NOTICE

On March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act in order to allow for local legislative bodies to conduct their meetings telephonically or by other electronic means. Pursuant Governor’s executive order and the Center for Disease Control and Prevention (CDC)/State/County social distancing guidelines, which discourage large public gatherings, the council chamber will not be open to the public for the October 6, 2020 City Council meeting.

Community members may provide comments by emailing cityclerk@cityofepa.org; sign up to speak at http://eastpaloalto.iqm2.com/Citizens/Detail_Meeting.aspx?ID=1284; or using the “RAISE HAND” feature when the Mayor or City Clerk call for public comment. Emailed comments should include the specific agenda item on which you are commenting. The length of the emailed comment should be within the two minutes customarily allowed for verbal comments, which is approximately 150-200 words. To ensure your comment is received and read to the City Council for the appropriate agenda item, please submit your email no later than 5:00 p.m. on October 6, 2020. The City will make every effort to read emails received after that time but cannot guarantee such emails will read into the record. Any emails received after the 5:00 p.m. deadline that are not read into the record will be provided to the City Council after the meeting.

Please click this URL to join

https://zoom.us/j/94271789034

Or join by phone:
Dial (for higher quality, dial a number based on your current location):
US: +1 669 900 6833 or
+1 346 248 7799 or
+1 253 215 8782 or
+1 312 626 6799 or
+1 929 205 6099 or
+1 301 715 8592

Webinar ID: 942 7178 9034

International numbers available: https://zoom.us/u/aGRPwpX86
1. **CALL TO ORDER AND ROLL CALL**

2. **APPROVAL OF THE AGENDA** *(Government Code Section 54957.7(a))*

3. **CLOSED SESSION**
   
   I. Public Employee Performance Evaluation
   
   Title: City Attorney
   
   A. **PUBLIC COMMENT ON CLOSED SESSION ITEMS**
   
   B. **ADJOURNMENT INTO CLOSED SESSION**
   
   C. **RECONVENE INTO OPEN SESSION**
   
   D. **REPORT OUT OF CLOSED SESSION**

4. **PUBLIC COMMENT**

   Members of the public wishing to address the City Council on items not listed on the agenda may do so under this item. *Each speaker is limited to two minutes.* The Mayor has the discretion to adjust speaking times. In accordance with State Law, no action or discussion may take place on any item not appearing on the posted agenda. The Council may respond to statements made or questions asked or may request Staff to report back at a future meeting concerning the matter. The exceptions under which the City Council may discuss and/or take action on items not appearing on the agenda are contained in Government Code Section 54954.2(b)(1)(2)(3).

5. **ADJOURN CITY COUNCIL REGULAR MEETING TO THE JOINT SUCCESSOR**

   1. **Approval of San Mateo County Community College District Obligation**
      
      **Recommendation:** Adopt a Resolution: Approving the maximum of $67,855 contractual pass through obligation payment to the San Mateo County Community College District for FY 2020-21 pursuant to a former Agency Agreement approved by Resolution No. 34 on November 28, 1988, and Approving the San Mateo County Controller’s Office’s inclusion of such amount in the calculation of contractual pass through obligations due to San Mateo County Community College District for FY 2020-21.

   2. **ADJOURN THE JOINT SUCCESSOR AGENCY BOARD AND RECONVENE CITY COUNCIL MEETING**

6. **APPROVAL OF CONSENT CALENDAR**

   1. **Minutes for the September 10, 2020 and September 15, 2020 Meetings**
      
      **Recommendation:** Adopt the Minutes.

   2. **1411: Amend the five-year body worn camera purchase agreement with Axon Enterprise, Inc.**
      
      **Recommendation:** Adopt a Resolution authorizing the City Manager to amend the five-year body worn camera purchase agreement with Axon Enterprise, Inc., in a form approved by the City Attorney, for the acquisition of eleven (11) additional Body Worn Cameras and one (1) basic user account for use by the East Palo Alto Police Department in an amount not to exceed $55,971.53.

   3. **$125,000.00 private donation from the H & H Evergreen Foundation to assist the Chief of Police**
      
      **Recommendation:** Adopt a Resolution accepting the private donation of $125,000 from H & H Evergreen Foundation to benefit the East Palo Alto Police Department, assist in the purchase of necessary equipment and fund a holiday safe driving program; and direct the City Manager to formally express the City Council’s appreciation for the donation to the H & H Evergreen Foundation.

   4. **State Grant for $50,000 from the Department of California Highway Patrol**
      
      **Recommendation:** Adopt a Resolution authorizing the City Manager to extend Resolution No. 4966 for a State Grant for $50,000 from the Department of California Highway Patrol and extend the grant funding for one additional year.
5. **Monthly Cash Treasury Report for August 2020**  

6. **Approve an Extension of the Due Date to Report Status of Emergency Expenditures**  
   **Recommendation:** Approve an extension of the due date to report the status of COVID-19 emergency expenditures from October 15, 2020 to October 20, 2020.

7. **Agreements & Funding Request for FUSE Executive Advisors**  
   **Recommendation:** Adopt a Resolution authorizing the City Manager to:  
   Enter into a Master Agreement in an amount not-to-exceed $150,000 and Individual Placement Agreements with FUSE Corps for placement of two FUSE Executive Advisors in East Palo Alto for a term of six-months, in a form approved by the City Attorney;  
   Allocate $150,000 from the City’s General Fund Reserve and Waive the bid procedures pursuant to East Palo Alto Municipal Code section 2.84.070(D).

8. **Jack James Third Amendment for Contract Towing Services of Oversized and Recreational Vehicles**  
   **Recommendation:** Adopt a Resolution authorizing the City Manager to enter into Amendment No. 3 to the Jack James Oversized Vehicle Tow Service Contract, in a form acceptable to the City Attorney, in an amount not to exceed $30,000, for a new total not to exceed amount of $119,400; and dispense with formal bid procedures pursuant to East Palo Alto Municipal Code section 2.84.070D due to the special circumstance that Jack James Towing Services offers specialized services.

9. **Canopy Contract Amendment and Extension**  
   **Recommendation:** Adopt a Resolution authorizing the City Manager to execute a Second Amendment and Extension for Professional Services Agreement for arboriculture services between Canopy and the City of East Palo Alto with retroactivity as of July 1, 2020, with a general scope of services outlined in Exhibit A for one year:  
   1. With a not-to-exceed amount of $25,000; and  
   2. Planting 100 trees throughout the community utilizing $50,000 from the 2017-2018 CalFire “From Gray to Green: An Urban Forest Master Plan for East Palo Alto,” for the duration of the Grant.

10. **HSIP Cycle 10 Grant Application**  
    **Recommendation:** Adopt a Resolution authorizing the City Manager to seek Highway Safety Improvement Program (HSIP) Cycle 10 funds for Traffic Signal Improvements; and sign all documents pertaining to the grant including Amendments to any supplemental agreements with Caltrans.

11. **Clarification of Ravenswood Business District (RBD) Developer Reimbursement Contracts and Cost Sharing**  
    **Recommendation:** Adopt a Resolution authorizing the City Manager to enter into Developer Reimbursement Agreements for reimbursements of costs of review of development potential in the Ravenswood Business District Specific Plan.

7. **ORAL REPORTS**

1. **Staff Reports**

2. **City Council Reports**

8. **INFORMATIONAL REPORTS**

9. **SPECIAL PRESENTATIONS**

1. **County of San Mateo WiFi Presentation**  
   **Recommendation:** Receive the presentation.

10. **PUBLIC HEARINGS**

1. **Introduction of Building Electrification and Electric Vehicle Infrastructure Reach Codes**  
    **Recommendation:** Waive the first reading and introduce a Building Electrification and Electric Vehicle Infrastructure Reach Codes (“Reach Codes”) to be effective January 1, 2021.
11. **POLICY AND ACTION**

1. **Measure HH and First Source Hire Agreements**
   
   **Recommendation:**
   
   1. **Adopt a Resolution authorizing the City Manager to:**
      
      1. Enter into a two (2) year agreement, in a form approved by the City Attorney, with Brightline Defense Project, for a total not-to-exceed amount of $125,000 ($100,680 with a $24,320 contingency), with up to two (2) 6-month term extensions to provide Measure HH services;
      
      2. Appropriate an additional $100,000 in Measure HH funding above and beyond what was allocated to the City Manager’s Annual Operating Budget to provide enough funding for the above-listed not-to-exceed amount.
   
   2. Enter into a two (2) year agreement, in a form approved by the City Attorney, with Emerald Cities Collaborative, in a total not-to-exceed amount of $125,000 with up to two (2) 6-month term extensions to provide First Source Hiring services.

2. **Follow-Up on Study Session Related to the Affordable Housing Component of the Euclid Improvements (Woodland Park) Project**
   
   **Recommendation:** Receive the report and provide direction on the Affordable Housing component of the proposed Euclid Improvements (Woodland Park) Project (Project).

3. **Resolution Endorsing Proposition 21 (The Rental Affordability Act) to Amend the Costa-Hawkins Rental**
   
   **Recommendation:** Adopt a Resolution endorsing Proposition 21 (The Rental Affordability Act) to amend the Costa-Hawkins Rental Housing Act, Civil Code Sections 1954.50-1954.535.

12. **ADJOURNMENT**

   This AGENDA is posted in accordance with Government Code Section 54954.2(a)

   This Notice of Availability of Public Records: All public records relating to an open session item which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to the majority of the City Council will be available for public inspection at the City Clerk’s Office, 2415 University Avenue, East Palo Alto, CA at the same time that the public records are distributed or made available to the City Council. Such documents may also be available on the East Palo Alto website www.cityofepa.org subject to staff’s ability to post the documents prior to the meeting. Information may be obtained by calling (650) 853-3100.

   The City Council meeting packet may be reviewed by the public in the Library or the City Clerk’s Office. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection at the front counter at the City Clerk’s Office, 2nd Floor, City Hall, 2415 University Avenue, East Palo Alto, California 94303 during normal business hours. Information distributed to the Council at the Council meeting becomes part of the public record. A copy of written material, pictures, etc. should be provided for this purpose.

   East Palo Alto City Council Chambers is ADA compliant. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk’s office at (650) 853-3127 no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof.

   DECLARATION OF POSTING

   This Notice is posted in accordance with Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the City website. Under penalty of perjury, this Agenda was posted to the public at least 72 hours prior to the meeting.

   POSTED: September 30, 2020

   ATTEST:

   __________________________________________
   Walfred Solorzano
   City Clerk
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Brenda Olwin, Finance Director

SUBJECT: Approval of San Mateo County Community College District Obligation

**Recommendation**

Adopt a Resolution:

1. Approving the maximum of $67,855 contractual pass through obligation payment to the San Mateo County Community College District for FY 2020-21 pursuant to a former Agency Agreement approved by Resolution No. 34 on November 28, 1988, and
2. Approving the San Mateo County Controller’s Office’s inclusion of such amount in the calculation of contractual pass through obligations due to San Mateo County Community College District for FY 2020-21.

**Background**

Redevelopment agencies in California were dissolved effective February 1, 2012 under ABx1 26 enacted June 2011 and held by the California Supreme Court to be largely constitutional (“Dissolution Statutes”). The Dissolution Statutes were further amended by AB 1484 enacted June 2012, AB 471 enacted February 2014, and SB 107 enacted September 2015. Under the Dissolution Statutes, on January 10, 2012 the City Council elected to serve as the Successor Agency to the Former Redevelopment Agency of the City of East Palo Alto (the “Successor Agency.”)

Prior to Dissolution, redevelopment agencies often entered into tax sharing contractual agreements with various taxing agencies residing within the redevelopment project areas. The table on the following page summarizes the East Palo Alto’s former Agency contractual agreements for each project area:

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Under current Dissolution Statutes, the San Mateo County Controller’s Office collects property tax revenues of the former Redevelopment Agency of the City of East Palo Alto (the “Former Agency”) and accounts for, and distributes, to related taxing agencies the residual property tax available after the payment of contractual and statutory pass through payments to the taxing entities and payment to the successor agency of funds sufficient to pay the enforceable obligations approved on the recognized obligation payments (i.e. ROPS).

After all administrative costs, statutory and contractual pass throughs to the taxing entities and enforceable obligations are paid, the remaining property tax is allocated and distributed to the taxing agencies, including the City, in accordance with the Dissolution Statutes. The excess, distributed revenue is often referred to by staff as “excess RPTTF” and is deposited in the respective general revenue funds of the various agencies. Since Dissolution, the obligation accounting and payment process has occurred entirely at the County level; with cursory review of residual distribution calculations performed by Successor Agency staff. Formally, City of East Palo Alto Finance staff determined and paid the obligations, and all residual amounts were retained in Redevelopment Funds for capital and development purposes.

On May 7, 2020, the San Mateo County Community College District (“SMCCCD”) presented the City with a “claim for make whole payments from the East Palo Alto Successor Agency regarding the East Palo Alto University Circle project area” (Attachment 2). A brief description of the former Agency contractual agreement (Attachment 3) terms under which the letter was submitted is as follows:

The San Mateo County Community College District (SMCCCD) pass through agreement requires payments equivalent to a taxing agency election under former H&S 33676 (i.e. an amount equal to the District’s share of the inflationary increase in property taxes). In addition, the agreement provides for additional “hold harmless” payments “in the event that the state funding formula for local school districts is changed” such that districts are no longer made “whole” for their respective shares of revenue that would have been received absent the allocation of property taxes to the former redevelopment agency. To receive payment under the hold harmless provisions, districts must submit a written claim prior to the start of the fiscal year for which payment is requested.

SMCCCD school funding changed in 2016 when SMCCD reached the State revenue limit and no longer receives State funding allocations. Successor Agency staff confirmed with the County of Education that SMCCCD will continue in the same funding status (i.e. basic aid) for FY 2020-21.
Analysis

Since 2015, Successor Agency staff have been aware of the potential for invocation of agreement provisions, but no claims were made until SMCCCD submitted the first claim in FY 2019-20. Section 2.02 of the Agreement states, “The (former) Agency shall approve...those respective amounts due pursuant to this Agreement during each fiscal year”.

SMCCCD FY 2020-21 claim is based upon FY 2019-20 actual tax increment in the amount of $228,799. Additionally, the District is claiming a “catch up” claim of $42,089 for FY 2019-20. Agency staff calculated the amounts as follows:

<table>
<thead>
<tr>
<th>Per City:</th>
<th>Actual FY 2019-20</th>
<th>Estimated FY 2020-21</th>
<th>TOTAL FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Increment, net</td>
<td>$ 5,641,029</td>
<td>$ 4,912,864</td>
<td></td>
</tr>
<tr>
<td>County Fees</td>
<td>$ (4,675)</td>
<td>$ (4,230)</td>
<td></td>
</tr>
<tr>
<td>Net Increment</td>
<td>$ 5,636,354</td>
<td>$ 4,908,634</td>
<td></td>
</tr>
<tr>
<td>SMCCCD District Share</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calculated Make Whole</td>
<td>$ 248,640</td>
<td>$ 216,535</td>
<td></td>
</tr>
<tr>
<td>Tax Revenues Distributed as:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pass Through Payment</td>
<td>$ (186,710)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Residual Tax Payment</td>
<td>$ (57,924)</td>
<td>$ (152,686)</td>
<td></td>
</tr>
<tr>
<td>SA Claim Approval</td>
<td>$ 4,005</td>
<td>$ 63,850</td>
<td>$ 67,855</td>
</tr>
</tbody>
</table>

| Per SMCCCD:                       |                  |                      |                 |
| Total Tax Increment               | $ 5,199,987      | $ 5,199,987          |                 |
| SMCCCD District Share             |                  |                      |                 |
| Make Whole Claim                  | $ 228,799        | $ 228,799            |                 |
| Pass Through Payment              | $ (186,710)      | $                   |                 |
| SMCCCD Claim                      | $ 42,089         | $ 228,799            | $ 270,889       |

As in the prior year, the County Controller requires that the Successor Agency approve the letter of claim before paying SMCCCD the sums they are owed under the Agreement. Although post-dissolution the Successor Agency no longer administers the payment of amounts owed to the taxing entities, because of the language of the Agreement, the Successor Agency must approve the claim before the County Controller can pay the amounts owed.

Agency staff recommend the Successor Board approve a resolution acknowledging and an SMCCCD’s FY 2020-21 new claim amount of $67,855 in accordance with agreement provisions.

Fiscal Impact

There is no direct fiscal impact to the Successor Agency, as the Successor Agency is only entitled to receive the amounts needed to pay enforceable obligations and administrative expenses and the payment to SMCCCD does not impact the payment of those amounts.
The payment of the obligation directly affects available “excess” property tax distributions, paid to all taxing entities within the University Circle tax rate areas; however the extent of such is dependent upon a series of calculations comprised of University Circle property tax increment, total former Redevelopment tax increment, total enforceable obligation payments during each six-month ROPS calculation period, total other agency pass through obligation amounts, and County fees. Each year, Agency staff shall perform an “estimated to actual” calculation and adjustment any amounts owed or due to SMCCCD based upon actual distribution results.

Attachments
1. Resolution
2. SMCCCD Letter of Claim and Calculation
3. Confirmation of Basic Aid Status
4. East Palo Alto Redevelopment Agency Resolution No. 34
RESOLUTION NO. _____
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

ACTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO

APPROVING THE MAXIMUM OF $67,855 CONTRACTUAL PASS THROUGH OBLIGATION
PAYMENT TO THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT
FOR FISCAL YEAR 2020-21

WHEREAS, pursuant to section 34172(a) of the California Health and Safety Code, the
Redevelopment Agency of the City of East Palo Alto (the “Former Agency”) has been dissolved and no
longer exists as a public body, corporate and politic, and pursuant to section 34173, and the Successor
Agency to the Former Redevelopment Agency of the City of East Palo Alto (the “Successor Agency”)
has become the successor entity to the Former Agency; and

WHEREAS, on November 28, 1988, the Former Agency passed Resolution No. 34 approving
an agreement with the San Mateo County Community College District titled, “Agreement to Alleviate
Financial Burden or Detriment from the East Palo Alto University Circle Redevelopment Project” herein
known as “Agreement” and incorporated and attached to this Resolution; and

WHEREAS, in accordance with Article II, Section 2.01 of the Agreement, on May 07, 2020, the
San Mateo County Community College District submitted a letter to the San Mateo County Controller’s
Office invoking payments of certain amounts as described in Article 1, Section 1.01 and Section 1.02
in the event that the State funding formula for local school districts is changed; and

WHEREAS, in accordance with Article II Section 2.01 of the Agreement, any such claim
submitted by San Mateo County Community College District shall be prima facie evidence of financial
burden or detriment caused by the former University Circle Redevelopment Project Area; and

WHEREAS, the San Mateo County Controller’s Office collects property tax and calculates pass
through obligations of the former Agency in accordance with Dissolution Statutes and applied
methodology; and

WHEREAS, San Mateo County has requested the Successor Agency approve the obligation
due in accordance with Agreement Article 2, Section 2.02, and the calculated amount of $67,855 is the
maximum amount of the obligation requested under the Agreement.

NOW, THEREFORE, THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT
AGENCY OF THE CITY OF EAST PALO ALTO HEREBY:

1. Approves the maximum of $67,855 contractual pass through obligation due to the San Mateo
County Community College District in FY 2020-21 pursuant to a former Agency Agreement
approved by Resolution No. 34 on November 28, 1988, and

2. Approves of the San Mateo County Controller’s Office including such amount in the calculation
of contractual pass through obligations due to San Mateo County Community College District.
PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Regina Wallace-Jones
Successor Agency Chair

ATTEST:

APPROVED AS TO FORM:

Walfred Solorzano
Successor Agency Secretariat

Rafael E. Alvarado Jr
Successor Agency Counsel
East Palo Alto University Circle Claim #3
New Claim for 2020-2021
Revised Claim for 2019-2020

The San Mateo County Community College District entered into an agreement with the East Palo Alto Redevelopment Agency on November 28, 1988 regarding the EPA University Circle Redevelopment Plan which stated that “…in the event that the state funding formula for local school districts is changed so that the District is not fully reimbursed by the State for that portion of the Tax Increment which would have been allocated to the District but for the existence of the Project, then the Agency shall thereafter annually pay to the District an amount necessary to hold the District harmless from the loss of such State reimbursement.”

Due to a change in the District’s funding formula that happened in 2016 and continues to this day, the District is no longer fully reimbursed by the State for the tax increment funds which would have been allocated to the District but, instead, are allocated to the University Circle Redevelopment Project.

Change in State Funding Formula

Prior to 2016, the District was funded under a “revenue limit” formula. The state set the maximum revenue limit for each community college district. The first local funds allocated toward that revenue limit were tuition and property taxes. If those two sources were not enough to reach the revenue limit, the State provided the remaining funds to fully fund the District under the revenue limit.

In 2016, the District reached the revenue limit using only tuition and property tax revenues; no State funding was provided. When that occurred, the revenue limit was essentially eliminated and the District was able to exceed that limit. This occurred because property tax revenues grow at a much higher rate than the cost of living, which is the formula used by the State to increase the revenue limit each year.

As a result of this change in the funding formula, the District is no longer reimbursed by the state for the property taxes that have, over many years, been allocated to Redevelopment Agencies, including the EPA Redevelopment Agency. This circumstance is the exact reason why the 1988 Agreement was adopted many years ago—to protect the District from a loss of property taxes due to a funding formula change.
Estimate of Loss

In 1988, the total District loss was just the increase in the assessed value calculated pursuant to California Revenue and Taxation Code 110.1 (the 2% annual increase) and the Agency held the District harmless from this loss in Section 1.01 of the Agreement. Now, due to the changed state funding formula, the District’s loss is equal to its property tax share of 4.4% of the full amount of tax increment allocated to the Agency--which the Agency agreed to reimburse the District for in the Agreement (Section 1.02).

New Claim for 2020-21

In order to make a new claim for 2020-2021, we need to use 2019-2020 Tax Increment figures because 2020-2021 figures will not be available until July. The Agreement between EPA and the District requires to College District to file a claim by May 30.

We calculate the loss during 2020-21 as shown below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Total Tax Increment 19-20</td>
<td>$5,199,987</td>
</tr>
<tr>
<td>District % Share</td>
<td>4.4%</td>
</tr>
<tr>
<td>Total Share</td>
<td>$228,799</td>
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</tbody>
</table>

Revised 2019-2020 Claim

For 2019-2020, the City paid the District $186,710. However, the actual loss to the District was $228,799. This is because we had to use 2018-2019 data for this claim. The difference of $42,089 needs to be refunded to the District.

The loss is:

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<td>Amount Paid by City</td>
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</tr>
<tr>
<td>Amount Owed</td>
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The amount owed the District will change every year, depending on the tax revenue received by the Agency, but it will always be 4.4% of the total amount received by the Agency.
East Palo Alto University Circle Claim #3

New Claim for 2020-2021
Revised Claim for 2019-2020

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Due to a change in the District’s funding formula that happened in 2016 and continues to this day, the District is no longer fully reimbursed by the State for the tax increment funds which would have been allocated to the District but, instead, are allocated to the University Circle Redevelopment Project.

Change in State Funding Formula

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In 2016, the District reached the revenue limit using only tuition and property tax revenues; no State funding was provided. When that occurred, the revenue limit was essentially eliminated and the District was able to exceed that limit. This occurred because property tax revenues grow at a much higher rate than the cost of living, which is the formula used by the State to increase the revenue limit each year.

As a result of this change in the funding formula, the District is no longer reimbursed by the State for the property taxes that have, over many years, been allocated to Redevelopment Agencies, including the EPA Redevelopment Agency. This circumstance is the exact reason why the 1988 Agreement was adopted many years ago—to protect the District from a loss of property taxes due to a funding formula change.
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The amount owed the District will change every year, depending on the tax revenue received by the Agency, but it will always be 4.4% of the total amount received by the Agency.
RESOLUTION NO. 34

RESOLUTION OF THE EAST PALO ALTO REDEVELOPMENT AGENCY APPROVING AGREEMENT WITH THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT PROVIDING FOR PAYMENTS TO ALLEVIATE FINANCIAL BURDEN OR DETRIMENT CAUSED BY THE UNIVERSITY CIRCLE REDEVELOPMENT PROJECT

WHEREAS, the East Palo Alto Redevelopment Agency has prepared Redevelopment Plan for the University Circle Redevelopment Project, which Plan has been submitted by the Agency for approval by the City Council of the City of East Palo Alto following a joint public hearing held by the Agency and City Council on November 21, 1988 and continued to November 28, 1988; and

WHEREAS, implementation of the Redevelopment Plan will cause a financial burden or detriment to the San Mateo County Community College District; and

WHEREAS, Section 33401 of the Health and Safety Code and Section 33028 of the Health and Safety Code, the Agency and the San Mateo County Community College District desire to enter into an agreement under which the Agency will pay certain amounts to the District to alleviate such financial burden or detriment.

NOW, THEREFORE, BE IT RESOLVED by the East Palo Alto Redevelopment Agency as follows:

1. The "Agreement to Alleviate Financial Burden or Detriment from the East Palo Alto University Circle Redevelopment Project" between the East Palo Alto Redevelopment Agency and the San Mateo County Community College District in the form attached to this resolution and incorporated herein by reference, is hereby approved and the Chairman is hereby authorized and directed to sign as agreement.

2. The Agency hereby finds, based upon the evidence provided in the Agency's Report to City Council on the Redevelopment Plan, that the East Palo Alto University Circle Redevelopment Project would have a financial burden or detriment on the District, but that such burden or detriment is alleviated by the payments provided for in the attached agreement.

3. The Agency hereby determines that the amounts of money to be paid to the District under the attached agreement are necessary and appropriate to alleviate the financial burden or detriment which would otherwise be caused by the Project.
PASSED, APPROVED AND ADOPTED this 38th day of November, 198

APPROVED:

[Signature]

William Vines, Mayor

ATTEST:

[Signature]

Stanley H. Hall, City Clerk

Ayes: Bostic, Coats, Mouton, Johnson, Vines
Noes: None
Abstentions: None
"AGREEMENT TO ALLEVIATE FINANCIAL BURDEN OR DETRIMENT FROM THE EAST PALO ALTO UNIVERSITY CIRCLE REDEVELOPMENT PROJECT"

[ATTACH COPY OF AGREEMENT TO RESOLUTION]
AGREEMENT TO LEVIEATE FINANCIAL BURDEN OR DETRIMENT FROM THE EAST PALO ALTO UNIVERSITY CIRCLE REDEVELOPMENT PROJECT

THIS AGREEMENT is made and entered into this 28th day of November, 1988, by and between the San Mateo County Community College District (the "District") and the East Palo Alto Redevelopment Agency (the "Agency").

RECITALS

A. WHEREAS, the Agency is a redevelopment agency existing pursuant to the provisions of the Community Redevelopment Law (California Health and Safety Code Section 33000, et seq.) which has been authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of East Palo Alto ("City"); and

B. WHEREAS, pursuant to Section 33327 of the California Health and Safety Code, the Agency previously notified the District of its intention to prepare a redevelopment plan ("Plan") for the University Circle Redevelopment Project ("Project") for the Project area described in Exhibit A ("Project Area"); and

C. WHEREAS, the proposed Plan contains provisions for the distribution and allocation of property tax revenues derived from property located within the Project Area to the Agency pursuant to California Health and Safety Code Section 33670(b); and

D. WHEREAS, meetings have been held by representatives of the District and representatives of the Agency to discuss the fiscal impact of the Project on the District, at which meetings the District presented substantial evidence that the District will suffer a financial burden and detriment as a result of the implementation of the Plan if it is adopted by the City Council; and

E. WHEREAS, the Agency agrees that the substantial evidence presented by the District is persuasive and desires to alleviate such financial burden or detriment pursuant to Health and Safety Code Section 33401 and the District desires to consent to and approve of the Plan.

F. WHEREAS, the Agency has adopted a resolution approving this Agreement and recognizing the financial burden as
detriment that would be suffered by the District if the parties
did not agree to enter into this Agreement.

G. WHEREAS, any loss to the District of property tax
revenue may have an adverse impact on the District's capital
improvement programs.

NOW, THEREFORE, in consideration of the foregoing and
the mutual covenants and conditions contained herein, the parties
herein agree as follows:

ARTICLE I
PAYMENT OF CERTAIN AMOUNTS TO DISTRICT

Section 1.01 Amounts Due to Increase in Assessed
Value over Base Year Assessment Roll.

(a) Subject to the limitations set forth in
Section 2.05 and elsewhere in this Agreement, in any fiscal year
in which the Agency receives, pursuant to Health and Safety Code
Section 33670(b), an allocation and payment of "property tax
revenues" (as hereinafter defined) generated within the Project
Area ("Tax Increment"), the Agency agrees to pay to the District,
in the manner specified below, an amount equal to that portion of
the Tax Increment allocated to and paid to the Agency for the
applicable fiscal year which is attributable to those increases
in the assessed value of the taxable property in the Project Area
(as such assessed value is established by the assessment roll
equalized prior to the effective date of the ordinance adopting
the Plan as provided in Health and Safety Code Section 33670(a)),
which are, or otherwise would be, calculated annually pursuant to
subdivision (f) of Section 110.1 of the California Revenue and
Taxation Code (which provides that such increases shall not
exceed an annual rate of two (2) percent of the full cash value
of taxable property as defined in California Constitution Article
XIIIA, Section 2). Such portion is equivalent to property tax
revenues which would have been allocated to the District after an
election pursuant to Health and Safety Code Section 33676(a)(2).

(b) "Fiscal year" as used in this Agreement means
July 1 of each year through June 30 of the following year.

Section 1.02 Amounts Due to Changes in State Funding
Formula for Local School Districts.

(a) The District and the Agency agree that under
the current funding formula, the annual fiscal detriment to the
District caused by the Project is limited to the amount payable
to the District by the Agency pursuant to Section 1.01(a)
hereinabove.
(b) Subject to the limitations set forth in Section 2.05 and elsewhere in this Agreement, in the event that the State funding formula for local school districts is changed so that the District is not fully reimbursed by the State for that portion of the Tax Increment which would have been allocated to the District but for the existence of the Project, then the Agency shall thereafter annually pay to the District an amount necessary to hold the District harmless from the loss of such State reimbursement.

Section 1.03 Allocation of Special Taxes. The District shall be allocated, in addition to the portion of taxes allocated pursuant to Subdivision (a) of Health and Safety Code Section 33670, all or any portion of the tax revenues allocated to Agency pursuant to Subdivision (b) of Health and Safety Code Section 33670 attributable to increases in the rate of tax imposed for the benefit of the District, which levy occurs after the tax year in which the ordinance adopting the redevelopment plan becomes effective.

Section 1.04 Low and Moderate Income Housing Fund. As provided for in Health and Safety Code Sections 33487 and 33670, it is the intention of the parties that no amount due the District under Sections 1.01, 1.02, or 1.03 hereof is subject to the Low and Moderate Income Housing Fund established pursuant to Health and Safety Code Sections 33343 or 33487.

Section 1.05 Property Tax Revenues Definition. As used in this Agreement, the term "property tax revenues" shall include only: (1) all ad valorem property taxes allocated and paid to the Agency pursuant to Article XVI, Section 16 of the California Constitution and Health and Safety Code Section 33670 et seq., and (2) identifiable California State legislative supplements to or substitutes for ad valorem property tax, provided, however, by way of example and not of limitation, that the term "property tax revenues" as used herein shall not include:

(1) Revenues, funds, monies, awards, loans, grants or credits whose source, directly or indirectly, is the federal government; nor

(2) Any monies or funds received from any other public source (State, county, municipal, or otherwise) as a result of any loan, grant, or award, or similar payment; nor

(3) Any public funds, or assessment, received by the Agency upon a condition, limitation or restriction that precludes use of such funds for payment to the District pursuant to this Agreement; nor

3.
(4) Proceeds from any disposition of any real or personal property; nor

(5) Proceeds from the sale of bonds or loan agreements; nor

(6) Tax revenues received by the Agency as a result of taxes levied by any affected taxing agency to retire voter-approved indebtedness.

ARTICLE II
CONDITIONS AND LIMITATIONS

Section 2.01 Submission of Claim by District. For any year that the District is not fully reimbursed by the State as described in Section 1.02(a) and 1.03 above, the District shall submit to Agency a written claim for payment pursuant to Health and Safety Code Section 33401 in order to alleviate the financial burden or detriment caused to the District by the Project. Such written claim shall be submitted not later than the May 10th preceding the commencement of the Agency’s fiscal year for which such payment is requested. The claim shall specify the amount requested to be paid during such fiscal year of the Agency together with information showing how such payment amount was calculated. Any such amount requested by the District shall be deemed an estimated maximum amount until final adoption of the District’s budget for the fiscal year for which such payment is requested, at which time the District shall provide the Agency with the specific amount, not to exceed the estimated maximum amount, of such requested payment, together with information showing how such amount was calculated.

The Agency and the District agree that any claim submitted by the District and paid by the Agency pursuant to this Section 2.01 shall be prima facie evidence of financial burden or detriment caused to the District by the Project, and that no additional substantiation of such burden or detriment shall be required.

Section 2.02 Payment Procedure. The Agency shall approve and pay to the fund or account designated in writing by the District those respective amounts due pursuant to this Agreement during each fiscal year within a reasonable period after the Agency receives the Tax Increment from the County Controller, provided that payments in relation to allocations received between July 1 and December 31 of any fiscal year shall be made no later than the following February 28; and that payments in relation to allocations received between January 1 and June 30 of any fiscal year shall be made no later than the following August 30. No interest shall accrue in relation to any amounts payable pursuant to this Agreement.
Section 2.03 Limitations on Payments. The Agency's obligation to make payments hereunder shall be limited to and be paid from Tax Increment received by the Agency from the Project Area. The Agency shall be deemed to have fully discharged its obligations under this Agreement upon paying or causing the payment of those amounts payable to District under Sections 1.01, 1.02, and 1.03 of this Agreement. This Agreement fully addresses any adverse fiscal impact of the Project upon the District, and the District may not hereafter elect to receive pursuant to Health and Safety Code Section 33676 or otherwise claim any additional property tax revenues from the Project Area.

In addition, the Agency's obligation to make payments to the District pursuant to this Agreement in any single year shall not exceed the amount of property tax revenues which would have been received by the District if all the Tax Increment from the Project Area had been allocated to all the affected taxing agencies without regard to the division of taxes required by Health and Safety Code Section 33670.

Section 2.04 Indebtedness. The Agency's obligation to make payments pursuant to this Agreement is deemed to constitute an "indebtedness" within the meaning of Health and Safety Code Sections 33670 and 33675.

Section 2.05 Subordination. The indebtedness of the Agency under this Agreement shall not be a first pledge of the Tax Increment and shall be subordinate to Agency bonds, notes, certificates of participation, and any other legally enforceable contract or agreement requiring Agency expenditure of tax revenues for any of its purposes, except contracts or agreements with the City, a private developer owning or developing land in the Project Area, or other affected taxing agencies if for the purpose of alleviating fiscal detriment caused by the Project. However, any indebtedness of the Agency arising from Section 1.01 above, which comes into existence upon a submission of a claim by the District pursuant to Section 2.01 above, shall not be subordinated to any subsequent indebtedness of the Agency. The indebtedness of the Agency under this Agreement shall be included in all calculations of the amounts of the other Agency indebtedness used in connection with the sale of bonds or any agreement for which a pledge of property tax revenues is necessary, and this Agreement shall be communicated to bond counsel with respect to Agency indebtedness.

The Agency shall not knowingly impair the Agency's obligations to the District under this Agreement. The Agency shall use good faith efforts to give the District sixty (60) days' notice of the Agency's intent to issue bonds, notes or other indebtedness to which the Agency intends to subordinate th
District's interests under this Agreement, provided, however, that the Agency's failure to give such notice shall not constitute a default hereunder. The Agency further agrees to give the District two weeks' prior notice of the submission to the Agency, for its approval of a preliminary official statement or other official document by which the Agency intends to incur debt of the type described in this paragraph, together with copies of such documents and other data as the Agency shall rely upon in approving the proposed issuance of debt. Notwithstanding the foregoing, nothing in this Agreement shall be construed to give the District the right to approve or disapprove any Agency indebtedness.

If during any fiscal year the Agency is unable to pay the full amounts due and owing to the District pursuant to this Agreement, such deficit shall be paid by the Agency according to a schedule upon which the parties shall mutually agree. Any sum due and owing shall accumulate and not be discharged through the passage of time. The parties agree that such deferral may be necessary to accomplish the purposes of the Project at an earlier time than would otherwise be the case in that such deferral would allow for issuance of bonds with a higher principal amount.

Section 2.06 Agency Bond Issues on Behalf of District. At the District's request, and only if determined to be mutually beneficial in each party's sole discretion, the Agency may expend proceeds from an Agency bond issue for capital projects specified by the District. Any such use of Agency bond funds for the District shall be subject to all applicable laws and regulations. The Agency shall use all or a portion of the Tax Increment, as determined by the Agency, in its sole discretion, which it would otherwise have paid to the District under this Agreement to pay issuance, administrative, and debt service costs on such bond issues. In the event an amendment to the Plan is necessary to issue such bonds, the District consents to such an amendment.

Section 2.07 Use of Funds. The District shall employ its best efforts to use any funds the Agency shall pay to the District under this Agreement for the benefit of the residents of the City, provided that the Agency shall have no right to approve or disapprove the District's budget or actual financial expenditures, and provided, further, that in the event the Agency shall be required to make payments to the District pursuant to Section 1.02(b) hereof, the District and the Agency shall enter an agreement providing for specific methods by which such payments shall be used to benefit the residents of the City.

Section 2.08 Deposit of Funds. All sums paid to the District by the Agency pursuant to this Agreement shall be

6.
deposited in the District's Special Reserve Fund unless otherwise designated by the District.

ARTICLE III
ADDITIONAL DOCUMENTATION; APPROVAL OF PLAN

Section 3.01 Documentation. The District agrees to execute and acknowledge any other documentation that may be necessary to give effect to this Agreement, including, but not limited to, the subordination provisions of Section 2.05 hereof.

Section 3.02 Approval. The District consents to and approves the proposed Plan, which has been reviewed by the District and provides for the use of tax increment financing with respect to the Project Area. The District agrees that it will not file or participate in any lawsuit or proceedings attacking or otherwise questioning the validity of the Plan or the adoption or approval of such Plan, or any other findings or determinations previously made or to be made by the Agency or the City Council in connection with such Plan or its implementation. In the event such lawsuit or proceedings are brought or joined and final judgment is rendered declaring the Plan invalid, this Agreement shall be of no further force or effect.

ARTICLE IV
MISCELLANEOUS

Section 4.01 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties and supersedes all previous negotiations between them. Except as otherwise expressly provided herein, neither this Agreement nor any of the terms hereof may be amended, modified, waived or terminated except by a written instrument signed by the parties hereto. It is the intent of the Agency and the District that the payments herein provided constitute a full, complete, fair and equitable adjustment for all detrimental financial and other impacts which have resulted or may result during the term of this Agreement from the Project.

Section 4.02 Effective Date and Term of Agreement. The date of this Agreement shall be the date when the Agreement shall have been signed by the Agency; provided, however, that this Agreement shall become effective only upon the effective date of the ordinance of the City Council adopting the Plan. This Agreement shall continue in effect so long as the Agency receives the Tax Increment from the Project Area.

Section 4.03 State Law. This Agreement, and the rights and obligations of the parties hereto, shall be construed
and enforced in accordance with the laws of the State of California.

Section 4.04 Attorneys' Fees. In any action which Agency or District brings to enforce its respective rights hereunder, the unsuccessful party shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees.

Section 4.05 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date set forth opposite their signatures.

\[\text{DISTRICT}\]

By \[\text{William Lee}\]

Its \[\text{[Signature]}\]

\[\text{AGENCY}\]

By \[\text{[Signature]}\]

Its \[\text{[Signature]}\]
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Walfred Solorzano, City Clerk/Public Information Officer

SUBJECT: Minutes for the September 10, 2020 and September 15, 2020 Meetings

Recommendation

Adopt the Minutes.

Background

The City Council will consider adopting the minutes for the September 10, 2020 and September 15, 2020 Meetings.

Attachments

1. Draft Minutes of September 10, 2020 meeting
2. Draft Minutes of the September 15, 2020 meeting
I. Call to Order

The meeting was called to order by Mayor Regina Wallace-Jones at 5:05 p.m.

<table>
<thead>
<tr>
<th>Attendee Name</th>
<th>Title</th>
<th>Status</th>
<th>Arrived</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regina Wallace-Jones</td>
<td>Mayor</td>
<td></td>
<td>Remote</td>
</tr>
<tr>
<td>Carlos Romero</td>
<td>Vice Mayor</td>
<td></td>
<td>Remote</td>
</tr>
<tr>
<td>Ruben Abrica</td>
<td>Council Member</td>
<td></td>
<td>Absent</td>
</tr>
<tr>
<td>Lisa Gauthier</td>
<td>Council Member</td>
<td></td>
<td>Remote</td>
</tr>
<tr>
<td>Larry Moody</td>
<td>Council Member</td>
<td></td>
<td>Remote</td>
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II. Staff Reports

1. Study Session Related to the Affordable Housing Component of the Euclid Improvements (Woodland Park) Project

   Patrick Heisinger, Assistant City Manager, made a presentation and responded to questions posed by the City Council.

   Matthew Raimi, Principal, Raimi and Associates present, made a presentation and responded to questions posed by the City Council.

   Mike Kramer, Chief Investment Officer, Woodland Park Communities, made a presentation and responded to questions posed by the City Council.

   Webster Lincoln, Fabian, Sanchez Coronado, Nazanin Saleh, Alondra Robles, Doroteo Garcia, William Byron Webster, Glemin Zelaya, Gabriel Manrique, Luciano Banderas, and Laura Rubio provided public comment.

   The City Council hosted the Study Session, solicited community input, made comments on the Affordable Housing component of the proposed Euclid Improvements (Woodland Park) Project, and directed staff to bring the back the topic to a future meeting.

III. Adjournment

The meeting was adjourned at 7:17 p.m.

__________________
Mayor

ATTEST:

__________________
City Clerk
1. **CALL TO ORDER AND ROLL CALL**

The meeting was called to order by Mayor Regina Wallace-Jones at 6:32 p.m.

<table>
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</tbody>
</table>

2. **APPROVAL OF THE AGENDA**

RESULT: ADOPTED [UNANIMOUS]

MOTION BY: Romero

SECOND: Abrica

AYES: Wallace-Jones, Romero, Abrica

ABSENT: Gauthier, Moody

3. **CLOSED SESSION**

A. **PUBLIC COMMENT ON CLOSED SESSION ITEMS**

No public comments were made.

B. **ADJOURNMENT INTO CLOSED SESSION**

The City Council adjourned into closed session at 6:36 p.m.

C. **RECONVENE INTO OPEN SESSION**

The City Council reconvened into open session at 7:49 p.m.

D. **REPORT OUT OF CLOSED SESSION**

Rafael E. Alvarado, Jr., City Attorney, stated that there was no reportable action.

4. **PUBLIC COMMENT**

Susan Cortopassi, Court Skinner, Luisa Buada, and David Higaki provided public comment.

5. **COUNCIL PRESENTATIONS**

1. **Latino/a Culture & History Month**

William Byron Webster provided public comment.

The City Council presented the proclamation.

2. **Phil Huang Proclamation**

Court Skinner, William Byron Webster, Elizabeth Jackson, Shanna 'Uhilamoelangu, and
Maria Mata provided public comment.

The City Council presented the proclamation.

6. APPROVAL OF CONSENT CALENDAR

1. Adopted the Minutes of the September 1, 2020 Meeting

2. Adopted Resolution 119-2020, approving the termination of the City’s 401(k) Retirement Plan No. 9112 administered by Wespac Plan Services, LLC.

3. Received the report on the City Council’s Priorities for FY 2020-2021.

4. Adopted Resolution 120-2020, authorizing the City Manager to execute an agreement in an amount not to exceed $27,605 with Project WeHOPE for the term ending December 31, 2020, with an option to administratively extend the agreement for one additional six month period, in a form approved by the City Attorney, to operate the RV Safe Parking Program (Program) during daytime hours; and directing the City Manager and staff to return in November/December with an update on the Program.

RESULT: ADOPTED [UNANIMOUS]
MOTION BY: Romero
SECOND: Moody
AYES: Wallace-Jones, Romero, Abrica, Moody
ABSENT: Gauthier

5. Adopted a Resolution 121-2020, authorizing the City Manager to award funding to five (5) local nonprofits to support education, outreach, and Census counting from the General Funds Reserves, not to exceed a combined total of $32,500

RESULT: ADOPTED [UNANIMOUS]
MOTION BY: Romero
SECOND: Moody
AYES: Wallace-Jones, Romero, Abrica, Moody
ABSENT: Gauthier

7. ORAL REPORTS

1. Staff Reports

   Amy Chen, Community Development Director, provided a staff report.

2. City Council Reports

   Councilor Moody requested to bring back an item on the progress of the EPASD developments. Councilor Abrica made comments regarding election signs. Mayor Wallace-Jones sent well wishes to Louis Moore.

8. INFORMATIONAL REPORTS

1. City COVID-19 Response Efforts

   Jaime M. Fontes, City Manager, presented an informational report regarding the City's COVID-19 efforts and responded to questions posed by the City Council.

   Gina Sudaria provided public comments.

   The City Council received the informational report.
9. SPECIAL PRESENTATIONS - NONE.

10. PUBLIC HEARINGS

1. Adoption of the Ten-Year Capital Improvement Program and Fiscal Year 2020-2021 Capital Budget

Kamal Fallaha, Public Works Director, Humza Javed, City Engineer, and Amy Chamberlain, Management Analyst II, made a presentation and responded to questions posed by the City Council.

Brenda Olwin, Finance Director, responded to questions posed by the City Council.

On motion by Councilor Moody, seconded by Councilor Abrica, and by unanimous vote (Councilor Gauthier being absent), the City Council opened the public hearing.

No public comments were made.

On motion by Vice Mayor Romero, seconded by Councilor Moody, and by unanimous vote (Councilor Gauthier being absent), the City Council closed the public hearing.

The City Council adopted a Resolution 122-2020, adopting the Ten-Year Capital Improvement Program and Fiscal Year 2020-2021 Capital Budget.

RESULT: ADOPTED [UNANIMOUS]
MOTION BY: Romero
SECOND: Moody
AYES: Wallace-Jones, Romero, Abrica, Moody
ABSENT: Gauthier

2. Affordable Housing Impact Fee for Nonresidential Development Urgency Resolution

Rachel Horst, Housing Project Manager, made a presentation and responded to questions posed by the City Council.

On motion by Vice Mayor Romero, seconded by Councilor Moody, and by unanimous vote (Councilor Gauthier being absent), the City Council opened the public hearing.

No public comments were made.

On motion by Vice Mayor Romero, seconded by Councilor Moody, and by unanimous vote (Councilor Gauthier being absent), the City Council closed the public hearing.

The City Council adopted Urgency Resolution 123-2020, renewing Urgency Resolution No. 117-2020 setting and adopting the Affordable Housing Impact Fees as set forth in Exhibit A to the Urgency Resolution.

RESULT: ADOPTED [UNANIMOUS]
MOTION BY: Romero
SECOND: Abrica
AYES: Wallace-Jones, Romero, Abrica, Moody
ABSENT: Gauthier

11. POLICY AND ACTION

1. Ravenswood Business District Specific Plan

Councilor Moody recused himself from this item.
Patrick Heisinger, Assistant City Manager, made a presentation and responded to questions posed by the City Council.

Matthew Raimi, Principal, Raimi and Associates, responded to questions posed by the City Council.

Amy Chen, Community Development Director, responded to questions posed by the City Council.

Alice Kaufman provided public comment.

The City Council adopted Resolution 124-2020, authorizing the City Manager to: 1.) Enter into contract with Raimi + Associates, in a form approved by the City Attorney, in an amount not to exceed $1,326,829 to provide the analysis, community engagement, and environmental review necessary for the City Council to consider an amendment to the Ravenswood Business District (RBD) Specific Plan; 2.) Enter into a contract with the Good City Company, in a form approved by the City Attorney, in an amount not to exceed $500,000, to provide project management and coordination for development proposals within the RBD Specific Plan area; and 3.) Waive the formal bid procedures pursuant to East Palo Alto Municipal Code section 2.84.070(D) to enter into the contracts with Raimi + Associates and the Good City Company.

RESULT: ADOPTED [UNANIMOUS]

MOTION BY: Romero
SECOND: Abrica
AYES: Wallace-Jones, Romero, Abrica
ABSENT: Gauthier
RECUSED: Moody

2. Update on the City’s Residential Eviction Moratorium in Light of California Assembly Bill 3088

Rafael E. Alvarado, Jr., City Attorney, made a presentation and responded to questions posed by the City Council.

On motion by Vice Mayor Romero, seconded by Councilor Moody, and by unanimous vote (Councilor Gauthier being absent), the City Council extended the meeting to September 16, 2020, 12:10 a.m.

The City Council received the report.

3. Measure HH and First Source Hire Agreements

RESULT: CONTINUED [UNANIMOUS]

MOTION BY: Romero
SECOND: Abrica
AYES: Wallace-Jones, Romero, Abrica, Moody
ABSENT: Gauthier

12. ADJOURNMENT

The meeting was adjourned at 12:08 a.m.

_____________________________________
Mayor

______________________________
ATTEST:

______________________________
City Clerk
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Albert Pardini, Chief of Police
Jeff Liu, Commander

SUBJECT: Amend the five-year body worn camera purchase agreement with Axon Enterprise, Inc.

Recommendation

Adopt a Resolution authorizing the City Manager to amend the five-year body worn camera purchase agreement with Axon Enterprise, Inc., in a form approved by the City Attorney, for the acquisition of eleven (11) additional Body Worn Cameras and one (1) basic user account for use by the East Palo Alto Police Department in an amount not to exceed $55,971.53.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 1: Enhance Public Safety and Emergency Preparedness
Priority No. 2: Enhance Economic Vitality

Background

In 2015 the San Mateo County Civil Grand Jury issued a Report, “Body Cameras—The Reel truth” and in 2019, the East Palo Alto implemented the use of Body Worn Cameras for use by members of the department. In 2019, the focus was on equipping the Officers, Sergeants & Detectives with Body Worn Cameras. The use of the Axon Body Worn Cameras has been vital in documenting investigations, retrieving electronic evidence from witnesses and documenting the actions of the Officer, Sergeants, Detectives and other persons at the scene of an incident. Seeing the value of collecting Body Worn Camera documentation and with the desire to expand transparency, I want to equip our Community Service Aides, Police Commanders and myself with a Body Worn Camera. Additionally, we will need one additional account for the Records staff, so they can manage and transmit evidence to the Office of the District Attorney.
Analysis

The use of the Axon Body Worn Cameras has proven to be vital in documenting investigations, retrieving electronic evidence from witnesses and documenting the actions of the Officer, Sergeants, Detectives and other persons at the scene of an incident.

With the goal of expanding transparency, adding the cameras will allow us to equip the Community Service Aides, Police Commanders, Chief of Police and supply provide one additional basic user account that is required for my Record staff to electronically forward video evidence to the District Attorney.

Fiscal Impact

Amending the five-year purchase agreement for the Body Worn Camera’s will cause an increase in the annual payment by $16,751.24 this fiscal year. The cost of acquiring the cameras during this fiscal year will be paid from the police departments existing budget and the cost for subsequent years in the amount of $13,073.43 annually will need to be added to the police departments future budget.

Payment Schedule (Chart C)

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</table>

Attachments

1. Resolution
2. Quote
RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO AMEND THE FIVE-YEAR BODYカメラ PURCHASE AGREEMENT WITH AXON ENTERPRISE, INC. FOR THE ADDITION OF ELEVEN (11) BODY WORN CAMERAS AND ONE (1) BASIC USER ACCOUNT FOR USE BY THE EAST PALO ALTO POLICE DEPARTMENT IN AN AMOUNT NOT TO EXCEED $55,971.53

WHEREAS, the additional use of body worn cameras will increase the level of transparency for the East Palo Alto Police Department; and

WHEREAS, the use of body worn cameras document the conduct of all persons involved in an incident and hold officers accountable for their actions; and

WHEREAS, capturing incidents on camera will provide evidence that can be used to adjudicate criminal cases, resolve citizen complaints and bring resolution to civil lawsuits in the early stages; and

WHEREAS, the City Council authorize the city manager to amend the five-year purchase agreement with Axon Enterprise, Inc. for the addition of eleven (11) Body worn cameras and one (1) basic user account; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorize City Manager to amend the five-year body worn camera purchase agreement with Axon Enterprise, Inc., in a form approved by the City Attorney, for the acquisition of eleven (11) additional Body Worn Cameras and one (1) basic user account for use by the East Palo Alto Police Department in an amount not to exceed $55,971.53.

PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES: __________________________

NOES: __________________________

ABSENT: _________________________

ABSTAIN: ________________________

Regina Wallace-Jones, Mayor

ATTEST: __________________________

APPROVED AS TO FORM:

Walfred Solorzano, City Clerk

Rafael E. Alvarado Jr., City Attorney
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Term (Months)</th>
<th>Quantity</th>
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### Year 1 (Continued)

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### Year 2

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<td>11,748.00</td>
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<tr>
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<td>List Unit Price</td>
<td>Net Unit Price</td>
<td>Total (USD)</td>
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Subtotal: 11,928.00
Estimated Tax: 1,145.43
Total: 13,073.43

Grand Total: 55,971.53

Attachment: Quote (1411 : Amend the five-year body worn camera purchase agreement with Axon Enterprise, Inc.)
## Summary of Payments

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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>55,971.53</strong></td>
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</tbody>
</table>

*Total excludes applicable taxes*
Notes

This quote is co-termed with quote Q-178094 (executed contract #20752). Year one has been pro-rated to 4 months to align with agency annual billing dates. This has been done according to an anticipated ship date range of 11/1/2020-11/15/2020. The end date of these subscriptions is subject to change if the ship/start date changes.

Tax is subject to change at order processing with valid exemption.

Axon’s Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon’s Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature: ___________________________ Date: ___________________________

Name (Print): ___________________________ Title: ___________________________

PO# (Or write N/A): ___________________________

Please sign and email to Kyle Panasewicz at kylep@axon.com or fax to (480) 658-0673

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store buy.axon.com

The trademarks referenced above are the property of their respective owners.

***Axon Internal Use Only***

SFDC Contract #: ___________________________

Order Type: ___________________________

RMA #: ___________________________

Address Used: ___________________________

SO #: ___________________________

Review 1 Review 2

Comments: ___________________________
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Albert Pardini, Chief of Police

SUBJECT: $125,000.00 private donation from the H & H Evergreen Foundation to assist the Chief of Police

Recommendation

Adopt a Resolution accepting the private donation of $125,000 from H & H Evergreen Foundation to benefit the East Palo Alto Police Department, assist in the purchase of necessary equipment and fund a holiday safe driving program; and direct the City Manager to formally express the City Council’s appreciation for the donation to the H & H Evergreen Foundation.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 1: Enhance Public Safety and Emergency Preparedness
Priority No. 2: Enhance Economic Vitality
Priority No. 3: Increase Organizational Effectiveness and Efficiency
Priority No. 6: Create a Healthy and Safe Community

Background

Since being appointed Chief of Police on November 12, 2014, the police department has received notoriety for engaging in a robust community policing program that included engaging the community, initiating new community policing programs, and substantially increasing the amount of involvement with the community. After initiating this model of community policing, the community assisted in several high-profile criminal cases that lead to arrests and reduced crime. The media coverage has drawn a significant amount of attention from people in the region helping in many ways including financial contributions.

Analysis

This private donation made by the H & H Evergreen Foundation was made with the expressed
desire from the donor to purchase necessary equipment for the police department in the amount of $100,000.00. The department has a greater need for equipment than the city of East Palo Alto can supply funding for in any fiscal year. As such, the acquisition of necessary equipment is prioritized, and the greatest need is often purchased while the next most needed equipment is deferred until a future fiscal year. Additionally, to help facilitate a safer holiday season, the H & H Evergreen Foundation is donating an additional $25,000.00 to assist in funding a traffic safety awareness program during this November and December holiday season.

By accepting this money, the department will re-evaluate its current equipment needs and seek authorization from the City Manager to expend funds from this donation to acquire the equipment. Additionally, the department will acquire specific gift cards that will be given to community members that are involved in minor traffic violations and/or those demonstrating safe driving habits.

**Fiscal Impact**

There will be no fiscal impact on the department budget since any equipment and the specific gift cards will be purchased by expending funds from the donation. Using the funds in this manner will follow the wishes of the donor, provide the department with necessary equipment and fund a holiday safe driving program.

**Attachments**

1. Resolution
2. Donation
RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

ACCEPTING THE PRIVATE DONATION OF $125,000 TO BENEFIT THE
EAST PALO ALTO POLICE DEPARTMENT

WHEREAS, the H & H Evergreen Foundation has given a check for a $125,000 private
donation to the East Palo Alto Police Department; and,

WHEREAS, specifically requested that $100,000.00 be used to purchase necessary
equipment for items that the police department does not have budgeted funding.

WHEREAS, specifically requested that $25,000.00 be used to fund the purchase of specific
gift cards for distribution during a safe holiday traffic program.

WHEREAS, these funds will be used to enhance the mission of the East Palo Alto Police
Department to serve the community; and

WHEREAS, the Council gives authorization to the City Manager to have approval authority for
the purchase(s) of equipment and the specific gift cards as requested by the Chief of Police, and

WHEREAS, the City Council wishes to express our appreciation to H & H Evergreen
Foundation for their support and wish to enhance the Police Department's work for the community.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST
PALO ALTO HEREBY accepts the private donation of $125,000 from H & H Evergreen Foundation
to benefit the East Palo Alto Police Department, assist in the purchase of necessary equipment and
fund a holiday safe driving program; and direct the City Manager to formally express the City
Council's appreciation for the donation to the H & H Evergreen Foundation.

PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

__________________________
Regina Wallace-Jones, Mayor

ATTEST:

APPROVED AS TO FORM:

__________________________
Walfred Solorzano, City Clerk

__________________________
Rafael E. Alvarado Jr., City Attorney

1 of 1
6.3.b

Attachment: Donation (1412: $125,000.00 private donation from the H & H Evergreen Foundation)
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Albert Pardini, Chief of Police

SUBJECT: State Grant for $50,000 from the Department of California Highway Patrol

Recommendation

Adopt a Resolution authorizing the City Manager to extend Resolution No. 4966 for a State Grant for $50,000 from the Department of California Highway Patrol and extend the grant funding for one additional year.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 1: Enhance Public Safety and Emergency Preparedness
Priority No. 5: Improve Communication and Enhance Community Engagement

Background

The City Council has made enhancing public safety one of its top priorities. The Police Department had the opportunity to apply and receive a grant to train our Police Officers so they can evaluate marijuana DUI cases and receive training that will certify them as Drug Recognition Evaluators. Training members of the police department is an ongoing effort and the acceptance period is scheduled to expire. The Department of the California Highway Patrol recognizes the extensive work it takes to get personnel certified and is willing to extend the grant for one additional year.

Analysis

The Department of California Highway Patrol offered a grant to the East Palo Alto Police Department to conduct training that will train our officers, so they are qualified to evaluate individuals suspected of driving under the influence of marijuana. Additionally, this grant extends the level of training to enhance the officer’s skills, so they are recognized as Drug Recognition Evaluators thus allowing them to evaluate individuals that are suspected of being under the influence of marijuana and other drugs. This important program will allow the police
department to address DUI cases for the safety of our community. This one-time grant funding of $50,000.00 was scheduled to be expended over the past three years but the Department of the California Highway Patrol realizes it takes an extensive amount of time to get personnel trained. As such, they are willing to extend the grant for an additional year so the police department can get additional personnel trained.

**Fiscal Impact**

The project does not require General Fund expenditure.

**Attachments**

1. Resolution
2. Resolution No. 4966
RESOLUTION NO. ______

ADOPT A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO EXTEND THE ACCEPTANCE OF A $50,000 GRANT FROM THE DEPARTMENT OF CALIFORNIA HIGHWAY PATROL FOR ONE ADDITIONAL YEAR

WHEREAS, The City Council, and its residents agree upon the adverse effect of Impaired Driving on the safety of the public; and

WHEREAS, That Impaired drivers in our community have injured and endangered the community in the past year, and;

WHEREAS, The City Council has made enhancing public safety one of its top priorities, and;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO DOES , hereby authorize the City Manager to accept a one-year extension of the grant from the Department of California Highway Patrol in the amount of $50,000 and expend the funds in accordance with the objectives of the grant.

PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________________________________________
Regina Wallace-Jones, Mayor

ATTEST:

APPROVED AS TO FORM:

______________________________________________________________
Walfred Solorzano, City Clerk

______________________________________________________________
Rafael E. Alvarado Jr., City Attorney
RESOLUTION NO. 4966

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO
AUTHORIZING THE CITY MANAGER TO APPLY AND IF APPROVED
ACCEPT A $50,000 GRANT FROM THE DEPARTMENT OF
CALIFORNIA HIGHWAY PATROL

WHEREAS, the City Council, and its residents agree upon the adverse effects of
impaired driving on the safety of the public; and

WHEREAS, impaired drivers in our community have injured and endangered the
community in the past year; and

WHEREAS, the City Council has made enhancing public safety one of its top
priorities.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to
apply for a Department of California Highway Patrol grant in the amount of $50,000
and, if the grant is awarded, accept the grant and enter into a Standard Agreement for a
three-year period to expend the funds in accordance with the objectives of the grant.

PASSED AND ADOPTED this 15th day of May, 2018, by the following vote:

AYES: GAUTHIER, ROMERO, ABRICA MOODY
NOES: NONE
ABSENT: RUTHERFORD
ABSTAIN: NONE

SIGNED:

Ruben Abrica, Mayor

ATTEST:

Maria Buell, Deputy City Clerk

APPROVED AS TO FORM:

Rafael E. Alvarado Jr., City Attorney
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Brenda Olwin, Finance Director
    Agnes Pabis, Financial Services Manager

SUBJECT: Monthly Cash Treasury Report for August 2020

Recommendation


Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 3: Increase Organizational Effectiveness and Efficiency
Priority No. 5: Improve Communication and Enhance Community Engagement

Background

Pursuant to Section 53646 of the Government Code of the State of California, the City Treasurer may submit a quarterly report to the City Council regarding the funds and investments of the City. Further, City Investment Policy Section XVIII requires monthly reporting of investment transactions, as specified. Because the City participates in State and County investments pools and does not independently broker or engage outside investment advisors to transact investments; the monthly reporting provides a snapshot of overall cash receipting, transfers, and disbursements on a monthly basis.

Analysis

This report covers cash and investments of the City in the three cash and investment accounts: Wells Fargo Bank, San Mateo County Pool, and the California State Local Agency Investment Fund. The monthly report does not include petty cash or the California State Community Infrastructure Program (SCIP) bond proceeds held by a trustee in the name of the City. For investment purposes, City cash is pooled, except for bond proceeds held by a trustee. The City does not have, nor is it legally required to have, separate bank accounts for
each individual fund. However, all cash is segregated in the City’s accounting records. Monthly cash transactions for the monthly period ending July 31, 2020 are as follows:

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<th>Receipts</th>
<th>Disbursements</th>
<th>Quarterly Interest Allocation</th>
<th>Inter-Account Transfers</th>
<th>Ending Balance</th>
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<tbody>
<tr>
<td>Wells Fargo Bank</td>
<td>2,463,221.63</td>
<td>869,753.76</td>
<td>(2,747,567.83)</td>
<td>-</td>
<td>1,500,000.00</td>
<td>2,085,407.56</td>
</tr>
<tr>
<td>LAIF</td>
<td>26,379,078.13</td>
<td>-</td>
<td>-</td>
<td>(1,500,000.00)</td>
<td>24,879,078.13</td>
<td></td>
</tr>
<tr>
<td>San Mateo County Pool</td>
<td>67,044,971.65</td>
<td>331,110.21</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>67,376,081.86</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>95,887,271.41</strong></td>
<td><strong>1,200,863.97</strong></td>
<td><strong>(2,747,567.83)</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>94,340,567.55</strong></td>
</tr>
</tbody>
</table>

The Wells Fargo cash balance reflects the book value balance i.e. total outstanding checks not cashed are deducted from the account balance. Total cash and investment balances decreased approximately $1.5M - a reflection of reduced cash inflow due to COVID-19. Cash receipts, including interest, were approximately $1.7M less than August 2019. Reduced revenue receipts were noted in sales tax, transient occupancy, water-related monthly receipt delay due to Veolia transition, and notable decrease in Community Development activity compared to last year. Year over year disbursements decreased slightly approximately $0.3M. Major disbursements consist of payroll ($1.4M), some capital project payments, monthly leases, and payments related to development services activity.

In late August, the Federal Reserve announced it had reached an important milestone in its ongoing review of monetary policy strategy, tools, and communication practices with the unanimous approval and release of a new statement on Longer-Run Goals and Monetary Policy Strategy. The impetus behind the review was broadly summarized as: (1) a reassessment of the neutral real interest rate that, over the longer run, is consistent with maximum-employment and price-stability mandates; (2) price inflation seems less responsive to resource slack, and (3), estimates of resource slack based on historically estimated price relationships are less reliable and subject to more material revision than was once commonly believed. In a firmly direct summation, Fed Chairman Powell emphasized, “… following periods when inflation has been running persistently below two percent, appropriate monetary policy will likely aim to achieve inflation moderately above two percent for some time.”

The Fed’s shift to a stated average inflation targeting framework solidified market expectations that rates would remain near zero for years to come. As a result, shorter term treasuries remained near record low levels and longer-term yields moved higher.

The table below reflects recent treasury yield comparisons up to five-years since that is the maximum maturity the City may invest:

<table>
<thead>
<tr>
<th></th>
<th>Aug-20</th>
<th>Jul-20</th>
<th>Aug-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-month Treasury Bill</td>
<td>0.13</td>
<td>0.10</td>
<td>1.89</td>
</tr>
<tr>
<td>2-year Treasury Note</td>
<td>0.14</td>
<td>0.11</td>
<td>1.50</td>
</tr>
<tr>
<td>5-Year Treasury Note</td>
<td>0.28</td>
<td>0.21</td>
<td>1.39</td>
</tr>
</tbody>
</table>

Low yields are expected to remain for a sustained period and with the Fed’s new Statement futures markets are indicating near zero rates through 2023. Daily yields for LAIF dropped from to 0.92 in July to 0.82 in August. San Mateo County monthly gross earnings for July was 1.467%, and the County Treasurer states the Pool is on target for estimated annual earnings of 1.34%.
Staff believes the City has investment liquidity and anticipated revenues to meet the City’s anticipated expenditure requirements for the month of August 2020.

**Fiscal Impact**

This report is informational only.
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Brenda Olwin, Finance Director

SUBJECT: Approve an Extension of the Due Date to Report Status of Emergency Expenditures

**Recommendation**

Approve an extension of the due date to report the status of COVID-19 emergency expenditures from October 15, 2020 to October 20, 2020.

**Alignment with City Council Strategic Plan**

This recommendation is primarily aligned with:

Priority No. 1: Enhance Public Safety and Emergency Preparedness  
Priority No. 6: Create a Healthy and Safe Community

**Background**

Communities throughout the Bay Area have been heavily impacted by the outbreak of novel coronavirus (named "COVID-19" by the World Health Organization). First detected in Wuhan City, Hubei Province, China, in December 2019, the Centers for Disease Control and Prevention ("CDC") stated that COVID-19 is a serious public health threat.

On March 17, 2020, the Council proclaimed a local emergency due to COVID-19 and further authorized the City Manager to make repairs, alterations or improvements to the City’s public facilities, take any directly related and immediate actions required by said emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

On March 26, 2020, Council approved emergency appropriations of $300,000, and an additional $75,000 on July 7, 2020. The Council also appropriated $100,000 for rapid rehousing response, passed local ordinances pertaining to residential and commercial eviction moratoriums for the non-payment of rent for tenants affected by COVID-19, approved a total of $93,915, in additional costs and extended parking hours at the City’s RV Safe Parking location.
to improve the health and safety of at-risk population, and appropriated $60,000 to creatively support the educational ecosystem during COVID-19.

Additionally, several City staff have been assigned to support the County’s local COVID testing efforts.

**Analysis**

The City’s COVID emergency response costs will be submitted for funding from four sources including FEMA reimbursement (75% of total cost reimbursed), State of California CARES funding allocation ($380,218 allocated), Department of Justice Public Safety Grant ($32,226) and the City General Fund for co-share costs and response activity not directly eligible for reimbursement from external sources.

Staff are analyzing expenditures through the June 30, 2020 audit for final allocation to eligible funding sources, and gathering costs estimated through September 30, 2020. In accordance with the City’s Municipal Code Section 3.20.030, the Finance Director - as Budget Officer - is required to report to Council regarding the status of emergency expenditures, excerpted below:

> The budget officer shall, within fifteen (15) days after the end of each quarter, report to the city council on the status of the various programs authorized. The report shall include a tabular statement comparing the receipts to date by source with the revenue estimate and a tabular statement indicating for each appropriation the amount originally appropriated, the amount expanded or encumbered to date, and the available balance.

Due to the widespread response activities and diversity of expenditure eligibility among external sources, staff is requesting an extension of time to submit the expenditures report from October 15, 2020 - as required by City Municipal Code Section 3.20.030 - to October 20, 2020.

**Fiscal Impact**

None.
DATE: October 6, 2020
TO: Honorable Mayor and Members of the City Council
VIA: Jaime M. Fontes, City Manager
BY: Patrick Heisinger, Assistant City Manager
SUBJECT: Agreements & Funding Request for FUSE Executive Advisors

Recommendation

Adopt a Resolution authorizing the City Manager to:

1. Enter into a Master Agreement in an amount not-to-exceed $150,000 and Individual Placement Agreements with FUSE Corps for placement of two FUSE Executive Advisors in East Palo Alto for a term of six-months, in a form approved by the City Attorney;
2. Allocate $150,000 from the City’s General Fund Reserve and
3. Waive the bid procedures pursuant to East Palo Alto Municipal Code section 2.84.070(D).

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 3: Increase Organizational Effectiveness and Efficiency
Priority No. 4: Improve Public Facilities and Infrastructure
Priority No. 5: Improve Communication and Enhance Community Engagement

Background

FUSE is a national nonprofit organization that partners with local government to help urban communities thrive. FUSE works with cities on a range of issues, including economic and workforce development, healthcare, public safety, climate change, and education.
FUSE is an executive advisor program. FUSE works closely with government partners to design yearlong strategic projects, recruit experienced leaders to take on local challenges, and provide the ongoing support to help fellows achieve their full potential for community impact.
FUSE advisors are retained as independent contractors of FUSE Corps and are paid an annual stipend of $90,000 through monthly installments.
On August 8, 2018, the City Council adopted Resolution No. 5012 authorizing the City
Manager to execute an agreement with FUSE and allocate $10,000 for two FUSE Executive Advisors.

On September 17, 2019, the City Council approved a new agreement and appropriated $20,000 to extend the City’s two FUSE Executive Advisors for another year.

The purpose of this staff report is to: 1) seek City Council to extend the two FUSE agreements for an additional six (6) months to complete critical work tasks, and 2) to appropriate up to $150,000 of the City’s General Fund Reserve to cover the contracts.

**Analysis**

Since October 2018, two FUSE Executive Advisors have been working on critical items for the East Palo Alto community, as follows:

- Susan Barnes has been focused on implementing the City’s Mobility Study and developing policies tied to updating the City’s Transportation Demand Management (TDM) policies. It is staff’s goal to bring the TDM back to the City Council for consideration in late November.
- Jerry Chang has been focused on community engagement and assisting the City with creating a City Facilities Plan, while acting as lead project manager for the City Hall tenant improvement project, which will include upgrades to the City’s audio/visual network at City Hall. In addition, Jerry is actively engaged in several COVID-19 related activities such as coordinating with the school district on distance learning, the County’s Wi-Fi project, and general community engagement.

The City Manager recommends disregarding the bid procedures due to the special circumstances that the COVID-19 Pandemic has delayed some of the work that the City’s two Executive Advisors have been able to accomplish prior to the previous employment agreements expiring and retaining the Executive Advisors is necessary to complete the aforementioned items.

Per the agreement with FUSE, if the City elects to retain a FUSE Executive Advisor after the term of the agreement, the City is required to pay the monthly cost of $12,500 for each advisor. The City’s total six month investment would be $150,000.

**Fiscal Impact**

The cost for extending the agreement with FUSE for the two Executive Advisors would be $150,000. Staff recommends these funds come from the City’s General Fund Reserve.

**Attachments**

1. Resolution
RESOLUTION NO.______
A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH FUSE
FOR TWO FUSE FELLOWS AND OTHER RELATED ACTIONS

WHEREAS, the City of East Palo Alto ("City") has significant priorities such as its Mobility Study and improving its City Hall and other City facilities; and

WHEREAS, FUSE is a national nonprofit that partners with local government to help urban communities thrive through an executive fellowship program; and

WHEREAS, FUSE and the City have had two FUSE Executive Advisors working on two projects since 2018: (1) Easing Traffic Conditions for Improved Mobility and Health; and (2) Strengthening Civic Identity Through Developing a New City Hall; and

WHEREAS, the term of the original agreement with FUSE expired and the City desires to continue to have two FUSE advisors for an additional six months; and

WHEREAS, the City must also execute a new Master Agreement and Individual Placement Agreements for placement of the two FUSE Executive Advisors; and

WHEREAS, the City is responsible for paying all costs related to FUSE.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to:

1. Enter into a Master Agreement in an amount not-to-exceed $150,000 and Individual Placement Agreements with FUSE Corps for placement of two FUSE Executive Advisors in East Palo Alto for a term of six-months, in a form approved by the City Attorney;

2. Allocate $150,000 from the City’s General Fund Reserve; and

3. Waive the bid procedures pursuant to East Palo Alto Municipal Code section 2.84.070(D).

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to execute an Agreement with FUSE, in a form approved by the City Attorney, and subject to changes approved by the City Attorney, and Individual Placement Agreements with each FUSE Executive Advisor; and to allocate $150,000 from the City’s General Fund Reserve for the two FUSE Executive Advisors for six additional months.
PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Regina Wallace-Jones, Mayor

ATTEST:

APPROVED AS TO FORM:

______________________________
Walfred Solorzano, City Clerk

______________________________
Rafael E. Alvarado Jr., City Attorney
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Michelle Daher, Management Analyst

SUBJECT: Jack James Third Amendment for Contract Towing Services of Oversized and Recreational Vehicles

Recommendation

Adopt a Resolution authorizing the City Manager to enter into Amendment No. 3 to the Jack James Oversized Vehicle Tow Service Contract, in a form acceptable to the City Attorney, in an amount not to exceed $30,000, for a new total not to exceed amount of $119,400; and dispense with formal bid procedures pursuant to East Palo Alto Municipal Code section 2.84.070D due to the special circumstance that Jack James Towing Services offers specialized services.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 1: Enhance Public Safety/ Emergency Preparedness
Priority No. 2: Increase Organizational Effectiveness and Efficiency

Background

The City continues to have challenges finding a contractor able to provide oversized vehicle towing for RVs, including storage and potential disassembly for abandoned recreational vehicles including boats and trailers. In June 2020, the City inquired with the local tow rotation service providers as to their capacity to tow oversized recreational vehicles including RVs, boats, and trailers, finding no interest in providing comprehensive RV towing services.

Tow rotation service providers earn the bulk of their compensation through tow fees and daily parking costs paid by the registered vehicle owners for the duration of vehicle impound. The RVs being considered for tow generally have no monetary value and are not likely to be claimed by current registered owners as the vehicles are often sold without updating the registration. Local tow companies have requested that the oversized vehicles not be included in the standard tow rotation due to the inability to address abandoned RVs and boats, which
requires disassembly with special certifications. Cost burdens for tow companies are significant with regards to towing RVs for the following reasons:

- Significant storage needs
- Potential compensation is unlikely due to no sales value
- High disposal costs to junk due to waste, biohazards and hazardous materials
- Large space requirements
- Excessive insurance requirements

Local tow contractors also lack oversized tow equipment or adequate storage space for oversize vehicles that have been towed. For these reasons, local tow companies requested that the oversized vehicles not be included in the standard tow rotation.

On May 18, 2018, the City entered into the first contract with Jack James for oversized towing and recreational vehicle towing from the public right of way, within the City Manager contract authority limit of $27,000. These funds were primarily expended to tow recreational vehicles, RVs and fifth wheel trailers in response to the shelter crisis wherein residents were moving from non-operational RVs into more traditional housing and abandoning recreational vehicles that were unhealthy, non-operational, unregistered and/or uninsured.

On May 21, 2019, the City Council authorized an additional $25,000 in towing funds for Amendment Number 1, to support the City in addressing oversized vehicle towing from the public right of way. These funds have been expended to tow a variety of non-operational recreational vehicles including RVs, boats and trailers that have been abandoned in the public right of way and are removed for the safety of the community.

On September 3, 2019, the City Council authorized an additional $37,400 for towing services related to abatement of 1923-1925 Bay Road. These funds are encumbered for this purpose and remain available for that purpose.

Analysis

The City continues to take great lengths to protect its most vulnerable residents through who may be unhoused and living in recreational vehicles, other motor vehicles, or sheltering on public property. Due to the COVID-19 pandemic, community members who are living in the public right of way are offered services, but are typically allowed to remain sheltering in place until suitable housing alternatives can be arranged. The City does engage in active education for newcomers who may park oversized vehicles in the public right of way, with the placement of a notification on the windshield and/or doors of the oversized vehicle informing the owner or occupants of the City’s Municipal code on parking oversized vehicles in the public right of way. This is largely an effective tool which has discouraged large numbers of people from turning to RVs as a form of shelter in the public right of way. However, with local conditions changing in neighboring communities, East Palo Alto may see a surge of newly displaced regional neighbors seeking refuge in the City of East Palo Alto. As the pandemic continues into the fall months, residents may seek alternative housing options as local Coronavirus conditions are expected to be acute. Staff will work with displaced people on a case-by-case basis to support connecting them to traditional housing opportunities with adequate sanitation standards.

The City still continues to see abandoned, unregistered and often inoperable oversized vehicles in the public right of way. Allowing oversized vehicles to remain in the public right of way has negative impacts on the community including:
The City continues enforcement of the oversized vehicle parking prohibition which requires ongoing diligence to remove the abandoned vehicles from the roadways to prevent accumulation of oversized vehicles in the public right of way. There are presently modest numbers of oversized vehicles in the public right of way though the numbers have grown throughout the pandemic. There are currently a few RVs scattered throughout the local roadways, a single fifth wheel and two abandoned boats currently ready for tow, having been provided with red tags to inform the owner that towing is imminent.

The City Manager recommends dispensing with formal bid procedures pursuant to East Palo Alto Municipal Code section 2.84.070 D due to the special circumstance that Jack James was the only firm willing to enter into a contract with the City for oversized towing services.

**Fiscal Impact**

The $30,000 cost of the Amendment No. 3 for Jack James Tow Services was included in the estimated budget adopted in June and will be funded through the General Fund.

**Public Notice**

The public was provided notice of this agenda item by posting the City Council agenda on the City’s official bulletin outside City Hall and making the agenda and report available at the City’s website and at the San Mateo County Library at 2145 University, East Palo Alto.

**Environmental**

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a “project” pursuant to 15378(b)(4) as it is a fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

**Attachments**

1. Resolution
RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO ENTER INTO AMENDMENT NO. 3 TO THE JACK JAMES TOW SERVICES CONTRACT IN AN AMOUNT NOT TO EXCEED $25,000 FOR A NEW TOTAL NOT TO EXCEED AMOUNT OF $52,000

WHEREAS, there is regional housing crisis that requires many people throughout the Bay Area to live in RVs on the streets; and

WHEREAS, the City of East Palo Alto wants to respond promptly to public health and safety issues arising from residents living in RVs due to the regional housing crisis; and

WHEREAS, on May 8, 2018, the City Manager entered into a $27,000 agreement with Jack James Towing Services for towing oversized vehicles and recreational vehicles, and dispensed with the City’s bid procedures due to lack of available service providers; and

WHEREAS, on May 21, 2019, the City Council authorized Amendment No. 1, appropriating $25,000 to expand the contract for oversized vehicle tow services with Jack James Services based on the need for towing services, to address non-compliant oversized vehicles in the City; and

WHEREAS, on September 3, 2019 the City Council further authorized Amendment No. 2, appropriating $37,400 to abate the private properties at 1923 and 1925 Bay Road.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to enter into Amendment No. 3 to the Jack James Oversized Vehicle Tow Service Contract, in a form acceptable to the City Attorney, in an amount not to exceed $30,000, for a new total not to exceed amount of $119,400; and dispense with formal bid procedures pursuant to East Palo Alto Municipal Code section 2.84.070D due to the special circumstance that Jack James Towing Services offers specialized services.
PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Regina Wallace-Jones, Mayor

ATTEST:

APPROVED AS TO FORM:

______________________________
Walfred Solorzano, City Clerk

______________________________
Rafael E. Alvarado Jr., City Attorney
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Michelle Daher, Management Analyst

SUBJECT: Canopy Contract Amendment and Extension

**Recommendation**

Adopt a Resolution authorizing the City Manager to execute a Second Amendment and Extension for Professional Services Agreement for arboriculture services between Canopy and the City of East Palo Alto with retroactivity as of July 1, 2020, with a general scope of services outlined in Exhibit A for one year:

1. With a not-to-exceed amount of $25,000; and
2. Planting 100 trees throughout the community utilizing $50,000 from the 2017-2018 CalFire “From Gray to Green: An Urban Forest Master Plan for East Palo Alto,” for the duration of the Grant.

**Alignment with City Council Strategic Plan**

This recommendation is primarily aligned with:

Priority No. 4: Improve Public Facilities and Infrastructure
Priority No. 5: Improve Communication and Enhance Community Engagement
Priority No. 6: Create a Healthy and Safe Community

**Background**

Since 1996, Canopy has provided professional arboriculture services as an environmental nonprofit dedicated to planting and maintaining trees in the mid-Peninsula. The organization’s mission is “to grow urban tree canopy in Midpeninsula communities for the benefit of all. Canopy’s work is largely funded by grants and private donations.

In 2006, former Mayor Pat Foster invited Canopy to plant trees in the City of East Palo Alto. Between 2006 and 2014, Canopy planted over 2,500 trees in East Palo Alto, with the collaboration of City staff, and solely dependent on outside funding sources.
On November 5, 2014, City Council directed the City Manager to enter into a first-ever Agreement with Canopy for tree related services during FY 14/15 after 8 years working in the community. Canopy provided a total of $92,770 worth of services to the City during FY 14/15, leveraging the City’s $20,000 in funds provided by the City through matching grants and private donations.

In March 2016, the City Council authorized a 3-year contract with Canopy, with two optional one-year extensions, with annual general fund use of $20,000 per year. This contract expired June 1, 2020.

In August 2018, the City Council authorized the City Manager enter into an agreement with Cal Fire to accept the 2017-2018 Urban & Community Forestry California Climate Investment Grant, prepared in partnership with Canopy and the City of East Palo Alto, which included up to $280,680 to develop the first Urban Forest Management Plan the City of East Palo Alto will have, and the update of the Tree Protection Ordinance, along with $50,000 dedicated to planting 100 trees in the community, with Canopy considered the lead partner for this effort.

**Analysis**

**Agreement Adherence**

During the recent budget adoption process for Fiscal Year 2020-2021 the City set aside a total of $25,000 in funds with the intent of extending the agreement with Canopy, to be dedicated for ongoing professional services included in Attachment 1, Exhibit A.

The City reviewed the contract with Canopy and found services have met and exceeded the terms of the prior scope of work. Canopy has providing the community with extensive professional tree advice outside the scope of the Cal Fire grant, has shown consistent flexibility in assisting the City with urgent issues specific to trees, has expanded the youth-oriented Teen Urban Forestry positions, and has found creative strategies to mentally engage the community through online solutions during the Covid-19 pandemic.

Canopy has planted 317 new trees this year and maintained 888 previously planted trees. Canopy has worked with 681 volunteers who provided 2,610 hours of support including volunteer and professional services. Canopy has held 10 outreach and education events for the community, including some remote events during the COVID-19 shelter-in-place.

Canopy provided a total of $444,074.39 worth of services to the City during FY 19/20, leveraging the $20,000 contributed by the City through the Agreement. In terms of return on investment, Canopy has multiplied the City’s investment 22-fold through private donations and volunteer contributions. The services provided include a combination of grants which supported Canopy staffing as well as the expanded Teen Urban Forestry program, which currently has sixteen City of East Palo Alto residents filling these roles, with a capacity of reaching 48 youth a year in paid part-time positions.

The services Canopy provides are expected to continue under the terms of this Amended and Extended Agreement, with an increased budget to account for expanded responsibilities of managing larger groups of staff and volunteers. (See Attachment 2 for Canopy’s 2019 Budget Summary with updated rate schedule).
Canopy provides jobs to 16 Teen Urban Forester ("TUFFs") positions per session, with three sessions per year, all paid per the Palo Alto minimum wage or higher. TUFFs are permitted to repeatedly fill these roles, when appropriate. Canopy continues to recruit all open staffing positions with an emphasis on hiring East Palo Alto residents as preferred candidates for key positions, when possible.

The City funds will enable Canopy to continue to provide added value to the City, while leveraging these funds to continue to amplify the impact of the services provided through community engagement in tree care and planning activities. In addition, the City requires Canopy to continue to provide tree planting plans for staff review, provide more community input to the tree planting options, and to attend public meetings for major plantings, none of which were part of the CalFire grant scope of work. These services would be eligible for reimbursement through this Agreement.

Canopy has provided community tree education events, designed specifically for East Palo Alto. Such events have included local tree walks or virtual tree walks, to educate the community about the local canopy, participation in the annual ceremonial Mayor’s tree planting, which in January 2020 included planting 125 acorns at the end of Daphne Way, coordinating with hundreds of local volunteers as a tribute to Dr. Martin Luther King, Junior’s legacy and inclusive of the Mayoral Annual Tree Planting event.

Canopy intends to support local new development projects by providing public tree planting events as allowed through San Mateo County COVID-19 related social distancing requirements and orders. Where infeasible, Canopy intends to utilize staffing resources to ensure tree care is continuous.

Canopy is engaged in a variety of local adjacent projects with San Francisco Estuary Institute, for the development of the Urban Forest Master Plan, and with supporting social justice and equity involvement in understanding the interplay between species diversity and human health in the greening of the community. Canopy signed a contract to begin work on a project called “Ecology for Health” with the City, SFEI, and other organizations to implement a research project that will connect the nature-health science research and use it as development guidance for multi-benefit urban greenspace. The project is using East Palo Alto as a case study.

Canopy furthers their mission of providing and expanding tree canopy through the involvement of other local non-profits such as Grassroots Ecology in planting events to ensure the understory of the tree canopy with local drought tolerant native species.

**Updated Scope of Work**

Canopy hopes to provide a “Wishing tree” project in East Palo Alto. Wishing Trees are trees set up in central community places where community members are invited to write their hopes and wishes on tags and hang them from the trees. Canopy is working towards greater social justice and can use the concept of wishing trees to amplify community voices by providing a visual landmark in the form of trees where community members wishes for their communities hang alongside others’. Canopy staff are currently assessing where to host this concept in East Palo Alto. Canopy has indicated they would like this to be approachable for all community members. Canopy considers the location and implementation of this project to be very
important.

Canopy has responded to the need for expanded flexibility in scheduling planting with the community due to COVID-19. This has resulted in a need to stage trees intended for local plantings and some supplies at the City’s corporation yard until the planting events. The City has offered about 400 square feet of space for storage of trees, equipment, and irrigation, which incorporates stormwater compliant best management practices. The present recommendation seeks to formalize this practice to ensure that Canopy is permitted to continue the use of this staging area for the duration of the contract, as long as the City continues to have space to accommodate the materials.

Canopy recognizes that many students are feeling disconnected since the COVID-19 Shelter in Place began and has created lessons that require minimal materials, are available in both English and Spanish, and can be distributed and evaluated via print or electronically. Other materials include games, fun videos, and tree-based mindfulness exercises to help the community maximize joy and connection, while minimizing stress and anxiety to help nourish students' academic and emotional lives during a time that is difficult for us all.

Staff is requesting that the Agreement be retroactive to July 1, 2020 due to the City’s delays in obtaining City Council authority for this Amendment and Extension of the contract with Canopy, which has provided continuous services despite the City’s lapse in securing a new contract.

The City is committed to contract services with Canopy through the Cal Fire Cal Fire Grant, but will return prior to the end of the contract term to detail future City contributions

**Fiscal Impact**

In FY 20/21, the City’s budget will include $25,000 for tree related services for an annual Canopy Agreement with increases based on the CPI for San Francisco, upon request by the contractor and approval by the City. It is further recommended that this service agreement be retroactive to July 1, 2020 as Canopy has been working in East Palo Alto without an Agreement with the City during this time. These expenditures will be funded through the General Fund.

Additional funds of $50,000 would be appropriated through the 2017/2018 Cal Fire Grant “From Gray to Green: An Urban Forest Master Plan for East Palo Alto”, for planting trees within the grant term, presently set to expire by March 2022, but which may be extended by Cal Fire due to the COVID-19 pandemic.

**Attachments**

1. Resolution
RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO ENTER INTO THE SECOND AMENDMENT AND EXTENSION THE AGREEMENT WITH CANOPY FOR ONE YEAR FOR PROFESSIONAL ABORICULTURE SERVICES

WHEREAS, since 1996, Canopy has provided professional arboriculture services as an environmental nonprofit dedicated to planting and maintaining trees in the mid-Peninsula; and

WHEREAS, through philanthropy and volunteer coordination, Canopy has planted and maintained more than 2,300 trees within the City of East Palo Alto and provided grant advisory services for the City’s successful California Department of Forestry and Fire Protection (“CalFire”) grant, which enabled the City to inventory all public trees; and

WHEREAS, the City of East Palo Alto recognizes that trees have specific economic, public health, environmental and safety benefits, and are associated with ongoing maintenance expenses that are partly offset by increased quality of life; and

WHEREAS, the City has supported Canopy in a successful proposal for CalFire resulting in funding to plant up to 100 trees in the City by March 2022, and funding; and

WHEREAS, the City Council wishes to continue to benefit from Canopy’s professional expertise in a variety of City tree-related programs for the foreseeable future; and

WHEREAS, the City Council further recognizes the environmental and aesthetic value of the City’s urban forest and the benefits to public health, improved sea level rise resilience, enhanced support during COVID-19, and vibrancy that an enhanced tree canopy will provide this and future generations; and

WHEREAS, the City intends to support Canopy by providing outdoor storage for community plantings including trees, irrigation and supplies at the City’s corporation yard, as long as the City continues to have space available during this agreement term; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to execute a Second Amendment and Extension for Professional Services Agreement for arboriculture services between Canopy and the City of East Palo Alto with retroactivity as of July 1, 2020, with a general scope of services outlined in Exhibit A for one year, beginning July 1, 2020:

1. With a not-to-exceed amount of $25,000; and
2. Planting 100 trees throughout the community utilizing $50,000 from the 2017-2018 CalFire “From Gray to Green: An Urban Forest Master Plan for East Palo Alto,” for the duration of the Grant.
PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Regina Wallace-Jones, Mayor

ATTEST:

______________________________
Walfred Solorzano, City Clerk

APPROVED AS TO FORM:

______________________________
Rafael E. Alvarado Jr., City Attorney
In order to expand the benefits of trees to foster a clean environment, a healthy community, and a prosperous future, CANOPY shall provide the following professional arboriculture services in public streets, parks, and other public spaces in the City of East Palo Alto with the support of the City and allowance of staging materials at the City’s Maintenance Corporation Yard, as space is available.

Professional Services
1. Provide community outreach on tree-related issues such as tree care, benefits of trees, community plantings, etc.
2. Services will be provided consistent with the 2013 City of East Palo Alto Inventory of Public Trees and Urban Forest Management Report until such time as a Urban Forest Management Master Plan is prepared.
3. Provide advisory services regarding the City’s urban forestry efforts, such as supporting the development of the Urban Forest Master Plan and identifying potential funding sources for future tree maintenance.
4. Provide continued collaboration with SFEI, Grassroots Ecology, San Mateo County, local developers, and other organizations to implement multi-benefit urban greenspace. Consulting arborist services are not included in this task.
5. Conduct community neighborhood or park tree plantings in accordance with Canopy’s Cal Fire GGRF Grant (“Grant”) including public review of proposed projects by the Public Works and Transportation Commission for street tree plantings with outreach to engage potential local stakeholders, including the planting of 100 trees in the Grant term.
6. Coordinate tree plantings with PGE and other utility entities to avoid potential conflicts with utilities.
7. Assist with tree care activities related to Canopy-planted trees in the City through volunteer tree care events, training sessions for City Public Works and Maintenance employees, and guidance on tree maintenance issues and approaches.
8. Assist the City in assessing the benefits of pursuing the Tree City USA status and in taking necessary steps to obtain this distinction.
9. Provide advice and comments on tree-related aspects of Capital Improvement Projects.
10. Continue voluntary support of local development project public and private tree planting as opportunities arise.
11. Continue to encourage East Palo Alto youth to participate in the “Teen Urban Foresters Program.”

Events
1. Modify all events for health and safety of the community and volunteers including adjustments to meet the COVID-19 pandemic requirements per the San Mateo County Health Official.
2. Conduct a no-cost community event to celebrate trees and their benefits such as an Arbor Week Celebration, Dr. Martin Luther King, Junior Day planting, and/or an annual Mayor’s Tree Planting.

CANOPY shall submit a quarterly report to accompany quarterly invoices. Invoices shall detail the staff hours at the hourly rates included herein. Reimbursable costs include tree stock,
other materials and supplies paid by CANOPY and not paid by Cal Fire, or other grant, with no mark-up.

**CANOPY SCHEDULE OF RATES**
**Fiscal Year 2021**

<table>
<thead>
<tr>
<th>Title</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td>$153</td>
</tr>
<tr>
<td>Tree Programs Director</td>
<td>$91</td>
</tr>
<tr>
<td>Education Director</td>
<td>$91</td>
</tr>
<tr>
<td>Senior Development officer</td>
<td>$91</td>
</tr>
<tr>
<td>Operations Director</td>
<td>$91</td>
</tr>
<tr>
<td>Community Forestry Manager</td>
<td>$75</td>
</tr>
<tr>
<td>Outreach Manager</td>
<td>$75</td>
</tr>
<tr>
<td>Environmental Educator</td>
<td>$68</td>
</tr>
<tr>
<td>Community Forestry Coordinator</td>
<td>$63</td>
</tr>
<tr>
<td>Youth Programs Coordinator</td>
<td>$63</td>
</tr>
<tr>
<td>Administrative Associate</td>
<td>$63</td>
</tr>
<tr>
<td>Teen Urban Foresters / Interns</td>
<td>$29</td>
</tr>
<tr>
<td>Volunteer professional landscape architect or other in-kind expert services</td>
<td>$125</td>
</tr>
<tr>
<td>Volunteers (Independent Sector)</td>
<td>$33</td>
</tr>
</tbody>
</table>

Work performed by interns, regular volunteers and expert volunteers shall be quantified as “matching funds” to leverage the City’s funds on the basis of the above referenced rates.
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Humza Javed, City Engineer
    Kamal Fallaha, Public Works Director

SUBJECT: HSIP Cycle 10 Grant Application

Recommendation

Adopt a Resolution authorizing the City Manager to seek Highway Safety Improvement Program (HSIP) Cycle 10 funds for Traffic Signal Improvements; and sign all documents pertaining to the grant including Amendments to any supplemental agreements with Caltrans.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 4: Improve Public Facilities and Infrastructure
Priority No. 6: Create a Healthy and Safe Community

Background

On May 5, 2020, Caltrans Division of Local Assistance (DLA) announced Cycle 10 Call for Projects for the Highway Safety Improvement Program (HSIP). The total funds available for HSIP Cycle 10 is estimated at approximately $220 million.

The purpose of the HSIP program is to achieve a significant reduction in traffic fatalities and serious injuries on all public roads, including non-State-owned public roads and roads on tribal land.

Analysis

The City of East Palo Alto with the assistance of its on-call Traffic consultants, TJKM is preparing an application for Traffic signal and intersection improvements at University Avenue and Runnymede Street. This intersection has one of the highest collision rates in the City. A number of reasons can be attributed to this, including the lack of dedicated left turn signal...
phasing at this intersection. The existing signal mast arms along University Avenue are not designed to accommodate dedicated left turn signal heads. This project is also included in the City’s adopted Capital Improvement Program as an unfunded future project.

In order to create a more competitive HSIP application, staff is also including the following improvements along other intersections within the University Avenue Corridor:

Improve signal hardware, lenses, back-plates with retroreflective borders, mountings; Improve pedestrian crossings with high visibility crosswalks, Add or upgrade pedestrian countdowns; Improve signal timing as needed.

Grant applications are due October 19, 2020.

**Fiscal Impact**

There is no fiscal impact in pursuing these grant funds. Generally, the maximum federal reimbursement ratio for an HSIP project is 90%. This ratio can be 100% if all countermeasures of the project are eligible for 100% federal reimbursement. Staff will seek out 100% reimbursement for the project which is estimated at approximately $850,000.

**Public Notice**

The public was provided notice of this agenda item by posting the City Council agenda on the City’s official bulletin board outside City Hall and making the agenda and report available at the City’s website and at the San Mateo Co. Library located at 2415 University Avenue, East Palo Alto.

**Environmental**

The action being considered does not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

**Attachments**

1. Resolution
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO ADOPT A RESOLUTION AUTHORIZING THE CITY MANAGER TO SEEK HIGHWAY SAFETY IMPROVEMENTS PROGRAM (HSIP) FUNDS FOR THE UNIVERSITY AVENUE/RUNNYMEDE STREET SIGNAL IMPROVEMENTS PROJECT AND SIGN ALL DOCUMENTS PERTAINING TO THE GRANT

WHEREAS, On May 5, 2020, Caltrans Division of Local Assistance (DLA) announced Cycle 10 Call for Projects for the Highway Safety Improvements Program (HSIP); and

WHEREAS, HSIP Cycle 10 is expected to include about $220M in HSIP federal funding; and

WHEREAS, The City will be preparing an application for the University Avenue/Runnymede Street Signal Improvements.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to seek Highway Safety Improvements Program funds for the University Avenue/Runnymede Street Signal Improvements Project; and sign all documents pertaining to the grant, including Amendments to any supplemental agreements with Caltrans.

PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Regina Wallace-Jones, Mayor

ATTEST:

APPROVED AS TO FORM:

______________________________
Walfred Solorzano, City Clerk

______________________________
Rafael E. Alvarado Jr., City Attorney
DATE:          October 6, 2020
TO:            Honorable Mayor and Members of the City Council
VIA:           Jaime M. Fontes, City Manager
BY:            Amy Chamberlain, Management Analyst
                Annie Lin, Deputy City Attorney
SUBJECT:       Clarification of Ravenswood Business District (RBD) Developer Reimbursement Contracts and Cost Sharing

Recommendation

Adopt a Resolution authorizing the City Manager to enter into Developer Reimbursement Agreements for reimbursements of costs of review of development potential in the Ravenswood Business District Specific Plan.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 3: Increase Organizational Effectiveness and Efficiency

Background

At the City Council Study Session on February 25, 2020, representatives from Raimi + Associates facilitated a discussion with the City Council about potential development and the Ravenswood Business District (RBD) Specific Plan area.

On June 2, 2020, City Council directed City Manager to return for consideration a contract for Raimi + Associates for the purpose of analyzing a potential update to the Ravenswood Business District Specific Plan. On September 15, 2020, the City Council authorized the City Manager to enter into a contract with Raimi + Associates to perform the work.

Analysis

The City Council authorized the City Manager to enter into a contract with Raimi + Associates, in an amount not to exceed $1,326,829, to provide the analysis, community engagement, and environmental review necessary for the City Council to consider an amendment to the
Ravenswood Business District Specific Plan.

City staff now weeks Council authority to enter into Developer Reimbursement Agreements with certain developers within the RBD to fund a share of the associated costs for the environmental review portion of the Raimi + Associates contract. The City Council maintains full land use authority regarding decisions about the RBD and entering into developer reimbursement agreements does not commit the City to amending the RBD or any project approvals.

**Fiscal Impact**

The City Council appropriated funds to cover the City’s portion of the contract with Raimi + Associates as part of the FY 2020-2021 Budget for the City’s initial investment. As described in this staff report, any project that benefits from a future update to the Ravenswood Business District Specific Plan will be required to reimburse the City on a proportional basis.

**Public Notice**

The public was provided notice of this agenda item by posting the City Council agenda on the City’s official bulletin board outside City Hall and making the agenda and report available at the City’s website and at the San Mateo Co. Library located at 2415 University Avenue, East Palo Alto.

**Environmental**

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a “project” pursuant to 15378(b)(4) because it is a fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

**Attachments**

1. Resolution
RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO ENTER INTO DEVELOPER REIMBURSEMENT AGREEMENTS FOR REIMBURSEMENT OF COSTS OF REVIEW OF DEVELOPMENT POTENTIAL IN THE RAVENSWOOD BUSINESS DISTRICT SPECIFIC PLAN

WHEREAS, on September 15, 2020, the Council authorized the City Manager to enter into a contract with Raimi + Associates, in an amount not to exceed $1,326,829, to provide the analysis, community engagement, and environmental review necessary for the City Council to consider an amendment to the Ravenswood Business District Specific Plan; and

WHEREAS, City staff recommended the Council authorize Developer Reimbursement Agreements with certain developers within the RBD to fund a share of the associated costs for the environmental review portion of the Raimi + Associates contract; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to enter into Developer Reimbursement Agreements, in a form approved by the City Attorney, for reimbursement of costs of review of development potential in the Ravenswood Business District Specific Plan.

PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

____________________________
Regina Wallace-Jones, Mayor

ATTEST: APPROVED AS TO FORM:

____________________________
Walfred Solorzano, City Clerk

____________________________
Rafael E. Alvarado Jr., City Attorney
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Walfred Solorzano, City Clerk/Public Information Officer

SUBJECT: County of San Mateo WiFi Presentation

Recommendation

Receive the presentation.

Background

Jon Walton, Chief Information Officer, San Mateo County Information Services Department, will make a presentation about County WiFi.
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Amy Chen, Community & Economic Development Director
    Patrick Heisinger, Assistant City Manager

SUBJECT: Introduction of Building Electrification and Electric Vehicle Infrastructure Reach Codes

Recommendation

Waive the first reading and introduce a Building Electrification and Electric Vehicle Infrastructure Reach Codes (“Reach Codes”) to be effective January 1, 2021.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 3: Increase Organizational Effectiveness and Efficiency
Priority No. 6: Create a Healthy and Safe Community

Background

On December 3, 2019, the City Council unanimously adopted the 2019 California Building Standards Code (Ordinance No. 402). During that same meeting, staff presented potential amendments to the local Building Code that would exceed minimum State code standards (known as Reach Codes). The City Council asked staff to return and address some outstanding questions.

On September 1, 2020, the City Council received a staff report and by motion directed staff to return to the City Council in October with a draft Reach Code Ordinance. This staff report includes minor modifications and exceptions to the Reach Code that have been developed since the last Council discussion. In addition to this staff report, a discussion guide has been provided (attachment 2) and the September 1, 2020 staff report (attachment 3) for reference.

Analysis
On September 1, 2020 staff provided a comprehensive report on the potential Reach Code Ordinance and received feedback and direction to introduce an ordinance that will amend portions of Title 15 of the East Palo Alto Municipal Code by adopting Reach Codes. Reach Codes are amendments to the State Building Codes which go beyond the State’s minimum requirements to increase energy efficiency, reduce greenhouse gas (GHG) emissions, and meet climate action goals. This proposed ordinance will amend portions of the adopted California Building Standards Codes, Title 24, Part 6, and Part 11:
  · 2019 California Green Building Standards Code (Part 11); and,
  · 2019 California Energy Code (Part 6).

Below summarizes key elements of the proposed Reach Code:

- **Affordable Housing Exemption:** An added exception for 100% affordable housing developments from meeting the building electrification requirements, and from meeting the electric vehicle infrastructure requirements where utility side costs exceed $400/dwelling unit;
- **New Construction:** Ensure the distinction between new construction and existing buildings is clear, the Reach Code only applies to new construction;
- **All-Electric Required:** This Reach Code is encouraging electrification, it is not considered a full gas ban because there are proper exceptions included;
- **Not Applicable to Approved Projects:** Projects with their planning entitlements within the last two years are exempt from providing multifamily electric water heating and electric vehicle infrastructure (planning entitlements typically last two years); and
- **Solar Photovoltaics:** The solar PV requirement is based on a percentage of roof area; which includes exceptions that make room for mechanical items that might need to be on the roof, while still allowing the developer to optimize the right size of solar

**Recommendation**

Based on Staff input, action by neighboring jurisdictions, guidance from Peninsula Clean Energy (PCE), and the City of East Palo Alto’s greenhouse gas reduction goals, staff recommends that the City Council consider the following Reach Codes for building electrification and solar. The Reach Code recommendations are listed in Table 2. Confirmed and revised items are listed in bold text.

**Table 2. Summary of Recommended Reach Codes**

<table>
<thead>
<tr>
<th>Proposed Reach Code</th>
<th>Building Electrification</th>
<th>Solar</th>
<th>EV Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Homes and Townhouses with Private Garages</td>
<td>All electric; Exception for Accessory Dwelling Units (ADUs)\n<strong>Exception for 100% affordable housing</strong></td>
<td>NA - Solar already required by the Residential Code.</td>
<td>One Level 2 (dryer plug/220volt) + One Level 1 (110volt) Single space garages to have one Level 2 charging.\nException for ADUs\n<strong>Exception allowed if utility infrastructure installation cost exceeds $400/dwelling for tax credit-financed</strong></td>
</tr>
<tr>
<td>Building Type</td>
<td>Requirements</td>
<td>Exceptions</td>
<td></td>
</tr>
<tr>
<td>-----------------------------</td>
<td>------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Multi-family Buildings</strong></td>
<td>All electric; Exception if demonstrated to be infeasible.</td>
<td>10% of units with Level 2 charging; 90% of units with Level 1 charging.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exception for domestic water heating projects granted entitlements, with</td>
<td>Outlets may be shared between parking spaces. Load management software allowed.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>electrical pre-wiring. Exception for existing buildings with physical</td>
<td>Exception allowed if utility infrastructure installation cost exceeds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>constraints.</td>
<td>$4,500/dwelling for market rate, $400/dwelling for tax credit-financed</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Exception for 100% affordable housing</strong></td>
<td>affordable housing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exception for projects granted entitlements.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>15 percent of roof area Exceptions for buildings with limited solar access or vegetative roofs.</td>
<td></td>
</tr>
<tr>
<td><strong>Commercial Buildings</strong></td>
<td>All electric; Exception for restaurants, cafeterias, with pre-wiring.</td>
<td>Office: • 10 or more parking spaces - 10% of parking spaces with Level 2 charging;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exception for emergency operation centers, with pre-wiring. Exception for</td>
<td>• Additional 10% with Level 1 ready.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Life Science buildings, with pre-wiring. Exception for existing buildings</td>
<td>• additional 30% EV capable; Exception for mechanical parking systems and locations without commercial power supply.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>with physical constraints.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>**Other Nonresidential</td>
<td>Same as commercial</td>
<td>10 or more parking spaces - 6% Level 2 Charging Station</td>
<td></td>
</tr>
<tr>
<td>Buildings (non office)</td>
<td>Same as commercial</td>
<td>• Additional 5% Level 1 ready</td>
<td></td>
</tr>
</tbody>
</table>

**Applicability**

The Reach Code only applies to new development projects, as noted in Section 100 of the attached Ordinance, and to projects that have not yet received their approved planning entitlements. Multifamily projects with their planning entitlements would be exempt from all-electric domestic water heating, and would only need to meet the parking percentage requirements in the baseline code (CALGreen Part 11). All other portions of the Reach Code would still apply. Here is the language of the exceptions:
- Multifamily residential building projects that have been granted entitlements within two years or less, or have been submitted for entitlement, before the effective date of this ordinance are not required to install all-electric water heating systems. If the Building Official grants a modification pursuant to this Exception, the applicant shall comply with the pre-wiring provision noted above.
- Multifamily residential building projects that have been granted entitlements within two years or less before the effective date of this ordinance shall provide at least ten (10) percent of the total number of parking spaces on a building site, provided for all types of parking facilities, with Level 2 EV Ready Circuits. Calculations for the required number of EV spaces shall be rounded up to the nearest whole number.

If adopted by City Council, the ordinance would then need to be submitted to the CEC for approval. If approved, the soonest it could take effect is on January 1, 2021.

Although Reach Codes apply to the building phase of a development project, it is important for development projects to build in these improvements early on in their design and in the planning phase. The next building code update is anticipated to begin in 2022 and to take effect on January 1, 2023. Thus this Reach Code ordinance will further help development projects prepare their projects for further changes to the building code over the next few years.

Public Input

On August 17, 2020, a virtual public meeting was held to discuss the potential development of a Reach Code ordinance. The public meeting was posted on the City website, promoted through the City’s email newsletter (4,400 recipients) and social media, including the City’s Facebook page (2,300 subscribers), NextDoor (4,600 recipients), and EPA Neighbors (4,800 recipients). A total of 14 developers and community stakeholders participated and the following key topics were discussed:

- **Overview of Reach Codes:** A presentation by Farhad Farahmand, from TRC Companies, a consultant brought on by PCE.
- **Applicability and timing:** Clarifications that portions of the Reach Codes would only apply to new developments that are not yet entitled, and would take effect in 2021.
- **Benefits to tenants:** If solar photovoltaics are installed on multifamily rentals (at least 15% of the roof area), although there are upfront costs incorporated into the development, the long-term benefits may be passed onto tenants and help lower utility bills.

Next Steps

The second reading of this recommended ordinance would occur in November 2020.

Fiscal Impact

There is no fiscal impact with the items described in this staff report.

Public Notice
The public was provided notice of this agenda item by posting the City Council agenda on the City’s official bulletin board outside City Hall and making the agenda and report available at the City’s website and at the San Mateo County Library located at 2415 University Avenue, East Palo Alto. Notice of the public hearing, along with supporting documentation, was given in the September 25, 2020 edition of the Palo Alto Daily News.

**Environmental**

The items described in this staff report are not considered a project under the provisions of the California Environmental Quality Act (CEQA).

Pursuant to Section 15061(b)(3) of the California Code of Regulations, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a Project which has the potential for causing a significant effect on the environment.

**Attachments**

1. Ordinance
2. Discussion Guide
3. September 1 Staff Report
ORDINANCE NO. ______

AN ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO


WHEREAS, the City of East Palo Alto ("City") wishes to adopt a building code in accordance with law and to use the most updated regulations in the processing of development in the City;

WHEREAS, California Health and Safety Code section 17958 requires that cities adopt building regulations that are substantially the same as those adopted by the California Building Standards Commission and contained in the California Building Standards;

WHEREAS, the California Energy Code is a part of the California Building Standards which implements minimum energy efficiency standards in buildings through mandatory requirements, prescriptive standards, and performances standards;

WHEREAS, California Health and Safety Code Sections 17958.5, 17958.7 and 18941.5 provide that the City may make changes or modifications to the building standards contained in the California Building Standards based upon express findings that such changes or modifications are reasonably necessary because of local climatic, geological or topographical conditions;

WHEREAS, the City Council of the City of East Palo Alto finds that each of the amendments, additions and deletions to the California Energy Code contained in this ordinance are reasonably necessary because of local climatic, geological or topographical conditions described in Section 1;

WHEREAS, Public Resources Code Section 25402.1(h)2 and Section 10-106. of the Building Energy Efficiency Standards (Standards) establish a process which allows local adoption of energy standards that are more stringent than the statewide Standards, provided that such local standards are cost effective and the California Energy Commission finds that the standards will require buildings to be designed to consume no more energy than permitted by the California Energy Code;

WHEREAS, that such modifications will result in designs that consume less energy than they would under the 2019 State Energy Code through the California Codes and Standards Reach Code Program, has performed cost effectiveness analyses as required by the California Energy Commission for the local amendments to the California Energy Code contained in this ordinance which is hereby incorporated by reference;

WHEREAS, based upon these analyses, the City Council of the City of East Palo Alto finds that the local amendments to the California Energy Code contained in this ordinance are cost effective and will require buildings to be designed to consume no more energy than permitted by the California Energy Code;

WHEREAS, because of the City's unique local climatic, geologic and topographic conditions, the City desires to make amendments and additions to the code.
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO DOES ORDAIN AS FOLLOWS:

SECTION 1: FINDINGS AND DETERMINATIONS

The following local climatic, conditions justify modifications to the California Building Standards Code:

A. Climatic: The City is located in Climate Zones 3 and 4 as established in the 2019 California Energy Code. Climate Zones 3 and 4 incorporate mostly coastal communities from Marin County to southern Monterey County including San Francisco. The City experiences precipitation ranging from 13 to 20 inches per year with an average of approximately 15 inches per year. Ninety-five percent of precipitation falls during the months of November through April, leaving a dry period of approximately six months each year. Relative humidity remains moderate most of the time. Temperatures in the summer average around 80 degrees Fahrenheit and in the winter in the mid 50 degrees Fahrenheit. Prevailing winds in the area come from the west with velocities generally in the 12 miles per hour range, gusting from 25 to 35 miles per hour. These climatic conditions along with the greenhouse emissions generated from structures in both the residential and nonresidential sectors requires exceeding the energy standards for building construction established in the 2019 California Buildings Standards Code. The City Council also adopted a Climate Action Plan that has a goal of reducing greenhouse gas emissions. In order to achieve and maintain this goal, the City needs to adopt policies and regulations that reduce the use of fossil fuels that contribute to climate change, such as natural gas in buildings, in new development. Human activities, such as burning natural gas to heat buildings, releases greenhouse gases into the atmosphere and causes an overall increase in global average temperature. This causes sea levels to rise, affecting the City’s shoreline and infrastructure.

Roughly 49% of the City remains in a regulatory flood inundation zone associated with the 100-year sea level rise FEMA maps adopted April, 2019. San Francisquito Creek also runs through the City, which creates an increasing potential flooding risk with climate change as a result of human generated greenhouse gas emissions. East Palo Alto is vulnerable to sea level rise where new development is proposed in this code cycle. New buildings that are directly vulnerable to sea level rise should avoid generating additional greenhouse gas emissions. The proposed Reach Code would ensure that new buildings use cleaner sources of energy that are greenhouse gas free.

Vehicular traffic through East Palo Alto is significant, and it continues to increase as East Palo Alto, and its neighboring cities, become an employment center as well as the location of residential projects. Moreover, the observed increase in plug-in electric vehicle adoption reduces the climate impact of vehicular greenhouse gas emissions.

B. Geologic: The City of East Palo Alto is subject to earthquake hazard caused by its proximity to San Andreas fault. This fault runs from Hollister, through the Santa Cruz Mountains, epicenter of the 1989 Loma Prieta earthquake, then on up the San Francisco Peninsula, then offshore at Daly City near Mussel Rock. This is the approximate location of the epicenter of the 1906 San Francisco earthquake. The other fault is Hayward Fault. This fault is about 74 miles long, situated mainly along the western base of the hills on the east side of San Francisco Bay. Both of these faults are considered major Northern California earthquake faults which may experience rupture at any time. Thus, because the City is within a seismic area which includes these earthquake faults, the modifications and changes cited
herein are designed to better limit property damage as a result of seismic activity and to establish criteria for repair of damaged properties following a local emergency.

In the event of a natural disaster such as an earthquake or fire, the natural gas infrastructure in and around the City of East Palo Alto presents a risk to the life and safety of residents and first responders. Moreover, the electric grid system can be brought back online more swiftly than the natural gas pipeline when the community is recovering from such an event.

C. **Topographic:** The City of East Palo Alto is contiguous with the San Francisco Bay, resulting in a natural receptor for storm and waste water run-off. Also, the City is located in an area that is relatively high liquefaction potential given its proximity to the Bay. The surface condition consists mostly of stiff to dense sandy clay, which is highly plastic and expansive in nature. The aforementioned conditions within the City create hazardous conditions for which departure from California Building Standards Code is warranted.

**SECTION 2: CHAPTER 15.25 OF THE EAST PALO ALTO MUNICIPAL CODE**

The City Council hereby amends the following section of Chapter 15.25 of the East Palo Alto Municipal Code to read as follows (with text in strikeout indicating deletion and underlined text indicating addition). Sections and subsections that are not amended by this Ordinance are not included below and shall remain in full force and effect.

**SECTION 100.0 – Scope.**

(e) Sections applicable to particular buildings. TABLE 100.0-A and this subsection list the provisions of Part 6 that are applicable to different types of buildings covered by Section 100.0(a).

1. All buildings. Sections 100.0 through 110.12 apply to all buildings.
   
   EXCEPTION to Section 100.0(e) 1: Spaces or requirements not listed in TABLE 100.0-A.

2. Newly constructed buildings.
   
   A. All newly constructed buildings. Sections 110.0 through 110.12 apply to all newly constructed buildings within the scope of Section 100.0(a). In addition, newly constructed buildings shall meet the requirements of Subsections B, C, D or E, as applicable; and shall be an All-Electric Building as defined in Section 100.1(b). For the purposes of All-Electric Building requirements, newly constructed buildings as defined in Section 100.1 shall include a construction project where an alteration includes replacement of over 50% of the existing foundation for purposes other than a repair or reinforcement as defined in California Existing Building Code Section 202; or when over 50% of the existing framing above the sill plate is removed or replaced for purposes other than repair. If either of these criteria are met within a 3-year period, measured from the date of the most recent previously obtained permit final date, that structure is considered new construction and shall be subject to the All-Electric Building requirements. The final determination whether a project meets the definition of substantial reconstruction/alteration shall be made by a designated building official.

   Exception 1: Non-Residential Buildings containing a Scientific Laboratory Building, such area may contain a non-electric Space Conditioning System.

   Exception 2: All-Electric Building requirements shall not apply to new residential structures.
that entirely consist of either affordable rental units, defined as units rented at an amount consistent with the maximum rent levels for a housing development that receives an allocation of state or federal low-income housing tax credits from the California Tax Credit Allocation Committee. Residential developments meeting the above definition must have an Inclusionary Housing Plan that is approved by the Housing Division pursuant to Section 18.37.090.

Exception 3: Exemption for public agency owned and operated emergency centers. To take advantage of this exception applicant shall provide third party verification that All-Electric space heating requirement is not cost effective and feasible.

Exception 4: Multifamily residential building projects that have been granted planning entitlements within two years or less, or have been approved, before the effective date of this ordinance are not required to install all-electric water heating systems. If the Building Official grants a modification pursuant to this Exception, the applicant shall comply with the pre-wiring provision of Note 1 below.

Exception 5: If the applicant establishes that there is not an all-electric prescriptive compliance pathway for the building under the Energy Code, and that the building is not able to achieve the performance compliance standard applicable to the building under the Energy Code using commercially available technology and an approved calculation method, then the Building Official may grant a modification. If the Building Official grants a modification pursuant to this Exception, the applicant shall comply with the pre-wiring provision of Note 1 below.

Exception 6: Accessory Dwelling Units and Junior Accessory Dwelling Units shall be exempt from the all-electric building provisions of this section. For purposes of this exception, “Accessory Dwelling Unit” and “Junior Accessory Dwelling Unit” have the same definitions as set out in Government Code Sections 65852.2 and 65852.22, respectively.

Exception 7: Non-residential buildings containing a for-profit restaurant open to the public or an employee kitchen may apply to the Building Official for an exception to install gas-fueled cooking appliances. This request must be based on a business-related reason to cook with a flame that cannot be reasonably achieved with an electric fuel source. Examples include barbeque-themed restaurants and pizza ovens. The Building Official may grant this exception if they find the following:

1. There is a business-related reason to cook with a flame;
2. This need cannot be reasonably achieved with an electric fuel source;
3. The applicant has employed reasonable methods to mitigate the greenhouse gas impacts of the gas-fueled appliance;
4. The applicant shall comply with the pre-wiring provision of Note 1 below.

The Building Official’s decision shall be final unless the applicant appeals to the City Council within 15 days of the appointed body’s decision. The City Council’s decision on the appeal shall be final.

Exception 8: When improvements to existing buildings contain physical constraints that prevent conformance to the All-Electric Building requirements, the applicant may request an exception. In applying for an exception, the burden is on the applicant to identify the size requirements to comply with an All-Electric Building.
Note 1: If natural gas appliances are used in any of the above exceptions 1-8, natural gas appliance locations must also be electrically pre-wired for future electric appliance installation. They shall include the following:

1. A dedicated circuit, phased appropriately, for each appliance, with a minimum amperage requirement for a comparable electric appliance (see manufacturer’s recommendations) with an electrical receptacle or junction box that is connected to the electric panel with conductors of adequate capacity, extending to within 3 feet of the appliance and accessible with no obstructions. Appropriately sized conduit may be installed in lieu of conductors;

2. Both ends of the conductor or conduit shall be labeled with the words “For Future Electric appliance” and be electrically isolated;

3. A circuit breaker shall be installed in the electrical panel for the branch circuit and labeled, an example is as follows (i.e “For Future Electric Range;”) and

4. All electrical components, including conductors, receptacles, junction boxes, or blank covers, related to this section shall be installed in accordance with the California Electrical Code.

Note 2: If any of the exceptions 1-8 are granted, the Building Official shall have the authority to approve alternative materials, designs and methods of construction per CBC 104.

Section 100.1(b) is modified by adding the following definitions:

ALL ELECTRIC BUILDING: is a building that has no natural gas or propane plumbing installed within the building, and that uses electricity as the source of energy for its space heating, water heating (including pools and spas), cooking appliances, and clothes drying appliances. All Electric Buildings may include solar thermal pool heating.

Scientific Laboratory Building: is a building or area where research, experiments, and measurement in medical, and life sciences are performed and/or stored requiring examination of fine details. The building may include workbenches, countertops, scientific instruments, and supporting offices.

Section 110.2 is modified as follows:
SECTION 110.2 – MANDATORY REQUIREMENTS FOR SPACE-CONDITIONING EQUIPMENT Certification by Manufacturers. Any space-conditioning equipment listed in this section, meeting the requirements of section 100.0 (e)2A, may be installed only if the manufacturer has certified to the Commission that the equipment complies with all the applicable requirements of this section.

Section 110.3 is modified as follows:
SECTION 110.3 – MANDATORY REQUIREMENTS FOR SERVICE WATER-HEATING SYSTEMS AND EQUIPMENT
(a) Certification by manufacturers. Any service water-heating system or equipment, meeting the requirements of section 100.0 (e)2A, may be installed only if the manufacturer has certified that the system or equipment complies with all of the requirements of this subsection for that system or
equipment.

Section 110.4 is modified as follows:

SECTION 110.4 – MANDATORY REQUIREMENTS FOR POOL AND SPA SYSTEMS AND EQUIPMENT

(a) Certification by Manufacturers. Any pool or spa heating system or equipment, meeting the requirements of section 100.0 (e)2A, may be installed only if the manufacturer has certified that the system or equipment has all of the following:

Section 110.5 is modified as follows:

SECTION 110.5 – NATURAL GAS CENTRAL FURNACES, COOKING EQUIPMENT, POOL AND SPA HEATERS, AND FIREPLACES: PILOT LIGHTS PROHIBITED

Any natural gas system or equipment, meeting the requirements of Section 100.0 (e)2A, listed below may be installed only if it does not have a continuously burning pilot light:

SECTION 140.0(b) is modified as follows:

(b) The requirements of Sections 120.0 through 130.5 (mandatory measures for nonresidential, high-rise residential and hotel/motel buildings), and for all newly constructed buildings:

1. The entire solar zone, as specified in Section 110.10, shall have a solar photovoltaic system installed.

Exception 1 to 140.0(b)1: The building official may grant a modification if the applicant demonstrates that the required percentage of PV installation will over-generate the annual kWh required to operate the proposed building;

Exception 2 to 140.0(b)1: If the applicant demonstrates that conditions exist where excessive shading occurs, a performance equivalency approved by the Building Official may be used as an alternative.

Exception 3 to 140.0(b)1: Vegetative roofs covering 35 percent of the roof area or greater, meeting all relevant code requirements including considerations for wind, fire, and structural loads.

SECTION 3: CHAPTER 15.11 OF THE EAST PALO ALTO MUNICIPAL CODE

The City Council hereby amends the following section of Chapter 15.11 of the East Palo Alto Municipal Code to read as follows (with text in strikeout indicating deletion and underlined text indicating addition). Sections and subsections that are not amended by this Ordinance are not included below, and shall remain in full force and effect.

SECTION 2

DEFINITIONS

EV Capable: A parking space linked to a listed electrical panel with sufficient capacity to provide at least 110/120 volts and 20 amperes to the parking space. Raceways linking the electrical panel and parking space only need to be installed in spaces that will be inaccessible in the future, either trenched underground or where penetrations to walls, floors, or other partitions would otherwise be required for future installation of branch circuits. Raceways must be at least 1” in diameter and may be sized for multiple circuits as allowed by the California Electrical Code. The panel circuit directory shall identify the overcurrent protective device space(s) reserved for EV charging as “EV CAPABLE.” Construction
documents shall indicate future completion of raceway from the panel to the parking space, via the installed inaccessible raceways.

**Level 1 EV Ready Space:** A parking space served by a complete electric circuit with a minimum of 110/120 volt, 20-ampere capacity including electrical panel capacity, overprotection device, a minimum 1” diameter raceway that may include multiple circuits as allowed by the California Electrical Code, wiring, and either:

a) a receptacle labelled “Electric Vehicle Outlet” with at least a ½” font adjacent to the parking space; or,

b) electric vehicle supply equipment (EVSE).

**Level 2 EV Ready Space:** A parking space served by a complete electric circuit with 208/240 volt, 40-ampere capacity including electrical panel capacity, overprotection device, a minimum 1” diameter raceway that may include multiple circuits as allowed by the California Electrical Code, wiring, and either:

a) a receptacle labelled “Electric Vehicle Outlet” with at least a ½” font adjacent to the parking space; or,

b) electric vehicle supply equipment (EVSE) with a minimum output of 30 amperes.

**Electric Vehicle Charging Station (EVCS):** A parking space that includes installation of electric vehicle supply equipment (EVSE) with a minimum output of 30 amperes connected to a Level 2 EV Ready Circuit. EVCS installation may be used to satisfy a Level 2 EV Ready Circuit requirement.

**Automatic Load Management Systems (ALMS):** (ALMS) A control system which allows multiple Level 2 EV chargers to share a circuit or panel and automatically reduce power at each charger, providing the opportunity to reduce electrical infrastructure costs and/or provide demand response capability. ALMS is only allowed for Level 2 EVCS, Level 2 EV Ready, and Level 1 EV Ready Circuits. ALMS systems must be designed to deliver at least 1.4kW per charger. The connected amperage on-site shall not be lower than the required connected amperage per Part 11, 2019 California Green Building Code for the relevant building types.

**SECTION 4\nRESIDENTIAL MANDATORY MEASURES\n**

**4.106.4 Electric vehicle (EV) charging for new construction.** New construction shall comply with Sections 4.106.4.1 and 4.106.4.2 to facilitate future installation and use of EV chargers. Electric vehicle supply equipment (EVSE) shall be installed in accordance with the California Electrical Code, Article 625.

**Exceptions:**

1. On a case-by-case basis, where the local enforcing agency has determined EV charging and infrastructure are not feasible based upon one or more of the following conditions:

   1.1 Where there is evidence substantiating that meeting the requirements will alter the local utility infrastructure design requirements on the utility side of the meter so as to increase the utility-side cost to the homeowner or the developer by more than $400.00 per dwelling unit.

2. Accessory Dwelling Units (ADU) and Junior Accessory Dwelling Units (JADU) without additional parking facilities.

3. Spaces accessible only by automated mechanical car parking systems are excepted from providing EV charging infrastructure.
4. Multifamily residential building projects that have been granted entitlements within two years or less before the effective date of this ordinance shall provide at least ten (10) percent of the total number of parking spaces on a building site, provided for all types of parking facilities, with Level 2 EV Ready Circuits. Calculations for the required number of EV spaces shall be rounded up to the nearest whole number.

5. East Palo Alto may consider allowing exceptions through their local process, on a case by case basis, if a building permit applicant provides documentation detailing that the increased cost of utility service or on-site transformer capacity would exceed an average of $4,500 among parking spaces with Level 2 EV Ready Circuits and Level 1 EV Ready Circuits. If costs are found to exceed this level, the applicant shall provide EV infrastructure up to a level that would not exceed this cost for utility service or on-site transformer capacity.

6. Where there is evidence substantiating that meeting the requirements will alter the local utility infrastructure design requirements on the utility side of the meter so as to increase the utility side cost by more than $400 per dwelling unit for residential buildings that entirely consist of either affordable rental units, defined as units rented at an amount consistent with the maximum rent levels for a housing development that receives an allocation of state or federal low-income housing tax credits from the California Tax Credit Allocation Committee. Residential developments meeting the above definition must have an Inclusionary Housing Plan that is approved by the Housing Division pursuant to Section 18.37.090. If costs are found to exceed this level, the applicant shall provide EV infrastructure up to a level that would not exceed this cost for utility service or on-site transformer capacity.

4.106.4.1 New one- and two-family dwellings and town- houses with attached private garages.
For each dwelling unit, install a Level 2 EV Ready Circuit and Level 1 EV Ready Circuit, listed raceway to accommodate a dedicated 208/240 volt branch circuit. The raceway shall not be less than trade size 1 (nominal 1-inch inside diameter). The raceway shall originate at the main service or subpanel and shall terminate into a listed cabinet, box or other enclosure in close proximity to the proposed location of an EV charger. Raceways are required to be continuous at enclosed, inaccessible or concealed areas and spaces. The service panel and/or subpanel shall provide capacity to install a 40-ampere minimum dedicated branch circuit and space(s) reserved to permit installation of a branch circuit overcurrent protective device.

**Exception:** For each dwelling unit with only one parking space, install a Level 2 EV Ready Circuit.

4.106.4.1.1 Identification. The service panel or sub-panel circuit directory shall identify the overcurrent protective device space(s) reserved for future EV charging as “Level 2 EV-CAPABLE”. The raceway termination location shall be permanently and visibly marked as “EV-CAPABLE”. “Level 2 EV-Ready”.

4.106.4.2 New multifamily dwellings. If residential parking is available, ten (10) percent in total number of parking spaces on a building site, provided for all types of parking facilities, shall be electric vehicle charging spaces (EV spaces) capable of supporting future EVSE. Calculations for the required number of EV spaces shall be rounded up to the nearest whole number. The following requirements apply to all new multifamily dwellings:

1. For multifamily buildings with less than or equal to 20 dwelling units, each dwelling unit with parking shall be provided with access to a parking space with a Level 2 EV Ready Circuit.

2. When more than 20 multifamily dwelling units are constructed on a building site
a. 10% of the dwelling units with parking space(s) shall be provided with access to at least one Level 2 EV Ready Circuit. Calculations for the required minimum number of Level 2 EV Ready spaces shall be rounded up to the nearest whole number.

b. In addition, each remaining dwelling unit with parking space(s) shall be provided with access to at least a Level 1 EV Ready Circuit.

Notes:
1. Construction documents are intended to demonstrate the project's capability and capacity for facilitating future EV charging.
2. There is no requirement for EV spaces to be constructed or available until EV chargers are installed for use.

1. ALMS may be installed to decrease electrical service and transformer costs associated with EV Charging Equipment subject to review of the East Palo Alto Planning and Building Divisions.
2. Installation of Level 2 EV Ready Circuits above the minimum number required level may offset the minimum number Level 1 EV Ready Circuits required on a 1:1 basis.
3. The requirements apply to multifamily buildings with parking spaces including: a) assigned or leased to individual dwelling units, and b) unassigned residential parking.
4. In order to adhere to accessibility requirements in accordance with California Building Code Chapters 11A and/or 11B, it is recommended that all accessible parking spaces for covered newly constructed multifamily dwellings are provided with Level 1 or Level 2 EV Ready Circuits.

4.106.4.2.1.1 Electric vehicle charging stations (EVCS). When EV chargers are installed, EV spaces required by Section 4.106.4.2.2, Item 3, shall comply with at least one of the following options:
1. The EV space shall be located adjacent to an accessible parking space meeting the requirements of the California Building Code, Chapter 11A, to allow use of the EV charger from the accessible parking space.
2. The EV space shall be located on an accessible route, as defined in the California Building Code, Chapter 2, to the building.

Exception: Electric vehicle charging stations designed and constructed in compliance with the California Building Code, Chapter 11B, are not required to comply with Section 4.106.4.2.1.1 and Section 4.106.4.2.2, Item 3.

Note: Electric vehicle charging stations serving public housing are required to comply with the California Building Code, Chapter 11 B.

4.106.4.2.2 Electric vehicle charging space (EV space) dimensions. Refer to East Palo Alto Development Code for parking dimension requirements. The EV spaces shall be designed to comply with the following:

The EV spaces shall be designed to comply with the following:
1. The minimum length of each EV space shall be 18 feet (5486 mm).
2. The minimum width of each EV space shall be 9 feet (2743 mm).
3. One in every 25 EV spaces, but not less than one, shall also have an 8-foot (2438 mm) wide minimum aisle. A 5-foot (1524 mm) wide minimum aisle shall be permitted provided the minimum width of the EV space is 12 feet (3658 mm).

1. Surface slope for this EV space and the aisle shall not exceed 1 unit vertical in 48 units horizontal (2.083 percent slope) in any direction.

4.106.4.2.3 Single EV space required. Install a listed raceway capable of accommodating a 208/240-volt dedicated branch circuit. The raceway shall not be less than trade size 1 (nominal 1-inch inside diameter). The raceway shall originate at the main service or subpanel and shall terminate into a listed cabinet, box or enclosure in close proximity to the proposed location of the EV spaces. Construction documents shall identify the raceway termination point. The service panel and/or subpanel shall provide capacity to install a 40-ampere minimum dedicated branch circuit and space(s) reserved to permit installation of a branch circuit overcurrent protective device.

4.106.4.2.4 Multiple EV spaces required. Construction raceway termination point and proposed location of future EV spaces and EV chargers. Construction documents shall also provide information on amperage of future EVSE, raceway method(s), wiring schematics and electrical load calculations to verify that the electrical panel service capacity and electrical system, including any on-site distribution transformer(s), have sufficient capacity to simultaneously charge all EVs at all required EV spaces at the full rated amperage of the EVSE. Plan design shall be based upon a 40-ampere minimum branch circuit. Raceways and related components that are planned to be installed underground, enclosed, inaccessible or in concealed areas and spaces shall be installed at the time of original construction.

4.106.4.2.5 Identification. The service panel or subpanel circuit directory shall identify the overcurrent protective device space(s) reserved for future EV charging purposes as “EV CAPABLE” in accordance with the California Electrical Code.

SECTION 5
NONRESIDENTIAL MANDATORY MEASURES

5.106.5.3 Electric vehicle (EV) charging. [N] New construction shall comply with Section 5.106.5.3.1 or Section 5.106.5.3.2 to facilitate future installation and use of EV chargers of electric vehicle supply equipment (EVSE). When EVSE(s) is/are installed, it shall be in accordance with the California Building Code, the California Electrical Code and as follows:

Exception:
1. Where there is no commercial power supply.
2. Spaces accessible only by automated mechanical car parking systems are excepted from providing EV charging infrastructure.

5.106.5.3.1 Office buildings: In nonresidential new construction buildings designated primarily for office use with parking:
1. When 10 or more parking spaces are constructed, 10% of the available parking spaces on site shall be equipped with Level 2 EVCS;
2. An additional 10% shall be provided with at least Level 1 EV Ready Circuits; and
3. An additional 30% shall be at least EV Capable.

Calculations for the required minimum number of spaces equipped with Level 2 EVCS, Level 1 EV Ready spaces and EV Capable spaces shall all be rounded up to the nearest whole number.

Construction plans and specifications shall demonstrate that all raceways shall be a minimum of 1" and sufficient for installation of EVCS at all required Level 1 EV Ready and EV Capable spaces; Electrical calculations shall substantiate the design of the electrical system to include the rating of equipment and any on-site distribution transformers, and have sufficient capacity to simultaneously charge EVs at all required EV spaces including Level 1 EV Ready and EV Capable spaces; and service panel or subpanel(s) shall have sufficient capacity to accommodate the required number of dedicated branch circuit(s) for the future installation of the EVSE.

**Notes:**
1. ALMS may be installed to increase the number of EV chargers or the amperage or voltage beyond the minimum requirements in this code. The option does not allow for installing less electrical panel capacity than would be required without ALMS.

5.106.5.3.2 Other nonresidential buildings: In nonresidential new construction buildings that are not designated primarily for office use, such as retail or institutional uses:
   1. When 10 or more parking spaces are constructed, 6% of the available parking spaces on site shall be equipped with Level 2 EVCS;
   2. An additional 5% shall be at least Level 1 EV Ready.  

   Calculations for the required minimum number of spaces equipped with Level 2 EVCS and Level 1 EV Ready spaces shall be rounded up to the nearest whole number

   **Exception:** Installation of each Direct Current Fast Charger with the capacity to provide at least 80 kW output may substitute for 6 Level 2 EVCS and 5 Level 1 EV Ready spaces after a minimum of 6 Level 2 EVCS and 5 Level 1 EV Ready spaces are installed.

5.106.5.3.3 Clean Air Vehicle Parking Designation. EVCS qualify as designated parking as described in Section 5.106.5.2 Designated parking for clean air vehicles.

**Notes:**
2. See Vehicle Code Section 22511 for EV charging spaces signage in off-street parking facilities and for use of EV charging spaces.
3. The Governor’s Office of Planning and Research published a Zero-Emission Vehicle Community Readiness Guidebook which provides helpful information for

4. Section 11B-812 of the 2019 California Building Code requires that a facility providing EVCS for public and common use also provide one or more accessible EVCS as specified in Table 11B-228.3.2.1. Chapter 11B applies to certain facilities including, but not limited to, public accommodations and publicly funded housing (see section 1.9 of Part 2 of the California Building Code). Section 11B-812 requires that “Parking spaces, access aisles and vehicular routes serving them shall provide a vertical clearance of 98 inches (2489 mm) minimum.” It also requires that parking spaces and access aisles meet maximum slope requirements of 1 unit vertical in 48 units horizontal (2 percent slope) in any direction at the time of new building construction or renovation. Section 11B-812.5 contains accessible route requirements.

5. It is encouraged that shared parking, EV Ready are designated as “EV preferred.”

5.106.5.3.1 Single charging space requirements. [N] When only a single charging space is required per Table 5.106.5.3.3, a raceway is required to be installed at the time of construction and shall be installed in accordance with the California Electrical Code. Construction plans and specifications shall include, but are not limited to, the following:

1. The type and location of the EVSE.
2. A listed raceway capable of accommodating a 208/240-volt dedicated branch-circuit.
3. The raceway shall not be less than trade size 1.”
4. The raceway shall originate at a service panel or a subpanel serving the area, and shall terminate in close proximity to the proposed location of the charging equipment and into a listed suitable cabinet, box, enclosure or equivalent.
5. The service panel or subpanel shall have sufficient capacity to accommodate a minimum 40-ampere dedicated branch circuit for the future installation of the EVSE.

5.106.5.3.2 Multiple charging space requirements.
When multiple charging spaces are required per Table 5.106.5.3.3 raceway(s) is/are required to be installed at the time of construction and shall be installed in accordance with the California Electrical Code. Construction plans and specifications shall include, but are not limited to, the following:

1. The type and location of the EVSE.
2. The raceway(s) shall originate at a service panel or a subpanel(s) serving the area, and shall terminate in close proximity to the proposed location of the charging equipment and into listed suitable cabinet(s), box(es), enclosure(s) or equivalent.
3. Plan design shall be based upon 40-ampere minimum branch circuits.
4. Electrical calculations shall substantiate the design of the electrical system, to include the rating of equipment and any on-site distribution transformers and have sufficient capacity to simultaneously charge all required EVs at its full rated amperage.
5. The service panel or subpanel(s) shall have sufficient capacity to accommodate the required number of dedicated branch circuit(s) for the future installation of the EVSE.

5.106.5.3.3 EV charging space calculation. [N] Table 5.106.5.3.3 shall be used to determine if single or multiple charging space requirements apply for the future installation of EVSE.
Exceptions: On a case-by-case basis where the local enforcing agency has determined EV charging and infrastructure is not feasible based upon one or more of the following conditions:

1. Where there is insufficient electrical supply
2. Where there is evidence suitable to the local enforcing agency substantiating that additional local utility infrastructure design requirements, directly related to the implementation of Section 5.106.5.3, may adversely impact the construction cost of the project.

5.106.5.3.4 [N] Identification. The service panel or subpanel(s) circuit directory shall identify the reserved overcurrent protective device space(s) for future EV charging as “EV CAPABLE”. The raceway termination location shall be permanently and visibly marked as “EV CAPABLE Ready”.

5.106.5.3.5 [N] Future charging spaces qualify as designated parking as described in Section 5.106.5.2 Designated parking for clean air vehicles.

SECTION 3: EXEMPTION FROM CEQA

The City Council finds, pursuant to Title 14 of the California Administrative Code, Section 15061(b)(3) that this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") on the grounds that these standards are more stringent than the State energy standards, there are no reasonably foreseeable adverse impacts and there is no possibility that the activity in question may have a significant effect on the environment.

SECTION 4: SEVERABILITY

If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 5: EFFECTIVE DATE

This Ordinance shall become effective following approval by the California Energy Commission, but in no event before January 1, 2021.

SECTION 6: POSTING

Within fifteen (15) days of its adoption, the Ordinance shall be posted in three (3) public places within the City of East Palo Alto, and the Ordinance, or a summary of the Ordinance prepared by the City Attorney, shall be published in a local newspaper used to publish official notices for the City of East Palo Alto.
Palo Alto prior to the effective date.


PASSED AND ADOPTED as an ordinance of the City of East Palo Alto at a regular meeting of said City Council on the _____ of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Regina Wallace-Jones, Mayor

ATTEST:

APPROVED AS TO FORM:

______________________________
Walfred Solorzano, City Clerk

______________________________
Rafael E. Alvarado Jr., City Attorney
Discussion Guide

To provide further context to the City Council in considering the adoption of a Reach Code Ordinance, the following items were discussed at the September 1, 2020 Council session and is included here for consideration:

1. Types of Reach Codes
2. Outstanding Discussion Items
3. Affordable Housing Exemption

1. Types of Reach Codes

There are three types of reach codes that have recently been adopted that encourage building electrification:

- The **electric preferred** model allows a mixed-fuel option for new buildings. Under this model, new developments may choose to build all-electric; or they may use natural gas provided they meet 15% higher efficiency standards, and install raceway and/or circuits for future electric appliances. This approach incentivizes builders to choose all-electric since installing gas infrastructure, meeting higher energy efficiency standards, and pre-wiring for electric appliances adds cost.

- The **all-electric required** model prohibits gas plumbing from being installed to specific appliances, but does allow for some exceptions (see Menlo Park model below). When an appliance is exempted, builders are still required to install raceway and/or circuits for future electric appliances.

- The **natural gas ban** model prohibits a natural gas lateral to the building and has very limited exceptions. The ban is adopted as a municipal code ordinance, rather than an energy code amendment like the electric-preferred or all-electric required models.

Staff is recommending the **all-electric required** model as a moderate approach designed to require the major sources of greenhouse gas emissions, gas space heating and gas water heating, be all-electric, while allowing for flexibility for specific circumstances that are challenging to electrify.

2. Outstanding Discussion Items

The following summarizes one outstanding item that was discussed on September 1, 2020 with City Council:

- **Should we require residential cooking and fireplaces to be all-electric, or exempt it?**
  Staff recommends requiring that cooking and fireplaces be all-electric. While there are several pros and cons associated with this decision, the pros of all-electric cooking and fireplaces are more impactful to public and environmental health, as shown by the table below:

  **Table 1: Pros and Cons of Requiring All-Electric Residential Cooking**
<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost savings -- Developments gain a significant construction cost savings from avoiding gas service to the building.</td>
<td>No gas choice -- Removes the option from developers that believe gas appliances may have marketing value.</td>
</tr>
<tr>
<td>Improved health -- Gas stoves can be a large source of toxic pollutants indoors, and indoor pollution from gas stoves has been shown to reach levels that would be illegal outdoors.¹</td>
<td>Unique cuisines -- Residents may have challenges cooking particular cuisines, such as those requiring a wok. Conversion kits exist but cost more.</td>
</tr>
<tr>
<td>Consumer satisfaction -- Induction ranges are among the highest-ranking ranges on Consumer Reports. Residents likely to appreciate induction cooking once they’ve tried it.</td>
<td>Unfamiliarity -- Some residents are accustomed to natural gas flames and reticent to try a new cooking method.</td>
</tr>
</tbody>
</table>

- **When should a major renovation constitute as new construction?**
  
  Staff is recommending a definition that an existing building be required to meet the reach code if 50% or more of the existing foundation or 50% or more of the existing framing above the sill plate is replaced. At these significant thresholds, major upgrades to electrical infrastructure and appliances are likely to take place. Nonetheless, staff has allowed an exception for existing buildings with physical constraints, such as lack of space for transformers, that prevent conforming to the All-Electric Building requirements.

  Representatives from PCE explained that natural gas prices in California increased 3x faster than electricity prices from 2012 to 2018. See the following figure from the U.S. Energy Information Administration (EIA).

  ![Figure 1: California Residential Gas and Electricity Prices](https://www.psr.org/wp-content/uploads/2020/05/health-effects-from-gas-stove-pollution.pdf)

In a high electrification future, which the state of California is strongly investigating and enabling, gas prices would be expected to exponentially rise. See the following figure from the California Energy Commission (CEC).

Figure 2: E3 study on the Future of Natural Gas Distribution in California

In addition, staff explained that recently investor owned utilities have released a third cost effectiveness analysis focusing on mid-rise multifamily buildings. In alignment with the previously distributed low-rise residential and non-residential studies developed in 2019, the new study shows that it is cost-effective to build an all-electric multifamily building that complies with the energy code.
3. Affordable Housing Exemption

The Ordinance exempts multifamily affordable housing projects that are financed with tax credits from the building electrification requirement and allows for exemption from the EV infrastructure requirement where the utility infrastructure installation cost exceeds $400 per unit. These exemptions are intended to reduce the added costs for affordable projects that are already subject to strict regulation and requirements specific to the financing source.

Additionally, the Ordinance requires that an affordable project must be found to be in compliance with the City’s Inclusionary Housing Ordinance through staff approval of an Inclusionary Housing Plan. This step in the Planning approval process adds certainty that a project’s exemption from the Ordinance’s requirements is based on its status as a multifamily rental seeking tax credit financing.
DATE: September 1, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Amy Chen, Community & Economic Development Director
     Jose Martinez, Chief Building Official

SUBJECT: Building Electrification and Electric Vehicle Infrastructure Reach Codes

Recommendation

1. Receive the report and provide direction on key elements of a local Building Electrification and Electric Vehicle Infrastructure Reach Codes (“Reach Codes”); and
2. Direct staff to return to the City Council in October with a draft Reach Code Ordinance.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 3: Increase Organizational Effectiveness and Efficiency
Priority No. 6: Create a Healthy and Safe Community

Background

On December 3, 2019, the City Council unanimously adopted the 2019 California Building Standards Code (Ordinance No. 402). During that same meeting, staff presented potential amendments to the local Building Code that would exceed minimum State code standards (known as Reach Codes). The City Council asked staff to return and address some outstanding questions. The purpose of this staff report is: 1) to address outstanding questions related to the Electric Vehicle infrastructure, and 2) for the City Council to provide staff with direction on key elements to include in a potential Reach Code in East Palo Alto.

The City of East Palo has engaged with Peninsula Clean Energy (“PCE”) to explore the adoption of a Reach Code that may limit the use of natural gas for space heating, water heating, and cooking; require solar installations on new multi-family and commercial developments; and require electric vehicle (EV) charging infrastructure in all new development. PCE awarded the City of East Palo Alto a $10,000 grant to compensate for City staff time and is also providing expert technical assistance to the City as it develops and implements its
Reach Code.

On August 17, 2020, staff hosted a virtual community meeting to solicit public input from developers, the community, and other stakeholders. In total fourteen people participated in the discussion and the meeting was recorded and posted on the City website. It was suggested shortly after the public meeting by a participant, for staff to research the status of Reach codes among other jurisdictions of similar size and socio-economics. A discussion guide summarizing the status of Reach among five other counties across the Bay Area has been included (Attachment 1).

The purpose of this staff report is to obtain further direction from the City Council to assist staff with drafting the draft Reach Code Ordinance for City Council consideration in October 2020.

Analysis

The following summarizes outstanding questions from City Council and provides responses:

- How does electric vehicle charging work in a residential multi-family development where the ownership units are spread out over multiple floors?
  
  *EV charging stations will be shared and not specifically assigned to tenants; therefore, the electrical feed should not be coming from any dwelling unit; each user will have to pay similarly to a gas station pump.*

- Describe the amps and wiring needed to power a multi-story residential development in order to be 75% electric vehicle.
  
  *EV charging capacity for Level 1 & 2 can be summarized as follows:*
  
  **Level 1:** Capable of charging at 120V, 20A. This is equivalent to a standard home outlet, 12-gauge wire.
  
  **Level 2:** Capable of charging at 240V, 30A-40A. This is the service capacity typically used for larger appliance loads in homes, 8 (40A) - 10 (30A) gauge wire.

- In an office development, explain what is a “pinch point,” in the following:
  
  *This detail is in the definition of EV Capable: “Raceways linking the electrical panel and parking space only need to be installed in spaces that will be inaccessible in the future, either trenched underground or where penetrations to walls, floors, or other partitions would otherwise be required for future installation of branch circuits.”*

- In addition, when using a level 2 size conduit, does that mean there is no wire inside and you pull it through later?
  
  *No wiring is required if the requirement will be for infrastructure to be “EV Capable.” However, if the requirement is for “EV Ready” or “EV Charging Station,” then this would mean wire is installed.*

In addition, there have been several developments since the December 3rd meeting:

1. Peninsular Clean Energy (PCE) has made available generous electric vehicle infrastructure charging incentives available for new construction multi-unit dwellings. The base incentive is $1,000 per L1 port and $2,000 for L2, with an additional $500 for affordable housing multi-unit dwellings. PCE also has incentive amounts for retrofit ports ranging from $2,000 to $7,000 per port, depending on the scenario.
2. In addition, PCE is providing extensive technical assistance to architects, builders,
developers, design engineers, contractors, and energy consultants wishing to learn about all-electric building and electric vehicle design strategies to meet local and emerging state codes. To get assistance, free of charge, sign up through the following link: http://www.allelectricdesign.org.

3. The investor owned utilities have released a third cost effectiveness analysis focusing on mid-rise multifamily buildings. In alignment with the previously distributed low-rise residential and non-residential studies developed in 2019, the new study shows that it is cost-effective to build an all-electric multifamily building that complies with the energy code.

4. The California Energy Commission has developed an energy compliance pathway for all-electric central domestic hot water systems.

Recommendation

Based on Staff input, action by neighboring jurisdictions, guidance form PCE, and the City of East Palo Alto’s greenhouse gas reduction goals, staff recommends that the City Council consider and discuss the PCE recommended Menlo Park model Reach Codes for building electrification and solar. The Reach Code recommendations are listed in Table 2 below.

Table 2. Recommended Reach Codes for Discussion

<table>
<thead>
<tr>
<th>Proposed Reach Code</th>
<th>Building Electrification</th>
<th>Solar</th>
<th>EV Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Homes and Townhouses with Private Garages</td>
<td>All electric; Exception for cooking and fireplaces with electrical pre-wiring. Exception for Accessory Dwelling Units (ADUs)</td>
<td>NA - Solar already required by the Residential Code.</td>
<td>- One Level 2 (dryer plug/220volt) + One Level 1 (110volt)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>- Single space garages to have one Level 2 charging.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Exception for ADUs</td>
</tr>
<tr>
<td>Multi-family Buildings</td>
<td>All electric; Exception for cooking and fireplaces with electrical pre-wiring. Exception if demonstrated to be infeasible. Exception for domestic water heating projects granted entitlements, with electrical</td>
<td>• 15 percent of roof area OR • &lt; 10,000 sq. ft. - min. 3kW PV system. • &gt;10,000 sq. ft. - min. 5 kW PV system</td>
<td>10% of units with Level 2 charging; 90% of units with Level 1 charging. Outlets may be shared between two units.</td>
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<tr>
<td></td>
<td></td>
<td>Exceptions for buildings with limited</td>
<td>Load management software allowed.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Exception allowed if installation cost exceeds $4,500 /space.</td>
</tr>
<tr>
<td></td>
<td>pre-wiring.</td>
<td>solar access or vegetative roofs.</td>
<td>Office:</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Commercial Buildings</strong></td>
<td>All electric; Exception for restaurants, cafeterias, with pre-wiring. Exception for emergency operation centers, with pre-wiring. Exception for Life Science buildings. Exception for projects granted entitlements, with electrical pre-wiring.</td>
<td>• 15 percent of roof area</td>
<td>• 10 or more parking spaces - 10% of parking spaces with Level 2 charging;</td>
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<tr>
<td></td>
<td></td>
<td>OR</td>
<td>• Additional 10% with Level 1 ready.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• &lt; 10,000 sq. ft. - min. 3kW PV system.</td>
<td>• Additional 30% EV capable;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Exceptions for buildings with limited solar access or vegetative roof.</td>
<td>Exception for mechanical parking systems and locations without commercial power supply.</td>
</tr>
<tr>
<td><strong>Other Nonresidential Buildings (non office)</strong></td>
<td>Same as commercial</td>
<td>Same as commercial</td>
<td></td>
</tr>
</tbody>
</table>

**Next Steps**

If directed, staff intends to return to the City Council in October 2020 to present the City Council with a proposed Ordinance as well as a summary of the public comment received to date.

**Fiscal Impact**

There is no fiscal impact with the items described in this staff report.

**Public Notice**

The public was provided notice of this agenda item by posting the City Council agenda on the City’s official bulletin board outside City Hall and making the agenda and report available at the City’s website and at the San Mateo Co. Library located at 2415 University Avenue, East Palo Alto.

**Environmental**

The items described in this staff report are not considered a project under the provisions of the California Environmental Quality Act (CEQA).
Pursuant to Section 15061(b)(3) of the California Code of Regulations, this ordinance is exempt from the requirements of the California Environmental Quality Act (CEQA) in that it is not a Project which has the potential for causing a significant effect on the environment.

**Attachments**

1. Discussion Guide
Discussion Guide

I. General definitions:

- **Reach Code**
  Amendments to the State Building Codes which go beyond the State’s minimum requirements to increase energy efficiency, reduce greenhouse gas (GHG) emissions, and meet climate action goals. Peninsula Clean Energy (“PCE”) developed Reach Codes for jurisdictions to consider.

- **Peninsula Clean Energy**
  The initial proposed PCE model recommended a mixed-fuel option for new buildings, also known as the electric-preferred model. Under this model, new developments may choose to build all-electric; or they may use natural gas provided they meet 15% higher efficiency standards, and install wiring and circuits for electric appliances. This approach incentivizes builders to choose all-electric since meeting higher energy efficiency standards and pre-wiring for electric appliances adds considerable cost to projects. However, East Palo Alto is considering the Menlo Park model (also known as the all-electric required model) which is also endorsed by PCE, described further below.

- **Natural Gas**
  Reach codes can encourage new developments to reduce or eliminate natural gas in new construction have gained momentum over the past year. Natural gas usage in buildings represents one of the largest sources of Green House Gas emissions from buildings. In 2018, California adopted SB 100 mandating that all electricity in California be carbon free by 2045; Executive Order B-55-18 calls for California to be carbon neutral by 2045. These ambitious targets ignited efforts at the local level to implement policies that promote clean energy resources and a move away from fossil fuels. Local community choice aggregation programs have accelerated the use of renewable energy and commitments to source carbon-free electricity. Peninsula Clean Energy, East Palo Alto’s local electricity provider, is on the path to 100% renewable energy for San Mateo County by 2025 and currently offers 90% carbon-free electricity.

- **Electric Vehicles**
  Reach codes encourage new developments to increase the number of electric vehicle charging stations. Electric Vehicle (EV) charging requirements in California can generally be broken into three categories:
  1. **EV Charging Installed**: all supply equipment is installed at a parking space, such that an EV can charge without additional equipment.
  2. **EV Ready**: Parking space is provided with all power supply and associated outlet, such that a charging station can be plugged in and a vehicle can charge.
  3. **EV Capable**: Conduit is installed to parking space only in areas that will be inaccessible after construction, and building electrical system has ample capacity to serve future load. An electrician would be required to complete the conduit and circuit before charging is possible.
EV charging capacity and speed can be summarized as three categories:
1. **Level 1**: Capable of charging at 120V, 20A. This is equivalent to a standard home outlet.
2. **Level 2**: Capable of charging at 240V, 30A-40A. This is the service capacity typically used for larger appliance loads in homes.
3. **Level 3 (DC Fast Charging)**: Capable of charging at 20-400kW. This is the type of charger used for Tesla Superchargers and DC Fast Chargers at some supermarkets.

The 2019 California Green Building Code Update (Title 24, Part 11) increases requirements for electric vehicle charging infrastructure in new construction; including:
1. New one- and two-family dwellings and townhouses with attached private garages: must be Level 2 EV-capable.
2. Multi-family dwellings: 10% of parking spaces must be Level 2 EV-capable.
3. Non-residential: 6% of parking spaces must be Level 2 EV-capable.

- **City of Menlo Park Example**
  The City of Menlo Park considered the PCE proposed code but decided to require low-rise residential (one-three stories) to use electric space and water heating (with some exceptions) and the option of natural gas for cooking; and new commercial and high rise multifamily building to be all electric (with some exceptions). Menlo Park took this route to simplify the permit process, achieve higher GHG emissions reductions, and benefit from the high cost savings of building electrification at the design phase rather than as a future retrofit. The exceptions in Menlo Park’s code include:
  o Life science buildings may use natural gas for space heating.
  o Public agency owner and operated emergency operations centers (such as fire stations and police stations) may use natural gas.
  o Non-residential kitchens (such as for-profit restaurants and cafeterias) may appeal to use natural gas stoves.
  o For all exceptions that are granted, natural gas appliance locations must be electrically pre-wired for future electric appliance installation.

Following Menlo Park’s Reach Code adoption, local jurisdictions opted to consider what is known as the Menlo Park model, or all-electric with limited natural gas, in lieu of the PCE proposed Reach Code. The Menlo Park model, also known as the all-electric required model, is supported by PCE and is considered to be simpler and more effective to implement. PCE released a new proposed Reach Code based on the Menlo Park model in January, 2020.

- **Other Jurisdictions**
  32 out of 482 cities in California have adopted reach codes to limit, or eliminate, the use of natural gas, including the cities of Berkeley, San Jose, Menlo Park, Morgan Hill, and the University of California. Recently, the City of Berkeley, the Town of Windsor and the City of Santa Rosa have been sued following their adoption of Reach Codes. Berkeley was sued by the California Restaurant Association (CRA) in federal court after enacting a total ban on natural gas in new construction. Windsor
and Santa Rosa were sued in state court after adopting an all-electric mandate for certain low-rise residential development. The theory of the two cases is that Windsor and Santa Rosa’s invocation of CEQA exemptions was inappropriate and that the town should have done a full environmental review. All cases are still pending. To date, local jurisdictions have adopted the following:

**TABLE 1. Reach Code Status in Local Cities**

<table>
<thead>
<tr>
<th>City</th>
<th>Status</th>
<th>Reach Code</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Electric Preferred</td>
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<tr>
<td>San Mateo</td>
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<tr>
<td>Brisbane</td>
<td>Adopted</td>
<td></td>
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<tr>
<td>Menlo Park</td>
<td>Adopted</td>
<td></td>
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<tr>
<td>Millbrae</td>
<td>Evaluating</td>
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<tr>
<td>Pacifica</td>
<td>Adopted</td>
<td></td>
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<tr>
<td>Redwood City</td>
<td>Evaluating</td>
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<tr>
<td>San Carlos</td>
<td>Adopted</td>
<td></td>
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<tr>
<td>San Mateo</td>
<td>Adopted</td>
<td></td>
</tr>
<tr>
<td>San Mateo Co</td>
<td>Adopted</td>
<td></td>
</tr>
<tr>
<td>Santa Clara</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milpitas</td>
<td>Adopted</td>
<td></td>
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<tr>
<td>Morgan Hill</td>
<td>Adopted</td>
<td></td>
</tr>
<tr>
<td>Mountain View</td>
<td>Adopted</td>
<td></td>
</tr>
<tr>
<td>Palo Alto</td>
<td>Adopted</td>
<td>X (NonRes)</td>
</tr>
<tr>
<td>San Jose</td>
<td>Adopted</td>
<td>X (NonRes)</td>
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<tr>
<td>Alameda</td>
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<tr>
<td>Berkeley</td>
<td>Adopted</td>
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<tr>
<td>Hayward</td>
<td>Adopted</td>
<td>X (NonRes)</td>
</tr>
<tr>
<td>Richmond</td>
<td>Adopted</td>
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<tr>
<td>Other</td>
<td></td>
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<tr>
<td>San Francisco</td>
<td>Adopted</td>
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<tr>
<td>Santa Rosa</td>
<td>Adopted</td>
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</tr>
</tbody>
</table>

**II. The following are questions, concerns, and comments specific to how the Reach Codes will apply in the City of East Palo Alto:**

- **How will Reach Codes align with State building codes?**
  The State has been progressively advancing building codes in support of decarbonization for some time. It is expected that the next code cycle (2022, which takes effect Jan 1, 2023) is expected to move significantly towards all-electric buildings and increase EV requirements. The State may issue a requirement for fully
electric buildings, perhaps for particular building types, or allow options but ones which more heavily favor all-electric design. Whether all-electric buildings are required in this code cycle or the following is not known with certainty at this time however, it is broadly recognized that the all-electric buildings will be necessary to meet the state’s decarbonization targets.

- **When would the reach codes go into effect?**
  Following Council direction, staff will propose a reach code ordinance for Council approval. If approved, staff will file the reach code with the California Energy Commission and await a 15-day comment period. Once approved by the CEC, the reach code would go into effect at the end of the CEC comment period, or later depending on the City’s timeline. Staff is anticipating January 1, 2021, as the effective date of the Reach Codes.

- **How will the reach codes apply to projects in the pipeline?**
  Multifamily development projects that are already entitled are exempt from installing central electric water heating under these Reach codes. Since planning approvals are valid for two years, projects that have been granted planning entitlements within two years or less before the effective date of the ordinance are not required to comply. Although several examples of central electric water heating in multifamily buildings exist in California, it is more technically complex design than gas water heating that may require more building floor area. City staff will encourage these projects adhere to the intent of the reach codes as much as is feasible.

- **How does this align with EPA’s Climate Action Plan?**
  The Reach code supports the City’s Climate Action Plan (“CAP”) goals, specifically in chapter 4.1.2 Goal E-2: Increase Renewable Energy. In 2011, when the City’s CAP was developed, approximately 61% of the energy use in buildings was natural gas. At the same time, the combined energy use in residential and commercial buildings represented 33% of all emissions generated by in the City of East Palo Alto. With no changes in the building code requirements to reduce the installation of natural gas installations and no incentives for builders to utilize electricity for the installations, it is widely accepted that the ratios of fuels remains the same, although this statistic is not currently tracked by the City. Expanding the solar requirements to include all buildings will further expand the intent of this goal.

- **On the transportation side,** standard occupancy vehicles, also considered “residential,” represented approximately 20% of all transportation emissions; at the time fuel was primarily hydrocarbon based with no statistics on electric fueled vehicles. Transportation by local traffic represented about 14% of the City’s emissions. Many residents are shifting towards electric or hybrid vehicles for their standard occupancy vehicles, though it is presently a privilege available primarily to those who own and reside in single family residential homes, with some exception. Ensuring electric charging stations is available in all new homes, including multifamily housing, will extend the option to an increasing number of residents living in East Palo Alto, over time, furthering the impact of this goal.
• **How will the reach codes be implemented?**
  The reach codes will be enforced as part of the City’s building code plan review, and building inspection requirements. Staff will integrate the reach code requirements into East Palo Alto’s adopted building codes (California Green Building Standards Code and the California Energy Code). The Building Division will enhance upon resources created by PCE to inform applicants about the specifics of the reach code measures and be part of the Building Division’s review process.

### III. The following are questions, concerns, and comments typically raised by stakeholders and Council members regarding Reach Codes:

- **Electric water heating for large multi-family buildings can be costly and infeasible, especially for buildings located in a flood zone area.**
  Although demonstrations of this technology are increasing, staff agrees that this issue can pose challenges for new large multi-family developments and in response made an exemption for such circumstances.

- **Residents do not want to give up cooking with natural gas.**
  Many people are used to and comfortable with natural gas cooking and are most likely not aware of the benefits of cooking with electric stovetops, specifically induction ranges. Developers have indicated concerns with competitiveness in the market if they are not able to offer gas cooktops, at least until induction ranges receive greater market acceptance.

  Staff recommends that natural gas be allowed for cooking in response to strong preferences and following the example of other cities; however, installing natural gas for cooking eliminates significant cost savings possible from avoiding natural gas hook-ups and the health benefits of an all-electric home. Staff recommends that developers be required to share information on the benefits of an all-electric home with their clients. Staff can create outreach materials including flyers and online information. Information on all-electric buildings may also be integrated into the pre-application process for new developments.

- **Is an all-electric new building cost effective over a mixed-fuel new construction?**
  Building electrification reach codes make local amendments to the state’s Energy Code, which is promulgated by the California Energy Commission (CEC); and the CEC requires such reach codes to demonstrate that the amendments are cost effective and do not cause unreasonable burden to builders. The California Statewide Codes and Standards Program (a statewide investor-owned utility (IOU) program) has been supporting the reach code effort and prepared cost-effectiveness studies analyzing all-electric and mixed-fuel new construction that jurisdictions can apply in their reach codes.

  The IOU’s most recent study, 2019 Nonresidential New Construction Reach Cost Effectiveness Study, reports that avoiding the installation of natural gas infrastructure in nonresidential (office, retail, and hotels) buildings results in
significant cost savings, even with necessary increases in electricity capacity. The IOU’s stated similar results for their Low-Rise Residential New Construction cost-effectiveness study. In particular, the report found that an all-electric single-family home has a cost savings of $5,349 over a new mixed-fuel home. The cost savings for multifamily was $2,337/apartment. The CEC has approved several electrification reach codes that rely on these cost effectiveness studies.

- **All-electric is fine for buildings less than 25,000 square feet. However, for large buildings it can be costly and infeasible.**
  There have been mixed responses on this issue. Some construction experts say that all-electric is more of a problem for buildings larger than 100,000 square feet. One construction expert noted that buildings less than 100,000 square feet may be built more cost effectively as all-electric than with natural gas. Other experts noted that all-electric is possible and cost-effective for buildings larger than 100,000 square feet. All-electric can be a challenge for life science buildings and hospitals due to high demands for sterilization and high hot water loads.

The issue primarily revolves around central water heating, whether it is used for domestic hot water or space heating. A recent mid-rise multifamily cost-effectiveness study examined two types of central domestic water heating systems: a “clustered” system that has one residential water heater for every 2-3 dwelling units, and one central heat pump water heater serving the entire building. The report only presents results for the clustered system because of the enhanced cost-effectiveness of the clustered design (which is cost effective compared to the natural gas baseline). Peninsula Clean Energy is launching a technical assistance program to support the building industry in designing all sizes and types of buildings, including those well over 100,000 ft². This program will connect knowledgeable industry leaders with the building industry to support the design of high performance all-electric buildings.

- **Can Peninsula Clean Energy keep up with the increased electricity demand of reach codes?**
  PCE anticipates a modest impact from reach codes on their electricity load. PCE has modeled the outcomes of the countywide reach code efforts and has high confidence that they will be able to meet the growth in demand.

- **Solar PV systems do not make sense on roofs that experience a lot of shade or are too steep.**
  Staff agrees and is allowing for exemptions for new development where solar is infeasible due to existing shading, roof slopes, and other limitations to rooftop solar zones.

- **EV infrastructure is difficult to install in parking lots that use automated mechanical parking systems.**
  Staff agrees and recommends that mechanical parking systems be exempt from the EV infrastructure requirements.

• **EV infrastructure costs increase dramatically if a new transformer is required to meet power needs.**
  New transformers are not always necessary with EV infrastructure additions, according to a study commissioned by PCE. PCE has also added an except that allows for Automated Load Management Systems that will mitigate the need to size electrical capacity to meet peak loads. Nonetheless, staff agrees and is following PCE’s recommendation that an exception to the EV infrastructure requirements can be made if the cost per space for EV infrastructure exceeds $4,500.

• **Do the EV charging spaces have different size specifications?**
  No. Spaces must comply with regular planning and building code parking space specifications.

• **Are the EV Infrastructure requirements part of the reach code?**
  EV infrastructure is considered one reach code and building electrification a separate reach code. Building electrification codes reside in Title 24 Part 6 and require CEC approval for cost-effectiveness. EV infrastructure codes reside in Title 24 Part 11 and do not require CEC approval.

• **How will building electrification be impacted by power outages?**
  Power outages affect mixed fuel and all-electric buildings similarly because most natural gas appliances, other than gas stovetops, rely on electricity to operate. Also, reach codes do not affect back-up generators, whether they are diesel or batteries, used by buildings during power outages.

  PCE has started exploring how to minimize risks from power outages and is collaborating with other Bay Area community choice energy programs on resiliency projects. For example, PCE and its community choice partners issued a joint solicitation for the installation of battery storage for their customers. The program will provide reliable power to about 6,000 homes through the use of backup battery storage during power outages.
DATE: October 6, 2020
TO: Honorable Mayor and Members of the City Council
VIA: Jaime M. Fontes, City Manager
BY: Amy Chamberlain, Management Analyst
Amy Chen, Community & Economic Development Director
Patrick Heisinger, Assistant City Manager
SUBJECT: Measure HH and First Source Hire Agreements

Recommendation

1. Adopt a Resolution authorizing the City Manager to:

   1. Enter into a two (2) year agreement, in a form approved by the City Attorney, with Brightline Defense Project, for a total not-to-exceed amount of $125,000 ($100,680 with a $24,320 contingency), with up to two (2) 6-month term extensions to provide Measure HH services;
   2. Appropriately an additional $100,000 in Measure HH funding above and beyond what was allocated to the City Manager’s Annual Operating Budget to provide enough funding for the above-listed not-to-exceed amount.

2. Enter into a two (2) year agreement, in a form approved by the City Attorney, with Emerald Cities Collaborative, in a total not-to-exceed amount of $125,000 with up to two (2) 6-month term extensions to provide First Source Hiring services.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 2: Enhance Economic Vitality
Priority No. 3: Increase Organizational Effectiveness and Efficiency

Background

On November 6, 2018, the residents of East Palo Alto voted in favor (79.58%) of enacting a parcel tax, titled Measure HH, on commercial office space of 25,000 square feet or more at the
rate of $2.50 per square foot. Measure HH was estimated to raise $1,675,000 annually. Ordinance #417-A ("Ordinance"), which governs the parcel tax, restricts its use to the following purposes:

- Creating and maintaining affordable and supportive housing programs, with an emphasis on the creation of net new housing;
- Creating and maintaining programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics (STEM) sectors and building trades, and strengthen the City’s First Source Hiring Program; and,
- Paying for City staff and overhead costs to administer the ordinance and provide an annual report that complies with the requirements of Government Code section 50075.3.

Revenue generated from HH must be used in the following manner:

- A minimum of 35% of the revenue must be used exclusively for the construction of new, affordable housing stock;
- A maximum of 15% of the revenue maybe used for City staff and overhead costs to administer the Ordinance and to provide an annual report; and,
- Remaining proceeds may be used for any of the other purposes specific in the Ordinance at the discretion of the City Council.

The City then sought consultants experienced in each area to identify strategies which would maximize the impact of Measure HH funding. On October 5, 2019, the City Council authorized the City Manager to release a procurement for qualified consultants to support the City in its endeavors to develop: 1) To create and maintain programs that facilitate access to job opportunities for East Palo Alto residents in the STEM sectors and building trades (“Service Category 1”); and, 2) strengthening the City’s First Source Hire program (“Service Category 2”).

On December 10, 2019, the City release the RFQ to members of the public, and posted the Notice of Funding Availability on its website. The deadline for submittals was original set at February 7, 2020, however this deadline was extended to February 21, 2020 by 12:00PM in the Second and Third Addenda to the Request for Qualification(s).

The City then engaged in an extensive evaluation process in which the City evaluated all received proposals, invited the three (3) agencies who submitted to interview, and engaged community leaders in the process. On June 30, 2020, the City brought forth the resulting recommendation to City Council. City Council approved the City’s recommendation to accept the results of the procurement, thus qualifying Brightline Defense Group for Service Category 1 and Emerald Cities Collaborative for Service Category 2. City Council then directed staff to return with the scope of work and corresponding budgets for each Consultant in September 2020.

**Analysis**

To effectively negotiate an agreement with each qualified Consultant, the City requested a detailed project timeline from each Consultant which structured the work into three distinct phases: 1) Research, Analysis, and Outreach; 2) Recommendation Development; and, 3) Final Recommendation and Report. Each Consultant then presented their proposed project timeline to the City, which were then negotiated to adjust the scope of work based on the City’s work
Consultants were encouraged to coordinate throughout their project timelines to ensure a cohesive, collaborative set of recommendations between both First Source Hire program and recommended job access programs in the STEM and trades sectors.

The final phase activities, timeline estimates, and key deliverables negotiated with each Consultant are listed in the tables below.

**Table 1) Project Timeline for Brightline Defense Project (Service Category 1)**

<table>
<thead>
<tr>
<th>Phase</th>
<th>Activities</th>
<th>Timeline Estimates</th>
<th>Key Deliverables</th>
</tr>
</thead>
</table>
| Phase 1 | Research & Analysis                  | Oct 2020 - Dec 2020 (2 months) | 1. Comprehensive report of analysis and recommended engagement with existing resources  
2. Presentation to City Council                                                                                              |
|         | Outreach                             | Oct 2020 - Dec 2020 (2 months) | 1. Establishing monthly meetings as needed  
2. Seeking ongoing input from 8-10 organizations  
3. Broader listening sessions with nonprofit service providers, faith community, private sector, and more |
| Phase 2 | Develop Recommendations              | Jan 2021 – Feb 2021 (2 months) | 1. Development of recommendations  
2. Presentation to City Council                                                                                             |
|         | Outreach                             | Jan 2021 – Feb 2021 (2 months) | 1. Incorporating feedback in crafting a honed recommendations document                                                                 |
| Phase 3 | Final Recommendations                | Feb 2021 - Apr 2021 (2 months) | 1. Create Strategy on what training programs and which types of organizations may be funded by Measure HH |
|         | Outreach                             | Feb 2021 - Apr 2021 (2 months) | 1. Community Meetings (community stakeholders, private and public sectors)  
2. Peer Review of First Source Hire                                                                                               |
|         | Review of First Source Hire          | Feb 2021 - Apr 2021 (2 months) | 1. Create Cross-Pollinated Set of Recommendations on First Source Hiring and Local Hiring                                                                 |

**Total Project Timeline:** Six (6) to nine (9) Months  
**Total Budget:** $100,680 (with a $24,320 contingency thus totaling $125,000)
An exhaustive scope including key outcomes and budget by task for Brightline Defense Project’s proposed project timeline are included in Attachment 1.

Table 2) Project Timeline for Emerald Cities Collaborative (Service Category 2)

<table>
<thead>
<tr>
<th>Phase</th>
<th>Activities</th>
<th>Timeline Estimates</th>
<th>Key Deliverables</th>
</tr>
</thead>
</table>
| Phase 1 | Partner Coordination, Research & Analysis | Oct-Nov 2020 (2 months) | 1. Workplan: Vetted workplan with timelines for delivery in conjunction with Brightline and City of EPA officials  
2. Policy Analysis: Writeup of City of EPA’s First Source Hiring Policy with comparative analysis and labor market analysis with demographic breakdown  
3. List of Resources: List of Demand and Supply side stakeholders  
4. First Source Implementation Best Practices writeup  
5. Presentation to City Council |
|       | Create Key Stakeholder Outreach Plan | Dec 2020 - Mar 2021 (3 months) | 1. Stakeholder Identification: for getting input on better implementation of First Source Hiring Policy with existing resources  
2. One-on-one interviews |
| Phase 2 | Develop Draft Recommendations | Mar 2021 - Apr 2021 (1 month) | 1. A guide to a set of tools and resource for monitoring compliance of a First Source Hire Program  
2. A report on implementing City of East Palo Alto new First Source Hire Program  
3. Presentation to City Council |
|       | Conduct Community/ Stakeholder Outreach | Apr 2021 - Jun 2021 (2 months) | 1. Conduct one-on-one Stakeholder Meetings |
| Phase 3 | Final Recommendations | Apr 2021 - Jun 2021 (2 months) | 1. List of final recommendations  
2. Survey of Partners |
The two key deliverables from the Emerald Cities Collaborative will be the following:

- A complete First Source Hire program for City funded projects/contracts; and
- A complete First Source Hire program for all other projects in the City

**Total Project Timeline:** One (1) Year  
**Total Budget:** $125,000

An exhaustive scope including key outcomes and budget by task for Emerald Cities Collaborative’s proposed project timeline are included in Attachment 2.

The City anticipates that, as each Consultant ventures into phase one of their research and analysis, project timelines may need to adjust. Thus, the City has requested two (2) year agreements with each Consultant, as well as two (2) six-month contract extensions for each agreement. Should project timelines change significantly, the City would return to Council with an updated timeline.

The City will provide Council with a quarterly report updating Council on the progress of each service category’s outcomes and deliverables.

**Fiscal Impact**

The City Council had appropriated Measure HH funding for the services described in this staff report as part of the last two budget processes. In the Fiscal Year 2020-2021 Adopted Operating Budget, the City Council has appropriated One Hundred Fifty Thousand Dollars ($150,000) for the purpose of Measure HH Consulting services. Staff is seeking City Council approval to appropriate the remaining One Hundred Thousand Dollars ($100,000) to effectuate both agreements. This additional Measure HH funding will be allocated to the Brightline Defense Project contract.

There is sufficient funding available in the City’s Measure HH fund.

**Environmental**

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a “project” pursuant to 15378(b)(4) because it is a fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

**Attachments**
1. Resolution for Measure HH Agreement with Brightline Defense Project
2. Resolution for First Source Hire Agreement with Emerald Cities Collaborative
3. Proposed Project Timeline for Emerald Cities Collaborative
4. Proposed Project Timeline for Brightline Defense Project
5. Brightline Defense Project Proposal
6. Emerald Cities Collaborative Proposal
7. Presentation for Measure HH and First Source Hire
RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENT WITH BRIGHTLINE DEFENSE PROJECT FOR MEASURE HH JOB ACCESS PROGRAM CONSULTING SERVICES

WHEREAS, on November 6, 2018, the residents of East Palo Alto voted in favor (79.58%) of enacting a parcel tax, titled Measure HH, on commercial office space of 25,000 square feet or more at the rate of $2.50 per square foot; and

WHEREAS, on October 5, 2019, the City Council authorized the City Manager to release a procurement for qualified consultants to support the City in its endeavors to develop programs which 1) create and maintain programs that facilitate access to job opportunities for East Palo Alto residents in the STEM sectors and building trades (“Service Category 1”) and, 2) strengthen the City’s First Source Hire program (“Service Category 2”); and

WHEREAS, the City released a Request for Qualification for such services on December 10, 2019, with a final deadline of February 21, 2020; and

WHEREAS, City staff evaluated all submitted proposals and brought forth a recommendation to City Council on June 30, 2020 qualifying Brightline Defense Project for Service Category 1 and Emerald Cities Collaborative for Service Category 2; and

WHEREAS, City staff has returned to City Council with a negotiated scope of work and corresponding project budget for Brightline Defense Project to provide consulting services under Service Category 1.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to:

1. Enter into a two (2) year agreement, in a form approved by the City Attorney, with Brightline Defense Project, for a total not-to-exceed amount of $125,000 ($100,680 with a $24,320 contingency), with up to two (2) 6-month term extensions to provide Measure HH services; and

2. Appropriate an additional $100,000 in Measure HH funding above and beyond what was allocated to the City Manager’s Annual Operating Budget to provide enough funding for the above-listed not-to-exceed amount.
PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Regina Wallace-Jones, Mayor

ATTEST: APPROVED AS TO FORM:

______________________________
Walfred Solorzano, City Clerk

______________________________
Rafael E. Alvarado Jr., City Attorney
RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENT WITH EMERALD CITIES COLLABORATIVE FOR FIRST SOURCE HIRE CONSULTING SERVICES

WHEREAS, on November 6, 2018, the residents of East Palo Alto voted in favor (79.58%) of enacting a parcel tax, titled Measure HH, on commercial office space of 25,000 square feet or more at the rate of $2.50 per square foot; and

WHEREAS, on October 5, 2019, the City Council authorized the City Manager to release a procurement for qualified consultants to support the City in its endeavors to develop programs which 1) create and maintain programs that facilitate access to job opportunities for East Palo Alto residents in the STEM sectors and building trades ("Service Category 1") and, 2) strengthen the City’s First Source Hire program ("Service Category 2"); and

WHEREAS, the City released a Request for Qualification for such services on December 10, 2019 with a final deadline of February 21, 2020; and

WHEREAS, City staff evaluated all submitted proposals and brought forth a recommendation to City Council on June 30, 2020 qualifying Brightline Defense Project for Service Category 1 and Emerald Cities Collaborative for Service Category 2; and

WHEREAS, City staff has returned to City Council with a negotiated scope of work and corresponding project budget for Emerald Cities Collaborative to provide consulting services under Service Category 2.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY authorizes the City Manager to enter into a two (2) year agreement, in a form approved by the City Attorney, with Emerald Cities Collaborative, in an amount not-to-exceed $125,000, with up to two (2) 6-month term extensions, to provide First Source Hiring services.
PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

__________________________
Regina Wallace-Jones, Mayor

ATTEST:

APPROVED AS TO FORM:

__________________________
Walfred Solorzano, City Clerk

__________________________
Rafael E. Alvarado Jr., City Attorney
## PROPOSED APPROACH FOR CONTRACT WITH EMERALD CITIES COLLABORATIVE

<table>
<thead>
<tr>
<th>Phases</th>
<th>Activities</th>
<th>Timeline Estimates</th>
<th>Key Outcomes</th>
<th>Key Deliverables</th>
<th>Budget</th>
<th>Hours/Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>1.1 Partner Coordination, Research &amp; Analysis</td>
<td>October 2020 - November 2020 (2 months)</td>
<td>1. Set project coordination and workshop planning meetings with Brightline Defense to align outcomes and deliverables</td>
<td>1. Workplan: Vetted workplan with timelines for delivery in conjunction with Brightline and City of EPA officials</td>
<td>$28,500.00</td>
<td>(ED) 23 hours x $250 = $5,750 (PD) 60 hours x $125 = $7,500 (PC) 60 hours x $75 = $4,500 (PA) 72 hours x $125 = $9,000</td>
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<tr>
<td></td>
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<td>2. Review and analyze the City's existing First Source Hire policy</td>
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<td>3. Understand First Source Hire programs at the Federal, State and Regional level</td>
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<td>4. Research and analyze regional policies for First Source Hire and associated programs</td>
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<td>5. Collect comprehensive demographic information of the City of East Palo Alto workforce</td>
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<td></td>
<td>1.2 Create Key Stakeholder Outreach Plan</td>
<td>December 2020 - March 2021 (3 months)</td>
<td>1. Identify key stakeholders, with input from City, to inform them on what has been learned by our research and recommendations for strengthening First Source Hire in East Palo Alto, and identify key discussion topics</td>
<td>1. Stakeholder Identification: for getting input on better implementation of First Source Hire Policy with existing resources</td>
<td>$16,250.00</td>
<td>(ED) 10 hours x $250 = $2,500 (PD) 40 hours x $125 = $5,000 (PC) 50 hours x $75 = $3,750 (PA) 40 hours x $125 = $5,000</td>
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<td>2. Hold one-on-one interviews with key community stakeholders: focus on non-construction and private sector employers and construction sector developers</td>
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<tr>
<td>Phase 2</td>
<td>2.1 Develop Draft Recommendations</td>
<td>March 2021 - April 2021 (1 month)</td>
<td>1. Develop and present specific recommendations for strengthening First Source Hire</td>
<td>1. A guide to a set of tools and resource for monitoring compliance of a First Source Hire Program</td>
<td>$19,750.00</td>
<td>(ED) 22 hours x $250 = $5,500 (PD) 45 hours x $125 = $5,625 (PC) 45 hours x $75 = $3,375 (PA) 42 hours x $125 = $5,325</td>
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<td></td>
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<td>2. Establish clear approach for implementing program changes for First Source Hire</td>
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<td>3. Legal review of proposed recommendations (Emerald Cities would obtain opinion(s) from qualified legal firms in concert with the City Attorney)</td>
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<td></td>
<td>2.2 Conduct Community/ Stakeholder Outreach</td>
<td>April 2021 - June 2021 (2 months)</td>
<td>1. Outreach to regional bodies who are engaged in workforce development and First Source Hiring programs.</td>
<td>1. Conduct one-on-one Stakeholder Meetings</td>
<td>$6,500.00</td>
<td>(ED) 5 hours x $250 = $1,250 (PD) 15 hours x $125 = $1,875 (PC) 20 hours x $75 = $1,500 (PA) 15 hours x $125 = $1,875</td>
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<td>2. Outreach to community organizations and stakeholders who should be involved in implementation to engage in strategy development.</td>
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<tr>
<td>Phase 3</td>
<td>3.1 Final Recommendations</td>
<td>April 2021 - June 2021 (2 months)</td>
<td>1. Review feedback received from community stakeholders to define final recommendations of East Palo Alto's First Source Hire Program in partnership with Brightline Defense Project.</td>
<td>1. List of final recommendations</td>
<td>$32,500.00</td>
<td>(ED) 25 hours x $250 = $6,250 (PD) 95 hours x $125 = $11,875 (PC) 100 hours x $75 = $7,500 (PA) 55 hours x $125 = $8,875</td>
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<td></td>
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<td>2. A survey of interest from organization willing to partner with City of East Palo Alto on the implementation of its First Source Hire program.</td>
<td>2. Survey of Partners</td>
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<tr>
<td></td>
<td>3.2 Incorporate Final Community/ Stakeholder Input</td>
<td>June 2021 - August 2021 (2 months)</td>
<td>1. Outreach to community organizations and stakeholders for final consensus on City of East Palo Alto.</td>
<td>1. Final Community Input &amp; Finalize Report to City</td>
<td>$8,500.00</td>
<td>(ED) 5 hours x $250 = $1,250 (PD) 20 hours x $125 = $2,500 (PC) 30 hours x $75 = $2,250 (PA) 20 hours x $125 = $2,500</td>
</tr>
<tr>
<td></td>
<td>3.3 Coordination with Brightline Defense Project on Measure HH</td>
<td>August 2021 - September 2021 (1 month)</td>
<td>1. Coordinate peer review of the First Source Hiring work products</td>
<td>1. A Peer reviewed document of First Source Hiring work products</td>
<td>$13,000.00</td>
<td>(ED) 10 hours x $250 = $2,500 (PD) 30 hours x $125 = $3,750 (PC) 40 hours x $75 = $3,000 (PA) 30 hours x $125 = $3,750</td>
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<td>2. Coordinate program implementation in alignment with STEM/building apprenticeships programs</td>
<td>2. A timeline of implementing the First Source Hiring work products</td>
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</tr>
</tbody>
</table>
RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENT WITH BRIGHTLINE DEFENSE
PROJECT FOR MEASURE HH JOB ACCESS PROGRAM CONSULTING SERVICES

WHEREAS, on November 6, 2018, the residents of East Palo Alto voted in favor (79.58%) of
enacting a parcel tax, titled Measure HH, on commercial office space of 25,000 square feet or more
at the rate of $2.50 per square foot; and

WHEREAS, on October 5, 2019, the City Council authorized the City Manager to release a
procurement for qualified consultants to support the City in its endeavors to develop programs which
1) create and maintain programs that facilitate access to job opportunities for East Palo Alto residents
in the STEM sectors and building trades (“Service Category 1”) and, 2) strengthen the City’s First
Source Hire program (“Service Category 2”); and

WHEREAS, the City released a Request for Qualification for such services on December 10,
2019, with a final deadline of February 21, 2020; and

WHEREAS, City staff evaluated all submitted proposals and brought forth a recommendation
to City Council on June 30, 2020 qualifying Brightline Defense Project for Service Category 1 and
Emerald Cities Collaborative for Service Category 2; and

WHEREAS, City staff has returned to City Council with a negotiated scope of work and
corresponding project budget for Brightline Defense Project to provide consulting services under
Service Category 1.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST
PALO ALTO HEREBY authorizes the City Manager to:

1. Enter into a two (2) year agreement, in a form approved by the City Attorney, with Brightline
   Defense Project, for a total not-to-exceed amount of $125,000 ($100,680 with a $24,320
   contingency), with up to two (2) 6-month term extensions to provide Measure HH services; and

2. Appropriate an additional $100,000 in Measure HH funding above and beyond what was
   allocated to the City Manager’s Annual Operating Budget to provide enough funding for the
   above-listed not-to-exceed amount.
PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Regina Wallace-Jones, Mayor

ATTEST:

APPROVED AS TO FORM:

Walfred Solorzano, City Clerk

Rafael E. Alvarado Jr., City Attorney
Responding to: City of East Palo Alto RFQ, Measure HH

Brightline Defense Project ("Brightline") has a unique blend of expertise that responds to the City of East Palo Alto’s Request for Qualification (RFQ) to develop workforce development programs and job opportunities for East Palo Alto residents in the S.T.E.M sectors and building trades. We are able to provide services in both service categories: 1) creating and maintaining programs that facilitate access to job opportunities for East Palo Alto residents in the science, technology, engineering, and mathematics (S.T.E.M) sectors, and building trades; 2) Strengthening the City’s First Source Hiring Program. We have also reviewed all aspects of the City’s Contractor and Professional Services Agreement, including the City’s insurance requirements, and we are in alignment with these documents.

With over twelve years of policy tracking and analysis in workforce development, Brightline is a nonprofit organization dedicated to creating sustainable environments and empowering communities. With extensive experience in legal research, policy development, and comparative analysis, we believe that our expertise exceeds the minimum qualifications noted in the application area. Throughout its history, Brightline has created innovative and ambitious approaches that will develop applied skills pathways as well as increase employment opportunities for local residents of East Palo Alto.

Brightline has both direct experience in improving workforce systems as well as policy tracking expertise at the local, regional, state, and federal level. Specifically, Brightline shaped the legal foundation and policy language behind San Francisco’s landmark Local Hiring Policy for Construction which was adopted in 2010. This policy is the strongest of its kind in the country and established both mandatory minimum percentages and strengthened the First Source hiring framework for other sectors. Since then, Brightline has been skilled in adapting to local jurisdictions across the country, ranging from Newark, New Jersey to Nashville, Tennessee to Denver, Colorado.

Brightline has also worked specifically in local communities throughout San Mateo County. From 2016 to 2018, Brightline executed a grant by the Silicon Valley Community Foundation that analyzes governance within San Mateo County as well as multiple policy issues that affect the lives of East Palo Alto, North Fair Oaks, and Belle Haven residents. This report was made possible by dozens of hours invested in on-the-ground conversations with over two dozen community leaders, elected officials, nonprofit workers, and government agency stakeholders both at the local and county level. While conducting case studies of major policy areas affecting San Mateo County, including affordable housing and displacement, Brightline has sought to address the needs of diverse and traditionally underserved communities.

In terms of workforce pathway programs, Brightline currently coordinates the Construction Sector Bridge Program, a job readiness training program that introduces San Francisco youth to the construction industry. This program demonstrates our experience in designing pre-apprenticeship program in the trades and working through barrier removal services needed for more advanced training programs. While coordinating between
government staff, school district staff, underemployed and unemployed local residents, youth, and workforce training service providers, Brightline has tracked program progress and advanced local workforce development.

Moreover, Brightline has extensive experience in one of the desired outcomes of Measure HH: creating and maintaining programs that facilitate access to job opportunities for local residents in science, technology, engineering, and mathematics (S.T.E.M). Throughout 2019 and 2020, Brightline has conducted an extensive labor market analysis for the San Francisco Bay Area with an understanding of existing regional economic development relationships that could be used as part of East Palo Alto’s process. Split into four research tasks assigned to Brightline by the city government’s workforce development system, Brightline analyzed the tech industry, occupational wage rates, and career ladders, training landscape, and workforce funding. By creating succinct policy reports and simplifying large amounts of data, Brightline has tracked proposed funding changes for workforce development as well as shifting program requirements and policy frameworks for addressing underemployed and unemployed communities. Particularly as Brightline has worked in policymaking for different industry sectors such as technology and advanced manufacturing, Brightline’s work will also have wider implications for residents of affordable, public, and low-income housing throughout East Palo Alto.

Finally, Brightline has the capacity to focus on diverse subject matter and industry sectors. Working with private sector employers, Brightline has already been working on tracking certificate programs for growth sectors like technology and advanced manufacturing. For instance, Brightline has tracked the National Council for the American Worker’s development of a national response to the “skills crisis” and the impact of artificial intelligence in healthcare, transportation, education and agriculture. While credentialing programs are driven by the labor market and industry to a large degree, current federal policy will also continue to shape these trends.

Throughout the years, Brightline has demonstrated depth and breadth in tracking workforce development legislation, performing policy analyses, and providing best-practice recommendations. Brightline meets both the minimum and preferred qualifications for policy tracking and analysis, and our local organization is capable of assisting the residents of East Palo Alto through the creation of apprenticeship programs in the building trades and S.T.E.M sectors. Please review our proposal and thank you for your consideration.

Sincerely,

Eddie H. Ahn
Executive Director

---

3 To this end, Brightline has tracked workforce policy changes at the federal and state level – such as WIOA and Perkins V (H.R. 2353 – Strengthening Career and Technical Education for the 21st Century Act) as well as best practices elevated by the California Workforce Development Board. By also tracking the efforts of different stakeholders such as the California Labor Federation, California Chamber of Commerce, and California Edge Coalition, Brightline has conducted recent research in legislated hiring or other HR Requirements impacting employers.
2. Experience and Expertise

<table>
<thead>
<tr>
<th>Name/Role</th>
<th>Eddie Ahn, Esq., Executive Director- Brightline Defense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibilities</td>
<td>Mr. Ahn will overlook all operations related to Brightline’s grant. He will be available to collaborate with departments of City of East Palo Alto, community groups, local organizations, and additional key partners. Through his extensive network, he will identify and engage key community and government stakeholders. Alongside Brightline’s team he will also facilitate community outreach meetings, ensuring that meetings and workshops are on schedule and on topic using a variety of collaborative facilitation strategies.</td>
</tr>
<tr>
<td>Experience/Qualifications</td>
<td>Mr. Ahn has significant experience in pushing workforce development and better hiring practices. Whether with job training centers and workforce policies created by the private or public sector, Mr. Ahn has specific experience in ensuring people are not just trained, but employed after training. These experiences include constructing the legal foundations, workforce accounting systems, and paperwork needed for mandatory local hiring as well as First Source Hiring. His experience in workforce development also spans different sectors, including construction and STEM-oriented careers in the tech industry.</td>
</tr>
<tr>
<td>Education</td>
<td>Brown University, B.A.; UC Hastings College of the Law, J.D.</td>
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</tbody>
</table>

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<thead>
<tr>
<th>Name/Role</th>
<th>Dilini Lankachandra, Esq., Policy Counsel- Brightline Defense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibilities</td>
<td>Ms. Lankachandra will conduct policy and legal research as needed to inform both public and private meetings.</td>
</tr>
<tr>
<td>Experience/Qualifications</td>
<td>Ms. Lankachandra holds a J.D degree from the University of California, Berkeley School of Law and is licensed to practice in both California and New York. She has over 8 years of experience conducting legal and policy research on a number of issues, including employment and labor law, workforce development, and progressive environmental policies. With Brightline, she has developed policy positions on the legal feasibility of affordable housing and workforce development.</td>
</tr>
<tr>
<td>Education</td>
<td>Columbia University, B.A.; UC Berkeley School of Law, J.D.</td>
</tr>
<tr>
<td>Name/Role</td>
<td>Daniela Cortes, Program Coordinator- Brightline Defense</td>
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<td>Responsibilities</td>
<td>Ms. Cortes will complement outreach efforts by tracking and communicating program goals, producing materials, and ensuring that community needs are being met. Additionally, she will advertise and send targeted invitations and track responses to encourage attendance.</td>
</tr>
<tr>
<td>Experience/Qualifications</td>
<td>Daniela holds a B.A degree in International Studies and Legal Studies. As the Construction Bridge Program Coordinator at Brightline, she is responsible for engaging with community-based organizations to develop short and long-term plans for outreach, recruitment, and retention. In the past, she has worked for a variety of non-profit organizations and government institutions. She has experience coordinating community outreach events, developing communication strategies, and conducting research for policy work.</td>
</tr>
<tr>
<td>Education</td>
<td>University of San Francisco, B.A</td>
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<tr>
<th>Name/Role</th>
<th>Tanya Hanson, Policy Associate- Brightline Defense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibilities</td>
<td>Ms. Hanson will conduct policy and legal research as needed to inform both public and private meetings.</td>
</tr>
<tr>
<td>Experience/Qualifications</td>
<td>Tanya Hanson graduated from the University of California, Berkeley and has worked with several organizations regarding environmental issues. As a policy fellow at Brightline, she has researched and produced work product on construction trades and workforce development. Additionally, she has conducted a labor market analysis for pathways to viable clean energy careers</td>
</tr>
<tr>
<td>Education</td>
<td>UC Berkeley, B.A.</td>
</tr>
</tbody>
</table>
Eddie Hongil Ahn, Esq.
Brightline, 1028A Howard St., San Francisco, CA 94103
eddie@brightlinedefense.org ● (415) 252-9700

EDUCATION
University of California, Hastings College of the Law, Juris Doctor, 2009 (CA Bar Certified)
Brown University, Bachelor of Arts, 2005

SUMMARY
Over ten years of work experience with significant expertise in workforce development strategies. Deep familiarity as a legal and policy advocate in job training, local hiring, affordable housing, apprenticeship models, workforce diversity in the tech sector, workforce development in the construction sector, frontline communities, and more. Currently serving as a commissioner for two environmental government agencies and board member for two large nonprofits in environmental justice and housing.

EXPERIENCE
Brightline Defense, Executive Director, San Francisco, 2015–present
• Led a legal and public policy nonprofit dedicated to workforce and environmental issues and convened diverse coalitions of over 100 leaders from forty community groups, labor unions, private companies, think tanks, and government to develop environmental and job strategies.
• Advocated in government hearings, assembled coalitions, and spoke in press interviews and conferences for multiple workforce development issues, with a particular focus on construction building trades, clean energy, energy efficiency, tech sector, and STEM careers.
• Cultivated national networks to further policies at the federal, state, and local levels while delivering speeches and policies in Delaware, Tennessee, and New Jersey as well participating in statewide panels about the intersection of workforce and the environment for multiple state agencies.
• Managed lawyers, policy staff, media consultants, subcontractors, and volunteers around multiple policy campaigns and workforce development programs.
• Collaborated with community groups, labor organizations, elected officials, and governmental agencies to deliver community benefits, creative workforce development solutions, and First Source Hiring programs.
• Crafted workforce development policies and advised cities on federal constitutional law across the country, including Denver, Baltimore, Seattle, Providence, and Newark.

Bay Conservation and Development Commission (BCDC), Commissioner, Bay Area, April 2018–present
• Appointed by the California Assembly Speaker to BCDC, a California state planning and regulatory agency with regional authority over the San Francisco Bay. BCDC has approved projects worth billions of dollars, and the Commission works closely with private and public applicants from a project’s initial stages to ensure compliance with state law.
• Evaluated statutory standards, contract law, and litigation issues as a decision maker in determining major development projects in the Bay Area.
• Worked collaboratively to further progress on environmental and equity issues with other regional and state economic policy development entities, including the Bay Area Air Quality Management District (BAAQMD), Metropolitan Transportation Commission (MTC), Association of Bay Area Governments (ABAG), CA State Lands Commission, and CA Coastal Commission.
• Successfully passed the Environmental Justice Amendment to the Bay Plan in November 2019.
• Serving as Chair of the Environmental Justice Working Group of the Commission, which incorporates environmental justice and equity issues in the Bay Plan and improves public access to the Bay.

San Francisco Commission on the Environment, Commissioner, San Francisco, October 2017–present
• Appointed by the Mayor to a charter commission that sets policy for the SF Department of Environment
and advises the Mayor and Board of Supervisors on environmental matters.

- Employing approximately 100 staffers, the SF Department of Environment implements seven programs that create a strong clean energy economy and promote sustainability in power, transportation, building, waste management, jobs, and beyond.
- Elected as Vice President of the Commission and serving as Chair of the Policy Committee of the Commission, which considers issues ranging from workforce training in energy efficiency programs to San Francisco’s 2019 declaration of a climate emergency.
- Past Member of the Operations Committee of the Commission, which manages a large grantee portfolio as well as the Department’s annual budget, public education, and community outreach.
- Worked with the Mayor’s Office, the Department, and other government staff on a broad range of issues, such as public transit electrification, the Department’s racial equity initiative, federal environmental protections, and the Governor’s Global Climate Action Summit (GCAS).

**Asian Pacific Environmental Network (APEN),** Board Member, Oakland, 2019-present

- Appointed to the Board of Directors for APEN, an environmental justice organization with deep roots in California’s Asian immigrant and refugee communities since 1993.
- Governed a $3.5 million organization funded significantly by philanthropic organizations and with offices in Downtown Oakland, Oakland Chinatown, and the City of Richmond.
- Oversaw the strategic direction, budget, guidelines and policies of APEN.

**Mission Housing Development Corporation,** Board Member, San Francisco, 2016-present

- Appointed to the Board of Directors for Mission Housing, one of the largest nonprofit housing developers in San Francisco, managing 35 buildings, housing over 3,000 residents, and executing several workforce development programs for its residents, including tech training.
- Oversaw the strategic direction, budget, guidelines and policies of Mission Housing.

**Brightline Defense, Policy Counsel,** San Francisco, 2009 –2015

- Drafted and filed comments for administrative law proceedings at the California Public Utilities Commission and other regulatory agencies.
- Developed environmental strategies and workforce systems that have been adopted by California and New Jersey to increase employment outcomes for clean economy projects.
- Coordinated with energy efficiency contractors, program administrators, government staff, and the community to promote public/private partnerships for financing energy efficiency.
- Advocated to successfully implement progressive workforce policies, develop metrics for success, as well as increase local funding for solar installations and workforce development.

**Assembly Judiciary Committee, Clinical Intern,** Sacramento, 2009

- Drafted statutory language with legislators’ staff, committee staff, and interest groups on environmental issues related to the California Coastal Commission and other public entities.
- Wrote bill analyses on varying legal issues, such as clarifying civil procedure in the California Environmental Quality Act (CEQA) and limiting credit checks for employment purposes.

**Oakland Asian Students Educational Services, Afterschool Programmer,** Oakland, 2005 – 2008

- Managed a team of 5-6 volunteers from UC Berkeley in arts and public speaking workshops for low-income youth in Oakland’s Chinatown.
- Worked both as an AmeriCorps member and part-time employee during law school.

**OTHER BOARD APPOINTMENTS AND SKILLS**

Emerald Cities Steering Committee, Former SF Citizen’s Committee on Community Development Member (federal funding for community and workforce development), Conversational Korean
EDUCATION
University of California, Berkeley, School of Law, Berkeley, CA
J.D., May 2015
Honors: Prosser Prize in Criminal Law (Fall 2012)

Columbia University, New York, NY
B.A. in Classics and Political Science, May 2011
Honors: Dean’s List (Spring 2008-Spring 2009, Spring 2011)

EXPERIENCE
Brightline Defense Project, San Francisco, CA
Legal Fellow and Policy Counsel, Summer 2015- present
Developed policy positions and participated in administrative proceedings at the California Public Utilities Commission regarding solar and energy efficiency programs; wrote memoranda on the legal feasibility of workforce development, affordable housing, and clean energy policies; researched local and national policies and best practices in solar and workforce development policy.

A Better Balance, New York City, NY
Staff Attorney, July 2017-Present
Worked to protect local progress and innovation from state and federal preemption; researched argumentation to defend and expand the power of cities and counties to enact progressive policies in health care, workforce, and beyond.

Worker Cooperative Coalition, Berkeley, CA
Research and Policy Assistant, Fall 2013 – Spring 2015
Worked with the Policy Advocacy Clinic and Green-Collar Communities Clinic at the East Bay Community Law Center to research employment and labor law issues related to worker cooperatives, draft a worker cooperative bill, and pass the bill through the California legislature.

City Attorney’s Office of Palo Alto, Palo Alto, CA
Legal Clerk, Summer 2014
Performed legal research and wrote internal memoranda on legal issues related to municipal governance and drafted ordinances, resolutions, and staff memos on proposed City Council actions.

Center for Food Safety, San Francisco, CA
Legal Clerk, Spring 2014
Performed legal research and draft legal pleadings on food safety and environmental issues including genetic engineering, organic food standards, pesticide use, CAFOs, and aquaculture.

Green-Collar Communities Clinic at East Bay Community Law Center, Berkeley, CA
Legal Clerk, Summer 2013
Performed legal research and drafted memoranda on issues pertaining to entity formation, employment law, and nonprofit tax law. Drafted corporate formation documents and contracts for worker cooperatives and nonprofit corporations. Attended policy working group meetings, performed legal research, and drafted memoranda on issues surrounding a proposed worker cooperative bill.
EDUCATION
University of San Francisco
Bachelor of Arts, Major in International Studies, Minor in Legal Studies
Cumulative GPA: 3.8/4.0 Magna Cum Laude; Dean’s List all semesters

WORK EXPERIENCE
Brightline Defense Project
Program Coordinator
San Francisco, CA
August 2019 - Present

• Coordinate, implement, and monitor environmental programs and projects to meet desired outcomes.
• Conduct policy and program research of best practices being utilized by other agencies as well as a brief labor market analysis to design programming that increases participation of women in construction.
• Strategize with three non-profit partners and develop short and long-term plans for outreach, recruitment, and retention of transitional-age youth (TAY) in construction.
• Collaborate with the construction contractors and private sector to build new pipeline strategies and incentives for workforce graduates to enter into pre-apprenticeship training for construction.
• Execute a complex air quality monitoring program that involves community coalition-building and organizing amongst low to very low-income tenants in San Francisco.
• Organize and establish calls and meetings on a regular basis with partners to discuss progress of job training programs and resolve and implementation issues.

San Francisco District Attorney’s Office
Policy and Communications Intern
San Francisco, CA
September 2018 - August 2019

• Conducted legal research and data analysis.
• Drafted press releases and talking points for press conferences.
• Coordinated community outreach events in diverse neighborhoods across San Francisco.
• Utilized social media and digital strategies to position campaigns.

First Graduate
Intern
San Francisco, CA
November 2016 - May 2017

• Assisted with research projects and Spanish translation services.
• Provided program logistical support for after school programs and special events support.
• Collaborated with community partners to enhance educational programs and produce monthly reports.

VOLUNTEER EXPERIENCE
International Studies Office
University of San Francisco, CA
December 2017 - December 2019

• Provided leadership and advising for new students in the international studies major through office hours.
• Developed advising programs for the department and created a “Vicarious Trauma in the Classroom” workshop to address secondary trauma and desensitization of international studies students.

SKILLS
• Fluent in written and spoken Spanish. Working proficiency in French.
• Experienced with MS Office suite, Google applications, Stata, and several Content Management Systems.
Tanya Hanson

1028A Howard St., San Francisco, CA 94103 | (415) 252-9700 | tanya@brightlinedefense.org

EXPERIENCE

Brightline Defense
Policy Associate
San Francisco, CA
11/2019 - Present

■ Researched and drafted work product on construction trades, workforce development, and pathways to viable clean energy careers, such as solar and offshore wind development in California

■ Conducted market analysis that built up Brightline's work in land use policy, workforce, and affordable housing advocacy

■ Attended technical workshops convened by state regulatory agencies such as the California Energy Commission, California Air Resources Board, and California Public Utilities Commission (CPUC) on how utilities purchase 100% of the electricity to serve customers from renewable energy resources and zero-carbon resources by 2045 - particularly as the sector relates to good-paying jobs and better workforce development practices

■ Wrote support memos on Solar on Multifamily Affordable Housing (SOMAH) program and its Job Training Organization Task Force (JTO Task Force) to advise the SOMAH Program Administration team on local hiring initiatives, strategies to engage job trainees and maximizing trainee benefits. The JTO Task Force will ensure job training organizations’ voices and interests remain at the forefront of the SOMAH program’s job training efforts and that trainees have meaningful and career-advancing experiences working on SOMAH projects.

■ Reviewed commission and government hearing materials for legal issue-spotting in order to preserve community spaces on public property

National Park Service NPS- Golden Gate National Recreation Area
Sustainability Intern
San Francisco, CA
1/2017- 8/2017

■ Evaluated parkwide irrigation to meet executive orders on water use & conservation. Initiated the establishment of new park policies for water conservation

■ Calculated the GGNRA operating carbon footprint & suggested improvements for sustainability

■ Educated staff on solid waste diversion, green procurement, and climate change. Created content for employee handbook with sustainability information and guidelines

■ Planned, scheduled, and managed the water and energy audit for all GGNRA parks

■ Updated content and data on NPS website, twitter, and other social media accounts

■ Administrative support, organized meetings, meeting minutes, research, data entry/spreadsheets

BAY.ORG - EcoCenter at Heron's Head Park
EcoCenter Summer Intern
Hunter’s Point, CA
6/2016- 8/2016

■ Taught guests about environmental racism and injustices of Bayview/Hunters Point area

■ Taught guests and students the importance of water conservation, green building, alternative energy, native plants, impacts of climate change, and ways to live more sustainably

■ Led building tours and taught about the EcoCenter's LEED Platinum Sustainable Building.

EDUCATION

University of California, Berkeley
Bachelor of Science, Conservation and Resource Studies; Minor in Public Policy
May 2019
GPA: 3.85

■ Undergraduate auditor of the Environmental Law Clinic at Berkeley Law School

SKILLS: Excel & MS Office, G Suite, Adobe Photoshop, ArcGIS, R programming, Research, Project Management

ACTIVITIES/CERTIFICATIONS

Member of San Francisco NRDC Council
1/2019- Present

CALPIRG Intern UC Berkeley -Clean Transit/100% Renewable Energy/Save the Bees Campaign
2018- 2019

■ Registered students to vote, lobbied to pass statewide legislation for clean energy/transit and elimination of neonicotinoids

HAZWOPER First Responder Operations Certified
Narrative for Service Category One:  
*Facilitating Access to Job Opportunities for EPA Residents in STEM and the Building Trades*

Throughout 2019, Brightline has worked intensively in a regional labor market analysis and existing economic development relationships in the tech sector. This work product was created for a public agency, the San Francisco Office of Economic and Workforce Development (SF OEWD), and Brightline’s research is bolstering SF OEWD efforts around apprenticeships and training in the tech sector. Brightline also has experience convening partnerships with the private sector and community, as Brightline’s staff has worked with nonprofit partners such as Community Youth Center (CYC) in creating STEM-focused career fairs for youth. Brightline is capable of convening stakeholder meetings with proper noticing between 2-4 weeks, and written work product can be produced on a timeline of 3-9 months, depending on research needs. Brightline could thus easily compile research best practices around STEM being utilized by other public and nonprofit agencies.

Brightline also has extensive experience in the construction sector and workforce development. In addition to building the legal foundation for San Francisco’s Local Hiring Policy for Construction in 2010, Brightline has continued to support its implementation in subsequent years. For instance, Brightline currently coordinates the Construction Sector Bridge Program, which serves Transitional Age Youth and high school students seeking a long-term career in the construction trades. This program is a unique collaborative model between three other nonprofit organizations and CityBuild Academy, a pre-apprenticeship program with direct entry agreements. Working efficiently and effectively toward metrics set by a public agency, Brightline also submits frequent reports and email communications for this program in addition to frequent phone and in-person conversations.

More importantly, Brightline could tailor this workforce development and policy experience for East Palo Alto residents as we can build upon our prior experience in San Mateo County. From 2016-2018, Brightline has conducted several dozen in-person interviews with stakeholders in San Mateo County and sifted through large amounts of data for policy issues relevant to the community needs of East Palo Alto, North Fair Oaks, and Belle Haven. Brightline has always sought to interact with local residents with empathy and respect for their experiences and work.

References for Service Category One:

Guillermo Rodriguez  
California Trust for Public Land  
101 Montgomery Street, Suite 900  
San Francisco, California 94104  
415-800-5267  
guillermo.rodriguez@tpl.org  
Experience: Former Director of CityBuild Academy and Policy Director of the SF Department on the Environment, Guillermo is now the California State Director of Trust for Public Land. Guillermo can speak to Brightline’s policy and workforce development expertise, particularly in the building trades and STEM.
Gil De Anda
Office of Economic and Workforce Development, CityBuild Academy
1 South Van Ness Ave, 5th Floor
San Francisco, CA 94103
415-860-7355
gil.deanda@sfgov.org
Experience: Instructor for the Construction Sector Bridge Program, a collaboration between CityBuild Academy and Brightline. In this program, Brightline serves as the administrative lead for three additional community-based organizations, and Gil can speak to Brightline’s timeliness and attention to detail.

Sarah Wan
Community Youth Center
1038 Post Street,
San Francisco, CA 94109
415-775-2636
sarahw@cycsf.org
Experience: Executive Director of Community Youth Center (CYC) of San Francisco, a nonprofit specializing in youth leadership and workforce development. CYC and Brightline have collaborated on building partnerships with the tech sector and STEM careers.

Narrative for Service Category Two

Strengthening the City’s First Source Hiring Program

Similar to our prior produced reports (“Toward Empowerment” Report for Silicon Valley Community Foundation in January 2018 and Local Hiring/First Source analyses produced in August 2010), Brightline has compiled research of best practices being utilized by other public agencies with regard to First Source Hiring programs in different sectors. Brightline has also directly worked in analysis of legal barriers that the City should consider as part of this process. In a number of different sectors such as hospitality and health care, Brightline has also worked with coalitions to create First Source Hiring systems and drafting community benefit agreements. This legal and policy analysis has been shared in other local jurisdictions across the United States, ranging from Wilmington, Delaware to Nashville, Tennessee.

Finally, Brightline has strong competency in community outreach and government relations. Brightline is capable of convening stakeholder meetings with proper noticing between 2-4 weeks, and written work product can be produced on a timeline of 3-9 months, depending on research needs.

References for Service Category Two:

Michelle Leonard-Bell
Mission Hiring Hall
1048 Folsom St.
San Francisco, CA 94103
415-865-2105, ext. #102
mleonardbell@missionhiringhall.org
Experience: Manager of Workforce Programs for Mission Hiring Hall in San Francisco, familiar with Brightline’s expertise in workforce strategies and policy tracking as well as First Source hiring.
Maurilio Leon  
Community Housing Opportunities Corporation (CHOC)  
5030 Business Center Drive, Suite 260  
Fairfield, CA 94534  
510-292-1003  

Experience: Chief Operating Officer of CHOC with extensive community, political, and policy experience. Maurilio can speak to Brightline’s expertise in affordable housing and workforce development in jurisdictions ranging from San Francisco to Sacramento.

Solomon So  
JBR Partners, Inc.  
1333 Evans Ave.  
San Francisco, CA 94124  
650-464-5267  
sosolomony@gmail.com  

Experience: Community outreach specialist familiar with Brightline’s work in local hiring and First Source Hiring programs.

Brightline’s Community Outreach Plan  
Through the following community outreach plan, Brightline will design, implement, and maintain workforce development programs and job opportunities for East Palo Alto residents in line with East Palo Alto’s commitment to workforce development and First Source Hiring. In order to achieve maximum community engagement, Brightline will partner with community-based organizations based in EPA as well as elected officials and relevant government entities. Brightline conducted a case study in 2018 on the effects of Facebook’s headquarters relocating to east Menlo Park. This report demonstrated the ability of multi-jurisdictional community coalitions to create equity gains in the workforce and the need to represent community interests for the City of East Palo Alto. Brightline’s Executive Director, Eddie Ahn, will identify and engage key stakeholders through the extensive community network within San Mateo County. Daniela Cortes, Brightline’s program coordinator, will complement outreach efforts by tracking and communicating program goals, producing materials, and ensure that community needs are being met. Additionally, she will advertise and send targeted invitations and track responses to encourage attendance. Brightline’s Policy Associate, Tanya Hanson, and Policy Counsel, Dilini Lankachandra, will conduct policy and legal research as needed to inform both public and private meetings. Brightline will also be able to work with the City and share community experiences to inform its work.

Brightline will be responsible for:

- Conducting research on existing workforce programs.
- Analyze community needs and job opportunities or lack of.
- Coordinate meetings with key stakeholders and community partners.
- Conducting significant community outreach - reaching at least several dozen East Palo Alto residents and community leaders invested in Measure HH and its promise of workforce development.
- Increase community engagement with local government on access to job opportunities for East Palo Alto residents specifically in the building trades and S.T.E.M sectors.
  - Local city departments such as the Community and Economic Development Department.
  - Organizing weekly check-ins with identified partners.
- Co-conducting assessments and evaluations.
Such stakeholders will include but not be limited to:
- The City of East Palo Alto such as the City Council, City Management Staff, and others.
- Regional institutions as needed, such as Association of Bay Area Governments (ABAG), San Mateo County Health, and San Mateo County Community College District
- Community Groups such as Youth United for Community Action (YUCA)
- Community Legal Services in East Palo Alto
- Tech training programs such as StreetCode Academy, tech bootcamps in the region
- Workforce development and social services organizations such as JobTrain, One East Palo Alto, and Community Legal Services in East Palo Alto.
- Labor groups such as the San Mateo County Union Community Alliance
- Private sector companies in the tech sector

3. Cost Structure

Hourly Rates for Service Category One:
Facilitating Access to Job Opportunities for EPA Residents in STEM and the Building Trades

<table>
<thead>
<tr>
<th>Personnel</th>
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</tr>
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<tbody>
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</tbody>
</table>

Reimbursable expenses:
- Mileage: $0.575/mile
- Photocopies: 8-1/2”x11” b&w: $0.30 per page
- Photocopies: 8-1/2”x11” color: $0.60 per page

Hourly Rates for Service Category Two:
Strengthening the City’s First Source Hiring Program

<table>
<thead>
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Mileage: $0.575/mile
- Photocopies: 8-1/2”x11” b&w: $0.30 per page
- Photocopies: 8-1/2”x11” color: $0.60 per page
Request for Qualifications for Measure HH & First Source Hiring

February 20th, 2020
February 20th, 2020

Patrick Heisinger
Interim Assistant City Manager
City of East Palo Alto
1960 Tate Street
East Palo Alto, CA 94303

Dear Mr. Heisinger:

Sub: RFQ Measure HH and First Source Hiring

Emerald Cities Collaborative (ECC) is pleased to submit this Request for Qualifications to offer our services in strengthening the City of East Palo Alto’s First Source Hiring Program. ECC’s team of specialists will work closely with city officials and key agency staff to deliver services to:

- Research best practices being utilized by other public agencies with regard to comprehensive First Source Hiring programs;
- Provide examples of how the City can implement such programs; and
- Conduct an analysis of any legal barriers that the City should consider as part of this process.

We have reviewed all aspects of the City’s Contractor and Professional Services Agreement, including the City’s insurance requirements, and we are in alignment with these documents.

Please find enclosed the following supporting material for each of the above referenced elements:

1. Experience & Expertise Response
2. List of relevant projects/contracts
3. List of Key Staff and Hourly Rates
4. List of References
5. Resumes of Key Staff
6. Addendum with Complete List of Projects
1. Experience & Expertise

This Statement of Qualifications demonstrates Emerald Cities Collaborative’s (ECC’s) capabilities and experience to help design a first source hiring program for East Palo Alto. ECC’s qualifications include its: 1) organizational mission and capacities, 2) its programs and services, 3) its track record, and 4) project staff.

ORGANIZATIONAL BACKGROUND AND CAPACITY

History/Mission: The Emerald Cities Collaborative (ECC) is a national, nonprofit [501(c)(3)] sustainable development intermediary formally incorporated in 2009. Comprised of an unprecedented network of labor, business and community organizations, ECC is organized around a bold agenda: to rebuild US regional economies around high-road standards -- sustainable industries/sectors that pay livable wages and that include low-income and communities of color in these economic opportunities. Specifically, ECC’s mission is to:

- Green Our Cities – Emphasizing decisive action to reduce carbon/GHG emissions and improve the environment in major sectors of the economy, with a major emphasis in clean energy, water, transportation and other resilient infrastructure projects.
- Build Our Communities – Stimulating local economic development through living wage jobs and business opportunities in the growth sectors of the economy.
- Strengthen Our Democracy – Incorporating multi-stakeholder interests in the planning, implementation and outcomes of sustainable development initiatives, with a special commitment to engaging historically underrepresented and excluded groups.

Organizational Capacities: ECC is led by capable national and local staff of environmental/energy and economic development specialists, significantly enhanced by a multi-stakeholder board with strong commitment and credentials for realizing a triple bottom line strategy that strengthens the environment, the local economy and social equity. They include national organizations representing labor, industry, community, research and advocacy groups.

Our Strategy and Key Markets: ECC currently operates its sector development strategy - that both creates high road jobs and business opportunities (demand) and connects disadvantaged residents and businesses to these opportunities - in 5 major metropolitan areas (Los Angeles, San Francisco, Oakland, Seattle, Boston and provides consultant services for public and private sector organizations throughout the U.S., including Chicago and New York City.

ECC Value Proposition: ECC distinguishes itself within the workforce and economic inclusion market by the following qualities: 1) cross-sector collaborative model of doing business; we harness the best ideas of business, labor, community and government in the solutions; 2) a
sector-based approach to ensure that the workforce and business strategies are specific to industry trends and opportunities; 3) commitment to job quality - livable wage jobs and benefits; 4) focus on aligning the workforce eco-system with employer needs. Our economic inclusion services are guided by the following principles:

- Market Driven
- Measurable Outcomes
- Inclusive
- Customized
- Technology- and Community-enabled

**ECONOMIC INCLUSION SERVICES**

ECC provides a wide range of economic inclusion research, planning and development, training and implementation, including:

- Local worker hiring and procurement policies, protocols and systems;
- Labor and supplier/contractor diversity monitoring, reporting and compliance;
- Facilitating Community Workforce Agreement (CWA) and Project Labor Agreement (PLA) administration and contractor training;
- Local procurement policies and DBE/WBE/VBE outreach, training and support;
- Workforce development systems integration and alignment; and
- Design of disadvantaged worker and youth construction apprenticeship and STEM career pathways.

Specific services include:

**Diversity and Inclusion Integrated Systems Design/Development**

ECC works to institutionalize the values and practices of economic inclusion throughout your organization. We work collaboratively with your team to:

- Define the project scope and approach;
- Identify and enhance existing economic inclusion policies and resources;
- Identify and organize key community partners;
- Develop and institutionalize implementation tools and systems, e.g., bid/solicitation documents, pre-bid services, data collection tools; and
• Establish staff and contractor training to ensure proper long-term implementation of new or enhanced program policies and/or procedures.

**Monitoring and Compliance Systems Planning and Implementation**

ECC helps you collect data and produce reports to meet regulatory requirements, as well as to successfully meet local hiring and procurement targets. We help you:

- Identify data and customize reporting needs;
- Implement online (electronic) data reporting systems for labor and business compliance and to increase efficiencies related to collecting, storing, documenting and reporting information.
- Identify staffing and operational needs for effective monitoring and compliance;
- Train and support staff and contractors to implement reporting requirements;
- Organize/facilitate community-based workforce partnerships; and
- Monitor and report on labor compliance.

**Contractor Support Services**

ECC engages primes, subs and diverse contractors to effectively participate in the project’s economic inclusion program. We help:

- Orient/train contractors on the project-specific economic inclusion goals and protocols;
- Outreach and recruit MBE/SBE/WBE/DBE/DVBEs;
- Address barriers to bonding, certification and access to capital; and
- Train/prequalify and support M/S/W/DBE/DVBEs to effectively compete for large-scale and public-sector projects.

**Workforce Systems and Disadvantaged Worker Support**

ECC helps you develop the pipeline of workers from target communities to ensure successful recruitment and retention of workers, which also builds long-term career opportunities for disadvantaged workers in high-wage construction, architecture and engineering jobs. The requirements for this include building a seamless, integrated workforce system with the following features:
● Identifying and organizing workforce partnerships, including community-based training organizations, apprenticeship programs, community college programs and workforce investment boards;
● Developing case management/support programs for placement of disadvantaged workers;
● Facilitating the implementation of community workforce agreements;
● Connecting community-based training providers with apprenticeship training systems;
● Developing community experiential and classroom learning programs that include community college credit and lead to STEAM careers and apprenticeship programs for high school and out-of-school youth; and
● Building the capacity of existing workforce systems to support growth sectors such as construction, manufacturing and environmental services.

2. List of Relevant Contracts & Projects

SYSTEM LEVEL/CITY-WIDE PLANNING AND DEVELOPMENT

ECC effectively works with City and County staff to assess, design and implement city-wide/system-level economic inclusion programs. A short list of recent/current relevant experiences follow.

❖ L.A. County/Southern California Regional Energy Network (SoCalRen)

ECC is the workforce education and training contractor responsible for the design and implementation of the economic inclusion programs for the Southern California Regional Energy Network (SoCalRen), a network of 120 local jurisdictions (cities, sewer districts, schools) in the Southern California Edison and SoCalGas service area funded by the California Public Utilities Commission.

SoCalRen is a public-sector program that provides one-stop shop services to help Southern California Edison and Southern California Gas Company achieve their energy efficiency goals. This includes financing, energy audits, EMV, and workforce education and training for public sector and residential (single family and multi-family buildings).

Emerald Cities role is specifically to ensure that disadvantaged workers, students and businesses have access to jobs, job training and contract opportunities from REN investments. The completed and on-going scope of work includes:
1. Research:
   a. Completed an assessment of labor market demand and supply and gap analysis in the clean energy sector in the SoCalRen/SCE service territory;
   b. Conducted a survey and report on facilities management staff training needs and recommendations;
   c. Completed an inventory and assessment of the region’s workforce education and training programs and services;
   d. Conducted a scan of local hire and procurement ordinances/initiatives and disparity studies in LA/Orange County;

2. Policy & Planning:
   a. Developed an 8-year workforce education and training business plan approved by the California Public Utilities Commission;
   b. Developed Los Angeles County Resolution for a Local Worker Hiring Program to support the SoCalREN workforce program;
   c. Established a comprehensive economic inclusion infrastructure for L.A. County Energy Program, including a) revamped bid documents that include local hire provisions, b) established monitoring and compliance system, 3) developed a supportive workforce and business advisory committees and eco-system; and 4) provide on-going training for local County staff to manage the system.

3. Program Development & Implementation
   a. Designed and implemented a DWVBE green building training program (E-Contractor Academy) to help contractors pre-qualify and compete for LA County and other public-sector energy efficiency/renewable energy contracts, resulting in 100 trained contractors and $15 million in contract awards.
   b. Developed and staff ACES – a high school concurrent enrollment skills certificate programs and internship programs in architecture energy, and construction with 5 South and South Bay high schools and East Los Angeles Community College.

❖ San Francisco Climate Justice Initiative (SFCJI)

Emerald Cities San Francisco (ECSF), in partnership with PODER, has been selected as community co-conveners by San Francisco Department of Environment to assess the feasibility of a city-wide building electrification policy. The SFCJI utilizes environmental justice approach to create an innovative initiative with the twin goals of decarbonization
and equity - beginning with building decarbonization and focusing on energy efficiency, on-site renewables and building electrification - that transitions San Francisco to zero emissions and creates a just and equitable model for becoming part of the climate solution. SFCJI serves as a partner to city officials and provides a governance structure that fosters equitable participation of community members in a transparent and open forum that provides consistent, long-term and mutually beneficial engagement with San Francisco’s Climate Action Plan and Decarbonization Roadmap. Through collective engagement and impact, community stakeholder organizations and representatives have participated in designing SF Department of Environment’s Climate Action Plan and Decarbonization Roadmap that will foster and implement big targets, metrics, research, strategies, policies, investments and initiatives to build community health, wealth and climate resilience.

ECSF specific tasks include:

1. SFCJI Planning & Design:
   - Worked with SF staff to refine scope of work and strategy;
   - Worked with SF Department of Environment staff to create the community meetings objectives;
   - Designed workshops focused on workforce opportunities and the impact of transitioning SF’s deed-restricted affordable housing, single family housing, and multifamily housing to 100% electric buildings;

2. Research
   - Developed a comprehensive inventory of community organizations to engage in the planning process to help identify community needs and strategies
   - Pre-identified strategies, policies, and initiatives to reduce SF building GHG emissions by 44% by 2030
   - Managed an archive of key community issues relating to energy burdens, indoor air quality, renting and homeownership, and workforce opportunities.
   - Identified shifts in procurement and investment processes such that there is internal alignment and commitment to social capital, community resiliency and building health and wealth through community-based strategies and partnerships.

3. Community Outreach
   - Developed a community outreach program to low-income SF residents, immigrant communities, workers, tenants to ensure that their perspectives and knowledge is an integral part of the solutions we develop.
   - Created a network of community stakeholders that can be convened to address equity and climate change in SF.
   - Worked with key community stakeholders to present a framing of building decarbonization, electrification and energy efficiency with community members.
Engaged with stakeholders to develop building decarbonization roadmap that contains policies, programs, advanced codes and financing models with the quantified potential to meet targets for the building sector.

4. Policy & Planning

- Developed metrics for an Equity Assessment Tool centered on SF disparities
- Identified and honed policy levers, project opportunities and community messaging for implementing the roadmap to decarbonization.
- Analyzed all recommended strategies to ensure their potential to enhance equity and develop local green social enterprises.
- Iterative review of strategies to ensure their potential to enhance equity and develop local green social enterprises.

❖ New York City - Mayor’s Office

ECC is working with the City of New York to improve its economic inclusion programs to increase opportunities -- both workforce and business-- of historically underrepresented groups from its capital investments. ECC conducted a series of best practice research studies, including:

- A national assessment of best practices in community workforce agreements to assist with contract language and specifications for NYC PLA/CWAs.
- Conducted a focus group of minority contractors with experience with Project Labor Agreements (PLA) LA with recommendations for increasing the capacity of MWDBEs to compete under PLAs.
- A national survey of local hire policies.
- A national survey of financing mechanisms for local workforce programs.
- A series of national best practice studies on federally funded (HUD/FAA) local workforce and local procurement policies and practices.
- A blueprint for an effective workforce eco-system – K-12, City seasonal and other employment opportunities, pre-apprenticeships, community college and apprenticeships, workforce investment programs and construction careers (in development).

❖ City of New Orleans - Mayor’s Office of Economic Development

ECC worked with Mayor’s team to develop a city-wide economic inclusion program for its ambitious capital improvement programs. The collaborative planning and development tasks included:
**Policy & Planning:**

a) Strategic planning - worked with city team to design Local Hire and Local Procurement programs

b) Policy development for the City of New Orleans Local Hire and Living Wage program (HireNOLA) and for the First Source Hiring Program for the federally funded airport terminal development project for the Louis Armstrong International Airport.

**Program Development**

a) Implemented economic inclusion instruments including best in class online monitoring and compliance systems, and revamped bid/solicitation documents

b) Aligned workforce eco-system including pre-apprenticeship, community based and community college programs

c) Help to design The First Source Hiring Program as a mandatory compliance requirement for all contractors involved in the $1 Billion construction project from 2016 through December 2019.
3. Cost Structure: List of Key Staff and Hourly Rates

Denise Fairchild, Executive Director, Emerald Cities - $250/hour
Judith Dangerfield, Consultant, Emerald Cities - $125/hour
Avni Jamdar, Director, San Francisco Emerald Cities - $125/hour
Mikela Topey, Fellow, San Francisco - $75/hour

4. List of References:

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<thead>
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<th>SoCALREN Workforce Education &amp; Training Program</th>
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<tr>
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<td>LA County/Southern California Regional Energy Network</td>
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<tr>
<td>Client Contact Name</td>
<td>Lujuan Medina</td>
</tr>
<tr>
<td>Contact Title</td>
<td>Program Manager, LA County Environmental Initiatives Section</td>
</tr>
<tr>
<td>Client Contact Phone</td>
<td>(323) 881-3971</td>
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<tr>
<td>Client Contact Name</td>
<td>Richard Chien</td>
</tr>
<tr>
<td>Contact Title</td>
<td>Senior Program Specialist</td>
</tr>
<tr>
<td>Client Contact Phone</td>
<td>(415) 355-3761</td>
</tr>
<tr>
<td>Client Contact Email</td>
<td><a href="mailto:richard.chien@sfgov.org">richard.chien@sfgov.org</a></td>
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<td>Client Contact Name</td>
<td>Laura Gibson</td>
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<tr>
<td>Contact Title</td>
<td>Economic Development Advisor</td>
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<td>Client Contact Email</td>
<td>(212) 676-3061</td>
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5. Resumes of Key Staff

Name: Denise G. Fairchild, Ph.D.
Title: President/CEO
Firm: Emerald Cities Collaborative
Project Role: Project Oversight & Strategic Guidance

Academic Credentials
Ph.D., Urban Planning, University of California, Los Angeles, 1986 Faculty Women Dissertation Award
M.C.P., University of Pennsylvania, 1974, Ford Foundation Award
B.A., Fisk University, 1972, Who’s Who in American Colleges & Universities

Summary of Professional Experience
Dr. Fairchild is nationally recognized and respected for her 40-year successful track record and innovative programs in sustainable community and economic development. She has extensive experience in community engagement, sector development strategies, curricula development, workforce & small business development, project and program development. Numerous awards, publications and affiliations.

Work Experience
2010- Present
Emerald Cities Collaborative
President/CEO
Responsible for building multi-stakeholder coalitions throughout the U.S. to advance high road energy efficiency and clean energy projects that, to date, has resulted in $4 billion of projects, including 2500 affordable multi-family housing units that produced over 200 apprenticeships for disadvantaged youth, $19 million in contracts for disadvantaged businesses among other community benefits.

2015-2010
Los Angeles Trade-Technical College
Regional Economic Development Institute
Founder/Director
Initiative provided inner city residents with career and technical education for high growth/high demand jobs in the L.A. region. Received a million-dollar grant from Bank of America to develop industry partnerships and curricula in the energy and water utility sectors.
1995-2010  Los Angeles Trade-Technical College  
Community Planning and Economic Development Program  
Founder/Director/Faculty  
Created state-approved community college associate degrees and certificate programs in community planning and mortgage finance to train community residents in inner city real estate, organizing and economic development skills to revitalize their neighborhoods.

1989-1995  Local Initiatives Support Corporation – Los Angeles  
Director  
Financed and trained inner-city residents to develop affordable housing, inner city real estate and community facilities. Received a national award from the National Community Development Initiative (NCDI) for innovation in workforce development for its Health Sector Initiative (HSI) and the health promoters’ program.

1979-1986  Charles R. Drew Medical School, Los Angeles  
Director/Associate Director  
International Health Program  
Developed collaborative research, education, training and community projects in health policy, planning and integrated community development in East Africa.

Affiliations

Board Member: American Association of Energy Efficient Economy, California Water Solutions Project, NAACP Environmental/Climate Justice Committee, 100% Clean Energy Network, Energy Democracy Project.
Professional Experience

**Emerald Cities San Francisco Bay Area, San Francisco, CA**

**Director, May 2011 – Present**

Leads the collaborative of stakeholders, advances energy and water efficiency project opportunities, and facilitates community workforce agreement negotiations and implementation. Works closely with the regional building trades and their apprenticeship programs, workforce training orgs, city/county departments to advance high-road jobs and career pathways for disadvantaged communities.

- Developed and manage RENEW, a program for Multi-family housing solar, energy and water retrofits in the Bay Area, in partnership with the SFPUC, Dept of Environment, labor unions, community organizations and local affordable housing owners.
- Deployed economic inclusion strategies to launch and implement an E-Contractor Academy for small/minority contractors to access public works and energy and water sector projects.
- Working with the SF Dept. of Environment to do community engagement around building decarbonization.
- Leading economic inclusion work in Bay Area and Chicago markets.
- Partnered with community and workforce stakeholders to negotiate a Community Workforce Agreement with SF Building Trades for apprenticeship pipeline into Trades. CWA applies to our energy and water upgrade projects with affordable housing owners.
- Work with contractors and clients for comprehensive monitoring and compliance of CWA to track workforce outcomes.
- Scaling region-wide affordable housing energy retrofits program through RENEW.
- Chaired the Energy Efficiency Coordinating Committee for City and County of SF to advise the Mayor and Board of Supervisors on programs and funds across utilities and agencies.
- Co-authored a report to the California investor-owned utilities on adopting online workforce data reporting systems.

**PolicyLink, Oakland, CA**  
**Consultant, January 2008 – November 2010, Research Associate, September 2003- May 2005**  
Co-authored a report, Pathways Out of Poverty for Vulnerable Californians, Policies that Prepare the Workforce for Middle-Skill Infrastructure Jobs. Undertook a year-long planning process to determine the role of the infrastructure sector in moving the state's under-educated young adults into good paying jobs with career ladder opportunities. Managed a team to design an evaluation model for examining outcomes of Community Building Initiatives across the U.S. Researched and authored policy briefs on US federal and state technology policy as it impacts low-income and marginalized communities in California.

**Suutra, San Francisco, CA**  
**Founder and Designer, June 2006- June 2009**  
Founded Suutra, a fair-trade fashion company committed to providing disadvantaged women artisans in the developing world with economic opportunities and preserving at-risk artisan skills. Incubated Suutra at the Reuters Digital Vision Program at Stanford University in a one-year fellowship.

**Professional and Community Engagement**

**San Francisco Energy Efficiency Coordinating Committee, San Francisco, CA**  
**Chair, February 2016 – March 2017**  
Appointed by the SF Board of Supervisors to advise the Board on planning and decision-making regarding Energy Efficiency projects, and the allocation of new funding towards EE programs. Report from the year-long engagement of the committee is now submitted to the City.

**San Francisco Public Utilities Commission Citizens’ Advisory Committee, San Francisco, CA**  
**Member, May 2012 – January 2016**  
Appointed by San Francisco Mayor Lee to the Citizens Advisory Committee of the SFPUC, tasked with providing recommendations to the SFPUC General Manager and
the Board of Supervisors regarding the agency's long-term strategic, financial and capital improvement plans around water, wastewater and municipal power services.

Asian Neighborhood Design, San Francisco, CA  
Board President, May 2015 – Present
AND is a non-profit architecture, community planning, employment training, and support services organization dedicated to helping disadvantaged individuals and communities become self-sufficient.

Education

University of California, Berkeley, CA  
Master’s in city and Regional Planning, August 2001-May 2003

Center for Environmental Planning and Technology, Ahmedabad, India  
Bachelor of Architecture, August 1994-March 2000
PROFILE
A successful entrepreneur and owner of Metro-Source, LLC, a New Orleans-based consulting firm established in 1994. Provided consultation to numerous local, state and national organizations and government entities across multiple subject matters including workforce development, small business development, Title VI and environmental justice, equity and inclusion in government contracting, place-making and community economic development, alternative financial products and capital strategies, criminal justice reform and poverty reduction.

EDUCATION
Master of Science in Community Economic Development from Southern New Hampshire University. Currently pursuing a Ph.D. in Urban Studies at the University of New Orleans with an expected graduation date in December 2020.

RELEVANT EXPERIENCE
Small Business, Equity and Inclusion

• New Orleans Business Alliance – Currently providing consultation and support for the development of small business ecosystem and economic opportunity strategies designed to close the racial wealth gap. Responsible for facilitating the development of the small business ecosystem and financial resources to support equitable economic development and place-making activities in the NOLABA portfolio.
• Living Cities -- Leading the Living Cities’ Start Up, Stay Up, Scale Up initiative in New Orleans including strategy development, work plan development and implementation oversight, identification of key performance management metrics, and convening key stakeholders and facilitation to support ecosystem development and implementation of the initiative.
• PolicyLink – Conducted research on economic inclusion policies and best practices for government and developed working papers for publication in support of the organization’s equity agenda.
• City of New Orleans – Managed the Office of Supplier Diversity in the development and implementation of the city’s Disadvantaged Business Enterprise Program. The program operated with a goal of 35% participation and yielded outcomes of 41% participation of Disadvantaged Business Enterprises including 29% participation by African American-owned firms. Developed the Title VI policy and program for the City of New Orleans to ensure equitable investments in physical infrastructure for communities of color and low-income communities in New Orleans.
and to prevent any disproportionate negative impacts on people and communities of color in the infrastructure planning and development activities.

- New Orleans Aviation Board – Currently serving as consultant to the New Orleans Aviation Board to ensure compliance with both the locally and the federally mandated DBE programs. The NOAB is currently investing $1 billion in a new terminal facility and current participation of DBE firms is 29% toward a 33% overall goal.
- Lafayette Regional Airport – Currently serving as consultant to the Lafayette Regional Airport in the development of policies and procedures for the agency’s federally mandated Disadvantaged Business Enterprise program in support of the $100 million new terminal development project.
- Regional Transit Authority – Currently providing consultation to the Regional Transit Authority (RTA) of New Orleans in the redevelopment of policies, procedures and tools for the federally mandated DBE and race- and gender-neutral small business enterprise programs in compliance with requirements of the Federal Transit Administration. Developed the agency’s Title VI policies and programs to ensure equitable access to transit for communities of color and low-income communities in New Orleans and to prevent any disproportionate negative impacts on people and communities of color in the transit planning and development activities.

Workforce Development

- City of New Orleans, The Network for Economic Opportunity – Research, development and facilitation in support of the city’s Opportunity Center strategy and the development of a coordinated and consolidated workforce development system.
- City of New Orleans Job One – Provided policy research, program design, organizational development and evaluation services for the Office of Workforce Development. Organized, facilitated and staffed the City’s first Workforce Investment Board, including organizing the mandated public and non-profit entities and private sector business leaders for the development of policy, procedures, and programs for the Job One Career Center.

Poverty Reduction, Community and Economic Development

- United Way of Southeast Louisiana – Provided consultation and strategic program development for the United Way of Southeast Louisiana in the development of a Financial Stability Program for service sector workers as an alternative to payday and predatory lending.
- Children’s Defense Fund Southern Regional Office – Provided consultation and planning support for the Children’s Defense Fund’s Southern Rural Black Women’s’ Initiative (SRBWI), serving the states of Louisiana, Mississippi, Alabama and Georgia. Assisted rural communities to organize around the issue of Human Rights and support local communities in development of a Federal Agenda

Criminal Justice Reform

- US Justice Department Federal Consent Decree – Served for three years as a Federal Monitor for the Consent Decree between the US Justice Department, the New Orleans Police Department and the City of New Orleans.

EMPLOYMENT

1994 – Present Owner, Metro-Source, LLC. New Orleans Louisiana
Presentations and Publications

• 2019 Rail-volution Conference – Panelist, *Rebuilding a Fair and Equitable Future:* Rethinking Planning and Contracting
• 2017 SOCAP International Conference – Panelist, *Using Impact Investing to Drive Public Sector Change*
• 2016 Living Cities Investors Meeting – Presenter, *The Network for Economic Opportunity*
• 2015 PolicyLink Equity Summit – Presenter, *Disaster Economics*
• 2009 New Orleans Tribune, Publication, *A Call for Economic Equity from the Black Economic Development Council*
• 2009 National Black Political Scientists Association, Publication, *Voice of the Poor: Citizens Participation in Rebuilding New Orleans*
• 2007 BMW Foundation Siftung, Herbert Quant Responsible Leaders Forum – Panelist, *The Responsibility of the Private Sector for the Poor*
WORK EXPERIENCE

Emerald Cities Collaborative – Fellow
San Francisco, CA - September 2019 – Present
● Work with stakeholders around policy and project implementation in the Bay Area.
● Support communications and manage relationships between key stakeholders.
● Create and edit program reports.
● Monitor and evaluate data and data collection for projects.
● Identify market opportunities for developing and implementing programs, projects, and products.
● Design and implement clean energy projects, including energy audits, packaging incentive programs, oversee project implementation.
● Develop and manage small business training and technical assistance programs for licensed contractors including recruitment, facilitating training and coaching programs.

Waldron – Senior Associate & Interim-Research Manager
San Francisco, CA - May 2017 – September 2019
● Built and manage a database to streamline the research process.
● Researched background and financial information about new and current client organizations.
● Created presentations, reports, and graphs for staff directors and clients.
● Managed multiple and concurrent research projects for clients.
● Managed relationships and contracts with candidates, vendors, service providers, and property managers.
● Managed all invoices and bills.
● Led outreach efforts to targeted individuals and organizations.
● Developed and implemented a guide for office procedures and operations.

Save the Redwoods League – Communications Assistant (contract)
San Francisco, CA – February 2017 – March 2017
● Worked under the Chief Communications Officer to support the Outreach team.
● Provided administrative support to the team by creating agendas, creating PowerPoints, running reports, calendaring, managing contracts and invoices, managing correspondence, and preparing expense reports.
● Conducted research to determine which media outlets could reach our target audience.
● Analyzed the efficacy of our brochures for partnering parks and their visitors.
● Researched and monitored news stories and policies that affected redwoods and parks and recreations.
● Created a database of contacts and locations for state and national parks in California.
● Maintained the website’s events calendar.
● Proofread and edited publications for scientific accuracy.
● Worked with different departments to create and manage a timeline for the Centennial campaign.

**Metabiota – Data Analyst**

*San Francisco, CA – November 2015 – December 2016*

● Worked with a bio-surveillance team, engineering team, and modelling team to detect, curate, and analyze past and present global infectious disease data and created and maintained a database by facilitating the ingestion of data.
● Designed standard operating procedures for collecting and analyzing data.
● Collected and analyzed data from government entities, hospitals, news articles, research papers, and scientists working in the field.

**Office of Sustainability – Research Assistant**

*Berkeley, CA - March 2015 - June 2016*

● Increased sustainability measures on the UC Berkeley campus by collecting data on energy usage, waste management, fuel emissions, and procurement, and creating incentives for departments to reduce their carbon footprint.
● Composed reports, briefs, and articles regarding the operations and efforts of the office.
● Studied different industries on the campus to create strategies for reducing the use of carbon.
● Supported the development of the software used to track carbon usage among staff members.

**UC Berkeley, School of Public Health – Research Assistant**

*Berkeley, CA - September 2014 - April 2015*

● Conducted background research and meta-analysis on racial disparities within cardiovascular diseases.
● Synthesized relevant literature to examine the discourse between race and hypertension.
● Created a database that contained quantitative and qualitative information on relevant research papers.
OTHER WORK EXPERIENCE

New Forests - Intern Analyst, Sustainability and Communications
San Francisco, CA - October 2018 – August 2019
● Designed a form and toolkit for reporting financial, environmental, social, and governance data for sustainability benchmarking and performance management.
● Used data collected from F & ESG reporting to create an external annual report.
● Conducted an analysis and created a report on sustainable and carbon neutral land use practices for Board approval.
● Monitored policy and regulatory changes in the U.S., Europe, Asia, and Australia.

University of California, Office of the President - Carbon Neutrality Initiative Fellow
Berkeley, CA - May 2015 - August 2015
● Used and analyzed data on fleets on the UC Berkeley campus to estimate the fuel efficiency of all vehicles through regression modelling.
● Designed and helped implement a plan to increase fuel efficiency by 2025 through better purchasing practices.

PRESENTATIONS
● “The Association Between Lung Cancer and Air Pollution in Trinidad” - The Environmental Sciences Research Symposium, Berkeley, CA.
● “Carbon Free Cal” - California Higher Education Sustainability Conference, San Francisco, CA.

EDUCATION
University of California, Berkeley – Environmental Sciences (B.S.)
6. Addendum - Complete List of Projects

Below is the list of our team’s active clients.

1. San Francisco Department of the Environment & USDN
   • Anchor Partner for Building Decarbonization - Community engagement
2. Chinatown Community Development Corporation, San Francisco
   • Affordable Housing Retrofits + Economic Inclusion
3. Asian Neighborhood Design, San Francisco
   • Affordable Housing Retrofits + Economic Inclusion
4. Los Angeles County/Southern California Regional Energy Network
   • Public Sector/Municipalities Construction + Economic Inclusion
5. Kaiser Permanente, Alameda County
   • Sustainable Economic Development - Nonprofit Health
6. Plymouth Housing Group, Seattle
   • Affordable Housing Sector Construction + Economic Inclusion
7. Chicago Realize Project
   • Energy Efficiency/Renewable Energy Upgrades + Economic Inclusion
8. New York Mayor’s Office
   • Economic Inclusion Strategies
9. New Orleans International Airport
   • Federal and State/Local DBE Compliance including goals setting, monitoring and reporting and Title VI policy development and compliance
10. Lafayette Regional Airport
    • Federal and State/Local DBE Program design, implementation and compliance
11. Regional Transit Authority
    • Federal and State/Local DBE Program design, implementation and compliance
12. New Orleans Business Alliance
    • Research and systems design for New Orleans’ small ecosystem development

Below is the list of our team’s prior clients.

1. California Workforce Investment Board - The California Clean Energy Jobs Program
   • K-14 Education - Energy Efficiency/Renewable Energy Upgrades + Economic Inclusion
2. Mission Housing Development Corporation, San Francisco
   • Mixed Use and Affordable Housing Construction
3. Seattle City Light
• Public Sector/Municipalities Construction + Economic Inclusion

4. City of Seattle Office of Sustainability
• Commercial - Energy Efficiency/Renewable Energy Upgrades

5. City of Seven Hills, Ohio
• Public Sector/Municipalities - Energy Efficiency/Renewable Energy Upgrades

6. City of Portland, Oregon, Public Works Department
• Public Sector - Green Infrastructure Development

7. City of New Orleans, Mayor’s Office
• Public Works - Green Infrastructure Development

8. City of New Orleans Office of Supplier Diversity
• Federal and State/Local DBE Program design, implementation and compliance

9. City of New Orleans Network for Economic Opportunity
• Research and development, facilitation and program design for local and first source hiring programs

10. PolicyLink
• Research, development and facilitation of economic opportunity strategies including workforce development and minority-business development

11. Living Cities
• Research and development of small business ecosystem and development of capital products to support small business growth
Request for Qualification(s)

Measure HH &
First Source Hire
Service Category 1
Create and maintain programs that facilitate access to job opportunities for East Palo Alto residents in the STEM sectors and building trades.
<table>
<thead>
<tr>
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<th>Activities</th>
<th>Timeline</th>
<th>Key Deliverables</th>
<th>Budget</th>
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| Phase 1 | 1.1 Research & Analysis                    | October 2020 – December 2020 | 1. Comprehensive report of analysis and recommended engagement with existing resources  
2. Presentation to City Council                   | $18,300.00               |
|         |                                            | (2 Months)                    |                                                                                  |              |
|         | 1.2 Outreach                               | October 2020 – December 2020 | 1. Establishing monthly meetings as needed  
2. Seeking ongoing input from 8-10 organizations  
3. Broader listening sessions with nonprofit service providers, faith community, private sector, and more | $30,600.00   |
|         |                                            | (2 Months)                    |                                                                                  |              |
| Phase 2 | 2.1 Develop Recommendations                | December 2020 – February 2021| 1. Development of recommendations  
2. Presentation to City Council                   | $7,980.00    |
|         |                                            | (2 Months)                    |                                                                                  |              |
|         | 2.2 Outreach                               | December 2020 – February 2021| 1. Incorporating feedback in crafting a honed recommendations document          | $8,100.00    |
|         |                                            | (2 Months)                    |                                                                                  |              |
| Phase 3 | 3.1 Final Recommendations                  | February 2020 – April 2021   | 1. Create Strategy on what training programs and which types of organizations may be funded by Measure HH | $15,600.00   |
|         |                                            | (2 Months)                    |                                                                                  |              |
|         | 3.2 Outreach                               | February 2020 – April 2021   | 1. Continued Outreach and Stakeholder Input                                     | $18,600.00   |
|         |                                            | (2 Months)                    |                                                                                  |              |
|         | 3.3 Review of First Source Hire Recommendations | February 2020 – April 2021 | 1. Create Cross-Pollinated Set of Recommendations on First Source Hiring and Local Hiring | $1,500.00    |
|         |                                            | (2 Months)                    |                                                                                  |              |
|         | **TOTAL**                                  |                               |                                                                                  | **$100,680.00** |
Service Category 2
Strengthening the City’s First Source Hire Program.

Denise Fairchild
President/CEO

Judith Dangerfield
Consultant

Avni Jamnar
Director,
San Francisco

Mikela Topey
Fellow,
San Francisco
<table>
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<th>Activities</th>
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<th>Key Deliverables</th>
<th>Budget</th>
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</thead>
</table>
| Phase 1| 1.1 Partner Coordination, Research & Analysis | October 2020 - November 2020 (2 months) | 1. Workplan: Vetted workplan with timelines for delivery in conjunction with Brightline and City of EPA officials  
2. Policy Analysis: Writeup of City of EPA’s First Source Hiring Policy with comparative analysis and labor market analysis with demographic breakdown  
3. List of Resources: List of Demand and Supply side stakeholders  
4. First Source Implementation Best Practices: writeup  
5. Presentation to City Council | $28,500.00 |
|        | 1.2 Create Key Stakeholder Outreach Plan | December 2020 - March 2021 (3 months) | 1. Stakeholder Identification: for getting input on better implementation of First Source Hiring Policy with existing resources  
2. One-on-one interviews | $16,250.00 |
| Phase 2| 2.1 Develop Draft Recommendations       | March 2021 - April 2021 (1 month) | 1. A guide to a set of tools and resource for monitoring compliance of a First Source Hire Program  
2. A report on implementing City of East Palo Alto new First Source Hire Program  
3. Presentation to City Council | $19,750.00 |
|        | 2.2 Conduct Community/ Stakeholder Outreach | April 2021 - June 2021 (2 months) | 1. Conduct one-on-one Stakeholder Meetings | $6,500.00 |
| Phase 3| 3.1 Final Recommendations                | April 2021 - June 2021 (2 months) | 1. List of final recommendations  
2. Survey of Partners | $32,500.00 |
|        | 3.2 Incorporate Final Community/ Stakeholder Input | June 2021 - August 2021 (2 months) | 1. Final Community Input & Finalize Report to City | $8,500.00 |
|        | 3.3 Coordination with Brightline Defense Project on Measure HH | August 2021 - September 2021 (1 month) | 1. A Peer reviewed document of First Source Hiring work products  
2. A timeline of implementing the First Source Hiring work products | $13,000.00 |

**TOTAL** $125,000.00
General Timeline

- **June 30, 2020**: Request for Qualification(s) Results to City Council
- **October 2020**: Enter into Agreement
- **January 2021**: Draft Recommendations – Measure HH (Job Access)
- **March 2021**: Final Recommendations – Measure HH (Job Access)
- **April 2021**: Draft Recommendations – First Source Hire
- **September 2021**: Final Recommendations – First Source Hire
- Program Implementation
Recommendation

I. Adopt a Resolution authorizing the City Manager to:
   1. Enter into a two (2) year agreement, in a form approved by the City Attorney, with Brightline Defense Project a total not-to-exceed of $125,000 ($100,680 with a $24,320 contingency), with up to two (2) 6-month term extensions to provide Measure HH services;
   2. Appropriate an additional $100,000 in Measure HH funding above and beyond what was allocated to the City Manager’s Annual Operating Budget to provide enough funding for the above-listed not-to-exceed amount.

I. Adopt a Resolution authorizing the City Manager to enter into a two (2) year agreement, in a form approved by the City Attorney, with Emerald Cities Collaborative not-to-exceed $125,000 with up to two (2) 6-month term extensions to provide First Source Hiring services.
Thank you!

Amy Chamberlain | Management Analyst, Community & Economic Development
achamberlain@cityofepa.org
Amy Chen | Director, Community & Economic Development
achen@cityofepa.org
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Rachel Horst, Housing Project Manager
Amy Chen, Community & Economic Development Director
Patrick Heisinger, Assistant City Manager

SUBJECT: Follow-Up on Study Session Related to the Affordable Housing Component of the Euclid Improvements (Woodland Park) Project

Recommendation

Receive the report and provide direction on the Affordable Housing component of the proposed Euclid Improvements (Woodland Park) Project (Project).

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 2: Enhance Economic Vitality
Priority No. 3: Increase Organizational Effectiveness and Efficiency

Background

On September 10, 2020, a study session was held to provide clarity and direction to City Staff and the Applicant on how to move forward with the project application. The study session covered the following:

- Provide update on recent staff activities related to the Project application;
- Provide background on affordable housing: definitions, City regulations, and other related requirements such as Senate Bill (SB) 330;
- Summarize staff’s feedback on the Project’s revised affordable housing proposal;
- Receive presentation by Sand Hill Properties (Applicant or Developer) on updated proposal, including description of their approach to affordable housing; and
- Discuss affordable housing priorities in order to provide direction to staff and the applicant.

The purpose of this staff report is to obtain further direction from the City Council to assist staff...
with processing the Project. In addition, City staff are seeking direction to return to the City Council with additional information in the future, including a session on Infrastructure.

**Analysis**

The following summarizes outstanding questions from City Council and provides responses:

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
<th>Notes/Attachments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can the (currently vacant) 52 units be re-established as rent-stabilized units in the new development, for a total of 160 rent-stabilized units, or are these “lost” to the Rent Stabilization program?</td>
<td>It is possible for these 52 units to remain in the Rent Stabilization program. It is also possible for these units to be deed-restricted at specified levels of affordability (AMI). Please note that in each scenario, these 52 units will not be released from a future affordability restriction (whether deed-restricted affordable or rent-stabilized). Finally, if the City and Developer were to utilize a Development Agreement for the project, it could be negotiated to keep units in the RSO program.</td>
<td>Based on Chapter 11 of the City of East Palo Alto General Plan.</td>
</tr>
<tr>
<td>Can recent college grads afford to live in the proposed Woodland Park development?</td>
<td>Across five colleges located near the City of EPA, the average salary earned during the first five years after graduation ranges from $39,000 - $62,500, which is approximately 50% AMI (Very Low Income); local information aligns with national averages. Therefore, recent college graduates would <strong>not be</strong> served by the income-restricted units proposed by Woodland (at 80% and 120% AMI).</td>
<td>Source: <a href="http://www.univstats.com">www.univstats.com</a>, <a href="http://www.collegesimply.com">www.collegesimply.com</a>, <a href="http://www.collegefactual.com">www.collegefactual.com</a>, <a href="http://www.communitycollegereview.com">www.communitycollegereview.com</a></td>
</tr>
<tr>
<td>What is the income breakdown of EPA, and among the current projects in the pipeline, where will the Woodland Park development fit in?</td>
<td>See below</td>
<td>See Attachment 1. Staff will present an overview of the data in Attachment 1 at the City Council meeting.</td>
</tr>
<tr>
<td>What would happen if the developer does not move</td>
<td>The existing units, as well as the new units would not be</td>
<td></td>
</tr>
</tbody>
</table>
Staff’s Response to Applicant’s Updated Affordable Housing Proposal

Staff is appreciative of the concerns reflected in the Applicant’s revised plan and understands that the Project is also subject to other obligations (e.g. infrastructure, development impact fees), yet the City’s affordable housing goals are among its highest priorities. Staff has reviewed and considered the Applicant’s revised proposal, and has the following initial reactions:

- After reviewing local law, Staff has determined that the Euclid project is required to provide: 160 rent stabilized units (due to the WAP) and 89 income-restricted units (20% of net new units due to Inclusionary).
  - Although the Developer has proposed 52 deed-restricted units, the levels in which the units are restricted do not meet any income ranges prescribed in the City’s Inclusionary Housing Ordinance.
  - Rather than the proposed higher income deed-restricted units that are proposed, staff would like to see the Developer provide the lower income units required in the Inclusionary Housing Ordinance. Without providing any units in the 35%, 50%, and 60% AMI ranges, the housing stock that would be created by the Project would likely not meet the needs of many current residents in the City.
- At this time, staff is trying to work with the Applicant to determine options that fully comply with the requirements of State and local law.

Discussion Questions

City Staff developed the following questions to help guide the conversation. These questions include, but are not limited to, the following:

1. Overall, does the City Council have specific concerns with the Applicant’s latest affordable housing proposal for the project?

2. If the current proposal could better achieve the requirements of local and State law and City Council policy on affordable housing, should staff engage the Applicant and continue to process the Project?

3. Is the City Council open to allowing staff and the Applicant to develop a revised affordable housing proposal (or proposals) that may deviate from the various base requirements, but is more beneficial than the current proposal?

Follow-up Sessions

City staff will return to the Council with additional information in the future, including a session on Infrastructure in November.

Fiscal Impact

There are no fiscal impacts associated with the items discussed in this staff report.
Public Notice

The public was provided notice of this agenda item by posting the City Council agenda on the City’s official bulletin outside City Hall and making the agenda and report available at the City’s website and the San Mateo County Library at 2145 University Avenue, East Palo Alto.

Environmental

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a “project” pursuant to 15378(b)(4) because it is a study session which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

Attachments

1. East Palo Alto Housing Breakdown
2. Staff Report September 10, 2020
3. September 10, 2020 City Presentation
4. September 10, 2020 Applicant Presentation
# East Palo Alto Household Income (by Area Median Income-AMI)

<table>
<thead>
<tr>
<th>Income Range</th>
<th>All Households</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/50%</td>
<td>4,614</td>
<td>62%</td>
</tr>
<tr>
<td>50-60%</td>
<td>485</td>
<td>6%</td>
</tr>
<tr>
<td>60-80%</td>
<td>1,054</td>
<td>14%</td>
</tr>
<tr>
<td>80-120%</td>
<td>835</td>
<td>11%</td>
</tr>
<tr>
<td>Above 120%</td>
<td>498</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,486</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

# Breakdown of Existing Units vs. Pipeline (by AMI)

## Existing Units

<table>
<thead>
<tr>
<th>Project</th>
<th>Tenure</th>
<th>Status</th>
<th>Type</th>
<th>30/50%</th>
<th>60%</th>
<th>80%</th>
<th>120%</th>
<th>RSO</th>
<th>Market Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courtyard at Bay Rd.</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>19</td>
<td>55</td>
<td>1</td>
<td>1</td>
<td>76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nugent Square</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>31</td>
<td>1</td>
<td></td>
<td></td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Serenity Senior</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>40</td>
<td></td>
<td>19</td>
<td>2</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light Tree</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>73</td>
<td>3</td>
<td></td>
<td></td>
<td>94</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peninsula Park*</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>35</td>
<td>30</td>
<td></td>
<td></td>
<td>64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bay Oaks</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>37</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clarke Ave.</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>2</td>
<td>8</td>
<td>5</td>
<td></td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodlands Newell</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>28</td>
<td>19</td>
<td></td>
<td></td>
<td>49</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Runnymede Gardens</td>
<td>Rental</td>
<td>In service</td>
<td>Deed-restricted</td>
<td>77</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BMR Units</td>
<td>For-Sale</td>
<td>Existing</td>
<td>Deed-restricted</td>
<td>25</td>
<td>65</td>
<td></td>
<td></td>
<td>90</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Woodland Park RSO</td>
<td>Rental</td>
<td>Existing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,838</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other RSO</td>
<td>Rental</td>
<td>Existing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>709</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Other housing units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,740</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Subtotals of Existing Units

<table>
<thead>
<tr>
<th>Units</th>
<th>342</th>
<th>159</th>
<th>70</th>
<th>0</th>
<th>2,547</th>
<th>4,811</th>
<th>7,929</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>4%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>32%</td>
<td>61%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*NOTE: Peninsula Park - many units marked "market-rate" are currently rented by Section 8 households.*

## Pipeline of Approved + Not Approved Units

<table>
<thead>
<tr>
<th>Project</th>
<th>Tenure</th>
<th>Status</th>
<th>Type</th>
<th>30/50%</th>
<th>60%</th>
<th>80%</th>
<th>120%</th>
<th>RSO</th>
<th>Market Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light Tree</td>
<td>Rental</td>
<td>Construction</td>
<td>Deed-restricted</td>
<td>90</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>91</td>
</tr>
<tr>
<td>965 Weeks</td>
<td>Rental</td>
<td>Approved</td>
<td>Deed-restricted</td>
<td>93</td>
<td>42</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>136</td>
</tr>
<tr>
<td>University Corner</td>
<td>For-Sale</td>
<td>Approved</td>
<td>Market&amp;Deed-restricted</td>
<td>4</td>
<td>3</td>
<td></td>
<td></td>
<td>26</td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>1201 Runnymede</td>
<td>For-Sale</td>
<td>Planned</td>
<td>Market&amp;Deed-restricted</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
<td>26</td>
<td></td>
<td>32</td>
</tr>
<tr>
<td>4 Corners</td>
<td>Rental</td>
<td>Proposed</td>
<td>Deed-restricted</td>
<td>27</td>
<td>9</td>
<td></td>
<td></td>
<td>144</td>
<td></td>
<td>180</td>
</tr>
</tbody>
</table>

## Subtotals of Pipeline of Approved + Not Approved Units

<table>
<thead>
<tr>
<th>Units</th>
<th>210</th>
<th>51</th>
<th>7</th>
<th>6</th>
<th>0</th>
<th>198</th>
<th>472</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>45%</td>
<td>11%</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>42%</td>
<td>100%</td>
</tr>
</tbody>
</table>

## Woodland Park/Euclid Project Proposal

<table>
<thead>
<tr>
<th>Project</th>
<th>Tenure</th>
<th>Status</th>
<th>Type</th>
<th>30/50%</th>
<th>60%</th>
<th>80%</th>
<th>120%</th>
<th>RSO rebuilds</th>
<th>Market Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodland Park Euclid</td>
<td>Rental</td>
<td>Proposed</td>
<td>Deed-Restricted</td>
<td>0</td>
<td>0</td>
<td>26</td>
<td>26</td>
<td>108</td>
<td>445</td>
<td>605</td>
</tr>
</tbody>
</table>

## Subtotals of Woodland Park/Euclid Project Proposal

<table>
<thead>
<tr>
<th>Units</th>
<th>0%</th>
<th>0%</th>
<th>26</th>
<th>26</th>
<th>108</th>
<th>445</th>
<th>605</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>0%</td>
<td>0%</td>
<td>4%</td>
<td>4%</td>
<td>18%</td>
<td>74%</td>
<td>100%</td>
</tr>
</tbody>
</table>

## Grand Totals

<table>
<thead>
<tr>
<th>30/50%</th>
<th>60%</th>
<th>80%</th>
<th>120%</th>
<th>RSO/rebuilds</th>
<th>Market Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>552</td>
<td>210</td>
<td>103</td>
<td>32</td>
<td>2,655</td>
<td>5,454</td>
<td>9,006</td>
</tr>
<tr>
<td>6%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>30%</td>
<td>61%</td>
<td>100%</td>
</tr>
</tbody>
</table>
DATE: September 10, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Patrick Heisinger, Assistant City Manager
Amy Chen, Community & Economic Development Director
Rachel Horst, Housing Project Manager

SUBJECT: Study Session Related to the Affordable Housing Component of the Euclid Improvements (Woodland Park) Project

Recommendation

Host a Study Session, solicit community input, and provide direction on the Affordable Housing component of the proposed Euclid Improvements (Woodland Park) Project (Project).

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 2: Enhance Economic Vitality
Priority No. 3: Increase Organizational Effectiveness and Efficiency

Study Session Overview

The purpose of this study session is to provide clarity and direction to City Staff and the Applicant on how to move forward with the project application. The study session will cover the following:

- Provide update on recent staff activities related to the Project application;
- Provide background on affordable housing: definitions, City regulations, and other related requirements such as Senate Bill (SB) 330;
- Summarize staff’s feedback on the Project’s revised affordable housing proposal;
- Receive presentation by Sand Hill Properties (Applicant or Developer) on updated proposal, including description of their approach to affordable housing; and
- Discuss affordable housing priorities in order to provide direction to staff and the applicant.
Ultimately, through the conversation, City Staff would like the following feedback and direction from the City Council on:

1. General reactions to the revised proposal from the Project Applicant (what do you like and not like? What can be improved?);
2. Clear direction on the Council’s preferences on the mix of income restricted affordable housing and RSO units;
3. How to balance high infrastructure costs with a desire to maximize affordable housing;
4. The authority to negotiate a revised proposal with the Applicant that can be brought back to the City Council.

**Background**

The Project’s approval and review process began in early 2019. Major project milestones are detailed in Table 1 below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2019</td>
<td>Sand Hill submits project pre-application</td>
</tr>
<tr>
<td>Spring 2019</td>
<td>Sand Hill holds several community meetings/workshops</td>
</tr>
<tr>
<td>May 2019</td>
<td>Planning Commission pre-application session</td>
</tr>
<tr>
<td>July 2019</td>
<td>Council pre-application session</td>
</tr>
<tr>
<td>October 2019</td>
<td>Sand Hill submits formal Planning application</td>
</tr>
<tr>
<td>Nov/Dec 2019</td>
<td>Initial meetings between staff/Sand Hill to generate City comments</td>
</tr>
<tr>
<td>December 2019</td>
<td>Affected residents are formally notified by the City</td>
</tr>
<tr>
<td>January 2020</td>
<td>Consultant team is formally engaged (R+A, Rincon, KMA, KHA, CSG)</td>
</tr>
<tr>
<td>February 2020</td>
<td>1st Study Session with Council</td>
</tr>
</tbody>
</table>

On February 25, 2020, the City Council hosted a Study Session regarding the Project, during which City Staff and outside consultants Raimi + Associates (R+A) presented the following information:

1. Background on the Westside Area Plan (see attachment 1)
2. An overview of the Project;
3. A comparison of the requirements of the Westside Area Plan to the Project;
4. Progress on the Project to date; and
5. Questions for the Council to provide direction on key project elements.

During this session, Council provided the following feedback:

**Affordable Housing**

- The current Project proposal is not compliant with City inclusionary requirements, and thus Council expects that the project will provide some deed-restricted affordable units consistent with the City’s Inclusionary Housing Ordinance;
- Council needs to see a breakdown by AMI brackets (ELI, VLI, VI, MI comparison);
- Some Councilmembers would like more 3-bedroom units;
- Council will need to review and approve the relocation plan for all current tenants; and
- Council will need to determine how many tenants will exercise their right-to-return.
Design Review
- Council asked for additional renderings and visual massing studies to determine if proposed height is acceptable and to assess impacts on adjacent properties; and
- Council wants a clear explanation of what zoning allows compared to applicant proposal (a complete list of all zoning exceptions being requested).

Community Impact & Fiscal Analysis
- Council requested an economic analysis in order to determine the increased value being provided to the Project from the increase in height and density in order to quantitatively determine a fair share of community benefits for the City; and
- City should perform an independent analysis of applicant’s fiscal impact report.

Transportation & TDM
- Applicant should conduct AM/PM peak traffic studies to determine potential intersection and VMT impacts;
- Applicant should conduct more study and analysis of parking, given the Project is below code minimums; and
- Applicant should provide more details of proposed TDM measures and potential transit improvements (i.e. shuttle, transit passes, bike lockers).

Infrastructure & Open Space
- Applicant and City staff need to determine the specific infrastructure needs and costs for this Project and present this information to the Council; and
- City staff should compare the Westside park needs/park ordinance requirements to what is being proposed.

Potential Applicability of Senate Bill 330 (SB 330)
- The City Council directed staff to provide more information on whether SB 330 applies to the Project.

Progress Update

Since February, City staff has engaged in a number of activities related to the Project application:
1. Initiated the Project’s environmental review process (EIR) in July 2020. The Notice of Preparation (NOP) was published on 4/22/20 through 5/22/20. Traffic counts were fortunately completed before COVID-19, and EIR-related traffic study and modeling efforts are ongoing. Results of VMT and intersection analysis are expected to be available in October.
2. Finalized the first round of City comments on the formal project application from Planning and other Departments.
3. Held weekly coordination meetings between City, consultants, and Applicant to discuss project refinements and challenges. Specific topics are as follows:
   - EIR: Finalized and released the NOP and held a virtual scoping meeting
   - Infrastructure: Ongoing discussions with Public Works regarding water fire suppression flow solutions. Negotiations have begun with Sanitary District
   - Fiscal Impact: Peer review of applicant’s fiscal analysis report has been completed by consultant Keyser Marston & Associates (KMA).
   - Design and Architecture: The City and project applicant have held multiple discussions
on urban design and architecture, based on Raimi + Associates’ review comments.

Affordable Housing: The applicant and staff have held many discussions on the total number of units, the mix of affordable units, and their level of affordability. Significant progress has been made and the Applicant will be presenting their proposal without City staff recommendation.

Analysis

Prior to engaging in discussion about the Project’s affordable housing obligation, additional context is essential, in the following areas:

1. General housing definitions;
2. Additional financial obligations to which the Project is subject; and
3. Requests from the Developer or “City Concessions”

Full consideration of these items and understanding of the “trade-offs” associated with each facet of the Project, is essential as staff endeavors to finalize an affordable housing plan.

Definitions Connected to Rent-Controlled and Income-Restricted Units

Definitions specific to existing units that are subject to Rent Stabilization Ordinance (RSO) Program and Income-Restricted Affordable Units are detailed in Table 2 below:

| TABLE 2 |
| --------------- | _____________________________ | _____________________________ |
| Defined Terms | Rent-Controlled Units (RSO) | Income-Restricted Affordable Units |
| Affordable Housing | NA | Rent costing no more than 30% of gross household income (with variations) |
| Length of Affordability | Rents reset to market rate upon vacancy (“decontrol”). | Maintains below-market rents for long durations of time (~55 years - perpetuity) |
| Rent Restrictions | Existing tenants maintain current rents, adjusted annually for inflation. (Applicant could voluntarily commit to AMI-based rent caps) | Maximum level of rent affordability tied to % of County average income: Extremely Low, Very Low, Low, Moderate |
| Income Qualification | Does not require income qualification | Tenants must meet income requirements to qualify for/stay in units, which may not be possible for certain existing tenants, such as undocumented residents |
| RSO Program Participation | RSO units pay annual fees to sustain the rent stabilization program | Units are not required to pay RSO Program fees since these units are not part of the RSP program |
| Deed Commitment | For existing RSO units, | The level of affordability is |
participation in rent control program is written into the deed. However rental rates are not restricted by the deed; rents reset to market rate upon vacancy.

written into the deed of new units and these units remain affordable for the period of the restriction (usually 55 years)

<table>
<thead>
<tr>
<th>Occupancy Standards</th>
<th>None, which does provide a benefit to larger households</th>
</tr>
</thead>
<tbody>
<tr>
<td>City’s Inclusionary Ordinance does not prohibit larger families occupying smaller units. However, other funding sources like State and Federal Tax Credits due cap the number of people that may reside in a unit to prevent overcrowding</td>
<td></td>
</tr>
</tbody>
</table>

Criminal/Credit Background Checks

Minimal - at the discretion of the owner

Could be more restrictive if certain funding sources are used - City’s Inclusionary Ordinance does not require a certain level of background check

Per the Costa Hawkins Rental Housing Act, the City cannot require new units to be subject to rent control. Through this discretionary process, applicant Sand Hill is proposing voluntarily to impose rent control on some or all replacement units to satisfy the Westside Area Plan and receive increased zoning rights.

For reference, San Mateo County AMI figures in 2020 are detailed in Table 3 below:

<table>
<thead>
<tr>
<th>TABLE 3 Income Limits by Family Size ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Category</td>
</tr>
<tr>
<td>Extremely Low (30% AMI)</td>
</tr>
<tr>
<td>Extremely Low per City * (35% AMI)</td>
</tr>
<tr>
<td>Very Low (50% AMI)</td>
</tr>
<tr>
<td>Low per City * (60% AMI)</td>
</tr>
<tr>
<td>Low (80% AMI)</td>
</tr>
<tr>
<td>Median (100% AMI)</td>
</tr>
<tr>
<td>Moderate (120% AMI)</td>
</tr>
</tbody>
</table>

* Note San Mateo County does not provide 35% and 60% AMI; the City’s Inclusionary Ordinance uses different income percentages for Extremely Low and Low Income Limits.

Overview of SB330
California Senate Bill 330, “The Housing Crisis Act of 2019,” was signed into law by Governor Newsom in October 2019 and became effective January 1, 2020. The bill establishes a statewide housing emergency to be in effect until 2025. During this period, cities and localities in urban areas are generally prohibited from rezoning actions or imposing new development standards that would reduce the zoned capacity for housing or adopting new design standards that are not objective. All localities are subject to additional project review requirements and timelines with regard to zoning-compliant applications for housing developments. Furthermore, in these jurisdictions, SB 330 created tenant protections when rent controlled or income-restricted housing units (together called “protected units”) will be demolished in order to build new housing. After an initial review, City staff believes that SB 330 is applicable to this project and the applicant has stated that its proposal is compliant with SB 330, nonetheless City staff has concerns regarding whether the Applicant’s revised proposal complies with the City’s Westside Area Plan and Inclusionary Housing Ordinance.

Summary of Other Requirements and Costs to Which the Project is Subject

In addition to the housing requirements stated above, the Project must also comply with other requirements from the City of East Palo Alto and any applicable outside agencies.

- Pay City impact fees per the Development Impact Fee Schedule on net new units. This is for parks/trails, public facilities, storm drainage, transportation, and water capacity. These impact fees are estimated to be $6.8 million;
- Pay impact fees to local school districts (SUHSD);
- Pay to upgrade the water system for adequate fire suppression flow, in the form of a large water tank. The exact cost (or size) is not known at this time. The project applicant has proposed a water tank that serves only the project at between $4.5 and $7.5 million. The cost for a larger storage facility and pump that also serves the broader Westside neighborhood is estimated at between $5.5 and 8.5 million;
- Pay sanitary fees as requested by the Sanitary (sewer) District. The exact cost is not known at this time but the District has developed an estimate of $9.5 million, compared to an impact fee projection of $650,000 generated by the applicant; and
- Potentially meet proposed City Transportation Demand Management (TDM) requirements and energy requirements in the City’s “Reach” building energy code, if and when adopted by Council.

Applicant Requests and/or City Concessions

The Westside Area Plan (WAP) was developed such that most proposed development projects would need to request increases in height and/or density in exchange for community benefits. This framework provided Council with the ability to review and approve projects individually based on the benefits provided to the City. This specific mechanism was put into place to protect long-time Westside residents while creating a pathway for new development projects. The approach developed with significant community input over 5 years ago is working as expected.

This Applicant is seeking a modification to the City’s Zoning Code. These are summarized below:

- Increase in total allowed density and height of the Project compared to current zoning.
- Reduction in the required total amount and mix of income-restricted affordable and rent-controlled units. The Applicant has stated that the total number of affordable units and their required levels of affordability makes the Project
In addition, the Applicant has requested several Development Code changes including:
- Reduction in off-street parking space requirements;
- Flexibility on building setbacks;
- Reductions in common/private open space requirements; and
- Allowing neighborhood commercial land use to create small neighborhood retail

Summary of Zoning Exceptions Requested by Applicant (Table 4)

<table>
<thead>
<tr>
<th>TABLE 4</th>
<th>Allowed / Required</th>
<th>Proposed Project</th>
<th>Staff Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Density</strong></td>
<td>Average of 65 units per acre (44 du/a in R-HD, and 86 du/a in R-UHD)</td>
<td>175 dwelling units per acre</td>
<td>The applicant is requesting a ~3x increase in density.</td>
</tr>
<tr>
<td><strong>Maximum Height</strong></td>
<td>Average of 6 stories (5 stories/50’ in HD, and 7 stories/75’ in UHD)</td>
<td>Portion of project at 13 stories/122 feet. Remainder is at 5 or 8 stories (33% above 6 stories)</td>
<td>The applicant is requesting a ~2x increase in height.</td>
</tr>
<tr>
<td><strong>Land Use</strong></td>
<td>Multifamily residential</td>
<td>Multifamily residential + neighborhood commercial</td>
<td>Neighborhood commercial is an appropriate use.</td>
</tr>
<tr>
<td><strong>Setbacks</strong></td>
<td>Front: 15’ HD, 20’ UHD Side: 10’, Side Street: ‘15’ Rear: 20’</td>
<td>Varies, approximately 10’ on all sides (Less than 10’ on Manhattan Ave. More than 30’ along rear of Building A)</td>
<td>Concerns in initial design along portions of Manhattan Ave/Euclid Ave.</td>
</tr>
<tr>
<td><strong>Parking</strong></td>
<td>868 spaces + 121 guest spaces (989 residential), 30 spaces retail = 1019 total</td>
<td>625 off-street spaces (compact) 71 on-street proposed, actual number closer to 60</td>
<td>Parking is below code, but may be acceptable with robust TDM. Off-street parking needs discussion.</td>
</tr>
<tr>
<td><strong>Common/Private Open Space</strong></td>
<td>125.5’ sf per unit, common and private combined (150 sf in HD, 100 sf in UHD)</td>
<td>Roughly 90 square feet/unit provided in initial proposal.</td>
<td>Initial proposal does not meet zoning requirements</td>
</tr>
</tbody>
</table>

Applicant’s Affordable Housing Proposals

When formulating the Project’s affordable housing obligation, there are two important considerations:
1. How to handle the existing RSO units?
2. What should the Inclusionary Housing obligation be for the net new units?
The following describes the existing requirements, original and proposed applicant proposals and City Staff’s perspective on each.

**RSO Units**

**Existing Conditions:** There are currently 160 RSO units in the project area. As of today, Sand Hill reports that 108 of the 160 RSO units are currently occupied and 52 are vacant (estimated by the Applicant, not confirmed by staff).

**Requirements of the WAP:** As noted previously, the WAP requires replacement of existing RSO or affordable units “on a one-for-one basis” or replacement of RSO units on a one-for-one basis with new deed-restricted RSO units with the same number of bedrooms or some combination of methods as approved by the City Council.

**Applicants Original Proposal:** The original proposal was for the 160 RSO units to be replaced with 160 RSO units as specified by the WAP. The 52 vacant units would reset at current market rates and the 108 units would be at current rents.

**Applicant’s Revised Proposal:** In response to comments from staff, the Planning Commission, and the City Council, the Applicant has submitted a revised proposal. The Applicant’s revised proposal is to rebuild and lease 108 of 160 existing RSO units back to those tenants who choose to return. This would be a net loss of 52 Rent Controlled Units, which are currently vacant. In the revised proposal, the Applicant offers to replace the 52 vacant RSO units with income restricted units to respond to feedback and partially comply with the City’s Inclusionary Housing Ordinance (described further below).

Staff expects further attrition of the occupied units between now and the potential date of Project approval. If the Project is approved, the 52 RSO units that are currently vacant will be leased at market rate rents. For comparison, Table 5 below shows the average market rents in East Palo Alto vs. new market rate apartment units in Palo Alto; the Project rental units would likely be priced at the higher rates due to the adjacency to Palo Alto:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Average Market Rate Rental Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>East Palo Alto</td>
</tr>
<tr>
<td>1-bed</td>
<td>$2,100</td>
</tr>
<tr>
<td>2-bed</td>
<td>$3,200</td>
</tr>
</tbody>
</table>

**Income Restricted Affordable Units**

**Existing Conditions:** There are currently no income restricted affordable units in the project area.

**Requirements of the City’s Inclusionary Housing Ordinance:** The City’s Inclusionary Housing Ordinance requires developers of new residential units to provide at least 20% of the total number of net new units to income eligible households at the following levels:

- 25% of the inclusionary units shall be price restricted at 35% AMI
- 50% of the inclusionary units shall be price restricted at 50% AMI
- 25% of the inclusionary units shall be price restricted at 60% AMI
To provide the City Council with more specificity regarding the residents who would be eligible to lease inclusionary units, Table 6 below provides the detailed maximum income and rental rates in each unit category:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>25% of Units @ 35% AMI</th>
<th>50% of Units @ 50% AMI</th>
<th>25% of Units @ 60% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max Income</td>
<td>Max Rent</td>
<td>Max Income</td>
</tr>
<tr>
<td>Studio</td>
<td>$42,630</td>
<td>$1,065</td>
<td>$60,900</td>
</tr>
<tr>
<td>1-BR</td>
<td>$48,270</td>
<td>$1,141</td>
<td>$69,600</td>
</tr>
<tr>
<td>2-BR</td>
<td>$54,810</td>
<td>$1,370</td>
<td>$78,300</td>
</tr>
<tr>
<td>3-BR</td>
<td>$60,900</td>
<td>$1,583</td>
<td>$87,000</td>
</tr>
<tr>
<td>4-BR</td>
<td>$65,800</td>
<td>$1,766</td>
<td>$94,000</td>
</tr>
</tbody>
</table>

The Applicant proposes a Project that has a total of 605 units, which is a net increase of 445 housing units. The City’s Inclusionary Housing Ordinance requires 20% of all newly developed units be built and leased to income eligible households. Therefore, the City’s base requirement for the 445 net new units would be 89 deed-restricted units available at the incomes and rents in the table above.

**Applicants Original Proposal:** The original proposal did not include any income restricted units on site. However, the applicant had assumed to include $8 million to comply with the housing impact fees in place at the time that the application was submitted.

**Applicant’s Revised Proposal:**
The Applicant’s revised proposal includes 52 income restricted affordable housing units, with 26 at 80% of AMI and 26 at 120% of AMI. Table 7 below compares the City Regulations to the Revised Proposal.

Although there is a need for moderate-income units in East Palo Alto to meet our Regional Housing Needs Allocation (RHNA) target of 81-120% AMI units, the Applicant’s revised proposal still results in a deficit of income-restricted units.

**TABLE 7**

<table>
<thead>
<tr>
<th>Comparison of Income-Restricted Affordable Units</th>
<th>Revised Proposal</th>
<th>City Regulations</th>
<th>Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>25% @ 35% AMI</td>
<td>0</td>
<td>22</td>
<td>(-22)</td>
</tr>
<tr>
<td>50% @ 50% AMI</td>
<td>0</td>
<td>44</td>
<td>(-44)</td>
</tr>
<tr>
<td>25% @ 60% AMI</td>
<td>0</td>
<td>23</td>
<td>(-23)</td>
</tr>
<tr>
<td>Units @ 80% AMI</td>
<td>26</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Units @ 120% AMI</td>
<td>26</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Permanently Income-Restricted Units</strong></td>
<td><strong>52</strong></td>
<td><strong>89</strong></td>
<td><strong>(-89)</strong>*</td>
</tr>
</tbody>
</table>

*Note again that in Table 7, the Applicant’s revised proposal includes only units restricted to 80% and 120% AMI, so although these 52 units would be permanently income-restricted, these do not meet the City’s Inclusionary Ordinance.*
Table 6 above provides information on what the maximum incomes and rental rates are under the City’s Inclusionary Housing Ordinance. Table 8 below provides the same data, in this case detailing the 80% and 120% AMI units in the Applicant’s proposal:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Units @ 80% AMI</th>
<th>Units @ 120% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max Income</td>
<td>Max Rent</td>
</tr>
<tr>
<td>Studio</td>
<td>$97,440</td>
<td>$2,436</td>
</tr>
<tr>
<td>1-BR</td>
<td>$111,360</td>
<td>$2,610</td>
</tr>
<tr>
<td>2-BR</td>
<td>$125,280</td>
<td>$3,132</td>
</tr>
<tr>
<td>3-BR</td>
<td>$139,200</td>
<td>$3,620</td>
</tr>
<tr>
<td>4-BR</td>
<td>$150,400</td>
<td>$4,038</td>
</tr>
</tbody>
</table>

Staff’s Response to Applicant’s Updated Affordable Housing Proposal

Staff is appreciative of the concerns reflected in the Applicant’s revised plan and understands that the Project is also subject to other obligations (e.g. infrastructure, development impact fees), yet the City’s affordable housing goals are among its highest priorities. Staff has reviewed and considered the Applicant’s revised proposal, and has the following initial reactions:

- After reviewing local law, Staff has determined that the Euclid project is required to provide: 160 rent stabilized units (due to the WAP) and 89 income-restricted (20% of net new units due to Inclusionary).
  - Although the Developer has proposed 52 deed-restricted units, the levels in which the units are restricted do not meet any income ranges prescribed in the City’s Inclusionary Housing Ordinance.
  - Rather than the proposed higher income deed-restricted units that are proposed, staff would like to see the Developer provide the lower income units required in the Inclusionary Housing Ordinance. Without providing any units in the 35%, 50%, and 60% AMI ranges, the housing stock that would be created by the Project would likely not meet the needs of many current residents in the City.

- At this time staff is trying to work with the Applicant to determine options that fully comply with the requirements of State and local law.

Discussion Questions

City Staff developed the following questions to help guide the conversation. These questions include, but are not limited to, the following:

1. Overall, does the City Council have specific concerns with the Applicant’s latest affordable housing proposal for the project?

2. If the current proposal could better achieve the requirements of local and State law and City Council policy on affordable housing, should staff engage the Applicant and continue to process the Project?

3. Is the City Council open to allowing staff and the Applicant to develop a revised affordable housing proposal (or proposals) that may deviate from the various base
requirements, but is more beneficial than the current proposal?

Follow-up Sessions

City staff will return to the Council with additional information in the future, including a session on infrastructure.

Public Notice

The public was provided notice of this agenda item by posting the City Council agenda on the City’s official bulletin outside City Hall and making the agenda and report available at the City’s website and the San Mateo County Library at 2145 University Avenue, East Palo Alto.

Fiscal Impact

There are no fiscal impacts associated with the items discussed in this staff report.

Environmental

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a “project” pursuant to 15378(b)(4) because it is a study session which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

Attachments

1. Westside Area Plan
2. Euclid Improvements Application Narrative
Overview

The Westside Area Plan provides a detailed vision, guiding principles, and goals and policies for the Westside area of East Palo Alto. It focuses on tools to preserve a stock of affordable housing and improve the quality of life for residents. Topics addressed include land use and development policies, transportation, infrastructure and housing. This is a stand-alone chapter of the General Plan and the goals and policies located herein shall be consistent with the General Plan’s other Elements.

Statutory Requirements

This chapter is not required by law, but addresses an area within the City’s boundaries that is facing critical issues including development pressure, loss of affordable housing and infrastructure deficiencies.

Issues and Opportunities

Geography

The Westside area — shown in Figure 11-1 — is bounded by Highway 101 to the northeast, San Francisquito Creek and the City of Palo Alto to the southwest, and a meandering boundary line shared with Menlo Park to the west and northwest. The Westside area encompasses 107 acres, approximately eight percent of the City’s land area but has a relatively high population density, containing 22 percent of East Palo Alto’s residents. The neighborhood is geographically isolated from the rest of East Palo Alto by Highway 101 and from Palo Alto by San Francisquito Creek. Highway 101 is a significant barrier for Westside residents as it is dangerous to cross for pedestrians who would wish to access services, retail, and community facilities elsewhere in the City. In fact, there are only six ways in or out of Westside: West Bayshore Road to the southeast, Newell Bridge across the San Francisquito Creek to Palo Alto, University Avenue through the center of the neighborhood, Woodland Ave to the southwest, and either East O’Keefe Street or Donohoe Street into the east side of the Willows neighborhood.

Figure 11-1: Westside Area
Population/Demographics
With 6,075 residents, the Westside contains approximately one fifth of East Palo Alto’s total population (see Figure 11-2), even though it is less than one-tenth of the City’s land area. This greater population density is due to the multi-family housing stock abundantly present throughout the neighborhood.

Overall, the Westside has a similar proportion of children as the rest of East Palo Alto, but noticeably fewer residents over 65, indicating a younger population. The ethnic composition of the Westside is essentially the same as the rest of the City, with Hispanic/Latino residents comprising the majority (68%). However, there are substantially more Spanish speakers who are not fluent in English residing in the Westside (48%) compared with 34 percent of the City as a whole. The only other noticeable difference is the greater rate of White residents (12%) compared to six-percent citywide. In fact, there are several block groups in the Westside where White residents are the majority ethnic group, something that occurs nowhere else in the City, underscoring the Westside’s ethnic diversity.

Existing Land Use
The Westside has a different mix of uses than the rest of the City. As is shown in Table 11-1 and Figure 11-3, land use on the Westside is predominantly residential, accounting for 81 percent of the land area. Of the residential land uses, multi-family housing accounts for the greatest land area by far at 48 percent of the total land area in the Westside. Comparatively, the vast majority of the City’s multi-family uses are located on the Westside. There are several pockets of extremely dense development, upwards of 60 and 70 dwelling units per acre (du/a), shown in Figure 11-4. These areas are along the southern part of East O’Keefe Street, and within the superblock bounded by Cooley Ave, Newell Rd, Woodland Ave, and West Bayshore Rd. In addition to residential uses, there are eight acres of office use and one acre of commercial use on the Westside. These uses are found in the University Circle area and include the Four Seasons Hotel and three 6-story office buildings. There are also a few retail uses spread throughout the Westside including two convenience stores, a laundromat and a small number of restaurants. There are approximately six acres of vacant land in the Westside.

Table 11-1: Existing Land Use - Westside

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Acres</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential - Mobile Home</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Residential - Single Family</td>
<td>14</td>
<td>13%</td>
</tr>
<tr>
<td>Residential – Duplex/Fourplex</td>
<td>21</td>
<td>19%</td>
</tr>
<tr>
<td>Residential - 5 or more Units</td>
<td>51</td>
<td>48%</td>
</tr>
<tr>
<td>Commercial</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Lodging</td>
<td>3</td>
<td>3%</td>
</tr>
<tr>
<td>Office</td>
<td>8</td>
<td>8%</td>
</tr>
<tr>
<td>Institutional or Public Facilities</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Light Industrial</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td>Baylands and Marshland</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Parks &amp; Recreation Facilities</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Parking</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Vacant Land</td>
<td>6</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>107</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: East Palo Alto GIS, 2013
Figure 11-3: Existing Land Use
Figure 11-4: Existing Density (du/acre)
Housing

The Westside contains the majority of the City’s multifamily housing stock (77%) and rent-controlled rental housing (95%), much of which is owned by one owner. Currently, there are 2,700 total residential units on the Westside, and 2,185 of those are subject to the Rent Stabilization Ordinance (80% of units are rent-controlled).

Household size on the Westside is noticeably smaller than in the rest of the City (three members per household instead of the City average of four, as shown in Figure 11-5). Westside has a higher proportion of one-person households than the rest of East Palo Alto; single person households account for 37 percent of the Westside, compared to 21 percent Citywide.

Compared to the rest of East Palo Alto and the surrounding area, the Westside has a much larger proportion of housing structures with five or more units. Three-quarters (74%) of the buildings on the Westside have 5 or more units compared to only 35 percent Citywide (see Table 11-2).

Over 80 percent of units are renter-occupied, significantly higher than the average in the rest of East Palo Alto as well as the surrounding cities. This illustrates how the Westside’s multi-family rental housing serves a unique niche in the local market.

As far as the characteristics of the rent-controlled units, they are mostly affordable to low income [50%-80% of Average Median Income (AMI), or $50,601 to $80,960] and very low income families (30-50% AMI, or $30,361 to $50,600).

Figure 11-6 illustrates the full break-down of unit prices. At present, market rents are also affordable to low income households. Turnover is extremely high with 75% living in their unit for 4 years or less, which, during extremely tight housing markets, blunts the effectiveness of rent control. Also, as shown in Figure 11-8, the majority of buildings were built prior to 1970, with most buildings dating back to the 1960s or even 1950s. Only a handful of modern condominium developments were built in the last twenty years.

Table 11-2: Building Units by Type

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>Westside</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.F. Detached</td>
<td>4,190</td>
<td>378 (14%)</td>
</tr>
<tr>
<td>S.F. Attached</td>
<td>388</td>
<td>189 (7%)</td>
</tr>
<tr>
<td>2, 3, or 4 units</td>
<td>310</td>
<td>135 (5%)</td>
</tr>
<tr>
<td>5 or more units</td>
<td>2,715</td>
<td>1,998 (74%)</td>
</tr>
<tr>
<td>5 to 9 units</td>
<td>233</td>
<td>297 (11%)</td>
</tr>
<tr>
<td>10 to 19 units</td>
<td>465</td>
<td>216 (8%)</td>
</tr>
<tr>
<td>20+ units</td>
<td>2,017</td>
<td>1,485 (55%)</td>
</tr>
<tr>
<td>Mobile Home</td>
<td>155</td>
<td>10 (0%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>7,759</td>
<td>2,700</td>
</tr>
</tbody>
</table>

As far as the characteristics of the rent-controlled units, they are mostly affordable to low income [50%-80% of Average Median Income (AMI), or $50,601 to $80,960] and very low income families (30-50% AMI, or $30,361 to $50,600).
Figure 11-7: Existing Units
Figure 11-8: Age of Structures
One-fifth of the rental units on the Westside are “extremely overcrowded,” meaning that there are more than 1.5 people per room. However, owner-occupied units on the Westside show little to no overcrowding, reflecting a significant disparity in lifestyles.

**Urban Design and Character**

The character of the Westside is generally dominated by the University Circle hotel and office development. The five to six story office project is one of the most prominent developments along the Highway 101 corridor and creates a strong gateway to Palo Alto while it hides the neighborhood behind it. South of University Avenue, the neighborhood is also hidden from public view behind an unassuming three-story apartment complex and the dense growth along the San Francisquito Creek. While being very prominent on Highway 101 and University Avenue, the University Circle project is set back from the street and buffered by landscaping and surface parking along both University and Woodland Avenues. The setback nature of the project and the walls created by the structured parking on Manhattan Avenue sets the project off from the rest of the Westside neighborhoods.

The structure and development pattern of the Westside, outside of the recently developed University Circle project, follows historical patterns of development. Prior to the construction of Highway 101, in the Willows neighborhood, O’Connor Street and Donohoe Street fed into the retail core on University Avenue with single-family homes with orchards behind. During a period of strong growth, O’Keefe Street was added between the streets, and multi-family housing was developed in the open orchard land. The area south of University Avenue had much less development prior to the construction of Highway 101 and consisted of houses located along Woodland Avenue and mainly agricultural lands east of Cooley Avenue. When the agricultural lands developed, Newell Road was extended to Bayshore Road. West of Cooley Avenue, a single-family neighborhood extended to the previous alignment of University Avenue. This neighborhood largely remains intact and has been infilled with a variety of multi-family apartment projects.

**Building Form and Character**

The building types on the Westside are a mix of single-family homes and two-to-three story multi-family buildings, as shown on Figure 11-9. The multi-family buildings are a mix of tuck-under or podium buildings with a few larger developments that have surface parking, and a few alley-loaded developments. The quality of the buildings and associated open space varies greatly from property to property. Some projects have considerable open space, including shared courtyards and pools. Some projects have virtually no common open space but include larger covered private balconies. Recently, much of the multi-family housing has been cosmetically updated with fresh paint.
CHAPTER 11: WESTSIDE AREA PLAN

Figure 11-9: Existing Building Types
CHAPTER 11: WESTSIDE AREA PLAN

Transportation
The Westside neighborhood has the highest percentage of zero vehicle households in the City. While nine percent of all households in East Palo Alto have no access to a vehicle, approximately 13 percent of households in the Westside are zero vehicle households. Significantly higher densities in the Westside may hide this trait and suggest that the area is primed for enhanced transit service and improved bicycle and pedestrian facilities.

Roadways and Streetscapes
University Avenue is the only arterial providing direct access to the Westside, connecting to the rest of East Palo Alto to the east of Highway 101, and to the city of Palo Alto to the west. West Bayshore and Woodland Avenue are classified as collector streets, while all other streets in the neighborhood are local streets.

Traffic passing through the neighborhood is highest on University Avenue, which serves an estimated volume of over 25,000 vehicles per day, consistent with typical volumes for many four-lane arterial streets. Woodland Avenue provides direct access to the Westside from University Avenue, and carries relatively low volumes of traffic, serving an estimated volume of up to about 11,000 vehicles per day on the short segment immediately north of University Avenue.

The streets in the Westside north of University Avenue were developed under prior County jurisdiction and have not been completed with curbs/gutters and sidewalks. East O’Keefe Street is wider and has sidewalks on each side of the street, and lighting and power lines as well. Manhattan Avenue and Euclid Avenue are fully constructed, with curb, gutter and sidewalks. Donohoe Street, Green Street, and other side streets (Oakwood Drive, Addison Avenue and Ralmar Avenue) have not been fully improved with new curbs and gutters; they have only limited sidewalks and street lighting. Similarly West Bayshore Road has not been improved with sidewalks, curb and gutter.

The variation of the streetscapes changes the character of the neighborhood, making for a more rural, or less urban, quality to the neighborhood. Though this could be considered positive, it makes walking and biking potentially more dangerous, with narrow driveways, and no designated pedestrian or bike pathways. The lack of lighting also makes security and safety a greater issue as lighting of the street is limited by tree coverage that blocks light from taller posts.

Figure 11-10: Sidewalk Gaps
South of University Avenue, a similar pattern exists. West Bayshore Road, Cooley Avenue, Newell Road and Clarke Avenue are mostly improved, while Woodland Avenue along the creek, and Scofield and Capitol Avenues are not completed. The condition of the streets has the single greatest effect on the “feel” or character of the area.

**Bicycle and Pedestrian Network**

As shown in Figure 11-10, the majority of streets in the Westside lack sidewalks. However, various pedestrian improvement plans exist, the largest of which is the planned bicycle/pedestrian crossing of Highway 101, which will likely be built at West Bayshore and Newell Road. On the Westside, the City is also considering construction of a bicycle/pedestrian cut-through path connecting Capitol Avenue to University Avenue via a small Caltrans right-of-way.

The intersection of University Ave and Woodland Street has been particularly hazardous for pedestrians, with over 30 collisions recorded during the five-year span between 2007 and 2011.

As with pedestrian infrastructure, bicycle infrastructure is also severely limited in the Westside. The only existing routes are Class II lanes on University Avenue (which end abruptly at the Highway 101 overpass), though planned new infrastructure includes the striping of lanes on the University Avenue overpass and the new bicycle/pedestrian crossing of Highway 101. The lack of bicycle facilities within and adjacent to the Westside likely contributes to the rate of bicycle collisions in the city, particularly at the University Avenue and Donohoe Street intersection just outside of the Westside, where the Class II bicycle lanes along University end as they cross Highway 101. Completing the bicycle lanes over Highway 101 will help provide a connected, safe bicycle route along the whole length of University Avenue.

**Transit Network**

There is a lack of public transit throughout the Westside. Service by SamTrans and AC Transit is limited to lines along University Avenue (see Figure 11-11), which may require a lengthy walk for residents at the southernmost and northernmost ends of the Westside neighborhood. In addition, access to transit stops on University Avenue is not ideal, due to gaps in the sidewalk network and barriers to direct pedestrian access approaching University Avenue.
Parking

On-Street Parking Supply

There is a significant parking problem on the Westside. This is as a result of limited on-street parking and relatively few off-street parking spaces given the number of dwelling units or the number of residents (on average) per unit. Parking is most difficult to find in the evenings and this problem is exacerbated by ordinances in both Palo Alto and Menlo Park restricting overnight parking to residents living in their respective neighborhoods.

On-street parking is permitted in the residential portions of the Westside. However, on-street parking is not permitted adjacent to the commercial development on street segments adjacent to newer commercial development to the north of University Avenue, accessed from Woodland Avenue.

Some of the on-street parking supply is informal, in unmarked spaces and along streets that lack curbs. Table 11-4 describes the current Westside supply of on-street parking by type. There are an estimated 1,076 on-street parking spaces on the Westside.

Table 11-4: On-Street Parking Supply in Westside Neighborhood, by Type

<table>
<thead>
<tr>
<th>On-Street Parking Type</th>
<th>On-street parking capacity (number of vehicles)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parallel Informal</td>
<td>352</td>
</tr>
<tr>
<td>Parallel Curbed</td>
<td>594</td>
</tr>
<tr>
<td>Perpendicular Informal</td>
<td>99</td>
</tr>
<tr>
<td>Perpendicular Curbed</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>1,076</td>
</tr>
</tbody>
</table>

On-Street Parking Demand

Based on observations, the on-street parking supply within the Westside area is mostly occupied during mid-day hours, while off-street parking supply appears to be underutilized. In addition, the unregulated nature of the on-street parking supply – which has no time limitations – contributes to the high occupancy rate and low rate of turnover.

Off-Street Parking Supply

The off-street parking in the Westside is mostly in surface lots or the garages of apartment complexes, with an estimated supply of approximately one parking space per dwelling unit. There are approximately 2,113 registered regulated rental units on the Westside, 85 percent of which (1,790) are owned by Equity Residential. These 1,790 apartments include 1,704 off-street parking spaces, suggesting a roughly 1:1 ratio of parking spaces per unit. Using this logic, approximately 2,011 off-street spaces exist on the Westside.

Total Westside Residential Parking Supply

Total parking supply within the residential portions of the Westside neighborhood is estimated to be approximately 3,087 spaces – thus a total parking supply of 1.5 parking spaces per dwelling unit (based on 2,113 existing dwelling units and 1,076 on-street parking spaces).

Parks and Public Facilities

There are no public parks or community facilities in the Westside, despite the large number of residents living in the area. Westside residents typically use parks and other community in adjacent jurisdictions or travel over Highway 101 to access parks in East Palo Alto. In order to provide an average of 1.5 acres of park space per 1,000 residents, an additional nine acres of parks and open space would be required in the Westside.
Chapter 11: Westside Area Plan

Guiding Principles

The Guiding Principles listed below summarize the vision and direction for the future of the Westside. These Guiding Principles were developed by the Westside Area Plan Advisory Committee, in coordination with the public at advisory committee meetings and Town Hall public workshops.

1) Avoid displacement. Existing renters should have the right to continue to live on the Westside. If housing is renovated, existing residents should be provided with a similar size unit, with similar amenities, at comparable rents.

2) Ensure a community-driven process. The future of the Westside should be planned by and for the community, with a focus on meeting community needs, reflecting community voices, improving quality of life for residents and building the capacity of residents to influence the decision-making process.

3) On-going community participation in decision-making processes. Community members should actively engage in decision-making processes for plans and projects throughout the community, particularly those that significantly affect the Westside such as the Newell Bridge replacement and other creek-related projects.

4) Provide affordable rental housing. One of the highest priorities for the Westside Area Plan should provide long-term affordable rental housing for East Palo Alto residents.

5) Maintain diversity. Over time, the Westside should continue to serve and enhance the lives of the diverse population that currently resides in the area.

6) Promote diverse ownership. Over time, the Westside should transition from having a single, majority property owner to ownership by a larger number of property owners. If possible, homeownership by existing Westside and East Palo Alto residents should be encouraged.

7) Improve housing quality. Rental housing on the Westside should be healthy, safe and have amenities that provide for a high quality of life for residents, including sufficient parking for existing and future residents. Rental housing should be up to code and well-maintained for the safety and comfort of its tenants.

8) Maintain a diversity of housing types and unit sizes. The Westside should have a variety of rental housing types and unit sizes that provide high-quality housing for a diversity of residents including families, young professionals, and seniors.

9) Connect the Westside to the City and the region. The Westside should be better connected – both physically and psychologically – to the rest of East Palo Alto and areas beyond. This includes transportation connections, access to shopping and jobs, enhanced visibility and representation, and a shared identity with the rest of East Palo Alto.

10) Address infrastructure deficiencies. There should be upgrades to the current infrastructure to address deficiencies on the Westside. This includes improved water quality and supply, improving flood protection from San Francisquito Creek, and upgrading existing water and sewer infrastructure.

11) Ensure that new development pays its fair share. New development on the Westside should be required to provide community benefits for Westside and East Palo Alto residents via the leveraging of the Westside’s assets for the maximum benefit of the community.

12) Provide diverse parks, community facilities and shopping for all residents. There should be a diversity of parks, public facilities, retail and services on or accessible to the Westside that serve Westside residents, including families with children, and the broader East Palo Alto community. This could include playgrounds, plazas, community centers, retail and restaurants.
13) **Improve public safety.** Reducing crime and promoting a safe environment throughout the Westside should be a top priority. Increased police patrolling and street lighting should be improved in areas of high crime.

14) **Beautify the Westside.** The physical environment of the Westside should be enhanced to become more attractive. This includes adding street trees, renovating streets to add curbs and gutters, improving the visual character of buildings, requiring high-quality design for renovation and new buildings, and adding parks and open space, including recreation opportunities along San Francisquito Creek.
Goals and Policies

This section provides the goals and policies for the Westside of the City of East Palo Alto. The goals and policies are intended to complement the citywide goals and policies found in the Plan.

Goal W-1. Prevent displacement and preserve affordable housing.

Intent: To avoid displacement and preserve affordable housing by continuing to provide housing in the Westside for a diverse array of income levels and demographics, while protecting the existing supply of affordable housing and improving the quality of housing for those who live in the Westside.

Policies:

1.1 Preservation of housing. The City should have as a goal to avoid displacement of current residents. Maintain regulations that encourage the preservation of existing housing, including rent-controlled housing, and development of new housing that accommodates households that are diverse in size, type and level of affordability.

1.2 No net loss in housing. Require there to be no net loss in the number of residential units or the number of income-restricted affordable housing units during any future reconstruction or renovation on the Westside (also see Policy 3.3).

1.3 Home ownership. Encourage a mix of home ownership and rental housing on the Westside.

1.4 Diversity of housing types. Encourage a diversity of housing types in the Westside such as large apartments, walk-up apartments, stacked flats, townhomes, live-work housing, fourplexes, triplexes and duplexes.

1.5 Diversity of unit sizes and types. Encourage a diversity of small, medium, and large units for individuals, families, seniors, students, and other demographics to encourage a diverse and vibrant population on the Westside.

1.6 High-quality housing. Ensure that the existing and new housing stock is built and maintained to a high level of quality to protect health, safety, and aesthetics on the Westside.

1.7 Funding for affordable housing. Continually seek new local funding sources for publicly-supported, income-restricted affordable housing.

1.8 Maintain a viable Rent Control program. Maintain a financially solvent Rent Stabilization Program even if units are removed from the program through new development.


Intent: To ensure that the community is represented, consulted, and respected in any future planning and development process on the Westside.

Policies:

2.1 Outreach and participation. Ensure ongoing participation in the decision-making process for the Westside.

2.2 Westside Advisory Committee. For future master planning and other long range planning process, develop an advisory committee that reflects the diversity of residents and business interests.

Goal W-3. Create new, high-quality affordable housing.

Intent: To increase the amount of affordable housing on the Westside and strive for a mix of housing types that meets the income levels of existing residents.

3.1 Expansion of income-restricted affordable housing. Ensure that future land use and development decisions expand the number and diversity of income-restricted affordable housing units. Prioritize the creation of permanent income-restricted affordable housing over new rent-controlled housing, to ensure long-term benefits to housing affordability.
CHAPTER 11: WESTSIDE AREA PLAN

3.2 Affordable housing location. Ensure that income-restricted affordable housing is not concentrated in any single area but rather is spread throughout the Westside in a variety of building types and locations.

3.3 Land swap to achieve no net loss. Allow new development to relocate housing on the Westside to other parts of the City if it results in no net loss of housing units in the City (per Policy 1.2), and if it locates new housing closer to existing public facilities and services such as parks, schools, and community centers.

3.4 Mix of affordability levels. Encourage housing in the Westside to encompass a range of deeper affordability levels, including for those with moderate, low, very low, and extremely low incomes, as well as market rate housing. Strive for a maximum mix of income-restricted affordable housing for every development project and on the Westside overall that at a minimum matches the percentages of the City’s Below Market Rate Housing Program, as found in the Housing Element of the General Plan.

3.5 Incentives for affordable housing. Allow increases to permitted density and height for projects that provide income-restricted affordable housing over the current requirements for inclusionary housing and/or in lieu fees.

3.6 Affordability for current residents. To the greatest extent feasible, target new income-restricted affordable housing to the income levels of current residents.

Goal W-4. A diverse land use mix to create a livable Westside.

Intent: To maintain and enhance the residential character of the Westside while allowing neighborhood-serving retail and services to create a more livable neighborhood focused on the well-being and quality of life of residents.

Policies:

4.1 Land use designations. Until a future master plan or other detailed planning process occurs, maintain land use designations and zoning districts that are consistent with the zoning code or the amount of development currently constructed, whichever is greater.

4.2 Development within established zoning parameters. Development applications that do not propose to increase intensity or height over the established zoning regulations may proceed within the regulations and parameters established by the zoning code.

4.3 Retail uses. Allow retail uses and services in the Westside, either as the ground floor of a mixed-use residential building, or as a stand-alone neighborhood-serving retail building. Strive for new retail development to serve the needs of Westside residents or to help improve the fiscal health of the City.

4.4 O’Connor retail node. Support and expand the existing small-scale retail node on O’Connor Street between Euclid Avenue and Manhattan Avenue, with a focus on uses that serve the needs of residents in surrounding neighborhoods.

4.5 Prohibited uses. Prohibit retail uses with large parking lots that do not provide as their primary business the provision of groceries. Prohibit industrial and manufacturing uses, automobile service or sales, and drive-through restaurants as a single use on a lot on the Westside.

4.6 University Circle. Allow the University Circle project to add development over the time horizon of the General Plan so long as it meets the vision for the Westside, is designed to integrate with the adjacent neighborhood, and provides direct and measurable benefits for the City and the residents of the Westside.

4.7 Code enforcement. Work collaboratively and proactively with building owners to address code violations, particularly those that affect health,
Goal W-5. **The long-term development of new buildings and a new street network to improve housing opportunities and improve quality of life.**

**Intent:** To establish a long-term process and framework for future development, to establish clear prerequisites and parameters for any future increases in density and height on the Westside over what is currently allowed in zoning, and to ensure that the community’s vision for the Westside is maintained in the long term.

**Policies:**

5.1 **Transformation over time.** Pursue mechanisms and tools to allow increases in intensity to improve the quality of life for Westside residents.

5.2 **Development intensity or change or use.** Any development project that proposes an increase in intensity over the existing unit count and/or a change in use must undergo a rigorous public process and meet the anti-displacement goals of this Chapter and all other applicable City policies and regulations.

5.3 **Prerequisites for new development per Policy 5.2 (above).** Increases in development intensity over the currently allowed zoning intensity on the Westside must meet the criteria listed below. Specific information on each of the items shall be required as part of the development application process. The following are the prerequisites for increased development intensity:

- Prevents displacement of existing residents.
- Provides for some income-restricted affordable housing.
- Preserves “right of return” for existing residents.

- Maintains the City’s rent stabilization program.
- Includes new parks and open spaces or contributes to the provision of new parks and open spaces if it is a single project.
- Improves streets and infrastructure or contributes to the provision of new streets and infrastructure if it is a single project.
- Improves the fiscal health of the City.
- Beautifies the area.

5.4 **Development process for increased intensities or changes in use.** Any proposed increases in allowed development intensity or change in use per Policy 5.2 must prepare a master plan, Specific Plan or similar planning document according to the project location as listed below:

- For areas on the north side of University Avenue or south of Clark Avenue to San Francisquito Creek, proposed increases in intensity over the currently allowed zoning intensity may be approved on a project-by-project basis. These projects shall be required to meet the policies set forth in this document in addition to any other city policies and shall be required to enter into a development agreement and/or pay fees to support the development of new parks, open spaces, infrastructure and community facilities necessary to support a higher level of development on the Westside.

- For the area between University Avenue and Clarke Avenue, proposed increases in intensity over the currently allowed zoning intensity shall be required to prepare a master plan, specific plan, or similar planning document. In some instances, a developer agreement may be appropriate.
5.5 Application information for increased intensity.
Prior to any approval in increased development intensity or change in use, project applicants must provide detailed information on the overall development plan and, at minimum, include the following information:

- Proposed general plan and zoning for each parcel, including uses, building heights, and maximum development intensities.
- Development program that identifies parcel-by-parcel information on existing and proposed uses.
- Affordable housing plan, including the amount, levels of affordability and location of each housing unit.
- Relocation plan for existing tenants that incorporates policies 5.10, 5.11, and 5.12 of this chapter.
- Fiscal impact analysis for the City
- Description and analysis of how the City’s rent stabilization program may be continued in the future, including sources of funding.
CHAPTER 11: WESTSIDE AREA PLAN

- Park and open space plan, including the number, acres and locations of new parks and open spaces (or contribution to parks and open spaces for single-parcel projects).
- A water supply assessment with guarantees of long-term water availability and new sources of water.
- Infrastructure improvement plan, including detailed information on all infrastructure and utilities (or contribution to Westside infrastructure improvements).
- Street network plan, including proposed street cross sections.
- Community Impact Report that details how the project applicant will satisfy the prerequisites for increases in intensity or change in use in Policy 5.3.
- Community involvement strategy.
- Any additional information and level of detail requested by the City to ensure that the proposed project meets the vision of the community.

5.6 Replacement of affordable housing stock.
Incentivize and, to the extent permissible, require projects that propose to redevelop sites with existing units subject to registration under the Rent Stabilization Ordinances adopted by the voters on April 12, 1988 and June 8, 2010 (RSO units) or other income-restricted affordable housing units to include as part of the project the replacement of affordable housing units comparable to the existing units on a one-for-one basis. Replacement housing shall be built in tandem with the market-rate projects and shall be of the same quality and location.

The method for providing replacement affordable housing shall be determined by the City Council on a project-by-project basis or shall be identified as part of an area-wide adopted Master Plan.

However, when considering how to replace affordable housing, the City Council shall consider the following options:

- **Replace with RSO Units.** Replace RSO units on a one-for-one basis with new deed-restricted RSO units with the same number of bedrooms.
- **Replace with Income-Restricted Units.** A developer shall dedicate land and additional local gap financing for the development of new income-restricted units. The land dedicated to the City shall be sufficient to develop an equivalent number of units (and bedrooms), based on existing zoning densities. Developer shall also contribute additional local gap financing in an amount determined on a project by project basis, or upon a Policy or Master Plan adopted by the City Council. The amount of additional local gap financing shall take into account the average median income of a given project’s occupants; the type of tax credits, financing, or other equity capital used; the in-lieu fee generated by the overall project; and other financial aspects. The purpose of land dedication is to preserve the affordability of replacement housing in perpetuity. The City shall own the land and issue a Request for Proposals for affordable housing developers to develop the projects on the land.
- **Other Approved Option.** This option can consist of some combination of the options articulated in this Policy or some other option provided it achieves the goal of replacing affordable housing units comparable to the existing units displaced by new development.

5.7 Affordable housing as a community benefit.
Consider the provision of additional or replacement affordable housing units to be a component of community benefits when considering legislative land use changes, development agreements, or statements of
overriding consideration, in particular for residential projects.

5.8 Replacement affordable housing for density bonus projects. Require that density bonus projects, including those seeking bonuses under provisions of the Government Code for properties with existing rental and rent-controlled dwelling units subject to affordability requirements, or which had such dwelling units removed from rent-control, either through demolition or other means, within the five-year period prior to application, provide for replacement units on a one-for-one basis to the extent required and permissible under applicable law.

5.9 First right of return. Require that existing tenants displaced by new development or rehabilitation of existing dwelling units be afforded the following rights:

- The ability to return to a unit at the same level of affordability (measured in monthly rent) as the prior unit.
- The ability to return to a unit of comparable size with the same or greater number of bedrooms.
- The ability to return to replacement housing regardless of immigration status, to the extent that this can occur under current law. If tenants are unable to return due to immigration status, the project sponsor shall find the tenant a comparable unit in terms of size and cost to the original unit.

5.10 Relocation plan. Prior to project approval, require development projects that are proposing increases in intensity or to demolish RSO units, to prepare, and the City approve, a “relocation plan” that accounts for all tenants displaced by new construction. The tenants shall have housing provided from the moment they are displaced until they are relocated into a replacement unit. The relocation plan must meet the following criteria:

- Provide temporary housing within East Palo Alto or within 10 miles of the prior home.
- Does not require the crossing of the Dumbarton Bridge.
- Must not pay more in rent than paying in the prior home.
- All costs of relocation must be paid for by the project sponsor.
- Moving process between units must occur quickly and efficiently and to minimize the inconvenience of the tenant.
- Replacement housing must be completed within one and a half years to minimize impacts to tenants.

5.11 Relocation benefits. Require that sponsors of new development projects offer tenants the choice between reserving replacement housing or receiving relocation payments as defined by City of East Palo Alto Ordinances.

5.12 Land use vision for the Westside. Due to the Westside’s predominant role in providing affordable housing, development is directed to the other areas of the City, including the Ravenswood Business District, Bay Road, and University Ave. Require that any redevelopment or planning process on the Westside incorporate the following into its process or development proposal:

- Housing focus. Maintain a predominant residential focus for the majority of the Westside while allowing for the possibility of new non-residential uses.
- Neighborhood amenities. New development should include local-serving retail, commercial and service uses and also provide a neighborhood meeting and focal point for the community. To the extent feasible, locate new retail adjacent to public spaces.
- New supermarket. Seek to attract a Westside supermarket with fresh, healthy and affordable food. Locate the...
CHAPTER 11: WESTSIDE AREA PLAN

supermarket in a mixed use building south of University Avenue on the “main street.”

- **Office and other non-residential uses.** Consider new non-residential development uses on the Westside as part of a master planning process if the non-residential development results in overall benefits to the City and the Westside, does not reduce the total number of housing units in the City, provides direct community benefits.

- **New streets.** If significant redevelopment of the Westside occurs through a master planning process, seek opportunities to create new streets in the Westside that provide for improved vehicular access and pedestrian and bicycle circulation. New streets also increase the opportunity for new open space.

5.13 **Existing building renovation.** Encourage existing buildings to conduct small and large-scale renovations. This could range from minor improvements to facades and interiors to structural improvements to complete renovations of individual units. Any renovation or rehabilitation shall comply with requirements for replacement housing as set forth in Policy 5.9.

5.14 **Gradation of height.** Design new development so that there is transition in building height. The greatest height and intensity should be focused towards Highway 101 and University Avenue, transitioning to lower heights no more than three stories near San Francisquito Creek and along the western portion of O’Keefe Street that is adjacent to residential neighborhoods.

5.15 **Neighborhood transitions and character.** For new multi-family development in the Westside that is adjacent to existing single-family residential neighborhoods, provide transitions in height, increased build setbacks and landscaping to minimize the impact on adjacent low density residential uses.
CHAPTER 11: WESTSIDE AREA PLAN

Goal W-6. **Building and site design to support a beautiful Westside and a high-quality pedestrian environment.**

**Intent:** To ensure that future and existing development on the Westside generates a more aesthetically pleasing and pedestrian-oriented environment. This is particularly important where the ground floors of buildings meet the street and sidewalk network, framing the public realm and visual character of the Westside.

**Policies:**

6.1 **Existing building renovation.** Encourage existing buildings to conduct small and large-scale renovations. This could range from minor improvements to facades and interiors to structural improvements to complete renovations of individual units.

6.2 **Building quality and character.** Improve the quality and aesthetic appeal of existing buildings and housing in the Westside, and encourage high quality architecture, materials, and pedestrian-oriented facades in new construction.

6.3 **Frequent pedestrian entries and windows.** Include regular pedestrian entries onto public space and transparent windows along the ground floor of new buildings, particularly in areas with ground-floor retail.

6.4 **Building articulation.** Use articulation strategies for new development to reduce the visible bulk of buildings, add visual interest, and add pedestrian-oriented character and detail. These could include massing breaks as well as projections, minor stepbacks, architectural details, and variations in materials to distinguish between upper and ground floors.

6.5 **Engaging residential facades.** Encourage new ground-floor residential uses throughout the Westside with transparent windows, stoops, porches, and other façade treatments to engage the pedestrian environment, provide “eyes on the street,” and create sense of ownership and stewardship among residents.

6.6 **Elevated ground-floor residential.** Elevate new ground-floor residential space above the sidewalk level to provide privacy and ensure high-quality, usable residential spaces.

6.7 **Parking frontage.** Whenever possible, locate parking and vehicle areas in the Westside behind or under buildings, and should not be located on street corners.

6.8 **Building length.** Limit the length of individual new buildings or building masses along the street frontage to create human-scaled buildings with access to fresh air and daylight.

6.9 **Garage and driveway entries.** Limit the number of new garage entries and driveway curb cuts crossing the sidewalk to encourage a more complete and comfortable pedestrian environment in the Westside.

6.10 **Placement of utilities.** Locate visible utilities – including all “dry” utility access, above-ground equipment, trash containers, and utility boxes – behind or to the side of buildings, behind buildings, behind screening, and away from street corners.

6.11 **Loading docks and service access.** Ensure that loading docks and service entrances in the Westside are screened from the right-of-way and adjacent properties; are accessed via alleys, side streets, or services access driveways; and are internal to the building envelop and equipped with closable doors to improve the aesthetics of the public realm and limit noise.
CHAPTER 11: WESTSIDE AREA PLAN


Intent: To introduce more green space, natural features, and design features within the public realm. A beautiful, green public realm can increase quality of life on the Westside, provide a calm and livable environment, and emphasize the Westside’s natural setting.

Policies:

7.1 Greening and streetscape. Provide additional street trees, landscaping and green space throughout the Westside to improve the area’s visual appeal and increase residents’ connection with nature.

7.2 Connections to parks and nature. Encourage physical connections and visual sightlines to parks, public space, San Francisquito Creek, and other beautiful outdoor areas.

7.3 Street furnishings. Improve existing streets or construct new streets with a diversity of street furnishings including benches, directional signage, bollards, bicycle parking, and trash receptacles.

7.4 Street lighting. Provide adequate and consistent street lighting for safety and nighttime pedestrian activity throughout the Westside.

7.5 Green streets. Integrate “green streets” concepts into street, sidewalk, public space design to minimize the impacts of stormwater runoff and to add visual interest and appeal.

7.6 University Circle integration. Seek opportunities to better integrate the University Circle area into the surrounding neighborhoods, including through new street and pedestrian connections, more pedestrian-focused streetscape and façade design, better public access into and across the site, and better crossings of adjacent streets.

Goal W-8. Accessible and well-maintained parks and public facilities.

Intent: To increase the overall amount of park space, natural areas, and accessible community spaces on the Westside, providing locations for recreation, respite, and social events.

Policies:

8.1 San Francisquito Creek. Establish a trail or linear park along the creek as part of a redevelopment of the Westside or as part of the creek flood protection project.

8.2 New central park. Establish a large (at least 1.5 acre), centrally located park south of University Avenue – potentially near the intersection of Cooley Avenue and an extended Scofield Avenue – providing open space amenities for Westside residents.

8.3 Other new parks and public space. Seek opportunities to provide other new pocket parks, plazas, tot lots, playground for children, recreation facilities, and other parks and public spaces throughout the Westside, including in the following locations:

- At the intersection of East Clarke Avenue and Woodland Avenue.
- On O’Connor Street between Euclid Avenue and Manhattan Avenue.
- On a new street connection between Donohoe Street and East O’Keefe Street.

8.4 Community Meeting Space. Pursue the following new community meeting spaces in the Westside, with at least one space on either side of University:

- One Small community meeting space (at least 500 square feet).
- One Medium-sized community space (at least 1,250 square feet).
CHAPTER 11: WESTSIDE AREA PLAN

- One Large community space (at least 2,500 square feet).
- Community spaces may be stand-alone independent facilities, or may be incorporated into a larger development, but should provide easily accessible public meeting spaces for a variety of community meetings, educational efforts, civic events, social events, or other neighborhood activities.

Goal W-9. **Better streets and transportation options for residents and visitors.**

*Intent: To improve the street network on the Westside and provide a better-connected, safer, and more complete transportation system, achieving incremental improvements by leveraging new development and infrastructure improvements.*

**Policies:**

9.1 **New street connections.** Should redevelopment occur, establish new street connections across existing large blocks whenever possible, prioritizing connections in the following locations:

- Mid-block between East O’Keefe Street and Donohoe Street.
- Mid-block between Euclid Avenue and Manhattan Avenue, south of O’Connor.
- Into or through University Circle.
- From Cooley west to San Francisquito Creek.
- Multiple connections through the large block between Cooley Avenue and Newell Road.
- Through the large block between Newell Road and East Clarke Avenue.
- From Cooley west to San Francisquito Creek.

9.2 **Safe pedestrian network.** Develop a safe pedestrian network throughout the Westside, including regular crosswalks, consistent sidewalks, traffic calming where necessary, special crossing treatments in areas of high pedestrian traffic, and better access across University Avenue and Highway 101.

9.3 **Safe bicycle network.** Implement a safe, complete, and well-connected bicycle network through the Westside, emphasizing connections to the existing bicycle networks in Menlo Park, Palo Alto, and the rest of East Palo Alto.

9.4 **Transit service.** Work with regional transit providers to provide increased frequency of transit service, additional routes, easily accessible transit stops, and direct service to shopping and employment destinations.

9.5 **Complete Streets.** Implement the concepts of Complete Streets, balancing the needs of automobiles, cyclist, pedestrians, and transit as appropriate when improving streets or creating new streets.

9.6 **Sidewalks.** Ensure sidewalks are provided on both sides of all streets in the Westside, with wider sidewalks in retail areas, and replace and repair missing sidewalks.

9.7 **Pedestrian crosswalks.** Provide better and more frequent pedestrian crosswalks, with special priority treatments such as bulbouts, elevated crosswalks, in-pavement markers or texture, or high-visibility crosswalks in areas with high levels of pedestrian activity.

9.8 **Scofield Main Street extension.** Prioritize the extension of Scofield Avenue east to link to West Bayshore and Newell Road, providing a new main street and east-west spine for this area of the Westside. Prioritize ground floor retail uses along this extension.

9.9 **Improve access across Highway 101.** Complete a new pedestrian bridge Highway 101 at Newell Road. Establish a new connection across Highway
CHAPTER 11: WESTSIDE AREA PLAN

101 north of University Avenue, either by re-opening and improving the existing pedestrian underpass or by constructing a new bridge over the freeway.

9.10 Newell Bridge. Complete the new Newell Bridge connecting the Westside to Palo Alto across San Francisquito Creek and align the bridge with existing streets.

9.11 University Avenue crossings. Improve pedestrian crossings of University Avenue at Woodland Avenue and at the freeway interchange in order to improve transportation safety and enable improved pedestrian connections from the Westside.

9.12 University Avenue overpass. Fully implement safe bicycle and pedestrian facilities on the University Avenue overpass of Highway 101, ensuring that bicycle facilities are integrated with the bicycle network on either side of the overpass.

9.13 Newell Road bicycle facilities. Prioritize Class II bicycle lanes or other high-quality bicycle facilities along Newell Road, providing a connection between the new Newell Bridge and the planned pedestrian/bicycle overpass over Highway 101 at Newell Road.

Goal W-10. **An adequate and efficiently administered parking supply on the Westside.**

Intent: To make efficient use of the Westside’s parking supply, provide sufficient parking supply, and reduce the demand for parking in order to create a convenient parking system for residents on the Westside.

Policies:

10.1 Parking for new development. Ensure an appropriate supply of parking for new development.

10.2 Parking regulation. Ensure adequate enforcement, permitting, and monitoring of off-street parking in the Westside.

10.3 Off-street parking allocation. Work with building owners to provide a fair, efficient, consistent, and integrated approach to allocating parking spaces to tenants. Work with property owners and manager to improve the parking situation for existing residents.

10.4 Increase opportunities for residents parking. Seek opportunities to ensure an adequate supply of parking for residents and visitors on the Westside including:

- Constructing public parking lots or garages.
- Providing incentives for new projects to provide additional parking spaces as part of the projects for existing residents and visitors.
- Encouraging all existing and new non-residential development to allow residents to park in parking lots during non-business hours.

10.5 Transportation demand management. Encourage efforts to reduce transportation demand and trip generation, and require significant transportation demand management planning as part of any future master planning process in the Westside.

10.6 Mechanized Parking. Encourage the use of mechanized parking in new construction and major renovations of existing buildings.
Goal W-11. **Safe, sufficient, and well-maintained infrastructure and services.**

*Intent:* To address deficiencies in infrastructure in order to protect health and safety in the Westside, while enabling sufficient infrastructure capacity and services for new and existing development.

**Policies:**

11.1 **Infrastructure upgrades.** Replace aging wet and dry infrastructure throughout the Westside to ensure safe and reliable provision of services for new and existing residents.

11.2 **Higher quality drinking water.** Take active steps to ensure a more reliable and plentiful source of potable water for the Westside, in coordination with citywide efforts to secure the City’s supply.

11.3 **Flood protection.** Continue to work with adjacent cities and the Army Corps of Engineers to reduce flooding risks from the San Francisquito Creek.

11.4 **Public Safety Services.** Ensure that police, fire, and EMS services to the Westside are sufficient to protect residents’ health and safety, and are kept at a level commensurate with any changes in population on the Westside.

11.5 **Infrastructure for new development.** Ensure that new development in the Westside pays its fair share for infrastructure and utility improvements that it necessitates.

11.6 **Waste and recycling.** Provide adequate trash and recycling services to keep pace with the number of residents on the Westside.
September 27, 2019

Patrick Heisinger, Community Development Director
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303

Re: Application Submission for the Woodland Park Euclid Improvements

Dear Mr. Heisinger,

Woodland Park Communities is proud to submit an application for the Euclid Improvements, announced in December 2018. We have engaged in a pre-application process from January to September 2019, including a robust community engagement effort that built on the foundation of thorough engagement that we’ve conducted for the past several years.

This proposal celebrates the vision and goals of the city’s Westside Area Plan and proposes to replace an aging residential complex with new 605-unit residential buildings, including a one-for-one replacement of 160 rent-stabilized units for existing tenants. We are proposing to make this 26% of the total units deed-restricted, to ensure housing stability for future tenants and lock-in the below market rents of existing tenants into the future.

We are deeply appreciative of the community for their engagement and input on the project. Their contributions helped us understand community priorities, which we have made extensive efforts to address in our proposal.

The plans reflect community-centered benefits inspired by this input, including approximately one acre of public open space including a neighborhood park and multi-use public spaces as well as community space and neighborhood-serving retail. The plans also reflect a new bus stop, increased parking of 625 off-street and 71 on-street spaces, and streetscape amenities fitting with the neighborhood. Additionally, we are committed to creating a robust TDM program that will further address concerns about parking and getting around. The project will provide a net positive impact of $23 million on the City’s general fund over 20 years, and $15 million immediately in development fees.

We recognize that one of the biggest concerns people have is displacement. We believe it’s critical that those living here now be able to stay and enjoy the benefits they helped inspire. To that end, we have included a “Tenant Protection and Community Housing Preservation Plan” which details our commitments to existing tenants and how we will prevent displacement and preserve housing affordability and stability.

Please know our continued commitment to our five community-based core principles for this project:

1. No Displacement
2. Preserve Housing Affordability and Stability
3. Community Informed Plans
4. Better Parking and Mobility
5. Safer, Healthier Buildings

Thank you for receiving our application and we look forward to continuing our engagement with the City, our tenants, and the broader East Palo Alto community, and contributing to realizing the Westside Area Plan vision.

Sincerely,

Mike Kramer
Woodland Park Communities
Application for Euclid Improvements
September 2019

Table of Contents

Universal Planning Application and Checklist Submitted separately
Plans Submitted separately
1. Euclid Improvements – Overview and Project Description 3
2. Westside Area Plan Required Application Information 13
3. Proposed Zoning Overlay and General Plan Amendment 18
4. Tenant Protection and Community Housing Preservation Plan 20
6. Community Involvement Strategy 68
7. Water Supply Assessment 79
8. General Plan Consistency Analysis 84
9. Preliminary Title Reports, Grant Deeds, and Geotechnical Engineering Study 103

View from O’Connor Street
1. Euclid Improvements – Overview and Project Description
   September 2019

Overview

Woodland Park Communities is proud to present these application materials for our Euclid Improvements proposal, which we announced in December 2018, submitted a pre-application in January 2019, and for which we have undertaken a robust community engagement effort, building on the foundation of thorough engagement we’ve conducted for the past several years.

With no displacement, we propose to replace several aging, outdated structures with new mixed-income buildings that will replace all existing rent-stabilized units with new rent-stabilized units, increase the housing supply, and provide better parking and mobility options. This proposal will affect a small portion of our property – less than 10% of Woodland Park Apartments and less than 4% of the Westside.

We propose to replace all existing rent-stabilized units in the improvement area with new rent-stabilized units on a one-for-one basis, and all existing tenants will always be able to stay at Woodland Park. We also propose to increase the overall supply of housing by adding new units, which will be integrated with the rent-stabilized replacement units to create a mixed-income community serving a diverse range of income levels.

Despite California state law which says that new buildings cannot have rent control, we will voluntarily deed-restrict 26% of the total units to preserve the Rent Stabilization Program, ensure housing stability for future tenants, and lock-in the below-market rents of our existing tenants.

Before starting construction, we will provide improvement area tenants with relocation in the neighborhood in a similar Woodland Park apartment with the same number of bedrooms. When construction is complete, they will have the “right of return” to move into a new rent-stabilized apartment at the same rent-stabilized rent (with City-determined rent adjustments). We will pay the moving costs. In short, tenants can trade their old aging units for nice new units at no cost.

Replacing the old units with new buildings will allow us to provide the safe, high quality housing our tenants deserve. Not only will tenants be able to move into brand new units at their same existing rents, but they – and all Woodland Park tenants – will also be able to take advantage of additional new amenities, such as a local park, community spaces, and neighborhood-serving retail. We believe that the Euclid Improvements will be a great addition to the Westside, and help fulfill the vision of the City of East Palo Alto’s Westside Area Plan.
Background

The current buildings are between 50 and over 100 years old and many are at the end of their useful lives, having been built inexpensively to obsolete standards. We have been making incremental improvements, but ultimately, maintenance and small-scale improvements alone won’t be enough to keep up the buildings and our shared spaces at the high quality that our tenants deserve. After spending nearly three years understanding the property and having discussions with tenants about ways to improve the Westside, it is clear that the time has come to make more significant improvements. Our hope is to do so in a way that improves the quality of life for the improvement area tenants, all Woodland Park tenants, and the wider community.

Community-Centered Core Principles

For over three years, we have worked closely with our tenants, neighbors, community groups, city staff, and local officials to get to know the neighborhood and the community. The knowledge gained from our experiences and interactions, as well as the Westside Area Plan, has led us to develop the following five “Core Principles” to guide our work:

1. **No Displacement:** All existing tenants will always be able to stay at Woodland Park, and can return to newly constructed replacement units at their same rent-stabilized rents.

2. **Preserve Housing Affordability and Stability:** Despite state law which says that new buildings cannot have rent control, we will voluntarily deed-restrict 26% of the total units to be rent-controlled, replacing all existing rent-controlled units one-for-one, to preserve the Rent Stabilization Program, ensure housing stability for future tenants, and lock-in the below market rents of existing tenants.

3. **Community Informed Plans:** We value community input. We create and seek opportunities to engage with our tenants and the community. We have held 17 community and tenant meetings regarding this proposal, and many small group and one-on-one conversations. This is a community-informed application, and we will continue to seek and respond to input and feedback.

4. **Better Parking and Mobility:** Our plans include better parking and mobility options, including significantly more parking and a new bus stop, and improved options for walking, biking, and transit wherever possible. We will have a Transportation Demand Management (TDM) plan.

5. **Safer, Healthier Buildings:** The buildings at Woodland Park are between 50 and over 100 years old, and many are at the end of their useful lives. They were built inexpensively to old standards, and were not always cared for by previous owners. We will create safer, healthier buildings that meet or exceed modern seismic and other life safety standards.

Working from these Core Principles, we have created a plan for the Euclid Improvements, as shown on the attached Site Plan (see page 6).
Euclid Improvements – Location

The improvement area is on East Palo Alto’s Westside, northwest of University Avenue, adjacent to Highway 101 and northwest of University Circle.

The proposed improvement area includes the following addresses:

- 2021 Euclid Ave.
- 2025 Euclid Ave.
- 2031 Euclid Ave.
- 2041 Euclid Ave. (previously known as 420 E. O’Keefe)
- 2043 Euclid Ave.
- 2012 Euclid Ave.
- 2032 Euclid Ave.
- 2036 Euclid Ave.
- 2040 Euclid Ave.
- 2042 Euclid Ave.
- 2054 Euclid Ave.
- 501 O’Connor St.
- 2001 Manhattan Ave.
- 2033 Manhattan Ave.

Site Location
## Existing Conditions and Project Description

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Proposed</th>
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<tbody>
<tr>
<td><strong>Area</strong></td>
<td>3.9 acres</td>
<td>3.9 acres</td>
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<tr>
<td><strong>Number of Buildings</strong></td>
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<td>2</td>
</tr>
<tr>
<td><strong>Rent-Stabilized Units</strong></td>
<td>160</td>
<td>160</td>
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<tr>
<td><strong>Total Units</strong></td>
<td>161</td>
<td>605</td>
</tr>
<tr>
<td><strong>Height</strong></td>
<td>Varies from 1 to 4 stories</td>
<td>Steps down from 13 to 5 stories / Shorter than Four Seasons / University Circle next door</td>
</tr>
<tr>
<td><strong>Off-street Parking Stalls</strong></td>
<td>155</td>
<td>625</td>
</tr>
<tr>
<td><strong>On-street Parking Stalls</strong></td>
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<td>71</td>
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<tr>
<td><strong>Neighborhood-Serving Retail</strong></td>
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<td>Up to 5,000 square feet</td>
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<tr>
<td><strong>Community Space</strong></td>
<td>None</td>
<td>Up to 3,000 square feet</td>
</tr>
<tr>
<td><strong>Public open space</strong></td>
<td>None</td>
<td>Over 38,600 sf (0.9 acres), incl. neighborhood park</td>
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### Site Plan

![Site Plan](image_url)
Diversity of Unit Types

Our proposed unit mix would increase the variety of housing options available in the neighborhood

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Current</th>
<th>Proposed</th>
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</thead>
<tbody>
<tr>
<td>Studio</td>
<td>33%</td>
<td>31%</td>
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<tr>
<td>1 bedroom</td>
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<td>2 bedrooms</td>
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<td>30%</td>
</tr>
<tr>
<td>3-4 bedrooms</td>
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</table>
Community-Centered Approach

We are deeply committed to prioritizing community engagement and communications. Before and since submitting our pre-application for the Euclid Improvements, we have had several community meetings and have created a variety of other opportunities to understand the community’s vision for the neighborhood, respond to that vision, and get feedback from tenants, neighbors, and community members. We have listened carefully at these meetings and are using the information we learned to shape the Euclid Improvements proposal. We know that community engagement is more than just one-time or short-term community outreach. We are committed to creating long-term partnerships with Woodland Park tenants and East Palo Alto residents and organizations to ensure meaningful improvements to the quality of life on the Westside.

For a detailed list of our community engagement activities over the past three years, as well as focused engagement about the Euclid Improvements, please refer to Section 6 – Community Involvement Strategy on page 68. The following plans show several of the improvements we made during the pre-application process, based on community input:

Parking and Getting Around

- SamTrans discussions to expand routes
- Multi-use area with angled parking
- Drop-off zones building entries
- New sheltered bus stop & bike parking
- Angled parking at Manhattan
- Increase on street parking from 52 to 71
- Maximize new parking garage for 625 cars
- TDM to explore transportation options
Neighborhood Parks and Community Space and Retail

Safety

Good street lighting and improved lighting plan throughout site

Wider and higher visibility crosswalks

Patterned streets to slow traffic

Re-create Euclid as a “Safe Street”

Active spaces on the ground level, including residential units, to ensure “eyes on the street”

Sidewalk bulb-outs at key intersections to slow traffic
Deed-Restricted Rent Control

Rent Control was a foundation of the incorporation of East Palo Alto as a city, and our goal is to preserve it, as discussed in the Westside Area Plan. Despite California state law which says that new buildings cannot be required to have rent control, we will voluntarily deed-restrict 26% of the total units to ensure rent control into the future.

Rent Control (also known as Rent Stabilization) ensures that any tenant who has lived in an apartment for more than one year will pay below market rent. Unlike income-restricted affordable housing, there are no qualifications based on income, wealth, immigration status, or household composition. Rent Control is the only form of housing affordability that favors long-term residents with deeper affordability than newcomers.

Furthering the Westside Area Plan

The East Palo Alto General Plan articulates community goals for the Westside, including 14 Guiding Principles. We strongly support these goals that the City developed through years of community input and analysis. We also recognize our duty as a major housing provider on the Westside to carefully implement the City’s objectives. Our proposal complies with the Guiding Principles, as described below.

1. Avoid Displacement: All existing tenants will always be able to stay at Woodland Park, and can return to newly-constructed replacement units at their same rent-stabilized rents. We have the capacity to re-house affected tenants within the neighborhood and to enable these tenants to return to newly constructed, high quality housing at their rent-stabilized rents (with City-determined adjustments). This right of return and one-for-one replacement of rent-stabilized units protects existing tenants and maintains a viable Rent Stabilization Program.

2. Ensure Community Driven Process: We have established a strong track record of engaging with our community. We will continue to do so to refine our plans and proceed through the City’s review process. Plans will be developed with significant input from our tenants and the community at large.

3. On-Going Community Participation: We will maintain and strengthen our dialogue with the community through ongoing community dinners, special events, smaller gatherings, and partnerships with local community groups. Our process will ensure that the community is represented, consulted, and respected in the planning process.

4. Provide Affordable Housing: All rent-stabilized units will be replaced one-for-one in new construction and there will be no net loss of affordable housing or housing in general. We are committed to ensuring replacement housing for our current tenants at rent-stabilized rents, and helping maintain a viable Rent Stabilization Program in East Palo Alto.
5. **Maintain Diversity:** The Westside’s greatest assets are its diversity and community. By ensuring tenants can stay in the neighborhood at their rent-stabilized rents, we can help preserve neighborhood diversity and community character. Additionally, to accommodate a diverse range of tenants, the proposal offers a range of unit types, including studios, one-bedroom, two-bedrooms, three-bedrooms, and four-bedrooms.

6. **Promote Home Ownership:** We provide rental housing, rather than ownership housing, and will continue to do so in the future. We support home ownership, but do not foresee an ownership proposal as part of the Euclid Improvements.

7. **Improve Housing Quality:** We work hard to improve housing quality through comprehensive maintenance of existing buildings. Some structures, however, are reaching the end of their useful lives. Maintenance activities can no longer effectively or efficiently improve the housing quality. All new buildings constructed will be safer, healthier buildings that meet or exceed modern seismic and other life safety standards. We intend to pursue Leadership in Energy and Environmental Design (LEED) certification or equivalent to create green buildings that are healthier for tenants and more energy efficient to reduce tenants’ utility costs.

8. **Maintain Diversity of Housing Types and Unit Sizes:** Woodland Park is comprised of various unit types and sizes including studio, one, two, three, and four-bedroom units, with some in townhouse and flexible configurations. The Euclid Improvements will maintain a diversity of unit sizes by replacing existing unit types on a one-for-one basis, and providing a diversity of unit sizes in the new additional units.

9. **Connect the Westside to the City and Region:** We are committed to improving mobility for our tenants by increasing pedestrian, bicycle, and transit access, including to the SamTrans, Caltrain, and VTA systems. Additionally, the Highway 101 pedestrian and bicycle overcrossing anchors into the Woodland Park community. We intend to make property-level improvements across the neighborhood to improve pedestrian and bicycle experiences and create a welcoming environment.

10. **Address Infrastructure Needs:** Our proposal offers the opportunity to improve the streetscape and upgrade water, sewer, and other utilities systems. We look forward to future discussions with the City, utility providers, and community stakeholders regarding opportunities to address infrastructure deficiencies.

11. **Ensure New Development Pays its Fair Share:** We agree it’s important to pay our fair share, and that’s why we are ensuring tenant housing stability through our No Displacement commitment. This is the foundation of our commitment to the community. It involves significant expense and far exceeds any other private project in the region. We will also discuss with the City and local stakeholders additional ways to ensure that our proposal contributes positively to East Palo Alto, including substantially increased property taxes, new sales tax from the retail space, and a percentage of gross residential receipts from the Measure O taxes. More information is in the Community Impact Report and Fiscal Impact Analysis.
12. **Provide Diverse Parks, Community Facilities, and Shopping for All Residents**: Our plans include an open, publicly accessible park on O’Connor Street between Euclid and Manhattan that will be accessible to all for recreation, relaxation, and social events. The proposal also includes amenities like flex space for neighborhood-serving retail that will offer shopping within walking distance for tenants and neighbors, and create a focal point for the community, adjacent to the new park. This will facilitate a high-quality pedestrian environment.

13. **Improve Public Safety**: We consistently look for ways to improve public safety and security. We already have improved exterior lighting as a part of our maintenance program. New construction offers the opportunity to integrate state-of-the-art public safety and lighting concepts into building design. New construction also allows seismic and life-safety upgrades not possible with simple renovation alone. Finally, new buildings with stoops and front doors facing the street combine with improved streetscapes to create a safer public realm and safer bicycle and pedestrian networks.

14. **Beautify the Westside**: We are focused on enhancing the physical environment in our neighborhood. Our high-quality design will include beautiful new buildings, street trees, streetscape, parks, and landscaping that reflects our careful attention to the public realm. The design will improve the quality and aesthetic appeal of the site with high quality architecture, materials, and pedestrian-oriented facades, while remaining rooted in the existing community character.

We recognize that the Westside Area Plan contains a framework for future development with parameters for future increases in density. We are following this process, proposing significant community benefits that have been informed by substantial community input.

**Conclusion**

We are pleased to present this application for replacement and new housing for the City of East Palo Alto. We look forward to working with the City on an Environmental Impact Review of this proposal, and continuing our engagement with tenants, community members, and other stakeholders about the Euclid Improvements.
2. Westside Area Plan Required Application Information

The Westside Area Plan Policy 5.5 requests information from applicants who propose to increase density. This section provides an overview of this information and specifies where in the application materials the information can be found.

Proposed general plan and zoning for each parcel, including uses, building heights, and maximum development intensities

We are proposing a new Neighborhood Center Residential Overlay (NCO) zone, intended to allow ground-floor neighborhood-serving retail and community uses and additional housing units in the Multiple-Family High Density Residential Zone (R-HD) and the Multiple-Family Urban High Density Residential Zones (R-UHD).

The Euclid Improvements propose multiple-family residential uses with ground-floor neighborhood-serving retail and community space. Building heights will range from 5 to 13 stories across the site. The overall proposed development intensity is approximately 155 units/acre.

*Further information can be found in Section 3 – Proposed General Plan and Zoning – on page 18.*

Development program that identifies parcel-by-parcel information on existing and proposed uses

The existing uses on the site are multiple-family residential uses, a resident services office, and a community engagement office.

The proposed uses are multiple-family residential uses, resident services, community space, ground-floor neighborhood-serving retail, public space and a neighborhood park.

*Further information can be found in the Plan Set on pages A100 and A101.*

Affordable housing plan, including the amount, levels of affordability and location of each housing unit

With no displacement, the Euclid Improvements increase the overall supply of housing in the Westside area with safe, high-quality housing that will include full replacement of the existing rent-stabilized units and tenant protection for all rent-stabilized tenancies.

All existing tenants will always be able to stay at Woodland Park, and can return to newly constructed replacement units at their same rent-stabilized rents.
Despite state law which says that new buildings cannot have rent control, we will voluntarily deed-restrict 26% of the total units to be rent-controlled, replacing all existing rent-controlled units one-for-one, to continue to sustain the Rent Stabilization Program, ensure housing stability for future tenants, and lock-in the below market rents of existing tenants.

*Further information can be found in Section 4 – Tenant Protection and Community Housing Plan – on page 20.*

**Relocation plan for existing tenants that incorporates policies 5.10, 5.11, and 5.12 of this chapter**

Westside Area Plan (WSAP) policy 5.10 requires a relocation plan ensuring that tenants shall have housing provided from the moment they are temporarily displaced until they are relocated into a replacement unit, meeting certain criteria. Along with our Improvement Area tenants, we have co-created Relocation Commitments which ensure that tenants shall have housing provided from the moment they are temporarily relocated until they move back into a replacement unit. These Relocation Commitments meet or exceed all of the criteria in WSAP policy 5.10. They will be incorporated into a formal Relocation Plan that will be presented for City Council approval later in the application process.

WSAP policy 5.11 requires that sponsors of new development projects offer tenants relocation benefits as defined by the City. We are offering tenants no-cost relocation to another unit in the neighborhood and a first right of return to the new buildings, all at their current rent-stabilized rents, to ensure No Displacement. We do not intend to terminate any tenancies. Rather, we will relocate all Improvement Area tenants to replacement and right of return units to avoid displacement and preserve the stability of the affected tenants’ housing, neighborhood, and community.

WSAP policy 5.12 discusses the land use vision for the Westside, including a predominant residential focus and neighborhood amenities including local-serving retail and a neighborhood meeting and focal point. Our proposal is consistent with this land use vision for the Westside, with a predominant residential focus, and neighborhood amenities including neighborhood-serving retail, community space, and a new neighborhood park.

Further information about our relocation plans can be found in Section 4 – Tenant Protection and Community Housing Plan – on page 20, and further information about or consistency with the overall policies and vision in the East Palo Alto General Plan and the Westside Area Plan can be found in Section 8 – General Plan and Westside Area Plan Consistency Analysis – on page 84.
Fiscal impact analysis for the City

The Euclid Improvements will improve the fiscal health of the City. Woodland Park Communities is including a Fiscal and Economic Impact Analysis conducted by Economic and Planning Systems, Inc. as part of the application package. This analysis shows that the Euclid Improvements will have a net positive fiscal and economic impact on the City, thereby improving the fiscal health of the City.

According to the analysis, the Euclid Improvements will result in a net fiscal benefit to the City’s general fund of about $1.09 million per year, increasing to about $1.36 million per year in the future. Over a 20-year time horizon, the Euclid Improvements are expected to generate a cumulative net positive fiscal impact of over $23 million. Moreover, the one-time development impact fees paid by Woodland Park could total about $15 million for City capital improvement programs. Finally, construction of the project will directly support roughly 1,500 job years in the local economy, creating direct and indirect local investment of over $460 million. The property operations will support new jobs and generate local economic demand creating $6.7 million in net new spending per year.

*The full Fiscal and Economic Impact Analysis by EPS can be found in Section 5 – Community Impact Report and Fiscal Impact Analysis – on page 37.*

Description and analysis of how the City’s rent stabilization program may be continued in the future, including sources of funding

We work collaboratively with the Rent Stabilization Board in the operation and management of the over 1,800 existing units at Woodland Park. Woodland Park Communities respects that the City’s Rent Stabilization Program has been a defining attribute of the City since its incorporation more than thirty-five years ago. Going forward, Woodland Park Communities’ proposal ensures the ongoing viability of the Rent Stabilization Program.

The Rent Stabilization Program is currently funded by annual registration fees paid on a per-unit basis on each rent-stabilized unit in the City. Woodland Park Communities’ proposal to replace every rent-controlled unit on a one-for-one basis would ensure the ongoing viability of the Rent Stabilization Program. The number of rent-stabilized units would remain the same, meaning that the Rent Stabilization Program’s funding level would remain the same. By maintaining the scope of the program and its funding source, the Euclid Improvements proposal would help the program be continued in the future.

*Further information can be found in Section 4 – Tenant Protection and Community Housing Plan – on page 20.*
Park and open space plan, including the number, acres and locations of new parks and open spaces

Based on community input and the Westside Area Plan, we are excited to greatly increase the amount of public open space in the neighborhood and add a new neighborhood park at the corner of O’Connor Street and Euclid Avenue as part of the Euclid Improvements.

Our plan includes over 38,600 square feet of public open space (0.9 acres), over 11,700 square feet of common open space, and over 9,000 square feet of private open space, as well as over 14,900 square feet of flexible multipurpose public open space. This represents a total of more than 68,000 square feet (1.6 acres) of public, private, and common open space, which increases to more than 83,000 square feet (1.9 acres) when including the flexible multipurpose open space.

Further information can be found in the Plan Set on page A400.

Water supply assessment with guarantees of long-term water availability and new sources of water

The building designers, David Baker Architects, performed a water supply assessment. The current properties use approximately 144 gallons per unit per day, and the proposed buildings are projected to use between 69-77 gallons per unit per day. Therefore, the new apartments are approximately twice as efficient as the current apartments, meaning they use approximately half as much water per unit per day compared to the existing units.

Additionally, the projected flow rate for the entire property is 31 gallons per minute, with a projected peak of 124 gallons per minute. Recent water flow tests indicated that the water lines to the site can deliver approximately 650 gpm. Therefore, the current water supply is adequate for the proposed buildings.

The full Water Supply Assessment by David Baker Architects can be found in Section 7 – Water Supply Assessment – on page 79.

Infrastructure improvement plan, including detailed information on all infrastructure and utilities

We are planning to substantially improve the local infrastructure as part of the Euclid Improvements proposal, including streetscape, sidewalks, bike and pedestrian infrastructure, new grading and drainage, improved utilities, and new stormwater management.

Further information can be found in the Plan Set on pages C.2 and C.4.

Street Network Plan

We will be improving the existing streetscape, as well as the related infrastructure, sidewalks, and street trees. There will be no new streets added as part of the Euclid Improvements.

Further information can be found in the Plan Set on page C.2.
Community Impact Report that details how the project applicant will satisfy the prerequisites for increase in intensity or change in use in Policy 5.3

Increases in development intensity over the currently allowed zoning intensity on the Westside must meet the criteria listed in Policy 5.3. Specific information on each of the items is required as part of the development application process. The following are the prerequisites for increased development intensity:

- Prevents displacement of existing residents.
- Provides for some income-restricted affordable housing.
- Preserves “right of return” for existing residents.
- Maintains the City’s Rent Stabilization Program.
- Includes new parks and open spaces or contributes to the provision of new parks and open spaces if it is a single project.
- Improves streets and infrastructure or contributes to the provision of new streets and infrastructure if it is a single project.
- Improves the fiscal health of the City.
- Beautifies the area.

The Euclid Improvements proposal meets all of these criteria. A full Community Impact Report detailing how these criteria are met can be found in Section 5 – Community Impact Report and Fiscal Impact Analysis – on page 37.

Community Involvement Strategy

Just over three-and-a-half years ago, we acquired the Woodland Park Apartments in East Palo Alto. As a local, family owned business with a long-term approach, we are committed to the East Palo Alto community and increasing the quality of life for our tenants. As part of this commitment, in 2017, Woodland Park Communities engaged two social impact firms, Studio O and Emily Weinstein Consulting to provide ongoing strategic guidance.

Woodland Park Communities has a deep understanding of the history of the Westside of East Palo Alto and the harmful legacy of the previous property owners. We have committed to helping rebuild the trust of our tenants by listening and responding to tenants’ needs and launching new community building efforts. As we determined there was a need to improve housing and replace certain buildings, this commitment meant engaging in a community-informed planning process for both short- and long-term property improvements, including a No Displacement commitment.

Led by Liz Ogbu and Emily Weinstein and a team of full time, bilingual community engagement staff located on the site, the Woodland Park community engagement approach takes into account the following fundamental principles: listen, repair community relationships, foster trust, create opportunities for community building, and engage around community informed plans.

The Community Involvement Strategy by Studio O and Emily Weinstein Consulting can be found in Section 6 – Community Involvement Strategy – on page 68.
3. Proposed Zoning Overlay and General Plan Amendment

Proposed Zoning Overlay: Neighborhood Center Residential Overlay

The Neighborhood Center Residential Overlay (NCO) is intended to authorize ground-floor neighborhood-serving commercial and community uses and additional housing units in the Multiple-Family High Density Residential Zone (R-HD) and the Multiple-Family Urban High Density Residential Zones (R-UHD).

A. The NCO overlay may be applied to properties in the R-HD or R-UHD zone. Where so applied, the development standards established by this chapter shall apply in lieu of the comparable standards established for the underlying R-HD or R-UHD zone.

B. The NCO overlay shall apply to properties identified on the zoning map by the symbol “NCO” within parentheses, following the R-HD or R-UHD designation.

C. For properties with the NCO overlay, the Development Standards for Residential Zone requirements in Table 2-2 for R-HD and R-UHD, as applicable, shall apply except as amended by the NCO standards in the table below.

D. Local Serving Commercial. Local serving commercial uses are permitted on the ground floor of properties with the NCO overlay. Local Serving Commercial uses includes businesses fulfilling neighborhood needs, including convenience stores, produce market, cafes, coffee shops, bakeries, and similar establishments, restaurants open no later than 11:00 p.m., pharmacies, health clinics, banks and credit unions, personal services providers, and fitness clubs.

<table>
<thead>
<tr>
<th>E. Development Standards for NCO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Density</td>
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<tr>
<td>Setbacks</td>
</tr>
<tr>
<td>Front</td>
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<tr>
<td>Corner vision triangle</td>
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<tr>
<td>Side/Street Side</td>
</tr>
<tr>
<td>Rear</td>
</tr>
<tr>
<td>Height</td>
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<td>Open Space</td>
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<td>Common Open Space</td>
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<td>Private Open Space</td>
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<tr>
<td>Ground Floor Units</td>
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<td>Upper Floor Units</td>
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<td>Parking</td>
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</table>
Proposed General Plan Amendment

Propose adding the Neighborhood Center Residential Overlay (NCO) designation to the General Plan to allow for neighborhood-serving commercial and community uses on the ground floor, additional housing units, and increased building heights on High Density Residential (HDR) and Urban Residential (UR) land use designations included in the NCO overlay designation.

Neighborhood Center Residential Overlay (NCO)

Description: This overlay designation is intended to support the development of high density housing in limited locations in the City that have appropriate surrounding context. Mid-rise and high-rise residential development is encouraged, together with neighborhood-serving commercial and community uses to increase the availability of neighborhood services and amenities within walking distance of residents. Parking structures and innovative parking strategies are encouraged.

Allowed Land Uses: High-density, multi-family dwellings, such as rental apartments, condominiums, single room occupancy (SRO) developments, neighborhood-serving commercial, and parks/plazas/open space, education, cultural, public assembly, public uses. Other uses may be allowed if they are compatible and serve the needs of residents living in the higher-density residences.

Proposed General Plan Map and Zoning Map Including NCO Overlay
4. Tenant Protection and Community Housing Preservation Plan

Introduction

With no displacement, Woodland Park Communities is proposing to replace several aging, outdated structures with new mixed-income multifamily residential buildings as part of our Euclid Improvements. We will replace 160 existing rent-stabilized apartments with 605 newly constructed apartments, 26% of which will be deed-restricted rent-stabilized apartments, replacing the existing apartments one for one. We will improve existing parking challenges with a 625-vehicle parking facility and increase street parking by 37% as well as create a neighborhood hub that includes a new neighborhood park, a new ground floor neighborhood-serving retail area, and new landscaping and pathways to enhance pedestrian and bicycle connectivity within the site and the adjacent neighborhoods.

Informed by years of community outreach, Woodland Park Communities has designed the Euclid Improvements to meet the goals of the East Palo Alto General Plan, including the Westside Area Plan. The Euclid Improvements increase the overall supply of housing in the Westside area with safe, high-quality housing that will include full replacement of the existing rent-stabilized units and tenant protection for all rent-stabilized tenancies. These goals are further fulfilled by the proposed new local park and community space, improved mobility amenities, new neighborhood-serving retail on the ground floor, new landscaping and street trees to beautify the new park and open space areas, and new energy efficient buildings with energy conservation features and appliances to help promote overall sustainability and reduce monthly utility expenses for tenants.

This Tenant Protection and Community Housing Preservation Plan is a core component of the Euclid Improvements. This Plan will prevent displacement of tenants from the existing apartments on the Euclid Improvements site and it will preserve 160 brand new rent-stabilized units through a recorded deed restriction. The Plan is comprised of the following components:

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>Overall Tenant Protection and Community Housing Preservation Plan</td>
<td>21</td>
</tr>
<tr>
<td>B.</td>
<td>General Implementation of General Plan and Westside Area Plan</td>
<td>21</td>
</tr>
<tr>
<td>C.</td>
<td>No Net Loss: Replacement of Existing Units</td>
<td>22</td>
</tr>
<tr>
<td>D.</td>
<td>Maintaining the Rent Stabilization Program</td>
<td>23</td>
</tr>
<tr>
<td>E.</td>
<td>Affordable Housing Plan</td>
<td>23</td>
</tr>
<tr>
<td>F.</td>
<td>Relocation Planning Process</td>
<td>24</td>
</tr>
<tr>
<td>G.</td>
<td>Relocation Commitments: Woodland Park’s Promises to Affected Tenants</td>
<td>26</td>
</tr>
<tr>
<td>H.</td>
<td>Relocation Commitments—Consistency with Westside Area Plan and City of East Palo Alto Policies</td>
<td>29</td>
</tr>
<tr>
<td>I.</td>
<td>Relocation Capabilities: Woodland Park’s Proven Track Record</td>
<td>35</td>
</tr>
<tr>
<td>J.</td>
<td>Criteria to be Considered in Connection with the Conditional Use Permit for Demolition of Rent-Controlled Units</td>
<td>35</td>
</tr>
</tbody>
</table>
A. Overall Woodland Park Tenant Protection and Community Housing Preservation Plan

1. The Euclid Improvements include the replacement of 100% of the existing 160 rent-stabilized apartments with newly constructed deed-restricted rent-stabilized apartments that will be protected into the future.

2. Current tenants of existing rent-stabilized apartments have the guaranteed right to relocate to a replacement apartment owned by Woodland Park Communities (with the same number of bedrooms) within the Woodland Park Westside neighborhood, with the same rent-stabilization protections, and with no rent increases (except as normally determined by the Rent Board), while the Euclid Improvements are being constructed.

3. Tenants relocated to a replacement apartment have the right to return to a newly constructed apartment, with the same number of bedrooms, with the same rent-stabilization protections, and with no rent increases (except as normally determined by the Rent Board), when the Euclid Improvements are complete.

4. Tenants will receive professional moving services to and from replacement housing, at no cost to Tenants.

5. Ongoing community engagement, which has already informed the design and core principles of the Euclid Improvements and this Tenant Protection and Community Housing Preservation Plan, will continue throughout the tenant relocation, project construction and completion, and tenant return processes. Woodland Park Communities has and will continue to have a Community Engagement Manager and bilingual community engagement team, including relocation experts from an external consultant, to assist tenants with relocation, and to implement a variety of events, meetings, and programs to create and maintain connections with the community.

B. General Implementation of General Plan and Westside Area Plan

The Euclid Improvements have been designed to assure the full realization the General Plan and Westside Area Plan visions, including tenant protection and community housing preservation and enhancement.

Enhancing the Westside Area is a guiding principle of the General Plan and the Westside Area Plan. The General Plan requires preserving existing affordable housing stock and beautifying the area with parks, open spaces and community spaces, while assuring no net loss in the number of residential units in the area.

The Westside Area Plan guidelines require avoiding displacement, providing affordable rental housing, maintaining population diversity, improving housing quality, maintaining diversity of housing types and unit sizes, and beautifying the Westside.

Among the City’s land use goals are directives to encourage more infill housing in existing neighborhoods to expand the amount and diversity of available housing, establish a balance of market rate and affordable housing, and encourage a mix of residential unit size, type, and level of affordability in existing and new housing, as well as assure no net loss in the number of residential units. See, General Plan, Goal LU-3, 3.1, 3.2, 3.3, 3.4. See, also, General Plan, Westside Area Plan, Goal W-1, 5.3.
The Euclid Improvements meet all of these goals. The proposal increases the overall quantity of housing available in the Westside Area with a robust mixture of unit sizes, contributes to establishing a balance of market rate, workforce, and affordable housing in the area, and guarantees no net loss in the number of residential units. The Euclid Improvement Area currently contains a variety of unit sizes, including studios, one, two, three, and four-bedroom units. The Euclid Improvements will maintain the diversity of unit sizes in the newly constructed buildings, including enough of each size to ensure that each affected tenancy can return to a unit with the same number of bedrooms. This approach further supports the City’s goals of expanding multi-family housing in the City and maximizing the number of residential units in areas designated as Medium Density, High Density and Urban Residential. See, General Plan, Goal LU-4, 4.2. The Euclid Improvements Project area is designated as High Density and Urban Residential.

The Euclid Improvements proposal also fulfills the City’s goal to develop strategies to address critical parking issues in residential areas to balance the need for more parking with the impact of parking on the built environment. See, General Plan, Goal LU-6. While the Project incorporates more and better parking, the proposal also includes improvements to increase pedestrian, bicycle, and transit access. Such improvements will enhance the physical infrastructure, expand bicycle and pedestrian networks, and generally create a safer and more welcoming environment.

The proposal supports the City’s goal to improve East Palo Alto’s tax base by expanding existing revenue sources and maximizing development and business growth by developing neighborhood-serving retail and making infrastructure improvements in the Westside Area. See, General Plan, ED-1, 1.8, 1-10. The Project includes a commercial use area specifically sized and located to provide neighborhood-serving retail. The Project also and proposes to improve the streetscape and upgrade water, sewer, and other utility systems. These infrastructure improvements will also create opportunities for other development that supports the City’s economic and livability goals. Additionally, most immediately, the Project will increase the number of households available to patronize new and existing neighborhood businesses, and assure their success. As proposed, the Project also facilitates the Westside Area Plan goal to support and expand small-scale retail to serve the needs of Westside Area residents. See, General Plan, Westside Area Plan, Goal W-4.4. Other potential contributions from the Project to the economic health of East Palo Alto include substantially increased property taxes, new sales tax, and a percentage of gross residential receipts from the Measure O taxes.

A more specific analysis of how the Euclid Improvements fulfill the Westside Area Plan requirements regarding relocation is included in Section 2 below.

C. **No Net Loss: Replacement of Existing Units**

The 160 existing rent-stabilized apartments are located in buildings that are between 50 and over 100 years old, and vary in size from studios to four (4) bedrooms. These rent-stabilized apartments are part of the Woodland Park Westside Area community of multi-family apartment buildings. The affected apartment unit are approximately nine percent (9%) of the housing units in the Woodland Park Westside Area community. Every existing rent-stabilized apartment on the Project site will be replaced with a new deed-restricted rent-stabilized apartment in the Project.
D. **Maintaining the Rent Stabilization Program**

Woodland Park Communities complies with the Rent Stabilization Ordinance and works collaboratively with the Rent Stabilization Board in the operation and management of the 1,800+ existing units at Woodland Park. Woodland Park respects that the City’s Rent Stabilization Program has been a defining attribute of the City since its incorporation more than thirty-five years ago. Going forward, Woodland Park’s proposal ensures the ongoing viability of the Rent Stabilization Program.

The Rent Stabilization Program is currently funded by annual registration fees paid on a per-unit basis for each rent-stabilized unit in the City. These funds sustain a staffing level of two full-time employees to meet the programmatic and operational needs of the Rent Stabilization Program.

Woodland Park’s proposal to replace every rent-controlled unit on a one-for-one basis would ensure the ongoing viability of the Rent Stabilization Program. The number of rent-stabilized units would remain the same, meaning that the Rent Stabilization Program’s jurisdiction and funding level would remain the same. By maintaining the scope of the program and its funding source, the Euclid Improvements proposal would protect the program from either attrition among rent-controlled units or erosion of funding. The Rent Stabilization Program should be able to maintain its existing level of staffing and its existing level of administrative and programmatic work.

E. **Affordable Housing Plan**

The Euclid Improvements will preserve housing affordability and stability. Despite the Costa-Hawkins Act, which exempts newly constructed units from rent control, the Euclid Improvements will nonetheless contain 26% deed-restricted rent-controlled units, replacing all existing rent-controlled units one-for-one, to preserve the Rent Stabilization Program, ensure housing stability for future tenants, and lock-in the below-market rents of our existing tenants.

Rent control meets important and otherwise unmet affordable housing needs in the City of East Palo Alto. It is the only form of housing affordability that favors long-term residents, providing deeper affordability than for newcomers. Any tenant who has lived in a unit for more than a year pays below market rent. And, unlike income-restricted affordable housing, there are no qualifications based on income, wealth, immigration status, or household composition. Rather, rent control provides a flexible, cost-effective, scalable form of affordable housing that has been particularly valuable and enduring in East Palo Alto for decades. Rent-controlled rental housing is a valuable source of workforce housing.

The proposed development project will not generate any additional need for affordable housing. It is providing 26% of the total housing as deed-restricted rent-controlled units, which preserves all of the existing affordable housing on site at the existing levels of affordability. To the extent that the project has any effect on the housing market, it will create new housing, which will alleviate the housing shortage and provide additional needed supply to meet the very high demand for housing in East Palo Alto.

The market rate units are necessary to fund the construction and ongoing operation of the 26% deed-restricted rent control units. Moreover, the benefits to the City of this particular project greatly outweigh its burden. The Euclid Improvements will provide significant public benefits, including the first permanent public park on the Westside, the City’s first new deed-restricted rent-controlled housing, neighborhood-serving retail space, and improved parking and mobility options. As explained above, the project would not
increase demand for affordable housing, but would instead meet the demand for affordable and market rate housing, thereby reducing the housing shortage.

F. Relocation Planning Process

Understanding that No Displacement and relocation planning would be of central importance to the affected tenants and the community, Woodland Park Communities began planning for relocation and housing stability very early. Woodland Park Communities has completed a community-informed process to create and revise a set of Relocation Commitments to the tenants within the Euclid Improvement Area. In response to tenant and community interest, Woodland Park Communities developed, in collaboration with tenants and the community, unilateral “Relocation Commitments” that Woodland Park promises to fulfill during the relocation process. We have met with the affected tenants, the broader community, and local organizations to develop, discuss, and revise these Relocation Commitments. We have also made presentations to, answered questions from, and received feedback from, the City of East Palo Alto’s Planning Commission, Rent Stabilization Board, and City Council. The Relocation Commitments are presented in full later in this document.

Woodland Park anticipates that these Relocation Commitments will serve as the “term sheet” from which a more detailed “Relocation Plan” will be drafted, and approved by the City Council pursuant to the Westside Area Plan Policy 5.10.

The following table summarizes what we heard and what we changed or did in response to what we learned from the community through the community-informed process.

<table>
<thead>
<tr>
<th>What We Heard</th>
<th>What We Changed in Response</th>
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<tr>
<td>1. Requests to “reflect back” what we have heard and indicate what we have changed in response.</td>
<td>This table reflects back the comments we received from the community and summarizes the changes that were made in the Relocation Commitments in response to that feedback.</td>
</tr>
<tr>
<td>2. Requests that the Relocation Commitments be in writing.</td>
<td>We have circulated the Draft Relocation Commitments in writing and distributed them by hand delivery and mail to affected residents, as well as in person at meetings, information booths, and community meetings. The final Relocation Commitments are also being distributed in writing.</td>
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<tr>
<td>3. Requests that the Relocation Commitments be signed.</td>
<td>The Relocation Commitments are signed by Mike Kramer, the authorized signatory for Woodland Park.</td>
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<tr>
<td>4. There were too many separate requirements.</td>
<td>We streamlined the requirements to be clearer and more straightforward.</td>
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<tr>
<td>5. Concern that tenants have an opportunity to fix any problems with their tenancies so that they can exercise their right of return</td>
<td>We added our expectation that all affected tenants will be eligible for a right of return and re-articulated our goal of No Displacement. We added a commitment to collaborate with affected tenants and other community stakeholders toward achieving this goal of No Displacement.</td>
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<td><strong>6.</strong> Some affected tenants want to move as soon as possible and other community stakeholders are concerned about the early move process</td>
<td>We know that the Euclid Improvements will require approval from the City and we have added this information to the Relocation Commitments. We expect a robust public entitlement process and commit to working collaboratively with the community. We also understand certain affected tenants’ desire to move sooner rather than later and will accommodate that desire. No one will be required to move into a replacement apartment before the City has approved the Euclid Improvements. We added information about the early move process being optional and at affected tenants’ discretion. We also extended the early move timing to create additional flexibility for affected tenants.</td>
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<td><strong>7.</strong> Affected tenants may need more time to select a replacement or right of return apartment.</td>
<td>We doubled the amount of time for affected tenants to select apartments.</td>
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<td><strong>8.</strong> Confusion about the condition of the replacement apartments and right of return apartments.</td>
<td>We clarified that the replacement apartments will be existing apartments in move-in condition and we clarified that right of return apartments will be newly constructed apartments in brand-new condition.</td>
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<tr>
<td><strong>9.</strong> Questions about how long an individual move would take.</td>
<td>We specified that most moves will take no more than one day.</td>
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<tr>
<td><strong>10.</strong> Tenants may want contact information for legal resources.</td>
<td>We work collaboratively with the City of East Palo Alto’s Rent Stabilization Program and community groups, including community groups that provide legal resources. We provide tenants with referrals to local resources.</td>
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<tr>
<td><strong>11.</strong> Delivery of notices needs to be careful and trackable to ensure that tenants receive information.</td>
<td>We commit to mail and deliver notices. We will conduct further research about other best practices that will ensure that affected tenants receive the relevant information.</td>
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<tr>
<td><strong>12.</strong> Requests that we discuss the relocation commitments with tenants outside of the affected area.</td>
<td>We discussed relocation commitments with Woodland Park tenants who live outside of the Euclid Improvement Area, as well as with community members, community groups, the Planning Commission, the Rent Stabilization Board, and the City Council.</td>
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</table>
G. **Relocation Commitments: Woodland Park’s Promises to Affected Tenants.**

The document shown in the following pages was developed over a 12-month process in collaboration with affected tenants and community stakeholders. It represents Woodland Park’s relocation promises to affected tenants. Woodland Park has also circulated the Relocation Commitments in English and Spanish.

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**Euclid Improvements – Relocation Commitments**

**Woodland Park’s Promises to You**

August 26, 2019

**Introduction**

Woodland Park Communities worked with Improvement Area tenants since late 2018 to create written relocation commitments that come from our conversations with tenants, the City’s Westside Area Plan, and other local laws. A detailed Relocation Plan will go to City Council for approval along with the proposal for the Euclid Improvements later in the process. These Relocation Commitments will be the foundation of that plan; they are our promises and guarantees to you. They reinforce our commitment to **No Displacement.**

**Eligibility**

Woodland Park makes these relocation commitments to you, the tenants within the Euclid Improvement Area, who were tenants as of December 2018 and who continue their Woodland Park tenancy without interruption. All of the commitments apply on a “per apartment” basis.

**General Commitments**

1. **Rent Level:** You will pay the same rent you otherwise would if nothing happened – there will be no rent increases (except as normally determined by the Rent Board). Each tenant will get an apartment with the same number of bedrooms. Each tenant’s original security deposit amount will remain the same and be transferred to the new apartment. Everyone currently pays for utilities and will continue to pay for utilities. In the event that a tenant’s utility bill increased substantially due to a change in utility metering, Woodland Park would work with the tenant to reduce the tenant’s overall monthly costs to a similar level they would have been if nothing happened.

2. **Moving:** Woodland Park will pay for and arrange your moves between Woodland Park apartments. The services of a licensed mover will be provided at no cost to you. The licensed mover will be insured and will use its own boxes to pack and move all of your belongings. We will provide dumpsters in which to discard any furniture or other belongings that you no longer need. You will need to transfer any utilities that are in your name and change your address as necessary.

3. **Communications:** We will continue to hold meetings and invite affected tenants. We will continue to communicate information by hand-delivering notifications to each apartment. If possible, we may also communicate with tenants via mail, text message, phone and/or email. You will need to provide us with up-to-date contact information if you wish to receive text messages, phone messages, or emails.

4. **Collaboration:** We will continue to work with affected tenants and community stakeholders to make the relocation process as smooth and convenient as possible, and to achieve our goal of no displacement. We will seek input and approval from City Council about our relocation plans.

**Replacement Apartment Commitments**

These commitments apply when you are moving out of the apartment in the Euclid Improvement Area to an existing, move-in condition Woodland Park apartment.

5. **Timing:** You will have the choice of an tenant-requested move or a move after project approval. We expect that the two processes will be the same, except that if you complete an tenant-requested move prior to March 31, 2020, we will waive any past-due charges other than rent that are on your ledger as of May 1, 2019.
a. **Tenant-requested moves.** Tenant-requested moves are optional and are open to any affected tenant who is interested in moving in the near future. We will provide you with a notice at least 30 days before the optional tenant-requested move process begins.

b. **Moves after project approval.** Moves after project approval will occur as soon as the City of East Palo Alto approves the Euclid Improvements, which is anticipated to occur in 2020.

You will decide if you prefer an tenant-requested move or a move after project approval—there is no limit or requirement for a specific number of tenant-requested moves or moves after project approval that we want to achieve or can accommodate.

6.) **Replacement apartments:** You will receive a replacement apartment with the same number of bedrooms. The replacement apartments will be in move-in condition. Replacement apartments will be offered on a first-come, first-served basis throughout the Woodland Park neighborhood. Although we can guarantee an apartment with the same number of bedrooms, we cannot guarantee the availability of any particular apartment or location. You will have the same number of parking spaces associated with the replacement apartment as you currently have under your existing lease.

7.) **Replacement apartment selection steps:**

a. **Step 1: Notice.** The Management Office delivers a “Replacement Apartment Notice” including a preference letter that you will complete and map of the Woodland Park neighborhood. This is expected to occur in the fall of 2019.

b. **Step 2: Submission and Processing.** You submit the completed preference letter to the Management Office, signed by all tenants on the lease, following the instructions on the Notice. Once completed, the Management Office provides you with a time and date stamped copy of the submitted letter. Preference letters are processed in the order in which they are received.

c. **Step 3: Touring.** You and Management schedule a tour date on a mutually agreeable date, which may include a weekend day. On the tour date, you will be offered two replacement apartment options. Management will attempt to provide two replacement options in the area of your choice, if available.

d. **Step 4: Selection.** You have four days after the tour to select the replacement apartment by signing a new lease. If you do not select an apartment by signing a lease, you will be automatically assigned to a replacement apartment at Management’s discretion.

e. **Step 5: Moving.** You and Management schedule the move date into the replacement apartment. You are prepared for and move on the scheduled date with the services of a licensed mover that we arrange at no cost to you. Most moves will take no more than one day.

**Right of Return Commitments.** These commitments apply when you are exercising your right of return to the Euclid Improvement Area. You are not required to exercise your right of return; you can permanently stay in your replacement apartment. We anticipate that all of the affected tenants will be eligible for a right of return.

8.) **Right of return requirements:** Tenants in the Euclid Improvement Area as of December 2018 who have continued their tenancy in a replacement apartment without interruption have a right of return into the Euclid Improvement Area after the Euclid improvements are constructed. We anticipate that the Euclid Improvements will be complete in 2023. In order to exercise the right of return, you must:
a. **Good standing.** Live in the Woodland Park replacement apartment and have fulfilled all of your obligations during the replacement apartment selection and moving process. This includes being in good standing, with no back rent owed, no past-due balances owed, and no open lease violations. It also includes covering any damages (beyond normal wear and tear) to your replacement apartment and replenishing your security deposit to its original amount. We will work with tenants who are not in good standing and provide opportunities to fix issues or correct errors. Our goal is for 100% of our tenants to be in good standing.

b. **Communication.** Complete the letter of interest and submit it to the Management Office, following the instructions in the letter. You must select one of the right of return apartments that is offered to you by signing a new lease.

c. **Moving.** Move on the scheduled move day with the services of a licensed mover at no cost to you.

We commit to work with tenants who have not met one or more of these requirements and to give such tenants an opportunity to fix the problem(s) so they can meet the requirements and exercise their right of return.

9.) **Right of return apartments:** Each tenant with a right of return will be offered a newly-constructed apartment with the same number of bedrooms. The new apartments will be in brand-new condition and they will be offered on a first-come, first-served basis within the Euclid Improvement Area. Although we can guarantee an apartment with the same number of bedrooms, we cannot guarantee the availability of any particular apartment or location. You will have the same number of parking spaces associated with the right of return apartment as you currently have under your existing lease.

10.) **Right of return apartment choice steps:**

a. **Step 1: Notice.** The Management Office delivers a “Right of Return Notice,” which includes a form letter of interest.

b. **Step 2: Submission and Processing.** You submit a completed letter of interest to the Management Office, signed by all tenants on the lease. Once completed, the Management Office provides you with a time and date stamped copy of the submitted letter. Letters of interest are processed in the order in which they are received. The deadline will be listed in the Right of Return Notice. We expect that the deadline will be several months after you receive the Right of Return Notice and will be about 30 days after the estimated date on which the City of East Palo Alto determines that the new buildings are finished.

c. **Step 3: Touring.** You and Management schedule a tour date on a mutually agreeable date, which may include a weekend day. On the tour date, you are offered two right of return apartment options.

d. **Step 4: Selection.** You have four days after the tour to select the right of return apartment. You select the right of return apartment by signing a new lease. You and Management schedule the move date into the right of return apartment.

e. **Step 5: Moving.** You are prepared for and move on the scheduled date with the services of a licensed mover that arrange at no cost to you. Most moves will take no more than one day.
H. Relocation Commitments—Consistency with Westside Area Plan and City of East Palo Alto Policies

The Relocation Commitments included above are consistent with the City of East Palo Alto’s policies, including the Westside Area Plan, Development Code, and Tenant Protection Ordinance. The following tables explain how the Relocation Commitments are consistent with each of the City’s applicable policies.

a. Westside Area Plan

<table>
<thead>
<tr>
<th>Guiding Principle 1</th>
<th>Avoid displacement. Existing renters should have the right to continue to live on the Westside. If housing is renovated, existing residents should be provided a similar size unit, with similar amenities, at comparable rents.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy</td>
<td>Consistency Analysis</td>
</tr>
<tr>
<td>No Displacement is the first core principle of the Euclid Improvements proposal. The overall proposal and the Relocation Commitments have been designed to ensure that there is no displacement. The Relocation Commitments provide affected tenants the right to continue to live on the Westside and remain in East Palo Alto. Affected tenants will be provided a replacement apartment and, if applicable, a newly-constructed right of return apartment with the same number of bedrooms. Affected tenants have the ability to return to a right of return unit at the same monthly rent they would have been paying if nothing had happened. There will be no rent increases (except as normally determined by the Rent Board).</td>
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<tr>
<td>5.3 Prerequisites for new development per Policy 5.2 (above):</td>
<td></td>
</tr>
<tr>
<td>• Prevent displacement of existing residents.</td>
<td>• The Relocation Commitments prevent the displacement of existing residents by ensuring that all affected tenants can stay in the Westside neighborhood without interruption, paying the same rent as they otherwise would if nothing happened.</td>
</tr>
<tr>
<td>• Preserves “right of return“ for existing residents.</td>
<td>• The Relocation Commitments include a right of return for affected tenants.</td>
</tr>
<tr>
<td>• Maintains the City’s Rent Stabilization Program.</td>
<td>• The rent-controlled units in the Euclid Improvement Area will be replaced with new rent-controlled units with the same number of bedrooms. This ensures that the overall number of rent-controlled units will remain the same, thereby helping to maintain the City’s Rent Stabilization Program.</td>
</tr>
<tr>
<td>Policy</td>
<td>Consistency Analysis</td>
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<tr>
<td><strong>5.5</strong> Application information for increased density. Project applicant shall provide detailed information on a Relocation plan for existing tenants that incorporates policies 5.10, 5.11, and 5.12 of this chapter.</td>
<td>The Relocation Commitments are Woodland Park’s unilateral commitment to relocate affected tenants in accordance with information gathered during the community-informed process and the City’s policies, including WSAP policies 5.10, 5.11, and 5.12 (discussed below). Woodland Park will seek City Council approval of a Relocation Plan during the entitlement process.</td>
</tr>
<tr>
<td><strong>5.9</strong> First Right of Return. Require that existing tenants displaced by new development or rehabilitation of existing dwelling units be afforded the following rights:</td>
<td>The Relocation Commitments provide affected tenants with the following rights:</td>
</tr>
<tr>
<td>• The ability to return to a unit at the same level of affordability (measured in monthly rent) as the prior unit. • The ability to return to a unit of comparable size with the same or greater number of bedrooms. • The ability to return to replacement housing regardless of immigration status, to the extent that this can occur under current law. If tenants are unable to return due to immigration status, the project sponsor shall find the tenant a comparable unit in terms of size and cost to the original unit.</td>
<td>• Affected tenants have the ability to return to a newly-constructed right of return unit at the same monthly rent they would have been paying if nothing had happened. There will be no rent increases (except as normally determined by the Rent Board). • Affected tenants will be provided a replacement apartment and, if applicable, a newly-constructed right of return apartment with the same number of bedrooms. • Affected tenants will have the ability to move into replacement housing and right of return units regardless of immigration status. Immigration status will not be considered during the relocation process.</td>
</tr>
<tr>
<td><strong>5.10</strong> Relocation Plan. Prior to project approval, require development projects that are proposing increases in intensity or to demolish RSO units, to prepare, and the City approve, a “relocation plan” that accounts for all tenants displaced by new construction. The tenants shall have housing provided from the moment they are displaced until they</td>
<td>Based on the Relocation Commitments being submitted with the project application, Woodland Park will prepare and seek City approval of a relocation plan that accounts for all tenants who will be affected by construction. The affected tenants who elect to continue their tenancies will have uninterrupted housing within the Westside neighborhood at all times, from the present day through and until a move into a</td>
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Packet Pg. 241
<table>
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<th>Policy</th>
<th>Consistency Analysis</th>
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<td>are relocated into a replacement unit.</td>
<td>replacement apartment and a move into a right of return apartment.</td>
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<td>The relocation plan must meet the following criteria:</td>
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<td>• Provide temporary housing within East Palo Alto or within 10 miles of the prior home.</td>
<td>• The temporary housing in “replacement apartments” will be in the Westside neighborhood of East Palo Alto within the Woodland Park community. In every instance, the replacement apartment will be within 1 mile of the prior home.</td>
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<tr>
<td>• Does not require the crossing of the Dumbarton Bridge.</td>
<td>• The temporary housing will not require the crossing of the Dumbarton Bridge.</td>
</tr>
<tr>
<td>• Must not pay more in rent than paying in the prior home.</td>
<td>• The affected tenants will pay the same amount of monthly rent that they have been paying for their existing homes, as though nothing had happened. There will be no rent increases (except as normally determined by the Rent Board).</td>
</tr>
<tr>
<td>• All costs of relocation must be paid for by the project sponsor.</td>
<td>• Woodland Park will pay for and arrange the moves between Woodland Park apartments with a licensed and insured mover. The mover will use its own boxes to pack and move all of affected tenants’ belongings. Woodland Park will also provide dumpsters in which to discard any furniture or other belongings that are longer needed.</td>
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<tr>
<td>• Moving process between units must occur quickly and efficiently and to minimize the inconvenience of the tenant.</td>
<td>• The moving process will occur quickly and efficiently. Woodland Park anticipates that each household’s move will be completed within 1 day to minimize the inconvenience to the affected tenants.</td>
</tr>
<tr>
<td>• Replacement housing must be completed within one and a half years to minimize impacts to tenants.</td>
<td>• Woodland Park will work diligently to complete replacement housing within one and a half years to minimize impacts to tenants. This WSAP policy implicitly requires that the City of East Palo Alto collaborate with Woodland Park to ensure timely and efficient completion of approvals, construction, and inspections to facilitate the completion of replacement housing.</td>
</tr>
</tbody>
</table>
5.11 Relocation benefits. Require that sponsors of new development projects offer tenants the choice between reserving replacement housing or receiving relocation payments as defined by City of East Palo Alto Ordinances.

In accordance with the WSAP’s first Guiding Principle to “Avoid Displacement,” Woodland Park’s first core principle in the Euclid Improvement Area is “No Displacement.” Woodland Park intends for all existing tenants of the Euclid Improvement Area to be able to stay in the Westside neighborhood throughout construction of the Euclid Improvements and to have a right of return into the newly constructed apartments.

We have heard throughout the community-informed process that many of our tenants deeply value the neighborhood, the community, and their relationships with their neighbors. They want to retain stable housing with their neighbors, in the same neighborhood. We support our tenants’ desire to preserve the continuity of their community on the Westside, and more particularly, within the Euclid Improvement Area. To that end, the Relocation Commitments ensure that all affected tenants can stay in the neighborhood and the community without interruption.

None of the affected tenants have requested a relocation payment in lieu of replacement and right of return housing. Rather, they are concerned with being able to remain in the neighborhood with as little disruption as possible. The Relocation Commitments address our tenants’ concerns.

We are concerned that offering a relocation payment to affected tenants may encourage displacement by offering a monetary payment to leave the neighborhood, the community, and the neighbors. This would be contrary to the Westside Area Plan’s #1 Guiding Principle: Avoid Displacement and the Euclid Improvement proposal’s first core principle: No Displacement.

Nonetheless, as explained below, the Relocation Commitments comply with the City’s ordinances. Woodland Park does not intend to terminate any tenancies. Rather, Woodland Park will relocate all affected tenants to replacement and right of...
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<th>Policy</th>
<th>Consistency Analysis</th>
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<td>return units to avoid displacement and preserve the stability of the affected tenants’ housing, neighborhood, and community.</td>
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</table>

**b. Development Code**

<table>
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<tr>
<th>Policy</th>
<th>Consistency Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>18.48.220(F) Merger, Demolition or Elimination of Affordable Dwelling Units.</td>
<td>Woodland Park does not intend to terminate any tenancies. Rather, Woodland Park complies with this Development Code provision by relocating all affected tenants to replacement and right of return units to avoid displacement and preserve the stability of the affected tenants’ housing, neighborhood, and community.</td>
</tr>
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</table>

**c. Tenant Protection Ordinance**

<table>
<thead>
<tr>
<th>Policy</th>
<th>Consistency Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.02.150 Tenant Relocation assistance when units are to be demolished or removed.</td>
<td>The Euclid Improvements proposal intends to demolish and replace units that are occupied by the affected tenants. The affected tenants will have uninterrupted housing within the Westside neighborhood at all times, from the present day through and until a move into a replacement apartment and a move into a right of return apartment.</td>
</tr>
</tbody>
</table>

A. The provisions of this section are intended to provide relocation assistance to tenants facing eviction due to demolition or removal of the rental unit and where a notice of intent to terminate the tenancy is given by either the landlord or the tenant as required by Civil Code Section 1946. | Woodland Park does not intend for any affected tenants to face eviction or to give any notices of intent to terminate a tenancy. Woodland Park will provide uninterrupted housing to affected tenants throughout the development process. This section of the Tenant Protection Ordinance is not applicable. It articulates what a landlord must do to assist the tenant when the landlord is permanently eliminating the tenant’s housing and the tenant must
d. **Ellis Act**

<table>
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<tr>
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<th>Consistency Analysis</th>
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<tbody>
<tr>
<td>14.08</td>
<td>The Ellis Act regulates the withdrawal of rental units from the housing market. It implements state law that permits residential property owners to go out of the rental housing business. Woodland Park is not withdrawing any units from the housing market and is not going out of the rental housing business. The Ellis Act does not apply.</td>
</tr>
<tr>
<td>14.08.030(6)</td>
<td>“Withdrawal” means the eviction of all tenants from units on a particular property through compliance with the requirements of this chapter and implementing regulations. Such withdrawal results in a removal of rental units from the housing market under the terms and conditions set forth in this chapter, and as such is a limited form of removal by means other than conversion or demolition. Woodland Park does not intend to evict any affected tenant. Moreover, it will demolish and replace the dwelling units in the Euclid Improvement Area. Therefore, because no eviction is intended and because the existing units will be demolished and replaced, there will be no “withdrawal” of units under the Ellis Act. These provisions do not apply.</td>
</tr>
</tbody>
</table>
I. Relocation Capabilities: Woodland Park’s Proven Track Record

Since taking ownership, Woodland Park Communities has heard from several existing tenants that they want to live in a different location within the neighborhood or downsize to a smaller apartment. In response to these tenant requests, Woodland Park offered the Resident Preference Pilot (“RPP”) in the fall of 2017. It allowed tenants to elect to move into different, move-in condition apartments of the same or smaller size, while retaining their below-market rent-stabilized rent level. Woodland Park hired relocation specialists to assist in designing the RPP and facilitating tenant communication, counseling, and moves. Woodland Park also paid for and arranged all of the moves, with the services of a licensed and insured moving company.

The RPP was an overwhelming success. The tenants who participated reported that they appreciated the opportunity to move into a move-in condition unit that better met their family’s needs, at no additional cost. They reported that the counseling and moving processes were run smoothly and clearly.

Through the successful implementation of the RPP, Woodland Park Communities has proven that it can relocate tenants to other apartments within the neighborhood with minimal disruption to tenants’ lives. Woodland Park Communities developed the policies and procedures necessary to make this work, and created a relationship with relocation experts and a moving company to roll out the RPP. The RPP model provides a “proof of concept” that the process outlined in the Relocation Commitments can be implemented in an efficient and effective manner.

J. Criteria to be Considered in Connection with the Conditional Use Permit for Demolition of Rent-Controlled Units

Municipal Code section 18.48.220 requires the issuance of a conditional use permit prior to demolition of affordable dwelling units, including rent-stabilized units. There are a number of criteria for the City to consider in the issuance of such a conditional use permit. The following analysis describes how Woodland Park Communities’ proposal meets or exceeds the criteria.

Woodland Park Communities currently owns and operates, with the assistance of a third-party management company, more than 1,800 apartments in East Palo Alto. Woodland Park Communities purchased the properties in February 2016. Since then, Woodland Park Communities has worked hard to improve customer service and has maintained, to the best of its ability, its housing in a decent, safe, and sanitary condition. There is no history of serious, continuing Code violations. When a maintenance issue or other condition requiring repair or attention has been brought to Woodland Park Communities’ attention by tenants or City staff, Woodland Park Communities has worked diligently to resolve the issue in a timely and professional manner.

The Euclid Improvements proposal will replace the aging existing housing units on a one-for-one basis with new housing units. This has the effect of conserving and, in fact, increasing the quantity of existing housing. As discussed in greater detail above, existing tenants in the Euclid Improvement area can stay in the neighborhood and will have a right of return into the new buildings. This has the effect of preserving the existing neighborhood and its residents so that the social fabric, including the existing cultural and economic neighborhood diversity, are preserved. It also means that existing tenants will be able to stay around to benefit from the amenities that the Euclid Improvements will bring.
All of Woodland Park Communities’ residential properties are rental properties and there is no owner-occupied housing. The existing rental housing in the Euclid Improvements area would be replaced with rental housing, so there would be no conversion of rental housing to any other form of tenure or occupancy. There are no “owner-occupied” units in the Euclid Improvement area, so no owner-occupied housing is proposed to be removed.

Each of the existing rent-controlled units will be replaced with a rent-controlled unit that has the same number of bedrooms. This protects the relative affordability of existing housing: affected tenants will continue to pay the same below-market rent amount as they would if nothing had happened. The Euclid Improvements will include 445 units in addition to the 160 replacement units. This maximizes the density on the site and increases the number of on-site bedrooms and dwelling units, including units that are sized for families of all sizes.

The existing housing at Woodland Park is between 50 and over 100 years old and many buildings are at the end of their useful life. They were built inexpensively to old standards, and were not always cared for by previous owners. Woodland Park Communities has been making incremental improvements such as two community pop-up parks, but ultimately, maintenance and small-scale improvements will not be enough to keep up the buildings and our shared spaces at the high quality that our community deserves. The existing housing cannot be brought up to current code and safety standards, and cannot even be meaningfully remodeled through interior or exterior alterations. Rather, the Euclid Improvements will create safer, healthier buildings that meet or exceed modern seismic and other life safety standards.

The removal is consistent with the General Plan policies, as explained in Section 2 above and Section 8 below. As described in the Universal Planning Application and attached drawings, the project is of superb architectural and urban design, meeting all relevant design guidelines, to enhance the existing neighborhood character.

The proposed project will be reviewed and analyzed in an environmental impact report and Woodland Park Communities will comply with all applicable environmental requirements, including for dust control, sound pollution, and proper disposal of debris.

In sum, this Tenant Protection and Community Housing Preservation Plan, in conjunction with the other application materials, demonstrates that the Euclid Improvements proposal will advance the public interest of the Westside neighborhood in particular, and the City of East Palo Alto more generally. The proposal is consistent with the City’s policies, ordinances, rules, and regulations. Finally, the Project is necessary to permit construction of special needs facilities, including the City’s first permanent public park on the Westside, the City’s first new deed-restricted rent-controlled housing, neighborhood-serving retail space, and improved parking and mobility options.
5. Community Impact Report and Fiscal Impact Analysis

The Westside Area Plan Policy 5.5 requests information from applicants who propose to increase density. The requested information includes a community impact report that details how the proposal will satisfy the prerequisites for increases in intensity or change in use in Policy 5.3 as well as a fiscal impact analysis.

Economic and Planning Systems, Inc. (EPS) was engaged to perform a Fiscal and Economic Impact Analysis, which can be found on page 43.

**Community Impact Report – Satisfying the Community Requirements in Westside Area Plan Policy 5.3**

The below Community Impact Report explains how the Euclid Improvements will satisfy the prerequisites in Westside Area Plan Policy 5.3.

**Prevents Displacement of Existing Residents**

For more than three years, we have worked closely with our tenants, neighbors, community groups, city staff, and local officials to get to know the neighborhood and the community. The knowledge gained from our experiences and interactions, together with the Westside Area Plan, led us to develop a total of five “Core Principles,” around which the Euclid Improvements are being designed. The top core principle, first and foremost, is No Displacement.

We are firmly committed to preventing displacement and have developed a comprehensive strategy for ensuring that all existing tenants will always be able to stay at Woodland Park and can return to newly constructed replacement units at their same rent-stabilized rents. Prevention of displacement is so important that we did not want to wait until final entitlements to propose a plan and make commitments to our tenants and the community. Rather, it was and is our first priority.

To that end, we developed and began a robust community engagement process to understand our tenants’ needs and hopes. Through that process, we learned a lot about what our affected tenants need in order to remain in the neighborhood and return to a newly constructed apartment in the Euclid Improvements. We have designed a relocation process that reflects what we learned from the community and prevents displacement of existing residents.

Woodland Park Communities has developed, in collaboration with tenants and the community, unilateral “Relocation Commitments” that we promise to fulfill during the relocation process. We have met with the affected tenants, the broader community, and local organizations to develop, discuss, and revise the Relocation Commitments. We have also made presentations to, answered questions from, and received feedback from the City of East Palo Alto’s Planning Commission, Rent Stabilization Board, and City Council.

Woodland Park Communities anticipates that these Relocation Commitments will serve as the “term sheet” from which a more detailed “Relocation Plan” will be drafted in the future, and approved by the City Council pursuant to the Westside Area Plan Policy 5.10.

The Relocation Commitments are included in their entirety in the Tenant Protection and Community Housing Preservation Plan, in Section 4 above. In general, affected tenants will be moved to an available
replacement apartment of their choosing within the Westside neighborhood during construction. After construction, affected tenants will have the right of return into a newly constructed apartment in the Euclid Improvements. Throughout, they will pay the same rent they otherwise would if nothing happened. More specifically, the commitments ensure the following:

1. **Rent level**: Affected tenants will pay the same rent they otherwise would if nothing happened – there will be no rent increases (except as normally determined by the Rent Board). Each tenant will get an apartment with the same number of bedrooms. Each tenant’s original security deposit amount will remain the same and be transferred to the new apartment. Everyone currently pays for utilities and will continue to pay for utilities. In the event that a tenant’s utility bill increased substantially due to a change in utility metering, Woodland Park Communities would work with the tenant to reduce the tenant’s overall monthly costs to a similar level they would have been if nothing happened.

2. **Moving**: Woodland Park will pay for and arrange tenants’ moves between Woodland Park apartments. The services of a licensed mover will be provided at no cost to tenants. The licensed mover will be insured and will use its own boxes to pack and move all of the tenants’ belongings. We will provide dumpsters in which to discard any furniture or other belongings that affected tenants no longer need. Tenants will need to transfer any utilities that are in their names and change their addresses as necessary.

3. **Communications**: We will continue to hold meetings and invite affected tenants. We will continue to communicate information by hand-delivering notifications to each apartment. If possible, we may also communicate with tenants via mail, text message, phone and/or email. Affected tenants will need to provide us with up-to-date contact information if they wish to receive text messages, phone messages, or emails.

4. **Collaboration**: We will continue to work with affected tenants and community stakeholders to make the relocation process as smooth and convenient as possible, and to achieve our goal of no displacement. We will seek input and approval from City Council about our relocation plans.

These are our promises to the affected tenants and the community. We will prevent displacement by providing replacement housing in the neighborhood, giving a first right of return to newly constructed units, and keeping affected tenants’ housing costs stable. We intend that all affected tenants will stay in the neighborhood and the community without displacement.

Looking ahead, we anticipate that a detailed Relocation Plan will go to City Council for approval along with the proposal for the Euclid Improvements later in the process. Our Relocation Commitments will be the foundation of that plan; they are our promises and guarantees that reinforce our commitment to No Displacement. There is additional information about the Relocation Commitments and relocation in general in the Tenant Protection and Community Housing Preservation Plan above.

**Provides for some income-restricted affordable housing**

Woodland Park provides for some affordable housing in a number of ways. First, Woodland Park Communities pays and will continue to pay Measure O taxes, which were adopted by the voters of East Palo Alto for the purpose of increasing affordable housing. Woodland Park Communities pays the largest share of Measure O taxes in the City. This currently comes to about $450,000 each year, increasing over
time, in perpetuity. The Measure O payments will eventually increase to account for the new Euclid Improvements. The Fiscal and Economic Impact Analysis indicates that when the Euclid Improvements are subject to the Measure O tax, they will pay an additional $350,000 per year. This steady income stream allows the City to build new income-restricted affordable housing and otherwise meet its affordable housing goals.

Second, Woodland Park Communities is proposing deed-restricted rent-controlled housing to preserve housing affordability and stability. Despite California state law which says that new buildings cannot have rent control, we will voluntarily deed-restrict 26% of the total units, replacing all existing rent-controlled units one-for-one, to continue to sustain the Rent Stabilization Program, ensure housing stability for future tenants, and lock-in the below-market rents of our existing tenants.

Rent control meets important and otherwise unmet affordable housing needs in the City of East Palo Alto. It is the only form of housing affordability that favors long-term residents with deeper affordability than newcomers. Any tenant who has lived in a unit for more than a year pays below market rent. And unlike income-restricted affordable housing, there are no qualifications based on income, wealth, immigration status, or household composition. Rather, rent control provides a flexible, cost-effective, scalable form of affordable housing that has been particularly valuable and enduring in East Palo Alto for decades. Rent control provides a valuable source of workforce housing.

Woodland Park’s rent-controlled housing will be privately funded; Woodland Park Communities will not seek tax credits or any other type of public funding for this affordable housing. The City will be receiving affordable housing without using any of its resources or other governmental resources from the state or federal government to create this new housing. Using this rent control-focused approach, the Euclid Improvements will not compete for tax credits with other income-restricted affordable housing projects proposed in East Palo Alto, such as the Light Tree Apartments or 965 Weeks Street. Woodland Park Communities’ privately funded approach saves the public resources for other affordable housing projects to leverage.

Preserves “Right of Return” for Existing Residents

Woodland Park Communities preserves the right of return for affected residents. We have committed to the right of return in the Relocation Commitments, which are explained in greater detail in the Tenant Protection and Community Housing Preservation Plan.

The Relocation Commitments promise that tenants in the Euclid Improvement Area as of December 2018, when the Euclid Improvements were announced, who have continued their tenancy in a replacement apartment without interruption, have a right of return into the Euclid Improvement Area after the Euclid Improvements are constructed.

We anticipate that all of the affected tenants will be eligible for a right of return. We commit to work with tenants who have not met one or more of the requirements of their tenancies or their right of return to give such tenants an opportunity to fix any issue(s) so they can meet the requirements and exercise their right of return.

No affected tenant will be required to exercise their right of return. Affected tenants will have the choice to permanently stay in their replacement apartment if they want.
For tenants who choose to exercise their right of return, Woodland Park Communities will offer a newly-constructed apartment with the same number of bedrooms. The new apartments will be in brand-new condition and they will be offered on a first-come, first-served basis within the Euclid Improvement Area. Although Woodland Park can guarantee an apartment with the same number of bedrooms, we cannot guarantee the availability of any particular apartment or location. Each affected tenant will have the same number of parking spaces associated with the right of return apartment as they have currently have under their existing lease.

Maintains the City’s Rent Stabilization Program

The Euclid Improvements will help maintain and sustain the City’s Rent Stabilization Program. Woodland Park Communities is the largest single source of funds of the Rent Stabilization Program, paying nearly $400,000 per year in annual registration fees. Woodland Park Communities complies with the Rent Stabilization Ordinance and works collaboratively with the Rent Stabilization in the operation and management of the 1,800+ existing rent-controlled units on Woodland Park property.

Woodland Park Communities respects that the City’s Rent Stabilization Program has been a defining attribute of the City since its incorporation more than thirty-five years ago. Going forward, Woodland Park Communities’ proposal ensures the ongoing viability of the Rent Stabilization Program. The Rent Stabilization Program is currently funded by annual registration fees paid on a per-unit basis for each rent-stabilized unit in the City. These funds sustain a staffing level of two full-time employees to meet the programming and operational needs of the Rent Stabilization Program.

Woodland Park Communities’ proposal to replace every rent-controlled unit on a one-for-one basis will ensure the ongoing viability of the Rent Stabilization Program. The number of rent-stabilized units will remain the same, meaning that the Rent Stabilization Program’s jurisdiction and funding level will remain the same. By maintaining the scope of the program and its funding source, the Euclid Improvements proposal will protect the program from either attrition among rent-controlled units or erosion of funding. The Rent Stabilization Program should be able to maintain its existing level of staffing and its existing level of administrative and programming work.

Includes New Parks and Open Spaces or Contributes to the Provision of New Parks and Open Space if it is a Single Project

The Euclid Improvements include a new park and new open spaces. We are proposing approximately one acre of new public open space, including a neighborhood park at the corner of Euclid Avenue and O’Connor Street. This new neighborhood park will be the first permanent park on the Westside of East Palo Alto and will be designed for flexible uses, so that it can host a wide variety of activities including kids play, adult fitness, and social space for parties.

The park will be oriented to connect with a large community space in the adjacent building that will facilitate access to both the park and the building. Beyond the community space, we are proposing flexible and appropriately sized spaces for neighborhood-serving retail activities. We anticipate that these would include locally focused options like a convenience store, café, clinic, or pharmacy.

Woodland Park Communities is also proposing flexible public spaces along the street frontage of Euclid, between O’Connor and East O’Keefe. These public use spaces can be used for different activities at different times. For example, they might be used for parking during high parking demand hours or they may be
closed to parking during community events, creating more open space and places for the community to gather.

Together, the new permanent park at the corner and the community space, retail space, and flexible public spaces will form new gathering spaces for tenants, neighbors, and the community. We believe that these connected public spaces will allow people to strengthen community relationships, spend more time together and outdoors, and strengthen the feeling of “place” on the Westside.

There will also be other open spaces in the Euclid Improvements, including a pet area, pedestrian plazas, bike parking, walkways, lobbies, and green street frontages. Finally, there will be some private open space such as balconies.

**Improves Streets and Infrastructure or Contributes to the Provision of New Streets and Infrastructure if it is a Single Project**

Based on what we have learned from the community and the Westside Area Plan, a core principle guiding the design of the Euclid Improvements is “Better Parking and Mobility.” Woodland Park Communities often hears about tenants’ desire for better parking and more options for getting around. The Euclid Improvements will include better parking and mobility options, as well as improved options for walking, biking, and transit wherever possible. These improvements include upgrades of the streets and the infrastructure.

We have heard that tenants and neighbors often find traffic and parking challenging, and alternative transit options tend to be limited and often not convenient. In response, we are proposing a number of street and infrastructure improvements. On the streets, we will not only improve the physical street infrastructure on the pavement and sidewalks, but we will add pedestrian and bike safety features. We propose significantly more and safer street parking, with fewer cut-outs for driveways and new angled parking. Woodland Park Communities also proposes drop-off zones at building entries.

The Euclid Improvements also include better transportation infrastructure. Woodland Park Communities has already improved the school bus stop at the corner of Euclid and O’Connor to make it safer for children and more pleasant for caregivers. Woodland Park Communities now proposes a new sheltered bus stop and bike parking, also at the corner of Euclid and O’Connor. We are working with SamTrans and other local transit providers to discuss expanded or improved routes to better serve the neighborhood.

Woodland Park Communities is also proposing to improve parking infrastructure. We are seeking parking agreements with local property owners that have surplus parking. We are increasing off-street parking with a central garage that will increase the parking ratio from its current level. We also propose to work with the City to increase on-street parking through better, safer use of the existing on-street space.

Finally, Woodland Park Communities will work with the City to perform a full traffic study as part of an Environmental Impact Report. We will then implement a Transportation Demand Management (TDM) Plan with a variety of transportation options.
Implements the Fiscal Health of the City

The Euclid Improvements will improve the fiscal health of the City. Woodland Park Communities is including a Fiscal and Economic Impact Analysis conducted by Economic and Planning Systems, Inc. as part of the application package. This analysis shows that the Euclid Improvements will have a net positive fiscal and economic impact on the City, thereby improving the fiscal health of the City.

According to the analysis, the Euclid Improvements will result in a net fiscal benefit to the City’s general fund of about $1.04 million per year, increasing to about $1.33 million per year in the future. Over a 20-year time horizon, the Euclid Improvements are expected to generate a cumulative net positive fiscal impact of about $23 million. Moreover, the one-time development impact fees paid by Woodland Park could total about $15 million for City capital improvement programs. Finally, construction of the project will directly support roughly 1,500 job years in the local economy, creating direct and indirect local investment of over $460 million. The property operations will support new jobs and generate local economic demand creating $6.7 million in net new spending per year.

More information and analysis can be found in the Fiscal and Economic Impact Analysis.

Beautifies the Area

The Euclid Improvements will improve the appearance of the neighborhood, while preserving its character. The existing neighborhood houses a vibrant community of people who live in housing that is between 50 and more than 100 years old. Many of these structures are at the end of their useful lives. They were built inexpensively to old standards. Each parcel was developed at a different time, under different zoning rules, by different developers who had different visions. Many if not all of the properties were developed before the City was incorporated, so the City did not have the opportunity to influence the design or development envelopes of the properties. The buildings and surrounding land were not always cared for by previous owners.

The Euclid Improvements are being designed to the highest architectural and landscape standards with special attention to the public realm. Woodland Park Communities has selected an award-winning design team that has experience in East Palo Alto, including David Baker Architects, which is working on 965 Weeks Street, and Hood Design Landscape Architects, which designed Cooley Landing. The design will improve the quality and aesthetic appeal of the site with high quality architecture, materials, and pedestrian-oriented facades, while remaining rooted in the existing community character.

There will be an active and vibrant streetscape that ties the Euclid Improvements to its surrounding and welcomes the neighbors into the site. The new park and exterior open spaces are being designed by landscape architects to not only integrate into the existing neighborhood context, but to also engage and be reflective of the existing local community. The buildings are designed to be beautiful, safe, fit into the local context, and comfortable for the tenants, visitors, and neighbors. The project plans and renderings in the application materials illustrate the high level to which beautiful spaces and views have been considered as a core part of the design. The beautiful buildings will fit within the neighborhood context.

We believe that with these design features, the Euclid Improvements will beautify the area, benefitting the entire community. And with our tenant protection efforts, we're working to make sure that in particular, the existing tenants will be able to stay and enjoy this becoming an even nicer place to live.
MEMORANDUM

To: Woodland Park Communities
From: Economic & Planning Systems, Inc.
Subject: Fiscal and Economic Impact Analysis of the Proposed Euclid Improvements Project; EPS #181057
Date: September 25, 2019

Woodland Park Communities retained Economic & Planning Systems, Inc. (EPS) to prepare a fiscal and economic impact analysis of the proposed “Euclid Improvements” project in the City of East Palo Alto. The proposed project seeks to replace 160 existing rent-stabilized units with 605 mixed-income apartments and up to 8,000 square feet of retail and/or community/nonprofit space.

This EPS analysis considers the likely effects of the proposed project on the City of East Palo Alto General Fund and the local economy. Specifically, the fiscal analysis identifies whether the proposed project will generate adequate City revenues to cover the costs of providing ongoing services to new residents and employees. In addition, the economic impact analysis evaluates the potential effect of the project on employment, employee compensation, and sales (i.e., economic output). All findings are preliminary and subject to change as additional data and information from the City and other stakeholders are made available. The analysis presents impact estimates in constant 2019 dollars.

The following Summary of Findings highlights EPS estimates of the project’s net positive fiscal and economic impacts at project stabilization. Actual fiscal and economic impacts will depend on a number of factors that cannot be predicted with certainty, including the market performance of the project, future changes in City or State budgeting practices, the efficiency of various City departments in providing services, and other factors. Critical analytical inputs relied upon by the analysis include assumptions provided by Woodland Park Communities, City and County documents, and EPS industry knowledge, among other sources. EPS has not conducted an independent audit of the City’s budget, performed in-depth interviews with service-providing City departments, or conducted detailed market analysis.
Summary of Findings

1. The proposed mixed-use project will result in a net fiscal benefit to the City of East Palo Alto General Fund of about $1.09 million per year, increasing to $1.36 million in the future.

This analysis estimates that the net annual fiscal impact of the proposed project on the City’s General Fund is positive and significant at project stabilization, as shown in Table 1. This impact estimate reflects net new General Fund revenues of $1.46 million and net new City General Fund expenditures of $0.37 million. Net new revenues increase to $1.73 million at year 11 when Measure O requirements apply. The estimated $1.09 million net additional City funds at project stabilization and $1.36 million at year 11 are over and above the positive net fiscal impact that the “baseline” existing uses currently have on the General Fund. The project’s net new contribution to the General Fund will be available to support a range of potential City services.

Table 1  Fiscal Impact Summary at Project Stabilization and Year 11

<table>
<thead>
<tr>
<th>Revenue/Expense Category</th>
<th>Net Impact at Stabilization(^1)</th>
<th>Net Impact at Year 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total General Fund Revenues</td>
<td>$1,457,000</td>
<td>$1,727,000</td>
</tr>
<tr>
<td>Total General Fund Expenditures</td>
<td>$369,000</td>
<td>$369,000</td>
</tr>
<tr>
<td>ANNUAL FISCAL IMPACT ON GENERAL FUND</td>
<td>$1,089,000</td>
<td>$1,358,000</td>
</tr>
</tbody>
</table>

\(^1\) The project is assumed to stabilize by Year 3. Additional revenues as a result of Measure O start Year 11; see Table 14 for yearly fiscal impact schedule.

2. At project buildout, Property Tax will account for the largest revenue source to the City.

The proposed project is projected to generate nearly $1.1 million in annual property tax revenue accruing to the City’s General Fund. This is an increase of $0.98 million over the current $111,000 in annual property tax revenue generated by the existing 160 units on site. The growth in property tax revenue is attributable to the anticipated $310 million increase in the assessed value of the project parcels, from about $35 million today to an estimated $345 million after the project is delivered.

3. The proposed project’s most significant cost to the City’s General Fund is likely to be borne by the Police Department.

Assuming that calls for service increase with the intensity of development, the analysis estimates that the cost of police services will grow from about $100,000 per year today to approximately $366,000 per year at project stabilization. This estimate reflects EPS professional experience with police department cost factors. Since EPS has not interviewed City staff, Police and other General Fund cost estimates may be refined in the future based on coordination with the City’s police department and other City representatives.
4. **Over a 20-year time horizon, the project is expected to generate a cumulative net positive fiscal impact of about $23.3 million.**

   The City levies a Residential Rental Business License Tax (Measure O) which applies to all units starting 10 years after a certificate of occupancy has been issued. Accounting for this tax increase commencing in year 11, the project generates an additional $0.27 million annually in net fiscal impact, increasing the total net impact from $1.09 million to $1.36 million per year. The cumulative net impact of the project is estimated at about $2.05 million in year three, $9.68 million in year 10, and over $23.26 million in year 20.

5. **One-time development impact fees paid by the project developer could total roughly $15 million.**

   The City of East Palo Alto currently charges development impact fees including a (1) Parks and Trails fee, (2) Public Facilities fee, (3) Transportation Infrastructure fee, (4) Storm Drainage fee, (5) Water Capacity Fee, and (6) Residential Impact fee. Based on the City’s most recent fee schedule (effective July 2019), the total development impact fees are $33,166 per unit. Assuming that Woodland Park Communities pays impact fees on the net new units delivered by the project, roughly $15 million would be generated for City capital improvement programs. Additional development impact fees levied by the local school district will be an additional cost for the project and benefit for the community.

6. **Construction of the Euclid Improvements project will cost an estimated $320 million and directly support roughly 1,500 job years in the local economy.**

   Assuming the project is constructed over a three-year period, an average of 500 jobs will be supported throughout the development period. This direct employment and associated spending in the local economy is anticipated to stimulate an additional $100 million+ in economic “ripple” effects in the local economy, with the total economic significance of the investment resulting in a one-time benefit that approaches $460 million. **Table 2** summarizes estimated one-time impacts from construction.

---

1 City of East Palo Alto City-wide Development Impact Fee Program, Community and Economic Development Department, Engineering Division
Table 2  One-Time Economic Impact from Construction

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Jobs</th>
<th>Employee Compensation</th>
<th>Value Added(^1)</th>
<th>Total Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>1,500</td>
<td>$139,135,000</td>
<td>$188,611,000</td>
<td>$320,000,000</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>450</td>
<td>$33,047,000</td>
<td>$49,056,000</td>
<td>$71,412,000</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>400</td>
<td>$26,385,000</td>
<td>$45,924,000</td>
<td>$67,424,000</td>
</tr>
<tr>
<td>Total Effect</td>
<td>2,350</td>
<td>$198,567,000</td>
<td>$283,591,000</td>
<td>$458,836,000</td>
</tr>
</tbody>
</table>

\(^1\) Comparable to gross domestic product (GDP).
Sources: IMPLAN; Economic & Planning Systems, Inc.

7. The proposed project’s operations will support new jobs and generate demand for goods and services in the local economy, creating about $6.7 million in net new spending annually in the local economy.

In addition to tax revenue for the City and construction period benefits, the project will generate new ongoing employment and spending in East Palo Alto as well as additional economic activity created by the project’s “ripple effect” in the local economy (within San Mateo County). EPS estimates that the project will directly support about 99 jobs and $6.3 million in spending in the local economy. These part-time and full-time jobs result from operations and maintenance of the project as well as household spending on retail purchases in the local economy. Including the ripple effect, the project will support an estimated $9.6 million in spending per year, an increase of approximately $6.7 million over the existing uses at the project site. The spending will support an estimated 82 net new jobs in East Palo Alto, including approximately 40 retail jobs. Table 3 summarizes estimated recurring annual impacts from project operations.
Table 3  
Recurring Economic Impact from Operations

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Jobs</th>
<th>Employee Compensation</th>
<th>Value Added(^1)</th>
<th>Total Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>99</td>
<td>$4,675,000</td>
<td>$7,650,000</td>
<td>$6,266,000</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>7</td>
<td>$565,000</td>
<td>$866,000</td>
<td>$1,274,000</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>12</td>
<td>$807,000</td>
<td>$1,404,000</td>
<td>$2,063,000</td>
</tr>
<tr>
<td>Total Economic Impact</td>
<td>119</td>
<td>$6,047,000</td>
<td>$9,920,000</td>
<td>$9,603,000</td>
</tr>
<tr>
<td>Baseline</td>
<td>37</td>
<td>$1,885,000</td>
<td>$3,092,000</td>
<td>$2,925,000</td>
</tr>
<tr>
<td>Net Economic Impact</td>
<td>82</td>
<td>$4,162,000</td>
<td>$6,828,000</td>
<td>$6,678,000</td>
</tr>
</tbody>
</table>


8. **The proposed project will create new job opportunities in a range of industries that already are present in the local economy and in occupations that span a wide spectrum of educational and professional requirements.**

By adding to the City of East Palo Alto’s housing stock and enhancing local retail, the proposed project supports marginal growth in already well-developed economic sectors. Accordingly, the local economy is well equipped to provide the necessary direct and indirect inputs to supply, including services from vendors and new employees. Furthermore, the industries that are positively impacted by the project require employment in an array of occupations that support a diversity of employee qualifications, with typical entry-level educations ranging from no high school diploma (e.g., landscaping jobs) to some college (e.g., bookkeeping jobs). In addition, these occupations also provide opportunities for well-educated members of the labor force, with occupations in property management and real estate providing noteworthy opportunities for college graduates and those with advanced degrees. Overall, the job opportunities created by the proposed project appear well aligned with the educational characteristics of workers residing in East Palo Alto.

**Fiscal Impact on the General Fund**

This section describes the methodology and key assumptions used to estimate the fiscal impacts of the proposed project. The analysis is based on information from:

- development applicant;
- City and County documents; and
- existing EPS industry knowledge.

EPS has developed a fiscal impact framework based on its in-house methodology and East Palo Alto-specific factors obtained from the sources above. EPS has not conducted an independent audit of the City’s budget, performed in-depth interviews with service-providing City departments, or conducted detailed market analysis.
Project Description

Woodland Park Communities is proposing to replace 160 existing rent-stabilized units with a 605-apartment mixed-income community, along with up to 8,000 square feet of retail and community space. Table 4 details the proposed development program. The table also presents EPS assumptions concerning the population and employment that would be on site at the project. A variety of revenues and costs included in this fiscal analysis are based on the anticipated “service population” shown in Table 4, which weights a local employee’s service burden at one third of a resident’s burden.
### Table 4  Development Program and Service Population

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Development Program</th>
<th>Resident or Worker Density Assumptions¹</th>
<th>Employment</th>
<th>Residents</th>
<th>Service Population²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>up to 5,000 SF</td>
<td>400 SF/Employee</td>
<td>13</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Community/Non-profit space</td>
<td>up to 3,000 SF</td>
<td>380 SF/Employee</td>
<td>8</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Commercial Total</td>
<td>8,000 SF</td>
<td></td>
<td>20</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartments³</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Rate Units</td>
<td>445 DU</td>
<td>2.0 Residents/Unit</td>
<td>0</td>
<td>890</td>
<td>890</td>
</tr>
<tr>
<td>Deed-Restricted Rent-Controlled Units</td>
<td>160 DU</td>
<td>2.0 Residents/Unit</td>
<td>0</td>
<td>320</td>
<td>320</td>
</tr>
<tr>
<td>Residential Total</td>
<td>605 DU</td>
<td>2.0 Residents/Unit</td>
<td>0</td>
<td>1,210</td>
<td>1,210</td>
</tr>
<tr>
<td><strong>Project Total</strong></td>
<td></td>
<td></td>
<td>20</td>
<td>1,210</td>
<td>1,217</td>
</tr>
</tbody>
</table>

¹ Office, retail, hotel, and residential employment densities reflect typical conditions. Density may vary based on tenanting and real estate format.
² Service population is the sum of total residential population and one third of total employment. It represents a measure of public service demand in which an employee generates one third the demand of a resident.
³ Household population reflects assumptions from the International Mechanical Code.

Sources: Woodland Park Communities; CA Department of Finance (2018); Economic & Planning Systems, Inc.
## General Fund Revenues

New General Fund tax proceeds attributable to the proposed development will include sales tax, property tax, property tax in lieu of vehicle license fee (VLF), sales tax, franchise fee, utility users’ tax, and licenses, fees, and permits. Table 5 provides a summary of the East Palo Alto Fiscal Year 2017-2018 Adopted General Fund revenue budget and a description of the forecasting method relied upon for each relevant revenue source.

### Table 5  FY 2017-2018 Revenue Budget Summary and Fiscal Impact Estimating Factors

<table>
<thead>
<tr>
<th>City of East Palo Alto Revenue Category</th>
<th>FY 2017-2018 Total</th>
<th>Estimating Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$11,375,000</td>
<td>31.6% of 1% of base assessed value</td>
</tr>
<tr>
<td>Property Tax In-Lieu of VLF ¹</td>
<td>$3,870,130</td>
<td>See Table 7</td>
</tr>
<tr>
<td>Sales Tax ²</td>
<td>$3,900,000</td>
<td>1.45% of estimated taxable sales</td>
</tr>
<tr>
<td>Transient Occupancy Tax</td>
<td>$2,325,000</td>
<td>- not estimated</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>$949,500</td>
<td>$28.52 per daytime population</td>
</tr>
<tr>
<td>Utility Users Tax</td>
<td>$1,595,000</td>
<td>$47.91 per daytime population</td>
</tr>
<tr>
<td>Licenses, Fees, and Permits</td>
<td>$760,500</td>
<td>- See Table 10</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>$405,000</td>
<td>- not estimated</td>
</tr>
<tr>
<td>Use of Money and Property</td>
<td>$68,400</td>
<td>- not estimated</td>
</tr>
<tr>
<td>Grants and Intergovernmental</td>
<td>$71,500</td>
<td>- not estimated</td>
</tr>
<tr>
<td>Charges for Current Services</td>
<td>$306,700</td>
<td>- not estimated</td>
</tr>
<tr>
<td>Other Miscellaneous</td>
<td>$28,800</td>
<td>- not estimated</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$21,785,400</strong></td>
<td></td>
</tr>
</tbody>
</table>

[1] Personal communication with the City of East Palo Alto Finance Department, December 18, 2018.

[2] The Sales Tax Estimating factor of 1.45 percent is made up of two parts: (1) the Bradley-Burns sales tax, of which 95 percent (i.e., 0.95 percent of the sale price) accrues to the City while the remaining 5 percent (i.e., 0.05 percent of the sale price) accrues to San Mateo County, and (2) a 0.5-percent district sales tax that East Palo Alto voters approved in November 2016 through Measure P, which accrues to the City’s General Fund. In total, taxable transactions in East Palo Alto generate sales tax to the City at a rate of 1.45 percent (0.95 percent Bradley-Burns plus 0.5 percent Measure P).

Sources: City of East Palo Alto Adopted Budget FY 2017-18; Economic & Planning Systems, Inc.
Property Tax Revenue

Property tax revenue is based on the estimated assessed value of the proposed project. Relying on Woodland Park Communities’ proposed development program, EPS estimates the project’s assessed value at about $345,000,000 at buildout, as shown in Table 6. The assessed value of the retail component assumes $500 per square foot. The weighted average value of a residential unit is about $566,000, which accounts for 160 new units that will be rent-stabilized and 445 units that will be rented at market rates. The existing units on site currently are assessed at approximately $218,600 per unit. EPS assumes new rent-stabilized units will be assessed at a higher value, about $350,000 per unit. The new market rate units have an estimated assessed value of $644,000 per unit.

Table 6  Assessed Value of the Proposed Project

<table>
<thead>
<tr>
<th>Category of Assessed Value</th>
<th>Development Value Assumptions¹</th>
<th>Total Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Assessed Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Assessed Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Rate Units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Units²</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Rent-Controlled Units</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assessed Value</td>
<td>$345,111,150</td>
<td></td>
</tr>
</tbody>
</table>

[1] Includes land and improvements.

Sources: Woodland Park Communities; City of East Palo Alto; Economic & Planning Systems, Inc.

The proposed project is located in Tax Rate Area (TRA) 021-024. For parcels located within this TRA, the City’s General Fund captures 31.6 percent of the base 1.0 percent property tax rate. Given the anticipated assessed value of the proposed project, the property tax revenue accruing to the City’s General fund is anticipated to by nearly $1 million per year, as shown in Table 7. The Fiscal Impact of Existing Uses section of this memorandum considers the baseline property tax revenue associated with the current assessed value of the site.

Property Tax In-Lieu of Vehicle License Fees

In 2004, the State of California adjusted the method for sharing vehicle license fees (VLF) with local jurisdictions. More recently, State budget changes replaced the VLF with property tax, which grows proportionately with increases in assessed value of the City. The proposed project

² Personal communication with the San Mateo County Assessor’s Office indicates that the sales comparison approach may be used to establish assessed value. Assessed value relied on in this analysis approximates that valuation.
will add about 11.7 percent to the current assessed value in East Palo Alto (assuming no other assessed value growth for simplification purposes) and will generate a proportional increase in in-lieu VLF revenues. The estimated property tax in lieu of VLF associated with the proposed project is approximately $452,000.

Table 7  Property Tax and Property Tax In Lieu of VLF Revenue

<table>
<thead>
<tr>
<th>Property Tax and Estimating Factors</th>
<th>Assumption / Estimating Factor</th>
<th>Formula</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property Tax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Assessed Value</td>
<td>see Table 5</td>
<td>a</td>
<td>$345,111,150</td>
</tr>
<tr>
<td>Property Tax</td>
<td>1.0% Base Property Tax Rate</td>
<td></td>
<td>$3,451,112</td>
</tr>
<tr>
<td>General Fund Property Tax Revenue¹</td>
<td>31.6% Allocation to General Fund</td>
<td></td>
<td>$1,091,469</td>
</tr>
<tr>
<td><strong>Property Tax In Lieu of VLF</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing Citywide Property Tax in Lieu of VLF²</td>
<td></td>
<td>b</td>
<td>$3,870,130</td>
</tr>
<tr>
<td>Citywide Assessed Value³</td>
<td></td>
<td>c</td>
<td>$2,952,719</td>
</tr>
<tr>
<td>Percentage Increase in Citywide Assessed Value</td>
<td>d = a / c</td>
<td></td>
<td>11.69%</td>
</tr>
<tr>
<td><strong>New General Fund Property Tax In Lieu of VLF</strong></td>
<td>e = d * b</td>
<td></td>
<td>$452,337</td>
</tr>
</tbody>
</table>

[1] Increment allocation factor for Tax Rate Area 021-014.

Sources: City of East Palo Alto; San Mateo County Assessor; Economic & Planning Systems, Inc.

**Retail Sales Tax Revenue**

The proposed project is expected to generate retail sales tax revenue accruing to the City of East Palo Alto, both from project households retail spending and additional on-site retail sales. Project household spending estimates are reflective of retail sales for specific income brackets. Additional on-site retail sales are based on expected business activity within the estimated 5,000 square feet of retail in the project program. The local sales tax rate is 1.45 percent of taxable retail sales, including the base sales tax rate and additional sales tax generated by a voter-approved measure. Table 9 summarizes sales tax revenue projections at project stabilization.

**Taxable Household Spending**

This fiscal analysis relies on data from the U.S. Bureau of Labor Statistic Consumer Expenditure Survey to establish the retail spending pattern of households. The spending patterns reflect household consumer behavior observed nationally for households with specific levels of annual income. This analysis uses anticipated residential rents to estimate household income for households in market rate units, as shown in Table 8. The estimated household incomes for the
rent-stabilized units reflect the median household income for the Census block group in which the project is located.3

Table 8  Annual Household Income Estimates

<table>
<thead>
<tr>
<th>Residential Unit Type</th>
<th>Total Units</th>
<th>Occupied Units¹</th>
<th>Monthly Rent per Unit²</th>
<th>Annual Rent</th>
<th>Average Household Income³</th>
<th>Total Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Rate Units</td>
<td>445</td>
<td>423</td>
<td>$3,067</td>
<td>$36,804</td>
<td>$94,369</td>
<td>$39,894,592</td>
</tr>
<tr>
<td>Rent-Controlled Units</td>
<td>160</td>
<td>152</td>
<td>$1,329</td>
<td>$15,952</td>
<td>$55,915</td>
<td>$8,499,080</td>
</tr>
<tr>
<td>Total</td>
<td>605</td>
<td>575</td>
<td>$2,607</td>
<td>$31,289</td>
<td></td>
<td>$48,393,672</td>
</tr>
</tbody>
</table>

[2] Weighted average rent across studio, 1-bedroom, 2-bedroom, 3-bedroom, and 4-bedroom units.
[3] Assumes that rental costs are 39 percent of total household income for market rate units (Bay Area Burden, ULI). Incomes for rent-controlled units assumes median household income for Block 4003, Block Group 4, Census Tract 6121 (ACS 2013-2017).

Sources: American Community Survey (2013-2017); CoStar Group; City of East Palo Alto Inclusionary Housing Ordinance; HCD Income Limits; Economic & Planning Systems, Inc.

To identify taxable retail expenditures made by project households, the analysis identifies and isolates taxable retail spending from total household spending. The analysis estimates that for market-rate units, households spend approximately 26 percent of gross household income on taxable retail purchases. Households in the rent-stabilized units spend an estimated 34 percent of gross income on taxable retail purchases. To account for East Palo Alto’s capture of these taxable sales, the analysis estimates that 5 percent of that spending occurs within the City. Per-household taxable spending in East Palo Alto is multiplied by occupied project units to determine average annual taxable sales.

The Fiscal Impact of Existing Uses section of this memorandum considers the baseline sales tax revenue associated with the current assessed value of the site. Ultimately, the analysis identifies that rent-stabilized units do not contribute to the net impact on sales tax revenue. The analysis assumes that the current residents will return to new rent-stabilized units and that their contributions to local sales tax revenue remain unchanged.

On-Site Retail Sales

On-site retail sales are based on a taxable sales factor of $350 per square foot of retail space. To avoid double counting, EPS assumes that 20 percent of resident spending on taxable retail in East Palo Alto occurs at the on-site retail. After netting out this resident spending (already

3 Block 4003, Block Group 4, Census Tract 6121, American Community Survey (2013-2017 5-year estimate).
counted) from the on-site sales total, the additional on-site taxable retail sales are estimated at about $1.6 million.

Table 9  Retail Sales Tax Revenue

<table>
<thead>
<tr>
<th>Sales Tax Sources and Estimating Factors</th>
<th>Assumptions/Estimating Factors</th>
<th>Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Rate Units - Household Retail Spending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Household Income¹</td>
<td>$94,369 per household</td>
<td></td>
</tr>
<tr>
<td>Household Expenditure on Taxable Sales²</td>
<td>$24,536 per household</td>
<td></td>
</tr>
<tr>
<td>Occupied Residential Units</td>
<td>423 units</td>
<td></td>
</tr>
<tr>
<td>Market Rate Units - Household Retail Spending</td>
<td></td>
<td>$10,372,594</td>
</tr>
<tr>
<td>Retail Sales in East Palo Alto³</td>
<td>5.0% City capture rate</td>
<td>$518,630</td>
</tr>
<tr>
<td>Rent-Controlled Units - Household Retail Spending</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Household Income¹</td>
<td>$55,915 per household</td>
<td></td>
</tr>
<tr>
<td>Household Expenditure on Taxable Sales²</td>
<td>$19,011 per household</td>
<td></td>
</tr>
<tr>
<td>Occupied Residential Units</td>
<td>152 units</td>
<td></td>
</tr>
<tr>
<td>Rent-Controlled Household Retail Spending</td>
<td></td>
<td>$2,889,687</td>
</tr>
<tr>
<td>Sources: Woodland Park Communities; City of East Palo Alto</td>
<td></td>
<td>$144,484</td>
</tr>
<tr>
<td></td>
<td>5.0% City capture rate</td>
<td></td>
</tr>
<tr>
<td>On-Site Retail Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Retail Space</td>
<td>5,000 square feet</td>
<td></td>
</tr>
<tr>
<td>Taxable Retail Sales</td>
<td>$350 per sq. ft.</td>
<td>$1,750,000</td>
</tr>
<tr>
<td>(Less) Project Resident and Employee Expenditures⁴</td>
<td></td>
<td>-$132,623</td>
</tr>
<tr>
<td>Net Additional Taxable Sales from Project Retail</td>
<td></td>
<td>$1,617,377</td>
</tr>
<tr>
<td>Total Taxable Retail Sales</td>
<td></td>
<td>$2,280,491</td>
</tr>
<tr>
<td>General Fund Sales Tax Revenue</td>
<td>1.45% of taxable sales</td>
<td>$33,067</td>
</tr>
</tbody>
</table>

[1] See Table 8 for household income calculations.

Sources: International Council of Shopping Centers (2012); BLS Consumer Expenditure Survey (2017); Economic & Planning Systems, Inc.
Other General Fund Revenues

In addition to the revenues described above, other taxes and fees are estimated to be generated by the project. This analysis uses an average revenue approach derived from City budget documents to forecast new franchise fee revenues generated by commercial activity and utility users tax revenues generated for charges for services on increased resident and employee utility usage. Table 10 presents forecasting assumptions and revenue estimates.

The project will also generate revenues through licenses, fees, and permits. The City of East Palo Alto charges a business license fee on all entities doing business in the City, including landlords, based on the City’s Annual License Fee Schedule. Furthermore, the City collects fees through Measure O to help fund programs for affordable housing and alleviate displacement and homelessness. Under Measure O, landlords with five or more residential rental units are subject to a 1.5 percent tax on gross rental receipts. The tax is levied beginning ten years after issuance of a certificate of occupancy for the units (CoO). Woodland Park LLC currently pays approximately $38,300 to the City for the 160 units under Measure O. Table 10 shows the revenues at project stabilization (year 3), when the project would still be exempt from Measure O. In year 11, ten years after certificate of occupancy is granted, the annual amount for Measure O is estimated to be about $270,000 (see Table 14).

The current apartments are subject to an additional Rental Stabilization Ordinance Fee (RSO fee), which charges a City-established fee ($222 per unit for FY 2018-2019) on units built before 1988. Because Woodland Park communities would replace the existing rent-control units, the project would continue to be subject to the registration fee for the rent-controlled units. This amount is estimated to be $35,520 for the current 160 units in the analysis of baseline conditions and is assumed to remain unchanged under the proposed conditions. The estimates in Table 10 reflect continued RSO fee payment.

Table 10 Revenue from Other Taxes and Fees

<table>
<thead>
<tr>
<th>Other Revenue Sources</th>
<th>Estimating Factor</th>
<th>Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franchise Fees</td>
<td>$28.52 per capita service population</td>
<td>$34,706</td>
</tr>
<tr>
<td>Utility Users Tax</td>
<td>$47.91 per capita service population</td>
<td>$58,300</td>
</tr>
<tr>
<td>Licenses, Fees, and Permits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business License (^1)</td>
<td>per Annual License Fee Schedule</td>
<td>$9,936</td>
</tr>
<tr>
<td>Measure O (^2)</td>
<td>1.5% gross rental receipts</td>
<td>$0</td>
</tr>
<tr>
<td>Rent Stabilization Ordinance Fee</td>
<td>$222 per unit</td>
<td>$35,520</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$45,456</strong></td>
</tr>
</tbody>
</table>

\(^{1}\) Assumes Woodland Park LLC earns annual gross receipts over $10,000,000. The amount shown is proportional to the number of units in this section of Woodland Park apartments (160 of 1,842) plus fee attributable to the 445 new units per the City fee schedule.

\(^{2}\) Applies to both baseline and the proposed project. Proposed project is exempt for first 10 years (excluded from summary above, see Table 14). Measure O (2016) is a 1.5 percent Business License Tax on Gross Receipts on owners of five or more residential units after 10 years from issuance of certificate of occupancy.

Sources: City of East Palo Alto; Economic & Planning Systems, Inc.
General Fund Expenditures

This fiscal analysis estimates the costs attributable to population and employment growth by characterizing how expenses will change for each City department. For some departments, population and employment growth in the City will not dramatically alter operations. For example, administrative functions in the City are not likely to scale up significantly to accommodate new projects. Alternatively, departments that provide services directly to residents and businesses likely will increase their operations and associated costs to accommodate new population.

It is important to note that a range of external factors may influence City responses to growth and cost effects in the future. Examples of factors that are beyond the control of the City and its departments that may act to magnify or reduce department costs over time include:

- regional growth;
- technology;
- state and federal policies; and
- environmental factors.

This study does not speculate regarding the potential effects of such exogenous influences on the General Fund expense budget. The analysis focuses only on those factors attributable directly to the population growth, employment growth, and land use changes generated by the proposed project.

The fiscal analysis model relies on a categorization of the likely budgetary response to population and employment growth for each department. The anticipated response to growth is expressed for fiscal modeling purposes in terms of “fixed expenses” and “variable expenses” within the department budget.

The fixed expenses are the portion of a City department’s budget which is not affected by population and employment growth. Even a department which is anticipated to grow largely in step with the City’s service population likely would have some fixed cost. For example, in most cases each department has only one director position, which is a fixed expense for the department. While the department may increase staffing to accommodate growth, the department will not add another director.

The variable expenses of a department are those that do increase with growth. As the City’s populations expand, increased demand for services requires some departments to scale up their operations to meet new demand. The analysis identifies the portion of a department’s budget that scales up as the variable share of the budget.

EPS uses a per-capita cost approach to estimate department costs attributable to new residents and workers. The variable portion of each department budget is used to determine the per-capita cost, as shown in Table 11. To determine the new General Fund expenditures attributable to the proposed project, the per-capita factors are multiplied by the projected increase in service population or resident population of the project, as appropriate. The proposed project is not expected to generate capital and technology, overhead, debt service, and other non-departmental expenditures.
Table 11 FY 2017-2018 Expenditure Budget Summary and Fiscal Impact Estimating Factors

<table>
<thead>
<tr>
<th>General Fund Expenditures</th>
<th>FY 2017-2018 Total</th>
<th>Percent Variable</th>
<th>Estimating Factors³</th>
<th>General Fund Expense Estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Government¹</td>
<td>$3,686,040</td>
<td>15%</td>
<td>$16.61 per capita service population</td>
<td>$20,210</td>
</tr>
<tr>
<td>Finance</td>
<td>$1,051,380</td>
<td>15%</td>
<td>$4.74 per capita service population</td>
<td>$5,764</td>
</tr>
<tr>
<td>Community Development</td>
<td>$1,987,695</td>
<td>80%</td>
<td>$47.77 per capita service population</td>
<td>$58,123</td>
</tr>
<tr>
<td>Public Works</td>
<td>$2,778,510</td>
<td>50%</td>
<td>$41.73 per capita service population</td>
<td>$50,779</td>
</tr>
<tr>
<td>Police</td>
<td>$11,121,800</td>
<td>90%</td>
<td>$300.68 per capita service population</td>
<td>$365,866</td>
</tr>
<tr>
<td>Other²</td>
<td>$996,785</td>
<td>-</td>
<td>- not estimated</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total General Fund Expenditures</strong></td>
<td><strong>$21,622,210</strong></td>
<td></td>
<td></td>
<td><strong>$500,742</strong></td>
</tr>
</tbody>
</table>

[1] Includes City Council, City Attorney, City Clerk, City Manager, and Administrative Services.  
[2] Includes capital and technology, overhead, debt service, and other non-departmental expenditures.  

Sources: City of East Palo Alto Adopted Budget FY 17-18; Economic & Planning Systems, Inc.
Fiscal Impact of Proposed Project

The analysis estimates that the proposed development will generate an annual fiscal impact of about $1.21 million, increasing to $1.48 million in year 11. Table 12 details the fiscal impact of the proposed project on the City of East Palo Alto’s General Fund, with forecasted revenues and expenditure estimates based on the methodology described above.

Table 12 Fiscal Impact of Proposed Uses

<table>
<thead>
<tr>
<th>Revenue/Expense Category</th>
<th>Proposed Project at Stabilization</th>
<th>Proposed Project at Year 11</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>$1,091,000</td>
<td>$1,091,000</td>
</tr>
<tr>
<td>Property Tax In-Lieu of VLF</td>
<td>$452,000</td>
<td>$452,000</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$33,000</td>
<td>$33,000</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>$35,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Utility Users Tax</td>
<td>$58,000</td>
<td>$58,000</td>
</tr>
<tr>
<td>Licenses, Fees, and Permits</td>
<td>$45,000</td>
<td>$315,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$1,715,000</strong></td>
<td><strong>$1,985,000</strong></td>
</tr>
<tr>
<td>General Fund Expenditures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Finance</td>
<td>$6,000</td>
<td>$6,000</td>
</tr>
<tr>
<td>Community Development</td>
<td>$58,000</td>
<td>$58,000</td>
</tr>
<tr>
<td>Public Works</td>
<td>$51,000</td>
<td>$51,000</td>
</tr>
<tr>
<td>Police</td>
<td>$366,000</td>
<td>$366,000</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$501,000</strong></td>
<td><strong>$501,000</strong></td>
</tr>
<tr>
<td><strong>ANNUAL FISCAL IMPACT ON GENERAL FUND</strong></td>
<td><strong>$1,215,000</strong></td>
<td><strong>$1,484,000</strong></td>
</tr>
</tbody>
</table>

[1] Licenses, Fees, and Permits revenue excludes Measure O revenue for Project scenario as it applies starting 10 years from issuance of certificate of occupancy.
Fiscal Impact of Existing Uses (Baseline Analysis)

In order to quantify the fiscal impact of the existing apartment complex, the same fiscal methodology is applied to the current land use program. The site currently is occupied by 160 rent-stabilized housing units. The existing housing provides a positive fiscal impact to the City’s General Fund of about $126,000 per year, as shown in Table 13.

Table 13 Fiscal Impact of Existing Uses

<table>
<thead>
<tr>
<th>Revenue/Expense Category</th>
<th>Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Fund Revenues</strong></td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>$111,000</td>
</tr>
<tr>
<td>Property Tax In-Lieu of VLF</td>
<td>$46,000</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>$2,000</td>
</tr>
<tr>
<td>Franchise Fees</td>
<td>$9,000</td>
</tr>
<tr>
<td>Utility Users Tax</td>
<td>$15,000</td>
</tr>
<tr>
<td>Licenses, Fees, and Permits(^1)</td>
<td>$76,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$258,000</td>
</tr>
</tbody>
</table>

| **General Fund Expenditures** |          |
| General Government          | $5,000   |
| Finance                     | $2,000   |
| Community Development       | $15,000  |
| Public Works                | $13,000  |
| Police                      | $96,000  |
| Other                       | -        |
| **Total Expenditures**      | $132,000 |

**ANNUAL FISCAL IMPACT ON GENERAL FUND**

$126,000

\(^1\) Fiscal impact estimates are presented as an annual number at stabilization (by Year 3). Additional revenues as a result of Measure O start Year 11; see Table 14 for yearly fiscal impact schedule.
Net Fiscal Impact

The Euclid Improvements project will result in an annual net fiscal benefit to the City of East Palo Alto General Fund beginning in year 1. This analysis estimates that the net annual fiscal impact of the proposed project on the City’s General Fund is approximately $1.09 million at project stabilization (year 3). After Measure O revenue commences in year 11, the project’s estimated net fiscal impact increases to $1.36 million per year. The cumulative net impact of the project is estimated at $2.05 million in year three, $9.68 million in year 10, and over $23.26 million in year 20, as shown under “Baseline v. Project Comparison” in Table 14.

Other Fiscal Benefits

One-time development impact fees paid by the project developer could total roughly $15 million. The City of East Palo Alto currently charges development impact fees including a (1) Parks and Trails fee, (2) Public Facilities fee, (3) Transportation Infrastructure fee, (4) Storm Drainage fee, (5) Water Capacity Fee, and (6) Residential Impact fee. Based on the City’s most recent fee schedule (effective July 2019), the total development impact fees are estimated at $33,166 per unit. Assuming that Woodland Park Communities pays impact fees on the net new units delivered by the project, roughly $15 million would be generated for City capital improvement programs.

---

4 City of East Palo Alto City-wide Development Impact Fee Program, Community and Economic Development Department, Engineering Division
### Table 14 Net Fiscal Impact Schedule Years 1-20

<table>
<thead>
<tr>
<th>Year</th>
<th>Baseline</th>
<th>Project</th>
<th>Baseline v. Project Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent Stabilized</td>
<td>Total Fiscal Impact</td>
<td>Cumulative</td>
</tr>
<tr>
<td>1</td>
<td>100%</td>
<td>$126,000</td>
<td>$126,000</td>
</tr>
<tr>
<td>2</td>
<td>100%</td>
<td>$126,000</td>
<td>$252,000</td>
</tr>
<tr>
<td>3</td>
<td>100%</td>
<td>$126,000</td>
<td>$378,000</td>
</tr>
<tr>
<td>4</td>
<td>100%</td>
<td>$126,000</td>
<td>$504,000</td>
</tr>
<tr>
<td>5</td>
<td>100%</td>
<td>$126,000</td>
<td>$630,000</td>
</tr>
<tr>
<td>6</td>
<td>100%</td>
<td>$126,000</td>
<td>$756,000</td>
</tr>
<tr>
<td>7</td>
<td>100%</td>
<td>$126,000</td>
<td>$882,000</td>
</tr>
<tr>
<td>8</td>
<td>100%</td>
<td>$126,000</td>
<td>$1,008,000</td>
</tr>
<tr>
<td>9</td>
<td>100%</td>
<td>$126,000</td>
<td>$1,134,000</td>
</tr>
<tr>
<td>10</td>
<td>100%</td>
<td>$126,000</td>
<td>$1,260,000</td>
</tr>
<tr>
<td>11</td>
<td>100%</td>
<td>$126,000</td>
<td>$1,386,000</td>
</tr>
<tr>
<td>12</td>
<td>100%</td>
<td>$126,000</td>
<td>$1,512,000</td>
</tr>
<tr>
<td>13</td>
<td>100%</td>
<td>$126,000</td>
<td>$1,638,000</td>
</tr>
<tr>
<td>14</td>
<td>100%</td>
<td>$126,000</td>
<td>$1,764,000</td>
</tr>
<tr>
<td>15</td>
<td>100%</td>
<td>$126,000</td>
<td>$1,890,000</td>
</tr>
<tr>
<td>16</td>
<td>100%</td>
<td>$126,000</td>
<td>$2,016,000</td>
</tr>
<tr>
<td>17</td>
<td>100%</td>
<td>$126,000</td>
<td>$2,142,000</td>
</tr>
<tr>
<td>18</td>
<td>100%</td>
<td>$126,000</td>
<td>$2,268,000</td>
</tr>
<tr>
<td>19</td>
<td>100%</td>
<td>$126,000</td>
<td>$2,394,000</td>
</tr>
<tr>
<td>20</td>
<td>100%</td>
<td>$126,000</td>
<td>$2,520,000</td>
</tr>
</tbody>
</table>

[1] Net fiscal impact accounts for 5% residential vacancy.

Source: Economic & Planning Systems
Economic Impact Analysis

This section evaluates the proposed project’s ongoing economic impact in the local economy using project data and the IMPLAN “Input/Output” (I/O) model of the local economy. The economic impacts calculated here are those that can be directly linked to proposed project operational expenditures and retail sales attributable to the proposed project. Using IMPLAN, local expenditures are analyzed to determine associated economic metrics such as direct employment, employee compensation, and value added (a metric comparable to GDP) supported by the project. The economic impact analysis also evaluates indirect and induced economic impacts, which are “multiplier” or “ripple” effects in the local economy.

Framework and Approach

I/O analysis is premised on the concept that industries in a geographic region are interdependent and thus the total contribution of any one establishment’s activity is larger than its individual (direct) output and/or employment. Consequently, an establishment’s economic activity has a “multiplier” effect that generates successive rounds of spending and output in other economic sectors within a particular region. For example, consider the implications of operating expenditures made by a property manager. Building operations stimulate purchases of goods and services, who in turn purchase raw materials from suppliers. Thus, an increase/decrease in the demand for these goods and services will generate an increase/decrease in output and employment in the interdependent secondary industries.

Regional economic impact analysis and I/O models in particular provide a means to quantify economic effects stemming from a particular industry or economic activity. Specifically, I/O models produce quantitative estimates of the magnitude of regional economic activity resulting from some initial activity, in this case spending on apartment management activities and retail. I/O models rely on economic multipliers that mathematically represent the relationship between this initial change in one sector of the economy and the effect of that change on economic output, employment, and income in other industries. These economic data provide a quantitative estimate of the magnitude of shifts in jobs and revenues within a regional or state economy.

The initial revenue injections into the economy from the project are referred to as the direct effect. The I/O model quantifies the impacts associated with the ripple or multiplier effects that result from this initial round of spending. The ripple effects are categorized as indirect or induced effects. Indirect effects represent economic impacts on suppliers while induced effects represent economic impacts on household income and spending. In this report, direct, indirect, and induced effects are defined as follows:

- The **Direct Effect** is a measure of the economic value of the initial injection of spending into the economy, including one-time construction spending and recurring expenditures to operate the project.

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5 IMPLAN is an Input-Output modeling system (software and data) developed by the Minnesota IMPLAN Group, and is widely used in the U.S. for estimating economic impacts across a wide array of industries and economic settings. IMPLAN draws upon data collected from several state and federal sources, including the Bureau of Economic Analysis, Bureau of Labor Statistics, and the Census Bureau. For the purposes of this economic impact analysis the “local” economy is defined as San Mateo County.
The **Indirect Effect** is a measure of the economic value of “upstream” industry-to-industry transactions that supply inputs to the production of goods and services consumed by the new project.

The **Induced Effect** is a measure of the economic value of labor income that re-circulates in the economy as a result of the initial revenue made by the project. This would relate to the spending of the project’s employees.

The **Total Impact** is the sum of the direct, indirect, and induced effects. The total impact measures the overall impact of the project’s activities on the economy.

This report measures economic significance using common economic metrics, including employment, employee compensation, output, and value added, as defined below.

- **Employment** is equivalent to jobs, a headcount that includes part-time and full-time workers.
- **Employee Compensation** represents payments to labor in the form of both income and fringe benefits paid by the employer (e.g., health, retirement), as well as proprietor income.
- **Value Added** represents a contribution to gross regional product and equals the market value of the final goods and services produced within a particular region. Value added is equal to economic output less the value of intermediate goods and services.
- **Economic Output** represents a measure of economic activity, calculated as production value including intermediate inputs (i.e., the goods and services used in the production of final products). Output includes spending on employee compensation as well as the production value of each intermediate input, such as equipment, supplies, insurance, rents, utilities, communication.

**One-Time Economic Impacts from Project Construction**

The construction of the proposed project will directly support approximately 1,500 job-years of employment with employee compensation (including benefits) of over $90,000 per year. The average number of jobs supported by the project each year depends on the construction timeline. If the entire project is developed in over a three-year period, the project would support an average of about 500 jobs during each of the years of construction activity.

Total economic impacts reflect an input/output analysis based on current San Mateo County economic data. The total one-time economic impact of project construction, including direct effects and indirect/induced multiplier effects, is estimated at about $459 million. The project could support over 2,300 job-years in San Mateo County during the construction period.
Table 15 One-Time Economic Impact for Construction Activity

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Jobs</th>
<th>Employee Compensation</th>
<th>Value Added¹</th>
<th>Total Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>1,500</td>
<td>$139,135,000</td>
<td>$188,611,000</td>
<td>$320,000,000</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>450</td>
<td>$33,047,000</td>
<td>$49,056,000</td>
<td>$71,412,000</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>400</td>
<td>$26,385,000</td>
<td>$45,924,000</td>
<td>$67,424,000</td>
</tr>
<tr>
<td>Total Effect</td>
<td>2,350</td>
<td>$198,567,000</td>
<td>$283,591,000</td>
<td>$458,836,000</td>
</tr>
</tbody>
</table>

¹ Comparable to gross domestic product (GDP).

Sources: IMPLAN; Economic & Planning Systems, Inc.

Recurring Economic Impacts from Project Operations

Building operations, including administration and maintenance, is anticipated to cost approximately $5.7 million per year. This estimate derives from the current operating budget for Woodland Park overall, with a per-unit budget derived and applied to the 605 units in the proposed program. In addition, the project is responsible for about $2.3 million in retail spending within the City of East Palo Alto. After accounting for sales leakage from the local economy (e.g., taxes, goods sold locally but produced elsewhere), this analysis estimates that the proposed project will directly support approximately $6.3 million in economic output and 99 direct jobs locally. Including indirect and induced effects, the project will support approximately $9.6 million in economic activity annually. After accounting for the economic significance of the existing uses on site, the net effect of the proposed project is about $6.7 million per year, with over 80 jobs added in the local economy. Table 16 presents estimated recurring annual economic impacts attributable to the proposed project.
Table 16 Annual Economic Impact at Project Buildout

<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Jobs</th>
<th>Employee Compensation</th>
<th>Value Added¹</th>
<th>Total Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>99</td>
<td>$4,675,000</td>
<td>$7,650,000</td>
<td>$6,266,000</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>7</td>
<td>$565,000</td>
<td>$866,000</td>
<td>$1,274,000</td>
</tr>
<tr>
<td>Induced Effect</td>
<td>12</td>
<td>$807,000</td>
<td>$1,404,000</td>
<td>$2,063,000</td>
</tr>
<tr>
<td>Total Economic Impact</td>
<td>119</td>
<td>$6,047,000</td>
<td>$9,920,000</td>
<td>$9,603,000</td>
</tr>
<tr>
<td>Baseline</td>
<td>37</td>
<td>$1,885,000</td>
<td>$3,092,000</td>
<td>$2,925,000</td>
</tr>
<tr>
<td>Net Economic Impact</td>
<td>82</td>
<td>$4,162,000</td>
<td>$6,828,000</td>
<td>$6,678,000</td>
</tr>
</tbody>
</table>

¹ Comparable to gross domestic project (GDP).

Sources: IMPLAN; Economic & Planning Systems, Inc.

Employment Opportunities for Local Residents

The proposed project will create new job opportunities in a range of industries that already are present in the local economy and in occupations that span the full spectrum of educational and professional requirements. By adding to the City of East Palo Alto’s housing stock and enhancing local retail, the proposed project supports marginal growth in already well-developed economic sectors. Accordingly, the local economy is well equipped to provide the necessary direct and indirect inputs to supply, including services from vendors and new employees. Furthermore, the industries that are positively impacted by the project require employment in an array of occupations that support a diversity of employee qualifications, with typical entry-level educations ranging from no high school diploma (e.g., landscaping jobs) to some college (e.g., bookkeeping jobs). In addition, these occupations also provide opportunities for advanced members of the labor force, with occupations in property management and real estate providing noteworthy opportunities for college graduates and those with advanced degrees.

Overall, the job opportunities created by the proposed project appear well aligned with the educational characteristics of workers residing in East Palo Alto, where over 32 percent of working residents do not have a high school degree but nearly 20 percent have a college or higher degree. Table 17 presents a selection of key occupations that will be supported by the project and the educational attainment of workers in each. In this table, the typical entry-level education for each occupation is denoted with a box. Table 18 presents the educational attainment distribution of working residents in East Palo Alto. Generally consistent with the educational attainment distribution in the city, the key occupations needed to support the proposed project require a range of workers types, including those with minimal educational attainment as well as those with various educational degrees.
Table 17 Distribution of Educational Attainment for Selected Representative Occupations Related to the Project
(Percent of Workers in Occupation, National)

<table>
<thead>
<tr>
<th>Selected Representative Occupations† ‡</th>
<th>Less than High School Diploma</th>
<th>High School Diploma or Equivalent</th>
<th>Some College, No Degree</th>
<th>Associate’s Degree</th>
<th>Bachelor’s Degree</th>
<th>Master’s Degree or Greater</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, real estate, and community association managers</td>
<td>4.6</td>
<td>18.6</td>
<td>25.5</td>
<td>9.0</td>
<td>31.2</td>
<td>11.1</td>
</tr>
<tr>
<td>Real estate sales agents</td>
<td>1.4</td>
<td>12.7</td>
<td>26.6</td>
<td>10.1</td>
<td>37.5</td>
<td>11.6</td>
</tr>
<tr>
<td>Bookkeeping, accounting, and auditing clerks</td>
<td>3.5</td>
<td>27.7</td>
<td>38.8</td>
<td>10.6</td>
<td>16.4</td>
<td>3.1</td>
</tr>
<tr>
<td>Building cleaning workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscaping and groundskeeping workers</td>
<td>35.4</td>
<td>14.6</td>
<td>4.4</td>
<td>6.7</td>
<td>1.1</td>
<td></td>
</tr>
<tr>
<td>First-line supervisors of retail sales workers</td>
<td>29.5</td>
<td>25.7</td>
<td>13.4</td>
<td>21.1</td>
<td>5.7</td>
<td></td>
</tr>
<tr>
<td>Retail salespersons</td>
<td>29.1</td>
<td>27.6</td>
<td>10.2</td>
<td>21.6</td>
<td>4.7</td>
<td></td>
</tr>
<tr>
<td>Maintenance and repair workers</td>
<td>42.7</td>
<td>26.5</td>
<td>11.4</td>
<td>6.1</td>
<td>0.8</td>
<td></td>
</tr>
</tbody>
</table>

[2] Boxed section for each occupation represents typical educational attainment for an entry-level position (BLS).
Table 18  Educational Attainment in East Palo Alto

<table>
<thead>
<tr>
<th>Educational Attainment</th>
<th>Percent of Total¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 9th grade</td>
<td>22%</td>
</tr>
<tr>
<td>9th to 12th grade, no diploma</td>
<td>10%</td>
</tr>
<tr>
<td>High school graduate (includes equivalency)</td>
<td>27%</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>19%</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>4%</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>11%</td>
</tr>
<tr>
<td>Graduate or professional degree</td>
<td>7%</td>
</tr>
</tbody>
</table>

¹ Educational attainment for workers 25 years and older in East Palo Alto.

6. Community Involvement Strategy

Date: September 18, 2019

To: Mike Kramer (Woodland Park Communities)

From: Liz Ogbu (Studio O) and Emily Weinstein (Emily Weinstein Consulting)

Subject: Community Involvement Strategy Report

Introduction

Just over three years ago, Woodland Park Communities, an affiliate of Sand Hill Property Company, acquired the Woodland Park Apartments in East Palo Alto. As a local, family owned business with a long-term approach, they are committed to the East Palo Alto community and increasing the quality of life for their tenants. As part of this commitment, in 2017, Woodland Park Communities engaged two social impact firms, Studio O and Emily Weinstein Consulting to provide ongoing strategic guidance.

Woodland Park Communities has a deep understanding of the history of the Westside of East Palo Alto and the harmful legacy of the previous property owners. Working with Studio O and Emily Weinstein Consulting (refer to page 78 for more specific information about the team), they have committed to helping rebuild the trust of their tenants by listening and responding to tenants’ needs and launching new community building efforts. As Woodland Park Communities determined there was a need to improve housing and replace certain buildings, this commitment extended to engaging in a community informed planning process for both short- and long-term property improvements, including committing to a No Displacement approach.

This report details our approach to community engagement and the community involvement strategy from 2017 to now, including the strategy around the Euclid Improvements. Specific data around the type of engagement efforts and the number of participants in these efforts can be found on page 74. We and Woodland Park Communities expect to continue the robust community involvement strategy into the future.

Community Engagement Approach at Woodland Park

We know that community engagement tends to have limited effectiveness when it is done as short-term community outreach. Our work with Woodland Park Communities has been rooted in a commitment to relational – as opposed to transactional – outreach rooted in the creation of long-term partnerships with Woodland Park tenants and East Palo Alto residents and organizations. We believe that this is critical to ensuring meaningful improvements to the quality of life on the Westside. This commitment is not just for the sake of the Euclid Improvements application; it is something that Woodland Park Communities has prioritized since they acquired the property and that we have been working to support on an ongoing basis.
Led by Liz Ogbu and Emily Weinstein and a team of full time, bilingual community engagement staff located on the site, the Woodland Park community engagement approach takes into account the following fundamental principles:

- Listen
- Repair community relationships
- Foster trust
- Create opportunities for community building
- Engage around community informed plans

**Listen**

In the winter of 2017, Woodland Park Communities embarked on a series of tenant listening sessions. These listening sessions, of approximately 10-15 tenants provided an opportunity for Woodland Park Communities to learn more about its tenants, their daily habits, their aspirations and their needs in a small group setting. In total, the community engagement staff met with nearly 150 tenants over a three-month period.

In response to the success of the listening sessions, Woodland Park Communities launched monthly “cafeitos,” small morning or afternoon get togethers located in key gathering areas on site. People gather to meet over light refreshments with the Community Engagement Manager to share their ideas and concerns for the property, and learn more about what is happening on site. These monthly gatherings help create an open dialogue between tenants, property management and Woodland Park Communities.

In an effort to continue to listen to tenants and better understand how to respond to their needs, Woodland Park Communities hosts regular community dinners, focused on specific themes such as safety, public spaces, youth and family programming, the future of the Westside, etc. At all the community dinners participants divide up into facilitated discussion groups to ensure collaboration and authentic conversations. It also enables the opportunity for a broader diversity of voices to be heard. We understand that people have different preferences in how to best express their thoughts, so feedback is captured through a variety of tools including comment cards, interactive activities, dot voting, post-its and facilitation guides.

**Repair Community Relationships**

Based on input from tenants it became clear that the relationship between property management and the tenants was strained in part by a lack of cultural competency and sensitivity around language and cultural needs. As a result, Woodland Park Communities hired new Spanish speaking management staff as well as a new security company with bilingual security guards. The change to bilingual staff has allowed property management to be more responsive to tenants needs and create a more welcoming environment for tenants. The change to a bilingual security company has provided a safer environment for tenants.

In addition to improved on-site relationships, Woodland Park Communities has prioritized forging strong relationships with East Palo Alto-based organizations to improve access to programs and services on the Westside and to improve relationships between property ownership and important community institutions. Our team has worked with Woodland Park Communities to provide on-site programs in
partnership with community organizations, including the East Palo Alto Family YMCA, EPACENTER Arts, Fresh Approach, the East Palo Alto branch of the San Mateo County Libraries, and the Peninsula Humane Society and SPCA. To further support this work, the Woodland Park Communities Foundation was created. It is dedicated to funding local non-profit organizations. To date, the Foundation has given more than 30 grants to local organizations and events.

**Foster Trust**

Fostering a sense of trust between Woodland Park Communities and the tenants is crucial given the historical tension between the community and previous property owners, and tenants’ concerns about housing affordability and gentrification. From the beginning, Woodland Park Communities has been clear about their commitment to **No Displacement** and backed up this commitment by communicating regularly and consistently and putting everything in writing. We’ve supported Woodland Park Communities in creating a variety of communication materials in Spanish and English including a quarterly newsletter, Frequently Asked Questions, Relocation Commitments for the Euclid Improvements, and Project Handouts.

Additionally, Woodland Park Communities has created Core Principles based on feedback from the engagement process. These principles are intended to respond to the community’s fears around real estate development and ensure that the commitments are well understood by the community. The Core Principles have been emphasized in all written materials:

1. No Displacement
2. Preserve Housing Affordability + Stability*
3. Community Informed Plan
4. Better Parking and Mobility
5. Safer, Healthier Buildings

*This is a new core principle that we’ve added in Summer 2019 based on community feedback during the Pre-Application process.

**Create Opportunities for Community Building**

A key component of fostering a healthy community is community building. A connected community is a stronger community. And early conversations with tenants revealed a strong desire for more places in which people could come together. Woodland Park Communities has understood that it has an important role to play in providing opportunities for community to come together, and so an important part of the community involvement strategy has been to come up with and implement events and spaces in which that could occur.

From early in its tenure, Woodland Park Communities has hosted events regularly throughout the property. In particular, it has utilized a large site at Newell Street and West Bayshore Road to host quarterly free events for tenants, from Fall Harvest Festivals to an annual Back-to-School event. Additional events/activities including holiday celebrations, summer kick-offs, community resource fairs, and monthly bookmobile visits have been part of the amenities that Woodland Park Communities, led by the Community Engagement Team, has put in place.
In addition to particular activities, shaping temporary spaces that can support community building has also been an important part of the community involvement strategy. There is no park on the Westside of East Palo Alto. What’s more, other spaces that could help foster healthy living and safe play are located on the east side of the City. Early engagement activities like the Listening Sessions revealed that many tenants desired places to be healthy and active, gather with family and friends, and know that their children could play safely, all that were closer to their homes.

Together with Woodland Park Communities, we identified two underdeveloped spaces that could be converted into temporary popup community spaces. These two sites were co-designed with tenants through interactive activities across several community dinners and events. Since their opening, Boom Pop Park (corner of Donohoe Street and West Bayshore Boulevard; opened September 2018) and Bridge Pop Park (corner of Newell Street and West Bayshore Road; opened August 2019) have been wildly successful. They have also become staging grounds, along with the Cabana on Newell, for a similarly successful partnership with the YMCA, which provides classes at no cost to participants in yoga, Zumba, and boot camp at the sites 5 times a week. In short, there are now places close to tenants’ homes in which to play safely, exercise, and gather.

Engage around community informed plans

The Woodland Park buildings are between 50 and over 100 years old. Though Woodland Park Communities has been making incremental improvements, it has become clear that maintenance and small-scale improvements alone won’t be enough to keep up the buildings and the shared spaces at the high quality that the community deserves. In Summer 2018, Woodland Park Communities began a process of exploring the redevelopment of buildings known as the Euclid Improvements. Since then, our team has helped to establish a dialog between Woodland Park Communities and the Improvement Area tenants, the broader Woodland Park community, and other local stakeholders that focused in particular on a review and discussion of the Westside Area Plan, the development and fulfillment of Core Principles for the project, and key components for the Euclid Improvements. Throughout this process and moving forward, the hope is to make improvements in a way that improves the quality of life for the Improvement Area tenants, all Woodland Park tenants, and the wider East Palo Alto community.

Working from the Core Principles (noted above) we have worked with the tenants to create a preliminary plan for the Euclid Improvements. The plan has included a process for co-creating Relocation Commitments with tenants living in the Euclid Improvement area and community design meetings to influence the Euclid Improvement program and design. Below is a description of these meetings and the main takeaways.

Co-created Relocation Commitments

As noted earlier, fostering trust has been a critical aspect of the community involvement work. We all know that conversations about redevelopment often trigger fears of displacement. From the beginning, Woodland Park Communities has committed to No Displacement, but it also understands that building trust is an ongoing process. And although a formal relocation plan will be developed and submitted to the City when it comes time for project approval, it was important to start to develop a robust set of relocation commitments now. Therefore, through a series of 4 meetings with Improvement Area tenants, a series of relocation commitments were created, vetted, and refined. (A more detailed breakdown of those
commitments as well as how they were adapted in response to feedback can be found in Section 4 – Tenant Protection and Community Housing Preservation Plan on page 20.)

What we heard: Because of previous owners, tenants may be wary to trust our promises about relocation and No Displacement. Additionally, there is a desire to preserve housing affordability and stability, especially for long-time residents.

What we’re proposing:

- Created Relocation Commitments with input from Improvement Area Tenants
- Will issue all relocation commitments in writing, signed by the ownership
- Have been and will continue to work with the East Palo Alto Rent Board, City staff, Community Legal Services of East Palo Alto, and other stakeholders
- Relocation Commitment highlights include
  - The right to a replacement apartment at Woodland Park during construction and a right of return to the new apartments
  - Guarantees to pay the same rent that they otherwise would be paying and to receive an apartment with the same number of bedrooms
  - Moves by a qualified, insured moving company fully paid for by Woodland Park
- The complete set of relocation commitments can be viewed at [www.nodisplacement.com/commitments/](http://www.nodisplacement.com/commitments/)

Community Design meetings

From the time that the Pre-Application process started in January 2019, and building off of the meetings that occurred in Summer 2018, there have been a series of 4 meetings to engage tenants and the broader East Palo Alto community in a discussion of key components of the design. Features of the project that people were most engaged in shaping included the new park, community space and neighborhood retail, better parking and mobility options, and increased safety. All of these elements have been incorporated into the plans being submitted as part of the application. The input provided by the community greatly improved the design elements being proposed. Below are the main takeaways from the community design meetings and the way in which Woodland Park has incorporated feedback:

- Parking & Getting Around

  What we heard: Tenants and neighbors often find traffic and parking challenging, and alternate transit options tend to be limited and often not convenient.

  How we’re responding:

  - Planning to work with City to perform full traffic study as part of the Environmental Impact Report
  - Will implement a Transportation Demand Management (TDM) Plan with a variety of transportation options, including ride share
  - Working with local agencies to improve transit options and include a new bus stop on site
  - Making it easier and safer to walk and bike through better street design and amenities
  - Seeking parking agreements with local property owners that have surplus parking
Increasing off-street parking with a central garage, and planning to increase on-street parking in partnership with the City

**Neighborhood Parks and Community Spaces + Retail**

*What we heard:* The neighborhood needs more public spaces, including a park that can host a wide variety of activities from kids’ play area and fitness space to a place for tenants to hold parties. There’s also a desire for more neighborhood-serving retail.

*What we’re proposing:*

- Including a neighborhood park as part of the Euclid Improvements
- Providing additional multiple use public spaces to allow for spaces to be used for a greater variety of activities at different times
- Providing flexible and appropriately sized spaces for both community and retail activities
- Designing the community space to open out onto the park to provide greater access to both the community space and the park
- Including neighborhood-serving retail space, with locally focused options like a convenience store, cafe, clinic, or pharmacy.

**Conclusion and Moving Forward**

The result of these efforts has been a deepening of trust between tenants, Woodland Park Communities and property management and a greater understanding of how to improve the quality of life at Woodland Park in a way that is community-centered. Specifically, it has resulted in:

- Co-created Relocation Commitments for the Euclid Improvements
- A Euclid Improvement planning application that reflects responses to community input
- Increased family resources and programming on site
- Two temporary pop up parks for the communities’ enjoyment
- Ongoing communications and community building opportunities

As noted earlier, Woodland Park Communities views ongoing proactive and deep community engagement as fundamental part of existing in this community. Looking forward, Studio O, Emily Weinstein Consulting, and the community engagement team will continue to support that work by maintaining the system of community partnerships, engagement materials, events and spaces. Plans are underway to create a tenant advisory council to provide another mechanism for Woodland Park Communities and tenants to be in dialogue. Furthermore, as it relates to the Euclid Improvements, there will be additional community design meetings to inform and get additional input about the overall design, additional meetings with Improvement Area tenants to inform and get input about more specific elements of the design and development process, participation in relevant public hearings, and stakeholder meetings with key community, city, and regional stakeholders.
Previous and Ongoing Community Engagement

Since Woodland Park Communities purchased the property, they have prioritized community engagement and frequent tenant communications. Below is a partial list of these efforts:

**Staffing**

- Hired bilingual community engagement team, including full time on-site Community Engagement Manager, Teresa Morales, in 2017.
- Expanded community engagement team in 2018.
- Hired 5 community “promotoras” who are tenant leaders who assist with communications and outreach.

**Meetings/Engagement Sessions**

- **Town Hall Meetings.** Four (4) meetings in February 2016 to introduce new ownership, hear tenants’ and neighbors’ concerns, and answer questions.
- **Listening Sessions.** Eighteen (18) focused sessions held between October 2017 and January 2018. We heard from 120 adults and 58 youth. The Listening Sessions offered an intimate setting to better understand tenants’ needs, discuss the issues most pressing to tenants, and create a vision for how Woodland Park can best evolve.
- **Cafecitos.** Twenty (20) small morning gatherings for tenants and neighbors to meet over light refreshments with the Community Engagement Manager and review new materials. They are held monthly both on the north and south sides of University Avenue. To date, we have heard from over 140 adults and 65 youth. The series of cafecitos is ongoing.
- **Community Dinners.** Fourteen (14) catered dinners serving over 900 meals between September 2017 and September 2019. These dinners provided an opportunity for tenants to interact with ownership and management, hear updates about the property, and provide input on programming and improvements, including the Euclid Improvements and the Relocation Commitments. Community dinners will continue be an ongoing feature of our community engagement activities.
- **Community Design Meetings.** Six (6) structured meetings to discuss (a) the future of and vision for the Westside; (b) Westside Area Plan priorities; and (c) concerns and comments on the Euclid Improvements. Approximately 250 unique participants and 950 duplicated participants came to these meetings. The community design meetings will continue throughout the lifetime of the project.
- **Euclid improvement Area Tenant Meetings.** Four (4) meetings were held with the tenants that live within the Euclid Improvement Area buildings. The meetings were focused on co-creating relocation commitments that reinforce Woodland Park Communities commitment to No Displacement and provides an overview of the benefits that tenants will receive through the process. Approximately 90 unique participants and 145 duplicated participants came to these meetings,
- **Information Booths:** Prior to the Euclid Improvement Area Tenant Meetings, Woodland Park Communities held Information Booths throughout the Euclid Improvements area. These booths were...
advertised in advance and allowed tenants to meet with Mike Kramer and Teresa Morales to ask questions, review materials and provide input. Approximately 45 participants came to the information booths.

Community Events

- **Special Events and Festivities.** Fifteen (15) celebrations commemorating seasonal activities. Our latest events have, on average, attracted between 400-500 participants. Examples of these regular events include the beginning of summer, Back to School, and holiday celebrations. These are times for tenants and neighbors to socialize and get to know each other better. At these events, we also invite community organizations to provide resources to tenants and assist in bringing community services to the Westside.

Partnerships and On-Site Programming

- **Fresh Approach.** We collaborate to install community gardens throughout the neighborhood and provide gardening and healthy food education.

- **East Palo Alto Family YMCA.** We partner on a discounted membership program for Woodland Park tenants, free swimming classes for youth, and free weekly exercise classes on-site, including Yoga, Boot Camp and Zumba. To date over 100 tenants have participated in the Woodland Park sponsored YMCA exercise classes on-site.

- **Ravenswood School District.** We work together to provide access to the Ravenswood schools’ online portal in Woodland Park’s two computer tech centers, which are available to tenants.

- **East Palo Alto branch of the San Mateo County Libraries.** We coordinate to host the monthly bookmobile on-site and maintain small libraries throughout the neighborhood, host the library’s English Conversation Club, and host a Talk, Read, Sing program for young children and their caregivers.

- **Peninsula Humane Society and SPCA.** We host a free summer Animal Camp for Woodland Park youth and provide animal care classes.

Space and Facilities

- **Northside Management Office.** We opened a new tenant services office on the north side of the neighborhood at Euclid Avenue and East O’Keefe Avenue, to provide our tenants north of University Avenue with convenient access to staff to make maintenance and customer service requests or pay rent conveniently.

- **Community Engagement Office.** We opened a new office, staffed by our full-time community engagement team, inviting tenants to discuss any ideas, suggestions, or concerns directly with the ownership team representatives.

- **Free Technology Centers.** We opened two technology centers on-site for use by Woodland Park tenants. The tech centers offer free and accessible computers and printers, and free wi-fi. We have partnered with the Ravenswood City School District to install school software on our computers, so students can work on their homework at the tech centers.
Boom Pop Park. We created a temporary pop-up open space for community enjoyment at Donohoe Street and West Bayshore Road. There is space for gathering, play, and exercise. East Palo Alto YMCA instructors teach free weekly fitness classes every Saturday morning.

Bridge Pop Park. Based on the success of Boom Pop Park, we created a temporary pop-up open space for community engagement at Newell and West Bayshore Road. There is dedicated space for exercise, play, family gatherings and is designed to accommodate our large community events with stalls for community groups and resources. YMCA instructors teach free weekly fitness classes every Saturday morning.

Bus Stop Improvements and Neighborhood Benches. At the location of existing school bus stops, and other selected locations around the neighborhood, we have added improvements to improve the neighborhood quality of life, including new benches and additional trashcans.

Little Free Libraries. To date, we have installed six “Little Free Library” boxes around the neighborhood, where tenants and neighbors can take or leave books in English and Spanish for their enjoyment. We have partnered with the East Palo Alto branch of the San Mateo County Libraries to stock the Little Free Libraries with books for all ages in both English and Spanish.

Community Gardening. We have partnered with Fresh Approach (formerly Collective Roots) to plant garden boxes around the neighborhood with flowers and vegetables for tenants to tend and enjoy.

Cabana. We have offered the use of our on-site “Cabana” off Newell Avenue for select city-related and community events, such as The Primary School’s orientation for Woodland Park parents, East Palo Alto Police Department beat meetings, and a meeting of the Rent Stabilization Board’s Outreach and Education Committee. YMCA instructors teach free weekly fitness classes every Saturday morning and Thursday evening.

Communications

Newsletters. Quarterly newsletters are distributed to all tenants and a range of local and regional stakeholders. They are written in English and Spanish.

Euclid Improvement Handouts. Woodland Park communities has created two Euclid Improvement Handouts with detailed information about the project description, guiding principles, timeline and images. The handouts are in English and Spanish.

Frequently Asked Questions. Throughout the community design process, Woodland Park Communities has been soliciting questions through a variety of engagement strategies and providing written responses in the form of a Frequently Asked Questions document that is provided to all tenants in English and Spanish.

Euclid Improvement Area tenant mailings. In an effort to engage the tenants that will be most impacted by the Euclid Improvements, Woodland Park Communities does regular mailings to the tenants in the area with up to date information, draft documents including the draft Relocation Commitments and announcements.

Community dinner and meeting invitations. All community events, dinners and meetings are advertised through a variety of channels including door to door delivery of branded materials.
Woodland Park Communities Foundation

Woodland Park Communities supports East Palo Alto-based and East Palo Alto-serving organizations and events by providing funding through the Woodland Park Communities Foundation as well as providing financial support for programming on site. A list of the organizations includes (in alphabetical order):

- AbleWorks
- Aim High for High School – East Palo Alto
- Bring Me a Book Foundation / Reading Bonanza at the Park
- Canopy
- Catholic Charities for Youth at St. Francis of Assissi
- Computers for Everyone
- EPA Children’s Day Committee
- East Palo Alto and Belle Haven Chamber of Commerce
- East Palo Alto branch of the San Mateo County Libraries
- East Palo Alto Blues Festival
- East Palo Alto Boxing Club
- East Palo Alto Junior Golf Program
- East Palo Alto Police Activities League
- East Palo Alto Senior Center
- East Palo Alto Tee-Ball and Pitching Machine League
- East Palo Alto YMCA
- East Palo Alto Youth Arts & Music Center
- Ecumenical Hunger Program
- El Concilio of San Mateo / Comite Latino
- EPACENTER Arts
- Free at Last Community Recovery and Rehabilitation Services
- Girls to Women
- Hagar Services Coalition
- Housing Endowment and Regional Trust (HEART) of San Mateo County
- JobTrain
- Live in Peace
- Mid-Peninsula Athletic Association / Mid-Peninsula Mastodons Football
- Nuestra Casa de East Palo Alto
- One East Palo Alto
- Peninsula Humane Society & SPCA
- Project WeH.O.P.E.
- Ravenswood Family Health Center
- Renaissance Entrepreneurship Center Mid-Peninsula, East Palo Alto
- StreetCode Academy
- Youth Community Service
About the Social Impact Consultants

**Studio O** is a design and strategy consultancy working at the intersection of racial and spatial injustice. Founded in 2012 and based in Oakland, the practice builds on over 15 years’ experience in the design and social impact sector of its founder and principal, Liz Ogbu. It collaborates with multidisciplinary teams to work on projects with/in historically marginalized communities around the world. With a mission to create or improve systems, services, and places that can heal conditions of injustice, Studio O leverages a combination of community-centered research; dynamic forms of engagement and prototyping; spatially just architecture and planning; and tools to build participatory power and community-centered systems. In addition to her projects, Ogbu is speaks nationally and internationally on issues of spatial justice, including a widely viewed TED Talk on gentrification and spatial justice.

**Emily Weinstein Consulting** is a strategic consultant and leader in housing, community development and public engagement. For the past 20 years Emily Weinstein has worked on large scale affordable housing and community development initiatives to transform some of the most economically distressed and underserved neighborhoods in California. Emily Weinstein Consulting works with developers, public agencies, community organizations and design teams to achieve greater economic, social and health impacts by applying a wide set of community-centered strategies throughout the real estate development process. Emily’s passion for marrying real estate and social impact stems from a belief that the built environment has the power to transform lives, and that developers have a responsibility to create equitable, healthy places where people can thrive and children can meet their full potential. Emily Weinstein also served two terms as a Planning Commissioner for the City of Oakland from 2013-2018 and is the pioneer of the Trauma Informed Community Building model.
7. Water Supply Assessment
2019-09-18

FROM: Cristina Rossi, David Baker Architects
TO: East Palo Alto Planning Department
    1960 Tate St., East Palo Alto, CA 94303
RE: September 2019 Application - Water Analysis
JOB: 21620 Woodland Park

Current Water Usage

Based on water bills from each of the existing buildings in the proposed improvement area from 2016-2018, the property as currently configured utilizes 144 gallons of water per day per unit on average.

This is based on the total usage of 23,162 gallons per day across 161 existing residential units, as well as the common areas and tenant-serving facilities in the improvement area.

For more information about current water usage, see Exhibit A.

Projected Water Usage

We have projected water usage for the completed Euclid Improvements proposal, based on the design proposed in the application, and assuming three potential scenarios: A) all tenants use shared laundry facilities, B) all units with 2+ bedrooms have in-unit washers and dryers but all other tenants use shared laundry facilities, and C) all units have in-unit washers and dryers.

In scenario A, the proposed buildings would use approximately 69 gallons of water per day per unit.

In scenario B, the proposed buildings would use approximately 73 gallons of water per day per unit.

In scenario C, the proposed buildings would use approximately 77 gallons of water per day per unit.

The following assumptions are made in order to generate these projections:

1. The calculations of gallons used per person per day for each type of appliance is based on baseline flow rates based on DBA’s typical specifications for efficient fixtures.

2. The total number of residents in the building is based on the proposed unit mix and the following number of residents per unit type:
a. Studio - 1 person
b. 1 Bedroom - 2 people
c. 2 Bedroom - 3 people
d. 3 Bedroom - 4 people
e. 4 Bedroom - 5 people

3. A 95% occupancy is assumed for the building.

Current Water Supply

The projected demand of approximately 44,000 gallons per day equals a flow rate of 31 gallons per minute (44,000 gpd x 1 day/24 hours x 1 hour/60 minutes = 31 gpm). When factoring in a peaking factor of 4, as recommended by BKF Engineers, this would result in a 124 gallon per minute peak (31 gpm x peak factor of 4 = 124 gpm peak). Recent water flow tests of the American Water system serving the site conducted on July 11, 2019 indicated that the water lines to the site can deliver approximately 650 gpm. Therefore, the current water supply is adequate for the proposed buildings, and can deliver well above the projected peak water flow.

In July 2016, the City of East Palo Alto instituted a water connection moratorium over concerns about water supply. In June 2017, the City of East Palo Alto and the City of Mountain View agreed on a water transfer to permanently increase East Palo Alto's water supply by 1,000,000 gallons of water per day. Additionally, in May 2018, the City of East Palo Alto received a water transfer from the City of Palo Alto to permanently increase East Palo Alto’s water supply by another 500,000 gallons of water per day. These transfers addressed the long-term water supply concerns, and the moratorium was lifted in July 2018.

Conclusion

Based on the current water usage analysis and our projections of expected future water usage, the proposed buildings will use significantly less water per day per unit than the current buildings, regardless of whether tenants use shared laundry facilities or have in-unit laundry machines.

The new apartments are approximately twice as efficient as the current apartments, meaning they use roughly half as much water per unit per day compared to the existing units.

Further, the current water supply is sufficient for the proposed buildings.

Sincerely,

Cristina Rossi
Designer
cristinarossi@dbarchitect.com
415.799.4586
### Exhibit A - Existing Water Usage

<table>
<thead>
<tr>
<th>Building Address</th>
<th>Billing Period</th>
<th>100 CCF's Used</th>
<th>Units</th>
<th>Service Provider</th>
<th>Billing Rate per 100 CCF</th>
<th>100 CCF/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001 Manhattan</td>
<td>11/1/16 - 1/1/18</td>
<td>6031</td>
<td>60</td>
<td>American Water</td>
<td>$6.16</td>
<td>14.16</td>
</tr>
<tr>
<td>2003 Manhattan</td>
<td>11/1/16 - 1/1/18</td>
<td>1576</td>
<td>32</td>
<td>American Water</td>
<td>$6.16</td>
<td>3.70</td>
</tr>
<tr>
<td>2010-2012 Euclid/201 O'Conner St.</td>
<td>11/1/16 - 1/1/18</td>
<td>430</td>
<td>22</td>
<td>American Water</td>
<td>$6.16</td>
<td>1.36</td>
</tr>
<tr>
<td>2021 Euclid</td>
<td>11/1/16 - 1/1/18</td>
<td>332</td>
<td>11</td>
<td>American Water</td>
<td>$6.16</td>
<td>0.78</td>
</tr>
<tr>
<td>2025 Euclid</td>
<td>11/1/16 - 1/1/18</td>
<td>378</td>
<td>7</td>
<td>American Water</td>
<td>$6.16</td>
<td>0.89</td>
</tr>
<tr>
<td>2031 Euclid</td>
<td>11/1/16 - 1/1/18</td>
<td>1098</td>
<td>12</td>
<td>American Water</td>
<td>$6.16</td>
<td>2.58</td>
</tr>
<tr>
<td>2032 Euclid</td>
<td>11/1/16 - 1/1/18</td>
<td>405</td>
<td>1</td>
<td>American Water</td>
<td>$6.16</td>
<td>0.95</td>
</tr>
<tr>
<td>2036 Euclid</td>
<td>11/1/16 - 1/1/18</td>
<td>74</td>
<td>4</td>
<td>American Water</td>
<td>$6.16</td>
<td>0.17</td>
</tr>
<tr>
<td>2040 &amp; 2042 Euclid</td>
<td>11/1/16 - 1/1/18</td>
<td>1564</td>
<td>2</td>
<td>American Water</td>
<td>$6.16</td>
<td>3.67</td>
</tr>
<tr>
<td>2041 &amp; 2043 Euclid</td>
<td>11/1/16 - 1/1/18</td>
<td>237</td>
<td>0</td>
<td>American Water</td>
<td>$6.16</td>
<td>0.67</td>
</tr>
<tr>
<td>2044 Euclid A &amp; B</td>
<td>11/1/16 - 1/1/18</td>
<td>235</td>
<td>2</td>
<td>American Water</td>
<td>$6.16</td>
<td>0.54</td>
</tr>
<tr>
<td>2054 Euclid</td>
<td>11/1/16 - 1/1/18</td>
<td>638</td>
<td>8</td>
<td>American Water</td>
<td>$6.16</td>
<td>1.50</td>
</tr>
</tbody>
</table>

**TOTAL**

<table>
<thead>
<tr>
<th></th>
<th>Sum CCF</th>
<th>Existing Units</th>
<th>Gallons</th>
<th>Gallons/Unit</th>
<th>100CCF/Day</th>
<th>Gallons/Day</th>
<th>Gallons/Unit/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13108</td>
<td>161</td>
<td>9,804,784</td>
<td>60899</td>
<td>30.96</td>
<td>29,161.78</td>
<td>144</td>
</tr>
</tbody>
</table>

Note: Resident Services Office, Community Technology Center, Community Engagement Office
Exhibit B – Projected Water Budget

<table>
<thead>
<tr>
<th>Scenario 1 (all shared laundry facilities)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected use (gallons/year), avg</td>
<td>35,335,886</td>
</tr>
<tr>
<td>Projected use (gallons/day)</td>
<td>41,964</td>
</tr>
<tr>
<td>Projected use (gallons/day), per unit</td>
<td>69</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario 2 (2 BR + units have in-unit washers &amp; dryers, all others shared laundry)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected use (gallons/year), avg</td>
<td>16,049,055</td>
</tr>
<tr>
<td>Projected use (gallons/day)</td>
<td>45,970</td>
</tr>
<tr>
<td>Projected use (gallons/day), per unit</td>
<td>73</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scenario 3 (all in-unit washers &amp; dryers)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected use (gallons/year), avg</td>
<td>16,049,055</td>
</tr>
<tr>
<td>Projected use (gallons/day)</td>
<td>46,437</td>
</tr>
<tr>
<td>Projected use (gallons/day), per unit</td>
<td>77</td>
</tr>
</tbody>
</table>

Project Data

<table>
<thead>
<tr>
<th>No. Units</th>
<th>605</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>188</td>
</tr>
<tr>
<td>1BR</td>
<td>238</td>
</tr>
<tr>
<td>2BR</td>
<td>177</td>
</tr>
<tr>
<td>3BR</td>
<td>1</td>
</tr>
<tr>
<td>4BR</td>
<td>1</td>
</tr>
<tr>
<td>No. Residents, Studios &amp; 1 BR, Full Occupancy</td>
<td>604</td>
</tr>
<tr>
<td>No. Residents, 2+ BR, Full Occupancy</td>
<td>540</td>
</tr>
<tr>
<td>No. Residents, Full Occupancy</td>
<td>1204</td>
</tr>
<tr>
<td>Assumed Occupancy</td>
<td>95%</td>
</tr>
<tr>
<td>No. Residents, Studios &amp; 1 BR, Assumed Occupancy</td>
<td>621</td>
</tr>
<tr>
<td>No. Residents, 2+ BR, Assumed Occupancy</td>
<td>513</td>
</tr>
<tr>
<td>No. Residents, Assumed Occupancy</td>
<td>1144</td>
</tr>
<tr>
<td>Avg. No. Res. per unit</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Potable Water Use

<table>
<thead>
<tr>
<th>End Use</th>
<th>Gallons/person-day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toilets</td>
<td>6.46</td>
</tr>
<tr>
<td>Kitchen Faucet</td>
<td>9.00</td>
</tr>
<tr>
<td>Lav Faucet</td>
<td>5.00</td>
</tr>
<tr>
<td>Showers+Bath</td>
<td>10.76</td>
</tr>
<tr>
<td>Dishwasher</td>
<td>0.35</td>
</tr>
<tr>
<td>Laundry (Common)</td>
<td>5.11</td>
</tr>
<tr>
<td>Laundry (In-Unit)</td>
<td>9.02</td>
</tr>
<tr>
<td>Total indoor use (daily per capita - common laundry)</td>
<td>28.69</td>
</tr>
<tr>
<td>Total indoor use (daily per capita - in-unit laundry)</td>
<td>40.60</td>
</tr>
</tbody>
</table>

Fixture Flow Rates

<table>
<thead>
<tr>
<th>Proposed Flow Rate (gpm, gpf or gpd)</th>
<th>Uses (or cycles) per day (x) duration if applicable</th>
<th>Assumptions are based (LEED v4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.28</td>
<td>5.05</td>
<td>Hour flushes per day</td>
</tr>
<tr>
<td>1.8</td>
<td>5.00</td>
<td>1 min/use, 4 uses per day</td>
</tr>
<tr>
<td>1</td>
<td>5.00</td>
<td>10 sec/use, 6 uses per day</td>
</tr>
<tr>
<td>1.75</td>
<td>0.15</td>
<td>10 min. shower, 0.75 probability of daily shower</td>
</tr>
<tr>
<td>3.5</td>
<td>0.10</td>
<td>One cycle every other day</td>
</tr>
<tr>
<td>7.92</td>
<td>2.51</td>
<td>Cycles per unit per week</td>
</tr>
<tr>
<td>7.92</td>
<td>4.43</td>
<td>Cycles per unit per week</td>
</tr>
</tbody>
</table>

*Note: # of people per unit type is based on the International Mechanical Code Table 403.3.1.1 occupant density for private dwellings*
Recology Will-Serve Correspondence (Waste and Recycling Management)

BKF Engineers contacted Recology regarding a will-serve letter for the Euclid Improvements project. We received the following correspondence from Michelle Sung, Waste Zero Specialist, informing us that Recology San Mateo County will serve the project as long as it meets Recology guidelines.

<table>
<thead>
<tr>
<th>From:</th>
<th>Michelle Sung <a href="mailto:MSung@recology.com">MSung@recology.com</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent:</td>
<td>Monday, September 16, 2019 12:21 PM</td>
</tr>
<tr>
<td>To:</td>
<td>Emily Lehmann</td>
</tr>
<tr>
<td>Cc:</td>
<td>Sarah Price; Ryan Nahe; Heather Rockwood</td>
</tr>
<tr>
<td>Subject:</td>
<td>RE: Euclid Improvements Project</td>
</tr>
<tr>
<td>Follow Up Flag:</td>
<td>Follow up</td>
</tr>
<tr>
<td>Flag Status:</td>
<td>Flagged</td>
</tr>
</tbody>
</table>

Hi Emily,

That’s correct. Once you have the plans available for us to review, please send them over along with the executed enclosure guidelines and new development questionnaire so we can begin the approval process. Recology San Mateo County must approve the enclosure location and design prior to the new construction and initiation of services.

Thank you,

Michelle Sung
Waste Zero Specialist

Recology® San Mateo County | 225 Shoreway Rd | San Carlos, CA 94070-2712
650.595.3900 | D: 650.598.8210 | msung@recology.com
WASTE ZERO: Recycling, Composting, Landfill, AIR

---

<table>
<thead>
<tr>
<th>From:</th>
<th>Emily Lehmann [<a href="mailto:elehmann@bkf.com">mailto:elehmann@bkf.com</a>]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sent:</td>
<td>Monday, September 16, 2019 11:43 AM</td>
</tr>
<tr>
<td>To:</td>
<td>Michelle Sung <a href="mailto:MSung@recology.com">MSung@recology.com</a></td>
</tr>
<tr>
<td>Cc:</td>
<td>Sarah Price <a href="mailto:sprice@bkf.com">sprice@bkf.com</a></td>
</tr>
<tr>
<td>Subject:</td>
<td>RE: Euclid Improvements Project</td>
</tr>
</tbody>
</table>

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Michelle,

I just want to confirm I understand the process and next steps. Since we are in the early stages of design (currently going in for entitlements), there’s nothing we currently need to send to Recology. However, later in the approval process, we will submit plans and the completed questionnaire to Recology and as long as our project meets Recology guidelines, Recology will serve our project. Can you confirm that is correct?

Thank you,

EMILY LEHMANN, PE
Project Engineer
BKF ENGINEERS Delivering Inspired Infrastructure
1730 N. First Street, Suite 600, San Jose, CA 95112
d 408.467.9182 elehmann@bkf.com BKF.com
### 8. General Plan Consistency Analysis

Preliminary discussion of how the Euclid Improvement proposal complies with and advances General Plan guiding principles, goals, and policies.

<table>
<thead>
<tr>
<th>General Plan Guiding Principle, Goal, or Policy</th>
<th>Euclid Improvements Proposal Consistency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land Use</strong></td>
<td></td>
</tr>
<tr>
<td>The Land Use Plan, Goal LU-1 notes, “Maintain an urban form and land use pattern that enhances the quality of life and meets the community’s vision for its future.”</td>
<td>The Euclid Improvements maintain and enhance the urban form on the Westside. The proposal will enhance the quality of life by ensuring no displacement, providing better parking and mobility, and creating safer, healthier buildings. The proposal will meet the community’s vision for its future by complying with General Plan policies and by soliciting community input to create community informed plans for the Euclid Improvements.</td>
</tr>
<tr>
<td>o Unique neighborhoods, districts and corridors. Enhance the unique character and identity of the City’s neighborhoods, districts and corridors through land use and design decisions. Allow policies and programs to be focused on each unique area of the City.</td>
<td></td>
</tr>
<tr>
<td>The Land Use Plan, Goal LU-3 notes, “Expand the number, types and diversity of housing within East Palo Alto.”</td>
<td>The Euclid Improvements is a residential infill project that will expand the number, types and diversity of housing within East Palo Alto by proposing replacement and net new units. The proposal includes both market rate and rent-controlled housing that will help accommodate the City’s share of regional housing needs to address the housing shortage in the Bay Area and Silicon Valley subregion. The increase in the number of housing units will help meet the goals set forth in the City’s Housing Element.</td>
</tr>
<tr>
<td>o Infill housing. Encourage new infill housing in residential and mixed-use areas of the City in order to expand the amount and diversity of housing.</td>
<td>The Euclid Improvements are proposing to replace affordable rent-controlled units on a one-for-one basis with new deed-restricted rent-controlled units with the same number of bedrooms. There will be no net loss in housing.</td>
</tr>
<tr>
<td>o Balanced housing. Over time, establish a balance of market rate and affordable housing in East Palo Alto. To achieve this policy, encourage both market rate and affordable housing.</td>
<td></td>
</tr>
<tr>
<td>o Regional housing needs. Accommodate the City’s share of regional housing needs to help address the housing shortage in the Bay Area and Silicon Valley sub-region.</td>
<td></td>
</tr>
<tr>
<td>o Replacement housing. The method for providing replacement affordable housing shall be determined by the City Council on a project-by-project basis or shall be identified as part of an area wide adopted Master Plan. The City Council shall consider the following options:</td>
<td></td>
</tr>
<tr>
<td>o Replace with RSO Units. Replace RSO</td>
<td></td>
</tr>
<tr>
<td>Westside Area Plan, Guiding Principles</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>“Avoid displacement. Existing renters should have the right to continue to live on the Westside. If housing is renovated, existing residents should be provided with a similar size unit, with similar amenities, at comparable rents.”</td>
<td>All existing tenants will always be able to stay at Woodland Park, and can return to newly-constructed replacement units at their same rent-stabilized rents. Woodland Park has the capacity to re-house affected tenants within the neighborhood and to enable these tenants to return to newly constructed, high quality housing at their rent-stabilized rents (with City-determined adjustments). This right of return and one-for-one replacement of rent-stabilized units protects existing tenants and maintains a viable Rent Stabilization Program.</td>
</tr>
<tr>
<td>“Ensure a community-driven process. The future of the Westside should be planned by and for the community, with a focus on meeting community needs, reflecting community voices, improving quality of life for residents and building the capacity of residents to influence the decision-making process.”</td>
<td>Woodland Park has a strong track record of engaging with the community. The application commits to continue the engagement process to refine plans and proceed through the City’s review process. Plans have been developed with significant input from Woodland Park tenants and the community at large.</td>
</tr>
<tr>
<td><strong>“On-going community participation in decision-making processes. Community members should actively engage in decision-making processes for plans and projects throughout the community, particularly those that significantly affect the Westside...”</strong></td>
<td>Woodland Park commits to maintain and strengthen its dialogue with the community through ongoing community dinners, special events, smaller gatherings, and partnerships with local community groups. The robust process will ensure that the community is represented, consulted, and respected in the planning process.</td>
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<tr>
<td><strong>“Provide affordable rental housing. One of the highest priorities for the Westside Area Plan should provide long-term affordable rental housing for East Palo Alto residents.”</strong></td>
<td>All rent-stabilized units will be replaced one-for-one in any new construction and there will be no net loss of affordable housing or housing in general. Rent control meets important and otherwise unmet affordable housing needs in the City of East Palo Alto. It is the only form of housing affordability that favors long-term residents, providing deeper affordability than for newcomers. Any tenant who has lived in a unit for more than a year pays below market rent. And, unlike income-restricted affordable housing, there are no qualifications based on income, wealth, immigration status, or household composition. Rather, rent control provides a flexible, cost-effective, scalable form of affordable housing that has been particularly valuable and enduring in East Palo Alto for decades. Rent-controlled rental housing is a valuable source of workforce housing.</td>
</tr>
<tr>
<td><strong>“Maintain diversity. Over time, the Westside should continue to serve and enhance the lives of the diverse population that currently resides in the area.”</strong></td>
<td>The Westside’s greatest assets are its diversity and community. By ensuring tenants can stay in the neighborhood at their rent-stabilized rents, Woodland Park can help preserve neighborhood diversity and community character.</td>
</tr>
<tr>
<td><strong>“Improve housing quality. Rental housing on the Westside should be healthy, safe and have amenities that provide for a high quality of life for residents, including sufficient parking for existing and future residents. Rental housing should be up to code and well-maintained for the safety and comfort of its tenants.”</strong></td>
<td>Woodland Park works to improve housing quality through comprehensive maintenance of existing buildings on an ongoing basis. Some structures, however, are reaching the end of their useful lives. Maintenance activities can no longer effectively or efficiently improve the housing quality. All new buildings constructed will be safer, healthier buildings that meet or exceed modern seismic and other life safety standards.</td>
</tr>
<tr>
<td><strong>“Maintain a diversity of housing types and unit sizes. The Westside should have a variety of rental housing types and unit sizes that provide high-quality housing for a diversity of residents”</strong></td>
<td>Woodland Park is comprised of various unit sizes including studio, one, two, three, and four-bedroom units. The Euclid Improvements will maintain a diversity of unit sizes by replacing existing unit types on a one-for-one basis, and...**</td>
</tr>
<tr>
<td>Including families, young professionals, and seniors.</td>
<td>Providing a diversity of unit sizes in the new additional units.</td>
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<tr>
<td>“Connect the Westside to the City and the region. The Westside should be better connected—both physically and psychologically—to the rest of East Palo Alto and areas beyond. This includes transportation connections, access to shopping and jobs, enhanced visibility and representation, and a shared identity with the rest of East Palo Alto.”</td>
<td>Woodland Park has committed to improve mobility for tenants by increasing pedestrian, bicycle, and transit access, including to the SamTrans, Caltrain, and VTA systems. Additionally, the Highway 101 pedestrian and bicycle overcrossing anchors into the Woodland Park community. Woodland Park intends to make property-level improvements across the neighborhood to improve pedestrian and bicycle experiences and create a welcoming environment.</td>
</tr>
<tr>
<td>“Address infrastructure deficiencies. There should be upgrades to the current infrastructure to address deficiencies on the Westside. This includes improved water quality and supply, improving flood protection from San Franciscoquito Creek, and upgrading existing water and sewer infrastructure.”</td>
<td>The Euclid Improvements proposal offers the opportunity to improve the streetscape and upgrade water, sewer, and other utility systems. Woodland Park commits to future discussions with the City, utility providers, and community stakeholders regarding opportunities to address infrastructure deficiencies.</td>
</tr>
<tr>
<td>“Ensure that new development pays its fair share. New development on the Westside should be required to provide community benefits for Westside and East Palo Alto residents via the leveraging of the Westside’s assets for the maximum benefit of the community.”</td>
<td>Woodland Park agrees about the importance of paying a fair share. Accordingly, they commit to improving the quality of rent-stabilized housing and ensuring tenant housing stability through the No Displacement commitment. This involves significant expense and far exceeds any other private project in the region. The application also proposes other community benefits, including parkland and community spaces, increased parking, streetscape improvements, and Transportation Demand Management (TDM). Woodland Park will discuss with the City and local stakeholders additional ways to ensure that the proposal contributes positively to East Palo Alto, including substantially increased property taxes, new sales tax from the retail space, and a percentage of gross residential receipts from the Measure O taxes.</td>
</tr>
<tr>
<td>“Provide diverse parks, community facilities and shopping for all residents. There should be a diversity of parks, public facilities, retail and services on or accessible to the Westside that serve Westside residents, including families with children, and the broader East Palo Alto community. This could include playgrounds,</td>
<td>Euclid Improvement plans include an open, publicly accessible park on O’Connor Street between Euclid and Manhattan that will be accessible to all for recreation, relaxation, and social events. The proposal also includes amenities like community spaces and flex space for neighborhood-serving retail that will offer shopping within walking distance for tenants and neighbors, and create a</td>
</tr>
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</table>
plazas, community centers, retail and restaurants.”

focal point for the community, adjacent to the new park. This will facilitate a high-quality pedestrian environment.

“Improve public safety. Reducing crime and promoting a safe environment throughout the Westside should be a top priority. Increased police patrolling and street lighting should be improved in areas of high crime.”

Woodland Park works to improve public safety and security on an ongoing basis. They improved exterior lighting as a part of a maintenance program. New construction offers the opportunity to integrate state-of-the-art public safety and lighting concepts into building design. New construction also allows seismic and life-safety upgrades not possible with simple renovation alone. New buildings with stoops and front doors facing the street combine with improved streetscapes to create a safer public realm and safer bicycle and pedestrian networks.

“Beautify the Westside. The physical environment of the Westside should be enhanced to become more attractive. This includes adding street trees, renovating streets to add curbs and gutters, improving the visual character of buildings, requiring high-quality design for renovation and new buildings, and adding parks and open space, including recreation opportunities along San Francisquito Creek.”

Woodland Park is focused on enhancing the physical environment in its neighborhood. The high-quality design for the Euclid Improvements will include beautiful new buildings, street trees, streetscape, parks, and landscaping that reflects careful attention to the public realm. The design will improve the quality and aesthetic appeal of the site with high quality architecture, materials, and pedestrian-oriented facades, while remaining rooted in the existing community character.

### Westside Area Plan, Goals, and Policies

Westside Area Plan Goal W-1 notes, “Prevent displacement and preserve affordable housing.”

- **Preservation of housing.** The City should have as a goal to avoid displacement of current residents. Maintain regulations that encourage the preservation of existing housing, including rent-controlled housing, and development of new housing that accommodates households that are diverse in size, type and level of affordability.

- **No net loss in housing.** Requires there to be no net loss in the number of residential units or the number of income-restricted affordable housing units during any future reconstruction or renovation on the Westside.

- **Diversity of unit sizes and types.** Encourage a

All existing tenants will always be able to stay at Woodland Park, and can return to newly-constructed replacement units at their same rent-stabilized rents. Woodland Park has the capacity to re-house affected tenants within the neighborhood and to enable these tenants to return to newly constructed, high quality housing at their rent-stabilized rents (with City-determined adjustments). This right of return and one-for-one replacement of rent-stabilized units protects existing tenants and maintains a viable Rent Stabilization Program.

There will be no net loss in housing; rather the Euclid Improvements expand the number of multi-family housing units to provide additional housing options for existing and future residents. Woodland Park is comprised of various unit sizes including
### Diversity of Units

- High-quality housing. Ensure that the existing and new housing stock is built and maintained to a high level of quality to protect health, safety, and aesthetics on the Westside.
- Maintain a viable Rent Control program. Maintain a financially solvent Rent Stabilization Program even if units are removed from the program through new development.

### Westside Area Plan Goal W-2

- Outreach and participation. Ensure ongoing participation in the decision-making process for the Westside.

**Woodland Park** has a strong track record of engaging with the community. The application commits to continue the engagement process to refine plans and proceed through the City’s review process with significant input from Woodland Park tenants and the community at large.

Woodland Park commits to maintain and strengthen their dialogue with the community through ongoing community dinners, special events, smaller gatherings, and partnerships with local community groups. The robust process will ensure that the community is represented, consulted, and respected in the planning process.

### Westside Area Plan Goal W-4

- Retail uses. Allow retail uses and services in the Westside, either as the ground floor of a mixed-use residential building, or as a stand-alone neighborhood-serving retail building. Strive for new retail development to serve studio, one, two, three, and four-bedroom units.

The proposal includes ground floor flex space for neighborhood-serving retail that will offer shopping within walking distance for tenants and neighbors, and create a focal point for the community, adjacent to the new park. This would support and expand the existing small-scale retail node on

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<tr>
<th>Housing Diversity</th>
<th>Rent Control</th>
<th>Community Process</th>
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<tr>
<td>Studio, one, two, three, and four-bedroom units. The Euclid Improvements will maintain a diversity of unit sizes by replacing existing unit types on a one-for-one basis, and providing a diversity of unit sizes in the new additional units. Such housing will be available for individuals, families, seniors, students, and other demographics to ensure a stable community, create no displacement, and encourage a diverse and vibrant population.</td>
<td>Maintain a viable Rent Control program. Maintain a financially solvent Rent Stabilization Program even if units are removed from the program through new development.</td>
<td>An equitable, inclusive, and constructive Community Process.</td>
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<thead>
<tr>
<th>Westside Area Plan Goal W-2</th>
<th>Woodland Park</th>
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| Westside Area Plan Goal W-4 | The proposal includes ground floor flex space for neighborhood-serving retail that will offer shopping within walking distance for tenants and neighbors, and create a focal point for the community, adjacent to the new park. This would support and expand the existing small-scale retail node on |
|-----------------------------|---------------------------------------------------------------|----------------------------------------------------------|
| Retail uses. Allow retail uses and services in the Westside, either as the ground floor of a mixed-use residential building, or as a stand-alone neighborhood-serving retail building. Strive for new retail development to serve studio, one, two, three, and four-bedroom units. | | A diverse land use mix to create a livable Westside. |

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| Westside Area Plan Goal W-4 | The proposal includes ground floor flex space for neighborhood-serving retail that will offer shopping within walking distance for tenants and neighbors, and create a focal point for the community, adjacent to the new park. This would support and expand the existing small-scale retail node on | | A diverse land use mix to create a livable Westside. |
the needs of Westside residents or to help improve the fiscal health of the City.

- O’Connor retail node. Support and expand the existing small-scale retail node on O’Connor Street between Euclid Avenue and Manhattan Avenue, with a focus on uses that serve the needs of residents in surrounding neighborhoods.

Westside Area Plan Goal W-5 notes, “The long-term development of new buildings and a new street network to improve housing opportunities and improve quality of life.”

- Transformation over time. Pursue mechanisms and tools to allow increases in intensity to improve the quality of life for Westside residents.

- Development intensity or change or use. Any development project that proposes an increase in intensity over the existing unit count and/or a change in use must undergo a rigorous public process and meet the anti-displacement goals of this Chapter and all other applicable City policies and regulations.

- Prerequisites for new development per Policy 5.2 (above). Increases in development intensity over the currently allowed zoning intensity on the Westside must meet the criteria listed below. Specific information on each of the items shall be required as part of the development application process. The following are the prerequisites for increased development intensity:
  - Prevents displacement of existing residents.
  - Provides for some income-restricted affordable housing.
  - Preserves “right of return” for existing residents.
  - Maintains the City’s rent stabilization program.

O’Connor Street between Euclid Avenue and Manhattan Avenue.

Woodland Park will discuss with the City and local stakeholders additional ways to ensure that the proposal contributes positively to East Palo Alto, including substantially increased property taxes, new sales tax from the retail space, and a percentage of gross residential receipts from the Measure O taxes that improve the City’s fiscal health.

The Euclid Improvements expand the number of multi-family housing units to provide additional housing options for existing and future residents and improve the quality of life for Westside residents. It increases the number of housing units in the City.

The proposal will undergo a rigorous public process. Woodland Park has a strong track record of engaging with the community. They have committed to continue the engagement process to refine their plans and proceed through the City’s review process with significant input from Woodland Park tenants and the community at large. Woodland Park commits to maintain and strengthen their dialogue with the community through ongoing community dinners, special events, smaller gatherings, and partnerships with local community groups. The robust process will ensure that the community is represented, consulted, and respected in the planning process.

The proposal protects against displacement. All existing tenants will always be able to stay at Woodland Park, and can return to newly-constructed replacement units at their same rent-stabilized rents. Woodland Park has the capacity to re-house affected tenants within the neighborhood and to enable these tenants to return to newly constructed, high quality housing at their rent-stabilized rents (with City-determined adjustments). This right of return and one-for-one replacement of rent-stabilized units protects existing tenants and maintains a viable Rent Stabilization Program. Woodland Park anticipates a
Euclid Improvements Application

- Includes new parks and open spaces or contributes to the provision of new parks and open spaces if it is a single project.
- Improves streets and infrastructure or contributes to the provision of new streets and infrastructure if it is a single project.
- Improves the fiscal health of the City.
- Beautifies the area.

Development process for increased intensities or changes in use. Any proposed increases in allowed development intensity or change in use per Policy 5.2 must prepare a master plan, Specific Plan or similar planning document according to the project location as listed below:

- For areas on the north side of University Avenue or south of Clarke Avenue to San Francisquito Creek, proposed increases in intensity over the currently allowed zoning intensity may be approved on a project-by-project basis. These projects shall be required to meet the policies set forth in this document in addition to any other city policies and shall be required to enter into a development agreement and/or pay fees to support the development of new parks, open spaces, infrastructure and community facilities necessary to support a higher level of development on the Westside.

- Application information for increased density. Prior to any approval in increased development intensity or change in use, project applicants must provide detailed information on the overall development plan and, at a minimum, include the following information:
  - Proposed general plan and zoning for comprehensive relocation plan will be approved as part of the entitlement process.

Euclid Improvement plans include an open, publicly accessible park on O’Connor Street between Euclid and Manhattan that will be accessible to all for recreation, relaxation, and social events.

Woodland Park is focused on enhancing the physical environment in its neighborhood. The high-quality design for the Euclid Improvements will include beautiful new buildings, street trees, streetscape, parks, and landscaping that reflects careful attention to the public realm. The design will improve the quality and aesthetic appeal of the site with high quality architecture, materials, and pedestrian-oriented facades, while remaining rooted in the existing community character.

The Euclid Improvements application will improve the streetscape and upgrade water, sewer, and other utilities systems. Woodland Park commits to future discussions with the City, utility providers, and community stakeholders regarding opportunities to address infrastructure deficiencies.

Woodland Park has committed to continue the community engagement process to refine plans and proceed through the City’s review process with significant input from Woodland Park tenants and the community at large. The application includes all required information specified in the General Plan.

Finally, the Euclid Improvements focus the greatest height and intensity toward Highway 101.
<table>
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<tr>
<th>Each parcel, including uses, building heights, and maximum development intensities.</th>
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<tr>
<td><strong>o</strong> Development program that identifies parcel-by-parcel information on existing and proposed uses.</td>
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<tr>
<td><strong>o</strong> Affordable housing plan, including the amount, levels of affordability and location of each housing unit.</td>
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<tr>
<td><strong>o</strong> Relocation plan for existing tenants that incorporates policies 5.10, 5.11, and 5.12 of this chapter.</td>
</tr>
<tr>
<td><strong>o</strong> Fiscal impact analysis for the City</td>
</tr>
<tr>
<td><strong>o</strong> Description and analysis of how the City's rent stabilization program may be continued in the future, including sources of funding.</td>
</tr>
<tr>
<td><strong>o</strong> Park and open space plan, including the number, acres and locations of new parks and open spaces (or contributions to parks and open spaces for single-parcel projects).</td>
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<tr>
<td><strong>o</strong> A water supply assessment with guarantees of long-term water availability and new sources of water.</td>
</tr>
<tr>
<td><strong>o</strong> Infrastructure improvement plan, including detailed information on all infrastructure and utilities (or contribution to Westside infrastructure improvements).</td>
</tr>
<tr>
<td><strong>o</strong> Street network plan, including proposed street cross sections.</td>
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<tr>
<td><strong>o</strong> Community Impact Report that details how the project applicant will satisfy the prerequisites for increases in intensity or change in use in Policy 5.3.</td>
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<tr>
<td><strong>o</strong> Community involvement strategy.</td>
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| **o** Any additional information and level of detail requested by the City to ensure that the proposed project
meets the vision of the community.

- Replacement of affordable housing stock.
  - Incentivize and, to the extent permissible, require projects that propose to redevelop sites with existing units subject to registration under the Rent Stabilization Ordinances adopted by the voters on April 12, 1988 and June 8, 2010 (RSO units)...to include as part of the project the replacement of affordable housing units comparable to the existing units on a one-for-one basis. Replacement housing shall be built in tandem with the market-rate projects and shall be of the same quality and location.

- The method for providing replacement affordable housing shall be determined by the City Council on a project-by-project basis or shall be identified as part of an area-wide adopted Master Plan. However, when considering how to replace affordable housing, the City Council shall consider the following options:
  - Replace with RSO Units. Replace RSO units on a one-for-one basis with new deed-restricted RSO units with the same number of bedrooms...

- Affordable housing as a community benefit. Consider the provision of additional or replacement affordable housing units to be a component of community benefits when considering legislative land use changes, development agreements, or statements of overriding consideration, in particular for residential projects.

- First right of return. Require that existing tenants displaced by new development or rehabilitation of existing dwelling units be afforded the following rights:
  - The ability to return to a unit at the same level of affordability (measured...
in monthly rent) as the prior unit.

- The ability to return to a unit of comparable size with the same or greater number of bedrooms.

- The ability to return to replacement housing regardless of immigration status, to the extent that this can occur under current law. If tenants are unable to return due to immigration status, the project sponsor shall find the tenant a comparable unit in terms of size and cost to the original unit.

- Relocation plan. Prior to project approval, require development projects that are proposing increases in intensity or to demolish RSO units, to prepare, and the City approve, a “relocation plan” that accounts for all tenants displaced by new construction. The tenants shall have housing provided from the moment they are displaced until they are relocated into a replacement unit. The relocation plan must meet the following criteria:
  - Provide temporary housing within East Palo Alto or within 10 miles of the prior home.
  - Does not require the crossing of the Dumbarton Bridge
  - Must not pay more in rent than paying in the prior home
  - All costs of relocation must be paid for by the project sponsor
  - Moving process between units must occur quickly and efficiently and to minimize the inconvenience of the tenant.
  - Replacement housing must be completed within one and a half years to minimize impacts to tenants.

- Relocation benefits. Require that sponsors of new development projects offer tenants the
<table>
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<tr>
<th>Westside Area Plan Goal W-6 notes “Building and site design to support a beautiful Westside and a high-quality pedestrian environment.”</th>
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<tr>
<td>o Building quality and character. Improve the quality and aesthetic appeal of existing buildings and housing in the Westside, and encourage high quality architecture, materials, and pedestrian oriented facades in new construction.</td>
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<tr>
<td>o Frequent pedestrian entries and windows. Include regular pedestrian entries into public space and transparent windows along the ground floor of new buildings, particularly in areas with ground-floor retail.</td>
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<tr>
<td>o Building articulation. Use articulation strategies for new development to reduce the visible bulk of buildings, add visual interest, and add pedestrian-oriented character and detail. These could include massing breaks as well as projections, minor stepbacks, architectural details, and variations in materials to distinguish between upper and ground floors.</td>
</tr>
<tr>
<td>o Engaging residential facades. Encourage new ground-floor residential uses throughout the Westside with transparent windows, stoops, porches, and other façade treatments to engage the pedestrian environment, provide “eyes on the street” and create sense of ownership and stewardship among residents.</td>
</tr>
<tr>
<td>o Elevated ground-floor residential. Elevate</td>
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### New Ground-Floor Residential Space Above the Sidewalk Level

- **Paking Frontage.** Whenever possible, locate parking and vehicle areas in the Westside behind or under buildings, and should not be located on street corners.

- **Garage and Driveway Entries.** Limit the number of new garage entries and driveway curb cuts crossing the sidewalk to encourage a more complete and comfortable pedestrian environment in the Westside.

### Westside Area Plan Goal W-7

- **“Beautification and greening of the Westside.”**
  - Greening and streetscape. Provide additional street trees, landscaping and green space throughout the Westside to improve the area’s visual appeal and increase residents’ connection with nature.
  - Connections to parks and nature. Encourage physical connections and visual sightlines to parks, public space, San Francisquito Creek, and other beautiful outdoor areas.
  - Street furnishing. Improve existing streets or construct new streets with a diversity of street furnishings including benches, directional signage, bollards, bicycle parking, and trash receptacles.
  - Street lighting. Provide adequate and consistent street lighting for safety and nighttime pedestrian activity throughout the Westside.

### Woodland Park

Woodland Park is focused on enhancing the physical environment in its neighborhood. The high-quality design for the Euclid Improvements includes beautiful new buildings, street trees, streetscape, parks, and landscaping that reflects careful attention to the public realm. New construction offers the opportunity to integrate state-of-the-art public safety and lighting concepts into building design. New buildings with stoops and front doors facing the street combine with improved streetscapes to create a safer public realm and safer bicycle and pedestrian networks.

### Westside Area Plan Goal W-8

- **“Accessible and well-maintained parks and public facilities.”**
  - Other new parks and public space. Seek opportunities to provide other new pocket parks, plazas, tot lots, playground for children, recreation facilities, and other parks and public spaces throughout the Westside, including the following locations:
    - ...On O’Connor Street between Euclid and Manhattan that will be accessible to all for recreation, relaxation, and social events.

### The Euclid Improvements

The Euclid Improvements include an open, publicly accessible park on O’Connor Street between Euclid and Manhattan.
Woodland Park has committed to improve mobility for tenants by increasing pedestrian, bicycle, and transit access, including to the SamTrans, Caltrain, and VTA systems. Additionally, the Highway 101 pedestrian and bicycle overcrossing anchors into the Woodland Park community. Woodland Park intends to make property-level improvements across the neighborhood to improve pedestrian and bicycle experiences and create a welcoming environment.

<table>
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<tr>
<th>Avenue and Manhattan Avenue</th>
<th>Woodland Park has committed to improve mobility for tenants by increasing pedestrian, bicycle, and transit access, including to the SamTrans, Caltrain, and VTA systems. Additionally, the Highway 101 pedestrian and bicycle overcrossing anchors into the Woodland Park community. Woodland Park intends to make property-level improvements across the neighborhood to improve pedestrian and bicycle experiences and create a welcoming environment.</th>
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<tbody>
<tr>
<td>Westside Area Plan Goal W-9 notes, “Better streets and transportation options for residents and visitors.”</td>
<td>The Euclid Improvement plans include better parking and mobility options, as well as improved options for walking, biking, and transit wherever possible. Woodland Park will propose a transportation demand management plan and</td>
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<tr>
<td>o Safe pedestrian network. Develop a safe pedestrian network throughout the Westside, including regular crosswalks, consistent sidewalks, traffic calming where necessary, special crossing treatments in areas of high pedestrian traffic, and better access across University Avenue and Highway 101.</td>
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<td>o Safe bicycle network. Implement a safe, complete, and well-connected bicycle network through the Westside, emphasizing connections to the existing bicycle networks in Menlo Park, Palo Alto, and the Rest of East Palo Alto.</td>
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<tr>
<td>o Transit service. Work with regional transit providers to provide increased frequency of transit service, additional routes, easily accessible transit stops, and direct service to shopping and employment destinations.</td>
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<tr>
<td>o Complete Streets. Implement the concepts of Complete Streets, balancing the needs of automobiles, cyclists, pedestrians, and transit as appropriate when improving streets or creating new streets.</td>
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<tr>
<td>o Sidewalks. Ensure sidewalks are provided on both sides of all streets in the Westside, with wider sidewalks in retail area, and replace and repair missing sidewalks.</td>
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<td>o Pedestrian crosswalks. Provide better and more frequent pedestrian crosswalks, with special priority treatments such as bulbouts, elevated crosswalks, in-pavement markers or texture, or high-visibility crosswalks in areas with high levels of pedestrian activity.</td>
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<tr>
<td>Westside Area Plan Goal W-10 notes, “An adequate and efficiently administered parking supply on the Westside.”</td>
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<td>Woodland Park</td>
<td>Euclid Improvements Application – September 2019</td>
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<td>nodisplacement.com</td>
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<td>appropriate supply of parking for new development.</td>
<td>include innovative parking models, possibly including mechanized parking.</td>
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<td>o Off-street parking allocation. Work with building owners to provide a fair, efficient, consistent, and integrated approach to allocating parking spaces to tenants. Work with property owners and manager to improve the parking situation for existing residents.</td>
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<td>o Transportation demand management. Encourage efforts to reduce transportation demand and trip generation, and require significant transportation demand management planning as part of any future master planning process in the Westside.</td>
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<td>o Mechanized parking. Encourage the use of mechanized parking in new construction and major renovations of existing buildings.</td>
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<tr>
<td>Westside Area Plan Goal W-11 notes, “Safe, sufficient, and well maintained infrastructure and services.”</td>
<td>The Euclid Improvements proposal offers the opportunity to improve the streetscape and upgrade water, sewer, and other utility systems.</td>
</tr>
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<td>o Infrastructure for new development. Ensure that new development in the Westside pays its fair share for new infrastructure and utility improvements that it necessitates.</td>
<td>Woodland Park commits to future discussions with the City, utility providers, and community stakeholders regarding opportunities to address infrastructure deficiencies.</td>
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<tr>
<td>o Waste and recycling. Provide adequate trash and recycling services to keep pace with the number of residents on the Westside.</td>
<td>Woodland Park agrees about the importance of paying a fair share. Accordingly, they commit to improving the quality of rent-stabilized housing and ensuring tenant housing stability through the No Displacement commitment. This involves significant expense and far exceeds any other private project in the region. The application also proposes other community benefits, including parkland and community spaces, increased parking, streetscape improvements, and Transportation Demand Management (TDM). Woodland Park will discuss with the City and local stakeholders additional ways to ensure that the proposal contributes positively to East Palo Alto, including substantially increased property taxes, new sales tax from the retail space, and a percentage of gross residential receipts from the Measure O taxes.</td>
</tr>
</tbody>
</table>
### Economic Development Goal ED-1

The Economic Development Goal ED-1 notes, “Grow and stabilize revenue-generating land uses and tools to diversify and expand the City’s tax revenue base and provide jobs for local residents.”

- Neighborhood-serving retail. Expand and diversify the sales tax base through development of neighborhood-serving retail in areas of change, such as...the Westside.

### Transportation Goal T-6

The Transportation Goal T-6 notes, “Develop strategies to provide efficient and adequate vehicle parking.”

- Parking requirements. Maintain efficient parking standards that consider the effect on demand due to various contextual conditions such as parking prices, transportation demand management strategies, transit accessibility, walkability, and bikeability. Study establishing a density bonus program for developments that utilize mechanized parking lifts.

- Off-street parking. Ensure new off-street parking is properly designed and used efficiently.

- “Park Once.” Support the establishment of shared public parking, particularly in mixed-use and retail areas, and of Park-Once strategies that allow motorists to park just once and complete multiple daily tasks on foot before returning to their vehicle, helping to reduce vehicle trips and parking demand. Potential shared parking facilities include private and public facilities such a church and school parking lots.

### Proposal Details

The proposal includes ground floor flex space for neighborhood-serving retail that will offer shopping within walking distance for tenants and neighbors, and create a focal point for the community, adjacent to the new park. This would support and expand the existing small-scale retail node on O’Connor Street between Euclid Avenue and Manhattan Avenue.

Woodland Park will discuss with the City and local stakeholders additional ways to ensure that the proposal contributes positively to East Palo Alto, including substantially increased property taxes, new sales tax from the retail space, and a percentage of gross residential receipts from the Measure O taxes that improve the City’s fiscal health.

The Euclid Improvement plans include better parking and mobility options, as well as improved options for walking, biking, and transit wherever possible. Woodland Park will propose a transportation demand management plan and include innovative parking models, possibly including mechanized parking. The inclusion of neighborhood-serving retail space within the mixed-use proposal with residential uses supports the Park-Once strategy.
<table>
<thead>
<tr>
<th>The Transportation Goal T-8 notes, “Adopt transportation demand management and roadway system efficiency strategies.”</th>
<th>Woodland Park will propose a transportation demand management plan.</th>
</tr>
</thead>
<tbody>
<tr>
<td>o Transportation Demand Management (TDM). Promote effective TDM programs to reduce travel demand from existing and new development, shifting trips to alternative modes. Regularly update the TDM ordinance to establish effective requirements that reduce travel demand from existing and new development. Require projects to implement TDM programs, as defined in the TDM ordinance.</td>
<td></td>
</tr>
<tr>
<td>The Health and Equity Goal HE-10 notes, “Improve respiratory health throughout the City and strive to reduce incidence of asthma and other respiratory illnesses.”</td>
<td>The Euclid Improvements will implement all required mitigation measures, including those to reduce indoor air pollution as necessary.</td>
</tr>
<tr>
<td>o Air pollution mitigation. Require that new multi-family development located within 500 feet of freeways or along University Avenue implement appropriate mitigation measures such as air filtration/ventilation systems, landscaping and other physical improvements as recommended by the California Air Resources Board (CARB) and/or the Bay Area Air Quality Management District to reduce indoor air pollution.</td>
<td></td>
</tr>
<tr>
<td>The Health and Equity Goal HE-11 notes, “Ensure that all citizens, regardless of race or ethnicity, feel welcome and included in the community.”</td>
<td>All existing tenants will always be able to stay at Woodland Park, and can return to newly-constructed replacement units at their same rent-stabilized rents. Woodland Park has the capacity to re-house affected tenants within the neighborhood and to enable these tenants to return to newly constructed, high quality housing at their rent-stabilized rents (with City-determined adjustments). This right of return and one-for-one replacement of rent-stabilized units protects existing tenants and maintains a viable Rent Stabilization Program.</td>
</tr>
<tr>
<td>o Gentrification. Pursue and support policies and actions that discourage and prevent displacement of existing residents.</td>
<td></td>
</tr>
<tr>
<td>o Displacement. Establish goals for preventing displacement of existing long-time residents and businesses. If feasible, track displacement.</td>
<td></td>
</tr>
<tr>
<td>The Health and Equity Goal HE-12 notes, “Maintain transparency and integrity in East Palo Alto’s decision-making process.”</td>
<td>Woodland Park has a strong track record of engaging with the community. This application commits to continue the engagement process to refine plans and proceed through the City’s review process, including significant input from Woodland</td>
</tr>
</tbody>
</table>
trust by holding open meetings available to any community member to attend and participate. Proactively and meaningfully engage residents in planning decisions that impact their housing and neighborhoods.

- Inclusive outreach. Encourage public participation in the public process by effectively engaging the community and making special efforts to accommodate all residents, including:
  - Providing simultaneous translation services and listening devices for all meetings
  - Using a variety of venues throughout the community
  - Using participatory facilitation techniques

- Cultural sensitivity. Encourage residents and other stakeholders to participate in development plans and proposals through culturally appropriate public outreach efforts.

- Community participation. Strive to increase rates of participation in community events such as voting, youth activities, adult education, senior activities and family-oriented programs.

- Developer outreach. Require sponsors of major development and infrastructure projects to initiate early, frequent and substantive communication with the community and show how the community’s input was incorporated into the plan prior to approval by the City Council.

<table>
<thead>
<tr>
<th>Woodland Park</th>
<th>Euclid Improvement plans include an open, publicly accessible park on O’Connor Street between Euclid and Manhattan that will be accessible to all for recreation, relaxation, and social events.</th>
</tr>
</thead>
</table>
| **Park tenants and the community at large.** Woodland Park commits to maintain and strengthen their dialogue with the community through ongoing community dinners, special events, smaller gatherings, and partnerships with local community groups. The robust process will ensure that the community is represented, consulted, and respected in the planning process. | **The Parks, Open Space and Conservation Goal** PO:C-3 notes, “Expand funding for park improvements and maintenance.”

- Park incentives. Encourage developers to include open space and recreational amenities such as outdoor play areas, rooftop gardens, and family gathering spaces, in new multifamily developments. |
The Safety and Noise Goal SN-1 notes, “Reduce the risk to people and property from earthquakes and other geologic hazards.”

- Construction requirements. Apply the proper development engineering and building construction requirements to avoid or minimize risks from seismic and geologic hazards.

- Robust seismic guidance. Utilize and enforce the most recent state guidance for seismic and geologic hazards when evaluating development proposals.

- Seismic upgrades. Examine the necessity of seismic upgrades to existing public facilities as well as existing multi-family housing constructed prior to 1971.

The Euclid Improvements plan seismic and life-safety upgrades not possible with simple renovation alone. New buildings will be safer and healthier than the existing buildings and will meet or exceed modern seismic and other life safety standards.
9. Preliminary Title Reports, Grant Deeds, and Geotechnical Engineering Study

Preliminary Title Reports prepared by Chicago Title Company:
https://www.dropbox.com/sh/946ll13p1itazdo/AADbsGwmHsXjELzLj_okkHLa?dl=0

Grant Deeds as recorded by San Mateo County:
https://www.dropbox.com/sh/zlz44lpgqgv0l85/AAD0fHglvpqCvgwv2m9hfYdoa?dl=0

Geotechnical Engineering Study prepared by Geosphere Consultants, Inc.:
https://www.dropbox.com/sh/00nw6qanal0aaqp/AAAJNoul0zRRrHrniIT9uTbGa?dl=0
Council Study Session: Euclid Avenue Improvements Project Update and Affordable Housing Discussion

September 10, 2020
Objectives

• Background:
  - Westside Area Plan
  - Project Application
  - Previous Comments Received on Initial Affordable Housing Proposal
  - Status to Date

• City staff presentation on City affordable housing objectives and the Project’s updated affordable housing proposal

• Receive presentation from the project applicant on their housing proposal

• Receive direction from the City Council on affordable housing proposal
Background
Westside Land Use Approach

- **Maintained** existing designations, zoning or development (*whichever was higher*)

- Westside Plan assumed that increases in height/density would be needed

- Allowed option to increase development through a **public process**:

  Policy 5.2: “Development intensity or change or use. Any development project that proposes an increase in intensity over the existing unit count and/or a change in use must undergo a rigorous public process and meet the anti-displacement goals of this Chapter and all other applicable City policies and regulations.”
Process for Increased Intensity

- May be approved on a project-by-project basis
- Meet the policies in the GP and all other city policies
- Shall enter into a Development Agreement and/or pay fees for parks, open space, infrastructure and community facilities
- Reminder: This is a discretionary act by the City.
Current Condition

• Adjacent to University Circle office development and 101

• 4 acres total

• Approximately 15 existing walk-up apartment buildings

• 160 existing rent-controlled units (+ 1 non-RSO unit)

• Complete demolition and redevelopment proposed
Proposed Project (2019):
Woodland Park Euclid Improvements

- **605** new multifamily residential units
  - 155 dwelling units per acre
  - 11,700 square feet (0.3 acres) of common open space for residents
- Ground-floor neighborhood-serving **retail**
- **Community space**
  - 38,600 square feet (0.9 acres) of public open space
  - 3,000 sf of community space
- Between 5 and 13 stories (northern tower)
- **160 RSO units**
- Impact fees including housing in lieu fee
Proposed Project: Summary Program

- **One-to-one replacement** of 160 existing RSO units (Proposed in 2019 Application)
- RSO units revert to **market rate** when tenant moves out
- **No deed-restricted affordable units** being provided

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Area</strong></td>
<td>3.9 acres</td>
<td>3.9 acres</td>
</tr>
<tr>
<td><strong>Number of Buildings</strong></td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td><strong>Rent-Stabilized Units</strong></td>
<td>160</td>
<td>160</td>
</tr>
<tr>
<td><strong>Total Units</strong></td>
<td>161</td>
<td>605</td>
</tr>
<tr>
<td><strong>Height</strong></td>
<td>Varies from 1 to 4 stories</td>
<td>Steps down from 13 to 5 stories / Shorter than Four Seasons / University Circle next door</td>
</tr>
<tr>
<td><strong>Off-street Parking Stalls</strong></td>
<td>155</td>
<td>625</td>
</tr>
<tr>
<td><strong>On-street Parking Stalls</strong></td>
<td>52</td>
<td>71</td>
</tr>
<tr>
<td><strong>Neighborhood-Serving Retail</strong></td>
<td>None</td>
<td>Up to 5,000 square feet</td>
</tr>
<tr>
<td><strong>Community Space</strong></td>
<td>None</td>
<td>Up to 3,000 square feet</td>
</tr>
<tr>
<td><strong>Public open space</strong></td>
<td>None</td>
<td>Over 38,600 sf (0.9 acres), incl. neighborhood park</td>
</tr>
</tbody>
</table>
City Council and Planning Commission Comments

**Affordable Housing**
- Not compliant with current City inclusionary requirements
- Provide breakdown of units by AMI brackets (ELI, VLI, VI, MI) needed
- Council needs to review and approve the relocation plan for all current tenants
- Potential applicability of Senate Bill 330 (SB 330)

**Design Review**
- Provide more visuals needed to determine if proposed height is acceptable

**Community Impact & Fiscal Analysis**
- Prepare an economic analysis to determine increased value from proposed height and density
- Perform an independent analysis of fiscal impact report

**Transportation & TDM**
- Conduct AM/PM peak traffic studies to determine potential intersection and VMT impacts
- Provide more details of proposed TDM measures and potential transit improvements (i.e. shuttle)

**Infrastructure & Open Space**
- Determine the specific infrastructure needs and costs for this project and present this information to the Council.
Activities Since Feb 2020

• Initiation of the EIR (with the publication of the NOP); many sections of the EIR completed
• Finalized staff comments on the project application
• Weekly meetings between City and Project Applicant
  • Housing
  • Urban design
  • Infrastructure
  • Fiscal
City’s Affordable Housing Obligations and Applicant’s Updated Affordable Housing Proposal
Considerations for the Project’s Affordable Housing Proposal

- General Housing Definitions
- Additional Financial Obligations to which the Project is Subject
- Requests from the Developer or “City Concessions”
Additional Financial Commitments Project is Subject To

- Variety of Development Impact Fees (e.g. City, EPASD, School)
- Potential Significant Upgrades to the City’s Water System
- Transportation Demand Management (TDM)
- Potential “Reach” Building Energy Code Modifications
Development Obligations ≠ Community Benefits

Impact Fees are Obligations

Community Benefits Should be Seen as Things that Go Above and Beyond City Requirements
Requested “City Concessions”

- Increase in Density and Height
- Reduction in Affordable Housing Obligations
- Reduction in Parking
- Flexibility on Building Setbacks
- Reductions in Common/Private Open Space Requirements
- See Table 4 in Staff Report for More Detailed Information

See Table 4 in Staff Report for More Detailed Information
## City’s Affordable Housing Requirements for Project

<table>
<thead>
<tr>
<th>Component</th>
<th>What Governs</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing 160 RSO Units</td>
<td>Westside Area Plan</td>
<td>Replacement of existing RSO units on a one-for-one basis or replacement of RSO units on a one-for-one basis with new deed-restricted RSO units</td>
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</table>
| Net New 445 Units                | City’s Inclusionary Housing Ordinance | 20% of new units built and leased to eligible households at the following AMI levels:  
|                                  |                                       | • 25% of units leased at 35% AMI                                            |
|                                  |                                       | • 50% of units leased at 50% AMI                                             |
|                                  |                                       | • 25% of units leased at 60% AMI                                             |
# City’s Affordable Housing Requirements for Project

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</table>
| Net New 445 Units          | City’s Inclusionary Housing Ordinance | 20% of new units built and leased to eligible households at the following AMI levels:  
  • 25% of units leased at 35% AMI – **22 units**  
  • 50% of units leased at 50% AMI – **44 units**  
  • 25% of units leased at 60% AMI – **23 units**  
  ➢ **89 Inclusionary Units** |
# City’s Required Inclusionary Income/Rent Levels

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>25% of Units @ 35% AMI</th>
<th>50% of Units @ 50% AMI</th>
<th>25% of Units @ 60% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max Income</td>
<td>Max Rent</td>
<td>Max Income</td>
</tr>
<tr>
<td>Studio</td>
<td>$42,630</td>
<td>$1,065</td>
<td>$60,900</td>
</tr>
<tr>
<td>1-BR</td>
<td>$48,270</td>
<td>$1,141</td>
<td>$69,600</td>
</tr>
<tr>
<td>2-BR</td>
<td>$54,810</td>
<td>$1,370</td>
<td>$78,300</td>
</tr>
<tr>
<td>3-BR</td>
<td>$60,900</td>
<td>$1,583</td>
<td>$87,000</td>
</tr>
<tr>
<td>4-BR</td>
<td>$65,800</td>
<td>$1,766</td>
<td>$94,000</td>
</tr>
</tbody>
</table>
## Developer’s Affordable Housing Proposal for Project

<table>
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<tr>
<th>Component</th>
<th>Proposal</th>
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<tbody>
<tr>
<td>Existing 160 RSO Units</td>
<td>Replace 108 of 160 existing RSO units and deed restrict 52 existing RSO units at 80% and 120% of AMI.</td>
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## Developer’s Affordable Housing Proposal for Project

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<td>Replace 108 of 160 existing RSO units and deed restrict 52 existing RSO units at 80% and 120% of AMI.</td>
</tr>
<tr>
<td>Net New 445 Units</td>
<td>The Developer is not proposing to restrict any of the net new units in accordance with the City’s Inclusionary Housing Ordinance:</td>
</tr>
<tr>
<td></td>
<td>• 25% of units leased at 35% AMI – 0 units</td>
</tr>
<tr>
<td></td>
<td>• 50% of units leased at 50% AMI – 0 units</td>
</tr>
<tr>
<td></td>
<td>• 25% of units leased at 60% AMI – 0 units</td>
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<tr>
<td></td>
<td>• 50% of units leased at 50% AMI – 0 units</td>
</tr>
<tr>
<td></td>
<td>• 25% of units leased at 60% AMI – 0 units</td>
</tr>
<tr>
<td></td>
<td>• 26 units @ 80% AMI</td>
</tr>
<tr>
<td></td>
<td>• 26 units @ 120% AMI</td>
</tr>
</tbody>
</table>
# Developer’s Proposed Inclusionary Income Levels

## COUNTY OF SAN MATEO MAXIMUM INCOMES AND RENTAL RATES BY HOUSEHOLD SIZE AND INCOME LEVELS FOR APPLICANT’S PROPOSAL (80% AND 120% UNITS)

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>26 Units @ 80% AMI</th>
<th>26 Units @ 120% AMI</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Max Income</td>
<td>Max Rent</td>
</tr>
<tr>
<td>Studio</td>
<td>$97,440</td>
<td>$2,436</td>
</tr>
<tr>
<td>1-BR</td>
<td>$111,360</td>
<td>$2,610</td>
</tr>
<tr>
<td>2-BR</td>
<td>$125,280</td>
<td>$3,132</td>
</tr>
<tr>
<td>3-BR</td>
<td>$139,200</td>
<td>$3,620</td>
</tr>
<tr>
<td>4-BR</td>
<td>$150,400</td>
<td>$4,038</td>
</tr>
</tbody>
</table>
**POTENTIAL FUTURE LEASE RATES OF 52 VACANT RSO UNITS IF REPLACED ON A ONE-TO-ONE BASIS AND REMAIN IN RSO PROGRAM**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Average Market Rate Rental Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>East Palo Alto</td>
</tr>
<tr>
<td>1-bed</td>
<td>$2,100</td>
</tr>
<tr>
<td>2-bed</td>
<td>$3,200</td>
</tr>
</tbody>
</table>

* Source data [www.rentjungle.com](http://www.rentjungle.com)
Potential Applicability of SB 330

- May provide flexibility to move RSO obligations to partially satisfy City’s Inclusionary Housing requirements
- May be moot since the Applicant is seeking a number of city concessions
- Staff and Applicant may need to further investigate SB 330’s applicability on the Project
Staff’s Response to Applicant’s Affordable Housing Proposal

Staff understands the Developer’s concerns about feasibility

Westside Area Plan and City’s Inclusionary Housing Ordinance require developer to provide 160 RSO units (or deed restricted units) and 89 income restricted units.

Proposed deed-restricted units are higher income than City’s Inclusionary Housing requirements – staff would prefer to see the Developer provide deeper level of affordability.

Staff supports the "missing middle" concept, but wants to see more lower income units.
Discussion Questions for the City Council

Overall, does the City Council have specific concerns with the Applicant’s latest affordable housing proposal for the project?

If current proposal could better achieve the requirements of local and State law and City Council policy on affordable housing, should staff engage Applicant and continue to process Project?

Is the City Council open to allowing staff and the Applicant to develop a revised affordable housing proposal (or proposals) that may deviate from the various base requirements, but is more beneficial than the current proposal?
Tonight’s discussion at a glance

Our community-informed proposal:

• 605 apartments incl. **160 affordable units**
  – **108 rent-controlled units** for existing tenants
  – **52 income-restricted affordable** for low- and moderate-income households

• **Getting input; one of several study sessions**

• **Not seeking approval** until next year
We started with the West Side Area Plan...

- No Displacement
- Right of Return
- Preserve RSO housing & rent-stabilization program
- Replace rent-stabilized units with either rent-stabilized or income-restricted units
...and worked hard to get community input
Created a community-informed proposal...

With *no displacement*, replace aging, outdated structures with new mixed-income housing

**Core principles:**

1. No Displacement
2. Preserve Housing Affordability and Stability
3. Community Informed Plans
4. Better Parking and Mobility
5. Safer, Healthier Buildings
View from O’Connor Street, facing Euclid Avenue
View from Euclid Avenue and East O'Keefe Street
that provides lots of benefits

| For Tenants          | Nicer, larger, safer, healthier housing  
|                      | Guaranteed return at same rent          |
| ~1 acre open space; new neighborhood park  
| Community space & neighborhood retail  
| New bus stop, streets, and sidewalks  |
| Improve and increase housing supply  
| >$30M net positive impact to City  
| >$10M for special districts, incl. schools  
| New water and sewer infrastructure |
Affordable housing comes in two varieties

<table>
<thead>
<tr>
<th>Rent Control</th>
<th>Income-Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Rent stabilization” / “RSO”</td>
<td></td>
</tr>
<tr>
<td>Rent board caps max rent increase (0-3%)</td>
<td>Rent at 30% of household income</td>
</tr>
<tr>
<td>Below market rent after year 1</td>
<td>Below market rent from day 1</td>
</tr>
<tr>
<td>No qualifications (max. income, immigration, household size)</td>
<td>Qualified by household income levels</td>
</tr>
<tr>
<td>Favors long-term residents deeper affordability each year</td>
<td>Requires lottery Preference for EPA residents</td>
</tr>
</tbody>
</table>

Both can be deed-restricted to bind future owners
### Input: Serve critical and underserved groups

<table>
<thead>
<tr>
<th>Existing tenants</th>
<th>EPA residents who don’t qualify for income-restricted housing</th>
<th>EPA residents in the “Missing Middle”</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Displacement</td>
<td>Undocumented immigrants</td>
<td>Low- or moderate-income household</td>
</tr>
<tr>
<td>Right of Return</td>
<td>Paid under-the-table</td>
<td>Not extremely- or very-low income</td>
</tr>
<tr>
<td>Same Rent</td>
<td>Large households</td>
<td>Working families, returning youth, working seniors</td>
</tr>
<tr>
<td>No Qualification</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
108 Current Tenants have a “Right-to-Return”

Existing rent-controlled units

- **160**
- **52** vacant
- **108** occupied / right-of-return

San Mateo County Affordability Ranges

<table>
<thead>
<tr>
<th>Affordability / AMI</th>
<th>Studio</th>
<th>1 bed</th>
<th>2 bed</th>
<th>Studio</th>
<th>1 bed</th>
<th>2 bed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely LI ≤30%</td>
<td>≤$36,540</td>
<td>≤$41,760</td>
<td>≤$46,980</td>
<td>≤$913</td>
<td>≤$978</td>
<td>≤$1,174</td>
</tr>
<tr>
<td>Very LI 31-50%</td>
<td>$36,541-60,900</td>
<td>$41,761-69,600</td>
<td>$46,981-78,300</td>
<td>$914-1,522</td>
<td>$979-1,631</td>
<td>$1,175-1,957</td>
</tr>
<tr>
<td>Low Income 51-80%</td>
<td>$60,901-97,600</td>
<td>$69,661-111,550</td>
<td>$78,301-125,500</td>
<td>$1,523-2,436</td>
<td>$1,632-2,610</td>
<td>$1,958-3,132</td>
</tr>
<tr>
<td>Moderate 81-120%1</td>
<td>$97,601-120,200</td>
<td>$111,551-137,350</td>
<td>$125,501-154,550</td>
<td>$2,437-3,005</td>
<td>$2,611-3,434</td>
<td>$3,133-3,864</td>
</tr>
</tbody>
</table>

1 Only for households rent burdened at market rents

Existing rent control tenants pay below market rent
Existing RSO tenants pay below-market rent

Over 70% of existing tenants pay extremely low or very low rents

Key

## RSO units (108)

All current tenants have guaranteed right of return
Original Application – 160 Rent-Controlled Units

108 for existing tenants and 52 for new rent-control tenants

Key

## RS0 for right-of-return (108)
### RS0 for new tenants (52)

<table>
<thead>
<tr>
<th>Initial Rent Level Affordability</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extremely Low</td>
<td>13</td>
</tr>
<tr>
<td>Very Low</td>
<td>64</td>
</tr>
<tr>
<td>Low</td>
<td>29</td>
</tr>
<tr>
<td>Moderate</td>
<td>2</td>
</tr>
<tr>
<td>New RS0 Tenants</td>
<td>52</td>
</tr>
</tbody>
</table>
Our application
Original proposal
What's changed
Updated proposal
Policy changed since submittal

- September 2019 Submittal
- November 2019 New Inclusionary Housing Ordinance
  - “Alternative compliance option”
- February 2020 Study Session
- Summer 2020 Updated Proposal
Affordable housing is one of many requirements.
Costs have gone up and many still uncertain

**Affordable Housing**
- Sept. '19: $8.6M
- Now: $24M
- Change: ↑ 2.8 times

**Water Infrastructure**
- Sept. '19: $2.2M
- Now: $6.7-$9.7M
- Change: ↑ 3 - 4.4 times

**Sanitary District**
- Sept. '19: $0.6
- Now: $9.5
- Change: ↑ 16 times

Other new costs expected in future (TDM, “reach” code, ??)
EPA is already creating lots of ELI & VLI units

Projections from 2019 Annual Housing Element Progress Report

“Missing Middle”

Key
- RHNA Req’t
- Total units
- Surplus
- Deficit

Fewest units created for low- and moderate-income households
Our application → Original proposal → What’s changed → Updated proposal
Updated Proposal – 160 Rent Control & Income Restricted

Vacant units replaced by income-restricted “missing middle” affordable units

<table>
<thead>
<tr>
<th>Initial Rent Affordability / Affordability Levels</th>
<th>Extremely Low</th>
<th>Very Low</th>
<th>Low</th>
<th>Moderate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Units</td>
<td>13</td>
<td>64</td>
<td>53</td>
<td>28</td>
</tr>
</tbody>
</table>

Key
- Inclusionary Requirement (income-restricted)
- Total units
- RSO for right-of-return (108)
- Income-restricted (52)

“Menu” of affordability options serves wide range of EPA residents
Updated Proposal Meets Important Goals

- Create financially feasible, “buildable” housing
- Satisfy West Side Area Plan requirements
- Improve application proposal based on new policies
- Address community input to serve specific groups:
  - Existing tenants
  - EPA residents who don’t qualify for income-restricted housing
  - EPA residents in the “Missing Middle”

- Still open to and seeking feedback
Request for input

• What of the project benefits are important to you?
• Prefer application proposal or updated proposal?
• What are key priorities?
  • No Displacement / Right of Return
  • Preserve Rent-Controlled Units
  • New Income-Restricted Units
  • Affordability for extremely/very low income (ELI/VLI)
  • Affordability for low/moderate income households (LI/MI)
  • Meet City’s RHNA requirements
• Any flexibility in fees/infrastructure cost?
DATE: October 6, 2020

TO: Honorable Mayor and Members of the City Council

VIA: Jaime M. Fontes, City Manager

BY: Victor Ramirez, Rent Stabilization Program Administrator

SUBJECT: Resolution Endorsing Proposition 21 (The Rental Affordability Act) to Amend the Costa-Hawkins Rental

Recommendation

Adopt a Resolution endorsing Proposition 21 (The Rental Affordability Act) to amend the Costa-Hawkins Rental Housing Act, Civil Code Sections 1954.50-1954.535.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 2: Enhance Economic Vitality
Priority No. 6: Create a Healthy and Safe Community

Background

In 1988, the voters of East Palo Alto adopted a Rent Stabilization and Eviction for Good Cause Ordinance (“1988 Ordinance”) which established a system of rent control for all units constructed prior to April 1988. The voters later repealed the 1988 Ordinance and adopted the Rent Stabilization and Just Cause for Eviction Ordinance of 2010 (“2010 Ordinance”) to account for the new restrictions imposed by the Costa-Hawkins Rental Housing Act, Civil Code Sections 1954.50-1954.535 (“Costa-Hawkins Act”). The 2010 Ordinance repealed the 1988 Ordinance with respect to residential tenancies only. The 1988 Ordinance remains applicable to mobile home park space tenancies.

Both the 1988 and 2010 ordinances regulate the rents of residential rental units in the City constructed before 1988 and provide protection to tenants against eviction without good cause and against unreasonable rent increases to maintain affordable housing. An unreasonable rent increase is generally defined as an increase in rent beyond what is needed to pay for the operation, maintenance, and renovation of property and to provide the owner with a fair return on their investment.
In 1995, the California State Legislature adopted the Costa-Hawkins Rental Housing Act. Costa-Hawkins, which does not apply to mobile home park tenancies, undermines systems of strong rent control such as East Palo Alto’s system by allowing property owners to establish a new rental rate for each new tenancy. It allows unlimited increases upon vacancy. Once the initial rent amount is set by the rental agreement, the amount can then be re-controlled and only subject to adjustments authorized by the local jurisdiction. Costa-Hawkins also exempts certain rental units from rent control, including single family homes, condominiums, and East Palo Alto rental units built after April 1988.

Costa-Hawkins had a phase-in implementation period from January 1996 through December 1998. From 1988 to the end of 1998, East Palo Alto controlled rents on both vacant and occupied rental units by certifying maximum allowable rents or rent ceilings. When a new tenancy occurred the prior rent ceiling would then continue in effect and could not be increased except through annual increases approved by the Rent Stabilization Board or through individual rent adjustments. These "vacancy controls" kept rents stable and prevented large unreasonable rent increases which could displace residents out of the city.

On September 9, 2020, the Rent Stabilization Board adopted a motion recommending the City Council adopt a resolution endorsing Proposition 21 - The Rental Affordability Act to amend the Costa-Hawkins Rental Housing Act, Civil Code Sections 1954.50-1954.535.

**Analysis**

The table below shows how substantially and consistently higher the current rent averages are compared with the rent averages in 2012 as reported to the Rent Stabilization Program during the last eight years. The sum of the annual general adjustments, which are calculated on the 80% of the inflation rate for the region, approved by the Board from 2012 through 2020 is 19.10% compared with the actual percentage changes in the average rent for each type of unit size which above 60% in every case.

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>2012 Average Rent</th>
<th>Current Average Rent</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>$922.26</td>
<td>$1,453.09</td>
<td>63.46%</td>
</tr>
<tr>
<td>1</td>
<td>$1,014.69</td>
<td>$1,589.37</td>
<td>63.84%</td>
</tr>
<tr>
<td>2</td>
<td>$1,340.02</td>
<td>$1,988.03</td>
<td>67.40%</td>
</tr>
<tr>
<td>3</td>
<td>$1,561.66</td>
<td>$2,553.77</td>
<td>61.15%</td>
</tr>
</tbody>
</table>

The Program thus provides a degree of stability to tenants after they move into an apartment, but over the long-term it cannot keep rents at “reasonable” and affordable levels. Maintaining long-term affordability, once a major function of the Program, must now be carried out through other programs, such as construction or acquisition and rehabilitation of housing on a non-profit basis, inclusion of “below-market rate” housing in new for-profit developments, and provision of subsidies to very low-income tenant families.

If Proposition 21 is approved by the California voters this November and Costa-Hawkins is amended accordingly, local jurisdictions, such East Palo Alto, would have an important legal tool, yet still restricted by Costa-Hawkins, to protect their residents and stabilize their communities by preserving housing affordability and preventing displacement. If Costa-Hawkins is amended, local governments would be allowed to:
1. Establish rent control on residential properties over 15 years old. In East Palo Alto, only properties with two or more dwelling units built before April 1988 are generally subject to price control provisions of the 2010 Rent Stabilization Ordinance.
2. Limit rent increases on rent-controlled properties of up to 15 percent over three years from previous tenant’s rent above any increase allowed by local ordinance. In East Palo Alto, this would mean that the average percentage change would roughly be about 34% instead of more than 60% for the last eight years as shown in the table above.
3. Exempt individuals who own no more than two dwelling units from new rent-control policies. In East Palo Alto, single family homes and owner-occupied duplexes are currently exempt from price control.
4. Locally established policies may not violate landlords' right to a fair financial return on their property. In East Palo Alto, landlords can annually increase rents and file rent adjustment petitions for a fair rate of return.

On September 9, the Rent Stabilization Board of the City of East Palo Alto adopted a motion recommending the City Council adopt a resolution endorsing Proposition 21 (The Rental Affordability Act) to amend the Costa-Hawkins Rental Housing Act, Civil Code Sections 1954.50-1954.535.

**Support & Opposition to Proposition 21**

The League of California Cities has no position on Proposition 21. To date, some of the organizations that have expressed their support and opposition to Proposition 21 are:

**In Support:**
City of Santa Monica
City of West Hollywood
Housing California
American Civil Liberties Union Foundations, California

**In Opposition:**
California Apartment Association
National Apartment Association
California Rental Housing Association
Bridge Housing

**Fiscal Impact**
There is no fiscal impact for submitting a letter of support for Proposition 21.

**Attachments**
1. Resolution
2. Proposition 21
RESOLUTION NO. ______

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO

ENDORISING PROPOSITION 21 (THE RENTAL AFFORDABILITY ACT) TO AMEND THE COSTA-HAWKINS RENTAL HOUSING ACT

WHEREAS, in 1988, the voters of East Palo Alto adopted a Rent Stabilization and Eviction for Good Cause Ordinance ("1988 Ordinance") which established a system of rent control for all units constructed prior to April 1988; and

WHEREAS, the voters later repealed the 1988 Ordinance and adopted the Rent Stabilization and Just Cause for Eviction Ordinance of 2010 ("2010 Ordinance") to account for the new restrictions imposed by the Costa-Hawkins Rental Housing Act, Civil Code Sections 1954.50-1954.535 ("Costa-Hawkins Act"); and

WHEREAS, the 2010 Ordinance repealed the 1988 Ordinance with respect to residential tenancies only. The 1988 Ordinance remains applicable to mobile home park space tenancies; and

WHEREAS, both the 1988 and 2010 ordinances regulate the rents of residential rental units in the City constructed before 1988 and provide protection to tenants against eviction without good cause and against unreasonable rent increases to maintain affordable housing; and

WHEREAS, the 2010 Ordinance repealed the 1988 Ordinance with respect to residential tenancies only and the 1988 Ordinance remains applicable to mobile home park space tenancies; and

WHEREAS, both the 1988 and 2010 ordinances regulate the rents of residential rental units in the City constructed before 1988 and provide protection to tenants against eviction without good cause and against unreasonable rent increases, generally defined as an increase in rent beyond what is needed to pay for the operation, maintenance, and renovation of property and to provide the owner with a fair return on their investment; and

WHEREAS, in 1995, the California State Legislature adopted the Costa-Hawkins Rental Housing Act, undermining systems of strong rent control such as East Palo Alto’s system by allowing property owners to establish a new rental rate for each new tenancy and allowing unlimited increases upon vacancy; and

WHEREAS, once the initial rent amount is set by the rental agreement, the amount can then be re-controlled and only subject to adjustments authorized by the local jurisdiction; and

WHEREAS, Costa-Hawkins also exempts certain rental units from rent control, including single family homes, condominiums, and East Palo Alto rental units built after April 1988, and does not apply to mobile home park tenancies; and

WHEREAS, current rent averages are substantially and consistently higher compared with the rent averages in 2012 as reported to the Rent Stabilization Program during the last eight years.

WHEREAS, the sum of the annual general adjustments, which are calculated on the 80% of the inflation rate for the region, approved by the Board from 2012 through 2020 is 19.10% compared with the actual percentage changes in the average rent for each type of unit size which above 60% in every
WHEREAS, if Proposition 21 is approved by the California voters this November and Costa-Hawkins is amended accordingly, local jurisdictions, such as East Palo Alto, would have an important legal tool, yet still restricted by Costa-Hawkins, to protect their residents and stabilize their communities by preserving housing affordability and preventing displacement; and

WHEREAS, Prop. 21 would allow local jurisdictions to establish rent control on residential properties over 15 years old and in East Palo Alto, only properties with two or more dwelling units built before April 1988 are generally subject to price control provisions of the 2010 Rent Stabilization Ordinance; and

WHEREAS, Prop. 21 would allow local jurisdictions to limit rent increases on rent-controlled properties of up to 15 percent over three years from previous tenant’s rent above any increase allowed by local ordinance.

WHEREAS, in East Palo Alto, this would mean that the average percentage change would roughly be about 34% instead of more than 60% for the last eight years as shown in the table above; and

WHEREAS, Prop. 21 would allow local jurisdictions to Exempt individuals who own no more than two dwelling units from new rent-control policies and in East Palo Alto, single family homes and owner-occupied duplexes are currently exempt from price control; and

WHEREAS, locally established policies may not violate landlords’ right to a fair financial return on their property, and in East Palo Alto, landlords can annually increase rents and file rent adjustment petitions for a fair rate of return.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY endorses Proposition 21 (The Rental Affordability Act) to amend the Costa-Hawkins Rental Housing Act, Civil Code Sections 1954.50-1954.535.

PASSED AND ADOPTED this 6th day of October 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

______________________________
Regina Wallace-Jones, Mayor

ATTEST:

Walfred Solorzano, City Clerk

APPROVED AS TO FORM:

Rafael E. Alvarado, Jr., City Attorney

2 of 2
The Rental Affordability Act

The People of the State of California do hereby ordain as follows:

Section 1. Title

This Act shall be known and may be cited as the “Rental Affordability Act.”

Section 2. Findings and Declarations

The People of the State of California hereby find and declare the following:

(a) More Californians (over 17 million people) are renting housing than ever before. According to the State’s figures, home ownership rates in California have fallen to their lowest level since the 1940s. One quarter of older millennials (25-34 years of age) still live with their parents. (U.S. Census Bureau)

(b) Rental housing prices have skyrocketed in recent years. Median rents are higher in California than any other state in the country, and among all 50 states, California has the 4th highest increase in rents.

(c) As a result of rising rental housing prices, a majority of California renters are overburdened by housing costs, paying more than 30% of their income toward rent. One-third of renter households spend more than 50% of their income toward rent.

(d) According to the National Low-Income Housing Coalition, a Californian earning minimum wage would have to work 92 hours per week in order to afford renting an average one-bedroom apartment.

(e) Families faced with housing insecurity are often forced to decide between paying their rent and meeting other basic needs, which negatively impacts their health outcomes. Workers suffering from unstable housing and a deterioration in their health struggle to keep their jobs, pushing them into poverty and homelessness.

(f) Labor unions, such as the California Teachers Association, the California Nurses Association and Service Employees International Union (SEIU) have made affordable housing a priority for their members. Teachers in California’s urban centers are paying 40% to 70% of their salaries on housing and many are being forced to live an hour or more from their jobs to afford a home.
(g) Even though the state represents only 12% of the total U.S. population, California is home to 22% of the nation’s homeless population. (California Department of Housing and Community Development)

(h) According to a 2018 study in the UCLA Anderson Forecast, there is a strong link between higher median rents and the number of people living on the streets or in temporary shelters. When combined with individual at-risk factors, less affordable housing markets contribute to an increase in homelessness.

(i) Homelessness is a major public health issue. People who are homeless are 3 to 4 times more likely to die prematurely and are more likely to contract communicable diseases, according to the National Health Care for the Homeless Council.

(j) The Centers for Disease Control and Prevention warn that vulnerable populations face lower life expectancy, higher cancer rates and more birth defects when they are displaced from their homes due to gentrification of their neighborhoods.

(k) The increased cost of housing is worsening traffic congestion and harming the environment by forcing commuters to live farther away from their places of employment, increasing commute times. A report by the Pew Charitable Trust noted that the number of Californians who commute more than 90 minutes each way increased by 40% between 2010 and 2015; the increase is a direct result of the lack of affordable housing near jobs.

(l) A growing body of evidence suggests that stabilizing rents can bring broad-based benefits to renters, the state’s economy, the environment, and its public services.

**Section 3. Purposes and Intent**

The People of the State of California hereby declare the following purposes and intent in enacting this Act:

(a) To allow California’s cities and counties to develop and implement rent control policies that ensure renters can find and afford rental housing in their jurisdictions.

(b) To improve the quality of life for millions of California renters and reduce the number of Californians who face critical housing challenges and homelessness.

(c) To stem the tide of evictions and displacement affecting communities across California.
(d) To allow a city, county or city and county to exercise any local law controlling the rental rates for residential property provide that it has been at least 15 years since the property received its certificate of occupancy.

(e) To allow local laws to control rental rates following a vacancy while permitting a landlord to increase the rental rates on a vacated unit by no more than 15% over the subsequent three years in addition to any other increase allowed under a local ordinance.

(f) To exempt the owners of one or two residential dwellings from any local rental control law.

Section 4. Section 1954.50 of Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code is amended to read:

1954.50. This chapter shall be known and may be cited as the Costa-Hawkins Rental Housing Affordability Act.

Section 5. Section 1954.52 of Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code is amended to read:

1954.52. (a) Notwithstanding any other provision of law, an owner of residential real property may establish the initial and all subsequent rental rates for a dwelling or a unit about which any either of the following is true:

(1) It has a certificate of occupancy issued after February 1, 1995 been issued its first residential certificate of occupancy within fifteen (15) years of the date on which the owner seeks to establish the initial or subsequent rental rate.

(2) It has already been exempt from the residential rent control ordinance of a public entity on or before February 1, 1995, pursuant to a local exemption for newly constructed units.

(3) (A) It is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision, as specified in subdivision (b), (d), or (f) of Section 11004.5 of the Business and Professions Code, and the owner is a natural person who owns no more than two residential dwelling or housing units.

(B) This paragraph does not apply to either of the following:

(i) A dwelling or unit where the preceding tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy noticed pursuant to Section 827.

(ii) A condominium dwelling or unit that has not been sold separately by the subdivider to a bona fide purchaser for value. The initial rent amount of the unit for purposes of this chapter shall be the lawful rent in effect on May 7, 2001, unless the rent amount is governed by a different provision of this chapter. However, if a condominium dwelling or unit meets the criteria of paragraph (1) or (2) of subdivision (a), or if all the dwellings or units except one have been sold separately by the subdivider to bona fide purchasers for value, and the subdivider has occupied that remaining unsold condominium dwelling or
unit as his or her principal residence for at least one year after the subdivision occurred, then subparagraph (A) of paragraph (3) shall apply to that unsold condominium dwelling or unit.

(C) Where a dwelling or unit in which the initial or subsequent rental rates are controlled by an ordinance or charter provision in effect on January 1, 1995, the following shall apply:

(i) An owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all existing and new tenancies in effect on or after January 1, 1999, if the tenancy in effect on or after January 1, 1999, was created between January 1, 1996, and December 31, 1998.

(ii) Commencing on January 1, 1999, an owner of real property as described in this paragraph may establish the initial and all subsequent rental rates for all new tenancies if the previous tenancy was in effect on December 31, 1995.

(iii) The initial rental rate for a dwelling or unit as described in this paragraph in which the initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not, until January 1, 1999, exceed the amount calculated pursuant to subdivision (c) of Section 1954.53. An owner of residential real property as described in this paragraph may, until January 1, 1999, establish the initial rental rate for a dwelling or unit only where the tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of the Code of Civil Procedure.

(b) Subdivision (a) does not apply where the owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(c) Nothing in this section shall be construed to affect the authority of a public entity that may otherwise exist to regulate or monitor the basis for eviction.

(d) This section does not apply to any dwelling or unit that contains serious health, safety, fire, or building code violations, excluding those caused by disasters for which a citation has been issued by the appropriate governmental agency and which has remained unabated for six months or longer preceding the vacancy.

(e) In accordance with California law, a landlord's right to a fair rate of return on a property shall not be abridged by any local charter provision, ordinance, or regulation enacted by a city, county, or city and county.

Section 6. Section 1954.53 of Chapter 2.7 of Title 5 of Part 4 of Division 3 of the Civil Code is amended to read:

1954.53. (a) Notwithstanding any other provision of law, and except as provided in Section 1954.52 and in subdivision (b) of this section, a city, county, or city and county may by local charter provision, ordinance, or regulation control the initial and all subsequent rental rates for residential real property. An owner of residential real property may establish the initial rental rate for a dwelling or unit, except where any of the following applies:

(1) The previous tenancy has been terminated by the owner by notice pursuant to Section 1946.1 or has been terminated upon a change in the terms of the tenancy notified pursuant to Section 827, except a change permitted by law in the amount of rent or fees. For the
purpose of this paragraph, the owner's termination or nonrenewal of a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, shall be construed as a change in the terms of the tenancy pursuant to Section 827.

(A) In a jurisdiction that controls by ordinance or charter provision the rental rate for a dwelling or unit, an owner who terminates or fails to renew a contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant may not set an initial rent for three years following the date of the termination or nonrenewal of the contract or agreement. For any new tenancy established during the three-year period, the rental rate for a new tenancy established in that vacated dwelling or unit shall be at the same rate as the rent under the terminated or nonrenewed contract or recorded agreement with a governmental agency that provided for a rent limitation to a qualified tenant, plus any increases authorized after the termination or cancellation of the contract or recorded agreement.

(B) Subparagraph (A) does not apply to any new tenancy of 12 months or more duration established after January 1, 2000, pursuant to the owner's contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant, unless the prior vacancy in that dwelling or unit was pursuant to a nonrenewed or canceled contract or recorded agreement with a governmental agency that provides for a rent limitation to a qualified tenant as set forth in that subparagraph.

(2) The owner has otherwise agreed by contract with a public entity in consideration for a direct financial contribution or any other forms of assistance specified in Chapter 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(3) The initial rental rate for a dwelling or unit whose initial rental rate is controlled by an ordinance or charter provision in effect on January 1, 1995, may not until January 1, 1999, exceed the amount calculated pursuant to subdivision (e).

(b) Subdivision (a) applies to, and includes, renewal of the initial hiring by the same tenant, lessee, authorized subtenant, or authorized sublessee for the entire period of his or her occupancy at the rental rate established for the initial hiring.

(e) In any jurisdiction that controls by charter provision, ordinance, or regulation the initial rental rate of a dwelling or unit, whose initial rental rate is controlled by ordinance or charter provision in effect on January 1, 1995, shall, until January 1, 1999, be established in accordance with this subdivision. Where if the previous tenant has voluntarily vacated, abandoned, or been evicted pursuant to paragraph (2) of Section 1161 of Code of Civil Procedure, an the owner of the dwelling or unit shall be permitted to residential real property may, no more than twice, establish the initial rental rate for a the vacant or abandoned dwelling or unit in an amount that provided that the initial rate established pursuant to this subdivision, in combination with any increases in the rental rate during the subsequent three year period, is no greater than 15 percent more than the rental rate in effect for the immediately preceding tenancy or in an amount that is 70 percent of the prevailing market rent for comparable units, whichever amount is greater. Any increase in the initial rental rate permitted by and established pursuant to this subdivision may be in addition to any may not substitute for or replace increases in rental rates otherwise authorized pursuant to local law.

(d) (1) Nothing in this section or any other provision of law shall be construed to preclude express establishment in a lease or rental agreement of the rental rates to be applicable in
the event the rental unit subject thereto is sublet. Nothing in this section shall be construed to impair the obligations of contracts entered into prior to January 1, 1996. (2) If the original occupant or occupants who took possession of the dwelling or unit pursuant to the rental agreement with the owner no longer permanently reside there, an owner may increase the rent by any amount allowed by this section to a lawful sublessee or assignee who did not reside at the dwelling or unit prior to January 1, 1996. (3) This subdivision does not apply to partial changes in occupancy of a dwelling or unit where one or more of the occupants of the premises, pursuant to the agreement with the owner provided for above, remains an occupant in lawful possession of the dwelling or unit, or where a lawful sublessee or assignee who resided at the dwelling or unit prior to January 1, 1996, remains in possession of the dwelling or unit. Nothing contained in this section shall be construed to enlarge or diminish an owner’s right to withhold consent to a sublease or assignment. (4) Acceptance of rent by the owner does not operate as a waiver or otherwise prevent enforcement of a covenant prohibiting sublease or assignment or as a waiver of an owner’s rights to establish the initial rental rate, unless the owner has received written notice from the tenant that is party to the agreement and thereafter accepted rent. (e) (c) Nothing in this section shall be construed to affect any authority of a public entity that may otherwise exist to regulate or monitor the grounds for eviction. (f) (d) Subdivision (b) of this section does not apply to any dwelling or unit if all the following conditions are met: (1) The dwelling or unit has been cited in an inspection report by the appropriate governmental agency as containing serious health, safety, fire, or building code violations, as defined by Section 17920.3 of the Health and Safety Code, excluding any violation caused by a disaster. (2) The citation was issued at least 60 days prior to the date of the vacancy. (3) The cited violation had not been abated when the prior tenant vacated and had remained unabated for 60 days or for a longer period of time. However, the 60-day time period may be extended by the appropriate governmental agency that issued the citation.

Section 7. Liberal Construction

This Act shall be broadly construed to accomplish its purposes.

Section 8. Amendment and Repeal

Pursuant to Article II, Section 10, Subdivision (c), of the California Constitution, the Legislature may amend this Act to further its purposes by a statute passed in each house by roll call vote entered in the Journal, two-thirds of the membership concurring, signed by the Governor. No statute restricting or eliminating the powers that have been restored by this Act to a city, county, or city and county to establish residential rental rates shall become effective unless approved by a majority of the electorate.

Section 9. Severability
If any provision of this Act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

Section 10. Conflicting Measures

If this Act and any other measure addressing the authority of local government agencies to establish residential rental rates shall appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this Act. If this Act receives a greater number of affirmative votes than another measure deemed to be in conflict with it, the provisions of this Act shall prevail in their entirety, and the other measure or measures shall be null and void.