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ALTO**

City Council Staff Report

From: City Manager

Report Type: INFORMATION REPORTS

Lead Department: Planning and Development Services

Meeting Date: June 17, 2024

Report #:2406-3056

TITLE

Establishment of Community Advisory Group for Downtown Housing Plan. CEQA Status -- Not a Project.

EXECUTIVE SUMMARY

The Downtown Housing Plan will establish policies, set development, and design standards, and plan for the public infrastructure necessary to accelerate housing production and further fair housing while ensuring that the Downtown area continues to be an attractive local and regional destination. The City Council approved consultant contracts to begin the Downtown Housing Plan on February 26, 2024. Currently, the project team is collecting data and initiating public outreach and engagement for the Plan.

The Downtown Housing Plan requires extensive community outreach and participation, and the Community Advisory Group (CAG) will be instrumental in this regard. The group will serve an advisory role and provide feedback to the project team at key junctures of the project.

An application process will allow the City to identify individuals from diverse stakeholder interests for the CAG. Some perspectives may require an invitation to participate instead of a voluntary submittal of an application. The City Manager or designee will initiate the application and recruitment process, to select and appoint members of the CAG with input from the City Council Housing Ad hoc Committee in August 2024.

BACKGROUND

In March 2024, the City began the development of its Downtown Housing Plan and engaged Wallace Roberts & Todd, LLC (WRT) to provide planning and consulting services for the project, with additional project management support from Good City Company.

The Metropolitan Transportation Commission (MTC) adopted a resolution on May 14, 2021, awarding \$800,000 to the City to prepare a Housing Plan for Downtown, and the City Council

accepted the grant on April 18, 2022¹, to initiate the preparation of a housing plan within the Downtown Palo Alto Priority Development Area (PDA). The Housing Plan needs to be completed by December 31, 2026, to be eligible for reimbursement from the grant funding agency. The Downtown Housing Plan will focus on housing production, including affordable housing, and will implement policies from the City's Comprehensive Plan and the 2023-2031 Housing Element. The formation of a Community Advisory Group to provide input throughout the planning process is a recommended community engagement activity of the grant and community engagement is key to the success of the planning effort, as is technical, design, and planning work by qualified consultants.

The Downtown Housing Plan study area covers approximately 76 acres and is a sub-area of the Downtown Palo Alto PDA. Consistent with the requirements of the PDA Planning Grant, the Downtown Housing Plan will evaluate key opportunities and constraints for housing production in Palo Alto's Downtown and create a focused housing plan consistent with the policies set forth in the 2023-2031 Housing Element. The Plan will establish development standards and identify public infrastructure improvements necessary to accelerate housing production and further fair housing, as required by the grant.

ANALYSIS

The CAG is intended to comprise a representative cross-section of the Palo Alto community and Downtown stakeholders specifically. The CAG will be a key component of the public engagement process for the project.

Role of the Community Advisory Group

The CAG will be an advisory body to the Downtown Housing Plan project team. The project team will meet with the CAG approximately three to six times at key junctures throughout the planning process beginning September 2024; shortly after the selection and recruitment process and provide feedback to City staff and consultant team. The CAG is different in its nature of roles and responsibilities of a Working Group outlined in the PAMC Section 19.10 (Coordinated Area Plans).

The intent of the group is to provide various perspectives and feedback on the ideas under development; serving as a sounding board for the City staff and the consultant team during the planning process to create a holistic plan.

The CAG is not a decision-making body and will not provide recommendations to the City Council; establishing group consensus for a proposed Plan is not a goal.

¹ April 18, 2022, City Council Staff Report for Downtown Housing Plan: Initiation and MTC Supplement Agreement & Budget Amendment: <https://portal.laserfiche.com/Portal/DocView.aspx?id=59444&repo=r-704298fc>

The project team anticipates presenting the Downtown Housing Plan vision statement for the City Council's review in December 2024.

Based on the large number of anticipated stakeholders, staff envisions a CAG of about 15 members representing multiple interests. This size is large enough to provide a diverse perspective and small enough to foster productive discussion and input. The proposed list of groups that would be represented in the CAG is:

1. Downtown resident (renter)
2. Downtown resident (homeowner)
3. Resident (owner - lives outside the project area)
4. Downtown business owner
5. Commercial broker
6. Non-profit housing groups
7. Affordable housing developer
8. Market-rate housing/ mixed-use developer
9. Major landholders and property managers
10. Community interest group representative
11. Neighborhood group representative
12. Chamber of Commerce representative
13. Representatives from the City's Architectural Review Board and the Planning and Transportation Commission

Staff anticipates that the CAG membership will include individuals representing multiple categories on the list.

NEXT STEPS

Staff will prepare an application for participants interested in seeking an appointment and publicize this unique opportunity for engagement. Staff will make appointment recommendations to the City Manager who in turn will seek feedback from the City Council Housing Ad Hoc committee members, consisting of the Mayor and Vice Mayor to appoint members of the Downtown Housing Plan Community Advisory Group. It is anticipated the application process will start in late June 2024 with selection and appointment in August 2024.

FISCAL/RESOURCE IMPACT

Costs associated with the recommendation in this report are included in the project budget.

STAKEHOLDER ENGAGEMENT

Public engagement is an important part of the Downtown Housing Plan development. In addition to the Community Advisory Group, the community will be engaged through

workshops, pop-up events, online surveys, stakeholder interviews, and a developer round table facilitated by the project team. The project webpage - [Downtown Housing Plan – City of Palo Alto, CA](#) was launched in early May and will be maintained throughout the planning process. The webpage includes a link for viewers to sign up for project updates.

An initial outreach was conducted at the May Fete Event on May 4, 2024, at Heritage Park. Staff had a table for the Downtown Housing Plan to introduce the project and stimulate community conversation about the Downtown Housing Plan. Flyers were distributed and staff spoke to approximately 25 adults, seniors, high school students, and families with children, including residents of Downtown Palo Alto.

ENVIRONMENTAL REVIEW

Council action on this informational item is not a project as defined by the California Environmental Quality Act (CEQA) in that establishing the CAG is an administrative activity that will not result in direct or indirect physical changes in the environment. CEQA Guidelines Section 15378(b)(5). Staff will undertake the appropriate CEQA review for the Downtown Housing Plan.

APPROVED BY:

Jonathan Lait, Planning and Development Services Director