



## City Council Staff Report

**From: City Manager**

**Report Type: CONSENT CALENDAR**

**Lead Department: City Manager**

**Meeting Date: August 19, 2024**

Report #:2407-3274

### **TITLE**

Approval of Amendment No. 2 to the Lease Agreement Between the City of Palo Alto and the County of Santa Clara (Contract No. 1557819) at 2000 Geng Road for Safe Parking to Expand the Premises of the Lease and Increase by 10 the Number of Safe Parking Spaces Permitted; CEQA – Exempt pursuant to CEQA Guidelines Section 15061(b)(3)

### **RECOMMENDATION**

Staff recommends that the City Council approve and authorize the City Manager or their designee to execute Amendment No. 2 (Attachment A) to the Lease Agreement by and between the City of Palo Alto (City), as landlord, and the County of Santa Clara, as tenant, at 2000 Geng Road for Safe Parking to expand the premises of the lease and increase by 10 the number of permitted parking spaces.

### **EXECUTIVE SUMMARY**

Approval of the amended Lease Agreement will allow the expanded operation of a 24-hour safe parking program at Geng Road (Site). The Geng Road site is the only one in the City which permits recreational vehicles (RVs) and is often at capacity with a waiting list. The site expansion is in response to the City Council request to expand safe parking at this site as well as to address vehicle displacement for the El Camino Real project. As of June 2024, 21 RVs/or campers and 16 vehicles were counted along El Camino Real (State Route (SR) 82) in Palo Alto. Within those vehicles, outreach workers connected with 35 people, including 14 children. The Caltrans SR 82 Repaving Project is scheduled to remove parking along SR 82 in Palo Alto beginning September 3, 2024, thus making this lease amendment time sensitive. Increased demand for expanded RV safe parking in Palo Alto is anticipated.

Safe parking provides places where people living in their vehicles can safely and legally park and connect with services and support including a path to stable, permanent housing. Under the original Lease Agreement, the site was leased to the County for three years beginning in

September 2020. The lease was amended on September 18, 2023<sup>1</sup> to extend the term, prioritize local populations, and clarify the City's landscaping responsibilities. The County contracted with a local nonprofit organization, Move Mountain View, to operate the safe parking program at the site. The proposed amendment would allow for site expansion to accommodate up to 10 additional RVs, increasing the maximum site number from 12 to 22. This expansion requires a lease agreement with the County as the original lease did not include this additional space.

The County provides the funding for the existing 12 safe parking spaces while this expansion effort will have operating costs to the City of approximately \$266,162 annually. Staff will bring a recommendation to the Council in the Fiscal Year 2025 Midyear Budget Review for funding needs. However, in the interim time before Midyear Budget Review, Move Mountain View and community partners are actively fundraising for donations to cover the initial costs and have already received an initial gift from the Palo Alto Community Fund (\$20,000).

## **BACKGROUND**

### Safe Parking Program Overview

On September 14, 2020<sup>2</sup>, the Council approved an interim safe parking ordinance and a three-year lease with the County at 2000 Geng Road for safe parking. The County, leasing property from the City, contracted with Move Mountain View to operate a safe parking program with 12 spaces for recreational vehicles (RVs) or two cars per space. In addition to this City/County partnership, several congregation-based sites host safe parking for passenger vehicles only.

### Geng Road Services Provided

The Geng Road site provides a variety of services, including a kitchen, laundry facilities, shower facilities, and a children's library, serving 25 households (84 individuals), with 64% of those affiliated with Palo Alto. A household is considered affiliated with Palo Alto if they answered 'Palo Alto' to any of the following questions:

- If employed, what city do you work in?
- If you go to school, in which city is your school?
- In which city do you spend most of your time?
- Which city did you live in prior to becoming homeless?

### Palo Alto's Safe Parking Landscape

---

<sup>1</sup> September 18, 2023 Council Staff Report, <https://cityofpaloalto.primegov.com/meetings/ItemWithTemplateType?id=3115&meetingTemplateType=2>.

<sup>2</sup> City Council, September 14, 2020, Item #9, <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2020-2/id-11513.pdf?t=58031.91> Lease was included as a supplemental memo, found here: <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/reports/city-manager-reports-cmrs/year-archive/2020-2/09142020-item-9-at-places-memo.pdf>

Safe parking programs offer unhoused individuals sheltering in their vehicles a place to safely and legally park while connecting with services and support. The programs aim to help participants find safe, stable, and affordable housing. In Palo Alto, safe parking programs operate in publicly owned parking lots and religious institution parking lots. Public lots, like the one at 2000 Geng Road, allow continuous parking and are supported by funding from the County of Santa Clara. Congregation-based programs require participants to leave the lot daily, with vehicles allowed on-site from 6:00 pm to 8:00 am, accommodating up to four passenger vehicles per night. The Council established a process for the establishment of new safe parking sites as part of the support for this program.

### Ordinance Development and Implementation

The congregation-based safe parking policy (Palo Alto Municipal Code Section 18.42.160 and Ordinance 5490) was adopted by the Council in January 2020 after months of discussion. The idea began on June 10, 2019,<sup>3</sup> and by January 13, 2020,<sup>4</sup> the Council approved the congregation-based program. On September 14, 2020,<sup>5</sup> the Council adopted an ordinance allowing safe parking programs on public land zoned for public use (PF), enabling 24-hour operations, and approved a three-year lease with the County at 2000 Geng Road for safe parking.

### Recent Developments

On September 18, 2023,<sup>6</sup> the Council renewed the lease with the County for the continued operation of the 24-hour safe parking program at Geng Road. The site serves approximately 12 vehicles and offers various on-site services. The City continues to support the Geng Road safe parking site operation in partnership with the County and a nonprofit service provider (Move Mountain View).

In addition to renewing the lease for the Geng Road City-owned site, the City also made recent updates to the ordinance for congregation-based safe parking programs. On October 25, 2023,<sup>7</sup>

---

<sup>3</sup> June 10, 2019, Council Agenda Packet, <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/00-archive/2019/06-10-2019-71690.pdf>

<sup>4</sup> January 13, 2020 Agenda Packet: <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/00-archive/2020/01-13-2020-ccm.pdf>

<sup>5</sup> September 14, 2020, Council Agenda Packet, <https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/agendas-minutes/city-council-agendas-minutes/2020/september-14-2020-city-council-meeting-agenda-and-full-packet.pdf>.

<sup>6</sup> September 18, 2023 Council Staff Report, <https://cityofpaloalto.primegov.com/meetings/ItemWithTemplateType?id=3115&meetingTemplateType=2>.

<sup>7</sup> Verbatim minutes of 10-25-2023 PTC and HRC joint session/action item:

<https://www.cityofpaloalto.org/files/assets/public/v/1/agendas-minutes-reports/agendas-minutes/planning->

the Human Relations Commission (HRC) and the Planning and Transportation Commission (PTC) held a joint study session to discuss the draft ordinance. The PTC recommended modifications to the ordinance, including increasing the maximum number of vehicles allowed and clarifying amenity use.

On December 4, 2023,<sup>8</sup> the Council adopted ordinance 18.42.160 to permanently establish congregation-based safe parking and to establish regulations related to safe parking, including a maximum number of vehicles per night on each site. Additionally, Council directed staff to explore the expansion of safe parking, including at the Geng Road site which has higher capacity than the congregation-based sites.

On June 18, 2024,<sup>9</sup> as part of an item considering the Caltrans SR 82 Repaving Project, the Council authorized the City Manager or their designee to enter into agreements as needed to provide temporary safe parking for those currently along the El Camino Real project corridor in Palo Alto facing displacement. The recommendation for the lease amendment with the County aligns with this June 18<sup>th</sup> Council action.

## **ANALYSIS**

Approval of the amendment to the lease agreement allows for site expansion to accommodate up to 10 additional RVs, increasing the maximum site number from 12 to 22. From mid- to late-June 2024, County outreach workers counted 21 RVs/campers and 16 other vehicles along SR 82 in Palo Alto.

The Caltrans SR 82 Repaving Project will lead to immediate displacement of these vehicle-dwelling households by early September. Additionally, there is high demand for RV safe parking regionally, leading to a waiting list for this option. According to staff research and conversations with service providers, vehicle dwellers are resistant to accepting services that require moving from (and often losing) their RVs and possessions in order to obtain temporary shelter. Thus, creating additional safe parking capacity is critically important because it provides a better bridge for vehicle dwelling households to receive services and map a path to permanent affordable housing without the risk of losing their vehicles in the process. From January 2021 through June 2023, the Geng Road site has a 64.6% occupancy rate and 15.5% positive

---

andtransportation-commission/2023/ptc-10.25.23-verbatim-minutes.pdf and video:

<https://midpenmedia.org/planning-and-transportation-commission-2-10252023/>

<sup>8</sup> December 4, 2023, Council Staff Report,

<https://cityofpaloalto.primegov.com/meetings/ItemWithTemplateType?id=3191&meetingTemplateType=2&compiledMeetingDocumentId=8590>.

<sup>9</sup> June 18, 2024, Action Minutes,

<https://cityofpaloalto.primegov.com/Public/CompiledDocument?meetingTemplateId=14318&compileOutputType=1>

placements in shelter meant for human habitation.<sup>10</sup> Positive placements for RV dwellers are likely dependent upon the availability of permanent affordable housing, and recently the Geng Road site has had a waiting list at times for a space.

The existing Geng Road safe parking site is located on what was previously used as a temporary fire station location. The entirety of the premises is paved and fenced. The portion of the site currently used for safe parking, is not only paved and fenced, but also has striping for RV parking and structures providing showers, a kitchen, laundry facilities, and a children's lending library and play area. The portion of the site proposed for expansion has been most recently used for Utilities construction staging activities. Expansion of the services-rich Geng Road site means the additional clients will have direct access to already-established services. Additionally, from a service provider perspective, this will allow for a smoother set-up and operation by the service provider who can leverage resources to enhance existing facilities.

The amended premises exhibit can be seen in Exhibit A.

The lease agreement has been reviewed by County staff and will be signed by the County Director of Fleets and Facilities.

#### Other Alternatives Explored and Impacts

Before moving forward with the expansion of the Geng Road safe parking site, staff pursued multiple other options in- and near Palo Alto working with dedicated community partners. However, after deeper investigation, none of these options proved feasible as they required more lead time and separate service locations than the existing safe parking site. The RV Dwellers Group reached out to private property owners as well, but no sites could work within the time period needed. The Geng Road site allows the provider (Move Mountain View) to leverage the existing site resources for the additional RV vehicles. The expansion of the Geng Road site results from the relocation of the Utilities construction staging that is currently in use at the site.

Moving Utilities to the new site in Mountain View, allows Utilities to have a consistent construction staging site that is large enough and available for all of the upcoming Utilities electrification capital projects. The fiscal impacts of the new site lease and purchase are included in the fiscal impact section below. The relocation causes a slight project delay for the current Utilities Advanced Metering Infrastructure project as well.

---

<sup>10</sup> December 4, 2023 City Council Meeting Staff Report

<https://cityofpaloalto.primegov.com/meetings/ItemWithTemplateType?id=3191&meetingTemplateType=2&compiledMeetingDocumentId=8590>; A positive placement includes anything other than a place not intended for human habitation: rapid rehousing, rentals by client with and without vouchers or subsidy, rental by client in public housing, transitional housing, staying or living with family or friends, and emergency shelter.

## **FISCAL/RESOURCE IMPACT**

The proposed expansion site for Safe Parking at Geng Road presently serves as the construction staging area for the City of Palo Alto Utilities (Utilities) Advanced Metering Infrastructure (AMI) Project. Utilities currently holds a lease for this location paying rent of \$3,064.25 per month (\$36,771 annually) to the General Fund. This amount is expected to be reduced starting August 30, 2024 as Utilities has identified a new site which spans 0.86 acres in Mountain View. This lot can be used for the current AMI project, in addition to staging for current utility materials and future projects. The rent for this new location is significantly higher at \$35,648.60 per month (\$427,783 annually). This move is anticipated to postpone the AMI project by two months.

Utilities is currently in the process of finalizing a lease agreement for the Mountain View site and plans to relocate there by end of August 2024. Utilities intends to secure a two-month short-term lease with approval from the City Manager. The Utilities Department will bring a consent item to Council in October 2024 before the two-month lease is over, requesting a four-month extension, for a total lease of six months and \$213,892 in rent paid. A budget adjustment will not be needed as the lease will be funded by the Smart Grid Technology Installation capital project (EL-11014).

During this time, the Utilities Department will be negotiating a purchase agreement that will be brought to Council in February 2025 for the purchase of the site currently estimated at \$8.0 million. This amount will be funded by the Electric Fund, Water Fund, and Gas Fund, and the Utilities Department estimates this amount will cover the purchase and any unforeseen renovations making this site available for all future staging uses for Utilities.

The County funds the current 12 space safe parking site; however, this expansion effort will have operating costs to the City. The annual estimated cost for the expanded site is \$266,162. Staff will bring a recommendation to the Council in the Fiscal Year 2025 Midyear Budget Review for funding needs in FY 2025. In the meantime, working with the RV Dwellers Group (described in the Stakeholder Engagement Section of this report), there is an effort to raise funds to support the initial costs for site expansion (half of the annual operations costs). **Community members interested in making donations can do so through [www.movemv.org/donate](http://www.movemv.org/donate).** The Palo Alto Community Fund made an initial donation of \$20,000. Funding for future budget years to support the Safe Parking site will be subject to Council approval during the annual budget process.

Additionally, as mentioned in the amended lease agreement, the City will help with site preparation by painting the stripes for the parking spaces and removing the interior fence which currently divides the site into two sides. These activities will be conducted in-house and absorbed within existing budgets where possible but could require small additional contracts.

## **STAKEHOLDER ENGAGEMENT**

Stakeholder engagement includes regular and as-needed meetings between partners (e.g., Santa Clara County and Move Mountain View). Additionally, the City and County are part of the “RV Dwellers Group” of service providers, City staff, a representative of Stanford University, members of the faith-based community, and people from the philanthropic community who meet monthly and as-needed to discuss and share information relation to Palo Altans living in their vehicles along SR82. Additionally, in compliance with Palo Alto Municipal Code 18.42.170 public notice of this meeting was sent out to owners and residents within 600 feet of 2000 Geng Road.

## **ENVIRONMENTAL REVIEW**

Adoption of this Ordinance is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15061(b)(3). This Ordinance identifies the regulations governing the use of certain, limited sites for safe parking. The ordinance itself does not authorize the use of any sites without subsequent approval from the City. Therefore, it can be seen with certainty that there is no possibility that the ordinance will have a significant effect on the environment.

The lease agreement for Safe Parking at 2000 Geng Road is exempt from CEQA in accordance with Section 15301 and 15303 of the CEQA Guidelines. Section 15301 applies to leasing or minor alterations of existing public or private structures and facilities involving negligible or no expansion of use; allowing the use of this existing parking lot for temporary safe parking would not constitute a significant expansion of use. Section 15303 applies to conversion of small structures from one use to another where only minor modifications are made to the structure. This applies to buildings up to 10,000 sf in urban areas. No modifications are proposed to the existing structures and the existing buildings total 5,500 sf in this urbanized area. This site is further from the Baylands and closer to nearby roadways. Only a portion of these existing structures would be open for use to facilitate safe parking at the site.

## **ATTACHMENTS**

Attachment A: Amendment No. 2 To County of Santa Clara Lease Agreement

## **APPROVED BY:**

Ed Shikada, City Manager