



CITY COUNCIL STAFF REPORT

From: City Manager

Report Type: ACTION ITEMS

Lead Department: City Manager

Meeting Date: February 6, 2023

TITLE

Objectives to advance the 2023 City Council Priorities

RECOMMENDATION

Council approval of objectives to advance the 2023 Council Priorities.

BACKGROUND

On January 28, 2022, the Council held its annual retreat to approve the 2023 Council Priorities¹. The Priority Setting Guidelines define a priority as a topic that will receive unusual and significant attention during the year. At the conclusion of the retreat, the City Council approved the following priorities:

- Economic Recovery and Transition
- Climate Change and the Natural Environment: Protection and Adaptation
- Housing for Social and Economic Balance
- Community Health and Safety

The City Council then directed that staff return on February 6th with suggested objectives derived from Council comments at the annual retreat to achieve the strategic priorities.

ANALYSIS

Council Priorities guide resource allocation and staff workplans for the coming year. In recent years, staff has then identified major projects associated with each priority to be tracked and reported on. Successful completion of projects, programs and services is dependent on the work that follows, balancing among these and other priorities, needs and resource capacity.

¹ City Council Retreat 1/28/23 <https://cityofpaloalto.primegov.com/Portal/Meeting?meetingTemplateId=1492>

Following the City Council's work on January 28, staff compiled a summary of topics suggested by Councilmembers for discussion on February 6. In addition, staff quickly developed a listing of objectives that reflect actions that will be needed by Council in order to advance the priorities identified for 2023.

For each Council priority, staff tried to develop objectives that align with a Priority purpose, time-bound and measurable. Staff referred to SMARTIE principles: Specific, Measurable, Achievable, Relevant, Timely, Inclusive, and Equitable to outline the list of objectives for the coming 12 months.

For each Council Priority, staff has provided the following: (1) Councilmember feedback from Saturday January 28, 2023 Retreat, (2) Potential focus areas, and (3) "Objectives" largely defined as Council actions and engagement needed during calendar year 2023 advance the stated priorities. Council engagement may include a variety of forms, such as Council approval, committee/council ad hoc review and recommendations, legislative advocacy, regional board/committee representation, and budgetary actions. Should Council approve the objectives that follow, staff will use this list for tracking and reporting through 2023.

This is a very ambitious workplan. Staff have estimated that several objectives will require additional resource allocation in order to complete it in full as outlined. As noted in other financial reports, allocation of additional funding (contract or staffing) is not always a complete solution to overcome obstacles for completion. Timelines to procure consultant support, or the process to recruit, onboard, and train new staff delay the City's ability to begin or maintain the pace of work on these projects, especially within the 12-month timeframe outlined.

Each objective has a few identifying characteristics, below is a guide to help understand the lists:

- "New:" reflects an action or project that is new to 2023 and was not on the 2022 workplan
- "(ERT#), (CHS#), (CCPA#), or (HSEB#)" reflects a reference to the project priority and project number as identified on the Council approved 2022 workplan. Not all numbers will be present as some projects were complete, or consolidated, or dropped
- "\$" reflects a project that requires additional resources to achieve and complete
- "Q#" reflects the 2023 calendar year quarter estimated completion and/or to be completed by timeframe. Q1 is January-March, Q2 is April-June, Q3 is July-September, and Q4 is October-December.

ECONOMIC RECOVERY AND TRANSITION

City Council retreat discussion: Areas of focus and priority discussed by Councilmembers included:

- Parklets
- Permitting
- A focus on retail and small business recovery locally
- Treatment of vacant property (reference to Oakland and San Francisco)

Council actions/approvals anticipated in 2023:

	<u>CY</u>	
<i>Support economic recovery and business transition</i>		
a) Adopt a Comprehensive Economic Development Strategy (ERT 2)	\$	Q2
b) Implement or upgrade electronic plan review software without interruption to the permitting process (ERT 9)	-	Q3
c) <i>New:</i> Implement recommendations in Building and Permit Review Report conducted by the City Auditor	-	Q3
d) <i>New:</i> Begin stakeholder engagement and implementation of new business tax (Measure K)	\$	Q4
<i>Focus on commercial corridors, Downtown and California Ave</i>		
e) <i>New:</i> Begin implementation of next phase of parklet regulations to the community	\$	Q1
f) Evaluate opportunities for New Parking Facilities in the University Ave Downtown and direct next steps (ERT 10)	-	Q2
g) Align Business Improvement District (BID) priorities and investments to the Comprehensive Economic Development Strategy (ERT 1)		Q3/4
h) Advance development of a permanent car-free streets ordinance (selection of consultant support) (ERT 6 & 7)	\$	Q3
i) Approve concept plan for University Ave streetscape and provide direction on capital project funding (ERT 5)	-	Q4
j) Extend temporary closure for car free streets (ERT 6 & 7)	-	Q4
k) Provide direction on citywide retail zoning code changes (specifically retail preservation and neighborhood commercial district specific regulations and CUP thresholds) (ERT 4, 12, 13; expected 2024 Q2)	\$	2024

CLIMATE CHANGE & THE NATURAL ENVIRONMENT

City Council retreat discussion:

Areas of focus and priority discussed by Councilmembers included:

- Flood protection
- Natural environment and biodiversity; adapt natural ways of protecting natural habitats (examples: bird safe glass, light pollution protection of critters and wildlife)
- Naturalize Matadero Creek, protection and setbacks
- Youth engagement in initiatives, objectives, and goals

Council actions/approvals anticipated in 2023:

Climate Change Protection

l) Implement Advanced Metering Infrastructure (AMI) through purchase of meters/equipment in February 2023 for installation(CCPA7)	-	Q1
m) <i>New:</i> Approve consultant to update Bike and Pedestrian Transportation Plan (Additional Bike/Ped Grade Crossings will be included in network discussions, schedule pending consultant selection)	-	Q2
n) Approve municipal code amendments for advancing S/Cap goals (specifically facilitate photovoltaic, energy storage system, electric vehicle charging station, and heat pump (water/furnace) installations) (CCPA1)	-	Q2
o) Approve S/CAP Update and 3-year workplan (CCPA4)	-	Q2
p) <i>New:</i> Begin first phase construction for grid modernization in summer 2023 (if needed) and consultant resources to plan for gas transition	-	Q4
q) <i>New:</i> Install first 1,000 heat pump water heaters through the advanced pilot program and approve expanded full-scale program	-	Q4
r) <i>New:</i> Approve advanced pilot program for whole residential home electrification by the end of 2023 (targeted areas)	-	Q4
s) <i>New:</i> Approve commercial rooftop HVAC electrification advanced pilot program	-	Q4
t) <i>New:</i> Accept Electric Vehicle Strategic Plan	\$	Q4
u) <i>New:</i> Accept Reliability and Resiliency Strategic Plan	\$	Q4
v) <i>New:</i> Review preliminary draft S/CAP study discussing workplan resource needs and project funding opportunities	\$	Q4

Climate Change Adaptation: flood protection

w) <i>New:</i> Advance the San Francisquito Creek Flood Protection capital project (Reach 2) as close to approval as possible by the end of 2023, through Council's JPA representation and any Council approvals involved. (focus on securing funding, finalizing CEQA review, approval of project entitlements, and obtaining required construction easements)	-	Q1 Q4
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x) Secure funding and approve construction for the Newell Bridge replacement project; advocacy with State legislators educating on project funding needs (previously CHS10)	\$	Q4
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Note: Wildfire safety and protection are referenced under the Community Health and Safety priority.

Natural Environment

y) Approve agreements with Valley Water purified water facility at LATP Area B (operations and maintenance) (CCPA3)	-	Q3
z) <i>New:</i> Adopt appropriate changes to the revised Tree Protection Ordinance (to follow a review of impacts of the revised ordinance by PTC and PRC)	-	Q4

HOUSING FOR SOCIAL AND ECONOMIC BALANCE

City Council retreat discussion:

Areas of focus and priority discussed by Councilmembers included:

- Support housing needs as identified by the community (as opposed to following RHNA)
- Focus on lower income housing units
- Intentional on where new housing units are developed
- Establish a housing committee

Council actions/approvals anticipated in 2023:

Advance Renter Protection Policies

aa) <i>New:</i> Approve access to rental units by establishing security deposit limits	-	Q2
bb) Provide protections to renters by considering expansion of the just cause eviction ordinance (HSEB16)	-	Q3
cc) Implement a rental registry to inform future renter protection policies (timeline estimate, calendar year 2024 Q1) (HSEB15)	\$	2024

Advance Housing Plans

dd) Expand housing opportunities through the initiation of a Downtown Housing Plan: includes approval of project funding and a consultant contract (HSEB10)	\$	Q2
ee) Advance local and state housing interests through a HCD-compliant Housing Element (iterative work process to start Q2) (HSEB5)	-	Q4
ff) Advance vision for North Ventura Coordinated Area by adopting a coordinated area plan (financial impacts if not approved, \$800,000 impact) (HSEB4)	-	Q4

gg)	Create new affordable housing opportunities through funding such as a housing land trust, in particular, CalCHA (City Council referral)	\$	TBD
hh)	Explore opportunities to regulate short term-rentals with Council committee (Council colleague's memo)	\$	TBD

Implement Housing Production Policies

ii)	Codify permanent standards related to the City local SB9 implementation ordinance (HSEB 14)	-	Q1
jj)	Approve adjusted Accessory Dwelling Unit (ADU) regulations to facilitate production and meet HCD requirements (HSEB9)	-	Q2
kk)	Respond to various Grand Jury recommendations related to Housing ² (HSEB 6, 17, 24)	-	Q3
ll)	Refine implementation of City's SB9 objective development and urban lot split standards (HSEB 14)	-	Q4
mm)	<i>New:</i> Adopt an ordinance amending the development standards for Stanford-owned housing opportunity sites	-	Q4
nn)	<i>New:</i> Rezone carryover housing opportunity sites for by-right development when developed with 20% lower income affordable housing units	-	Q4
oo)	<i>New:</i> Adopt an ordinance to implement revised development standards for certain properties located in the GM/ROLM to allow for densities up to 90 units/acre	-	Q4

Support Unhoused Service Initiatives

pp)	Begin construction in partnership with LifeMoves for Palo Alto Homekey project to provide transitional housing and services for unhoused residents (HSEB13)	-	Q2
qq)	<i>New:</i> Develop a citywide strategy to connect unhoused residents to housing and services	\$	Q3

² Grand Jury recommendations include:

Recommendation 12b: Santa Clara County MOU on Measure A monies for affordable housing.

Recommendation 4: NVCAP lessons learned process.

Recommendation 8: Improve readability and format of Housing Element Annual update and cover memos.

Recommendation 3: Research other cities affordable housing communication strategies, provide recommended strategy for Palo Alto, and update affordable housing info on City website

COMMUNITY HEALTH AND SAFETY

City Council retreat discussion:

Areas of focus and priority discussed by Councilmembers included:

- Flood protection
- HSRAP funding increase
- Maintain a diverse definition of ‘health’ (included but not limited to physical and mental)
- Airplane noise (establish airplane noise committee)
- Police presence in downtown cores (specifically on foot or bike presence)

Council actions/approvals anticipated in 2023:

Mental & physical health and belonging

rr) Complete reopening libraries to budgeted level (remains below pre-pandemic levels) (CHS5)	-	Q2
ss) Approval of multi-year agreement for provisions of animal shelter services (CHS1)	\$	Q3
tt) <i>New:</i> Expand and enhance community special events with focus on inclusion (linked to activities in ERT)	\$	Q3
uu) Approve agreement with PAUSD on long term use of the Cubberley property (CHS2)	-	Q4
vv) Recreation Wellness Center Feasibility: Agreement on location, general design and features of a recreation wellness center and finalize an agreement with a new nonprofit responsible for raising funds for design and construction. (CHS14)	\$	Q4

Invest in reliable safety infrastructure and systems

ww) Support visible police presence by ensuring stable staffing (recruiting and retention) through hiring ahead program (CHS6)	\$	Q1 - Q4
xx) <i>New:</i> Support a diverse community through extension of the Psychiatric Emergency Response Team (PERT) program services to the community through affirmation of continued City financial support	\$	Q2
yy) Update without interruption 911 dispatch system (CAD provider) once selected through procurement process (CHS4)	-	Q3
zz) <i>New:</i> Begin construction of the Gas Main Replacement Project 24B	-	Q3/4
aaa) Approve updated Local Hazard Mitigation Plan and Community Wildfire Protection Plan to ensure safety of the community (CHS15)	-	Q4
bbb) Implement Foothills Fire Management Plan (includes fuel reduction, early detection system, community awareness application rollout) (CHS3)	-	Q4

ccc)	Approve actions needed to advance final construction phase of Public Safety Building and begin preparations for move-in (estimated move Q4 2023) (CHS9)	-	Q4
ddd)	Approve next steps for the rebuild of Fire Station No. 4 project (specifically design and entitlements) (CHS17)	-	Q4
eee)	Approve resources and consultant to study and develop seismic and resiliency ordinance (CHS20)	\$	TBD

Reduction of noise and air quality pollution

fff)	Update gas-powered leaf blower ordinance and enforcement plan (CHS16)	-	Q1
ggg)	Implement a strategy for the provision and promotion of unleaded fuel at Palo Alto Airport (CHS12)	-	Q4
hhh)	<i>New:</i> Approval of quiet zone implementation (rail/train crossings)	-	Q4
iii)	<i>New:</i> Engage with the SFO Roundtable on SFO's Ground Based Augmentation System (GBAS) project and other potential opportunities to decrease SFO noise impacts on Palo Alto (previous project was CHS11)	\$	TBD

Note: Flood protection activities including Newell Road bridge improvements are referenced under the Climate Change & Natural Environment - Protection & Adaptation priority

FISCAL/RESOURCE IMPACT

Council approval of Priority areas does not have an immediate fiscal impact. Resources will need to be allocated to non-resourced projects to implement Council Priorities. Opportunities to resource projects include Long Range Financial Forecast on February 6, 2023, Mid-Year Budget Review on February 13, 2023, and FY 2024 Budget Adoption in June 2023.

STAKEHOLDER ENGAGEMENT

Staff anticipates returning to the City Council in March 2023 with community engagement plans based on the selected 2023 Council priorities, adopted objectives to achieve these priorities and projects identified within each area. There are various levels of community engagement and communications to support each project.

ENVIRONMENTAL REVIEW

Council action on this item is not a project as defined by CEQA because the Council discussion on 2023 Priority Objectives is a continuing administrative or maintenance activity. CEQA Guidelines section 15378 (b)(2).

APPROVED BY:

Ed Shikada, City Manager

Report #:
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