.** Some may actually find those checks more invasive and stricter than criminal background check. **Further, if one bothers to read the actual documents submitted to the City, you will find that just about everywhere else in California where such programs are implemented, the best practices include overnight supervision and many places if not most do require background checks.**

We want to be able to help the homeless but not feel we are compromising our sense of security and our children's sense of freedom.

I believe we MUST require transients who wish to stay to register with the Opportunity Center with full background checks, and to consent to services deemed needed by social services.

Tilli Kalisky
 Palo Alto

From: [Steve Ketchpel](#)
To: [Foley, Emily](#); [Tanner, Rachael](#)
Subject: In support of Safe Parking at First Congregational Church of Palo Alto
Date: Tuesday, July 12, 2022 7:16:09 PM

Some people who received this message don't often get email from steve.ketchpel@gmail.com.

[Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Emily, Rachael,

Thank you for running the information session this evening. I'm a member of FCCPA and strongly support the use of the lot for vehicle dwellers in this program.

-Steven Ketchpel
650-799-1626

From: [Laura Cenamor](#)
To: [Foley, Emily](#)
Subject: Parking Safe Place-for those in need
Date: Tuesday, July 12, 2022 7:37:03 PM

You don't often get email from lauracutting80@gmail.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Hi Emily,

I just listened to the Zoom meeting regarding providing a safe place for vehicle dwellers. I believe that everyone has the right to feel safe and am completely in support of this application moving forward.

I don't really know 'permit city protocol' but would you let me know if anything can be done to help this permit be granted? Would more emails in support of moving forward help counter act emails trying to stop it happening?

I thought that all of you were wonderful on the call, incredibly articulate and composed!

Many thanks,

Laura

From: [Angie Evans](#)
To: [Foley, Emily](#)
Subject: Re: 1985 Louis Safe Parking Follow Up
Date: Thursday, July 21, 2022 10:10:50 AM
Attachments: [image001.png](#)
[image002.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)
[image005.png](#)

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Hi Emily,

I wanted to check back about whether this site got an appeal or not.

Thanks so much!
Angie

On Tue, Jul 19, 2022, 11:56 AM Foley, Emily <Emily.Foley@cityofpaloalto.org> wrote:

Hello,

Check In Meeting

Thank you for attending the Safe Parking Neighborhood Check in meeting on July 12. The meeting recording and Q&A report is posted on the project webpage: <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/1985-Louis-22PLN-00159>

Next Steps

As mentioned in the meeting, the Director of Planning & Development Services has reviewed the materials and tentatively approved the project.

The applicant, First Congregational Church, has corresponded via email with some interested community members. Please reach out to the congregation directly if you have questions about their application, program operations, funding, and other aspects of the program. The City reviews their application for compliance with the requirements of the municipal code.

The deadline to appeal the issuance of the permit is Wednesday, July 20, 2022. An appellant must: (1) live within 600ft of 1985 Louis Road, (2) fill out the Appeal Request Form; (3) draft a letter stating the reasons for the appeal; (4) email it to both Jodie.Gerhardt@cityofpaloalto.org and Emily.Foley@cityofpaloalto.org.

Staff will review the appeal for timeliness and completeness. They will contact you to collect the appeal fee, which is currently \$610.50. The fee can be paid online. If the appeal fee is not paid within 5 calendar days of the request, the appeal will be considered withdrawn.

If no appeal request is received, the First Congregational Church of Palo Alto will be able to begin their Safe Parking operation.

Sincerely,



Emily Foley, AICP

Planner

Planning and Development Services Department

(650) 617-3125 | emily.foley@cityofpaloalto.org

www.cityofpaloalto.org



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From: [Betsy Hart Rosoff](#)
To: [Foley, Emily](#)
Subject: Re: 1985 Louis Safe Parking Follow Up
Date: Monday, August 1, 2022 1:42:08 PM

You don't often get email from betsyhartrossoff@gmail.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Hi Emily,

I read in the Palo Alto Online that neighbors have filed and appeal. Is it possible to see a copy of that appeal?

With thanks,
 Betsy Rosoff

On Jul 19, 2022, at 11:56 AM, Foley, Emily <Emily.Foley@CityofPaloAlto.org> wrote:

Hello,

Check In Meeting

Thank you for attending the Safe Parking Neighborhood Check in meeting on July 12. The meeting recording and Q&A report is posted on the project webpage: <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/1985-Louis-22PLN-00159>

Next Steps

As mentioned in the meeting, the Director of Planning & Development Services has reviewed the materials and tentatively approved the project. The applicant, First Congregational Church, has corresponded via email with some interested community members. Please reach out to the congregation directly if you have questions about their application, program operations, funding, and other aspects of the program. The City reviews their application for compliance with the requirements of the municipal code.

The deadline to appeal the issuance of the permit is Wednesday, July 20, 2022. An appellant must: (1) live within 600ft of 1985 Louis Road, (2) fill out the Appeal Request Form; (3) draft a letter stating the reasons for the appeal; (4) email it to both Jodie.Gerhardt@cityofpaloalto.org and Emily.Foley@cityofpaloalto.org.

Staff will review the appeal for timeliness and completeness. They will contact you to collect the appeal fee, which is currently \$610.50. The fee can be paid online. If the appeal fee is not paid within 5 calendar days of the request, the appeal will be considered withdrawn.

If no appeal request is received, the First Congregational Church of Palo Alto will be able to begin their Safe Parking operation.

Sincerely,

<image001.png> **Emily Foley, AICP**

Planner
 Planning and Development Services Department
 (650) 617-3125 | emily.foley@cityofpaloalto.org
www.cityofpaloalto.org

<image002.png> <image003.jpg> <image004.png> <image005.png> <image007.png> <image008.png>

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From: [Todor_Ganev](#)
To: [Foley, Emily](#); [Gerhardt, Jodie](#)
Cc: [Spotwood, Alicia](#); [pdsdirector](#); [French, Amy](#); [Lait, Jonathan](#)
Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159
Date: Wednesday, August 10, 2022 3:46:56 PM
Attachments: [image001.png](#)
[image002.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image011.png](#)
[image019.png](#)
[image029.png](#)
[image031.png](#)
[image033.png](#)
[image035.png](#)
[image036.png](#)
[image037.png](#)
[image039.png](#)
[image041.png](#)
[image042.png](#)
[image048.png](#)
[image009.png](#)
[image010.png](#)
[image012.png](#)
[Addendum to Appeal 22PLN-00159.pdf](#)

Dear Ms. Foley:

Per your instructions, please find attached an Addendum to the Appeal.

Also, I am hearing that there are more Palo Alto residents asking to be added to those who already placed their names in the original appeal document. How can we go about adding their names?

Thank you and best regards,

Todor Ganev

From: Foley, Emily <Emily.Foley@CityofPaloAlto.org>
Sent: Monday, August 8, 2022 8:24 AM
To: Todor Ganev <tganev@hotmail.com>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>
Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>; French, Amy <Amy.French@CityofPaloAlto.org>
Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159

Hello Mr. Ganev,

Yes, the appeal is tentatively set for the August 22nd meeting. It is considered tentative until the staff report is published at the end of the week. The meeting will be hybrid, meaning both on Zoom and in person. Any additional correspondence emailed to me by Wednesday may be included as an attachment in the Staff Report. After Wednesday, any additional emails should be sent directly to Council at city.council@cityofpaloalto.org.

This item will be on the consent calendar. Any member of the public, including yourself may speak during public comment for the consent calendar. There is no staff presentation or Council deliberation or Q&A. The Council is deciding at this meeting whether or not they will have a full public hearing for the appeal.

Please let me know if you have any additional questions.

Thanks,

Emily



Emily Foley, AICP
 Planner
 Planning and Development Services Department
 (650) 617-3125 | emily.foley@cityofpaloalto.org
www.cityofpaloalto.org



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From: Todor Ganev <tganev@hotmail.com>
Sent: Friday, August 5, 2022 11:22 AM
To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>
Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>; French, Amy <Amy.French@CityofPaloAlto.org>
Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159
Importance: High

Dear Ms. Foley:

I did not see an email from you after the one below from 2 weeks ago, so I am wondering whether I have missed something.

Has a date on the City Council calendar been set yet? I saw August 22 quoted somewhere, but, of course, I am relying on the official information from you.

Is there a zoom link to the City Council meeting, or will it be in person?

Also, one procedural question: Is it possible to add more documentation to the appeal at this time?

Regards,

Todor Ganev

From: Foley, Emily <Emily.Foley@CityofPaloAlto.org>
Sent: Friday, July 22, 2022 8:32 AM
To: Todor Ganev <tganev@hotmail.com>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>
Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>; French, Amy <Amy.French@CityofPaloAlto.org>
Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159

Hello Mr. Ganev,

Yes, I have confirmed Accela shows the fee has been paid.

I will follow up next week with next steps.

Thanks,

Emily



Emily Foley, AICP
 Planner
 Planning and Development Services Department
 (650) 617-3125 | emily.foley@cityofpaloalto.org
www.cityofpaloalto.org



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From: Todor Ganev <tganev@hotmail.com>

Sent: Thursday, July 21, 2022 2:31 PM

To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>

Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>; French, Amy <Amy.French@CityofPaloAlto.org>

Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159

Dear Ms. Foley,

The appeal fee has been paid (Receipt # 369150).

Best regards,

Todor Ganev

From: Foley, Emily <Emily.Foley@CityofPaloAlto.org>

Sent: Thursday, July 21, 2022 12:32 PM

To: Todor Ganev <tganev@hotmail.com>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>

Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>; French, Amy <Amy.French@CityofPaloAlto.org>

Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159

Hi Mr. Ganev,

Thank you for the revised letter, the record will be updated accordingly.

As a reminder, the appeal fee must be paid by end of the day Monday, July 25th to move forward with the appeal. I am available to assist if you have any difficulty with our online system.

Thanks,

Emily



Emily Foley, AICP
 Planner
 Planning and Development Services Department
 (650) 617-3125 | emily.foley@cityofpaloalto.org
www.cityofpaloalto.org



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From: Todor Ganev <tganev@hotmail.com>

Sent: Wednesday, July 20, 2022 5:37 PM

To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>

Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>; French, Amy <Amy.French@CityofPaloAlto.org>

Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159

Dear Ms. Foley,

Per your gracious advice, please find attached a revised version of the appeal letter, with the identifying information of my son removed. Please also remove the doctor's note from the appeal and from your records.

Thank you again for your consideration.

Todor Ganev

From: Todor Ganev

Sent: Wednesday, July 20, 2022 5:11 PM

To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>

Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>; French, Amy <Amy.French@CityofPaloAlto.org>

Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159

Dear Ms. Foley:

Thank you for the fast response.

How shall I go about removing my child's identifying information, do you need me to submit a redacted or revised Appeal letter?

Best Regards,

Todor Ganev

From: Foley, Emily <Emily.Foley@CityofPaloAlto.org>

Sent: Wednesday, July 20, 2022 5:06 PM

To: Todor Ganev <tganev@hotmail.com>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>

Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>; French, Amy <Amy.French@CityofPaloAlto.org>

Subject: RE: Appeal to Issuance of Permit to Application 22PLN-00159

Hello Mr. Ganev,

Thank you for your timely appeal request. Per PAMC 18.42.160(d), it will be placed on the Council Consent Calendar within 45 days.

All appeal request documents are public information and will be published in the council report. Therefore, I wanted to give you the opportunity to consider removing

your child's identifying information from the letter and/or attachments. While I understand your intent, it is not necessary to provide a doctor's note and may not be desirable to have this in the public record.

Additionally, the appeal fee is due within 5 calendar days (end of day Monday, July 25th). Unfortunately, the fee amount quoted in my email below was the previous year's. The fee due for this appeal is \$622.71. The fee can be paid online, but it is necessary to create an ACA account.

To Pay:

- Create an ACA Account following the instructions here: [How to register/create an account on the OPS Citizen Portal \(Written Instructions\)](#)
- Once you are logged in, use this link: <https://aca-prod.accela.com/PALOALTO/Cap/CapDetail.aspx?Module=Planning&TabName=Planning&capID1=22APL&capID2=00000&capID3=00001&agencyCode=PALOALTO&IsToShowInspection=>
- Then, click on the Payments tab and select Fees, then you should be able to click Pay Fees as seen in the image below:

The screenshot shows the Accela system interface for record 22APL-00001. The 'Payments' tab is selected, and the 'Pay Fees' button is highlighted with a red circle. The interface includes a search bar, a navigation menu, and a table of outstanding fees.

Outstanding:		
Date	Invoice Number	Amount
07/20/2022	264400	\$622.71
Total outstanding fees: \$622.71		

Please let me know if you have any questions.

Thanks,

Emily



Emily Foley, AICP
Planner
Planning and Development Services Department
(650) 617-3125 | emily.foley@cityofpaloalto.org
www.cityofpaloalto.org



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From: Todor Ganev <tganev@hotmail.com>

Sent: Wednesday, July 20, 2022 1:03 PM

To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>; Gerhardt, Jodie <Jodie.Gerhardt@CityofPaloAlto.org>

Cc: Spotwood, Alicia <Alicia.Spotwood@CityofPaloAlto.org>; Nguyen, Vinhloc <Vinhloc.Nguyen@CityofPaloAlto.org>; pdsdirector <pdsdirector@CityofPaloAlto.org>

Subject: Appeal to Issuance of Permit to Application 22PLN-00159

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Dear Ms. Gerhardt and Ms. Foley:

With this email, I am submitting a formal appeal to the issuance of permit to application 22PLN-00159 (Safe Parking Program) by First Congregational Church of Palo Alto (FCCPA).

I represent a group of neighbors residing in the vicinity of First Congregational Church of Palo Alto (FCCPA) at 1985 Louis Road. Many of their names are listed in the Appeal Letter.

Allow me to clarify that we have nothing against helping the unhoused and those less fortunate. In fact, many of us regularly volunteer and donate to such causes. However, we are forced to resort to this appeal, because we have serious concerns about this particular program and especially about the way it is being implemented. We have tried, in good faith, to discuss mutually acceptable solutions with FCCPA, but, unfortunately, they have not been receptive to the neighbors' suggestions.

Please find attached the following documents:

1. Required Appeal Request Form (file name: "Appeal_Form_22PLN-00159.pdf")
2. Required Letter stating the reasons for appeal (file name: "Appeal_Letter_22PLN-00159.pdf")
3. A letter from the Palo Alto Medical Foundation Pediatric Department (file name: "PAMF_Pediatrics_Letter.pdf")
4. Frequently Asked Questions about California's Fair Employment and Housing Act (FEHA) (file name: "FEHA_FAQ.pdf")
5. A letter from Mr. Randy Stoltenberg sharing personal experience and viewpoint of impacted community members (file name: "Stoltenberg_letter.pdf")

We respectfully request that you revoke the temporary Safe Parking Program permit granted to the First Congregational Church of Palo Alto and Move Mountain View and deny any further permits until the issues with the program flaws have been resolved in a fair and satisfactory manner.

Thank you very much for your kind consideration.

Todor Ganev

940 Embarcadero Road,

Palo Alto CA 94303

From: Foley, Emily <Emily.Foley@CityofPaloAlto.org>

Sent: Tuesday, July 19, 2022 11:57 AM

Subject: 1985 Louis Safe Parking Follow Up

Hello,

Check In Meeting

Thank you for attending the Safe Parking Neighborhood Check in meeting on July 12. The meeting recording and Q&A report is posted on the project webpage: <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/1985-Louis-22PLN-00159>

Next Steps

As mentioned in the meeting, the Director of Planning & Development Services has reviewed the materials and tentatively approved the project.

The applicant, First Congregational Church, has corresponded via email with some interested community members. Please reach out to the congregation directly if you have questions about their application, program operations, funding, and other aspects of the program. The City reviews their application for compliance with the requirements of the municipal code.

The deadline to appeal the issuance of the permit is Wednesday, July 20, 2022. An appellant must: (1) live within 600ft of 1985 Louis Road, (2) fill out the Appeal Request Form; (3) draft a letter stating the reasons for the appeal; (4) email it to both Lodie.Gerhardt@cityofpaloalto.org and Emily.Foley@cityofpaloalto.org.

Staff will review the appeal for timeliness and completeness. They will contact you to collect the appeal fee, which is currently \$610.50. The fee can be paid online. If the appeal fee is not paid within 5 calendar days of the request, the appeal will be considered withdrawn.

If no appeal request is received, the First Congregational Church of Palo Alto will be able to begin their Safe Parking operation.

Sincerely,



Emily Foley, AICP

Planner

Planning and Development Services Department

(650) 617-3125 | emily.foley@cityofpaloalto.org

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From: [Bonnie Bernstein](#)
To: [Foley, Emily](#)
Subject: Re: Meeting about First Congregational Church Safe Parking Program
Date: Tuesday, July 12, 2022 1:03:20 PM
Attachments: [image009.png](#)
[image012.png](#)
[image001.png](#)
[image002.png](#)
[image004.png](#)
[image005.png](#)

You don't often get email from bon4dance@gmail.com. [Learn why this is important](#)

Dear Emily,
 No card was sent to the 4 houses on Bellview Drive that are behind the church and to a neighbor on Louis two doors down from the church. We got notices for the first meeting with the church. Perhaps someone neglected to send the cards. I suggest that you check. If we did not get the cards it is likely others also did not get them.
 Sincerely,
 Bonnie Bernstein

On Tue, Jul 12, 2022 at 8:36 AM Foley, Emily <Emily.Foley@cityofpaloalto.org> wrote:

Hi Bonnie,

Notice cards were sent to all neighbors within a 600ft radius were sent notice cards on June 29th, approximately two weeks before the meeting. I confirmed your name was on the list of recipients.

Thanks,

Emily



Emily Foley, AICP
 Planner
 Planning and Development Services Department
 (650) 617-3125 | emily.foley@cityofpaloalto.org

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From: Bonnie Bernstein <bon4dance@gmail.com>
Sent: Tuesday, July 12, 2022 8:18 AM
To: pdsdirector <pdsdirector@CityofPaloAlto.org>; Foley, Emily <Emily.Foley@CityofPaloAlto.org>
Subject: Meeting about First Congregational Church Safe Parking Program

Some people who received this message don't often get email from bon4dance@gmail.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Dear Planning Directors,

We are neighbors living behind First Congregational Church. We were told by the Church in a meeting months ago that we would be informed about any future community meetings

about the Safe Parking project being considered by the Church. We are a bit dismayed that we received no advanced notice about today's meeting. We were informed

yesterday by another community member. I assume this is true for other neighbors as well.

I believe it is the legal right of neighbors to be given advance notice about meetings on issues that affect our neighborhood so we can prepare our schedules accordingly.

Many neighbors do not know that the meeting is going on. I suggest that you reschedule the meeting and post it in the appropriate way so that all neighbors can be informed

and participate if they choose to. There are many concerns about this project and starting it without proper notice and discussion with neighbors is a very poor beginning.

Sincerely yours,

Bonnie Bernstein

From: [Todor_Ganev](#)
To: [Foley, Emily](#)
Cc: [pdsdirector](#); [Tanner, Rachael](#)
Subject: RE: Safe Parking at First Congregational Church
Date: Monday, July 11, 2022 4:19:08 PM
Attachments: [image001.png](#)
[image002.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image008.png](#)
[image009.png](#)
[image011.png](#)
[image007.png](#)
[image012.png](#)

Ms. Foley:

I am sorry, but I do not understand your sentence "Additionally the selected spaces are Furthermore, the City does not select which churches may or may not participate." Looks like something is missing?

It appears that your definition of "rational location" is focused on whether the parking locations can be seen from the street. This is a much less persuasive criterion than the serious criterion of the health hazard created by exhaust gas being blown toward neighbors, threatening the health of multiple children (my children, one of whom, as I said, has asthma, and the next door neighbors' children - mentioning these particular neighbors, because they are on vacation, but they have shared that they feel their health is threatened as well)

Further, I do not accept your assurance that idling will be rare – you have no way of predicting temperatures, weather seems to be getting warmer continually, and 85 degrees is routinely measured here. Also, how will this be enforced? When the vehicle dwellers violate the idling rule, am I supposed to stand outside with a thermometer and then call someone to complain? As I said, last time when such guests were parking with their exhaust pointing in my bedroom, it took the church almost a week to even send them the message.

You do not have any complaints registered from me, because for years I have been trying to be a good, benevolent neighbor to the church and I have tolerated them. However, I cannot tolerate hazards to my children's health, no parent would! One of the purpose of the permit system is to guarantee the citizens' rights. **Please protect our right to healthy environment and quiet enjoyment, free from nuisance and health hazards, so please reconsider your decision and the chosen parking spaces location.**

Best regards,
Todor

From: Foley, Emily <Emily.Foley@CityofPaloAlto.org>
Sent: Monday, July 11, 2022 3:39 PM
To: Todor Ganev <tganev@hotmail.com>
Cc: pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>
Subject: RE: Safe Parking at First Congregational Church

Hi Todor,

I am sorry you are unhappy with our process. I can confirm that our standard noticing for major projects is 600 ft, and that is the radius to which notices were sent. Over 280 cards were sent out, though this does not extend the full length of Morton Street. Likewise, the appeal process is set by the Zoning Code and would require Council approval to change. This community meeting is not required by code, we have added it to our permitting process as a courtesy to the neighborhood.

I disagree that there is a "more rational" location. The selected parking spaces for the Safe Parking Permit are mostly screened from view of the street by the refuse bin enclosure. There is no such shielding for any spaces on the Louis Rd side. Additionally the selected spaces are Furthermore, the City does not select which churches may or may not participate. Any church may apply and we enforce that they follow the regulations. I could not address any prior incidents because you are the first person to tell me, there are no reported Code Enforcement cases in our system.

Thanks,
Emily



Emily Foley, AICP
 Planner
 Planning and Development Services Department
 (650) 617-3125 | emily.foley@cityofpaloalto.org
www.cityofpaloalto.org



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The City of Palo Alto is doing its part to reduce the spread of COVID-19. We have successfully transitioned most of our employees to a remote work environment. We remain available to you via email, phone, and virtual meetings during our normal business hours.

From: Todor Ganev <tganev@hotmail.com>
Sent: Monday, July 11, 2022 2:23 PM
To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>
Cc: pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>
Subject: RE: Safe Parking at First Congregational Church
Importance: High

You don't often get email from tganev@hotmail.com. [Learn why this is important](#)

Ms. Foley:

I strongly disagree with your statement that sufficient notice for the meetings has been provided. Isn't there a legal requirement that people within a mile or so of the location be informed? There are many neighbors in the vicinity who are still not aware. As one extreme case, Ms. Chuang, who is our neighbor and who actually shares a fence with the church, [right next to the poorly chosen parking location](#), was not even aware about any of this and learned about it just by chance. No one on Morton Road knew anything and they are also in the immediate vicinity of the church. The same applies for multiple neighbors on the other sides of the church.

I also disagree with your explanation about how the Middlefield location for the Unity church was chosen. Please refer to the meeting recording and I hope you will hear that visibility was not the only consideration, in fact, there were safety considerations for which the location was kept away from the big street. In any case, if the case of the First Congregational church there is an obviously better location on the Louis side of the road which does not threaten the health of a sick child (and other children next door), why don't you use your planning prerogatives and enforce that more rational location (there are actually points of lower visibility from the street at that more rational location)?

I also don't understand the logic that you would give a permit to an entity that has proven to be unable or unwilling to control its "guests", justifying it by saying that the violations have happened before you gave the permit. If they are prone to violations, or they have a record of creating nuisance or safety issues, they should not get the permit.

Finally, you are directing me and the other affected neighbors to appeal before our opinion has been properly considered in the first place. Combined with the fact that the neighborhood has not been properly informed, this is unfair to us taxpayers, not to mention it appears to incur unnecessary expenses.

Please reconsider this flawed decision.
 Todor Ganev
 940 Embarcadero Rd
 Palo Alto

From: Foley, Emily <Emily.Foley@CityofPaloAlto.org>
Sent: Monday, July 11, 2022 12:51 PM
To: Todor Ganev <tganev@hotmail.com>
Cc: pdsdirector <pdsdirector@CityofPaloAlto.org>; Tanner, Rachael <Rachael.Tanner@CityofPaloAlto.org>
Subject: RE: Safe Parking at First Congregational Church

Hi Todor,

Thank you for your comments. Please be aware that you have the opportunity to formally appeal the project, but this email alone is not sufficient to do so. Instructions for how to appeal are available here: <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/Safe-Parking-Permit-Applications>

I would like to clarify that idling of vehicles is only allowed during "extreme" weather, when the outside temperature is less than 40 degrees or greater than 85. For most of the year, the cars should not be idling. In the case of the Middlefield Rd. site, the intention was to limit visibility from major streets (Middlefield). In this case, the spaces selected on the Embarcadero side are least visible from the street.

We provided sufficient notice for the meetings, in keeping with our noticing practices for other types of public hearings, and it is a Zoom meeting, which increases accessibility. It is not reasonable to ask the decision be delayed simply because it is summer.

Lastly, the church does not yet have an operating Safe Parking Permit, so any recent incidents are currently not operating with the regulations. In the case of an emergency, call 911. The non-emergency police number is 650-329-2413.

Thanks,
 Emily



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From: Todor Ganev <tganev@hotmail.com>
Sent: Friday, July 8, 2022 1:36 PM
To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>
Cc: pdsdirector <pdsdirector@CityofPaloAlto.org>
Subject: Safe Parking at First Congregational Church

Some people who received this message don't often get email from tganev@hotmail.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Dear Ms. Foley and Mr. Lait:

I am writing today to express a serious concern about the so-called "Safe Parking Program" permit at the First Congregational Church at 1985 Louis Road Palo Alto, CA 94303.

In short, I request that you deny this permit and rescind any approvals already given.

To clarify, in our neighborhood we all support helping the unhoused (to wit, my own daughter has done volunteering to help homeless people as part of a team organized by a Congressperson), so the issues here are flaws with this particular program and its particular implementation here.

1. My family's residence is immediately next to the First Congregational Church, we share a fence. The perspective of extended vehicle idling close by is a terrifying health hazard, especially for one of my children who has asthma!

This brings into question the location of the proposed safe parking spaces on the Embarcadero Road side of the church. It is obvious, from geometrical and physical considerations, that placing the parking spots on the Louis Road side of the church is much more feasible, as that location allows the idling vehicles to be further away from any residents.

Please note that at a recent Safe Parking meeting at another location, the Unity Church, your department made the statement that the spots at that church were specifically chosen to be away from the large road (in that case Middlefield Rd). Then why is the choice here inconsistent with that approach – the parking spots chosen here are actually closer to the large road, (i.e. closer to Embarcadero Rd)?

2. The Palo Alto Planning Department has officially stated that even convicted criminals cannot be precluded from participating in the program, and even if they are convicted drug dealers or sexual predators. This presents significant risks, particularly for our more vulnerable, and especially for our children, as there are at least 3 schools in the vicinity of the church.

The vehicle dwellers are supposed to leave the church every morning and park at least 0.5 miles away. This means that they will remain in our neighborhood without control. This does not eliminate the safety concerns, (on the contrary), and is an obvious conflict with the Safe Biking to School initiatives.

Along these lines, let me point out that the First Congregational Church has been unable to properly control their "guests" in the past. Just a few of many examples: recently, "guests" of the church (pursuant to another homeless program) lay down on the Embarcadero road sidewalk blocking it for hours every day on multiple days (photos available) and apparently became aggressive with a neighborhood child who was walking a dog. On another occasions, it took the church authorities almost a week to address a concern of mine that their overnight guests were parking every day with the exhaust pipes of their vehicle pointing at our bedroom (a practice which is highly undesirable and even illegal in some jurisdictions.)

In yet another indicative case, a church "guest" who appeared intoxicated, urinated in my driveway.

There are doubts about Move Mountain View being able to provide proper security. Driving by a few times a day is not real security. Also, there is a first-hand account from another location that in the past security guards hired by Move Mountain View have been doing drugs together with the vehicle dwellers.

Further, I would like to express the concern that the First Congregational Church and Move Mountain View have not been sufficiently forthcoming and transparent with the neighborhood. There are numerous neighbors in the vicinity who have not been properly informed about the church's plans. Also, holding a hearing when many people are on summer vacation is not bound to be representative of the neighborhood's wishes. Can the July 12th meeting be postponed until more neighbors are back in town?

In view of the above and additional concerns and incidents whose description I am skipping for the sake of brevity, I request that you deny this permit and rescind any approvals already given.

Thank you for your consideration,
Todor Ganev
940 Embarcadero Rd
Palo Alto

From: [Angela Dayton](#)
To: [Burt, Patrick](#)
Cc: [pdsdirector](#); [Foley, Emily](#); [John Dayton](#)
Subject: Re: Safe Parking Program - Homeless Individual STABBED my 16-year Old
Date: Tuesday, July 12, 2022 5:47:36 PM

You don't often get email from angela@angeladayton.com. [Learn why this is important](#)

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Hi Mayor Burt-

Full disclosure that I run a \$30M program to assist low-income homeless individuals. Many of them are like the individuals are just down on their luck and trying to survive. I am emphatic to their situations and intimately aware of the challenges they face. I have dedicated my career to helping these individuals access social services, education, and employment.

The issue I have with this particular program is that it appears no background checks will be conducted and no real services provided (i.e. counseling; training; movement toward self reliance.) This population would benefit from more than just parking overnight.

In addition, there are an abundance of services available to this population that I am happy to assist the church in accessing on behalf of those they want to serve.

But unfortunately since they are not conducting background checks and/or informing the community who has been granted permission to park for the night, I cannot support their plight and the city should not support the program either if regulations are not established and followed.

Angela

Sent from my iPhone

On Jul 12, 2022, at 10:08 AM, ANGELA DAYTON, MS
 <angela@angeladayton.com> wrote:

Mayor Burt-

My name is Angela Dayton. We spoke last August after my 16 year old daughter was randomly attacked and had her throat **slashed** at 9:34am 8/18/21 and was a **millimeter away from death due to the actions of a homeless individual in Palo Alto** residing at The Opportunity Center. We had just moved to Palo Alto three weeks prior to this brutal attack.

We, as a city, cannot take the chance of something like this happening again by “inviting” homeless individuals into our neighborhood.

I was just informed that the city is considering offering First Congregational

Church of Palo Alto (@ Louis and Embarcadero) the ability to offer a “Safe Parking Program”, bringing homeless vehicle dwellers from all over (not just Palo Alto) into their parking lot and our neighborhood.

As you can all imagine, I 100% disagree with this action. We are charitable individuals but this decision is being made without considering the safety of the neighborhood, our children, and our city.

I will be the first one to speak up about the trauma my daughter and our family has endured and the lifelong scars she has on her neck and face from the attack - some scars from the knife and other from the attacker's fingernails. I would never want this, or something worse, to happen to any of your families in the name of “charity.”

If the church is worried about homelessness and wants to be charitable, then the church can expend its funds and services another way. There are so many questions I have about the why behind this action and the how.

None of us know what mental health issues these individuals have and it only takes one individual to ruin the lives of our families. The individual that attacked my daughter was not on drugs but did have a history of mental illness.

As the city considers this decision, please advised that if the city approves the action, then the city is partially responsible, and liable, for the actions of the individuals being invited to reside in the church parking lot.

Charity does not need to come at the expense of citizens safety.

Angela Dayton, MS
801-628-5064

-----EMAIL I RECEIVED INFORMING ME OF THIS ACTION-----

We all support helping the unhoused and Palo Alto is already spends millions and millions of our tax money on related initiatives. **However**, this particular program is fundamentally flawed and poses significant concerns. Namely:

- **NOT SAFE** The Palo Alto Planning Department has officially stated that even convicted criminals cannot be precluded from participating in the program, even if they are convicted drug dealers or sexual predators, including pedophiles. **Moreover, they are intentionally not doing background checks on vehicle dwellers!** This presents significant risks, particularly for our more vulnerable, and especially for our children, as there are at least 3 schools in the vicinity of the church. There is also an obvious conflict with the Safe Biking to School initiatives.
- **NO COMPLIANCE WITH REGULATIONS** The vehicle dwellers will be exempt from the existing environmental regulations. For example, unlike the tax-paying citizens, vehicle dwellers will be allowed to have cars idling for extended periods of time, blowing exhaust toward the residents.
- **NO REAL SECURITY** The First Congregational Church aims to abdicate their responsibilities to an out-of-town organization, **Move Mountain View**, which

uses tax money to impact Palo Alto neighborhoods. Only drive-by security a couple of times per day is planned. There is a first-hand account from another location that in the past security guards hired by Move Mountain View have been doing drugs together with the vehicle dwellers.

· **NO ACCOUNTABILITY** -It is not clear who is accountable for making sure that incidents that have happened at other so-called "Safe Parking" locations do not happen here. Actual examples exist for trash thrown into neighbors' yards, smoking, public urination, drugs, noise, dogs barking, fights.

· **NO TRANSPARENCY** The First Congregational Church has failed to properly inform many of the affected neighbors about their intentions, which is a big red flag. Their answers to neighbors' concerns have so far included confusion and contradictions.

· **NO CONTROL OVER EXPANSION** The vehicle dwellers are supposed to leave the church every morning and park at least 0.5 miles away. This means that they will remain in our neighborhood and around schools without control. Also, if the program takes effect, there is a real concern that RVs and other vehicles not associated with the program will be attracted to our neighborhood.

· **NO APPRECIABLE SUCCESS** This program's success rate of rehabilitating homeless is very low, as admitted by Move Mountain View. You can google 'Safe Parking Program' on NextDoor and see firsthand feedback from neighbors all over the vicinity.

Please join the Public Hearing meeting on Tuesday, July 12, 2022 at 6 pm via Zoom and express your concerns, if you have them. You can join by following this link: <https://cityofpaloalto.zoom.us/j/89772126436>. You can also join by calling +1 (669) 900-6833 and entering Meeting ID: 897 7212 6436.

From: [angie ball](#)
To: [Foley, Emily](#)
Subject: Re: Safe Parking Program First Congo
Date: Tuesday, July 19, 2022 4:55:39 PM

Emily,

The language here is too vague ("it is possible the Safe Parking Permit would be revoked") and doesn't inspire confidence that it will be properly enforced. It would be better to say "on the second violation" the permit will be revoked. If a staff member from Move MV is absent on any morning the permit should be revoked also. It's important that the language and consequences are specifically outlined.

The homeless challenge needs to be addressed and this concept seems like a good one. I just don't think a preschool parking lot is an acceptable location. A church parking lot that doesn't host a daily preschool sounds like a better choice.

Angie

> On Jul 19, 2022, at 2:31 PM, Foley, Emily <Emily.Foley@CityofPaloAlto.org> wrote:

>

> Hi Angie,

>

> A staff member from Move MV, the safe parking operator, will be onsite every morning to ensure they leave on time. If it was not being enforced, any community member could report this to us, and it is possible the Safe Parking Permit would be revoked.

>

> Safe Parking participants are required to move their car at least half a mile away from the Safe Parking lot during the day. However, most participants have places to be during the day, whether it's a job, appointments, or running errands. We have not received any reports from neighbors saying that participants are parking in the neighborhood during the day. It is not in the current policies of the Santa Clara County Office of Supportive Housing to run background checks for any of their programs. However, participants are asked to provide this information on the application.

>

> Sincerely,

> Emily

>

> Emily Foley, AICP

> Planner

> Planning and Development Services Department

> (650) 617-3125 | emily.foley@cityofpaloalto.org

> www.cityofpaloalto.org

>

>

> -----Original Message-----

> From: angie ball <acball2@gmail.com>

> Sent: Tuesday, July 19, 2022 12:13 PM

> To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>

> Subject: Re: Safe Parking Program First Congo

>

> Emily,

>

> Thank you for your quick response. What happens when all participants don't leave by the time the kids arrive? I imagine there might be challenges enforcing this. What can the community do if it is not enforced? I have heard that in other areas they have drive by security only once or twice a day. It may be even harder to enforce if there are some mental health issues.

neighborhood. We can't solve one problem by creating another one. We need to balance the needs of homeless people with the safety and comfort needs of the school children, their families and the environment.

>>

>> I don't think these children's needs are being adequately considered.

>>

>> Thanks,

>> Angie Ball

>>

>

From: [Ann Shimakawa](#)
To: [Foley, Emily](#)
Subject: Re: safe parking Q & A session from Dec 2020
Date: Thursday, July 7, 2022 1:24:12 PM
Attachments: [image012.png](#)
[image013.png](#)
[image010.png](#)
[image008.png](#)
[image009.png](#)
[image005.png](#)

You don't often get email from ann_shimakawa@yahoo.com. [Learn why this is important](#)

Hi Emily -

Thank you! I'll watch the Dec 15 meeting video, but I would appreciate getting the Q & A document, if possible. There's a lot of discussion in our neighborhood regarding the proposed Safe Parking application for First Congregational church and a lot of stories about programs that are quite different from the program at First Congregational. I think the Q & A document would be helpful to understand the specifics of the Safe Parking program in our neighborhood.

thank you again!

-ann

On Thursday, July 7, 2022 at 01:02:55 PM PDT, Foley, Emily <emily.foley@cityofpaloalto.org> wrote:

Hi Ann,

I'm sorry that link does not appear to be working. I'll look into this. In the meantime, a recording of the December 2020 video is available here: <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/3505-Middlefield-Road-Peninsula-Bible-Church>.

Please let me know if you have any additional questions.

Thanks,

Emily



Emily Foley, AICP

Planner

Planning and Development Services Department

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From: Ann Shimakawa <ann_shimakawa@yahoo.com>
Sent: Wednesday, July 6, 2022 5:36 PM
To: Foley, Emily <Emily.Foley@CityofPaloAlto.org>
Subject: safe parking Q & A session from Dec 2020

You don't often get email from ann_shimakawa@yahoo.com. [Learn why this is important](#)

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Dear Ms. Foley,

I was looking for the link containing background information on the Safe Parking program. On the city website: <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/Safe-Parking-Permit-Applications>, i was unable to find the Dec 2020 meeting minutes from this link on the Safe Parking Permit page.

Please read questions that arose during the December 2020 community meeting and answers provided by the City, congregations, Move Mountain View, and Santa Clara County. [Q&A](#)

The link seems to take me to an XCAP meeting from Oct, 2019. Is it possible to get the Safe Parking Q & A session from Dec 2020?

Thank you for your assistance.

Best regards,

Ann Shimakawa

951 Elsinore Dr

From: [R.H](#)
To: [Foley, Emily](#)
Subject: Recording of past safe parking meetings
Date: Thursday, July 7, 2022 11:57:30 AM

[You don't often get email from rhadmkt@gmail.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

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Hi Emily,

Couple questions.

1. We finally received the post card of the up coming meeting for July 12 (First Congregational Church). For appeal, it says 10 days from the day we receive the notice. Is it 10 calendar days or 10 business days?

The card is post marked on 7/1/2022 but is in my mailbox on 7/5/2022 late afternoon.

2. I want to understand this "safe parking" program more. Can you please provide the recording of the last 3 neighborhood checkins so I can familiarize myself to this program.

FYI. We were never invited to the church's initial meeting (my house boards the church).

Rita

Sent from my iPhone

From: [ANGELA DAYTON, MS](#)
To: [Burt, Patrick](#)
Cc: [pdsdirector](#); [Foley, Emily](#); [John Dayton](#)
Subject: Safe Parking Program - Homeless Individual STABBED my 16-year Old
Date: Tuesday, July 12, 2022 9:08:47 AM

You don't often get email from angela@angeladayton.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Mayor Burt-

My name is Angela Dayton. We spoke last August after my 16 year old daughter was randomly attacked and had her throat **slashed** at 9:34am 8/18/21 and was **a millimeter away from death due to the actions of a homeless individual in Palo Alto** residing at The Opportunity Center. We had just moved to Palo Alto three weeks prior to this brutal attack.

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I was just informed that the city is considering offering First Congregational Church of Palo Alto (@ Louis and Embarcadero) the ability to offer a “Safe Parking Program”, bringing homeless vehicle dwellers from all over (not just Palo Alto) into their parking lot and our neighborhood.

As you can all imagine, I 100% disagree with this action. We are charitable individuals but this decision is being made without considering the safety of the neighborhood, our children, and our city.

I will be the first one to speak up about the trauma my daughter and our family has endured and the lifelong scars she has on her neck and face from the attack - some scars from the knife and other from the attacker's fingernails. I would never want this, or something worse, to happen to any of your families in the name of “charity.”

If the church is worried about homelessness and wants to be charitable, then the church can expend its funds and services another way. There are so many questions I have about the why behind this action and the how.

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Angela Dayton, MS
 801-628-5064

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 We all support helping the unhoused and Palo Alto is already spends millions and millions of our tax money on related initiatives. **However**, this particular program is fundamentally flawed and poses significant concerns. Namely:

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- **NO COMPLIANCE WITH REGULATIONS** The vehicle dwellers will be exempt from the existing environmental regulations. For example, unlike the tax-paying citizens, vehicle dwellers will be allowed to have cars idling for extended periods of time, blowing exhaust toward the residents.
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- **NO ACCOUNTABILITY** -It is not clear who is accountable for making sure that incidents that have happened at other so-called "Safe Parking" locations do not happen here. Actual examples exist for trash thrown into neighbors' yards, smoking, public urination, drugs, noise, dogs barking, fights.
- **NO TRANSPARENCY** The First Congregational Church has failed to properly inform many of the affected neighbors about their intentions, which is a big red flag. Their answers to neighbors' concerns have so far included confusion and contradictions.
- **NO CONTROL OVER EXPANSION** The vehicle dwellers are supposed to leave the church every morning and park at least 0.5 miles away. This means that they will remain in our neighborhood and around schools without control. Also, if the program takes effect, there is a real concern that RVs and other vehicles not associated with the program will be attracted to our neighborhood.
- **NO APPRECIABLE SUCCESS** This program's success rate of rehabilitating homeless is very low, as admitted by Move Mountain View. You can google 'Safe Parking Program' on NextDoor and see firsthand feedback from neighbors all over the vicinity.

Please join the Public Hearing meeting on Tuesday, July 12, 2022 at 6 pm via Zoom and express your concerns, if you have them. You can join by following this link: <https://cityofpaloalto.zoom.us/j/89772126436>. You can also join by calling +1 (669) 900-6833 and entering Meeting ID: 897 7212 6436.

From: [Yair Bannett](#)
To: [Foley, Emily](#); [Gerhardt, Jodie](#); [Spotwood, Alicia](#); [French, Amy](#); [pdsdirector](#); [Lait, Jonathan](#)
Subject: Safe Parking Program (Application 22PLN-00159)
Date: Tuesday, August 9, 2022 7:42:42 PM

Some people who received this message don't often get email from yairban@gmail.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Dear City Council members,

My name is Yair Bannett. I am a Palo Alto resident in the Triple El neighborhood. I am writing to express my concerns about the Safe Parking Program at The First Congregational Church of Palo Alto (at the corner of Embarcadero Rd and Louis Rd).

I am especially concerned about the location chosen for this program. The church chose to locate the idle cars in a corner of the parking lot that is adjacent to several homes instead of placing it in the large areas that are facing the two main roads (Embarcadero and Louis). I am very concerned about the potential health implications of idle cars located very close to residential homes.

While the cause is very worthy, please listen to the many concerns raised by residents in our neighborhood and take action to modify the program.

Sincerely,

Yair Bannett

From: ANGELA DAYTON, MS
To: [Foley, Emily](#); [Tanner, Rachael](#); [Eileen Altman](#); [Burt, Patrick](#)
Cc: [Jessica Galbraith](#); [Kathryn Kostal](#); rmstolt@gmail.com; [Henigin, Linda](#)
Subject: Safe Parking Program Contract and Outstanding Questions
Date: Wednesday, July 13, 2022 10:38:17 AM

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Unfortunately the attendees of the Safe Parking Program meeting were not able to speak and many of our questions were not answered. In public service programs, accountability and transparency are imperative and as citizens we did not feel like the meeting last night was transparent. (I've cc'd and bcc'd citizens who expressed an interest in receiving the answers to the questions below.)

I am not a selfish individual that doesn't want to help those who need a assistance. I have dedicated my career to implementing best practices of service delivery that assist low income homeless individuals receive job training, employment and housing. Even though my 16-year old was stabbed (throat slashed) and brutally attacked by a homeless individual in Palo Alto by West Elm last August, I still believe in helping homeless individuals.

I am more than happy to sit on MoveMV's board; design service delivery that is effective; and offer insights into proper oversight and management of the public funds being dedicated to this project.

I want a win-win for all and not an "us" against "them" situation. There is always ways to create a win-win but all sides have to be considered and compromises have to be made.

Please see below for the list of information requested and questions we would like answered:

REQUEST FOR INFORMATION

Since public funds are being used to support the Safe Parking Program, please send over the following:

1. contract (or grant agreement) regarding this program that outlines the program implementation, service delivery, and
2. budget narrative that showcases the compensation that the church and MoveMV are receiving and their associated program profit.
3. The program design that outlines the case management, program delivery, intake process, agreements between the program and the participants.
4. The Request for Proposals, Funding Opportunity Announcement, or Sole Source that was used to choose the service provider (MoveMV).
5. All resources being used by MoveMV for their program delivery and their case management training developed with public funds. Unfortunately, the MoveMV.org website does not outline the case management offered to participants.

Many critical questions were not answered in the Q&A.

1. Why are you not working with the local workforce investment board?
2. What are the eligibility guidelines that outline the eligibility criteria being used to determine eligible participants of the program including, but not limited to, the definition of "connection to the community?"

3. What type of psychological assessments will be done?
4. If an individual has an outstanding warrant, then does the organization contact the police?
5. How many congregation members actually live within a mile of the church?
6. Is the church prepared for a lawsuit when an individual on their property commits a violent act?
7. How much insurance is the church required to have to cover the liability of this program?
8. Is the organization going to offer a bond that can be available to a potential victim?
9. Please provide the HUD link being used to set the standard for not conducting background checks.
10. What benchmarks have been set to guide the program operators?
11. What research and data has been reviewed to determine best practices for implementation of the program?
12. Please provide the research and data used to determine the need for this program in Palo Alto.
13. What steps are taken to secure permanent housing for the individuals in the program? Per the MoveMV.org website, the program has only been able to transition 24% of participants into permanent housing. Why is the percentage so low and what program improvements are being made to increase that percentage?
14. Ideally, the individuals in need of this program can qualify for additional public services like workforce training grants offered by the workforce investment system. Do you have established partnerships with local, state, and federal service providers that can also assist those in need?
15. If the participant isn't employed, then what efforts does the program use to help them with employment placement?

Thank you for taking the time to assist us in learning more.

Sincerely,
Angela Dayton, MS

From: [Cornerstone Admin](#)
To: [Foley, Emily](#)
Cc: [Helen Wong](#)
Subject: Safe Parking Project @ 1985 Louis
Date: Thursday, July 7, 2022 2:38:22 PM

You don't often get email from admin@cornerstonelearningfoundation.com. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Be cautious of opening attachments and clicking on links.

Dear Emily,

We are the school who is renting the spaces from First Congregational church of Palo Alto. We learned that there will be public hearing on 7/12 to discuss the updates and hear the neighbor's comments. What are the next procedure after this meeting? The City will approve or disapprove the project immediately after this meeting? Or there will be more discussions with the community before the decision is made. And what is the timeline?

Thanks!

Teresa
Cornerstone School

From: [Ann Shimakawa](#)
To: [Foley, Emily](#)
Subject: safe parking Q & A session from Dec 2020
Date: Wednesday, July 6, 2022 5:36:28 PM

You don't often get email from ann_shimakawa@yahoo.com. [Learn why this is important](#)

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Dear Ms. Foley,

I was looking for the link containing background information on the Safe Parking program. On the city website: <https://www.cityofpaloalto.org/News-Articles/Planning-and-Development-Services/Safe-Parking-Permit-Applications>, i was unable to find the Dec 2020 meeting minutes from this link on the Safe Parking Permit page:

Please read questions that arose during the December 2020 community meeting and answers provided by the City, congregations, Move Mountain View, and Santa Clara County. [Q&A](#)

The link seems to take me to an XCAP meeting from Oct, 2019. Is it possible to get the Safe Parking Q & A session from Dec 2020?

Thank you for your assistance.

Best regards,
Ann Shimakawa
951 Elsinore Dr

From: [Betsy Hart Rosoff](#)
To: [Tanner, Rachael](#); [Foley, Emily](#)
Subject: Support for First Congo Safe Parking
Date: Thursday, July 14, 2022 12:57:05 PM

[Some people who received this message don't often get email from betsyhartrosoff@gmail.com. Learn why this is important at <https://aka.ms/LearnAboutSenderIdentification>]

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Thank you for coordinating the zoom information session. It was reassuring to hear from church leadership and to learn more details about the program from Move Mountain View.

The tone within my neighborhood has been one of sensational fear mongering and I hope that this additional information will help.

Please accept this email as a sign of support from our household in the Triple El neighborhood.

Sincerely,
Betsy Rosoff
907 El Cajon Way

From: [Mary Beth Train](#)
To: [pdsdirector](#); [Foley, Emily](#)
Cc: [movemvemail@gmail.com](#); [Eileen Altman](#); [Angie Evans](#)
Subject: Support for First Congregational's application for the Safe Parking Program
Date: Tuesday, July 12, 2022 6:34:48 PM

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I support First Congregational's application for the Safe Parking Program. The program has success in many locations. This church has carefully considered the location so it doesn't impact the neighborhood.

I am a homeowner within the boundaries of the Highway Community Church area, and we have had no problems because the service is well-monitored. The Palo Alto Police Department has attended a presentation in support of the application by the Unitarian Church.

Thank you for this opportunity to inform the community about this application.

-- Mary Beth

Mary Beth Train - Home office phone 650-324-7346 *voice only, not text*
[-mbt3305@yahoo.com](mailto:mbt3305@yahoo.com)

From: [Bill Sundstrom](#)
To: [Foley, Emily](#)
Subject: Support for Safe Parking Plan 1985 Louis Rd 22PLN-00159
Date: Sunday, July 17, 2022 11:15:31 AM

You don't often get email from wsundstrom@gmail.com. [Learn why this is important](#)

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Dear Ms. Foley,

I live at 2174 Louis Rd and thus on the same block as the First Congregational Church at 1985 Louis Rd. Because I understand that some folks in town are organizing to appeal the conditional approval of the safe parking plan at the church, I wanted to express my support for the plan. I'm proud that the church and the city are stepping up to do this small thing to support our unhoused community members. The potential risks seem very small to me. I strongly support final approval.

Thanks,
Bill Sundstrom
2174 Louis Rd, Palo Alto

From: [Jim Fox](#)
To: [Foley, Emily](#)
Subject: Support for Safe Parking
Date: Tuesday, July 12, 2022 9:02:44 AM

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Dear Ms. Foley,

I am a long-time Palo Alto resident contacting you to express my support for safe parking programs that provide safe parking and support programs for our neighbors who live in their cars.

I live very close to UUC PA on Charleston, which has a safe parking program, and personally have no complaints, nor have I heard any from any of our neighbors. It is significant that there have been no problems reported by Stevenson House (which had initially expressed serious concerns, none of which were borne out).

I support the proposed Safe Parking program at 1st Congregational Church; I expect that the "concerns" expressed by some of their neighbors will also prove to be unfounded.

Sincerely,
Jim Fox

From: [Kathy Jordan](#)
To: [pdsdirector](#); [Foley, Emily](#)
Subject: writing to express concern about the parking program proposed for FCC Palo Alto
Date: Tuesday, July 12, 2022 5:18:06 PM

Some people who received this message don't often get email from kjordan114wh@gmail.com.
[Learn why this is important](#)

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Mr. Lait and Ms. Foley:

I write to express concern about the proposed parking program that is proposed for FCC Palo Alto.

As a neighbor, I question the efficacy of such a program. What evidence is there that providing parking leads to the participants to actually subsequently obtain and pay for housing somewhere? Please point those of us in the community to this evidence. Also, what evidence does the City and FCC Palo Alto have that these participants cannot afford housing in another community? Does or will the City and FCC Palo Alto have or plan to obtain information from the potential participants on their income, employment, record of conduct and so forth? How will it be determined as to who can participate in this program? What criteria will participation be based upon?

Who will be accountable for any adverse impact to the neighbors and neighborhood from providing parking to the participants, in case there is any? Will it be FCC Palo Alto? Will it be the City --- for allowing this program?

Why will the potential residents not be screened for criminal record or other record of conduct? Under what authority does the City of Palo Alto Planning department and FCC Palo Alto plan to bring participants to the neighborhood without screening the participants for their prior conduct? This is not a housing program as I understand it, but a parking program. Again, who will be accountable in case of any adverse impacts to the neighborhood and neighbors?

Thanks in advance for your answers.

Best,

Kathy Jordan



City of Palo Alto

City Council Staff Report

(ID # 14055)

Report Type: Action Items

Meeting Date: 8/22/2022

Summary Title: Housing Element Draft Goals, Policies and Programs

Title: Consider a Recommendation to Review and Endorse the 2023-31 Draft Housing Element Goals, Policies and Programs and Updated Sites Suitability Inventory and Analysis; Provide Direction on Possible Land Use Policy Changes to Promote Housing in Certain General Manufacturing (GM) and Research, Office and Limited Manufacturing (ROLM) Districts; and, Receive an Update on the Housing Element Project Schedule.

From: City Manager

Lead Department: Planning and Development Services

Recommendation:

Staff Recommends the City Council take the following actions:

1. Approve the 2023-31 Housing Element draft Goals, Policies, and Programs reflected in Attachment A;
2. Review and provide guidance on programs for the ROLM/GM districts near Bayshore Freeway;
3. Approve the updated housing inventory site suitability inventory and analysis; and
4. Review an updated project schedule.

Executive Summary:

The State requires that the City update its Housing Element by January 2023. Two significant components of the update include: 1) identifying sufficient sites to meet the City's Regional Housing Needs Allocation (RHNA) of 6,086 units and 2) creating goals, policies, and programs to spur housing development for all segments of the community. Previously, Council accepted the staff's proposal to review these components separately. Council endorsed the site selection review at its March 21, 2022 meeting.

Since the beginning of the year, staff has been working with the Housing Element Working Group (Working Group), Council Housing Element Ad Hoc Committee (Ad Hoc), and the Planning and Transportation Commission (PTC) to prepare Housing Element goals, policies, and

programs. Because of the compacted project timeline, staff was not able to fully detail the goals, policies, and programs prior to Working Group and PTC review. Instead, staff continued to revise the goals, policies, and programs with greater specificity for each level of review. Staff requests the Council review and endorse with any necessary modifications the draft goals, policies and programs in Attachment A.

Highlights of two key program initiatives:

- The Housing Incentive Program (HIP), the City's alternative to State Density Bonus, will play a large role in future housing production and affordability. Staff proposes to expand the development incentives and geographic areas to enable more property owners and developers to take advantage of the HIP.
- A majority of the Council Ad Hoc encouraged staff consider greatly expanded development potential for GM/ROLM zoned sites near the Bayside Freeway to promote greater housing opportunities. Modifying zoning standards on those sites could allow for greater height, density, floor area ratio (FAR), and reduced parking requirements. Staff is requesting Council feedback on this Ad Hoc proposal.

The Council direction on the General Manufacturing (GM)/Research Office Limited Manufacturing (ROLM) districts would warrant adjustments to the City's housing sites inventory list. Staff and the public have continued to review the identified housing sites for suitability after the March 2022 Council meeting. After further review, additional sites have been removed based on several factors leaving a deficit in meeting its RHNA requirement (Table 1 has more information). Depending on the direction of the GM/ROLM discussion, staff has developed options to replace the removed units and staff requests the Council endorse staff's update to its site suitability analysis and proposal to replace the removed units.

Lastly, staff has revised the process timeline. At the March 2022 Council meeting, staff presented a timeline showing a projected March 2023 Council adoption. Because of new State requirements as well as other unforeseen delays, staff propose a new deadline for Council adoption of June 2023.

Background:

Since 1969, the State has required all local jurisdictions to adequately plan to meet the housing needs of everyone in the community. Local jurisdictions meet this requirement by adopting housing elements as part of their "general plan" (the Palo Alto Comprehensive Plan). The Comprehensive Plan serves as the City's "blueprint" for how the city will grow and develop. State law mandates inclusion of eight elements in general plans: land use, transportation, conservation, noise, open space, safety, housing, and most recently, environmental justice. Jurisdictions may elect to include additional elements.

The Housing Element is the City's plan to provide housing for its current and future residents and is the only element that requires certification by the State. The Housing Element covers a period of eight years; the City is currently in the 5th Cycle of Housing Elements that covers the years between 2015 and 2023. The 6th Cycle will cover the eight years between 2023 and 2031. The deadline to receive State certification for the 6th Cycle Housing Element is January 31, 2023. For reference, the City's 5th Cycle Housing Element is available online.¹

Housing Element Update Progress

Staff has been working closely with the Working Group since April 2021 to identify Housing Element sites and more recently, goals, policies, and programs. The Working Group concluded its sites review in January 2022 and goals, policies, and programs work in May 2022. The Working Group conducted 14 meetings as well as two workshops. The Working Group may conduct one more meeting to review the public review draft Housing Element, however their responsibilities have essentially concluded. The PTC also recently concluded its review of the draft goals, policies, and programs in June 2022.

Because the goals, policies, and programs were still being refined during Working Group and PTC review, staff requested that the Working Group provide a "high level" review. The PTC received a version that was refined with more specificity and program details. Since the PTC's review, staff has made other changes to provide program implementation timelines, quantified objectives and other modifications based on feedback from the City's consultant, HCD and the public.

Public participation is a key piece of the Housing Element update. While meeting with the Working Group and PTC, staff continued to conduct public outreach meeting with organizations supporting special needs housing, including seniors and persons with developmental disabilities; developers; renters; and civic groups including the Chamber of Commerce and the Rotary Club. Staff also reached out to owners of properties on the sites inventory to notify them of their inclusion on the sites list and to answer any questions owners may have about the Housing Element and what that means for their property.

Goals, Policies, and Programs

There is a general structure and hierarchy of steps for effective housing implementation, according to State Housing Element law and State Housing and Community Development (HCD) guidelines. In general, a jurisdiction will identify a set of goals for the community to strive to attain. For each goal, a set of policies are identified to help achieve the overarching goal. Under each policy are programs that assist with the implementation of each policy. Housing

¹ City of Palo Alto Housing Element (2015-2023): <https://paloaltohousingelement.com/wp-content/uploads/2021/04/Certified-15-23-Housing-Element.pdf>

Element programs contain specific actions and quantifiable objectives that help ensure equitable, effective, and timely implementation. The general order of effective housing implementation is as follows:

- **Goals:** Housing goals are articulated as general “end condition statements,” which describe the desired outcome or end state. Goals describe ideal future conditions for a topic and tend to be general and broad in nature.
- **Policies:** Policies are statements on the position the city takes to implement a goal. Policies contained in the Housing Element are important statements as they provide a clear and unambiguous statement that guides a specific course of action for decision-makers to achieve a desired goal.
- **Programs:** Housing programs define the specific actions the city will undertake to achieve the stated goals and policies.
- **Implementing Objectives:** The implementing objectives are specific action items that help implement the overall program. Objectives must be specific, measurable, and attainable. *Please note that HCD pays special attention to the program objectives to ensure the highest level of implementation for each program that is possible.*

HCD Emphasis on Programs and Implementing Objectives

The State HCD Department is reportedly focusing much more on the programs and implementing objectives with a cursory review of goals and policies. In fact, programs are codified while goals and policies are not. With that emphasis, there will be a brief discussion on goals and policies with the focus mostly on programs and implementing objectives.

State Requirements for Housing Element Programs

Per California Government Code Section 65583(c), the Housing Element shall contain a schedule of actions (also known as “programs”) the local government is undertaking or intends to undertake to implement the stated policies and achieve the goals and objectives of the housing element. For the upcoming housing cycle, HCD has increased its scrutiny in reviewing proposed programs. Programs must include specific actions the locality will take to implement its policies and achieve its goals and objectives, and a specific timeframe for implementation. In addition, programs must identify the agencies or officials responsible for implementation, describe the jurisdiction’s specific role in implementation, and (whenever possible) identify specific, measurable outcomes.

Importantly, the City Council is advised to carefully review the draft Programs because HCD will evaluate the City’s compliance with the Housing Element annually with the expectation that the City will meet its implementation schedule and objectives.

HCD has identified the following criteria as key components of an effective housing program:

1. Definite time frames for implementation (e.g., annually during the planning period).
2. Identification of agencies and officials responsible for implementation (e.g., planning department).
3. Description of the local government’s specific role in program implementation (e.g., a description of how the city will promote ADU construction).
4. Description of the specific action steps to implement the program.
5. Proposed measurable outcomes (e.g., adoption of a rezone ordinance).
6. Demonstration of a firm commitment to implement the program (e.g., Create a separate landing page on the city’s website that provides information on ADUs and city requirements by July 2023).
7. Identification of specific funding sources, where appropriate (e.g., Community Development Block Grant funds).

The 6th Cycle Housing Element will also place greater emphasis on addressing the housing needs of vulnerable groups and populations that have been identified in the City’s housing needs assessment and identifying ways to reduce housing barriers that have been identified in the City’s Housing Constraints chapter.

Table 1, identifies the primary focus areas for 6th Cycle Housing Element programs and policies.

A significant new program requirement is Affirmatively Furthering Fair Housing (AFFH). While jurisdictions have addressed fair housing in previous housing elements, the State now requires each jurisdiction include proactive programs for underrepresented groups that include outreach and information sharing opportunities to empower tenants and take action to increase tenant protections, improve housing mobility and address other fair housing protections.

Table 1: Description of New State Requirements

Focus Area	Program Requirement
Development Standards	State law requires jurisdictions to remove identified constraints. This may include reduced parking requirements, increasing height limits, and removing other barriers to development identified in the housing element update process.
Maintenance and Monitoring of Sites Inventory	Requires that jurisdictions monitor their sites inventory to ensure that no net loss of residential capacity occurs, such that the City can accommodate the number of units remaining in the City’s share of the regional housing need. Programs may include: to create a mechanism to ensure that if residential capacity on a particular site is decreased by approval of a zoning change or approval of a development application that results in fewer units than specified in the inventory, additional sites or capacity must be identified

	elsewhere within 180 days of the approval.
Provide for By-Right Housing	Requires jurisdictions to amend the zoning code to allow “by-right” approval of housing developments on sites identified in the City’s site inventory that have been identified in previous housing elements. By-right approvals mean that multifamily housing is allowed by a site’s land use and zoning designations, and no additional discretionary approval is required.
Alternative Housing Program	Requires jurisdictions to modify the zoning code to allow and provide standards for alternative housing types and homeless service centers (i.e., group homes, supportive housing, transitional housing, residential care facilities, and low-barrier navigation centers), to comply with state law.
Conservation of At-Risk Housing Existing	Requires jurisdictions to protect at-risk housing. Programs could include modifying existing programs to increase protections and assistance for tenants in developments with expiring affordability agreements and provide more technical assistance for property owners to apply for funds for rehabilitation and preservation of affordability.
Affirmatively Furthering Fair Housing	Programs are required to address the findings of the Affirmatively Furthering Fair Housing analysis in the Housing Element. Those programs could be designed to: <ul style="list-style-type: none"> • Enhance mobility strategies and promoting inclusion for protected classes • Encourage development of new affordable housing in high-resource areas • Enhance community engagement and education, particularly for landlords and tenants around fair housing topics • Implement place-based strategies to encourage community revitalization, including preservation of existing affordable housing • Protect existing residents from displacement

Current Housing Production Efforts

A State emphasis for the Housing Element Update is increasing housing production. The Council has also recognized the need. In the past few years, the City has implemented five programs in an attempt to increase housing production in the City. These programs include:

1. Housing Work Plan – The Housing Work Plan, approved by the Council in 2018, included several initiatives to relax development standards. Program examples include reduced parking standards, elimination of density restrictions, and the introduction of the Housing Incentive Program. As part of the plan, the Council set a goal to approve 200 units of housing annually.
2. Housing Incentive Program – The Housing Incentive Program (HIP), the City’s alternative to the State Density Bonus Program, further relaxed development standards. The HIP eliminated lot coverage and increased FAR in commercial zones. The HIP is applied in certain areas of the City. Although HCD will not allow jurisdictions to assume higher density development under State Density Bonus Law, they are anticipated to accept the City’s HIP since it is clearly codified in the Zoning Ordinance.

3. Affordable Housing Combining District – Now known as the Affordable Housing Incentive Program (AHIP), the AHIP allowed for additional incentives for affordable housing developments.
4. Workforce Housing Combining District – The Workforce Housing Combining District (Workforce Housing), which requires legislative action, allowed for greater height and FAR if the developer set aside a percentage of units for households earning between 120%-140%.
5. Planned Home Zoning – The Planned Home Zoning (PHZ) application reactivated Planned Community (PC) Districts for housing projects that provide at least 20% affordable housing units and more housing units than net new jobs generated by any commercial component. This is a discretionary and legislative application process that allows qualifying projects to seek modification from the City’s zoning standards. In the past, almost all affordable housing development was developed with PC zoning because of the flexibility the zoning provided. Another purpose of the PHZ was to collect data and learn what zoning standards were frequently being requested for modification and therefore, a possible constraint to housing production. With the data, the City could make changes to the zoning code, streamline the application process and provide a greater level of certainty for developers and expectations to the community as to what the City would allow in terms of development standards. The PHZ application was not intended to be a long term solution because the process is costly, takes too long and is challenging for some neighbors because it invites uncertainty and frustration as development projects deviate from the established zoning standards.

While there were some individual successes with each program above, collectively, implementation of the programs did not meet the Council goal of approving/producing 300+ housing units annually as set forth in the Comprehensive Plan policies. The Wilton Court project used the Affordable Housing Overlay to produce 58 units of affordable housing. One project at 788 San Antonio Road received planning approval 102 units of housing using the HIP. The City received several PHZ prescreen applications, however only one formal PHZ application was submitted.

State SB 35 Requirements

Although not a specific State Housing Element requirement, the City’s future housing production will also be closely tied to Senate Bill (SB) 35. SB 35 went into effect on January 1, 2018 and changed the local review process for certain development projects. SB 35 applies to California cities and counties where production of new housing has not met the state-mandated Regional Housing Need Allocation targets. If a jurisdiction does not meet its RHNA production for above-moderate housing, “by-right” requirements may apply. Depending on a jurisdiction’s above-moderate unit production and the percentage of affordable housing proposed in a project, a project may qualify as “by right.” If a project is SB 35 eligible, projects

could only receive review per the jurisdiction's objective standards with no CEQA review and must be approved within 90 to 180 days of project submittal, depending on project size.

Other Housing Element Components

In addition to the Goals, Policies, Programs, and the Sites Inventory, the Housing Element will include several other meaningful components. The Needs Assessment chapter identifies housing needs for various household types, income levels, and special needs groups, including seniors and people with disabilities. The Constraints chapter assesses potential constraints to housing production and affordability and includes governmental constraints (e.g., zoning, process, fees) and non-governmental constraints (e.g., land and construction costs, market conditions). Staff and consultants are continuing to work on these chapters. They will be released as part of the Public Review Draft in December 2022.

For further background information on the Housing Element, please review prior staff reports:

May 10, 2021 Joint City Council/PTC meeting

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2021/id-12116.pdf>

March 21, 2022 City Council meeting

<https://www.cityofpaloalto.org/files/assets/public/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2022/20220321/20220321pccsm-amended-linked-revised.pdf>

PTC Review

The PTC met on June 8 and June 29, 2022 to review and recommend the Housing Element goals, policies and programs. Understanding that the number of meetings to review the goals, policies and programs was limited, the PTC created its own Ad Hoc to help provide additional guidance prior to the meeting. The PTC was supportive of the Working Group and staff's work on the programs and provided further input and direction. The PTC provided several policy and program revisions. One emphasis was that the PTC wanted to ensure the programs did not increase the jobs/housing imbalance. Any additional allowable development was for residential and not further commercial development. There were no major or significant changes proposed by the PTC.

Four new implementing objectives recommended by the PTC are:

1. Reconsider the process when a tenant income exceeds the maximum allowable income limit in a BMR rental unit. This would only include units created through the City's BMR program, in which a percentage of units in a market rate development are set aside as

below market rate. This would not apply to 100% affordable housing projects, which may have lender-specific requirements for over income tenants in those developments.

2. Expand the safe parking program to City park parking lots and to provide case management support. Also, to explore opening City bathing facilities such as the Cubberley locker facilities to the homeless population.
3. Explore more State Homekey funding or similar funding sources to convert hotels to permanent or interim housing for persons at risk of homelessness or the homeless.
4. Requiring a 90 day notice period for a rent increase of more than 6% instead of the State requirement of 10% rent increase.

The Commission also supported other staff updates and supported a recommendation from the City Council Ad Hoc from June 23, 2022 encouraging more flexible development standards around the GM/ROLM zoned properties by the Bayshore Freeway. This implementing objective is included in the attachment and discussed in greater detail later in this report as it requires formal Council action if there is interest to proceed and would have implications to the City's site suitability inventory.

The PTC was very supportive and understanding of the time constraints to prepare the draft Housing Element and understood that there would be further staff refinements based on continued public input and feedback from the City's consultant. Included with this report as Attachment B is an annotated version showing track changes version of the Goals, Policies and Programs endorsed by the PTC. The vast majority of the changes shown in that document include the introduction of timelines and quantified implementing objectives, which were not previously presented to the PTC as staff was still working on those details. Formatting changes represent a lot of the markups shown in Attachment B, for instance, merging some programs together or shifting implementing objectives to other more appropriate sections. Lastly, some of the program and objectives language was fine-tuned based on a careful review by City consultants to better align language with HCD requirements.

None of the changes referenced above substantively alter the policy direction endorsed by the PTC, though, as noted in Attachment A, staff does recommend one implementing objective be eliminated. Program 1.6 G, which relates to a massing study for the 3000-3300 block of El Camino Real, could still be advanced by the City if interested but staff believes in retrospect that its incorporation in the housing element is not appropriate or necessary. In fact, with approximately 90 implementing objectives listed in Attachment A, from a resource standpoint, staff will continue to identify other objectives that could be eliminated without compromising the City's ability to obtain certification or implement meaningful reforms to spur greater housing production.

Discussion:

Many goals and programs are proposed to meet the various Housing Element requirements including meeting its RHNA, increasing housing production and implementing proactive fair housing measures. These proposed goals, policies, and programs should be viewed as the City's agreement or contract with the State, specifically, that the City will implement and fulfill its requirements as outlined in the programs and implementing objectives. Programs may be implemented throughout the planning period, except that programs that are necessary to meet RHNA production must be completed by the end of 2023.

Preparation of Housing Goals and Policies

The Housing Element is required to have goals and policies identified to address State requirements as listed below. Because goals and policies are more generalized statements and do not reflect the City's proposed specific actions for implementation, HCD does not critically review the goals and policies. HCD will be focusing much more of their review on the City's programs and implementing objectives. In a review of HCD review letters for southern California Housing Elements, staff notes that there have been relatively few comments focused on goals and policies. Based on this understanding, the emphasis of this report is on the City's proposed programs and implementing objectives. Below is an overview of draft Housing Element goals and policies that are included in Attachment A.

Housing Element Goals

In the preparation of the housing element, the State requires that the housing element cover six general categories. The categories are as follows:

- A. Conservation and preservation of existing housing stock,
- B. Assist in affordable housing development,
- C. Provide adequate RHNA sites for a variety of housing types,
- D. Removal of constraints,
- E. Housing for persons with special needs, and
- F. Fair housing.

Based on these six general categories, staff prepared goals around these general categories. These goals and policies have been refined over time based on feedback from the Housing Element Working Group, Council Ad Hoc review, public input and PTC review/endorsement. The six proposed City Housing Element goals are as follows:

Goal 1.0 - Housing Preservation

Preserve and improve or replace in kind the existing housing stock and residential neighborhoods. Preserve or replace in kind affordable housing units in the community to maintain adequate housing opportunities for all residents.

Goal 2.0 - Affordable Housing

Assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs of all economic segments of the community.

Goal 3.0 – Housing Development

Support holistic and strategic housing development with a variety of housing types, prices, tenures, densities, and locations, to address the diverse needs of all current and future residents.

Goal 4.0 – Removing Governmental Barriers

Provide for a government environment that facilitates housing development.

Goal 5.0 – Housing Diversity

Establish a variety of housing types and services to accommodate the diversity of persons and households with special needs.

Goal 6.0 – Fair Housing

Promote equal opportunity in all City housing types (ownership and rental, market rate and affordable) for all residents to have safe, decent and accessible housing.

Housing Element Policies

The proposed City policies were prepared in support of each of the goals. Some of the policies have been carried over from the current Housing Element. The complete list of policies is listed in Attachment A. Below are highlights of the more significant new policies:

Policy 1.3

Use existing and new funding sources to fund rehabilitation loan and grant programs to assist in the preservation of both deed-restricted and naturally occurring affordable housing units.

Policy 2.2

Enhance incentives that expand development standard concessions and other inducements offered as tools to facilitate the development of more affordable housing, with a mix of affordability levels within mixed-income housing.

Policy 4.3

Implement development standards, objective design standards, and architectural and green building standards that encourage new high-quality rental and ownership housing.

Housing Element Programs

Staff began working on the development of Housing Element programs with the Working Group at the beginning of the year. Staff outlined the basic State required programs and polled the Working Group for additional programs to be added to the Housing Element. These programs

and implementing objectives reflect local housing needs, available land and financial resources, and mitigation of governmental and non-governmental constraints to housing production and affordability. Because of time constraints, staff was only able to work with the Working Group on the “higher level” concepts of the programs.

Between Working Group and PTC meetings, staff was able to refine the programs and began detailing implementing objectives. Staff will continue to revise them based on Council direction. The final draft version will be completed with the public review draft Housing Element. The public review draft is scheduled to be released in late 2022.

Staff has used a variety of sources to prepare the programs:

- a. Feedback from developers and other housing stakeholders;
- b. Past development trends (project approvals);
- c. Pending applications, including PHZ and legislative projects; and
- d. Development and economic feasibility studies (given limited development trend data in the City, staff needed to analyze existing zoning standards and market conditions to better understand governmental constraints). A description of these studies is included later in this report.

Highlighted Programs

There are approximately 26 proposed programs and 90 implementing objectives, many of which focus on State requirements. The complete list of programs is provided in Attachment A; the more significant programs are highlighted below.

Housing Incentive Program (HIP) [Program 3.4]

The HIP is the City’s alternative to the State Density Bonus Law. Staff proposes to significantly revise the HIP with additional incentives for developers to increase housing production and to make the HIP more attractive to developers than the State Density Bonus Law. Currently, the HIP applies to commercially zoned properties in the CD-C, CC(2), CN and CS zoned properties along El Camino Real and CS parcels on along San Antonio Road between Middlefield and East Charleston Road.

Program 3.4 would extend the HIP to multi-family zones in the City that are not immediately abutting R1 zoned properties. Attachment B shows parcels currently eligible for the HIP and the proposed extension. The HIP development standards would be relaxed further, and code amendments would enable a faster processing timeline if the application meets objective standards.

Following the passage of recent state housing bills, staff have observed a significant increase in development interest and anticipates more applications from developers utilizing State Density Bonus Law to seek concessions or waivers of local development standards. Under the Density

Bonus framework, the project applicant takes the initiative to determine which standards may be relaxed. The purpose of the revised HIP is to create an alternative to State Density Bonus Law in which City policy determines how and when development standards are relaxed. Concurrent with the housing element, staff has started analyzing as is beginning to identify zoning levers that may require modification and the extent to which changes are needed to advance the City's housing goals.

Residential Conversion of GM/ROLM Properties [Program 1.1B and 3.5E]

During a discussion with the Council Housing Element Ad Hoc Committee, the Ad Hoc proposed a change to the General Manufacturing (GM) and Research, Office, Limited Manufacturing (ROLM) zoned sites near W. Bayshore Road. Previously, staff had proposed to introduce a multifamily residential use to the GM zone (since multifamily is already allowed in ROLM). Program 1.1B establishes the rezone with a based density of 50 dwelling units per acre. The Council Ad Hoc discussed possible increases in these districts to allow minimal development standards; an even more expanded version of the HIP. Those sites would be allowed to have additional height, density, and minimal parking standards significantly in excess of existing standard or contemplated standards. Because generally these sites are larger than many of the non-vacant parcels in other parts of the City, the Ad Hoc felt that there was a greater opportunity for higher density and larger developments.

Staff has prepared 3.5E to reflect the Ad Hoc's proposal and requests Council feedback on the direction. If endorsed by the Council, this would enable some adjustments to the City's draft suitable sites inventory.

Stanford Lands [Program 1.6]

This program specifically applies to Stanford owned properties and anticipates zoning changes consistent with conceptual proposals previous presented by Stanford. One implementing objective related to Palo Alto Square (3000 El Camino Real) was removed since the PTC's review which anticipated about 350-450 housing units. Staff continues to engage this long term leaseholder but more dialogue is needed before including this site in the housing element. The City Council also expressed frustration when it reviewed the suitable site inventory in March 2022 that more sites from Stanford University was not included. An implementing objective has been incorporated into this program to ensure conversations continue with Standard University to identify sites for the next, 7th Cycle Housing Element.

Affordable Housing Incentive Program [Program 3.3]

This program provides for additional incentives, such as greater height, for developers interested in building 100% affordable developments. The incentives are even more flexible than the incentives offered in the HIP, including greater height allowances for 100% affordable developments. This Affordable Housing Incentive Program went into effect in July 2022,

replacing the Affordable Housing Combining District and is proposed to be extended to all properties identified in the housing suitable sites inventory.

Continued Refinement

Staff and consultants have not finalized key chapters of the housing element related to AFHH and its constraints analysis that will necessarily inform the implementing objectives and may require refinement. Additionally, the City's consultant continues to engage with HCD and adjustments may be needed to better align the draft programs with State law. Staff does not anticipate substantive policy changes but there may be some adjustments to the timeline or quantified objectives following the Council's review. Staff will highlight any changes for the Council when it reviews the draft Housing Element. While not expected, if there are any substantive policy changes requiring Council input before the draft is released, staff will return to Council.

Housing Sites Revisions

The City Council approved the housing sites at its March 2022 meeting. As a recap to the March 2022 numbers, the City's RHNA requirement was 6,086 units plus a 10% buffer for a total of 6,695 units. Staff had identified sites that yielded 7,086 units meaning there were 391 units more than what the City needed to meet its RHNA, even with the 10% buffer. For more detail, please see Table 2. However, as mentioned during the March meeting, the presented housing inventory list was a "snapshot in time" and is subject to change. Staff continued to make refinements, including additions and removals, to the sites list as new information is identified. Removal of sites, described below, removed approximately 1,400 units. The City received additional prescreening and formal planning applications since March; these added approximately 900 more units. Therefore, there is a slight deficit in meeting RHNA. Staff has outlined some options in how to meet that deficit.

Removed Units

Staff has received correspondence from the public identifying inaccuracies with existing baseline data undercounting the number of existing units on some sites, which impacts projected net unit yields, and sites owned by Google that are unlikely to redevelop during the planning period. Based on this public feedback, staff has made adjustments to the suitable site inventory resulting in the removal of approximately 400 units.

Staff too have continued to review the suitable site inventory to improve accuracy and ensure sites identified can realistically be redeveloped in the planning period. Accordingly, staff recommend removing the following additional sites that amounts to another, approximately, 400 units:

1. All CC(2) sites on California Avenue: While the commercially zoned areas of California Avenue present excellent opportunities for housing development, the regulatory

framework to facilitate lot consolidation, modify zoning standards and adjust parking on this street requires robust community engagement. This would be an effort akin to a coordinated area plan that staff does not anticipate could be completed in a meaningful timeframe for inclusion in the Housing Element.

2. Commercial sites smaller than 5000 square feet: Small lots are less likely to redevelop due to parking requirements and other zoning standards, particularly if commercial uses are provided on the ground floor.
3. Parcels adjacent to low-density zoned districts: With the anticipated adjustments to development standards that would increase allowable height, density, reduce setbacks or modify other zoning standards, removing sites abutting low density zoning would provide a one lot buffer to proposed higher density, upzoned parcels. Abutting in this context includes parcels that share a property line with a low density parcel but does not include lots separated by a street or alley.
4. Costar rating of 4 or higher: CoStar Group is a commercial real estate information and analytics provider. CoStar ranks properties for redevelopment using a 1-5 rating system with "1" as a practically uncompetitive building that may require significant renovation, possibly functionally obsolete to "5" which represents an office building is exemplary state-of-the-art. Staff removed any site with the 4 or 5 Costar rating.

Moreover, staff sent mailed notices to all property owners on the housing list requesting they contact the City if they did not want their property to be included in the City's housing inventory. This action removed another, approximately, 400 sites.

With the addition of units through submitted formal applications and prescreening applications minus the number of units removed from the removed sites, the City is left with a deficit of approximately 320 units. Table 1 below details the changes to the site inventory by category.

Table 2: Revised Site Selection Recommendations

	Council Approved March 21, 2022	Staff Proposed Changes	NOTES
RHNA Allocation	6,086	6,086	
No Net Loss Buffer	+609	+609	
<i>Total Units Required</i>	6,695	6,695	
Strategy	Unit Yield		NOTES
Pipeline Units	565	785	A number of formal applications have been submitted since March 2022
ADUs	512	512	A slightly higher number due to rounding.

MFA	457	287	
#1 Upzone	1,640	1,091	
#2 Caltrain Stations	798	495	
#3 Transit Corridor	274	178	
#4 Faith Based Institutions	148	137	
#5 City Owned Parking Lots	168	168	
GM zoned sites	596	562	
ROLM zoned sites	902	650	
Stanford Proposed Sites			
1. Pasteur Dr.	425	425	
2. 3128 El Camino Real	144	144	
3. Transit Center	270	270	
Staff Suggested Sites*	183	677	
Total Unit Yield	7,086	6,381	
Difference (Unit Yield - Units Required)**	391	-319	

* This number has increased due to the number of recently submitted prescreen applications. Please note that staff did not use the prescreen unit count but a default density of 40 du/ac on the prescreen sites. Staff included these prescreen application sites because it demonstrates developer interest on the site.

** The unit yields reflected in table may continue to be adjusted based on changes in applications received and new information learned.

Replacement of the Removed Units

To address the deficit, staff has developed options to replace the removed units. Staff recommends replacing the removed units via the following options in order of preference:

1. Increase the GM/ROLM housing densities for properties located near the Bayshore Freeway to increase potential realistic capacity yields .

At a minimum, staff recommend increasing the unit density from 32 dwelling units (du) per acre to 50 du / acre to help address the deficit. This would increase the projected unit yield by approximately 700 units making up the difference and providing a slightly improved buffer should other sites need to be removed.

The City Council may want to consider further changes to the zoning standards in the this area based on an initial conversation with the Council Ad Hoc which contemplated building heights or 85 feet or taller, floor area ratios up to 3.0 or more, and substantially reduced parking requirements to facilitate higher density housing in an area that is close to employment centers and has reasonable access to goods and services. Staff is studying a higher density (120 units / acre) and taller building heights in the Housing Element environmental impact report to ensure the Council has information about environmental impact to inform its decision, however, if there is sufficient interest in pursuing higher density at this location staff and consultants need that direction.

2. As an alternative to the options above, the City Council could direct staff to increase the units per acre anticipated for City owned surface parking lots.

In March 2022, staff presented the housing list conservatively setting the potential housing density of City owned parking lots to a realistic density of 40 dwelling units per acre. That density achieves a yield of 168 units from the six identified parking lots. If the density was increased to 100 du/acre, that would address the deficit. In December 2021, Council discussed redeveloping City-owned parking lots with a preference for housing, specifically affordable housing. The Working Group also supported redeveloping City-owned parking lots for affordable housing. For context, Wilton Court represents a project that is about 120 du/acre.

To make up the deficit, staff requests the Council determine which option it prefers, or a combination or the two, or an alternative not presented in this report.

Physical & Economic Feasibility Analysis

The City is in the process of analyzing the physical and economic feasibility of prototypical Housing Element opportunity sites. This analysis will help identify specific constraints to housing development in the Zoning Ordinance and inform the Housing Element Programs that aim to reduce these constraints, including specific zoning changes. Once completed, this analysis will:

1. Identify development typologies that are physically feasible with existing zoning standards.
2. Determine whether these development typologies are financially feasible. See factors in Table 2 (column 1).
3. Explore zoning levers to improve physical feasibility of development typologies. Test zoning modifications in Table 2 (column 2 and 3) alone or in combination.
4. Determine impacts of various zoning changes on financial feasibility
5. Identify specific zoning changes to be undertaken within the first year of Council adoption of the Housing Element 6th cycle.

Table 2: Summary Matrix of Elements to Test and Analyze

<i>Implications for Financial Feasibility</i>	<i>Zoning Levers/ Possible Modifications</i>	<i>Other Factors</i>
Rent vs. own (on-site BMR vs. mitigation fee)	Parking	State Density Bonus Law
Residential vs. mixed use (i.e., impact of ground floor retail requirement)	Height	Retail Preservation Ordinance
Underground vs. podium parking	Density/FAR (including HIP overlay)	Opportunity costs of not building office
Development impact fees (esp. parks)	Lot coverage	

Policy Implications:

Approval of the Housing Element Goals, policies, and programs will dictate housing development in the City for the next eight years. In certain instances, staff anticipates proposing to relax development standards to increase height, FAR and density allowances to spur housing production. Certain areas in the City could see new or substantial housing development. Comprehensive Plan policies and programs supporting multifamily and mixed-use development include density near transit and use of city properties for housing:

- Policy L2.4, which states, “Use a variety of strategies to stimulate housing, near retail, employment, and transit, in a way that connects to and enhances existing neighborhoods”
- Program L2.4.7, which states, “Explore mechanisms for increasing multi-family housing density near multimodal transit centers.”
- Program L2.4.3, which states, “Allow housing on the El Camino Real frontage of the Stanford Research Park. Explore multifamily housing elsewhere in the Stanford Research Park and near Stanford University Medical Center (SUMC).”
- Program L2.4.5, which states, “Update the municipal code to include zoning changes that allow a mix of retail and residential uses, but no office uses. The intent of these changes would be to encourage a mix of land uses that contributes to the vitality and walkability of commercial centers and transit corridors.”
- Program L2.4.8, which states, “Identify development opportunities for BMR and more affordable market-rate housing on publicly owned properties in a way that is integrated with and enhances existing neighborhoods.”

Resource Impacts:

The implementation of the Housing Element will require staff resources to complete rezones, program implementation, and prepare studies. Generally, all will need to be completed within the first couple of years of Housing Element adoption. This will involve greater staff resources and use of consultants for the studies and potential environmental review.

Timeline:

At the March 2022 Council meeting, staff presented the Council with a project timeline with the Council adopting the Housing Element in March 2023. That timeline was already compacted and represented an optimistic, best-case scenario to make the March 2023 adoption deadline. However, there have been some challenges in the process that have resulted in the need to push back the scheduled Council adoption date. The revised schedule is also very compact and leaves little room for unplanned tasks, meetings, or delays. This revised schedule shows Council adoption of the Housing Element in June 2023. While the City would miss the statutory deadline, it appears that many other Bay Area jurisdictions will also be missing the statutory deadline.

There are some potential consequences for failing to adopt a compliant Housing Element. They are as follows:

- a. The City may not be eligible for State housing funds. Most State housing programs require a certified Housing Element.
- b. Litigation may be brought by any interested party (Gov. Code 65587(b)) or the Office of the Attorney General OAG) (Gov. Code 65585).
- c. HCD has also established the Housing Accountability Unit (HAU). The HAU provides education, technical assistance and if needed, referral to the State OAG to force legal action to jurisdictions which may not be in compliance with housing law.

Some upcoming milestones include:

August 2022	Council consideration of HE programs
November 2022	Release of 30 day public review draft
January 2023	Submit to HCD for 90 day review (first round)
May 2023	PTC review of draft HE
June 2023	Council consideration of draft HE
July 2023	Submit to HCD for 60 day review (second round)
September 2023	Receive HCD comments/substantial compliance?
January 2024	Completion of rezoning sites

Please note that the timeline shows two rounds of HCD review. HCD has been advising jurisdictions to expect a third round of review. HCD has also advised that jurisdictions should

receive a substantial compliance letter from HCD prior to adoption to avoid having to readopt the HE based on further HCD changes.

Stakeholder Engagement:

Staff met with groups with special needs, including seniors and persons with developmental disabilities, developers, renters as well as civic groups including the Chamber of Commerce and the Rotary Club. Staff has also reached out to all property owners to notify them of their inclusion on the sites list as well as answering any questions they may have about the Housing Element and what that means for their property.

Environmental Review:

The City's 6th Cycle Housing Element will require environmental review pursuant to the California Environmental Quality Act (CEQA). While many of the impacts of the new Housing Element may have been studied as part of the Comprehensive Plan Final Environmental Impact Report, which was certified and adopted by the Council by Resolution No. 9720 on November 13, 2017, some additional analysis will likely be required. Staff and the City's CEQA consultant are still in the process of evaluating the appropriate CEQA document that will need to be prepared.

Attachments:

Attachment5.a: Attachment A: Draft Goals Policies and Programs (Council Clean Version) (PDF)

Attachment5.b: Attachment B: Draft Goals Policies and Programs (PTC Track Changes) (PDF)

Attachment5.c: Attachment C: HIP and Suitable Site Inventory (Map) (PDF)

Goals & Policies

Goal 1.0 – Housing Preservation

Preserve and improve or replace in kind the existing housing stock and residential neighborhoods. Preserve or replace in kind affordable housing units in the community to maintain adequate housing opportunities for all residents.

Policy 1.1

Promote the rehabilitation of deteriorating or substandard residential properties using sustainable and energy conserving approaches. (Existing Policy H1.1)

Policy 1.2

Work with property owners and nonprofit housing providers to preserve assisted multi-family units at risk of conversion to market rents and extend the affordability covenants in perpetuity whenever feasible.

Policy 1.3

Use existing and new funding sources to fund rehabilitation loan and grant programs to assist in the preservation of both deed-restricted and naturally occurring affordable housing units.

Policy 1.4

Ensure the retention or replacement in kind of existing lower income units that are identified for potential redevelopment.

Goal 2.0 – Affordable Housing

Assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs of all economic segments of the community.

Policy 2.1

Increase opportunities for affordable housing development through use of flexible development standards. (Adapted from existing Program Objective H3.1.5)

Policy 2.2

Enhance incentives that expand development standard concessions and other inducements

offered as tools to facilitate the development of more affordable housing, with a mix of affordability levels within mixed-income housing.

Policy 2.3

Achieve a diversity of rental and homeownership opportunities, including apartments, townhomes, condominiums, single-family houses, and accessory dwelling units, micro-units and alternative housing options to accommodate the housing needs of all socioeconomic segments of the community.

Policy 2.4

Encourage property developers and owners to adopt sustainable and green practices housing programs that protect residents' quality of life.

Goal 3.0 – Housing Development

Support holistic and strategic housing development with a variety of housing types, prices, tenures, densities, and locations, to address the diverse needs of all current and future residents.

Policy 3.1

Support the redevelopment of suitable lands for mixed uses containing housing to encourage , infill development. Optimize the use of existing urban services, and support transit use. (Existing Policy H2.2)

Policy 3.2

Provide adequate sites, zoned at the appropriate densities and development standards to facilitate both affordable and market rate housing production.

Policy 3.3

Prioritize funding for the acquisition of housing sites near public transit and services, the acquisition and rehabilitation or replacement in kind of existing housing, and the provision for housing-related services for affordable housing. (Adapted from Existing Program H3.4.1)

Goal 4.0 – Governmental Barriers

Provide for a government environment that facilitates housing development.

Policy 4.1

Exempt permanently affordable housing units from any infrastructure impact fees adopted by the City. (Existing Program H3.3.2)

Policy 4.2

Provide for streamlined, timely and coordinated processing of development projects and associated environmental clearances to minimize project-holding costs.

Policy 4.3

Implement development standards, objective design standards, and architectural and green building standards that encourage new high-quality rental and ownership housing.

Policy 4.4

Heighten community awareness and receive community input regarding the social, economic and environmental values of maintaining economic diversity in the City by providing affordable and mixed income higher density housing along transit corridors and at other appropriate locations.

Goal 5.0 – Housing Diversity

Establish a variety of housing types and services to accommodate the diversity of persons and households with special needs.

Policy 5.1

The City will support local agencies and organizations in the creation or preservation of housing and associated supportive services that serves the City's population with special needs. Group homes and supported living facilities for persons with special needs, housing designed for seniors and persons with disabilities, emergency and transitional shelter for persons experiencing homelessness, are some examples of the types of needed housing.

Policy 5.2

Encourage universal design of housing products and environments, making them usable by a wide range of persons with different physical and mental abilities.

Policy 5.3

Coordinate with regional agencies providing services to the homeless, for needs assessment and resource allocation.

Goal 6.0 – Fair Housing

Promote equal opportunity in all City housing types (ownership and rental, market rate and affordable) for all residents to have safe, decent and accessible housing.

Policy 6.1

Support programs and agencies that seek to eliminate housing discrimination. (Existing Policy H4.1)

Policy 6.2

Conduct fair housing outreach and education for residents, property owners, and housing providers to ensure each understands their rights and responsibilities.

Policy 6.3

Identify mechanisms to increase production and access to housing.

Policy 6.4

Enforce notification and relocation assistance requirements for lower income households displaced due to demolition, condominium conversion, and persons displaced due to code enforcement activities of illegally converted or substandard residential dwellings.

Policy 6.5

Support and provide ways to empower community members to participate in community development.

Programs & Implementing Objectives

Programs that identify adequate sites, with appropriate zoning and development standards to accommodate Palo Alto's RHNA allocation for each income level:

Program 1.1: Adequate Sites Program

Through zoning and comprehensive plan designations, the City maintains a residential site inventory that is adequate to accommodate the City's share of regional housing needs. The City's Regional Housing Needs Assessment (RHNA) is 6,086 units (1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 units for above moderate income). With anticipated pipeline projects (785 units) and projected accessory dwelling unit production (512 units); a total of 1,297 units can be credited toward the City's RHNA. Based on the City's sites inventory capacity analysis (see Appendix ___), the remaining 4,789 can be achieved through various strategies to accommodate future housing needs.

Responsible Agency:

Funding Source(s):

Implementing Objective:

Planning and Development Services

General Fund

- A. Amend the Comprehensive Plan and zoning designations of property identified as needed to meet the City's RHNA obligations. For sites identified as suitable for lower-income residential development, the designations shall allow future development to achieve at least 30 units per acre and allow at least 16 units per site.
- B. Rezone ROLM and GM zoned properties to permit multi-family residential housing as an allowed use with a base density of 50 dwelling units per acre for those properties nearest Bayshore Freeway and generally bounded by East Charleston Road and Loma Verde Avenue.

Time Frame: Complete by January 31, 2024

Quantified Objective: The City will amend the Comprehensive Plan or zoning designation of 347 properties located in commercial, industrial or residential zoning districts that combined will generate a realistic yield for 4,789 housing units.

- C. Maintain an updated inventory of housing sites and actively promote sites available for lower- and moderate-income housing development to potential developers, private and non-profit organizations, and other interested persons. Post information on the City's website and update as necessary to maintain accurate information.
- D. Maintain an updated list of residential housing projects that have been submitted, approved, and denied throughout the housing cycle.

Time Frame: Post information on the City's website by June 2023 and update annually, or more often if needed.

Quantified Objective: Support the development of 1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income households during the planning period.

- E. Provide technical assistance and information on parcels available for lower-income developments to private or non-profit housing developers. Technical assistance includes land development counseling by staff planners.

Time Frame: Develop technical assistance program by June 2024 and set/publish regular hours for assistance on the City’s website.

Quantified Objective: Support the development of 1,556 units for very-low income, 896 units for low income households during the planning period.

Primary Associated Goals and Policies:

Goals: 2, 3, 5
Policies: 2.3, 3.1, 3.2, 3.3, 4.2, 4.4

Program 1.2: Site Inventory Monitoring Program

In 2017, Senate Bill 166 (SB 166), otherwise known as “no net loss”, was passed to ensure that cities and counties “identify and make available” additional adequate sites if a housing project is approved at a lower density or with fewer units by income category than what is identified in the Housing Element. In conjunction with the Adequate Sites Program above, the City will further implement a monitoring program that evaluates the current capacity of housing sites for all income levels throughout the duration of the planning period. The City commits to tracking its available housing sites database to ensure that it remains in compliance with State law and provides sufficient housing sites at all income levels during the Sixth Cycle.

Responsible Agency:
Funding Sources(s):
Implementing Objectives:

Planning and Development Services
General Fund
A. Monitor the development of vacant and nonvacant properties identified in the sites inventory and ensure that adequate sites are available to meet the remaining RHNA by income category; amend the sites inventory list and rezone additional properties as needed.

Time Frame: Conduct review of sites inventory annually and report findings in housing element progress report; correct any deficiency within 180 days if identified.

Qualified Objective: The City will maintain a sufficient number of reserve housing inventory sites to remain compliant with State law. In the event the City falls short of that requirement, it has committed to resolving the deficiency with 180 days.

Primary Associated Goals and Policies:

Goal: 3
Policy 3.2

Program 1.3: Sites Used in Previous Housing Cycle

The Housing Element may reuse available nonvacant sites included in one previous housing element inventory, vacant sites included in two previous housing elements, and sites rezoned for RHNA after the statutory deadline, providing the sites are subject to a program that allows the project by right if it includes 20% lower-income units. The City will amend its code to address these requirements.

Some sites within this Housing Element were used in previous cycles and this program is included to address the by right approval requirement. Per Government Code Section 65583, the by right provision is limited to carryover sites used to meet lower-income RHNA where development includes at least 20% affordable units for lower income households.

Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Implementing Objective:	<p>A. Revise the Municipal Code to include the by right approval requirement of projects that propose 20% lower-income units on the 16 carry over sites included in the housing sites inventory.</p> <p>Time Frame: Complete by January 31, 2023</p> <p>Quantified Objective: Amend zoning standards for 16 properties (14 nonvacant and 2 vacant sites) to enable a projected realistic housing yield of 390 housing units.</p>
Primary Associated Goals and Policies:	<p>Goal: 4</p> <p>Policy 4.2</p>

Program 1.4: City-Owned Land

The City owns several surface parking lots that can be redeveloped to replace and add parking while creating new housing opportunities, including affordable housing. This program seeks to identify suitable sites for redevelopment and to pursue partnerships for redevelopment.

Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Implementing Objectives:	<p>A. Identify City-owned surface parking lots suitable for redevelopment that includes replacement public parking and requires affordable housing units. Prepare a request for proposals to solicit interest in a public/private partnership for redevelopment of one or more sites in the City’s University Avenue Downtown area.</p> <p>Time Frame: Complete by December 2024</p> <p>Quantified Objective: Subject to available funding and following the RFP effort, the City will select a development partner to secure project approval for the construction of an affordable housing project.</p> <p>B. Review all City-owned parcels and identify sites based on availability, size, access to services and related metrics that would be appropriate for</p>

transitional housing. Once parcel(s) have been identified, pursue partnerships and funding opportunities to build transitional housing.

Time Frame: Complete December 2024 subject to public/private partnership.

Quantified Objective: Subject to identification of suitable sites and formation of public/private partnership; provide transitional housing opportunities for 75 or more beds during the planning cycle.

- C. Maintain an updated list of City owned parcels available for residential development and post on the City's website. Update annually to reflect residential housing projects that have been submitted, approved, and denied throughout the housing cycle.

Time Frame: Post information on the City's website by June 2023 and update annually.

Quantified Objective: Support the development of 1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 above-moderate households during the planning period.

Primary Associated Goals and Policies:

Goals: 2, 3
Policies: 2.3, 3.2

Program 1.5: Accessory Dwelling Unit (ADU) Facilitation

This program aims to annually monitor provisions made to ADU legislation and amend the City's Zoning Ordinance as necessary to ensure compliance with State law. Furthermore, the City is committed to reducing barriers to alternative types of housing such as ADUs.

In recent years, multiple bills have added requirements for local governments related to ADU ordinances. The 2016 and 2017 updates to State law included changes pertaining to the allowed size of ADUs, permitting ADUs by right in at least some areas of a jurisdiction, and parking requirements related to ADUs. More recent bills reduce the time to review and approve ADU applications to 60 days, remove lot size requirements and replacement parking space requirements and require local jurisdictions to permit junior ADUs. AB 68 allows an ADU and a junior ADU to be built on a single-family lot, if certain conditions are met. The State has also removed owner-occupancy requirements for ADUs, created a tiered fee structure that charges ADUs based on their size and location, prohibited fees on units of less than 750 square feet, and permitted ADUs at existing multi-family developments.

Responsible Agency:
Funding Source(s):
Implementing Objectives:

Planning and Development Services
General Fund

- A. Develop, maintain and update a City Summary Guide to ADUs and JADUs to promote, educate, and assist homeowners with developing ADUs/JADUs.

Time Frame: Complete by January 31, 2023 and maintain annually thereafter.

Quantified Objective: Facilitate the development of 512 ADUs over the planning period.

- B. Continue to monitor and publish information related to ADU production and application review timelines; meet with ADU stakeholders and review application processing performance to identify potential impediments and make adjustments as needed.

Time Frame: Meet with ADU stakeholders at least once every two years starting in 2024; prepare information reports bi-annually.

Quantified Objective: Prepare bi-annual reports documenting findings to assist in the facilitation of 512 ADUs over the planning period.

- C. Investigate a process that waives development impact fees for ADUs under certain conditions.

Time Frame: Complete investigation by January 2024. Review process every two years to see if additional changes can be made.

Quantified Objective: Facilitate the development of XX ADUs over the planning period.

- D. Perform a review of ADU trends and commit to adjustments if assumptions are not met. Additional actions could include additional public outreach efforts, ADU incentives, and financial assistance.

Time Frame: Review ADU trends every two years starting in 2024.

Quantified Objective: Facilitate the development of XX ADUs over the planning period.

Primary Associated Goals and Policies:

Goals: 2, 3, 4
Policies: 2.3, 3.1, 4.3

Program 1.6: Stanford University Lands

Stanford University owns a significant amount of land in Palo Alto, including the Research Park, Stanford Health Care and Lucile Packard Children’s Hospital, the Stanford Shopping Center, 27 University Avenue (Transit Center) and other property. Half of the jobs generated in Palo Alto are located on Stanford University owned land. A number of sites suitable for housing have been identified by Stanford University or long term leaseholders. This program addresses these sites and also sets forth a longer view policy discussion that is intended to ensure additional sites can be identified for the next housing cycle (Seventh Cycle).

Responsible Agency:
Funding Source(s):
Implementing Objectives:

Planning and Development Services
General Fund

- A. For the housing opportunity site located at the corner of Pasteur Drive and Sand Hill Road and the adjoining property at 1100 Welch Road, as an alternative to the State Density Bonus law, amend zoning regulations to allow approximately 425 units with five residential stories over two levels of above grade parking and up to 85 feet in height; redevelopment of the Welch Road property shall include a plan to protect or mitigate tenant displacement.

- B. For the housing opportunity site located at 3128 El Camino Real (McDonald's), as an alternative to the State Density Bonus law, amend zoning regulations to allow at least 144 housing units with a transitional building height ranging from 50 nearest El Camino Real and up to 75 feet in height set back from the street to minimize a wall effect; allow a minimum of 315 housing units if combined with an adjacent property.
- C. For the housing opportunity site located at 3300 El Camino Real, as an alternative to the State Density Bonus law, allow up to 200 housing units, up to a 1.4:1 floor area ratio (FAR) and approximately 65 feet in height with a 20% inclusionary housing requirement consistent with the City's Planned Home Zoning process; commercial office approved or permitted on this property is in addition to the floor area allowed for the future housing project.
- D. Encourage primarily affordable housing development at 27 University Avenue (Palo Alto Transit Center) by amending the zoning code to establish affordable housing as a permitted land use with building heights up to 85 feet and a minimum of 270 housing units.

Time Frame: Complete implementing objectives A-D by January 31, 2024.

Quantified Objective: Rezoning these site specific parcels will enable a potential realistic housing yield of 839 housing units, including 126 affordable units and 713 above moderate-income units. Housing development on each site would accommodate fifteen to twenty percent (15% - 20%) of deed-restricted inclusionary housing units. City will establish a memorandum of understanding with Stanford that will ensure the development of these sites with housing that is not reserved for Stanford students.

- E. Engage Stanford University in a dialogue about future multi-family housing opportunities within the Stanford Research Park. Identify locations suitable for housing and mixed-use development and zoning modifications and housing incentives as appropriate for consideration in the Seventh Cycle Housing Element Update.
- F. Engage Stanford University and long-term leaseholder Simon Properties for possible residential redevelopment opportunities at the Stanford Shopping Center for consideration in the Seventh Cycle Housing Element Update.

Time Frame: For implementing objectives E and F, initiate conversations with stakeholders prior to December 31, 2027 and strive to complete discussion prior to end of housing cycle.

Quantified Objective: Establish a concept plan or memorandum of understanding with appropriate stakeholders that identify the location and amount of future housing at these locations by the end of the planning period.

- G. *[NOTE: Staff recommends this program be deleted].* Prepare a massing study to analyze contextual height, massing and design considerations for properties located 3000-3300 El Camino Real area in order to review development on all the sites in a holistic manner.

Time Frame: Complete by December 31, 2025.

Qualified Objective: Study shall be used to inform development standards to promote housing within this commercial corridor.

Primary Associated Goals
and Policies:

Goal: 3
Policies: 3.1, 3.2, 3.3

Programs that assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households:

Program 2.1: Affordable Housing Development

The City is committed to increasing the supply of affordable housing. The City will continue to prioritize households at the extremely low-income level and seek new funding opportunities and partnerships to improve housing conditions for vulnerable and lower-income communities. The City will work with developers to facilitate affordable housing development by providing development incentives as provided for in Program 3.3 and gap financing as a local match to state, federal, and other public funding sources.

Responsible Agency:

Funding Source(s):

Implementing Objectives:

Planning and Development Services

General Fund

- A. Use funds available through the City's residential and commercial affordable housing fund to provide gap funding for qualifying affordable housing projects. Housing funds are derived from development impact fees, in-lieu inclusionary fees and, if adopted by voters in November 2022, through proceeds from a local business tax.

Time Frame: Annually review fund balances and if sufficient funds warrant, prepare a Notice of Funding Availability. The fund balance will vary over time based on development activity and for the business tax, first collection is anticipated to start no sooner than January 2024.

Qualified Objective: The City intends to dedicate approximately one-third of the business tax proceeds toward homelessness and affordable housing initiatives. Over the planning period, the City anticipates it would generate approximately twenty million dollars (\$20 M) for use toward affordable housing and homelessness projects. Based on this projection, the City would expect to be able to support gap funding for the production of 55 affordable housing units during the planning cycle.

- B. Prepare an updated nexus and feasibility study and adjust the residential in-lieu fee, rental impact fee and commercial housing development impact fee, as appropriate.

Time Frame: Initiate study prior to December 31, 2026 with estimated completion by June 30, 2028 (*The City's impact fees are currently up to date – this timeline aligns with the requirements of State law, AB 602*).

Qualified Objective: Use the study to adjust impact fees as necessary to support continued contribution to the City's affordable housing fund without burdening housing production with excessive fees that cannot be supported by the City's development standards.

- C. Partner with qualified housing developers to identify affordable housing development opportunities with emphasis on promoting housing choices that serve the needs of special needs populations, including seniors, homeless, female-headed households, large families, low-income, and/or persons with disabilities.

Time Frame: By December 31, 2023 establish relationships and coordinate meetings with housing developers to discuss affordable housing opportunities; meeting annually throughout the housing cycle.

Qualified Objective: Identify with partners at least three affordable housing opportunity sites and facilitate project approval and permitting to realize implementation.

- D. Research and identify additional State and federal funding opportunities for affordable housing projects. Disseminate information on funding opportunities on the City’s website and/or to potential developers during technical assistance meetings.

Time Frame: Ongoing.

Quantified Objective: Support the development of 1,556 units for very-low income, and 896 units for low-income households during the planning period.

Primary Associated Goals and Policies:

Goals: 2, 3, 5
Policies: 2.3, 3.3, 5.1

Program 2.2: Below Market Rate (BMR) Program

The City is committed to providing more affordable housing opportunities through programs such as the City’s BMR program. The purpose of the program is to create and retain a stock of affordable housing in Palo Alto for people of low- and moderate-income.

Responsible Agency:
Funding Source(s):
Implementing Objectives:

Planning and Development Services
General Fund

- A. Continue to require development of three or more net-new residential units to provide at least fifteen (15%) of those units as inclusionary units at below market rates for ownership housing or pay a fee toward the City’s affordable housing fund.

Time Frame: Ongoing.

Qualified Objective: 15% of the net new multi-family ownership housing stock will be deed-restricted to affordable housing (two-thirds at 100% AMI and one-third at 120% AMI), except in instances where an in-lieu payment may be accepted. The City will collect in-lieu payments for new multi-family rental housing based on project floor area times a dollar amount set by the City’s fee schedule, currently \$24.52; payments will be used to support qualifying affordable housing projects. Some rental home builders may elect to provide inclusionary units to qualify for the State Density Bonus, in such instances no additional in-lieu payment will be received.

- B. Update the City's feasibility study from 2020 and consider a tiered inclusionary housing requirement for ownership and rental housing where market conditions support a higher inclusionary rate; consider requirements for lower income units at a reduced inclusionary requirement.

Time Frame: Complete by June 30, 2026.

Qualified Objective: Prepare a study and present findings to the City Council with options to modify the City's inclusionary requirements. If supported, enact municipal code changes to implement changes. Implementation of this objective may have the effect of modifying the quantified objective in A above.

- C. Amend the City's BMR program to ensure continued affordability of income-restricted ownership units for the life of the project (exempting certain affordable projects taking advantage of tax credit financing). Once amended, conduct outreach with home builders and other stakeholders regarding amended program.

Time Frame: Complete by December 31, 2028.

Qualified Objective: Conduct outreach with home builders and other stakeholders and draft an ordinance to extend income restrictions in accordance with the implementing objective.

- D. Review the City's Below Market Rate rental procedures for households who exceed the maximum income limit during their tenancy. [Note: this can only apply to units in the City's BMR program, 100% affordable projects may have other lender-dictated requirements.]

Time Frame: Complete by December 31, 2025.

Qualified Objective: Update rental procedures to ensure reasonable transition time for households whose incomes increase but end up disqualifying individual(s) from deed-restricted housing.

Primary Associated Goals
and Policies:

Goals: 2, 3
Policies: 2.3, 3.2

Programs that address constraints to the maintenance, improvement, and development of housing at all income levels and abilities:

Program 3.1: Fee Waivers and Fee Reductions

Application and development impact fees support staff resources and off-set facility costs and support the use, expansion and maintenance of a variety of City services including parkland, libraries, and public safety facilities and other services. High fees can also impede housing production by increasing the per unit cost of development, impacting projected returns and potentially discourage new home building. This program seeks to identify, study and implement cost reduction strategies that promote housing and do not negatively impact City facilities or services.

Responsible Agency:
Funding Sources(s):
Implementing Objectives:

Planning and Development Services
General Fund

- A. Amend the City’s municipal fee schedule to waive City staff costs associated with the processing of an affordable housing planning application, except for directly related consultant supported costs.

Time Frame: October 2023

Qualified Objective: Reduce application processing costs by approximately \$20,000 per affordable housing application and processed for a planning entitlement.

- B. Prepare an economic feasibility study to analyze the impact development impact fees may have on housing production; adjust fees as appropriate to enable a reasonable return on investment and ensure sufficient fee collection to support City services.

Time Frame: October 2025

Primary Associated Goals
and Policies:

Goals: 3, 4
Policies: 3.1, 4.1

Program 3.2: Constraints to Housing

The Constraints chapter of the Housing Element identifies several conditions and practices that act to constrain housing development. By addressing these conditions and practices, the City can streamline development processes, and promote future residential development. The City will continue to monitor its policies, standards, and regulations to ensure the City’s regulatory framework facilitates residential and balanced mixed-use development in the community.

Responsible Agency:
Funding Sources(s):
Implementing Objectives:

Planning and Development Services
General Fund

- A. Continue to monitor new local policy initiatives for effectiveness in combatting identified constraints to housing development.

- B. When new land use regulations, impact fees or procedural changes are being considered by the Planning and Transportation and City Council, the City shall prepare an analysis in the accompanying staff report detailing how the regulation may impact housing production, if at all, and recommended solutions to address those impacts.

- C. Continue to monitor application of the Municipal Code standards for constraints to housing projects and recommend changes annually, as appropriate, to enhance the feasibility of affordable housing.

Time Frame: Ongoing and annually.

Primary Associated Goals
and Policies:

Goals: 2, 4
Policies: 2.1, 2.3, 4.2

Program 3.3: Affordable Housing Development Incentives

The Planning and Development Services Department, in its review of development applications, market conditions and through conversations with non-profit housing providers may recommend to the City Council waiving or modifying certain development standards or propose changes to the PAMC to encourage the development of low- and moderate-income housing. The City assists affordable housing production with flexible development standards, streamlined application review processes, direct financial assistance and other incentives to encourage affordable housing.

Responsible Agency:
Funding Sources(s):
Implementing Objectives:

Planning and Development Services
General Fund

- A. Amend the municipal code to extend the affordable housing incentive program to apply to all housing opportunity sites identified in the Housing Element and zoned for commercial, industrial or multi-family residential; consider extending to religious institution sites located in the R1 district.
- B. Amend the affordable housing overlay (incentive program) regulations to allow housing projects to achieve a floor area ratio of 2.4:1.0 without requiring commercial floor area (except on University and California Avenue); allow compliance with State Density Bonus parking standards if more permissible than local requirements; and housing projects income restricted to 60% of the area medium income level or below, allow up to sixty (60) feet in height.

Time Frame: Completed by December 31, 2024
Qualified Objective: Amend the zoning code and comprehensive plan as necessary to extend the provision of affordable housing incentive program to 347 additional properties and extend codify additional incentives described herein.

- C. Assess existing development review process to determine if an expedited permit process can be implemented for affordable housing projects.

Time Frame: Initiate assessment by December 2023 with implementation of assessment option initiated by December 2024.
Quantified Objective: The timeframes associated with permit processing can be viewed as a constraint to affordable development. The City aims to process planning entitlements for affordable housing projects exempt from environmental review with 90 days from application submittal.

- D. Research and identify additional State and federal funding opportunities for affordable housing projects. Disseminate information on funding opportunities on the City's website and/or to potential developers during technical assistance meetings.

Time Frame: Ongoing and annually.
Quantified Objective: Support the development of 1,556 units for very-low income, and 896 units for low-income households during the planning period.

Primary Associated Goals
and Policies:

Goal: 2, 3, 4
Policies: 2.1, 2.2, 2.3, 3.2, 4.2

Program 3.4: Housing Incentive Program (HIP)

The HIP was enacted in 2019 as an alternative to the State Density Bonus law and provides development incentives including no housing density restrictions, increased floor area ratios and increased lot coverage. This program seeks to expand the suite of development incentives and extend the program to residential districts.

Responsible Agency:

Planning and Development Services

Funding Source(s):

General Fund

Implementing Objectives:

A. Continue to allow HIP projects to benefit from relaxed development standards including, increased floor area ratios and waiver from lot coverage requirements.

Time Frame: Ongoing.

Qualified Objective: Monitor development activity and document how many projects take advantage of the HIP as opposed to base district zoning standard or other State incentives, such as State Density Bonus law.

B. HIP qualifying projects that also comply with City approved objective standards shall be administratively reviewed with one courtesy meeting before the Architectural Review Board but subject to appeal to the City Council.

Time Frame: Ongoing.

Qualified Objective: Monitor projects for compliance with desired review schedule, track application processing timelines and number of applications appealed to Council; use data to inform future modifications to the HIP program.

C. Based on the findings of a feasibility study, modify the local Housing Incentive Program to amend development standards that promote greater housing production; align the City's parking requirements to be consistent with State Density Bonus law; allow for sites subject to the City's retail preservation ordinance – except in the ground floor (GF) and retail (R) combining districts and strategic locations generally depicted in the draft South El Camino Real Design Guidelines – a reduction in the amount of retail replacement floor area needed for redevelopment and waive the retail preservation requirement for identified housing opportunity sites.

D. Based on the findings of a feasibility study, extend and amend the local Housing Incentive Program to multi-family residential districts to amend development standards that promote greater housing production and to align the City's parking requirements to be consistent with the State Density Bonus law.

E. Based on the findings of a feasibility study, extend the local Housing Incentive Program to the ROLM and GM districts in northeast portion of the City nearest the Bayshore Freeway and generally bounded by East Charleston Road to the

Primary Associated Goals
and Policies:

east and Loma Verde Avenue. The Housing Incentive Program development standards shall be amended to increase height and floor area allowances for housing projects; reduce parking requirements, including consideration of parking maximums that do not exceed provisions of the State Density Bonus Law, and adjustment to other development standards to enable greater housing production.

Time Frame: Complete by December 31, 2024.

Qualified Objective: Amend the municipal code and comprehensive plan to codify implementing objective; as with A and B above, monitor program and housing production generated from program – make adjustments as warranted.

Goal: 2, 3, 4

Policies: 2.2, 3.1, 3.2, 4.2, 4.4

Program 3.5: Expedited Project Review

The City continues to explore opportunities to improve the efficiency of the development review process. As a response to a housing shortage in the State of California, Senate Bill 330 (SB 330) was passed to restrict local rules that limit housing production. SB 330 helps strengthen the Permit Streamlining Act, by creating a more efficient two-step application process. The City has already made improvements towards expediting the development process for housing in the City by developing objective standards. Additionally, in conformance with Government Code Section 65940.1 (SB 1483), the City has all schedule of fees, application forms, Zoning Ordinance/Municipal Code, and other relevant information publicly accessible on the City's website. The City will continue to find ways to make the development process more efficient to uphold SB 330, by further streamlining the permit process and directly coordinating with developers to ensure a timely application and development process.

Responsible Agency:

Funding Sources(s):

Implementing Objectives:

Planning and Development Services

General Fund

- A. Identify opportunities to implement changes to reduce administrative burdens during permitting, such as automating processes, creating reference guides, and streamlining review processes.

Time Frame: Ongoing.

Qualified Objective: The City recently received a building permit audit with recommendations to improve application processing and streamlining; most of these improvements are anticipated to be completed by December 2024. Staff is exploring other document management and project tracking solutions, including software based solutions to ensure projects are being processed in a timely manner.

- B. Formalize a procedure to offer no-cost pre-application consultation services for new housing developments.

Time Frame: Complete by January 31, 2023

Primary Associated Goals and Policies:

- Qualified Objective:** Provide a no-cost pre-consultation meeting for up to 90 minutes for any multi-family housing project.
- C. For housing projects subject to the City’s Architectural Review Board, limit the number of hearings before the ARB to a maximum of two meetings.
- Time Frame:** Complete by December 31, 2024
- Qualified Objective:** Amend the zoning code to limit multi-family housing projects to two hearings before the City’s ARB unless additional review is agreed upon by the home builder and City; document the City’s performance.

Goal: 4
Policy: 4.2

Programs that conserve and improve the condition of the existing affordable-housing stock:

Program 4.1: Replacement Housing

Development on nonvacant sites with existing residential units is subject to a replacement requirement pursuant to Government Code Section 65583. The City will amend its code to require the replacement of units affordable to the same or lower income level as a condition of approval for any development on a nonvacant RHNA site consistent with those requirements set forth in California Density Bonus Law.

Responsible Agency:
Funding Source(s):
Implementing Objectives:

- Planning and Development Services
General Fund
- A. Amend the City’s municipal code to require housing opportunity sites identified as meeting the lower income regional housing needs assessment (RHNA) allocation, and other applicable sites with existing affordable units, to require a one for one replacement of deed restricted units or units occupied by lower income tenants, when redeveloped.
- Time Frame:** Complete by June 30, 2024.
- Qualified Objective:** Amend the municipal code to achieve objective.
- B. Expand the SB330 requirements to require any commercial development to replace any demolished residential units as a part of any redevelopment.
- Time Frame:** Complete by June 30, 2025.
- Qualified Objective:** Amend the municipal code to achieve objective.

Primary Associated Goals and Policies:

Goals: 1, 3
Policies: 1.2, 1.4, 3.3

Program 4.2: Housing and Neighborhood Preservation

The City is committed to preserving its existing housing stock (or replace in kind) and neighborhoods. All residents deserve to live in safe and hazard free housing. Preserving the City’s neighborhoods helps sustain the City’s high quality of life. Preservation of its housing and neighborhoods is a continued priority for the City.

Responsible Agency:

Planning and Development Services

Funding Source(s):

General Fund

Implementing Objectives:

A. Annually communicate with renters through direct mailing to multi-family apartment buildings and through the City’s website, resources available to renters, including expectations for housing quality and steps to take for suspected substandard housing conditions.

Time Frame: Initiate in 2025 and annually thereafter.

Qualified Objective: Prepare relevant information and post online, explore best outreach approaches to communicate with renters.

B. In response to any complaint about substandard housing received by the City’s Code Enforcement Program, staff will provide information to the resident or homeowner about the City’s Rehabilitation Program.

Time Frame: Ongoing.

Qualified Objective: Staff will respond to any complaints received, provide access to relevant information and when necessary, connect the complainant with mediation services offered by the City through contract provider.

C. The City will conduct increased outreach to increase awareness of housing resources, fair housing workshops, and tenant protection. Specifically, the City will conduct at least one fair housing workshop annually for community-based organizations that serve residents and housing providers in areas of the City with the highest number of substandard housing complaints to Code Enforcement.

Time Frame: Ongoing and annually, with first workshop to occur by December 2024.

Quantified Objective: Disseminate information to the public to increase the awareness of support for home rehabilitation with the goal of reaching at least 5 new households annually.

Primary Associated Goals and Policies:

Goal: 1, 6
Policies: 1.1, 1.2, 1.3, 6.2

Program 4.3: Home Rehabilitation

The City is committed to maintaining quality housing conditions throughout the City. The City will continue to implement the Residential Rehabilitation Program through the City’s Community Development Block Grant (CDBG) program, which offers financial assistance through grants and identifies new funding opportunities for loans to qualified lower-income households to repair and maintain their homes.

Responsible Agency:
Funding Source(s):
Implementing Objectives:

Planning and Development Services
Community Development Block Grant (CDBG)
A. Annually dedicate CDBG funds as available to support the City’s Rehabilitation Program; seek additional funding to supplement CDBG funding.

Time Frame: Ongoing and annually.
Qualified Objective: Participate and remain in good standing with the CDBG program; distribute funds in accordance with fund guidelines and requirements.

B. The City will conduct increased outreach to increase awareness of CDBG funds and availability of said funds. The City will conduct one fair housing workshop annually to disseminate information regarding program requirements and availability of funds. The City will also update their website annually with information on the program.

Time Frame: Ongoing and annually, with first workshop to occur by December 2024.
Qualified Objective: Disseminate information to the public to increase the use of available CDBG funds with the goal of reaching at least 5 new households annually.

Primary Associated Goals and Policies:

Goal: 1, 6
Policies: 1.1, 1.3, 6.2

Program 4.4: Seismic Retrofit

Palo Alto was among the first jurisdictions to enact progressive seismic upgrade legislation and successfully established a program that required structure assessment reports and incentives to encourage seismic retrofits. Much more is known today about the effect earthquakes have on different building typologies and engineering solutions to make buildings safer. An analysis of the City’s housing stock finds there are multi-family housing units located in soft-story buildings that are vulnerable to a seismic event. In addition to addressing the safety concerns associated with seismically vulnerable buildings, structurally enhancing these buildings will reduce the potential for displacement and serve to make the City’s housing stock more resilient.

Responsible Agency:
Funding Source(s):
Implementing Objective:

Planning and Development Services
General Fund
A. Amend the City’s seismic hazards identification program to strengthen regulations and require seismic upgrades of vulnerable housing stock through a combination mandatory provisions and voluntary incentives.

Time Frame: Initiate effort in 2023, complete by 2026.
Qualified Objective: Amend the City’s seismic regulations to advance implementation objective.

Primary Associated Goals and Policies:

Goal: 1
Policy: 1.1

Programs that preserve assisted housing developments at-risk of conversion to market-rate:

Program 5.1: Preservation of At-Risk Housing

The City will continue to support the preservation of affordable housing projects that could potentially convert to market-rate units during the planning period. The City will monitor all units and assist property owners in maintaining the affordability of these units and provide relocation resources to tenants if preservation is unsuccessful.

Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund / HOME Investment Partnership Program
Implementing Objectives:	<p>A. Provide direct notification to property owners and tenants of lower-income deed restricted housing units of the state requirement to notify affected households about the termination of the affordability restrictions at six and twelve months, and three years.</p> <p>Time Frame: Twice during the reporting period, once in 2024 and again in 2028. Qualified Objective: Mail requirements to qualifying property owners as specified.</p> <p>B. Engage the property owner of 4230 Terman Drive (Terman Apartments) with 72 affordable housing units at risk of conversion to market rate units during the housing cycle to explore opportunities for continued affordability.</p> <p>Time Frame: Initiate conversation in 2024. Qualified Objective: Hold meetings with property owner to explore opportunities to ensure the continued affordability of the rental units; implement additional protections, such as financial incentives, as able.</p>
Primary Associated Goals and Policies:	Goal: 1 Policies: 1.2, 1.3, 1.4

Program 5.2: Funding Partnerships

Preserve and protect affordable, middle-income and at-risk housing through site acquisition or partnership opportunities, such as the California Community Housing Agency (CalCHA) or similar programs or agencies.

Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund / HOME Investment Partnership Program
Implementing Objectives:	A. Review CalCHA partnership requirements and present an option to decision-makers for inclusion to the program; identify existing housing sites meeting criteria for preservation, prepare and adopt necessary resolutions or agreements to operationalize program.

Primary Associated Goals
and Policies:

Time Frame: Make decision to engage with CalCHA (or similar programs) by June 2025.

- B. Continue seeking funding sources, especially for extremely low income housing, including supporting the ongoing development of the Bay Area Housing Financing Authority (BAHFA).

Time Frame: Annually and ongoing.

Qualified Objective: Support the BAHFA to provide services to 50 extremely low-income households during the planning period.

Goal: 1
Policy: 1.3

Programs that promote equal housing opportunities, regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or ability:

Program 6.1: Housing For Persons With Special Needs

The City's municipal code is periodically updated to address a wide range of issues and California and Federal law. The City will continue to monitor its policies, standards, and regulations to ensure that they comply with applicable law. The City will also facilitate the development of housing for persons with disabilities and other special needs through incentives for affordable housing development.

Responsible Agency:
Funding Source(s):
Implementing Objectives:

Planning and Development Services
General Fund, CBDG

- A. For extremely low income housing units, update the City's affordable housing guidelines to establish preferences for populations with special needs.

Time Frame: Complete by December 31, 2024.

- B. Contract with and financially support non-profit services providers such as the Opportunity Center, that help meet the supportive services needs of the City's diverse community, especially those with extremely low incomes.

Time Frame: Ongoing and annually as funds are available.

Qualified Objective: Support the Opportunity Center with the goal of providing services to 50 low-income households during the planning period.

- C. In order to assist in the housing needs for special needs populations, the City will:
- Engage with housing stakeholders and housing providers, on the identification of needs and new solutions,
 - Encourage housing developers, through the City's BMR requirements, to designate a portion of new affordable housing units for special needs populations, and

- Partner with the County and other agencies to pursue funding sources designated for housing for special needs groups, including seniors and persons with disabilities.

Time Frame: Starting in 2023 and annually thereafter.

Qualified Objective: Meet annually with housing service providers and the Santa Clara County representatives to identify opportunities to further support special needs populations.

- D. Work with Stanford and other higher education institutions to require that student, faculty, and staff housing be proactively addressed in master plans.

Time Frame: Starting in 2023 and annually thereafter.

Quantified Objective: Meet annually with housing service providers and the Santa Clara County representatives to identify opportunities to further support special needs populations.

Primary Associated Goals and Policies:

Goal: 5, 6
Policies: 5.1, 5.2, 5.3, 6.3

Program 6.2: Multi-Family Housing and Large Household Units

Due to the high cost of housing and scarcity of land, housing units large enough to accommodate large households are limited. Large households are defined as 5 or more persons living in the household. The City considers large households as a vulnerable population within the City and is committed to exploring additional opportunities for multi-family housing developments. Furthermore, the City will continue to advocate and promote the production of housing units of all to accommodate all persons and family sizes. Large household units have three or more bedroom units.

Responsible Agency:
Funding Sources(s):
Implementing Objectives:

Planning and Development Services
General Fund

A. Explore incentives to encourage larger units, such as FAR exemptions for three or more bedroom units.

B. Promote and encourage a mix of different bedroom units in each development.

C. The City shall encourage housing designs that meet the needs of extended, multigenerational, and/or large families.

Time Frame: Initiate in 2027 and conclude before December 31, 2029.

Qualified Objective: Meet with housing stakeholders and conduct public hearings before the Planning and Transportation Commission to receive public and commissioner input on ways to achieve stated objective. Make recommendations to Council and follow up with an ordinance to effect a change in local zoning regulations as directed.

Primary Associated Goals and Policies:

Goals: 2, 5, 6
Policy: 2.3, 5.1, 6.3

Program 6.3: Mixed-Use Development

Mixed-use projects are a more efficient use of land and can make housing development more profitable and therefore more likely to be constructed and are appropriate in certain areas. Mixed-use development downtown or near high quality transit and rail service can enhance the local economy and support small businesses. In addition, the City is cognizant of its jobs/housing balance and will continue to focus on proactive solutions that better align housing needs generated by new job growth and strive to reduce its existing jobs/housing imbalance. Palo Alto will consider and implement development standards that incentivize greater housing production and temper the strong market demand for commercial development.

Responsible Agency:
Funding Source(s):
Implementing Objectives:

- Planning and Development Services
General Fund
- A. Continue to focus on proactive land use policies, such as commercial office growth restrictions to promote an improved jobs to housing balance.

Time Frame: Ongoing
- B. Amend the City’s municipal code to reduce commercial floor area allowances or other commercial incentives at strategic locations to shift the economic benefit of redevelopment toward home building.

Time Frame: December 31, 2025
- C. Review the City’s Workforce Housing Overlay regulations and consider amendments to better align the target housing population (120%+ to 140% AMI) with a housing typology that provides clear reduced rents compared to market rate rents for a comparable unit. Engage with organizations, research case studies and identify successful tools used to facilitate missing middle housing opportunities; report findings to the City Council and implement through text amendments or policy changes, regulations to promote workforce housing opportunities.

Time Frame: Complete by December 31, 2026
- D. Examine extending the University Ave In-Lieu Parking program for residential projects and consider an in-lieu parking program for the California Avenue area. Discuss with home builders and other stakeholders the feasibility of marketing different housing typologies without on-site parking (paid through in-lieu fee) and implications to City parking resources; present findings to the City Council with options on how to proceed.

Time Frame: Complete by December 31, 2025

Primary Associated Goals and Policies:

Goal: 3, 6
Policies: 3.1, 3.2, 6.3

Program 6.4: Homelessness Program

Santa Clara County adopted the Santa Clara Community Plan to End Homelessness, which is designed to address homelessness throughout Santa Clara County as a whole. The City's Homeless Prevention Program was created as a result of the County's Community Plan to End Homelessness. The Program is for Palo Alto households who are at risk of becoming homeless as defined by HUD and focuses on self-sufficiency and stabilization. And for those experiencing homelessness and waiting for more permanent housing, provide services that offer immediate support.

Responsible Agency:

Funding Sources(s):

Implementing Objectives:

Planning and Development Services

General Fund

- A. Expand geographic and service areas of the City's Safe Parking Program. Consider using City park parking lots for the program. Expand program services to include case management and explore opportunities to provide supervised access to City facilities, such as the Cubberley Community Center facility locker rooms.

Time Frame: Initiate by 2026, complete by December 2028.

- B. Create a social services directory and make it available to residents at public counters and on City website.

Time Frame: Complete by June 2023.

Expand the City's homeless prevention program to include renter protections and financial assistance for rent, security deposits, and utilities. Identify funding sources to support households at risk of homelessness; engage with homelessness stakeholders, conduct hearings before the Planning and Transportation and City Council and make recommendations to support objective; implement based on available funding.

Time Frame: Initiate in 2026 and complete by June 2028.

- C. Continue to pursue the Homekey (LTP) site for use as a temporary bridge housing facility to provide accommodations for individuals who are actively engaged in services leading to permanent housing. Engage with stakeholders, including the State Department of Housing and Community Development, LifeMoves, Santa Clara County Office of Supportive Housing, and the Santa Clara County Housing Authority to advance the project and to provide transitional housing and support services for 88 households.

Time Frame: Complete by June 30, 2024.

- D. Explore additional opportunities for Homekey funding or other similar funding sources to convert hotels to permanent or interim housing for persons experiencing homelessness or at risk of homelessness. Work with stakeholders to identify additional funding opportunities and locations to support homelessness population and those at risk of homelessness.

Primary Associated Goals
and Policies:

Time Frame: Ongoing.

Goal: 5, 6
Policies: 5.1, 5.2, 5.3, 5.5, 5.6, 6.3

Program 6.7: Alternative Housing

Under this program, the City will continue to support alternative types of housing, such as large household units, single-room occupancy units, and managed living units or “micro-units,” to accommodate extremely-low-income households.

Responsible Agency:
Funding Source(s):
Implementing Objectives:

Planning and Development Services
General Fund

A. Coordinate with HIP Housing or similar house sharing services to provide shared housing arrangements. Identify opportunities to extend home sharing services to Palo Alto and promote on the City’s website as appropriate.

Time Frame: Initiate conversations in 2024.

B. Encourage innovative housing structures, such as micro-unit housing and new shared and intergenerational housing models to help meet the housing needs of aging adults, students, and lower-income individuals citywide. Meet with housing stakeholders and conduct public hearings before the Planning and Transportation Commission to receive public and commissioner input on ways to achieve stated objective. Make recommendations to Council and follow up with an ordinance to effect a change in local zoning regulations as directed.

Time Frame: Initiate in 2027 and conclude before December 31, 2029.

C. Review and amend the Zoning Ordinance to address State legislation pertaining to the definitions of family, Employee Housing, Residential care facilities, Group Homes and/or Boardinghouses.

D. Amend the Zoning Ordinance to address AB 101 (Low Barrier Navigation Centers "by right"), AB 139 (emergency shelter requirements), AB 2162 (Supportive and Transitional Housing "by right") and Health and Safety Code 17021.8 (Farmworker Housing) requirements, as well as the Employee Housing Act (H&S Section 17021.5) and residential care facilities for seven or more persons.

Time Frame: Complete by December 31, 2025.

Primary Associated Goals
and Policies:

Goal: 5, 6
Policies: 2.3, 5.1, 5.3, 5.4, 5.5, 5.6, 6.3

Program 6.8: Fair Housing

The City of Palo Alto is committed to providing equitable opportunities to all residents of Palo Alto in order to expand access to housing and increase housing mobility. The City will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities. The action items listed below will assist the City in reducing barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources.

AB 686 (2017) requires each city to administer its programs and activities related to housing in a manner that affirmatively furthers fair housing. Palo Alto will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities. To address the requirements of AB 686, the City participates in the 2020-2025 Santa Clara County Consolidated Plan (ConPlan). The County’s ConPlan identifies eight housing goals for the County and each of its participating jurisdictions including Palo Alto. Additionally, the ConPlan identifies regional and local barriers to fair housing around the region, with heavy emphasis on racial and economic disparity, land use and zoning, and lack of assistance and resources. Programs were identified to reduce barriers in the City including adjusting zoning amendments to expand affordable and alternative housing opportunities and increasing accessibility to information.

Responsible Agency:
Funding Sources(s):
Implementing Objectives:

Planning and Development Services
General Fund
Fair Housing Services

- A. Distribute educational materials to property owners, apartment managers, and tenants relative to fair housing requirements, regulations, and services via the City’s website, social media, community announcements and similar forums.

Time Frame: Initiate by May 31, 2024 and update annually thereafter.

- B. Provide multi-lingual fair housing information to the public via the public counters, message boards, City website, neighborhood watch, and in response to telephone inquiries.

Time Frame: Ongoing, update material and information annually.

- C. Partner with Project Sentinel to conduct random testing at least once per year during the planning period. Refer individuals to State Fair Employment and Housing, HUD Fair Housing and Equal Opportunity division, and other legal services as appropriate.

Time Frame: Ongoing.

- D. Allocate annual funding for fair housing services through the Action Plan process for the use of CDBG funds.

Time Frame: Annually as part of the CBDG update.

- E. Work with Project Sentinel and renter organizations to conduct an annual workshop to educate tenants and landlords about fair housing requirements.

Time Frame: Ongoing.

Qualified Objective: Aim to reduce fair housing complaints by educating approximately 20 tenants and landlords annually.

Fair Housing Impediments

- F. Encourage mixed-income developments accessible to lower income residents citywide, especially in high opportunity and resource-rich areas through use of the City’s Below Market Rate (BMR) requirements, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.

Time Frame: Ongoing

Quantified Objective: Support the development of 1,556 units for very-low income, and 896 units for low-income households during the planning period.

Tenant Protections

- G. Institute Tenant Protections to prevent anti-displacement including the following: relocation assistance; eviction reduction program; rental survey program; security deposit limit; fair chance ordinance; right to counsel.

Time Frame: Begin implementation in December 2023.

Quantified Objective: Aim to reduce fair housing complaints by educating approximately 20 tenants and landlords annually.

- H. Require a 90-day notice for a rent increase of 6% instead of the State’s 10% threshold for noticing.

Time Frame: Begin implementation in December 2023.

- I. Promote Housing Choice Vouchers to support housing mobility by educating landlords about income discrimination (i.e. Cannot post “NO Section 8” on applications)

Time Frame: Ongoing

Quantified Objective: Assist 200 households annually or the number of vouchers allocated under the housing choice voucher program, including project-based vouchers.

Primary Associated Goals and Policies:

Goal: 6
Policies: 6.1, 6.2, 6.3, 6.4, 6.5

Program 6.9: Community Outreach Program

Community outreach is a key component to developing a comprehensive and inclusive housing market in the city. It is critical to engage local community groups and stakeholders from all sectors of the community in order to educate and provide inclusive housing opportunities. The goal of this program is to provide underrepresented community groups, which are affected by

restrictions to fair and equitable housing, greater opportunities for becoming informed and engaged in the City’s housing and overall planning process.

Responsible Agency:

Planning and Development Services

Funding Sources(s):

General Fund

Implementing Objectives:

A. Partner with Human Services for community outreach with a focus on traditionally underrepresented groups. Meet with Human Services representatives bi-annually to formulate strategies aimed at engaging the City’s most vulnerable populations.

Time Frame: Bi-annually; initiate first meeting by January 2024.

Qualified Objective: Reach at least 20 households annually through work with Human Services.

B. The City shall continue to facilitate opportunities for all residents and stakeholders to provide meaningful and effective input on proposed planning activities early on and continuously throughout plan development and the public review process. Outreach efforts to disadvantaged communities, and engagement materials in multiple languages will be a priority.

Time Frame: Ongoing.

Qualified Objective: Increase public participation rates amongst City’s underrepresented groups by at least 20% by the end of the planning period.

C. Create a website that provides relevant housing application and processing information to the home building community.

Time Frame: Complete by January 15, 2024 and update annually.

Qualified Objective: Support the development of 1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 above-moderate households during the planning period.

Primary Associated Goals and Policies:

Goal: 6
Policies: 6.1, 6.2, 6.3, 6.4, 6.5

Goals & Policies

Goal 1.0 – Housing Preservation

Preserve and improve or replace in kind the existing housing stock and residential neighborhoods. Preserve or replace in kind affordable housing units in the community to maintain adequate housing opportunities for all residents.

Policy 1.1

Promote the rehabilitation of deteriorating or substandard residential properties using sustainable and energy conserving approaches. (Existing Policy H1.1)

Policy 1.2

Work with property owners and nonprofit housing providers to preserve assisted multi-family units at risk of conversion to market rents and extend the affordability covenants in perpetuity whenever feasible.

Policy 1.3

Use existing and new funding sources to fund rehabilitation loan and grant programs to assist in the preservation of both deed-restricted and naturally occurring affordable housing units.

Policy 1.4

Ensure the retention or replacement in kind of existing lower income units that are identified for potential redevelopment.

Goal 2.0 – Affordable Housing

Assist in the provision of safe, attainable, and sustainable housing, especially affordable housing, to meet the needs of all economic segments of the community.

Policy 2.1

Increase opportunities for affordable housing development through use of flexible development standards. (Adapted from existing Program Objective H3.1.5)

Policy 2.2

Enhance incentives that expand development standard concessions and other inducements

offered as tools to facilitate the development of more affordable housing, with a mix of affordability levels within mixed-income housing.

Policy 2.3

Achieve a diversity of rental and homeownership opportunities, including apartments, townhomes, condominiums, single-family houses, and accessory dwelling units, micro-units and alternative housing options to accommodate the housing needs of all socioeconomic segments of the community.

Policy 2.4

Encourage property developers and owners to adopt sustainable and green practices housing programs that protect residents' quality of life.

Goal 3.0 – Housing Development

Support holistic and strategic housing development with a variety of housing types, prices, tenures, densities, and locations, to address the diverse needs of all current and future residents.

Policy 3.1

Support the redevelopment of suitable lands for mixed uses containing housing to encourage , infill development. Optimize the use of existing urban services, and support transit use. (Existing Policy H2.2)

Policy 3.2

~~Rezone sites citywide to p~~Provide adequate sites, zoned at the appropriate densities and development standards to facilitate both affordable and market rate housing production.

Policy 3.3

Prioritize funding for the acquisition of housing sites near public transit and services, the acquisition and rehabilitation or replacement in kind of existing housing, and the provision for housing-related services for affordable housing. (Adapted from Existing Program H3.4.1)

Goal 4.0 – Governmental Barriers

Provide for a government environment that facilitates housing development.

Policy 4.1

Exempt permanently affordable housing units from any infrastructure impact fees adopted by the City. (Existing Program H3.3.2)

Policy 4.2

Provide for streamlined, timely and coordinated processing of development projects and associated environmental clearances to minimize project-holding costs.

Policy 4.3

Implement development standards, objective design standards, and architectural and green building standards that encourage new high-quality rental and ownership housing.

Policy 4.4

Heighten community awareness and receive community input regarding the social, economic and environmental values of maintaining economic diversity in the City by providing affordable and mixed income higher density housing along transit corridors and at other appropriate locations.

Goal 5.0 – Housing Diversity

Establish a variety of housing types and services to accommodate the diversity of persons and households with special needs.

Policy 5.1

[NOTE: Policies 5.1 – 5.4 were consolidated into one policy]

The City will support local agencies and organizations in the creation or preservation of housing and associated supportive services that serves the City's population with special needs. Group homes and supported living facilities for persons with special needs, housing designed for seniors and persons with disabilities, emergency and transitional shelter for persons experiencing homelessness, are some examples of the types of needed housing.

~~Support the development and preservation of group homes and supported living facilities for persons with special housing needs by assisting local agencies and nonprofit organizations in the construction or rehabilitation of facilities for this population. (Existing Program H3.3.4)~~

~~Policy 5.2~~

~~Provide housing that addresses the needs of persons with disabilities (including persons with developmental disabilities), the mentally ill, persons with substance problems, persons with HIV/AIDS, veterans and other groups needing transitional and supportive housing.~~

~~Policy 5.3~~

~~Support the provision of emergency shelter, transitional housing, and ancillary services to address homelessness. (Existing Policy H3.5)~~

~~Policy 5.4~~

~~Support housing that incorporates facilities and services to meet the health care, transit, and social service needs of households with special needs, including seniors and persons with disabilities. (Existing Policy H4.2)~~

Policy 5.25

Encourage universal design of housing products and environments, making them usable by a wide range of persons with different physical and mental abilities.

Policy 5.36

Coordinate with regional agencies providing services to the homeless, for needs assessment and resource allocation.

Goal 6.0 – Fair Housing

Promote equal opportunity in all City housing types (ownership and rental, market rate and affordable) for all residents to have safe, decent and accessible housing.

Policy 6.1

Support programs and agencies that seek to eliminate housing discrimination. (Existing Policy H4.1)

Policy 6.2

Conduct fair housing outreach and education for residents, property owners, and housing providers to ensure each understands their rights and responsibilities.

Policy 6.3

Identify mechanisms to increase production and access to housing.

Policy 6.4

Enforce notification and relocation assistance requirements for lower income households displaced due to demolition, condominium conversion, and persons displaced due to code enforcement activities of illegally converted or substandard residential dwellings.

Policy 6.5

Support and provide ways to empower community members to participate in community development.

Programs & Implementing Objectives

Programs that identify adequate sites, with appropriate zoning and development standards to accommodate Palo Alto’s RHNA allocation for each income level:

Program 1.1: Adequate Sites Program

Through zoning and comprehensive plan designations, the City maintains a residential site inventory that is adequate to accommodate the City’s share of regional housing needs. The City’s Regional Housing Needs Assessment (RHNA) is 6,086 units (1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 units for above moderate income). With anticipated pipeline projects (785 units) and projected accessory dwelling unit production (512 units); a total of 1,297 units can be credited toward the City’s RHNA. Based on the City’s sites inventory capacity analysis (see Appendix), the remaining 4,789 can be achieved through various strategies to accommodate future housing needs.

Time Frame:

Responsible Agency:

Funding Source(s):

Implementing Objective:

PENDING

Planning and Development Services

General Fund

- A. Where necessary Amend the Comprehensive Plan and zoning designations of, rezone property identified as needed to as meeting the City’s lower-income housing RHNA obligations. For sites identified as suitable for lower-income residential development, the designations shall allow future development requirement to achieve at least 30 units per acre and allow at least 16 units per site.
- B. Rezone ROLM and GM zoned properties to permit multi-family residential housing as an allowed use with a base density of 50 dwelling units per acre for those properties nearest Bayshore Freeway and generally bounded by East Charleston Road and Loma Verde Avenue.

Time Frame: Complete by January 31, 2024

Quantified Objective: The City will amend the Comprehensive Plan or zoning designation of 347 properties located in commercial, industrial or residential zoning districts that combined will generate a realistic yield for 4,789 housing units.

C. Maintain an updated inventory of housing sites and actively promote sites available for lower- and moderate-income housing development to potential developers, private and non-profit organizations, and other interested persons. Post information on the City’s website and update as necessary to maintain accurate information.

D. Maintain an updated list of residential housing projects that have been submitted, approved, and denied throughout the housing cycle.

Time Frame: Post information on the City’s website by June 2023 and update annually, or more often if needed.

Quantified Objective: Support the development of 1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income households during the planning period.

E. Provide technical assistance and information on parcels available for lower-income developments to private or non-profit housing developers. Technical assistance includes land development counseling by staff planners.

Time Frame: Develop technical assistance program by June 2024 and set/publish regular hours for assistance on the City’s website.

Quantified Objective: Support the development of 1,556 units for very-low income, 896 units for low income households during the planning period.

Primary Associated Goals and Policies:

Goals: 2, 3, 54
Policies: 2.3, 3.1, 3.2, 3.3, 4.2, 4.4

Program 1.2: Site Inventory Monitoring Program

In 2017, Senate Bill 166 (SB 166), otherwise known as “no net loss”, was passed to ensure that cities and counties “identify and make available” additional adequate sites if a housing project is approved at a lower density or with fewer units by income category than what is identified in the Housing Element. In conjunction with the Adequate Sites Program above, the City will further implement a monitoring program that evaluates the current capacity of housing sites for all income levels throughout the duration of the planning period. The City commits to tracking its available housing sites database to ensure that it remains in compliance with State law and provides sufficient housing sites at all income levels during the Sixth Cycle.

Time Frame:
Responsible Agency:
Funding Source(s):

Various (See Implementing Objectives)
Planning and Development Services
General Fund

Implementing Objectives:

- A. ~~Develop a procedure to m~~Monitor the development of vacant and nonvacant ~~sites-properties identified~~ in the sites inventory and ensure that adequate sites are available to meet the remaining RHNA by income category; ~~amend the sites inventory list and rezone additional properties as needed. (Complete by December 31, 2023)~~

Time Frame: Conduct review of sites inventory annually and report findings in housing element progress report; correct any deficiency within 180 days if identified.

Qualified Objective: The City will maintain a sufficient number of reserve housing inventory sites to remain compliant with State law. In the event the City falls short of that requirement, it has committed to resolving the deficiency with 180 days.

- B. [NOTE: This program was merged with A above] ~~On an annual and ongoing basis, review the sites inventory and amend sites as necessary to accurately address the City's RHNA goals. (Ongoing and at least once annually)~~

- C. [NOTE: This program was merged with A above]~~Should an approval of development result in a shortfall of sites to accommodate the City's remaining RHNA requirements (for lower-, moderate- or above moderate-income households), the City will identify and, if necessary, rezone sufficient sites to accommodate the shortfall and ensure "no net loss" in capacity to accommodate the RHNA. (Within 180 days of an identified shortfall below RHNA target)~~

Primary Associated Goals and Policies:

Goal: 3
Policy 3.2

Program 1.3: Sites Used in Previous Housing Cycle

The Housing Element may ~~count-reuse available~~ nonvacant sites included in one previous housing element inventory, ~~and~~ vacant sites included in two previous housing elements, ~~and~~ sites rezoned for RHNA after the statutory deadline, providing the sites are subject to a program that allows ~~the project affordable housing~~ by right if it includes 20% lower-income units. The City will amend its code to address these requirements.

Some sites within this Housing Element were used in previous cycles and this program is included to address the by right approval requirement. Per Government Code Section 65583, the by right provision is limited to carryover sites used to meet lower-income RHNA where development includes at least 20% affordable units for lower income households.

~~Time Frame:~~

Responsible Agency:

Funding Source(s):

Implementing Objective:

~~PENDING~~

Planning and Development Services

General Fund

- A. Revise the Municipal Code to include the by right approval requirement of projects that propose 20% lower-income units on the ~~XX-16~~ carry over sites included ~~int~~ the housing sites inventory.

Primary Associated Goals
and Policies:

Goal: 4
Policy 4.2

Time Frame: Complete by January 31, 2023

Quantified Objective: Amend zoning standards for 16 properties (14 nonvacant and 2 vacant sites) to enable a projected realistic housing yield of 390 housing units.

Program 1.4: City-Owned Land ~~Lots~~

The City owns ~~a~~ several surface parking lots that can be redeveloped to replace and add parking while creating new housing opportunities, including ~~transitional~~ affordable housing. This program seeks to identify suitable sites for redevelopment and to pursue partnerships for redevelopment.

~~Time Frame:~~

Responsible Agency:

Funding Source(s):

Implementing Objectives:

~~PENDING~~

Planning and Development Services

General Fund

- A. Identify City-owned surface parking lots suitable for redevelopment that includes replacement public parking and ~~prioritizes~~ requires affordable housing units. Prepare a request for proposals to solicit interest in a public/private partnership for redevelopment of ~~two~~ one or more sites in the City's University Avenue Downtown area.

Time Frame: Complete by December 2024

Quantified Objective: Subject to available funding and following the RFP effort, the City will select a development partner to secure project approval for the construction of an affordable housing project.

- B. Review all City-owned parcels and identify sites based on availability, size, access to services and related metrics that would be appropriate for transitional housing. Once parcel(s) have been identified, pursue partnerships and funding opportunities to build transitional housing.

Time Frame: Complete December 2024 subject to public/private partnership.

Quantified Objective: Subject to identification of suitable sites and formation of public/private partnership; provide transitional housing opportunities for 75 or more beds during the planning cycle.

- C. Maintain an updated list of City owned parcels available for residential development and post on the City's website. Update annually to reflect residential housing projects that have been submitted, approved, and denied throughout the housing cycle.

Time Frame: Post information on the City's website by June 2023 and update annually.

Quantified Objective: Support the development of 1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 above-moderate households during the planning period.

Primary Associated Goals
and Policies:

Goals: 2, 3
Policies: 2.3, 3.2

~~Program 1.5: Rezone ROLM and GM for Residential Use~~

~~Time Frame:~~

~~PENDING~~

~~Responsible Agency:~~

~~Planning and Development Services~~

~~Funding Source(s):~~

~~General Fund~~

~~Implementing Objectives:~~

~~A.—[NOTE: This implementing objective was relocated to Program 1.1 B] Rezone ROLM and GM zoned properties to allow multi family residential housing as a permitted use with a base density of 40 dwelling units per acre for those properties nearest Bayshore Freeway and generally bounded by East Charleston Road and Loma Verde Avenue.~~

Primary Associated Goals
and Policies:

Goals: 2, 3, 4
Policies: 2.2, 3.1, 3.2, 4.2, 4.4

[Note: This program was moved in its entirety from Program 6.2]

~~Program 6.25: Accessory Dwelling Unit (ADU) Facilitation Program~~

This program aims to annually monitor provisions made to ADU legislation and amend the City's Zoning Ordinance as necessary to ensure compliance with State law. Furthermore, the City is committed to reducing barriers to alternative types of housing such as ADUs.

In recent years, multiple bills have added requirements for local governments related to ADU ordinances. The 2016 and 2017 updates to State law included changes pertaining to the allowed size of ADUs, permitting ADUs by right in at least some areas of a jurisdiction, and parking requirements related to ADUs. More recent bills reduce the time to review and approve ADU applications to 60 days, remove lot size requirements and replacement parking space requirements and require local jurisdictions to permit junior ADUs. AB 68 allows an ADU and a junior ADU to be built on a single-family lot, if certain conditions are met. The State has also removed owner-occupancy requirements for ADUs, created a tiered fee structure that charges ADUs based on their size and location, prohibited fees on units of less than 750 square feet, and permitted ADUs at existing multi-family developments.

~~Time Frame:~~

~~PENDING~~

~~Responsible Agency:~~

~~Planning and Development Services~~

~~Funding Source(s):~~

~~General Fund~~

~~Implementing Objectives:~~

~~A. [NOTE: This implementation objective is not necessary and invites confusion] Respond in a timely manner to update the City's municipal code to integrate changes in State ADU housing law.~~

~~B. Develop, Maintain and update a City Summary Guide to ADUs and JADUs to promote, educate, and assist homeowners with developing ADUs/JADUs.~~

~~Time Frame: Complete by January 31, 2023 and maintain annually thereafter.~~

Quantified Objective: Facilitate the development of 512 ADUs over the planning period.

- C. Continue to monitor and publish information related to ADU production and application review timelines; meet with ADU stakeholders and review application processing performance to identify potential impediments and make adjustments as needed.

Time Frame: Meet with ADU stakeholders at least once every two years starting in 2024; prepare information reports bi-annually.

Quantified Objective: Prepare bi-annual reports documenting findings to assist in the facilitation of 512 ADUs over the planning period.

- D. Investigate a process that waives development impact fees for ADUs under certain conditions.

Time Frame: Complete investigation by January 2024. Review process every two years to see if additional changes can be made.

Quantified Objective: Facilitate the development of XX ADUs over the planning period.

- E. Perform a review of ADU trends and commit to adjustments if assumptions are not met. Additional actions could include additional public outreach efforts, ADU incentives, and financial assistance.

Time Frame: Review ADU trends every two years starting in 2024.

Quantified Objective: Facilitate the development of XX ADUs over the planning period.

Primary Associated Goals and Policies:

Goals: 2, 3, 4
Policies: 2.3, 3.1, 4.3

Program 1.6: Stanford University Lands

Stanford University owns a significant amount of land in Palo Alto, including the Research Park, Stanford Health Care and Lucile Packard Children’s Hospital, the Stanford Shopping Center, 27 University Avenue (Transit Center) and other property. Half of the jobs generated in Palo Alto are located on Stanford University owned land. A number of sites suitable for housing have been identified by Stanford University or long term leaseholders. This program addresses these sites and also sets forth a longer view policy discussion that is intended to ensure additional sites can be identified for the next housing cycle (Seventh Cycle).

Time Frame:

Responsible Agency:

Funding Sources(s):

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

- A. For the housing opportunity site located at the corner of Pasteur Drive and Sand Hill Road and the adjoining property at 1100 Welch Road, as an alternative to the State Density Bonus law, amend zoning regulations to allow

approximately 425 units with five residential stories over two levels of above grade parking and up to 85 feet in height; redevelopment of the Welch Road property shall include a plan to protect or mitigate tenant displacement.

- B. ~~For the property located at 3000 El Camino Real (Palo Alto Square), amend the Planned Community ordinance that applies to the site to allow, in addition to the existing improvements on the property, a housing development up to 30 units per acre (approximately 450 units) with a transitional building height ranging from 50 feet nearest El Camino Real and up to 75 feet in height set back from the street to minimize a wall effect.~~
- C. For the housing opportunity site located at 3128 El Camino Real (McDonald's), as an alternative to the State Density Bonus law, amend zoning regulations to allow at least 144 housing units with a transitional building height ranging from 50 nearest El Camino Real and up to 75 feet in height set back from the street to minimize a wall effect; allow a minimum of 315 housing units if combined with an adjacent property.
- D. For the housing opportunity site located at 3300 El Camino Real, as an alternative to the State Density Bonus law, allow up to 200 housing units, up to a 1.4:1 floor area ratio (FAR) and approximately 65 feet in height with a 20% inclusionary housing requirement consistent with the City's Planned Home Zoning process; commercial office approved or permitted on this property is in addition to the floor area allowed for the future housing project.
- E. Encourage primarily affordable housing development at 27 University Avenue (Palo Alto Transit Center) by amending the zoning code to establish affordable housing as a permitted land use with building heights up to 85 feet and a minimum of 270 housing units.

Time Frame: Complete implementing objectives A-D by January 31, 2024.

Quantified Objective: Rezoning these site specific parcels will enable a potential realistic housing yield of 839 housing units, including 126 affordable units and 713 above moderate-income units. Housing development on each site would accommodate fifteen to twenty percent (15% - 20%) of deed-restricted inclusionary housing units. City will establish a memorandum of understanding with Stanford that will ensure the development of these sites with housing that is not reserved for Stanford students.

- F. Engage Stanford University in a dialogue about future multi-family housing opportunities within the Stanford Research Park. Identify locations suitable for housing and mixed-use development and zoning modifications and housing incentives as appropriate for consideration in the Seventh Cycle Housing Element Update.
- G. Engage Stanford University and long-term leaseholder Simon Properties for possible residential redevelopment opportunities at the Stanford Shopping Center for consideration in the Seventh Cycle Housing Element Update.

Time Frame: For implementing objectives E and F, initiate conversations with stakeholders prior to December 31, 2027 and strive to complete discussion prior to end of housing cycle.

Primary Associated Goals
and Policies:

Quantified Objective: Establish a concept plan or memorandum of understanding with appropriate stakeholders that identify the location and amount of future housing at these locations by the end of the planning period.

- H. *[NOTE: Staff recommends this program be deleted].* Prepare a massing study to analyze contextual height, massing and design considerations for properties located 3000-3300 El Camino Real area in order to review development on all the sites in a holistic manner.

Time Frame: Complete by December 31, 2025.

Qualified Objective: Study shall be used to inform development standards to promote housing within this commercial corridor.

Goal: 3
Policies: 3.1, 3.2, 3.3

Programs that assist in the development of adequate housing to meet the needs of extremely low-, very low-, low- and moderate-income households:

Program 2.1: Affordable Housing Development Program

The City is committed to increasing the supply of affordable housing. The City will continue to prioritize households at the extremely low-income level and seek new funding opportunities and partnerships to improve housing conditions for vulnerable and lower-income communities. The City will work with developers to facilitate affordable housing development by providing development incentives as provided for in Program 3.3 and gap financing as a local match to state, federal, and other public funding sources.

Time Frame:

Responsible Agency:

Funding Source(s):

Implementing Objectives:

Ongoing

Planning and Development Services

General Fund

- A. Use funds available through the City's residential and commercial affordable housing fund to provide gap funding for qualifying affordable housing projects. Housing funds are derived from development impact fees, in-lieu inclusionary fees and, if adopted by voters in November 2022, through proceeds from a local business tax.

Time Frame: Annually review fund balances and if sufficient funds warrant, prepare a Notice of Funding Availability. The fund balance will vary over time based on development activity and for the business tax, first collection is anticipated to start no sooner than January 2024.

Qualified Objective: The City intends to dedicate approximately one-third of the business tax proceeds toward homelessness and affordable housing initiatives. Over the planning period, the City anticipates it would generate approximately twenty million dollars (\$20 M) for use toward affordable housing and homelessness projects. Based on this projection, the City would expect to be able to support gap funding for the production of 55 affordable housing units during the planning cycle.

~~B.~~ [NOTE: This implementing objective was merged with A above.] If placed on the ballot and approved by voters, the City has identified investment in affordable housing as one of the priority funding strategies of future business tax proceeds.

~~C.~~ B. By December 2027, prepare an updated nexus and feasibility study and adjust the residential in-lieu fee, rental impact fee and commercial housing development impact fee, as appropriate.

Time Frame: Initiate study prior to December 31, 2026 with estimated completion by June 30, 2028 (*The City's impact fees are currently up to date – this timeline aligns with the requirements of State law, AB 602*).

Qualified Objective: Use the study to adjust impact fees as necessary to support continued contribution to the City's affordable housing fund without burdening housing production with excessive fees that cannot be supported by the City's development standards.

~~D.~~ C. Partner with qualified housing developers to identify affordable housing development opportunities with emphasis on promoting housing choices that serve the needs of special needs populations, including seniors, homeless, female-headed households, large families, low-income, and/or persons with disabilities. Meet with affordable housing developers and religious institutions to answer their questions and provide technical assistance about developing their sites with affordable housing.

Time Frame: By December 31, 2023 establish relationships and coordinate meetings with housing developers to discuss affordable housing opportunities; meeting annually throughout the housing cycle.

Qualified Objective: Identify with partners at least three affordable housing opportunity sites and facilitate project approval and permitting to realize implementation.

~~E.~~ D. Research and identify additional State and federal funding opportunities for affordable housing projects. Disseminate information on funding opportunities on the City's website and/or to potential developers during technical assistance meetings.

Time Frame: Ongoing.

Quantified Objective: Support the development of 1,556 units for very-low income, and 896 units for low-income households during the planning period.

Primary Associated Goals
and Policies:

Goals: 2, 3, 5
Policies: 2.3, 3.3, 45.1

Program 2.2: Below Market Rate (BMR) Program

The City is committed to providing more affordable housing opportunities through programs such as the City's BMR program. The purpose of the program is to create and retain a stock of affordable housing in Palo Alto for people of low- and moderate-income.

Time Frame:

Responsible Agency:

Funding Source(s):

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

- A. Continue to require development of three or more net-new residential units to provide at least fifteen (15%) of those units as inclusionary units at below market rates for ownership housing or pay a fee toward the City's affordable housing fund.

Time Frame: Ongoing.

Qualified Objective: 15% of the net new multi-family ownership housing stock will be deed-restricted to affordable housing (two-thirds at 100% AMI and one-third at 120% AMI), except in instances where an in-lieu payment may be accepted. The City will collect in-lieu payments for new multi-family rental housing based on project floor area times a dollar amount set by the City's fee schedule, currently \$24.52; payments will be used to support qualifying affordable housing projects. Some rental home builders may elect to provide inclusionary units to qualify for the State Density Bonus, in such instances no additional in-lieu payment will be received.

- B. Update the City's feasibility study from 2020 and consider a tiered inclusionary housing requirement for ownership and rental housing where market conditions support a higher inclusionary rate; consider requirements for lower income units at a reduced inclusionary requirement.

Time Frame: Complete by June 30, 2026.

Qualified Objective: Prepare a study and present findings to the City Council with options to modify the City's inclusionary requirements. If supported, enact municipal code changes to implement changes. Implementation of this objective may have the effect of modifying the quantified objective in A above.

- C. Amend the City's BMR program to ensure continued affordability of income-restricted ownership units for the life of the project (exempting certain affordable projects taking advantage of tax credit financing). Once amended, conduct outreach with home builders and other stakeholders regarding amended program.

Time Frame: Complete by December 31, 2028.

Qualified Objective: Conduct outreach with home builders and other stakeholders and draft an ordinance to extend income restrictions in accordance with the implementing objective.

- D. Review the City's Below Market Rate rental procedures for households who exceed the maximum income limit during their tenancy. [Note: this can only apply to units in the City's BMR program, 100% affordable projects may have other lender-dictated requirements.]

Time Frame: Complete by December 31, 2025.

Qualified Objective: Update rental procedures to ensure reasonable transition time for households whose incomes increase but end up disqualifying individual(s) from deed-restricted housing.

Primary Associated Goals
and Policies:

Goals: 2, 3

Policies: 2.3, 3.2

Programs that address constraints to the maintenance, improvement, and development of housing at all income levels and abilities:

Program 3.1: Fee Waivers and ~~Adjustments~~ Fee Reductions

Application and development impact fees support staff resources and off-set facility costs and support the use, expansion and maintenance of a variety of City services including parkland, libraries, and public safety facilities and other services. High fees can also impede housing production by increasing the per unit cost of development, impacting projected returns and potentially discourage new home building. This program seeks to identify, study and implement cost reduction strategies that promote housing and do not negatively impact City facilities or services.

Time Frame:
Responsible Agency:
Funding Source(s):
Implementing Objectives:

~~PENDING~~
Planning and Development Services
General Fund
A. Amend the City’s municipal fee schedule to waive City staff costs associated with the processing of an affordable housing planning application, except for directly related consultant supported costs.

Time Frame: October 2023
Qualified Objective: Reduce application processing costs by approximately \$20,000 per affordable housing application and processed for a planning entitlement.

B. Prepare an economic feasibility study to analyze the impact development impact fees may have on housing production; adjust fees as appropriate to enable a reasonable return on investment and ensure sufficient fee collection to support City services.

Time Frame: October 2025

Primary Associated Goals and Policies:

Goals: 3, 4
Policies: 3.1, 4.1

Program 3.2: ~~Monitoring New Policy Initiatives for~~ Constraints to Housing

~~The Palo Alto Zoning Code is continuously updated to advance local policy initiatives and respond to State and Federal laws.~~ The Constraints chapter of the Housing Element identifies several conditions and practices that act to constrain housing development. By addressing these conditions and practices, the City can streamline development processes, and promote future residential development. The City will continue to monitor its policies, standards, and regulations

to ensure the City's regulatory framework facilitates residential and balanced mixed-use development in the community.

Time Frame:

Responsible Agency:

Funding Sources(s):

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

A. Continue to monitor new local policy initiatives for effectiveness in combatting identified constraints to housing development.

A.B. When new land use regulations, impact fees or procedural changes are being considered by the Planning and Transportation and City Council, the City shall prepare an analysis in the accompanying staff report detailing how the regulation may impact housing production, if at all, and recommended solutions to address those impacts.

B.C. Continue to monitor application of the Municipal Code standards for constraints to housing projects and recommend changes annually, as appropriate, to enhance the feasibility of affordable housing.

Time Frame: Ongoing and annually.

Primary Associated Goals and Policies:

Goals: 2, 4

Policies: 2.1, 2.3, 4.2

Program 3.3: Affordable Housing Development Incentives

The Planning and Development Services Department, in its review of development applications, market conditions and through conversations with non-profit housing providers may recommend to the City Council waiving or modifying certain development standards or propose changes to the PAMC to encourage the development of low- and moderate-income housing. The City assists affordable housing production with flexible development standards, streamlined application review processes, direct financial assistance and other incentives to encourage affordable housing.

Time Frame:

Responsible Agency:

Funding Sources(s):

Implementing Objectives:

PENDING

Planning and Development Services

General Fund

A. ~~[NOTE: This implementing objective was moved to Program 6.7 D]. Amend the Zoning Ordinance to address AB 101 (Low Barrier Navigation Centers "by right"), AB 139 (emergency shelter requirements), AB 2162 (Supportive and Transitional Housing "by right") and Health and Safety Code 17021.8 (Farmworker Housing) requirements, as well as the Employee Housing Act (H&S Section 17021.5) and residential care facilities for seven or more persons.~~

B. ~~[NOTE: This implementing objective deleted because it introduced no new action – this is a current, active regulation]. Continue to allow the affordable housing overlay (incentive) for 100% affordable housing projects up to 120% of the area median income level to receive a floor area ratio of 2.4:1.0, up to~~

50 feet in height and parking at .75 spaces per unit in the City's CD, CS, CN and CC commercial/mixed use zoning districts.

- C. *[NOTE: This implementing objective has already been implemented and is therefore recommended for deletion].* ~~Amend the municipal code to eliminate the legislative review process for affordable housing overlay projects (described in B above), thereby removing the Planning and Transportation Commission and City Council review from the project review process, in favor of typical review before the Architectural Review Board (ARB). For qualifying affordable housing overlay projects that also meet objective zoning standards, these applications shall be processed administratively with one courtesy review before the ARB.~~
- D. Amend the municipal code to extend the affordable housing ~~overlay~~ (incentive program) to apply to all housing opportunity sites identified in the Housing Element ~~and zoned for commercial, industrial or multi-family residential; consider extending to religious institution sites located in the R1 district.~~
- E. Amend the affordable housing overlay (incentive program) regulations to allow housing projects to achieve a floor area ratio of 2.4:1.0 without requiring commercial floor area (except on University and California Avenue); allow compliance with State Density Bonus parking standards if more permissible than local requirements; and housing projects income restricted to 60% of the area medium income level or below, allow up to sixty (60) feet in height.

Time Frame: Completed by December 31, 2024

Qualified Objective: Amend the zoning code and comprehensive plan as necessary to extend the provision of affordable housing incentive program to 347 additional properties and extend codify additional incentives described herein.

- F. Assess existing development review process to determine if an expedited permit process can be implemented for affordable housing projects.

Time Frame: Initiate assessment by December 2023 with implementation of assessment option initiated by December 2024.

Quantified Objective: The timeframes associated with permit processing can be viewed as a constraint to affordable development. The City aims to process planning entitlements for affordable housing projects exempt from environmental review with 90 days from application submittal.

- G. Research and identify additional State and federal funding opportunities for affordable housing projects. Disseminate information on funding opportunities on the City's website and/or to potential developers during technical assistance meetings.

Time Frame: Ongoing and annually.

Quantified Objective: Support the development of 1,556 units for very-low income, and 896 units for low-income households during the planning period.

Primary Associated Goals and Policies:

Goal: 2, 3, 4
Policies: 2.1, 2.2, 2.3, 3.2, 4.2

[NOTE: This program and implementing objectives were moved in its entirety to Program 6.3]

~~Program 3.4: Mixed-Use Development~~

~~Mixed use projects are a more efficient use of land and can make housing development more profitable and therefore more likely to be constructed and are appropriate in certain areas. Mixed use development downtown or near high quality transit and rail service can enhance the local economy and support small businesses. In addition, the City is cognizant of its jobs/housing balance and will continue to focus on proactive solutions that better align housing needs generated by new job growth and strive to reduce its existing jobs/housing imbalance. Palo Alto will consider and implement development standards that incentivize greater housing production and temper the strong market demand for commercial development.~~

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund
Implementing Objectives:	<ol style="list-style-type: none"> A. Continue to focus on proactive land use policies, such as commercial office growth restrictions to promote an improved jobs to housing balance. B. At strategic locations, amend the City's municipal code to reduce commercial floor area allowances or other commercial incentives to shift the economic benefit of redevelopment toward home building. C. Review the City's Workforce Housing Overlay regulations and consider amendments to better align the target housing population (120%+ to 140% AMI) with a housing typology that provides clear reduced rents compared to market rate rents for a comparable unit. D. Examine extending the University Ave In Lieu Parking program for residential projects and consider an in lieu parking program for the California Avenue area.
Primary Associated Goals and Policies:	Goal: 3 Policies: 3.1, 3.2

Program 3.54: Housing Incentive Program (HIP)

The HIP was enacted in 2019 as an alternative to the State Density Bonus law and provides development incentives including no housing density restrictions, increased floor area ratios and increased lot coverage. This program seeks to expand the suite of development incentives and extend the program to residential districts.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Sources(s):	General Fund

Implementing Objectives:

- A. Continue to allow HIP projects to benefit from relaxed development standards including, increased floor area ratios and waiver from lot coverage requirements.

Time Frame: Ongoing.

Qualified Objective: Monitor development activity and document how many projects take advantage of the HIP as opposed to base district zoning standard or other State incentives, such as State Density Bonus law.

- B. HIP qualifying projects that also comply with City approved objective standards shall be administratively reviewed with one courtesy meeting before the Architectural Review Board but subject to appeal to the City Council.

Time Frame: Ongoing.

Qualified Objective: Monitor projects for compliance with desired review schedule, track application processing timelines and number of applications appealed to Council; use data to inform future modifications to the HIP program.

- C. Based on the findings of a feasibility study, modify the local Housing Incentive Program to amend development standards that promote greater housing production; align the City's parking requirements to be consistent with State Density Bonus law; allow for sites subject to the City's retail preservation ordinance – except in the ground floor (GF) and retail (R) combining districts and strategic locations generally depicted in the draft South El Camino Real Design Guidelines – a reduction in the amount of retail replacement floor area needed for redevelopment and waive the retail preservation requirement for identified housing opportunity sites.

- D. Based on the findings of a feasibility study, extend and amend the local Housing Incentive Program to multi-family residential districts to amend development standards that promote greater housing production and to align the City's parking requirements to be consistent with the State Density Bonus law.

- E. Based on the findings of a feasibility study, extend the local Housing Incentive Program to the ROLM and GM districts in northeast portion of the City nearest the Bayshore Freeway and generally bounded by East Charleston Road to the east and Loma Verde Avenue. The Housing Incentive Program development standards shall be amended to increase height and floor area allowances for housing projects; reduce parking requirements, including consideration of parking maximums that do not exceed provisions of the State Density Bonus Law, and adjustment to other development standards to enable greater housing production.

Time Frame: Complete by December 31, 2024.

Qualified Objective: Amend the municipal code and comprehensive plan to codify implementing objective; as with A and B above, monitor program and housing production generated from program – make adjustments as warranted.

Primary Associated Goals and Policies:

Goal: 2, 3, 4
Policies: 2.2, 3.1, 3.2, 4.2, 4.4

Program 3.65: Expedited Project Review

The City continues to explore opportunities to improve the efficiency of the development review process. As a response to a housing shortage in the State of California, Senate Bill 330 (SB 330) was passed to restrict local rules that limit housing production. SB 330 helps strengthen the Permit Streamlining Act, by creating a more efficient two-step application process. The City has already made improvements towards expediting the development process for housing in the City by developing objective standards. Additionally, in conformance with Government Code Section 65940.1 (SB 1483), the City has all schedule of fees, application forms, Zoning Ordinance/Municipal Code, and other relevant information publicly accessible on the City’s website. The City will continue to find ways to make the development process more efficient to uphold SB 330, by further streamlining the permit process and directly coordinating with developers to ensure a timely application and development process.

Time Frame:
Responsible Agency:
Funding Source(s):
Implementing Objectives:

PENDING
Planning and Development Services
General Fund
A. Identify opportunities to implement changes to reduce administrative burdens during permitting, such as automating processes, creating reference guides, and streamlining review processes.

Time Frame: Ongoing.
Qualified Objective: The City recently received a building permit audit with recommendations to improve application processing and streamlining; most of these improvements are anticipated to be completed by December 2024. Staff is exploring other document management and project tracking solutions, including software based solutions to ensure projects are being processed in a timely manner.

B. Formalize a procedure to offer no-cost pre-application consultation services for new housing developments.

Time Frame: Complete by January 31, 2023
Qualified Objective: Provide a no-cost pre-consultation meeting for up to 90 minutes for any multi-family housing project.

C. For housing projects subject to the City’s Architectural Review Board, limit the number of hearings before the ARB to a maximum of two meetings.

Time Frame: Complete by December 31, 2024
Qualified Objective: Amend the zoning code to limit multi-family housing projects to two hearings before the City’s ARB unless additional review is agreed upon by the home builder and City; document the City’s performance.

Primary Associated Goals and Policies:

Goal: 4
Policy: 4.2

Programs that conserve and improve the condition of the existing affordable-housing stock:

Program 4.1: Replacement Housing

Development on nonvacant sites with existing residential units is subject to a replacement requirement pursuant to Government Code Section 65583. The City will amend its code to require the replacement of units affordable to the same or lower income level as a condition of approval for any development on a nonvacant RHNA site consistent with those requirements set forth in California Density Bonus Law.

Time Frame:
Responsible Agency:
Funding Source(s):
Implementing Objectives:

PENDING
Planning and Development Services
General Fund
A. Amend the City’s municipal code to require housing opportunity sites identified as meeting the lower income regional housing needs assessment (RHNA) allocation, and other applicable sites with existing affordable units, to require a one for one replacement of deed restricted units or units occupied by lower income tenants, when redeveloped.

Time Frame: Complete by June 30, 2024.
Qualified Objective: Amend the municipal code to achieve objective.

B. Expand the SB330 requirements to require any commercial development to replace any demolished residential units as a part of any redevelopment.

Time Frame: Complete by June 30, 2025.
Qualified Objective: Amend the municipal code to achieve objective.

Primary Associated Goals and Policies:

Goals: 1, 3
Policies: 1.2, 1.4, 3.3

Program 4.2: Housing and Neighborhood Preservation

The City is committed to preserving its existing housing stock (or replace in kind) and neighborhoods. All residents deserve to live in safe and hazard free housing. Preserving the City’s neighborhoods helps sustain the City’s high quality of life. Preservation of its housing and neighborhoods is a continued priority for the City.

Time Frame:
Responsible Agency:
Funding Source(s):
Implementing Objectives:

Ongoing
Planning and Development Services
General Fund
A. Annually communicate with renters through direct mailing to multi-family apartment buildings and through the City’s website, resources available to renters, including expectations for housing quality and steps to take for suspected substandard housing conditions.

Time Frame: Initiate in 2025 and annually thereafter.
Qualified Objective: Prepare relevant information and post online, explore best outreach approaches to communicate with renters.

B. In response to any complaint about substandard housing received by the City’s Code Enforcement Program, staff will provide information to the resident or homeowner about the City’s Rehabilitation Program.

Time Frame: Ongoing.
Qualified Objective: Staff will respond to any complaints received, provide access to relevant information and when necessary, connect the complainant with mediation services offered by the City through contract provider.

C. The City will conduct increased outreach to increase awareness of housing resources, fair housing workshops, and tenant protection. Specifically, the City will conduct at least one fair housing workshop annually for community-based organizations that serve residents and housing providers in areas of the City with the highest number of substandard housing complaints to Code Enforcement.

Time Frame: Ongoing and annually, with first workshop to occur by December 2024.
Quantified Objective: Disseminate information to the public to increase the awareness of support for home rehabilitation with the goal of reaching at least 5 new households annually.

Primary Associated Goals and Policies:

Goal: 1, 6
Policies: 1.1, 1.2, 1.3, 6.2

Program 4.3: Home Rehabilitation~~Program~~

The City is committed to maintaining quality housing conditions throughout the City. The City will continue to implement the Residential Rehabilitation Program through the City’s Community Development Block Grant (CDBG) program, which offers financial assistance through grants and identifies new funding opportunities for loans to qualified lower~~and moderate~~-income households to repair and maintain their homes.

Time Frame:
Responsible Agency:
Funding Source(s):
Implementing Objectives:

Ongoing
Planning and Development Services
Community Development Block Grant (CDBG)
A. Annually dedicate CDBG funds as available to support the City’s Rehabilitation Program; seek additional funding to supplement CDBG funding.

Time Frame: Ongoing and annually.

Qualified Objective: Participate and remain in good standing with the CDBG program; distribute funds in accordance with fund guidelines and requirements.

B. *[NOTE: merged with above implementation objective].* ~~Seek additional funding sources to supplement CDBG funding.~~

C. The City will conduct increased outreach to increase awareness of CDBG funds and availability of said funds. The City will conduct one fair housing workshop annually to disseminate information regarding program requirements and availability of funds. The City will also update their website annually with information on the program.

Time Frame: Ongoing and annually, with first workshop to occur by December 2024.

Qualified Objective: Disseminate information to the public to increase the use of available CDBG funds with the goal of reaching at least 5 new households annually.

Primary Associated Goals and Policies:

Goal: 1, 6
Policies: 1.1, 1.3, 6.2

Program 4.4: Seismic Retrofit

Palo Alto was among the first jurisdictions to enact progressive seismic upgrade legislation and successfully established a program that required structure assessment reports and incentives to encourage seismic retrofits. Much more is known today about the effect earthquakes have on different building typologies and engineering solutions to make buildings safer. An analysis of the City’s housing stock finds there are multi-family housing units located in soft-story buildings that are vulnerable to a seismic event. In addition to addressing the safety concerns associated with seismically vulnerable buildings, structurally enhancing these buildings will reduce the potential for displacement and serve to make the City’s housing stock more resilient.

~~Time Frame:~~

Responsible Agency:

Funding Source(s):

Implementing Objective:

~~PENDING~~

Planning and Development Services

General Fund

A. Amend the City’s seismic hazards identification program to strengthen regulations and require seismic upgrades of vulnerable housing stock through a combination mandatory provisions and voluntary incentives.

Time Frame: Initiate effort in 2023, complete by 2026.

Qualified Objective: Amend the City’s seismic regulations to advance implementation objective.

Primary Associated Goals and Policies:

Goal: 1
Policy: 1.1

Programs that preserve assisted housing developments at-risk of conversion to market-rate:

Program 5.1: Preservation of At-Risk Housing

The City will continue to support the preservation of affordable housing projects that could potentially convert to market-rate units during the planning period. The City will monitor all units and assist property owners in maintaining the affordability of these units and provide relocation resources to tenants if preservation is unsuccessful.

~~Time Frame:~~

Responsible Agency:
Funding Sources(s):
Implementing Objectives:

~~Ongoing~~

Planning and Development Services
General Fund / HOME Investment Partnership Program
A. ~~Twice during the planning period (2024 & 2028), provide~~ direct notification to property owners and tenants of ~~lower- and moderate-~~ income deed restricted housing units of the state requirement to notify affected households about the termination of the affordability restrictions at six and twelve months, and three years.

Time Frame: Twice during the reporting period, once in 2024 and again in 2028.

Qualified Objective: Mail requirements to qualifying property owners as specified.

B. Engage the property owner of 4230 Terman Drive (Terman Apartments) with 72 affordable housing units at risk of conversion to market rate units during the housing cycle to explore opportunities for continued affordability.

Time Frame: Initiate conversation in 2024.

Qualified Objective: Hold meetings with property owner to explore opportunities to ensure the continued affordability of the rental units; implement additional protections, such as financial incentives, as able.

Primary Associated Goals and Policies:

Goal: 1
Policies: 1.2, 1.3, 1.4

Program 5.2: Funding Partnerships

Preserve and protect affordable, middle-income and at-risk housing through site acquisition or partnership opportunities, such as the California Community Housing Agency (CalCHA) or similar programs or agencies.

~~Time Frame:~~

Responsible Agency:
Funding Sources(s):
Implementing Objectives:

~~PENDING~~

Planning and Development Services
General Fund / HOME Investment Partnership Program
A. Review CalCHA partnership requirements and present an option to decision-makers for inclusion to the program; identify existing housing sites meeting

criteria for preservation, prepare and adopt necessary resolutions or agreements to operationalize program.

Time Frame: Make decision to engage with CalCHA (or similar programs) by June 2025.

- B. Continue seeking funding sources, especially for extremely low income housing, including supporting the ongoing development of the Bay Area Housing Financing Authority (BAHFA).

Time Frame: Annually and ongoing.

Qualified Objective: Support the BAHFA to provide services to 50 extremely low-income households during the planning period.

Primary Associated Goals and Policies:

Goal: 1
Policy: 1.3

Programs that promote equal housing opportunities, regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or ability:

[NOTE: Program 6.1 deleted; implementing objective A relocated to new Program 6.8].

~~Program 6.1: Housing Information Portal~~

~~Provide information on the City's website that clearly identifies the City's housing production goals and performance tracking; application processing requirements and target review times; developer incentives; inclusionary requirements; supplemental information such as checklists, flowcharts, and other relevant material; access to housing resources and an affordable housing database for individuals seeking opportunities in Palo Alto; and, contact information to obtain additional information.~~

~~Time Frame:~~

~~December 31, 2023~~

~~Responsible Agency:~~

~~Planning and Development Services~~

~~Funding Source(s):~~

~~General Fund~~

~~Implementing Objective:~~

- ~~A. Create a website that provides relevant housing application and processing information to the home building community.~~

~~Primary Associated Goals and Policies:~~

~~Goal: 4
Policy: 4.5~~

[NOTE: This program was moved in its entirety to Program 1.5]

~~Program 6.2: ADU Facilitation Program~~

~~This program aims to annually monitor provisions made to ADU legislation and amend the City's Zoning Ordinance as necessary to ensure compliance with State law. Furthermore, the City is committed to reducing barriers to alternative types of housing such as ADUs.~~

~~In recent years, multiple bills have added requirements for local governments related to ADU ordinances. The 2016 and 2017 updates to State law included changes pertaining to the allowed size of ADUs, permitting ADUs by right in at least some areas of a jurisdiction, and parking requirements related to ADUs. More recent bills reduce the time to review and approve ADU applications to 60 days, remove lot size requirements and replacement parking space requirements and require local jurisdictions to permit junior ADUs. AB 68 allows an ADU and a junior ADU to be built on a single family lot, if certain conditions are met. The State has also removed owner occupancy requirements for ADUs, created a tiered fee structure that charges ADUs based on their size and location, prohibited fees on units of less than 750 square feet, and permitted ADUs at existing multi-family developments.~~

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Implementing Objectives:	A. Respond in a timely manner to update the City’s municipal code to integrate changes in State ADU housing law.
	B. Maintain and update a City Summary Guide to ADUs and JADU’s to promote, educate, and assist homeowners with developing ADUs.
	C. Continue to monitor and publish information related to ADU production and application review timelines.
Primary Associated Goals and Policies:	Goals: 2, 4 Policies: 2.3, 4.3

Program 6.31: Housing For Persons With Special Needs

The City’s municipal code is periodically updated to address a wide range of issues and California and Federal law. The City will continue to monitor its policies, standards, and regulations to ensure that they comply with applicable law. The City will also facilitate the development of housing for persons with disabilities and other special needs through incentives for affordable housing development.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund, <u>CBDG</u>
Implementing Objectives:	A. For extremely low income housing units, update the City’s affordable housing guidelines to establish preferences for populations with special needs.
	<u>Time Frame: Complete by December 31, 2024.</u>
	B. <u>On an ongoing basis, with annual review,</u> eContract with and financially support non-profit services providers <u>such as the Opportunity Center,</u> that help meet the supportive services needs of the City’s diverse community, especially those with extremely low incomes.

Time Frame: Ongoing and annually as funds are available.

Qualified Objective: Support the Opportunity Center with the goal of providing services to 50 low-income households during the planning period.

C. In order to assist in the housing needs for special needs populations, the City will:

- Engage with housing stakeholders and housing providers, on the identification of needs and new solutions,
- Encourage housing developers, through the City’s BMR requirements, to designate a portion of new affordable housing units for special needs populations, and
- Partner with the County and other agencies to pursue funding sources designated for housing for special needs groups, including seniors and persons with ~~intellectual and physical~~ disabilities.

Time Frame: Starting in 2023 and annually thereafter.

Qualified Objective: Meet annually with housing service providers and the Santa Clara County representatives to identify opportunities to further support special needs populations.

D. Work with Stanford and other higher education institutions to require that student, faculty, and staff housing be proactively addressed in master plans.

Time Frame: Starting in 2023 and annually thereafter.

Quantified Objective: Meet annually with housing service providers and the Santa Clara County representatives to identify opportunities to further support special needs populations.

Primary Associated Goals and Policies:

Goal: 5_6
Policies: 5.1, 5.2, 5.3, 5.4, 5.5, 6.3

Program 6.42: Multi-Family Housing and Large Family Household Units

~~Certain groups have greater difficulty finding decent, affordable housing due to special circumstances.~~ Due to the high cost of housing and scarcity of land, housing units large enough to accommodate large ~~families~~ households are limited. Large households are defined as 5 or more persons living in the household. The City considers large ~~families~~ households as a vulnerable population within the City and is committed to exploring additional opportunities for multi-family housing developments. Furthermore, the City will continue to advocate and promote the production of housing units of all to accommodate all persons and family sizes. Large ~~family~~ household units have three or more bedroom units.

~~Time Frame:~~
Responsible Agency:
Funding Source(s):
Implementing Objectives:

~~PENDING~~
Planning and Development Services
General Fund
A. Explore incentives to encourage larger units, such as FAR exemptions for three or more bedroom units.

Primary Associated Goals
and Policies:

- B. Promote and encourage a mix of different bedroom units in each development.
- C. The City shall encourage housing designs that meet the needs of extended, multigenerational, and/or large families.

Time Frame: Initiate in 2027 and conclude before December 31, 2029.
Qualified Objective: Meet with housing stakeholders and conduct public hearings before the Planning and Transportation Commission to receive public and commissioner input on ways to achieve stated objective. Make recommendations to Council and follow up with an ordinance to effect a change in local zoning regulations as directed.

Goals: 2, 5, 6
 Policy: 2.3, 5.1, 6.3

Program 3.46.3: Mixed-Use Development

Mixed-use projects are a more efficient use of land and can make housing development more profitable and therefore more likely to be constructed and are appropriate in certain areas. Mixed-use development downtown or near high quality transit and rail service can enhance the local economy and support small businesses. In addition, the City is cognizant of its jobs/housing balance and will continue to focus on proactive solutions that better align housing needs generated by new job growth and strive to reduce its existing jobs/housing imbalance. Palo Alto will consider and implement development standards that incentivize greater housing production and temper the strong market demand for commercial development.

Responsible Agency:
 Funding Sources(s):
 Implementing Objectives:

Planning and Development Services
 General Fund

- A. Continue to focus on proactive land use policies, such as commercial office growth restrictions to promote an improved jobs to housing balance.

Time Frame: Ongoing

- B. ~~At strategic locations, a~~ Amend the City's municipal code to reduce commercial floor area allowances or other commercial incentives at strategic locations to shift the economic benefit of redevelopment toward home building.

Time Frame: December 31, 2025

- C. Review the City's Workforce Housing Overlay regulations and consider amendments to better align the target housing population (120%+ to 140% AMI) with a housing typology that provides clear reduced rents compared to market rate rents for a comparable unit. Engage with organizations, research case studies and identify successful tools used to facilitate missing middle housing opportunities; report findings to the City Council and implement through text amendments or policy changes, regulations to promote workforce housing opportunities.

Primary Associated Goals
and Policies:

Time Frame: Complete by December 31, 2026

- D. Examine extending the University Ave In-Lieu Parking program for residential projects and consider an in-lieu parking program for the California Avenue area. Discuss with home builders and other stakeholders the feasibility of marketing different housing typologies without on-site parking (paid through in-lieu fee) and implications to City parking resources; present findings to the City Council with options on how to proceed.

Time Frame: Complete by December 31, 2025

Goal: 3, 6
Policies: 3.1, 3.2, 6.3

Program 6.54: Homelessness Program

Santa Clara County adopted the Santa Clara Community Plan to End Homelessness, which is designed to address homelessness throughout Santa Clara County as a whole. The City's Homeless Prevention Program was created as a result of the County's Community Plan to End Homelessness. The Program is for Palo Alto households who are at risk of becoming homeless as defined by HUD and focuses on self-sufficiency and stabilization. And for those experiencing homelessness and waiting for more permanent housing, provide services that offer immediate support.

~~Time Frame:~~

Responsible Agency:

Funding Source(s):

Implementing Objectives:

~~PENDING~~

Planning and Development Services

General Fund

- A. Expand geographic and service areas of the City's Safe Parking Program. ~~Geographically,~~ Consider using City park parking lots for the program. Expand program services to include case management and explore opportunities to provide supervised access to City facilities, such as the Cubberley Community Center facility locker rooms.

Time Frame: Initiate by 2026, complete by December 2028.

- B. Create a social services directory and make it available to residents at public counters and on City website.

Time Frame: Complete by June 2023.

Expand the City's homeless prevention program to include renter protections and financial assistance for rent, security deposits, and utilities. Identify funding sources to support households at risk of homelessness; engage with homelessness stakeholders, conduct hearings before the Planning and Transportation and City Council and make recommendations to support objective; implement based on available funding.

Time Frame: Initiate in 2026 and complete by June 2028.

C. *[NOTE: This implementing objective was moved from Program 6.6 A].* Continue to pursue the Homekey (LATP) site for use as a temporary bridge housing facility to provide accommodations for individuals who are actively engaged in services leading to permanent housing. Engage with stakeholders, including the State Department of Housing and Community Development, LifeMoves, Santa Clara County Office of Supportive Housing, and the Santa Clara County Housing Authority to advance the project and to provide transitional housing and support services for 88 households.

Time Frame: Complete by June 30, 2024.

D. *[NOTE: This implementing objective was moved from Program 6.6 B].* Explore additional opportunities for Homekey funding or other similar funding sources to convert hotels to permanent or interim housing for persons experiencing homelessness or at risk of homelessness. Work with stakeholders to identify additional funding opportunities and locations to support homelessness population and those at risk of homelessness.

Time Frame: Ongoing.

Primary Associated Goals and Policies:

Goal: 5, 6
Policies: 5.1, 5.2, 5.3, 5.5, 5.6, 6.3

[NOTE: This program is recommended for deletion in part because the referenced assembly bill sunsets after 2026 – the implementing objectives are retained and merged with Program 6.4].

~~Program 6.6: Transitional and Supportive Housing~~

~~Transitional and Supportive Housing: Assembly Bill 2162 (AB 2162), which was passed in 2018, requires that supportive housing be a use by right in zones where multi-family and mixed use are permitted, including nonresidential zones permitting multifamily uses. Additionally, AB 2162 prohibits local governments from imposing any minimum parking requirements for units occupied by supportive housing residents if the development is located within ½ mile of a public transit stop. The City will amend its Zoning Ordinance to comply with the latest provisions under AB 2162 and will continue to seek new supportive housing opportunities through further analysis of the residential site inventory. The City is committed to expanding both supportive and transitional housing opportunities for vulnerable communities that rely on such services and will prioritize these housing developments near transit centers to provide easier access to City services for supportive and transitional housing residents.~~

~~Time Frame:
Responsible Agency:
Funding Source(s):
Implementing Objective:~~

~~PENDING
Planning and Development Services
General Fund
A.— Continue to pursue the Homekey (LATP) site for use as a temporary bridge housing facility to provide accommodations for individuals who are actively engaged in services leading to permanent housing.~~

Primary Associated Goals
and Policies:

~~B. Explore additional opportunities for Homekey funding or other similar funding sources to convert hotels to permanent or interim housing for persons experiencing homelessness or at risk of homelessness.~~

Goal: 5
Policies: 5.1, 5.2, 5.3, 5.5, 5.6

Program 6.7: Alternative Housing

Under this program, the City will continue to support alternative types of housing, such as large household multifamily units, single-room occupancy units, and managed living units or “micro-units,” to accommodate extremely-low-income households.

~~Time Frame:~~
Responsible Agency:
Funding Source(s):
Implementing Objectives:

~~PENDING~~

Planning and Development Services
General Fund

A. Coordinate with HIP Housing or similar house sharing services to provide shared housing arrangements. Identify opportunities to extend home sharing services to Palo Alto and promote on the City’s website as appropriate.

Time Frame: Initiate conversations in 2024.

B. Encourage innovative housing structures, such as micro-unit housing and new shared and intergenerational housing models to help meet the housing needs of aging adults, students, and lower-income individuals citywide. Meet with housing stakeholders and conduct public hearings before the Planning and Transportation Commission to receive public and commissioner input on ways to achieve stated objective. Make recommendations to Council and follow up with an ordinance to effect a change in local zoning regulations as directed.

Time Frame: Initiate in 2027 and conclude before December 31, 2029.

C. Review and amend the Zoning Ordinance to address review and amend State legislation pertaining to the definitions and allowances of uses for the definition of family, Employee Housing, Residential care facilities, Group Homes and/or Boardinghouses ~~to review regulations to be consistent with California Law for six or more residents.~~

D. *[NOTE: This implementing objective moved from Program 3.3 A].* Amend the Zoning Ordinance to address AB 101 (Low Barrier Navigation Centers "by right"), AB 139 (emergency shelter requirements), AB 2162 (Supportive and Transitional Housing "by right") and Health and Safety Code 17021.8 (Farmworker Housing) requirements, as well as the Employee Housing Act (H&S Section 17021.5) and residential care facilities for seven or more persons.

Time Frame: Complete by December 31, 2025.

Primary Associated Goals
and Policies:

Goal: 5, 6
Policies: 2.3, 5.1, 5.3, 5.4, 5.5, 5.6, 6.3

[NOTE: Programs 6.8, 6.9 and 6.11, and the corresponding implementing objectives were merged into one program (6.8) as they all relate to the same topic].

Program 6.8: Fair Housing ~~Services~~

The City of Palo Alto is committed to providing equitable opportunities to all residents of Palo Alto in order to expand access to housing and increase housing mobility. ~~To achieve fair housing goals, the City will continue to partner and support Project Sentinel who provides a variety of fair housing services including but not limited to: tenant/landlord services, including mediation, information, investigation, counseling, and referral services.~~ The City will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities. The action items listed below will assist the City in reducing barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources.

AB 686 (2017) requires each city to administer its programs and activities related to housing in a manner that affirmatively furthers fair housing. Palo Alto will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities. To address the requirements of AB 686, the City participates in the 2020-2025 Santa Clara County Consolidated Plan (ConPlan). The County’s ConPlan identifies eight housing goals for the County and each of its participating jurisdictions including Palo Alto. Additionally, the ConPlan identifies regional and local barriers to fair housing around the region, with heavy emphasis on racial and economic disparity, land use and zoning, and lack of assistance and resources. Programs were identified to reduce barriers in the City including adjusting zoning amendments to expand affordable and alternative housing opportunities and increasing accessibility to information.

~~Time Frame:~~
Responsible Agency:
Funding Source(s):
Implementing Objectives:

~~PENDING~~
Planning and Development Services
General Fund
Fair Housing Services

- A. ~~Distribute educational materials to property owners, apartment managers, and tenants relative to fair housing requirements, regulations, and services~~ via the City’s website, social media, community announcements and similar forums.

Time Frame: Initiate by May 31, 2024 and update annually thereafter.

- B. ~~On an ongoing basis, continue to p~~Provide multi-lingual fair housing information to the public ~~regularly as needed~~ via the public counters, message boards, City website, neighborhood watch, and in response to telephone inquiries.

Time Frame: Ongoing, update material and information annually.

- C. Partner with ~~Continue to provide referral to~~ Project Sentinel to conduct random testing at least once per year during the planning period. Refer individuals to, State Fair Employment and Housing, HUD Fair Housing and Equal Opportunity division, and other legal services as appropriate.

Time Frame: Ongoing.

- D. Allocate annual funding for fair housing services through the Action Plan process for the use of CDBG funds.

Time Frame: Annually as part of the CBDG update.

- E. Work with Project Sentinel and renter organizations to conduct an annual workshop to educate tenants and landlords about fair housing requirements.

Time Frame: Ongoing.

Qualified Objective: Aim to reduce fair housing complaints by educating approximately 20 tenants and landlords annually.

Fair Housing Impediments

- F. Encourage mixed-income developments accessible to lower income residents citywide, especially in high opportunity and resource-rich areas through use of the City's Below Market Rate (BMR) requirements, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.

Time Frame: Ongoing

Quantified Objective: Support the development of 1,556 units for very-low income, and 896 units for low-income households during the planning period.

Tenant Protections

- G. Institute Tenant Protections to prevent anti-displacement including the following: relocation assistance; eviction reduction program; rental survey program; security deposit limit; fair chance ordinance; right to counsel.

Time Frame: Begin implementation in December 2023.

Quantified Objective: Aim to reduce fair housing complaints by educating approximately 20 tenants and landlords annually.

- H. Require a 90-day notice for a rent increase of 6% instead of the State's 10% threshold for noticing.

Time Frame: Begin implementation in December 2023.

- I. Promote Housing Choice Vouchers to support housing mobility by educating landlords about income discrimination (i.e. Cannot post "NO Section 8" on applications)

Time Frame: Ongoing

Quantified Objective: Assist 200 households annually or the number of vouchers allocated under the housing choice voucher program, including project-based vouchers.

Primary Associated Goals and Policies:

Goal: 6
Policies: 6.1, 6.2, 6.3, 6.4, 6.5

[NOTE: Programs 6.8, 6.9 and 6.11, and the corresponding implementing objectives were merged into one program (6.8) as they all relate to the same topic].

~~Program 6.9: Affirmatively Furthering Fair Housing~~

~~To address the requirements of AB 686, the City participates in the 2020-2025 Santa Clara County Consolidated Plan (ConPlan). The County’s ConPlan identifies eight housing goals for the County and each of its participating jurisdictions including Palo Alto. Additionally, the ConPlan identifies regional and local barriers to fair housing around the region, with heavy emphasis on racial and economic disparity, land use and zoning, and lack of assistance and resources. Methodologies were identified to reduce barriers in the City including adjusting zoning amendments to expand affordable and alternative housing opportunities and increasing accessibility to information.~~

Time Frame:
Responsible Agency:
Funding Source(s):
Implementing Objectives:

PENDING
Planning and Development Services
General Fund
A. ~~Reduce barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources through use of the city’s Inclusionary Housing Ordinance, Housing Trust Funds, development of city-owned properties, and use of grant funding for housing.~~
B. ~~Promote Housing Choice Vouchers to support housing mobility by educating landlords about income discrimination (i.e. Cannot post “NO Section 8” on applications)~~
C. ~~Institute Tenant Protections to prevent anti-displacement including the following: relocation assistance; eviction reduction program; rental survey program; security deposit limit; fair chance ordinance; right to counsel.~~
D. ~~Require a 90-day notice for a rent increase of 6% instead of the State’s 10% threshold for noticing.~~

Primary Associated Goals and Policies:

Goal: 6
Policies: 6.1, 6.2, 6.3, 6.4, 6.5

~~Program 6.11: Fair Housing Program~~

~~AB 686 (2017) requires each city to administer its programs and activities related to housing in a manner that affirmatively furthers fair housing. Palo Alto will take actions to overcome patterns of segregation, address disparities in housing needs and access to opportunity, and foster inclusive communities.~~

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Implementing Objectives:	<p>A. Encourage mixed income developments accessible to lower income residents citywide, especially in high opportunity and resource rich areas through use of the City's Below Market Rate (BMR) requirements, Housing Trust Funds, development of city owned properties, and use of grant funding for housing.</p> <p>B. Reduce barriers to housing, including but not limited to racial inequities, high housing costs, and public awareness of existing resources through use of the City's Below Market Rate (BMR) requirements, Housing Trust Funds, development of city owned properties, and use of grant funding for housing.</p>
Primary Associated Goals and Policies:	<p>Goal: 6</p> <p>Policies: 6.1, 6.2, 6.3, 6.4, 6.5</p>

Program 6.129: Community Outreach Program

Community outreach is a key component to developing a comprehensive and inclusive housing market in the city. It is critical to engage local community groups and stakeholders from all sectors of the community in order to educate and provide inclusive housing opportunities. The goal of this program is to provide underrepresented community groups, which are affected by restrictions to fair and equitable housing, greater opportunities for becoming informed and engaged in the City's housing and overall planning process.

Time Frame:	PENDING
Responsible Agency:	Planning and Development Services
Funding Source(s):	General Fund
Implementing Objectives:	<p>A. Partner with Human Services for community outreach with a focus on traditionally underrepresented groups. <u>Meet with Human Services representatives bi-annually to formulate strategies aimed at engaging the City's most vulnerable populations.</u></p> <p><u>Time Frame:</u> Bi-annually; initiate first meeting by January 2024. <u>Qualified Objective:</u> Reach at least 20 households annually through work with Human Services.</p> <p>B. The City shall continue to facilitate opportunities for all residents and stakeholders to provide meaningful and effective input on proposed planning activities early on and continuously throughout plan development and the public review process. Outreach efforts to disadvantaged communities, <u>and engagement materials in multiple languages</u> will be a priority.</p> <p><u>Time Frame:</u> Ongoing. <u>Qualified Objective:</u> Increase public participation rates amongst City's underrepresented groups by at least 20% by the end of the planning period.</p>

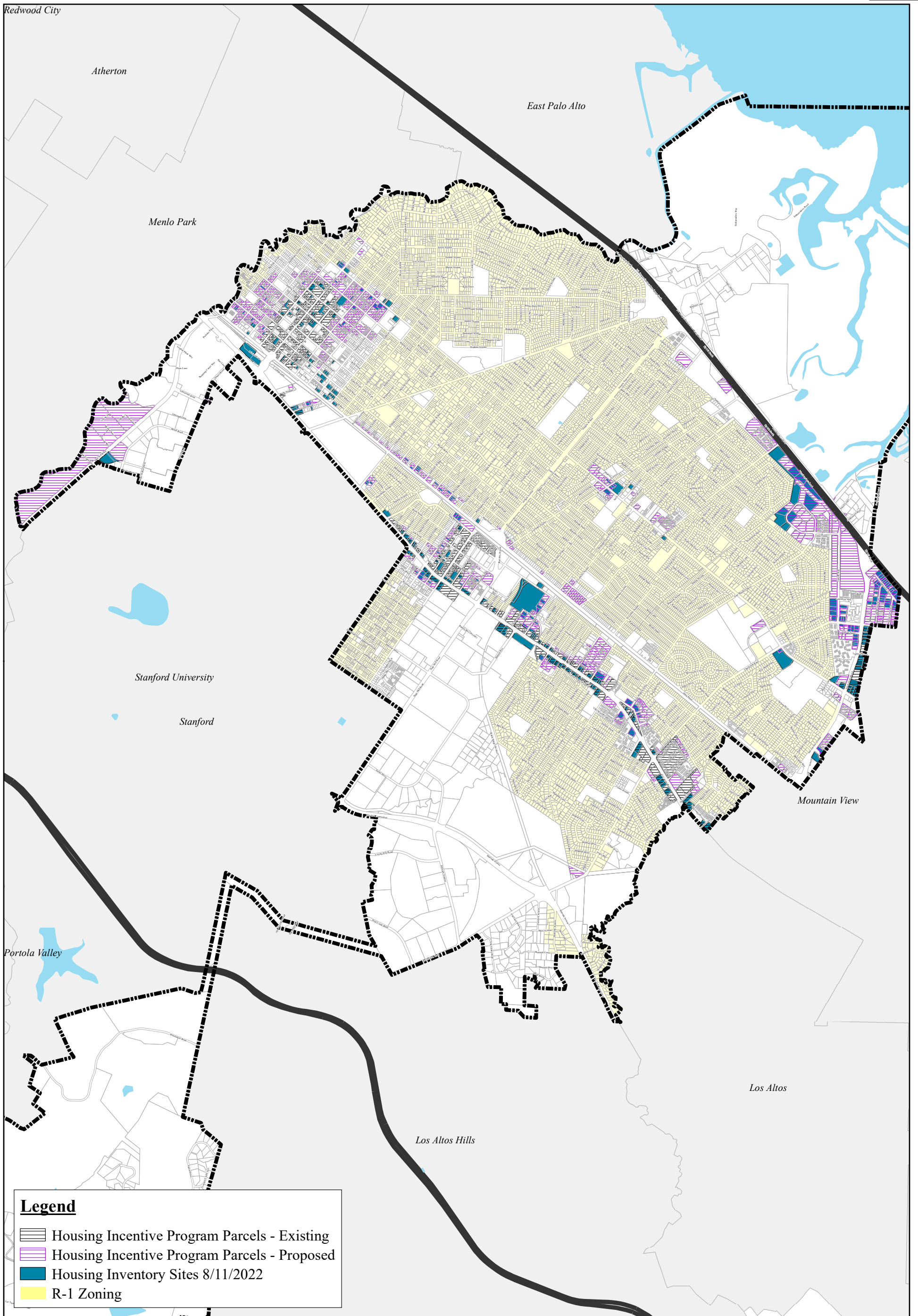
Primary Associated Goals
and Policies:

C. [NOTE: Moved from Program 6.1]. Create a website that provides relevant housing application and processing information to the home building community.





Time Frame: Complete by January 15, 2024 and update annually.

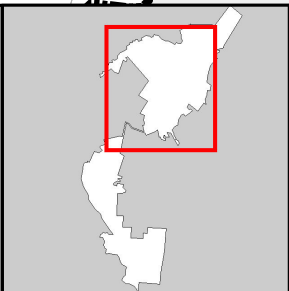
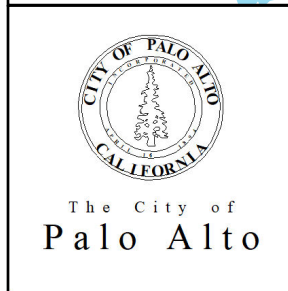
Qualified Objective: Support the development of 1,556 units for very-low income, 896 units for low income, 1,013 units for moderate income, and 2,621 above-moderate households during the planning period.

Goal: 6
Policies: 6.1, 6.2, 6.3, 6.4, 6.5



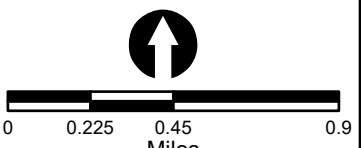
Legend

-  Housing Incentive Program Parcels - Existing
-  Housing Incentive Program Parcels - Proposed
-  Housing Inventory Sites 8/11/2022
-  R-1 Zoning



Housing Element Sites
& Housing Incentive Program Parcels

This map is a product of
City of Palo Alto GIS



A north arrow pointing upwards and a scale bar showing distances in miles: 0, 0.225, 0.45, and 0.9.



City of Palo Alto

City Council Staff Report

(ID # 14617)

Meeting Date: 8/22/2022

Report Type: Information Reports

Title: Contracts Awarded by the City Manager and Chief Procurement Officer

From: City Manager

Lead Department: Administrative Services

Recommendation

This is an information report, no action is required.

Discussion

Palo Alto Municipal Code (PAMC) Section 2.30.710 requires the City Manager to provide a biannual report to Council consisting of contracts awarded by the City Manager, Procurement Officer or other designated employees for:

- 1) Goods contracts \$85,000 through \$250,000 per year (Attachment A), and
- 2) Professional and General Services \$25,000 through \$85,000 and Public Works Contracts \$85,000 through \$250,000 per year (Attachment B).

The contracts in Attachment A consist of nine (9) distinct awards for goods, and the contracts in Attachment B consist of 81 distinct awards for a wide range of services. These awards are a core element of the efficient and effective provision of services by the City to our community and reflect extensive coordination and prudent decision-making among operating departments, the Administrative Services Department, the City Attorney's Office, and City Clerk's Office.

For informational purposes, Attachment C provides excerpts from the PAMC that set forth the authority designated by Council to the Procurement Officer to award and sign contracts (PAMC 2.30.200), City Manager to award and sign contracts (PAMC 2.30.210), and exemptions from competitive solicitation (PAMC 2.30.360 and 2.30.900), as noted for certain contracts listed in Attachments A and B.

Attachments:

- **Attachment6.a:** Attachment A: Goods Contracts Awarded \$85,000 through \$250,000 per year
- **Attachment6.b:** Attachment B: Professional and General Services \$25,000 through \$85,000 per year and Public Works Contracts \$85,000 through \$250,000 per year
- **Attachment6.c:** Attachment C: Excerpts from the Palo Alto Municipal Code

ATTACHMENT A
Goods Contracts Awarded \$85,000 through \$250,000 per year
January 1, 2022 through June 30, 2022

Contract Award To	Award Date	Award Amount	Bidding Exemption or Number of Bids Sent/Received	Description
ANIXTER INC	06/06/2022	\$105,956.02	428/4	69kV Air Switches 1200 amp switches
COMPUDIRECT 3000 INC	06/08/2022	\$98,539.88	2.30.360 (j)	Portege X30L-K Notebooks
DOBLE ENGINEERING COMPANY	06/22/2022	\$86,601.60	2.30.360(d)	MTS-5100 Relay Tester
FIRE TRAINING STRUCTURES LLC	02/03/2022	\$94,724.61	2.30.360(b2)	Training Trailer for Fire department
JOHN DEERE COMPANY	02/09/2022	\$96,680.78	2.30.360 (j)	John Deere Utility Tractor
NATIONAL AUTO FLEET GROUP	04/18/2022	\$97,840.46	2.30.360(j)	2022 Ford Interceptor for Police
R&B COMPANY	04/20/2022	\$93,300.00	2.30.360(d)	Pipes, Valves & Fittings
STRYKER SALES LLC	01/13/2022	\$167,914.55	23/3	LIFEPAK CR2 AEDs
TURF STAR INC	03/03/2022	\$119,352.35	2.30.360(j)	Toro Turf Mower

ATTACHMENT B
Service Contracts Awarded
Professional and General Services \$25,000 through \$85,000 per year and Public Works Contracts \$85,000 through \$250,000 per year
January 1, 2022 through June 30, 2022

Contract Awarded To	Award Date	Award Amount	Bidding Exemption or Number of Bids Sent/Received	Description
3-GIS LLC	06/27/2022	\$58,357.40	763/1	Fiber Management Software-RFP
ADVANCE DESIGN CONSULTANTS INC	05/16/2022	\$39,325.00	2.30.360(i)	Design Services
BARTEL ASSOCIATES, LLC	02/10/2022	\$65,000.00	2.30.360(b2)	Actuarial Valuation OPEB & CalPERS
BAYSPORT PREVENTIVE MEDICAL GROUP	01/21/2022	\$30,905.00	2.30.360(d)	MOE Physicals & EMS PPD
BAYSPORT PREVENTIVE MEDICAL GROUP	01/25/2022	\$31,095.00	2.30.360(d)	Fire Department Physicals- Confirming PO
BLACK & VEATCH CORPORATION	02/08/2022	\$50,000.00	2.30.360(i)	Spill Containment Study
BURNS & MCDONNELL ENGINEERING	04/20/2022	\$49,500.00	2.30.360(i)	Professional Risk Analysis
CALIFORNIA CONSULTING INC	03/28/2022	\$50,000.00	2.30.360(i)	Grant Writing Services
CDW GOVERNMENT	05/18/2022	\$37,530.00	2.30.360 (j)	Armorblox: Inbound email protection software
CITY OF SAN JOSE	06/23/2022	\$30,000.00	2.30.360(i)	Minimum Wage Ordinance Compliance Services
CODE FOR FUN	05/25/2022	\$36,000.00	2.30.360(a)	Coding Instructor Services
COLUMBIA TELECOMMUNICATIONS CO	05/25/2022	\$28,208.25	2.30.360(h)	Wireless Consultant Services; applicant mgmt process
COLUMBIA TELECOMMUNICATIONS CO	05/25/2022	\$31,342.50	2.30.360(h)	Wireless Consultant Services; applicant mgmt process
COMMERCIAL PUMP SERVICE INC	06/15/2022	\$185,979.20	893/1	Pump Replacement
COOPER PREUIT ENGINEERS INC	06/17/2022	\$39,875.00	2.30.360(i)	Eng. and Design Services for Cubberley Fields Restroom
DASHER TECHNOLOGIES	01/05/2022	\$122,129.90	2.30.360(J)	HP60 2-port array and Adapters
DAVID J POWERS & ASSOCIATES IN	05/25/2022	\$95,428.50	2.30.360(h)	Study for 123 Sherman Ave- Cost Recover Contract
DUKE'S ROOT CONTROL, INC.	05/12/2022	\$70,000.00	1235/2	Root Foaming Services
ECOLOGY ACTION OF SANTA CRUZ	02/14/2022	\$43,812.00	2.30.360(i)	Pedestrian Safety Education
EDGAR AND ASSOCIATES INC	06/28/2022	\$35,000.00	2.30.360(i)	Research Services
EMPOWERMENT INSTITUTE	06/28/2022	\$33,625.00	2.30.360(i)	Community Engagement for Cool Block Program
EOA, INC.	06/27/2022	\$49,750.00	2.30.360(i)	Trash Reduction Consultant
EPC SERVICES COMPANY	02/23/2022	\$50,000.00	2.30.360(i)	Commissioning Services
EPS INC.	04/20/2022	\$85,000.00	2/1122	Interim Sewer Lateral Replacement
FLEX ADVANTAGE	06/28/2022	\$40,740.00	2.30.360(i)	Retiree Medical Reimbursement
FLYNN RESOURCE CONSULTANTS INC	06/22/2022	\$85,000.00	1471/5	Electric Power Interconnect Support
FUKUJI ARCHITECTURE AND PLANNI	06/27/2022	\$49,900.00	2.30.360(i)	Feasibility Study for California Avenue
GAIL L REEDER	05/03/2022	\$38,500.00	2.30.360(i)	SRTS Administrative Assistant
GE DIGITAL LLC	01/10/2022	\$56,069.76	2.30.900	Historianv9.1 Standard 5000 Pt
GE DIGITAL LLC	01/06/2022	\$27,464.33	2.30.900	iClient v6.5 Thick Runtime IT Services

ATTACHMENT B
Service Contracts Awarded
Professional and General Services \$25,000 through \$85,000 per year and Public Works Contracts \$85,000 through \$250,000 per year
January 1, 2022 through June 30, 2022

Contract Awarded To	Award Date	Award Amount	Bidding Exemption or Number of Bids Sent/Received	Description
GEORGE M HILLS COMPANY INC	03/03/2022	\$40,000.00	2.30.360(g)	Professional Legal Services
GOLDER ASSOCIATES USA INC	05/02/2022	\$61,893.33	1984/4	Year 1 - Landfill Groundwater
HANG HUYNH	04/19/2022	\$25,001.00	2.30.360(i)	CDBG Consultant - Hang Huynh
HIREVUE INC	05/03/2022	\$37,000.00	2.30.360(t)	Hirevue Software for video interviewing and recruitment
HITACHI ENERGY USA INC	05/06/2022	\$45,636.07	3/3	Purchase of Transformers
HSI WORKPLACE COMPLIANCE SOLUT	03/28/2022	\$28,750.00	2.30.360(d)	Online Safety Training- Yr. 3
IVY PLANNING GROUP LLC	01/31/2022	\$85,000.00	5/5	DEI Services
JARVIS FAY LLP	01/27/2022	\$50,000.00	2.30.360(g)	Professional Legal Services
JARVIS FAY LLP	02/14/2022	\$25,000.00	2.30.360(g)	Professional legal services
JARVIS FAY LLP	04/06/2022	\$60,000.00	2.30.360(g)	Professional Legal Services
JB HUNT TRANSPORT, INC.	04/20/2022	\$36,000.00	3/3	Transportation or Material
JEFFREY B FROKE PhD	06/21/2022	\$32,230.00	2.30.360(i)	Golf Course Mitigation-Year 1
JOHNSON CONTROLS US HOLDINGS	04/08/2022	\$28,866.99	2.30.360(i)	Installation of 7 card readers at MSC-C
KEYSER MARSTON ASSOCIATES	02/23/2022	\$50,000.00	2.30.360(h)	Real Estate and Financial Consulting Services -340 Portage
KEYSER MARSTON ASSOCIATES	05/25/2022	\$32,520.00	2.30.360(h)	Economic Dev. & On Call Services- Cost Recovery Revenue Contract
LAW OFFICE OF ALAN SELTZER	06/28/2022	\$25,000.00	2.30.360(i)	Admin Appeals Hearing Officer
LEGION CONTRACTORS INC	04/13/2022	\$201,600.00	3/393	Cubberly CC Tennis Resurfacing
LIEBERT CASSIDY WHITMORE	02/25/2022	\$35,000.00	2.30.360(g)	Professional Legal Services
MACIAS GINI & O'CONNELL, LLP	06/01/2022	\$39,950.00	2.30360(i)	Consulting Services for Assessment Review Program
MATRIX CONSULTING GROUP	02/06/2022	\$36,000.00	2.30.360(i)	Fire Prevention Study
MCCAMPBELL ANALYTICAL INC	04/26/2022	\$74,000.00	641/3	Lab Analysis Services
MICROSOFT CORPORATION	06/15/2022	\$74,435.00	2.30.360(j)	Microsoft Unified Support - IT Services
MUNICIPAL RESOURCE GROUP LLC	05/03/2022	\$30,139.28	2.30.360(i)	CAO Evaluation Services
ORACLE AMERICA, INC.	03/16/2022	\$34,649.33	4/3	Oracle Support Renewal
OSMOSE UTILITIES SERVICES INC	04/11/2022	\$50,000.00	2.30.360(i)	Pole Replacement Design and Estimating Services
OSMOSE UTILITIES SERVICES INC	06/20/2022	\$85,000.00	847/1	Wood Pole Inspection Services
PAGE & TURNBULL	06/15/2022	\$50,000.00	2.30.360(i)	Consultant for Historical Resources Reconnaissance Survey
PRO-CAL LIGHTING INC	03/09/2022	\$181,445.00	1164/12	Tennis/Pickleball Courts Lighting Upgrades
PRODIGIQ INC	06/23/2022	\$45,000.00	772/3	Aviation Account Software
PRODIGY PRESS	06/01/2022	\$50,000.00	2.30.360(i)	Graphic Art, Print and Mailing

ATTACHMENT B
Service Contracts Awarded
Professional and General Services \$25,000 through \$85,000 per year and Public Works Contracts \$85,000 through \$250,000 per year
January 1, 2022 through June 30, 2022

Contract Awarded To	Award Date	Award Amount	Bidding Exemption or Number of Bids Sent/Received	Description
PRODIGY PRESS	03/11/2022	\$25,739.77	2.30.360(i)	Utilities at a Glance Brochures
QUALITY ASSURANCE ENGINEERING	02/10/2022	\$85,000.00	1896/6	On Call Soils & Materials Testing
Rankin Stock Heaberlin O'Neal	01/26/2022	\$30,000.00	2.30.360(g)	Professional Legal Services
RAYMOND CHRISTOPHER ORTIZ III	02/11/2022	\$30,000.00	2.30.360(i)	Artist Services
RINCON CONSULTANTS, INC.	04/19/2022	\$35,070.05	2.30.360(h)	Study Mitigated Negative Declaration - Cost Recovery Contract
ROMIG ENGINEERS, INC.	04/05/2022	\$50,000.00	2.30.360(i)	Geotechnical Services- Year 1
RON PARIS CONSTRUCTION CO., IN	06/28/2022	\$238,326.00	1142/3	Seating Replacement for Childrens Theatre
RUCKUS MARKETING LLC	06/21/2022	\$80,000.00	2/3	Advertising Services for JMZ
SEDARU INC	05/31/2022	\$34,440.00	2.30.360(d)	Sedaru Software Subscription
SHI INTERNATIONAL CORP	03/08/2022	\$50,304.00	2.30.360 (j)	Code42 Software
SLOAN SAKAI YEUNG & WONG LLP	06/28/2022	\$50,000.00	2.30.360(i)	Labor Negotiation Services
SOUTH BAY REGIONAL PUBLIC SAFE	02/08/2022	\$49,000.00	2.30.360(i)	Training Academy for Fire Fighters
SPENCON CONSTRUCTION INC	03/02/2022	\$32,612.80	4/4	Substation Driveway Repair
STATEWIDE TRAFFIC SAFETY AND S	01/19/2022	\$85,000.00	1350/3	Traffic Control Services for WGW
STRATEGIC ENERGY INNOVATIONS	03/30/2022	\$59,992.00	2.30.360(b2)	Two Climate Action Fellows
TERI BLACK & COMPANY LLC	01/14/2022	\$200,002.00	2.30.360(i)	CMO Recruitments
THE GALECIA GROUP	06/27/2022	\$50,000.00	2.30.360(i)	Consulting Services for AMH
THE PERMANENTE MEDICAL GROUP,	06/21/2022	\$25,000.00	2.30.360(i)	Pre-employment Services-Year 1
TRANSFORMER CONSULTING	03/30/2022	\$50,000.00	2.30.360(i)	On-Call Consulting Services
TRISTAR ICS INC	06/28/2022	\$48,000.00	2.30.360(i)	Leave Absence Management Services
VOX NETWORK SOLUTIONS	02/15/2022	\$35,987.97	2.30.360 (i)	911 Monthly Recurring Charges- 911 Secure Software

ATTACHMENT C

Excerpts from the Palo Alto Municipal Code

Chapter 2.30 – Contracts and Purchasing Procedures

2.30.200 Procurement officer contract award authority.

The Procurement Officer may award and sign the following contracts:

(a) Public Works Contracts. Public works contracts, where the term does not exceed three years, and the contract price and any price contingency established for change orders, but excluding sales tax or use tax, do not exceed \$85,000.00 in the first contract year, and do not exceed the sum of \$85,000.00 and any unexpended monies carried forward from a prior contract year, in any subsequent contract year.

(b) Contracts for Goods. Contracts to purchase goods, where the term does not exceed three years, and the contract price and any price contingency established for change orders, but excluding sales tax or use tax, do not exceed \$85,000.00 in the first year, and do not exceed the sum of \$85,000.00 and any unexpended monies carried forward from a prior contract year, in any subsequent contract year.

(c) General Services Contracts. General services contracts, where the term does not exceed three years, and the contract price and any price contingency established for change orders or additional services, but excluding sales tax or use tax, do not exceed \$85,000.00 in the first contract year, and do not exceed \$85,000.00 and any unexpended monies carried forward from a prior contract year, in any subsequent contract year.

(d) Professional Services Contracts. Professional services contracts, where the term does not exceed three years, and the contract price, and any price contingency established for additional services, but excluding sales tax or use tax, do not exceed the sum of \$85,000.00 in the first contract year, and do not exceed the sum of \$85,000.00 and any unexpended monies carried forward from a prior contract year, in any subsequent contract year.

(e) Software and Hardware Purchase, Licensing, Maintenance and Support Contracts. Notwithstanding Subsection 2.30.200(c), the Procurement Officer may award and sign contracts other than general services agreements, including, without limitation, vendor-based standard form hardware and software purchase and licensing contracts, for the purchase of hardware and software, the licensing of software, and the maintenance and support of hardware and software, where the term of licensing or maintenance and support services does not exceed five years and the contract price, excluding sales tax or use tax, does not exceed \$85,000.00 per year in the first contract year and does not exceed the sum of \$85,000.00 and any unexpended monies carried forward from a prior contract year, in any subsequent contract year. The contracts referred to herein may include contracts for data storage services, which shall be subject to the city's information security policies, terms, conditions and other requirements established by the chief information officer with the concurrence and approval of the City Attorney.

(Ord. 5494 § 9, 2020; Ord. 5387 § 1 (part), 2016; Ord. 4827 § 1 (part), 2004)

2.30.210 City Manager contract award authority.

The City Manager may award and sign the following contracts:

(a) **Public Works Contracts.** Public works contracts, where the term does not exceed three years, and the contract price and any price contingency established for change orders, but excluding sales tax or use tax, do not exceed \$250,000.00 in the first contract year, and do not exceed the sum of \$250,000.00 and any unexpended monies carried forward from a prior contract year, in any subsequent contract year.

(b) **Contracts for Goods.** Contracts to purchase goods, where the term does not exceed three years and the contract price and any contingency established for change orders, but excluding sales tax or use tax, do not exceed \$250,000.00 in the first contract year, and do not exceed the sum of \$250,000.00 and any unexpended monies carried forward from a prior contract year, in any subsequent contract year.

(c) **General Services Contracts.** Contracts for services associated with the leasing or licensing of personal property other than hardware or software, where the term does not exceed seven years, and the contract price and any price contingency established for change orders, but excluding sales tax or use tax, do not exceed \$85,000.00 in the first contract year, and do not exceed the sum of \$85,000.00 plus any unexpended monies carried forward from a prior contract year, in any subsequent contract year.

(d) **Contracts for Studies and Services Related to Private Development.** Professional services contracts for: (1) the preparation of environmental assessments or other studies deemed necessary by the director of planning and development services for the processing of applications for private development projects, or (2) inspection and plan review services deemed necessary by the director of planning and development services to evaluate conformity of private development projects with applicable building codes, regardless of the cost or term thereof, provided the applicant for the private development project agrees, in writing, to bear responsibility for the entire contract cost, and the contract does not require the expenditure of city funds in any amount.

(e) **Rewards.** The City Manager may offer and pay rewards where the amount of the reward does not exceed \$25,000.00, in accordance with the procedures of Section 2.30.800.

(f) **Emergency Contracts.** The City Manager is authorized to expend city funds for emergency contracts, as defined in Section 2.30.160, without limitation on the contract cost or amount and without following the contract solicitation and award procedures otherwise required by this chapter, provided that any procurement of goods and services obtained during an emergency declared by the Federal Emergency Management Agency shall comply with applicable FEMA Public Assistance Program's procurement orders, rules, regulations, guidelines and control procedures for cost reimbursement purposes. Expenditures made during an emergency must be reported to the Council at the next regular meeting if approval for such expenditures would otherwise have been made by the Council. The City Manager may issue a verbal report to the Council before a written report is delivered.

(g) **Contracts to Rent, Lease, License, Acquire, Transfer or Purchase Interests in Real Property from Other Parties.** Contracts for the rental, leasing, licensing, or purchase by installment interests in real property from other parties for a term of seven years or less, where the contract price does not exceed \$85,000.00 per year, or to encumber or transfer any interest in real property from other parties for any term of years. The City Manager may enter into and sign a contract to acquire or purchase an interest in real property, where the contract price does not exceed \$85,000.00.

(h) **Contracts to Rent, Lease, or License City Real Property to Other Parties.** The authority granted under this Section is distinct from the authority of the director of community services to grant individuals and groups permits for the exclusive temporary use of buildings and facilities located in, and the areas of, city parks and open spaces, as described in Chapter 22.04 of this municipal code or in the park and open space regulations. The City Manager may award and sign contracts to rent,

lease or license city real property to other parties regardless of the price for a term not exceeding three years. Notwithstanding the preceding sentence, the City Manager may enter into and sign contracts for the rental, lease or licensing of real property at the Cubberley Community Center for terms of up to five years.

(i) **Contracts to Provide Municipal Services to other Public Entities or Utilities.** A contract to provide municipal services and functions to any other public agency, public utility or other public entity in any amount for a term not exceeding three years, provided the contract is in compliance with all Council-adopted policies covering such contracts. The authority granted herein does not include the authority of the City Manager to add permanent employee positions.

(j) **Contracts Providing for Indemnity or Risk of Loss.** The City Manager, with the concurrence and approval of the City Attorney and the insurance risk manager, may enter into and sign contracts, otherwise within the limits of his or her authority under Section 2.08.140 of this municipal code, that provide for the city or its officers or employees to defend, indemnify, or assume the risk of damage, loss, or liability for, or subrogate to any other contracting party respecting claims, demands, actions, losses or liabilities arising from the city's performance or non-performance under the contract.

(k) **Wholesale Utility Commodities and Services Contracts.** Wholesale utility commodities and services contracts, where the term does not exceed five years and the contract price does not exceed \$250,000.00 in any contract year.

(l) **Software and Hardware Purchase, Licensing, Maintenance and Support Contracts.** Notwithstanding Subsection 2.30.210(c), the City Manager may award and sign contracts other than general services agreements, including, without limitation, vendor-based standard form hardware and software purchase and licensing contracts, for the purchase of hardware and software, the licensing of software, and the maintenance and support of hardware and software, where the term of licensing or maintenance and support services does not exceed seven years and the contract price, excluding sales tax or use tax, does not exceed \$85,000.00 per year in the first contract or fiscal year and does not exceed the sum of \$85,000.00 and any unexpended monies carried forward from a prior fiscal year, in any subsequent contract or fiscal year. The contracts referred to herein may include contracts for data storage services, which shall be subject to the city's information security policies, terms, conditions and other requirements established by the chief information officer with the concurrence and approval of the City Attorney.

(m) **Other Contracts.** All other types of contracts for which the contract term does not exceed three years and the total expenditure by the city does not exceed \$85,000.00 in the first contract or fiscal year, and does not exceed the sum of \$85,000.00 and any unexpended monies carried forward from a prior fiscal year, in any subsequent contract or fiscal year.

(Ord. 5494 §§ 3, 10, 2020: Ord. 5387 § 1 (part), 2016: Ord. 4827 § 1 (part), 2004)

2.30.360 Exemptions from competitive solicitation requirements.

The following are exemptions from the informal and formal competitive solicitation requirements of this chapter, except as otherwise provided. These exemptions will be narrowly interpreted and applied. The department requesting an exemption shall provide all relevant information supporting the application of the exemption to the Procurement Officer. Based upon this information, the Procurement Officer shall make a recommendation to the City Manager and the City Manager shall determine whether an exemption from the competitive solicitation requirements applies. Nothing herein is intended to preclude the use of competitive solicitations, as practicable.

(a) Emergency Contracts, provided that any procurement of goods and services obtained during an emergency declared by the Federal Emergency Management Agency shall comply with applicable FEMA Public Assistance Program's orders, rules, regulations, guidelines and control procedures for cost reimbursement purposes.

(b) Whenever solicitations of bids or proposals would for any reason be impracticable, unavailing or impossible, provided that in the case of a public works project, the project is not otherwise required by the charter to be formally bid. These situations are those where solicitations of bids or proposals would not be useful or produce any operational or financial advantage for the city. Situations where solicitations of bids or proposals would be impracticable, unavailing or impossible, include, without limitation, the following:

(1) Contract specifications cannot be drawn in a way that would enable more than one vendor, consultant or contractor to meet them;

(2) Due to circumstances beyond the control of the city, the time necessary to use the competitive solicitation process, procedures and requirements would result in a substantial economic loss to the city or the substantial interference with a required city operation;

(3) Special conditions attached to a grant, donation or gift requires the use of particular goods and/or services.

All requests for exemptions under this subsection shall be supported by written documentation (facsimile or electronic mail may be used), approved by the department head and the Procurement Officer.

(c) Where competitive bids or requests for proposals have been solicited and no bid or proposal has been received, or where no bid or proposal meeting the requirements of the invitation to bid or request for proposals has been received, provided that, in the case of a public works project, the project is not otherwise required by the charter to be formally bid.

(d) Contracts for goods, wholesale commodities and services, general services or professional services available from only one source, where the Procurement Officer has determined, in writing, there is no adequate substitute or equivalent provider. Examples of acceptable sole source acquisitions or purchases may include, without limitation: equipment or services for equipment, for which there is no comparable competitive product or service except that provided by the equipment manufacturer, distributor or dealer; proprietary products sold directly by the manufacturer; a component or replacement part, for which there is no commercially available substitute and which can be obtained only from the manufacturer; goods where there is only one authorized distributor in the area; and goods where compatibility with goods in use by the city is an overriding consideration. All requests for sole source acquisitions or purchases shall be supported by written documentation (facsimile or electronic mail may be used), approved by the office or department head, and forwarded to the Procurement Officer.

(e) Contracts for goods where, pursuant to Section 2.30.900, the City Manager has determined that standardization of the supplies, materials or equipment is permissible.

(f) Placement of insurance coverage and surety bonds.

(g) Legal services contracts, including, without limitation, the services of outside counsel, consultants and other experts needed for litigation, administrative or other legal proceedings.

(h) Professional services contracts for private development related studies and services whenever the services are funded wholly by private developers.

(i) Professional services contracts, where the estimated total expenditure by the city, regardless of term, does not exceed \$50,000.00.

(j) Cooperative purchases, with one or more other public agencies or through a cooperative purchasing agency, provided: (i) the services are solicited using methods substantially similar to those required by this chapter, as determined by the Procurement Officer; and (ii) the contract is consistent with the requirements specified in this municipal code.

(k) The use of another governmental or public agency's contract or substantially the same contract terms provided: (i) the agency uses a solicitation method substantially similar to the method required by this chapter; (ii) the contract is consistent with the requirements specified in this municipal code; and (iii) the Procurement Officer determines that the city will realize overall value to utilizing the other agency's contract or contract terms compared to the city performing its own solicitation.

(l) Contracts with, or solicited on the city's behalf by, Northern California Power Agency, Transmission Agency of Northern California, and Western Area Power Administration to procure wholesale utility commodities and services that meet the requirements of Section 2.30.340(d) or 2.30.360(k).

(m) Contracts with Pacific Gas and Electric Company and the California Independent System Operator Corporation for energy transmission services to the extent necessary and expedient to provide for the general health, safety and welfare of the city's utility customers.

(n) Contracts with any public agency or governmental body to construct a public work, where the Procurement Officer determines the public agency or governmental body has used methods similar to those required by this chapter to contract for the public work.

(o) Contracts with any public utility holding a certificate of public convenience and necessity or any entity holding a cable service or video service franchise pursuant to chapter 2.10 of this municipal code to construct a public works, where such works involves property of such public utility or cable service or video service franchisee and is otherwise of direct concern to both the city and such public utility or cable service or video service franchisee, provided that the project is not otherwise required by the charter to be formally bid.

(p) Contracts with private developers to construct public improvements in connection with their development projects, even if the city contributes funds to the improvement project, provided that the projects are not otherwise required by the charter to be formally bid.

(q) Projects, where the public work is performed by the city with its own employees.

(r) Contracts, where the estimated total expenditure by the city does not exceed \$10,000.00.

(s) Contracts with entities to procure at wholesale prices utility commodities and services under a city "feed-in tariff" energy program that meets the requirements of Section 2.30.340(c).

(t) Professional services contracts in relation to personnel matters for: recruitment consultants, workplace investigations, threat assessments, conflict intervention, and industrial safety.

(Ord. 5494 § 21, 2020: Ord. 5387 § 1 (part), 2016: Ord. 5148 § 2, 2012: Ord. 5081 § 1, 2010: Ord. 4827 § 1 (part), 2004)

PART 10 – STANDARDIZATION

2.30.900 Standardization.

Where the City Manager has determined that it is required by the health, safety or welfare of the people or employees of the city, or that significant costs savings have been demonstrated, the standardization of supplies, materials or equipment, including, without limitation, information technology property, for purchase or to be used in a public works project is permitted and the supplies, materials or equipment specifications may specify a single brand or trade name. The City Manager may consider the following factors in determining to standardize on a single brand or trade name:

- (a) Repair and maintenance costs would be minimized;
- (b) User personnel training would be facilitated thereby;
- (c) Supplies or spare parts would be minimized;
- (d) Modifications to existing equipment would not be necessary;
- (e) Training of repair and maintenance personnel would be minimized; and
- (f) Matching existing supplies, materials or equipment is required for proper operation of a function or program.

(Ord. 5494 § 40, 2020: Ord. 5387 § 1 (part), 2016: Ord. 4827 § 1 (part), 2004)

Schedule of Meetings

Published August 11, 2022

This is a courtesy notice only. Meeting dates, times, and locations are subject to change. Almost all Palo Alto Council and some Standing Committee meetings are cablecast live on Channel 26. If there happens to be concurrent meetings, one meeting will be broadcast on Channel 29.

Meetings are held in-person and by virtual teleconference.

THURSDAY, August 11

Historic Resources Board Meeting, **Cancelled**
Stormwater Management Oversight Committee, 1:00 p.m.
Human Relations Commission, 6:00 p.m.

MONDAY, August 15

Sp. City Council Meeting, 5:00 p.m.

TUESDAY, August 16

Finance Committee Meeting, **Cancelled**

THURSDAY, August 18

City/School Liaison Committee Meeting, 8:30 a.m.
Architectural Review Board Meeting, 8:30 a.m.
Public Art Commission Meeting, 7:00 p.m.

MONDAY, August 22

Sp. City Council Meeting, 5:00 p.m.

TUESDAY, August 23

Parks and Recreation Commission Meeting, 7:00 p.m.

THURSDAY, August 25

Historic Resources Board Meeting, 8:30 a.m.

TUESDAY, August 30

Sp. City Council Meeting, 6:00 p.m.

WEDNESDAY, August 31

Planning and Transportation Commission, 6:00 p.m.

THURSDAY, September 1

Architectural Review Board Meeting, 8:30 a.m.

TUESDAY, September 6

Finance Committee Meeting, 5:30 p.m.

THURSDAY, September 8

Historic Resources Board Meeting, 8:30 a.m.
Human Relations Commission Meeting, 6:00 p.m.



City of Palo Alto City Council Staff Report

(ID # 14638)

Meeting Date: 8/22/2022
Report Type:

Title: Repeal of a Resolution Adopted on August 8, 2022 and Adoption of a Revised Resolution Establishing Advisory Spending Guidelines for Business Tax Proceeds

From: City Manager

Lead Department: Administrative Services

RECOMMENDATION

Staff recommends that the City Council adopt the Resolution at Attachment A which repeals Resolution 11063 adopted by the Council on August 8, 2022, and establishes revised advisory spending guidelines regarding proceeds of a business tax, if approved by voters at the General Election on November 8, 2022.

BACKGROUND & DISCUSSION

On August 10, 2022, the Palo Alto City Council adopted a Resolution to place a business tax on the November 2022 general election ballot. The business tax is a general tax. The attached resolution (Attachment A) informs residents and community stakeholders of Council's intended use for proceeds generated by the business tax, if approved by voters. The resolution outlines use equally among three areas: public safety services, train crossing safety, and affordable housing/unhoused services.

The City Council adopted a substantially similar resolution establishing advisory spending guidelines on August 8, 2022 ([CMR 14639](#)). Subsequently, an ad hoc committee of Councilmembers, meeting with representatives of the City's business community, determined that the advisory spending guidelines should be amended to add additional commitments to enhance transparency and accountability, in the form of annual reporting of business tax proceeds and expenditures. Staff recommends that the City Council adopt the attached Resolution, which repeals Resolution 11063 adopted by Council on August 8th and readopts the advisory spending guidelines with additional annual reporting commitments in Section 4 of the Resolution. This is in alignment with the direction from the City Council to staff on August 10, 2022.

TIMELINE

The attached advisory spending guidelines are effective upon adoption and will apply to business tax proceeds generated in 2023 (to be collected no sooner than 2024) and thereafter,

if approved by the voters at the General Election on November 8, 2022. Allocation of business tax proceeds will occur each year as part of the City Council's annual budget process.

RESOURCE IMPACT

Adoption of the attached Resolution will not, by itself, have a resource impact on the City. Discussion of the potential resource impact of the business tax can be found at [CMR 14540, packet page 92](#). The business tax structure adopted by the Council on August 10 is estimated to generate \$9.6 million in business tax revenue, annually.

STAKEHOLDER ENGAGEMENT

The attached Resolution reflects discussions with representatives of the business community as well as feedback from community members and stakeholders in the form of an online and mail-in communitywide survey (433 respondents), six focus group sessions, a community listening session, city newsletter and blog posts, utility bill inserts, and three voter surveys. A landing page on the City's website titled, [Fiscal Sustainability: A Community Conversation](#), was also developed.

ENVIRONMENTAL REVIEW

This activity is not a project under the California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, Section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment.

Attachments:

- **AttachmentA:** Attachment A: Revised Resolution Regarding Business Tax Advisory Spending Guidelines

ATTACHMENT A
NOT YET ADOPTED

Resolution No. _____

Resolution of the Council of the City of Palo Alto
Adopting Advisory Spending Guidelines for Proceeds of a Business Tax
to be Submitted to the Voters for Approval in November 2022

R E C I T A L S

A. The City of Palo Alto is a well-run municipality, with a Triple-A bond rating and a reputation for pro-active fiscal management, strong ongoing investments in public infrastructure, and conservative financial planning. However, the impacts of COVID-19, the subsequent economic downturn, and legal challenges to longstanding historic revenue sources have contributed to a projected budget gap in the City of Palo Alto's general fund.

B. Unlike most communities in California, the City of Palo Alto does not require local businesses to contribute to city projects and services through a local business tax. As Palo Alto looks to the future, City leaders have determined that the time has come to seek voter approval to tax mid-sized and large businesses operating in the City as neighboring communities do. Diversifying revenues with contributions from business will ensure that businesses pay a fair share and contribute to services used by residents, visitors and workers in the community.

C. If a business tax is approved by voters, its proceeds will be placed in the City's general fund for use on general government services. Council Members elected by the voters will determine the uses of those proceeds that best serve the public interest.

D. With this Resolution, the City Council informs voters of its intentions regarding the public services and programs that would be supported by business tax revenues.

Accordingly the Council of the City of Palo Alto RESOLVES as follows:

SECTION 1. This Resolution No. _____ updates and supersedes Resolution No. 10063, which is hereby repealed and shall be of no force or effect.

SECTION 2. Council hereby adopts the above Recitals as findings of the Council.

SECTION 3. It is the Council's intention to use proceeds of a business tax—a general tax for general government uses—to fund services and programs that support safety and quality of life. The Council approves the following advisory spending guidelines:

One-Third for Transportation and Safe Train Crossings. In the coming years, Palo Alto will need to need to invest substantial local funds in the improvement and safety of train crossings. CalTrain is electrifying and trains are increasing in number. To maintain traffic flow, bicycle and pedestrian mobility, and safety, the City's four at-grade road crossings must be modified and separated from the train right-of-way. It is estimated that an average investment of \$250 million will be needed for the improvements needed at each crossing. City funds will be used as matching funds to secure additional county, state, and federal funds for these investments in transportation infrastructure.

ATTACHMENT A
NOT YET ADOPTED

The Council plans to spend one-third of business tax proceeds on safe and efficient crossings for vehicles, bicyclists, and pedestrians.

One-Third for Housing Affordability and Services for the Unhoused. A balanced and healthy community welcomes families and individuals from all walks of life. In Palo Alto, significant investments are needed to bring housing costs into reach for many moderate earners who work in the City, such as teachers, public safety employees, and workers in the trades and service industries. With few affordable local housing options, these workers must travel long distances between home and work, contributing to green-house gas emissions and traffic congestion. In addition, longtime residents—especially those who rent—are at risk of losing housing and being forced to relocate to other communities or become unhoused. Those who are already living in the City without housing need financial support to transition to stable, safe and clean housing. Substantial funding is needed to advance these goals. The Council plans to spend one-third of business tax proceeds on affordable housing and unhoused services.

One-Third for Public Safety. Rising costs and constrained revenues have limited the City’s ability to provide public safety services—including police, fire, 911, and emergency services—at the level desired by the community. Stable long-term revenues from a business tax will put these highly-valued City services on sound footing into the future. The Council plans to spend one-third of business tax proceeds on public safety.

SECTION 4. During its regular annual fiscal reporting, the City will separately report receipts from the business tax and that year’s spending from business tax proceeds on transportation and safe train crossings, housing affordability and services for the unhoused, and public safety.

SECTION 5. The Council finds that adoption of this Resolution is not a project under the California Environmental Quality Act and, therefore, no environmental impact assessment is necessary.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

ATTEST:

APPROVED:

City Clerk

Mayor

APPROVED AS TO FORM:

ATTACHMENT A
NOT YET ADOPTED

City Attorney

City Manager



City of Palo Alto

City Council Staff Report

(ID # 14696)

Meeting Date: 8/22/2022

Report Type: Consent Calendar

Title: Approval of the City Position for the 2022 Cal Cities Annual Conference Resolution

From: City Manager

Lead Department: City Clerk

Recommendation

Staff recommends that Council authorize the City's voting delegate to vote on the one resolution up for consideration at the annual League of California Cities conference in Long Beach from September 7-9, 2022 and approve the recommended position provided below.

Background

Each year, the League of California Cities accepts resolutions from member cities and elected officials for approval at its annual conference. These resolutions affect the policy, direction, and/or work of the League of California Cities. This year, only one resolution has been introduced and will be voted on during the Business Meeting held during the annual conference. The League of California Cities [provides instruction](#) to member cities regarding voting: "in order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity."

Discussion

This action authorizes Vice Mayor Lydia Kou to act as voting delegate for the resolution noted below. Additionally, as the resolution is subject to change, Vice Mayor Kou is authorized to vote on any amendments in the manner she deems to be in the best interest of the City.

Attached for review is the 2022 League of California Cities [Annual Conference Resolution Packet](#). The packet contains the resolution in its current form along with background information justifying the action requested. Below for your convenience is a table containing the resolution title, the recommended City position, relevant guidance, and the impact to the City if passed.

Resolution Title
Resolution Relating To Amendments To The Cal Cities Bylaws
Recommended vote
Yes
Relevant Council or City guidance
<p><i>2022 Legislative Priorities, Foundational principle 3:</i> Protect and increase local government discretion. Oppose items that preempt or reduce the authority or ability of local government to determine how to effectively operate local programs, services, and activities.</p> <p>This resolution aligns with the City's Legislative Foundational Principle of local control and also aligns with the following Legislative Guideline: To support government action that allows the City to support the collaborative work of regional partners, trade associations, other local governments and organizations, and Joint Powers Authorities</p>
Potential City impact(s)
<p>This resolution, if adopted would adopt structural changes to specific committees, replace the term "Board Members" with "Directors", and modify the appointment process of certain committees to implement the League of California Cities Strategic Growth Plan adopted in 2017 and enhance Cal Cities' governance as recommended in the findings and recommendations from the Governance Report. This action will have no direct impact on the City of Palo Alto but will improve governance of the Cal Cities organization, of which the City of Palo Alto is a member.</p>

Resource Impact

There is no resource impact associated with this action, in that the action requires no financing, no modifications in operations, and no policy adjustment.

Environmental Review

The Council's adoption of this item is not a project requiring California Environmental Quality Act review, because it is an administrative governmental activity which will not cause a direct or indirect physical change in the environment.

Attachments:

- **Attachmenta:** 2022-General-Assembly-Resolutions-Packet



2022 Annual Conference and Expo

PROPOSED BYLAWS AMENDMENTS

*General Assembly
September 9, 2022*

If you have any questions regarding these materials, please contact Norman Coppinger at ncoppinger@calcities.org or by phone at 916.658.8277.



**2021-2022
CAL CITIES OFFICERS**

August 2022

President

Cindy Silva
*Mayor Pro Tem,
Walnut Creek*

To: Cal Cities General Assembly
From: Cindy Silva, President
Carolyn Coleman, Executive Director and CEO
Re: Proposed Cal Cities Bylaws Amendments

First Vice President

Ali Taj
*Council Member,
Artesia*

On July 15, 2022, the League of California Cities (Cal Cities) Board of Directors (Board) voted to present proposed bylaws amendments to the General Assembly at the 2022 Cal Cities Annual Conference and Expo. This memorandum outlines the history of the proposed amendments, summarizes the amendments, and provides an explanation of the process for adopting amendments to the bylaws.

Second Vice President

Daniel Parra
*Council Member,
Fowler*

Background

Immediate Past President

Cheryl Viegas Walker
*Council Member,
El Centro*

Beginning in 2017, the Board directed Cal Cities to undertake a strategic planning process that resulted in the adoption of the “Powering Up for California Cities Strategic Growth Plan 2018-2021” (Strategic Growth Plan). The Strategic Growth Plan set forth goals to enhance Cal Cities’ governance to: (a) achieve even higher levels of engagement and effectiveness; (b) ensure optimal engagement by members and effectiveness in supporting fulfillment of the Cal Cities’ mission; and (c) ensure the pathway to leadership is transparent and inclusive.

**Executive Director
and CEO**

Carolyn M. Coleman

In furtherance of its governance goals, the Board engaged an association governance consultant (Consultant) to evaluate the Cal Cities governance system and make recommendations for enhancing Cal Cities’ governance. The Consultant gathered and considered input from more than 350 Cal Cities members through advisory groups, roundtable discussions, interviews, and surveys. On July 8, 2021, the Consultant produced a report (Governance Report) detailing 49 recommendations to the Board to deepen the engagement of Cal Cities Member Cities and ensure Cal Cities’ governance is operating at peak performance.

The Governance Report included findings indicating that Cal Cities is a strong organization, with a high level of member engagement, but also highlighted opportunities for Cal Cities to enhance its governance. The opportunities for enhancement included: (a) improving the clarity, ease, and consistency in how the governance system works; (b) clarifying the guidelines for position qualifications and performance expectations; (c) identifying ways to deepen member engagement and enhance the quality of the experience of involvement; and (d) ensuring Cal Cities has an intentional, consistent organizational culture at all levels of the governance system.

The findings and recommendations from the Governance Report were presented to the Board during the July 2021 Board meeting. Following a robust exchange of ideas and input, the Board decided to move forward with many of the recommendations, referred other recommendations to a “to be established” board subcommittee for further study, and deferred consideration of the remaining recommendations.

Following Board approval, in September 2021 during the Cal Cities Annual Conference and Expo, the General Assembly voted to approve the following bylaws amendments:

1. Adjust the composition of the Board to achieve a higher impact and be more representative by adding Director seats to the Board for each of the five Diversity Caucuses, and transitioning members of the National League of Cities Board from Cal Cities Directors to one non-voting advisor to the Cal Cities Board.
2. Recognize the Cal Cities Diversity Caucuses in the Cal Cities bylaws to reflect the full contribution the caucuses make to Cal Cities’ mission and vision.

Those amendments became effective on Nov. 24, 2021.

Among the recommendations the Board decided was a priority to move forward was the establishment of a standing Governance Committee to assist the Board in fulfilling its governance function.

At its February 2022 meeting, the Board voted to approve Board policy establishing the Governance Committee with the task of regularly reviewing the governance structures, policies, and practices of Cal Cities and reporting its findings and recommendations to the Board. The Board also approved a one-year work plan for the Governance Committee that established priority governance issues to focus on in its first year.

Following the Board meeting, President Cindy Silva appointed the following Board members to serve on the Governance Committee:

- Cheryl Viegas Walker, Immediate Past President and Council Member, El Centro, Chair
- Walt Allen, Council Member, Covina
- Jan Arbuckle, Vice Mayor, Grass Valley
- LaTanya Bellow, Deputy City Manager, Berkeley
- Pippin Dew, Council Member, Vallejo
- Lynne Kennedy, Mayor Pro Tem, Rancho Cucamonga
- Karen Goh, Mayor, Bakersfield
- Jim Lewis, City Manager, Pismo Beach
- Lisa Middleton, Mayor, Palm Springs
- John Minto, Mayor, Santee
- David Pollock, Council Member, Moorpark

The Governance Committee met in April 2022, and following engaging and productive discussions, brought forward to the Board at its May 2022 meeting several recommendations to further enhance Cal Cities' governance. Among the recommendations approved by the Board during that meeting are two that require bylaws amendments:

1. Formalize oversight of the **Resolutions Committee** by establishing the Second Vice President as the chair of the committee, while retaining the President's authority to appoint the vice chair of the committee.
2. To ensure a more inclusive **Nominating Committee**, add one committee member appointed from among the Caucus Directors and one additional committee member appointed from among the At-Large Directors for a total of 13 committee members.¹

In addition to those recommendations identified by the Governance Committee and approved by the Board, Cal Cities staff identified various non-substantive revisions to the Cal Cities bylaws:

1. Clarify that, unless the Board establishes otherwise, the **Cal Cities President appoints the chair of Board-established committees**.
2. To avoid confusion and clarify organizational responsibilities, remove "Treasurer" from the **title of the Second Vice President**.²
3. To promote consistency, replace the term "Board member(s)" with "**Director(s)**."³

On July 15, 2022, the Board voted to present these proposed bylaws amendments to the General Assembly at the 2022 Cal Cities Annual Conference and Expo.

While the work to enhance Cal Cities' governance is a process being implemented in phases over several years, the Board believes these proposed amendments constitute important next steps toward ensuring Cal Cities' governance is operating at peak performance.

¹ Under the current bylaws, the Nominating Committee is comprised of 11 Directors. Two committee members are appointed from among At-Large Directors and one from a Department. Divisions participate on a rotation, with Directors residing within eight of the Divisions appointed in even-numbered years and Directors from the other eight appointed in odd-numbered years.

² Under the current bylaws, the Second Vice President is referred to as "Second Vice President/Treasurer." However, in practice the Second Vice President does not serve as treasurer of Cal Cities. Rather, that function is performed by the Chief Financial Officer designated in Article VIII, section 5, subdivision b(2), of the Cal Cities bylaws.

³ The current bylaws primarily refer to members of the Cal Cities Board of Directors as "Directors." However, there are instances in which they are referred to as "Board members."

Procedure for Amending the Cal Cities Bylaws

Amendments to the Cal Cities bylaws may be proposed by the Cal Cities Board and may be adopted: (a) by vote of the Cal Cities General Assembly, or (b) by mail ballot to Member Cities.⁴ In this case, the amendments will be considered by the General Assembly. Bylaws amendments need to be approved by 2/3 of those voting,⁵ and the number that constitutes 2/3 of those voting (a) cannot be less than a majority of the voting delegates present if there is a quorum at the time the vote is taken;⁶ or (b) cannot be less than a majority of a quorum if the meeting started with a quorum but a quorum is not present when the vote is taken.⁷

If approved by the General Assembly, the amendments to the bylaws will go into effect after the expiration of a 60-day protest period.⁸ If, within 60 days after the adoption of the amendments, one-third or more of Member Cities submit a written protest against such amendments, the amendments are automatically suspended until the next Annual Conference and Expo, when they may be taken up again for reconsideration and vote.⁹ If the amendments are approved by the General Assembly and no protest is lodged, the effective date of the bylaws amendments will be Nov. 9, 2022.

⁴ Article XVII, Section 1.

⁵ Article XVII, Section 2.

⁶ Cal. Corp. Code 7512, subd. (a).

⁷ Cal. Corp. Code 7512, subd. (d).

⁸ Article XVII, section 6.

⁹ Article XVII, section 7.

**RESOLUTION RELATING TO AMENDMENTS TO THE CAL CITIES BYLAWS
(2/3 vote at General Assembly required to approve)**

Source: League of California Cities Board of Directors

WHEREAS, the League of California Cities (Cal Cities) is a nonprofit mutual benefit corporation under California law and, as such, is governed by corporate bylaws; and

WHEREAS, the Cal Cities Board of Directors (Board) periodically reviews the Cal Cities bylaws for issues of clarity, practicality, compliance with current laws, and responsiveness to membership needs and interests; and

WHEREAS, beginning in 2017, the Board directed Cal Cities to undertake a strategic planning process that resulted in the adoption of the “Powering Up for California Cities Strategic Growth Plan 2018-2021” (Strategic Growth Plan); and

WHEREAS, the Strategic Growth Plan set forth goals to enhance Cal Cities’ governance to: (a) achieve even higher levels of engagement and effectiveness; (b) ensure optimal engagement by members and effectiveness in supporting fulfillment of the Cal Cities’ mission; and (c) ensure the pathway to leadership is transparent and inclusive; and

WHEREAS, in furtherance of its governance goals, the Board engaged an expert in association governance who gathered and considered input from more than 350 Cal Cities members through advisory groups, roundtable discussions, interviews, and surveys to evaluate the Cal Cities governance system and make recommendations for enhancing Cal Cities’ governance; and

WHEREAS, in July 2021 the Board decided to move forward with certain recommendations made as a result of that governance evaluation, including a recommendation to establish a standing Governance Committee of the Board to assist the Board in fulfilling its governance function; and

WHEREAS, in February 2022 the Board approved Board policy establishing the Governance Committee and charging it with regularly reviewing the governance structures, policies, and practices of Cal Cities, and reporting its findings and making recommendations to the Board; and

WHEREAS, in 2022 the Governance Committee recommended, and the Board, approved certain changes to the bylaws that: (1) formalize the oversight of the Resolutions Committee; (2) ensure a more inclusive Nominating Committee by adding one committee member appointed from among Caucus Directors and one additional committee member appointed from among At-Large Directors; (3) clarify that, unless the board establishes otherwise, the Cal Cities President appoints the chair of board-established committees; and (4) make various non-substantive revisions; and

WHEREAS, the Cal Cities Board offers the following proposed amendments and additions to the bylaws, as set forth in the attached redlined version of the bylaws specified below, which is hereby incorporated by reference:

1. Amend Article VI, section 3(c) to designate the Second Vice-President as the Resolutions Committee chair, while retaining the President's authority to appoint the vice chair of the Resolutions Committee;
2. Amend Article VII, section 5(b) to adjust the composition of the Nominating Committee by adding one At-Large Director and one Caucus Director for a total of 13 Nominating Committee members;
3. Amend Article VII, Section 10(d) to provide that, *unless the Board establishes otherwise*, the Cal Cities President appoints the chair of board-established committees;
4. Replace the title "Second Vice-President/Treasurer" with "Second Vice President" in Article VII, sections 2(a), 5(e), and 10(b); and Article VIII, sections 1, 2(c), and 4;
5. Replace the term "board member(s)" with "Director(s)" in Article VII, sections 5(b), 5(e), and 8; Article XII, section 5(c); and Article XV, section 4; and

now therefore, be it

RESOLVED, by the General Assembly of the League of California Cities assembled during the Annual Conference in Long Beach on September 9, 2022, that the proposed bylaws amendments are hereby approved and Cal Cities shall make the specified amendments to the Cal Cities bylaws set forth in the attached redlined version of the bylaws.

See ATTACHMENT 1 for redline of proposed changes to the bylaws.

ATTACHMENT 1
Redline of Proposed Changes to Bylaws

Bylaws for the League of California Cities

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Article VI. Resolutions

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Section 3: Resolutions Committee for Annual Conference Resolutions.

(a) Resolutions Committee Composition. The Cal Cities President establishes a Resolutions Committee sixty days prior to each Annual Conference, which committee shall consist of:

- (i) One elected official from each regional division, appointed by the regional division;
- (ii) One elected official from each policy committee, appointed by the policy committee;
- (iii) One member from each functional department, appointed by the department;
- (iv) One elected official from each caucus, appointed by the caucus; and
- (v) Up to ten additional members (at least five of whom are elected officials) as the Cal Cities President deems necessary to achieve geographic and population balance, as well as recognize the multiplicity of city functions not represented by the other appointments, including, but not limited to, the perspectives of board and commission members as well as professional staff.

(b) Presidential Appointments. In the event a regional division, policy committee, functional department, or caucus does not make its appointment to the Resolutions Committee, the Cal Cities President may make the appointment on the regional division's, policy committee's, functional department's, or caucus's behalf.

(c) Chair. The Cal Cities ~~President shall also appoint to the Resolutions Committee a committee chair and vice chair~~Second Vice-President shall serve as committee chair. The Cal Cities President shall also appoint to the Resolutions Committee a vice chair.

(d) Minimum Committee Size and Composition. In the event the full committee is not in attendance at the Annual Conference, the Cal Cities President shall appoint a sufficient number of city officials in attendance to achieve a total of thirty. No less than two-thirds of the members of the Resolutions Committee shall be elected officials.

- (e) Committee Consideration of Proposed Resolutions.** Except for resolutions of courtesy, commendation, appreciation or condolence, no resolution expressing the opinion or policy of Cal Cities on any question may be considered or discussed by Cal Cities' General Assembly, unless it has been first submitted to, and reported on, by the Resolutions Committee.

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Article VII: Board of Directors

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Section 2: Composition.

The Cal Cities Board is composed of the following:

- (a) A President, First Vice-President and Second Vice-President/~~Treasurer~~, who each serve a term of one year;
- (b) The Immediate Past President who serves for a term of one year, immediately succeeding his or her term as President;
- (c) Twelve Directors-at-Large,
 - (i) Who serve staggered two-year terms, and
 - (ii) At least one of whom is a representative of a small city with a population of 10,000 or less;
- (d) One Director to be elected from each of the regional divisions, functional departments, and caucuses of Cal Cities, each of whom serves for a term of two years; and
- (e) Ten Directors that may be designated by the mayors of each of the ten largest cities in California to serve two-year terms.
- (f) For purposes of this section, the population of each city is the most current population as determined by the California Department of Finance, Demographic Research Unit, or its successor agency or unit. If no successor agency or unit is named, the most current population used to determine these dues shall be used to determine future dues until such time as these bylaws are amended to designate a new source for determining city population.
- (g) Directors hold office until their successors are elected and qualified.

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Section 5: Nomination Process.

- (a) **Timing.** The Cal Cities President, with the concurrence of the Cal Cities Board, shall establish a nominating committee at the first Board meeting of the calendar year in which the election is to occur.
- (b) **Composition.** The nominating committee shall be comprised of ~~eleven~~ thirteen ~~Board members~~ Directors. ~~Three~~ Two nominating committee members shall be At-Large Directors, ~~and one~~ shall represent a functional department, and one shall represent a caucus. Regional divisions shall be represented on the nominating committee on the following rotating basis:
- (i) **Even-Numbered Years:** In even-numbered years, the Central Valley, Imperial County, Monterey Bay, North Bay, Orange County, Redwood Empire, Sacramento Valley and San Diego County Regional Divisions shall be represented on the nominating committee.
 - (ii) **Odd-Numbered Years:** In odd-numbered years, the Channel Counties, Inland Empire, Desert-Mountain, East Bay, Los Angeles County, Peninsula, Riverside County, and South San Joaquin Regional Divisions shall be represented on the nominating committee.
- (c) **Nominating Committee Chair.** The Cal Cities President shall appoint the chair of the nominating committee.
- (d) **Candidates for Positions Ineligible.** Candidates for officer and at-large positions on the Cal Cities Board are not eligible to serve on the nominating committee. In the event a regional division representative on the nominating committee wishes to be a candidate for an officer or at-large position, the Cal Cities President will appoint a substitute nominating committee member from the same regional division, if available. If one is not available, the President shall appoint a substitute from a nearby regional division.
- (e) **Duties.** The duties of the nominating committee are to:
- (i) **Member Outreach.** Publicize the qualifications for the offices of Second ~~Vice-Vice~~-President/~~Treasurer~~ and the at-large members of the Cal Cities Board to Cal Cities' Member Cities;
 - (ii) **At-Large and Second Vice-President Recommendations.** Make recommendations to the Cal Cities Board on the following year's Cal Cities officers and at-large ~~board members~~ Directors; and
 - (iii) **President and First Vice President Recommendation.** Recommend whether the previous year's First Vice President

becomes President and the previous year's Second Vice-
President/~~Treasurer~~ becomes First Vice President.

- (f) **Notice to Members.** An explanation of the nomination process and relevant deadlines for submitting nominations to the nominating committee shall be publicized in Cal Cities publications and communications throughout the year, along with the identity of nominating committee members once such members are appointed. In addition, the nominating committee shall inform the membership of the opening of the nominations for the following year when it makes its report to the general membership as provided in Article VI, Section 5(g) below.
- (g) **Decision and Report.** The nominating committee's recommendations shall be communicated to the Cal Cities Board not later than 30 days prior to the date of Cal Cities' Annual Conference and again at the Annual Conference. In addition, the nominating committee shall make its report to the membership at the opening general session of the Annual Conference.
- (h) **Election.** The election of Cal Cities Board officers and Directors-at-Large shall occur at a Cal Cities Board meeting at the Annual Conference as provided in Article VII, Section 4(c) and Article VII, section 3.

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Section 8: Meetings and Meeting Notice.

- (a) **Regularly Scheduled Board Meetings.** The Cal Cities Board shall meet no fewer than four times a year. Notice of regularly scheduled Board meetings shall be mailed to each Director at least 14 days before any such meeting.
- (b) **Emergency Board Meetings.** A good faith effort shall be made to provide notice of any emergency board meetings (for example, by first-class mail, personal or telephone notification, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means).
- (c) **Telephonic or Electronic Participation.** Members of the Cal Cities Board may participate in any meeting through the use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Participation in a meeting by this means constitutes presence in person at such meeting.
- (d) **Notice Content.** All meeting notices shall include the meeting date, place, time, and, as applicable, the means by which a Cal Cities ~~Board member~~Director may participate electronically.

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Section 10: Committees.

(a) General. The Cal Cities Board may establish committees to study city problems, advise on Cal Cities educational efforts, make recommendations with respect to Cal Cities advocacy efforts, or to engage in other appropriate Cal Cities service.

(b) Executive Committee.

- (i) Composition.** The Executive Committee of the Cal Cities Board consists of the following: the Cal Cities President, First Vice-President, Second Vice-President, ~~Treasurer~~, Immediate Past President and Executive Director.
- (ii) Authority.** The Executive Committee has authority to act for the Cal Cities Board between Board meetings, provided that no action of the Executive Committee is binding on the Cal Cities Board unless authorized or approved by the Board.

(c) Standing Policy Committees.

- (i) Charge.** Cal Cities shall have a series of standing policy committees, whose charge shall be to make recommendations to the Cal Cities Board on matters within the committees' jurisdiction, as well as fulfill other duties specified in these bylaws (see, for example, Article VI, section 4(b)).
- (ii) Membership.** Each Cal Cities Policy Committee shall be comprised of the following:
- Two members appointed by each regional division president;
 - One member appointed by each functional department president;
 - One member appointed by each caucus president;
 - No more than 16 members appointed by the Cal Cities President, to provide population and geographic balance, as well as expertise; and
 - Such representatives of affiliate organizations in the capacity authorized by the Cal Cities Board.
- (iii) Feedback.** Policy committees shall receive information on actions taken on committee recommendations and the reasons for those actions.

- (d) **Committee Chairs and Vice Chairs.** Unless the Cal Cities Board establishes otherwise, ~~the~~ Cal Cities President appoints the chair of all Cal-Cities-wide committees. The term of such appointments coincides with the Cal Cities President's term. The Cal Cities President may appoint vice chairs for such committees, as the Cal Cities President deems necessary.

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Article VIII: Officers

Section 1: Identity.

The officers of Cal Cities are a President, a First Vice-President, a Second Vice-President/~~Treasurer~~, an Immediate Past President, and an Executive Director.

Section 2: Duties of Cal Cities Officers.

- (a) **President.** The President presides at all Cal Cities Board meetings and all General Assemblies. The President has such other powers and duties as may be prescribed by these bylaws or the Cal Cities Board.
- (b) **First Vice-President.** The First Vice-President carries on the duties of the President in the President's temporary absence or incapacity. The First Vice-President has such other powers and duties as may be prescribed by these bylaws or the Cal Cities Board.
- (c) **Second Vice-President/~~Treasurer~~.** The Second Vice-President/~~Treasurer~~ carries on the duties of the President in the President's and First Vice-President's temporary absence or incapacity. The Second Vice-President/~~Treasurer~~ has such other powers and duties as may be prescribed by these bylaws or the Cal Cities Board.

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Section 4: Vacancies.

A vacancy in the office of President is filled by the Immediate Past President who shall serve for the unexpired term of office and, upon election of a new President at the next Annual Conference, shall subsequently serve a full term as Immediate Past President. In the event the Immediate Past President is not available to fill the vacancy in the office of the President, or declines in writing, it shall be filled by the succession of the First Vice-President to that office. A vacancy in the office of First Vice-President, or Second Vice-President/~~Treasurer~~, is filled for the un-expired term by appointment by the Cal Cities Board of a member of the Cal Cities Board. A vacancy in the office of the Immediate Past President is filled for the un-expired term by the last Past President continuing to hold a city office.

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Article XII: Voting

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Section 5: Mail Balloting.

In addition to voting at Cal Cities meetings, Cal Cities may solicit member input by mail ballot.

- (a) **Mailing.**¹⁰ The question(s) to be voted upon, along with explanatory materials and a ballot, shall be mailed by first class mail to each Member City for consideration and action.
- (b) **Time Frame for Action.** Member Cities shall have at least 45 days to cast their vote. Ballots shall be cast by returning the Member City's ballot to Cal Cities' principal office in Sacramento.
- (c) **Ballot Tabulation and Results Announcement.** The Cal Cities President will appoint a counting committee of three ~~board members~~Directors to count the votes cast by mail ballot. The counting committee will submit its count to the Cal Cities Board, which shall canvass the vote and announce the results.
- (d) **Functional Departments, Regional Divisions, and Caucuses.** Departments, divisions, and caucuses may also use mail balloting under procedures specified in their respective bylaws.

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Article XV: Prohibited Transactions

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Section 4: Ethical Considerations.

These restrictions, of course, represent the floor, not the ceiling, for ethical conduct as a Cal Cities ~~board member~~Director or policy committee member. If a ~~board member~~Director or policy committee member believes that there are circumstances under which Cal Cities' members might reasonably question the ~~board member's~~Director's or policy committee member's ability to act solely in the best interests of Cal Cities and its member cities, the prudent course is to abstain. As an example, typically Cal Cities ~~board members~~Directors have abstained from participating in decisions on legislation that would affect organizations for which they work. Another example is legislation that would uniquely benefit a ~~board member's~~Director's city. Policy committee members should also consider abstaining in similar circumstances.

¹⁰ The Administrative Services Committee recommends Cal Cities also include notice of the upcoming ballot in a variety of Cal Cities communications to alert Member Cities to make inquiry in the event a city's ballot is lost in the mail.



City of Palo Alto City Council Staff Report

(ID # 14695)

Meeting Date: 8/22/2022

Report Type: Action Items

Title: City Auditor Vacancy: Council Direction on Next Steps

From: City Manager

Lead Department: City Clerk

RECOMMENDATION

Provide direction on next steps regarding the City Auditor function.

BACKGROUND

The Palo Alto Charter provides that the City Council appoint an Auditor who serves at the Council's will. The Charter describes the Auditor's key duties. (See [Charter, Art. IV](#), sections 1 and 12.)

In February 2020, the Council directed the Council Appointed Officers (CAO) Committee to conduct a solicitation for outsourced internal auditing services. After an extensive procurement process, including public input, the CAO Committee recommended finalists to for Council consideration. On September 28, 2020, the Council appointed Kyle O'Rourke, MPA, CAI, CGAP, CRMA, Senior Consulting Manager with Baker Tilly US, LLP, as Palo Alto's City Auditor. The Council executed a contract with Baker Tilly for the services of Mr. O'Rourke and other supporting personnel, effective October 1, 2020 through June 30, 2022, for a not-to-exceed amount of \$1,300,000. On May 9, 2022, the CAO Committee recommended and the Council approved an amendment to the contract to extend the term to June 30, 20225, revise the project scope, and increase the contract amount by \$2,126,250 to a not-to-exceed amount of \$3,426,250 over five years.

Background materials, including the City's original contract with Baker Tilly and Amendment 1, and additional information about the procurement process, can be found at Item 7 of the Council's [May 9, 2022 agenda](#).

On August 17, 2022, the City received the attached letter from Baker Tilly Managing Partner Vicki Hellenbrand informing the City that Mr. O'Rourke resigned from Baker Tilly on August 15, 2022, and will no longer serve as Palo Alto's City Auditor.

TIMELINE

The term of the City's contract with Baker Tilly is through June 30, 2025. The City, at its discretion, may terminate the contract with ten (10) days written notice. The contract provides for Baker Tilly to designate a temporary replacement for 90 days if the office of Auditor becomes vacant without sufficient time for the Council to appointment a replacement.

RESOURCE IMPACT

The City's contract allocates \$708,750 per year for audit services. Council approved funding for the audit function in its FY 2023 budget.

ENVIRONMENTAL REVIEW

This activity is not a project under California Environmental Quality Act (CEQA) as defined in CEQA Guidelines, section 15378, because it has no potential for resulting in either a direct or reasonably foreseeable indirect physical change in the environment

Attachments:

- **Attachmenta:** Palo Alto City Auditor Resignation 8-15-2022



Baker Tilly US, LLP
4807 Innovate Lane,
PO Box 7398
Madison, WI, 53707-7398
United States of America

T: +1 (608) 249 6622
F: +1 (608) 249 8532

bakertilly.com

August 17, 2022

Via email and certified mail

Lesley Milton
Office of the City Clerk
City of Palo Alto
250 Hamilton Avenue
Palo Alto, CA 94301

Dear Madame Clerk,

This correspondence provides the City of Palo Alto formal notice that Kyle O'Rourke resigned from Baker Tilly US LLP on August 15, 2022 and will no longer serve as the City Auditor.

We are prepared to provide the City ongoing assistance in fulfilling the City Auditor functions, including, but not limited to, assisting in identifying a successor City Auditor.

Regards,

A handwritten signature in black ink that reads "Vicki Hellenbrand".

BAKER TILLY US, LLP

Vicki Hellenbrand, CPA
Managing Partner, Public Sector

cc: Ed Shikada, City of Palo Alto
Jodi Dobson, Baker Tilly US, LLP