



Planning & Transportation Commission Action Agenda: August 10, 2022

Virtual Meeting
6:00 PM

Call to Order / Roll Call

6:00 pm

Chair Lauing called the meeting to order.

Madina Klicheva, Administrative Assistant, conducted a roll call vote and announced that all Commissioners were present and Commissioner Chang was excused.

Amy French, Chief Planning Official, read out the instructions on how the public could participate in the meeting.

1. Adoption of a Resolution Authorizing Use of teleconferencing for Planning and Transportation Commission meetings During Covid-19 State of Emergency.

MOTION

Commissioner Hechtman moved to adopt the resolution.

SECOND

Commissioner Summa seconded.

VOTE

Madina Klicheva, Administrative Assistant, conducted a roll call vote and announced the motion passed 6-0 with Commissioner Chang absent.

Commission Motion: Motion by Hechtman, seconded by Summa. Motion passed 6-0 with Commissioner Chang absent.

Oral Communications

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

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1 Chair Lauing invited members of the public to share their comments with the Commission on
2 items, not on the agenda. Seeing none he moved to the next item.

3 Rega Wood announced she had comments about Item Three.

4 Chair Lauing requested she hold her comments until the item.

5 **Agenda Changes, Additions and Deletions**

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

7 Amy French, Chief Planning Official, announced there were no agenda changes, additions or
8 deletions.

9 **City Official Reports**

10 2. Directors Report, Meeting Schedule and Assignments

11 Amy French, Chief Planning Official, reported the Commission will discuss an open space home,
12 discuss the Conditional Use Permit Thresholds Ordinance and hold a study session on retail best
13 practices at the August 31, 2022 meeting. She noted that the City had not hired a replacement
14 for the Assistant Director position for Planning and Development Services. The Council will
15 review two Planned Home Zoning (PHZ) pre-screening at their September 2022 meetings. The
16 Policy and Services Committee will review the Rental Survey Program at their September 13,
17 2022 meeting.

18 Rafael Rius, Senior Engineer, announced that Palo Alto Unified School District had begun its
19 2022-2023 school year and encouraged folks to be cognizant of more kids and traffic on the
20 roads. With respect to the Charleston and Arastradero project, the medians and stripping had
21 been installed and the traffic signal installation was anticipated to be completed in November
22 2022. Santa Clara Valley Transportation Authority (VTA) was developing a Local Road Safety
23 Plan specific to Palo Alto that will help identify high safety and traffic incident locations. Once
24 that report is completed, Staff will be scheduling a study session with the PTC to discuss the
25 report.

26 Commissioner Hechtman requested an update on the cottage cluster lot split the PTC had
27 reviewed at a prior meeting.

28 Ms. French reported that Council approved the Preliminary Parcel Map with Exceptions with
29 findings and conditions that moved into protection of affordable housing.

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1 Vice Chair Summa concurred and noted the Council required that the project yield a permanent
2 house, a junior accessory dwelling unit (J/ADU), and an accessory dwelling unit (ADU) on each
3 of the new 10,000-square foot parcels. Under the current laws and regulations, there was no
4 way to ensure the affordability of either J/ADUs or ADUs.

5 **Action Items**

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

8 3. PUBLIC HEARING/LEGISLATIVE: Review and Discuss Potential Ordinance Changes to
9 Palo Alto Municipal Code Chapter 18.09, Accessory and Junior Accessory Dwelling
10 Units. Environmental Assessment: Exempt from the provisions of the California
11 Environmental Quality Act (CEQA) pursuant to Public Resources Code Section
12 21080.17 and CEQA Guidelines sections 15061(b)(3), 15301, 15302 and 15305
13 (Continued From July 13, 2022).

14 Garrett Sauls, Planner, summarized the Commission had previously discussed and made
15 motions on basements, noise-producing equipment, parking, and allowances to have
16 attachments with an ADU to the parking structures, privacy, corner lot incentives, and Policy E
17 1-8. PTC recommended that Staff reevaluate the corner lot policy and how folks could
18 potentially take advantage of it. Staff recommended PTC further discuss basement and noise-
19 producing equipment and the Affordable ADU Incentive Program.

20 Chair Lauing noted that the PTC will hold a third meeting on the item to discuss all of the
21 proposed changes recommended by the Commission.

22 Mr. Sauls concurred.

23 Chair Lauing asked the Commission if they wished to revisit basements and noise-producing
24 equipment.

25 Commissioner Hechtman could not recall why the Commission wanted to revisit those topics
26 but was open to discussing them again. With respect to basements, he recalled that was
27 approved with a vote of 5-0-2.

28 Commissioner Reckdahl mentioned the reason the Commission wanted to discuss basements
29 again was to discuss whether to allow the middle drawing on Packet Page 16. He could not
30 recall if the middle drawing was included in the motion.

31 Commissioner Hechtman believed all four bullets were included in the motion except the word
32 inhabitable was deleted from the fourth bullet.

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1 Chair Lauing suggested the Commission discuss basements and noise producing equipment
2 first. He stated that because the item was a continued hearing, public comment would not be
3 taken but he acknowledged the letter that was sent in from the public. He invited Staff to
4 comment on the letter.

5 Mr. Sauls remarked he had been in correspondence with Ms. Wood and there were
6 misunderstandings on some aspects of the proposed policies. Staff will be responding to Ms.
7 Wood's letter that was sent in on August 5th, 2022.

8 Commissioner Templeton commented that during oral communications Ms. Wood was asked
9 to hold her comments until the item and now was told that she could not comment.

10 Chair Lauing responded that he would allow Ms. Wood to provide her comments.

11 Rega Wood opposed any regulations that made constructing ADUs difficult. Recently, she had
12 submitted plans for an 895-square foot ADU at the 4-foot setback. Due to Municipal Code and
13 Building Code constraints, it was now infeasible to build the ADU.

14 Mr. Sauls reported the regulations regarding basements pertained to how the City regulated
15 Table Two units, the square footage that counted toward Floor Area, and whether to
16 recommend language requiring basements to be fully below grade. Other policies include light
17 wells not being closer than 4 feet to a property line and protection measures for existing trees.
18 With respect to noise producing equipment, the policy was to provide for additional measures
19 for street side yards and that the equipment be screened from views. Also, noise-producing
20 standards are relaxed for ADU and J/ADU units because the equipment was already meeting
21 the City's Noise Ordinance. Finally, any unit shared with the primary home has to follow the
22 more stringent requirements for setbacks.

23 Commissioner Reckdahl restated the purpose was to incentivize ADU production. He supported
24 allowing basements but only if opaque windows are used on all floors that are 5 feet above
25 grade that face a property line.

26 Commissioner Templeton wondered if that type of requirement was mandatory for other
27 structures in the City and if not, why should only ADUs and J/ADUs be subject to such a
28 requirement.

29 Commissioner Reckdahl highlighted that there is only a 4-foot setback for an ADU and J/ADU.
30 He rephrased that if an ADU or J/ADU with a basement is closer than 6 feet to a property line.
31 Then any windows 5 feet above grade should be opaque.

32 Commissioner Templeton remarked that if a structure is setback further from a property line
33 and is twice as high. That makes it easier to see in a neighbor's yard.

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1 Ms. Sauls informed that currently the City required obscured glazing on windows on the second
2 floor as a part of the Individual Review Program for new two-story homes. In a previous Staff
3 report, there was discussion about identifying where privacy becomes an issue or not as it
4 related to setbacks. He commented that Staff would still require obscured glazing even if a
5 structure was setback 8- to 10 feet from the property line.

6 Commissioner Templeton found it interesting to hear that some privacy situations would not be
7 universally applicable and that there may be negative side effects of having it defined
8 specifically for one scenario. She inquired if there were safety concerns about not allowing
9 windows.

10 Mr. Sauls mentioned PTC previously recommended that all egress windows must face towards
11 the front property line and that all interior-sided or rear-facing windows be required to have
12 obscured glazing. To Commissioner Reckdahl's suggestion, he recommended making it more
13 objective for easier implementation. The process was supposed to be ministerial which did not
14 allow discretion to be applied to any ADU project.

15 Commissioner Roohparvar commented that after doing independent research, the proposal
16 was more restrictive than many other jurisdictions' ordinances.

17 Albert Yang, City Attorney, acknowledged that adding too many requirements could cause a
18 chilling effect on ADU production but that was not witnessed in practice.

19 Commissioner Roohparvar understood that glazing of windows only applied to ADUs over 800-
20 square feet.

21 Mr. Yang confirmed that any detached ADU under 800-square feet was not subject to the
22 proposed regulations.

23 Commissioner Roohparvar was concerned about violating State law or the California
24 Department of Housing and Community Development (HCD) requirements if the City became
25 too restrictive.

26 Vice Chair Summa believed Commissioner Reckdahl's suggestion was already covered under
27 Section 18.09.040 under privacy.

28 Mr. Sauls noted basements were not allowed for Table Two units.

29 Vice Chair Summa agreed with Commissioner Reckdahl that privacy provisions should apply to
30 units with basements.

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1 Commissioner Hechtman pointed out that Staff's proposed changes to the existing ordinance
2 already addressed Commissioner Reckdahl's concerns.

3 Mr. Sauls agreed with Commissioner Hechtman. If the Commission wanted more direct
4 language that related to counting space twice towards Floor Area for the normal regulations for
5 the primary home, he welcomed that feedback.

6 Commissioner Hechtman referenced the middle image on Packet Page 16 and asked if any
7 regulations prevented a closed-door bedroom with a 6 foot 9 inch ceiling.

8 Mr. Sauls understood the Building Code required a ceiling height of 7 ½-feet for habitable
9 space.

10 Commissioner Hechtman encouraged livable spaces that functioned well for residents. He
11 supported allowing more excavation to allow for higher ceiling heights as long as the unit did
12 not go over the maximum height allowed.

13 Chair Lauing asked for additional clarification.

14 Commissioner Hechtman announced he supported all three proposed options on Packet Page
15 16.

16 Vice Chair Summa requested Mr. Sauls to restate the motion for basements.

17 Mr. Sauls reiterated the motion was to adopt the four bullet points on Packet Page 16 and then
18 to modify the last bullet point to say that subterranean construction counted towards the floor
19 area of the unit.

20 Commissioner Reckdahl restated it was clearer to allow ADUs to have any type of basement as
21 long as the roof is under 16 feet.

22 Chair Lauing commented there will still be ADUs that have a ceiling height of 6-feet 9-inches
23 and he questioned if the Commission was comfortable allowing that.

24 Vice Chair Summa supported it. She announced she did not support basements for
25 environmental reasons and was not excited about allowing more. With that said, she stated it
26 was not fair to not allow ADUs to have basements when they are allowed for the primary
27 home. She expressed concern that the ordinance highlighted that basements must not affect
28 tree roots on adjacent lots but not on their lot.

29 Mr. Sauls explained that the intent was to protect adjacent lots that might not have the ability
30 to protect their trees.

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1 Vice Chair Summa inquired if language had to be added that tree roots must be protected on
2 any given parcel.

3 Mr. Sauls remarked that it was covered in the proposed ordinance.

4 Chair Lauing asked if Staff needed additional direction from the Commission on the matter of
5 basements.

6 Mr. Sauls believed there was no need to change the draft ordinance based on the conversation.

7 Commissioner Hechtman was comfortable with the proposed ordinance in its proposed form
8 that allowed partially submerged or unsubmerged basements.

9 Chair Lauing invited Staff's presentation on noise-producing equipment.

10 Mr. Sauls reported the proposed policies were to reduce further the existing location standards
11 for J/ADUs and ADUs. The current standard was that all noise-producing equipment had to
12 follow a 4-foot setback to the property line and Staff proposed to allow for a 0 to 4 foot
13 setback. Separately, Staff proposed mitigation measures to screen the units placed on a street
14 with side setbacks. The motion made by PTC was not carried forward and the vote was 3-3-1.

15 Commissioner Reckdahl acknowledged he supported Staff's proposal because it allowed more
16 efficient use of the parcel. He shared he had concerns about fire and asked if having equipment
17 in the setback would constrain fire fighters' abilities.

18 Mr. Sauls specified that all structures near property lines are fire rated.

19 Commissioner Reckdahl asked if a 2 foot setback could be required for split HVAC equipment.

20 Mr. Sauls responded yes.

21 Commissioner Reckdahl supported having a 2 foot setback instead of allowing the whole
22 setback to be used by the equipment. He explained the number of decibels that is lost per foot
23 when moving away from the device was high and that a 2 foot setback would make a huge
24 difference in terms of noise.

25 Commissioner Hechtman reported that per the Staff report, the devices must be insulated, they
26 have to be housed and they have to meet the City's noise standards at the property line. He
27 believed that provided protection for neighbors, regardless of how close the device was to the
28 property line. He requested more information at the next meeting about noise attenuation
29 over space. With respect to fire and an ADU 4 feet from the property line, a 2 foot setback may
30 unintentionally exclude the ability to have the equipment on the property line side. He
31 requested Staff relay the fire departments' feedback on that idea at the next meeting.

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1 Vice Chair Summa understood that currently, the City did not allow noise-producing equipment
2 in 6 foot side setback.

3 Ms. Sauls explained for a primary home the equipment cannot be in the front yard, rear yard,
4 or side setbacks.

5 Vice Chair Summa was concerned about increasing the potential for noise traveling into
6 neighbor's yards. With that said she could not support Staff's proposal.

7 Chair Lauing found the suggestions very good but wanted to see more data before making a
8 final decision.

9 Commissioner Templeton asked if any noise restrictions would slow down or prohibit the
10 development of ADUs.

11 Ms. Sauls remarked that in practice the restrictions have not slowed down ADU plan
12 submissions.

13 Chair Lauing invited Staff to present their proposal for the Affordable ADU Incentive Program.

14 Mr. Sauls stated the three items that PTC had previously discussed for the Affordable ADU
15 Incentive Program were to allow reconstruction of non-conforming walls, remove the existing
16 garage requirement, and exempt affordable units from Impact Fees and Plan Review Fees. Staff
17 proposed language for areas that do not have at least a 1 foot separation between a property
18 line and the structure. Those ADUs could not use the Incentive Program. Also, Staff proposed to
19 allow structures to increase either to a maximum of 1-foot or up to a maximum of 12 feet if the
20 existing non-conforming structure was already tall. Also, the roof form is maintained if the ADU
21 were expanded. Impact Fees only applied to units that were 750 square feet or greater and
22 Impact Fees were assessed based on the size of the home. Staff requested feedback from the
23 Commission regarding the time length for the Affordable ADU Incentive Program.

24 Commissioner Hechtman remarked that ADUs are a more affordable housing type but the
25 definition of affordable pertained to the housing affordable brackets. The proposed program
26 would create a separate subset of ADUs that are deed restricted and more affordable. He
27 wanted to avoid reserving special incentives for only affordable ADUs when that incentive may
28 invite more production of regular ADUs. With that said, he supported allowing all ADUs to
29 reconstruct non-conforming walls and not be subject to the garage requirement. Only the
30 exemption from fees should apply to affordable ADUs.

31 Chair Lauing agreed with Commissioner Hechtman's remarks. He understood that an existing
32 garage that is on the property line must be moved over a foot to convert it to an ADU.

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1 Mr. Sauls explained the owner would be allowed to make the structure taller but not widen it.

2 Chair Lauing understood the proposal was that folks who built a new home with an ADU would
3 not be subject to the required covered parking.

4 Mr. Sauls confirmed that is correct.

5 Commissioner Reckdahl asked what the current parking requirement for a single-family home
6 was.

7 Mr. Sauls answered one covered space and one uncovered space.

8 Commissioner Reckdahl stated it made sense to allow an existing garage to be converted to an
9 ADU but did not understand why the home would not be required to have one uncovered
10 parking space.

11 Mr. Sauls declared that based on State law folks did not have to replace parking if a garage was
12 converted to an ADU.

13 Chair Lauing invited comments on Item One, to allow reconstruction of non-conforming walls,
14 of the Affordable ADU Incentive Program.

15 Vice Chair Summa understood the provision to allow a wall to be 6-inches wider was to bring
16 the wall up to current building standards.

17 Mr. Sauls answered yes.

18 Vice Chair Summa remarked that the provision was not problematic. She understood the 1-foot
19 taller provision was to bring the unit into compliance with the current building standards.

20 Mr. Sauls confirmed that is correct.

21 Vice Chair Summa found that provision not to be problematic. She understood the increased
22 height about not applying where the ADU wall was less than 1 ½ feet from the property line.

23 Mr. Sauls explained the policy was if someone had more than a foot between the interior and
24 rear side property line. Then the ADU could be expanded but if that space was not available
25 then folks could not use the policy.

26 Commissioner Hechtman understood the maximum height for a converted garage was 12 feet
27 and the height maximum was the difference between ministerial ADUs versus discretionary
28 ADUs.

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1 Mr. Sauls explained that the 12-foot height maximum only applied to converted ADUs in the 0
2 and 4-foot setbacks. Anything beyond that setback was allowed to be expanded up to 16 feet in
3 height.

4 Commissioner Reckdahl understood a non-conforming garage could be demolished and rebuilt
5 to the same size and dimension.

6 Mr. Sauls responded that was correct.

7 Commissioner Reckdahl asked if the 12-foot height limit pertained to only the structures within
8 the 4-foot setback.

9 Mr. Sauls answered yes.

10 Commissioner Reckdahl restated that an existing structure with a 20-foot height could be
11 rebuilt to 20 feet.

12 Mr. Sauls concurred.

13 Chair Lauing invited commented on Item Two, remove the existing garage requirement.

14 Commissioner Roohparvar asked if the policy was to allow an ADU to be built instead of a
15 garage.

16 Mr. Sauls answered yes.

17 Chair Lauing was unclear why a home was required to have one uncovered parking space if a
18 home was constructed without an ADU.

19 Mr. Sauls clarified a new home without an ADU was required to have one cover and one
20 uncovered parking space. If the proposed policy were adopted, a new home with a detached
21 ADU would not be required to have any parking spaces on its lot.

22 Chair Lauing was confused about why the proposal was to eliminate all required parking on a
23 lot.

24 Mr. Sauls believed there would be a conflict with State law if the City required folks to replace
25 parking when they used the incentive program.

26 Chair Lauing agreed that it was counterproductive to build a garage and then remove it
27 instantly to build an ADU if that was the plan from the beginning.

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1 Mr. Yang noted the City has already decided that it would not require parking for an ADU. State
2 law stated that folks converting an existing garage to an ADU were not required to replace the
3 parking.

4 Chair Lauing restated he did not understand why the second required parking space was being
5 eliminated.

6 Mr. Sauls clarified the City could still require one uncovered parking space but realistically folks
7 would construct a long driveway to accommodate the uncovered parking. That will not create
8 meaningful parking. He restated if the primary home converted their two-car garage. Then all
9 parking spaces would be eliminated for the primary home and they would not be required to
10 replace them.

11 Commissioner Reckdahl understood a one-car garage that is converted to an ADU would still
12 have one uncovered parking space on the lot.

13 Mr. Sauls confirmed that is correct.

14 Commissioner Hechtman noted that the uncovered parking space had to be outside of the front
15 setback.

16 Chair Lauing was concerned that folks would remove their driveway because they were no
17 longer required to have one uncovered parking space.

18 Mr. Sauls mentioned that the concern had been raised among Staff.

19 Chair Lauing suggested that when a garage is converted, that one uncovered space be required
20 and that it could be located within the front yard setback.

21 Mr. Yang stated the City could require that one existing uncovered parking space be retained.
22 The City could not require someone to retain an uncovered parking space if a two-car garage
23 was converted.

24 Commissioner Roohparvar remarked the program was not a parking incentive program and the
25 program was not providing parking incentives if folks built an affordable ADU. The law did not
26 require folks to construct additional parking.

27 Mr. Sauls commented the benefit of using the proposed policy was that the new home would
28 not be required to find parking on the site.

29 Commissioner Roohparvar understood a new home would not be required to find parking on
30 the site if they followed State law only.

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1 Mr. Sauls confirmed that is correct and the proposed program eliminated the two-step process.

2 Commissioner Reckdahl supported Chair Lauing's suggestion to require one uncover parking
3 space but allow it to be in the front setback for ADUs.

4 Vice Chair Summa did not support eliminating onsite parking for new homes that build an ADU.
5 She supported requiring two parking spaces for new homes even if they build an ADU and
6 eliminate the two-step process. She noted the City has a contextual garage placement that
7 allowed front garages and their driveway was in the front setback.

8 Mr. Sauls explained if there is no garage on the property then the City's Municipal Code
9 automatically considered that to be a rear placement garage. So, if a home were interested in
10 rebuilding a garage or ADU, they would be required to place them behind the house.

11 Vice Chair Summa restated that in the case of a front-placed garage, there is a car-length
12 driveway leading to the home that can be used for parking. She was not concerned about
13 where the required parking was placed as long as it was on the property.

14 Commissioner Hechtman supported the concept for all ADUs and liked that the policy allowed
15 folks to place an ADU on any portion of their lot. If there was a case where the garage was
16 located along the property line of an alleyway and it was converted to an ADU, the City did not
17 have the authority to require folks to find parking in front of the home. In most cases, the
18 garage faced a street with a driveway and most folks would park their cars in the driveway. He
19 found it impractical that folks building a new home would not include some sort of driveway or
20 paved parking space on their lot.

21 Commissioner Templeton agreed with Commissioner Hechtman's comments and supported
22 having the provision apply to all ADUs. She found it very unlikely that a person would eliminate
23 the driveway when building a new home.

24 Vice Chair Summa understood Commissioner Hechtman was not concerned about eliminating
25 the required parking because he assumed folks would continue to build some sort of uncovered
26 parking space and/or driveway.

27 Commissioner Hechtman clarified that State law eliminated the parking requirements. The
28 proposed policy offered to condense the two-step process. Going that route folks would not
29 receive the benefit of State law that did not require folks to provide parking for their home for
30 conversions because under the proposed policy folks were not converting a garage.

31 Vice Chair Summa emphasized she did not want to create more parking issues in
32 neighborhoods by eliminating the required uncovered parking.

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1 Commissioner Templeton was uncomfortable with the direction the conversation was going
2 and found it unfair to characterize Palo Alto property owners as not understanding the need for
3 parking. She commented she supported policies that reduced bureaucracy and policies that
4 encouraged more ADU production.

5 Chair Lauing recommended the Commission take a break and return to discuss exemptions
6 from Impact Fees.

7 [The Commission took a short break]

8 Mr. Sauls mentioned that any new ADU built that was 750-square feet or larger was subject to
9 Impact Fees and the current fee was a maximum of \$67,000.

10 Commissioner Reckdahl requested more information about how the Impact Fees are
11 calculated.

12 Mr. Sauls explained the calculations were based on the proportional relationship between the
13 primary house and the ADU.

14 Commissioner Reckdahl asked if the City could charge a smaller amount.

15 Mr. Sauls answered yes but the formula could not result in an amount that was greater than
16 the proportional calculation.

17 Commissioner Reckdahl believed Impact Fees should be charged to help fund parks in the City.
18 When setting the Impact Fee, ADUs did not have the same impact on parks as a primary home
19 and he found the maximum amount of \$67,000 to be excessive. He suggested having a smaller
20 flat fee or an amount related to the square footage of the ADU was more reasonable.

21 Commissioner Hechtman stated the Deed Restricted Affordable ADU Program should be the
22 carrot for affordable ADU production and folks should be exempt from Impact Fees if they
23 chose to deed restrict their ADU. Staff continued to receive ADU applications with the Impact
24 Fees in place and removing the fees may incentivize more folks to build ADUs.

25 Chair Lauing agreed the proposals were to encourage more development of ADUs and the
26 maximum amount of \$67,000 for fees was a large constraint. He believed there was not enough
27 data available with respect to regular ADUs. He encouraged Staff to draft a new fee schedule
28 that included flat fees, Impact Fees that were proportionate to the ADU's size, and other
29 possibilities.

30 Vice Chair Summa agreed that the current calculation resulted in a large fee that was
31 inappropriate. She did not support removing the Development Center Fees because the

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1 Development Center was revenue neutral. Cutting any type of Impact Fee will cut services
2 provided by the City but she agreed the Commission did not have the right data to suggest
3 changes to the fees. In cases where the homeowner qualifies for other kinds of financial
4 assistance through programs to build ADUs should be exempted from Impact Fees. She
5 concluded by stating she supported Commissioner Chang's prior proposal that Council explore
6 waiving Development Fees but identify a way to bring in the lost revenue through other means.

7 Mr. Sauls mentioned the comparison the State was making was what is the size of the unit
8 compared to a regular home and what was the proportion of that impact from that unit versus
9 setting a flat fee.

10 Chair Lauing restated his proposal was to explore other ways to calculate the fee. He
11 understood that Impact Fees were driven by people and not the size of a unit.

12 Commissioner Hechtman liked the idea of reducing Impact Fees for all ADUs because he
13 predicted that the below-market-rate (BMR) ADU program will not be used much. The more the
14 Impact Fees are reduced for all ADUs, the less incentive there is to create BMR units. He
15 supported reducing Impact Fees for all ADUs to generate more ADU production. He requested
16 Staff return with example math on how current Impact Fees are calculated.

17 Chair Lauing agreed that the item should be tabled until the next meeting. He moved the
18 conversation to Item four of the Incentive Program, Affordable ADU policy considerations. At a
19 prior discussion, the Commission could not come to a consensus on the amount of time a unit
20 must be deed restricted. He questioned whether the item should be tabled until more data was
21 gathered.

22 Vice Chair Summa remarked Staff had a concrete proposal that was not provided at the
23 previous meeting.

24 Ms. Sauls reported the Commission could not come to a consensus on the duration of
25 affordability, income verification and leasing process of J/ADUs, financing ADU development,
26 and others. The Commission agreed that the policy should target 80 percent to 120 percent of
27 Area Median Income (AMI), allowing Alta Housing to be the administrator of the program and
28 verifying income certification, and working with loan organizations to provide financing.

29 Commissioner Hechtman believed the concept was dead on arrival because the proposal would
30 not pencil out for homeowners. He requested that Staff return with more accurate numbers for
31 different levels of affordability and rent reduction.

32 Vice Chair Summa agreed that the concept was not practical and believed it would not provide
33 a large cost reduction to the tenant. The AMI figure was determined by Santa Clara County and

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1 Palo Alto was significantly more expensive than the median county price. She could not see
2 how the proposal would produce housing that was different from market-rate housing.

3 Commissioner Reckdahl agreed.

4 Vice Chair Summa asked if the prior bullet points discussed were to be applied to all ADS or only
5 BMR ADUs.

6 Chair Lauing explained that the first three bullet point concepts would apply to all ADUs.

7 Mr. Sauls stated the first item was to allow the reconstruction or expansion of a non-
8 conforming structure.

9 MOTION #1

10 Commissioner Reckdahl moved Staff's proposal on Item I for all ADUs.

11 SECOND

12 Vice Chair Summa seconded.

13 Commissioner Hechtman noted that the Staff recommendation did not indicate that the
14 concept should be applied to all ADUs.

15 Commissioner Reckdahl confirmed that the recommendation would apply to all ADUs.

16 VOTE

17 Ms. Klicheva conducted a roll call vote and announced the motion passed 6-0 with
18 Commissioner Chang absent.

19 Chair Lauing invited a motion on removing the existing garage/carport requirement for
20 conversations.

21 MOTION #2

22 Vice Chair Summa moved that PTC approve Staff's proposal to remove the existing
23 garage/carport requirement for conversations for all ADUs.

24 Mr. Sauls clarified that the proposal was that if a person used the one-step process then
25 parking was not required.

26 MOTION RESTATED

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1 Vice Chair Summa restated her motion. She moved that the two-step process be removed but
2 that for new builds that two uncovered parking spaces shall still be required on the parcel.

3 SECOND and FRIENDLY AMENDMENT

4 Commissioner Reckdahl seconded but asked if the uncovered parking could be within the
5 setback.

6 Vice Chair Summa accepted the specification that the parking be in either the front or rear
7 setback.

8 Commissioner Templeton asked if the motion included covered or only uncovered.

9 Vice Chair Summa stated she did not support requiring the spaces to be covered.

10 Mr. Sauls recommended the motion focus on uncovered instead of covered.

11 Vice Chair Summa agreed.

12 Mr. Sauls summarized the motion was to apply the policy to call ADUs.

13 Vice Chair Summa answered yes for new applications for single-family homes that wanted an
14 ADU.

15 Commissioner Hechtman wanted the Commission to be careful with the phrasing of the motion
16 so that it did not conflict with State law.

17 Vice Chair Summa agreed that State law did not require a conversation to replace the parking.
18 The motion on the table addressed only new construction.

19 Commissioner Hechtman believed the motion was in contradiction with State law. The motion
20 on the table should be stated in a way that provided an alternate path for folks to skip the two-
21 step process per State law but they had to retain two uncovered parking spaces to skip that
22 process.

23 Chair Lauing supported allowing the two uncovered parking spaces be located in the front or
24 rear setback.

25 Mr. Yang announced that Staff understands the proposal and the motion language did not need
26 to be changed.

27 Commissioner Roohparvar supported the motion as long as the phrasing was not in violation of
28 State law.

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1 VOTE

2 Ms. Klicheva conducted a roll call vote and announced the motion passed 6-0 with
3 Commissioner Chang absent.

4 Chair Lauing announced there was consensus among the Commission that all ADUs be
5 exempted from Impact Fees and announced that the proposal only applied to market rate
6 ADUs. He restated that the Commission wanted to see more data on the item before making a
7 decision.

8 Commissioner Reckdahl wanted to see what percentage of existing ADUs was above 750-square
9 feet.

10 Mr. Sauls shared that before the year 2020, the average ADU size was 300 and 400-square feet
11 and he predicted that the average size had doubled since then.

12 Vice Chair Summa wanted to know how many of the existing ADUs were providing housing for
13 folks outside of the primary family.

14 Mr. Sauls shared a statewide survey was conducted in California but the survey received less
15 than 600 responses. Staff was discussing how to capture data specific to Palo Alto.

16 Commissioner Roohparvar mentioned that U.C Berkley's Turner Center for Housing did the
17 survey and they had several other data documents available about affordable housing incentive
18 programs. She requested Staff bring back data on other jurisdictions' affordable programs for
19 ADUs.

20 Commissioner Templeton concurred that the City should embrace the concept that folks were
21 building ADUs for extended family.

22 Chair Lauing requested that Staff present data distribution on Impact Fees across the size of
23 units and any other relevant material to help the Commission make an informed decision on
24 whether Impact Fees should be reduced. He concluded that Item Four, affordable ADU policy
25 considerations, was not an approach the PTC was recommending be moved forward.

26 Commissioner Hechtman wanted to see more data on the affordable ADU policy considerations
27 to help the Commission understand rent differentials over a period of years.

28 Commissioner Reckdahl requested that Staff collect the data as suggested by Commissioner
29 Hechtman but not do a lot of processing.

30 Vice Chair Summa agreed with Commissioner Hechtman.

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1 Chair Lauing wanted to see more data about noise-producing equipment and the fire
2 department's assessment.

3 MOTION #3

4 Commissioner Hechtman moved to continue the item, to review and discuss potential
5 ordinance changes to the Municipal Code regarding ADU and J/ADUs, to the September 14,
6 2022, PTC meeting.

7 SECOND

8 Vice Chair Summa seconded.

9 VOTE

10 Ms. Klicheva conducted a roll call vote and announced the motion passed 6-0 with
11 Commissioner Chang absent.

12 **Commission Action:** Motion by Reckdahl, seconded by Summa. Pass 6-0 with Commissioner
13 Chang absent.

14 **Commission Action:** Motion by Summa, seconded by Reckdahl. Motion Passed 6-0 with
15 Commissioner Chang absent.

16 **Commission Action:** Motion by Hechtman, seconded by Summa. Motion Passed 6-0 with
17 Commissioner Chang absent.

18 **Study Session**

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

20 4. Receive and Discuss a Report Prepared for the City of Palo Alto by Michael Baker
21 International, a Consulting Firm, Regarding Best Practices That Support Vibrant Retail
22 and how Such Practices Could Impact Palo Alto.

23 [This item was moved to August 31, 2022]

24 **Approval of Minutes**

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

26 5. June 8, 2022 Draft Verbatim and Summary Meeting Minutes

27 MOTION

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1 Commissioner Hechtman moved approval of the June 8th draft verbatim and summary meeting
2 minutes as revised.

3 SECOND

4 Vice Chair Summa seconded.

5 VOTE

6 Madina Klicheva, Administrative Assistant, conducted a roll call vote and announced the motion
7 carried 6-0 with Commissioner Chang absent.

8 **Commission Action:** Motion by Hechtman, seconded by Summa. Motion Passed 6-0 with
9 Commissioner Chang absent.

10 6. June 29, 2022 Draft Verbatim Meeting Minutes

11 MOTION

12 Commissioner Hechtman moved approval of the draft verbatim meeting minutes of June 29th as
13 revised.

14 SECOND

15 Chair Lauing seconded.

16 VOTE

17 Madina Klicheva, Administrative Assistant, conducted a roll call vote and announced the motion
18 carried 5-0 with Vice Chair Summa abstaining and Commissioner Chang absent.

19 **Commission Action:** Moved by Hechtman, seconded by Lauing. Motion Passed 5-0-1 with Vice
20 Chair Summa abstaining and Commissioner Chang absent.

21 **Committee Items**

22 Chair Lauing announced there were no Committee items.

23 **Commissioner Questions, Comments or Announcements**

24 Commissioner Roohparvar announced she would be absent from the August 31, 2022 PTC
25 meeting.

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1 Chair Lauing adjourned the meeting.

2 **Adjournment**

3 9:37 pm

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