

From: [Greg Schmid](#)
To: [Council, City](#)
Subject: Comments for Meeting on February 24
Date: Friday, February 21, 2025 12:33:58 PM

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Comments on Item #9
Council Meeting February 24, 2025

Council Members:

It's time for the City to publicly address the issue of how we pay for HCD's mandates on the City.

The City has accepted HCD's mandate that the City add over 20% new housing units by 2031 to meet their aggressive forecast for new jobs in the area.

Yet the current budget presented for discussion on February 24 shows that the City cannot adequately meet the needs of the current populations plea for the most basic fire protection today without serious budget adjustments.

With the City's acceptance of HCD's very aggressive longer term new jobs and housing mandates, it is time to have an open public discussion of how the City budget will deal with increased need for the most vital City services and who should pay for them.

It is clear that the bulk of money spent on fire and police protection come from residents. The numbers presented in tonight's budget analysis show that the bulk of new taxes needed will be paid by residents not businesses with the vast majority of revenues from property taxes, sales taxes, transit occupancy tax and utility users tax paid by residents. (Note that the share of SC County property taxes paid by businesses fall each year).

The residents need a strategic look at the budget that deal with HCD's mandates and assurance that the most vital needs will be met and that businesses and the state will pay their fair share.

It is your duty to protect local democracy from the outdated assertions of HCD.

Greg Schmid
Palo Alto

The City should share information on new taxes and spending needed not just for today's population but how the cost of HCD's added jobs and housing costs will be

met. And what share of those taxes will be paid by residents rather than businesses.

HCD not only mandates the City accept their forecasted jobs and housing numbers but that they forbid any public discussion of lowering those numbers.

At the least, the City should present to the public in their budget discussion the future costs that the residents will bear to cover fire, police, road and transit, utility, infrastructure, housing and school needs implicit in the HCD mandates.

The current public call for discussion on today's emergency fire response clearly shows the need for strategic longer term budget planning. HCD cannot be allowed to override local democracy by forbidding public discussion of their billion dollar budget mandates that fall not on the state or businesses but on local residents.

Greg Schmid
Palo Alto CA

From: slevy@ccsce.com
To: [Council, City](#)
Cc: [Lai, Lauren](#); [Nose, Kiely](#); [Guagliardo, Steven](#)
Subject: item 9 budget update
Date: Thursday, February 20, 2025 2:14:21 PM

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Dear Mayor Lauing and council members,

I agree with the cautions expressed by the Finance staff in the item 9 staff report.

While there is still uncertainty with the implementation of the administration agenda, the nearly unanimous opinion of economists is that higher inflation is likely and long-term interest rates will remain high or rise.

In addition the tariff and immigration policies will hurt the Bay Area and state economies with the magnitude determined by the extent and duration of implementation.

UCLA will release a forecast early in March, I have sent staff the invite and I will write to you and staff as things hopefully become clearer.

In addition, as you know, the Bay Area economy is not adding jobs AND the revise issued by EDD next month will include downward revisions to 2023 and 2024 estimates.

I do not know how if at all that will affect Palo Alto.

I think you are in good hands with current staff.

Steve