



# **NORTH VENTURA COORDINATED AREA PLAN WORKING GROUP MEETING AGENDA**

**Tuesday August 18, 2020**

Virtual Meeting  
5:30 PM TO 8:30 PM  
**AGENDA**

**\*\*\*\*BY VIRTUAL TELECONFERENCE ONLY\*\*\*\***

Pursuant to the provisions of California Governor's Executive Order N-29-20, issued on March 17, 2020, to prevent the spread of Covid-19, this meeting will be held by virtual teleconference only, with no physical location. The meeting will be broadcast live on Cable TV Channel 26 and Midpen Media Center at <https://midpenmedia.org/local-tv/watch-now/>. Members of the public may comment by sending an email to [NVCAP@CityofPaloAlto.org](mailto:NVCAP@CityofPaloAlto.org) or by attending the Zoom virtual meeting to give live comments. Instructions for the Zoom meeting can be found on the last page of this agenda.

## **Call to Order: 5:30 PM**

- Welcome and Housekeeping: 5:30 - 5:35 PM
- Oral Communications: 5:35 - 5:50 PM

## **Discussion Items: 5:50 – 8:15 PM**

- Traffic, Park Boulevard Improvements, Site Access and Connectivity (5:50 – 7:00 PM)\*
- NVCAP Affordable Housing Goals and Expert Discussions on Bay Area Best Practices (7:00 – 8:15 PM)\*

## **Oral Communications: 8:15 – 8:30 PM**

Adjournment 8:30 PM

Future Meeting/Workshops: TBD

\*Listed times are estimates.

**Members of the Public may provide public comments to teleconference meetings via email, or by teleconference.**

- 1. Written public comments on North Ventura Coordinated Area Plan** may be submitted by email to [NVCAP@CityofPaloAlto.org](mailto:NVCAP@CityofPaloAlto.org)
- 2. Spoken public comments using a computer** will be accepted through the teleconference meeting. To address the Working Group members, click on the link below for the appropriate meeting to access a Zoom-based meeting. Please read the following instructions carefully.
  - A. You may download the Zoom client or connect to the meeting in-browser. If using your browser, make sure you are using a current, up-to-date browser: Chrome 30+, Firefox 27+, Microsoft Edge 12+, Safari 7+. Certain functionality may be disabled in older browsers including Internet Explorer.
  - B. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
  - C. When you wish to speak on an agenda item, click on “raise hand”. The moderator will activate and unmute attendees in turn. Speakers will be notified shortly before they are called to speak. The Zoom application will prompt you to unmute your microphone when it is your turn to speak.
  - D. When called, please limit your remarks to the time limit allotted.
  - E. A timer will be shown on the computer to help keep track of your comments.
- 3. Spoken public comments using a smart phone** will be accepted through the teleconference meeting. To address the Council, download the Zoom application onto your phone from the Apple App Store or Google Play Store and enter the Meeting ID below. Please follow instructions B-E above.
- 4. Spoken public comments using a phone** use the telephone number listed below. When you wish to speak on an agenda item hit \*9 on your phone so we know that you wish to speak. You will be asked to provide your first and last name before addressing the Board. You will be advised how long you have to speak. When called please limit your remarks to the agenda item and time limit allotted.

**Link to August 18<sup>th</sup> Zoom Meeting**

**<https://zoom.us/j/95062344255>**



**NORTH VENTURA COORDINATED AREA PLAN  
WORKING GROUP MEETINGS # 14  
STAFF MEMO  
Tuesday, August 18, 2020**

**June and July Subcommittee Working Group Meetings**

We had four Working Group subcommittees meetings in June and July 2020. The meetings focused on finding common ground on issues where Working Group members had divergent opinions. We discussed topics such as future office space requirement and location, maximum building heights, preferred locations of taller buildings, housing density, building typologies, open space, site connectivity and traffic improvements etc. Staff facilitated the meetings and endeavored to consolidate all opinions. For some topics we reached overall consensus; for others, consensus could not be reached.

**August/September Working Group Meetings**

Staff plans to hold one Working Group meeting on August 18 and one in early September. During the August 18 meeting, we will be discussing two topics that the Working Group members felt required further attention: transportation and affordable housing.

*Transportation:* Working Group members will get an opportunity to discuss traffic mitigation measures to accommodate future growth, discuss improvements to Park Boulevard, including bike and pedestrian improvements, internal street connectivity improvements, and discuss possible traffic calming measures best suitable for the plan area. The Working Group members will have the opportunity to voice their preferences the specific topics and hear from the City's Office of Transportation staff on the issues.

*Affordable Housing:* All Working Group members will share their affordable housing goals. Three speakers who work in the field of affordable housing or advocate for affordable housing will be present. Working Group co-chair Gail Price identified and secured the speakers. The three speakers are:

- ***Jon White**, Chief Real Estate Officer, Abode Services, Allied Housing, Housing for Independent People, and Community Working Group, Fremont, CA.*
- ***Lisa Ratner**, League of Women Voters Palo Alto Advocacy Chair, member of Housing and Transportation Committee, Board member Alta Housing*
- ***David Thompson**, President of the Twin Pine Cooperative Foundation and co-principal of Neighborhood Partners, LLC (NP)*

## **Discussion Format**

1. The two topics will be discussed one at a time. We will begin with the Transportation topic. We have three main issues to discuss on this topic. Each Working Group members will be asked to weigh in on the individual issues and will need to express their opinion within the allotted time limit. Assistant Director, Rachael Tanner, will facilitate the discussion and City's Office of Transportation staff will assist by answering Working Group member questions.
2. The Affordable Housing discussion will start with Working Group members sharing their goals for affordable housing for the area. Each member will be allowed to speak for a minute on this topic. This will be followed by three guest speakers sharing their experiences on the best practices followed in the Bay Area and responding to Working Group's questions.

### ***To prepare for the meeting:***

- Working Group members are asked to review the list of topics/issues/ questions below before the meeting, so that you can be ready to state your opinions on them.
- Be prepared to state your opinion on each issue in a 1-minute persuasive speech.

## **Next Steps**

The next Working Group meeting is scheduled for early September 2020. At this meeting, the Working Group will review characteristics of proposed draft alternatives based on the prior discussions.

### **Discussion Topic: Transportation**

#### **Measures to Limit Traffic Increase**

1. Ways to limit increase in traffic on El Camino Real, Page Mill Road, Park Blvd, and Lambert Ave to accommodate future growth. Total time 20 minutes.

Suggestions by City's Office of Transportation staff - 10 minutes  
Working Group weighs in – 10 minutes

#### **Park Boulevard Improvements**

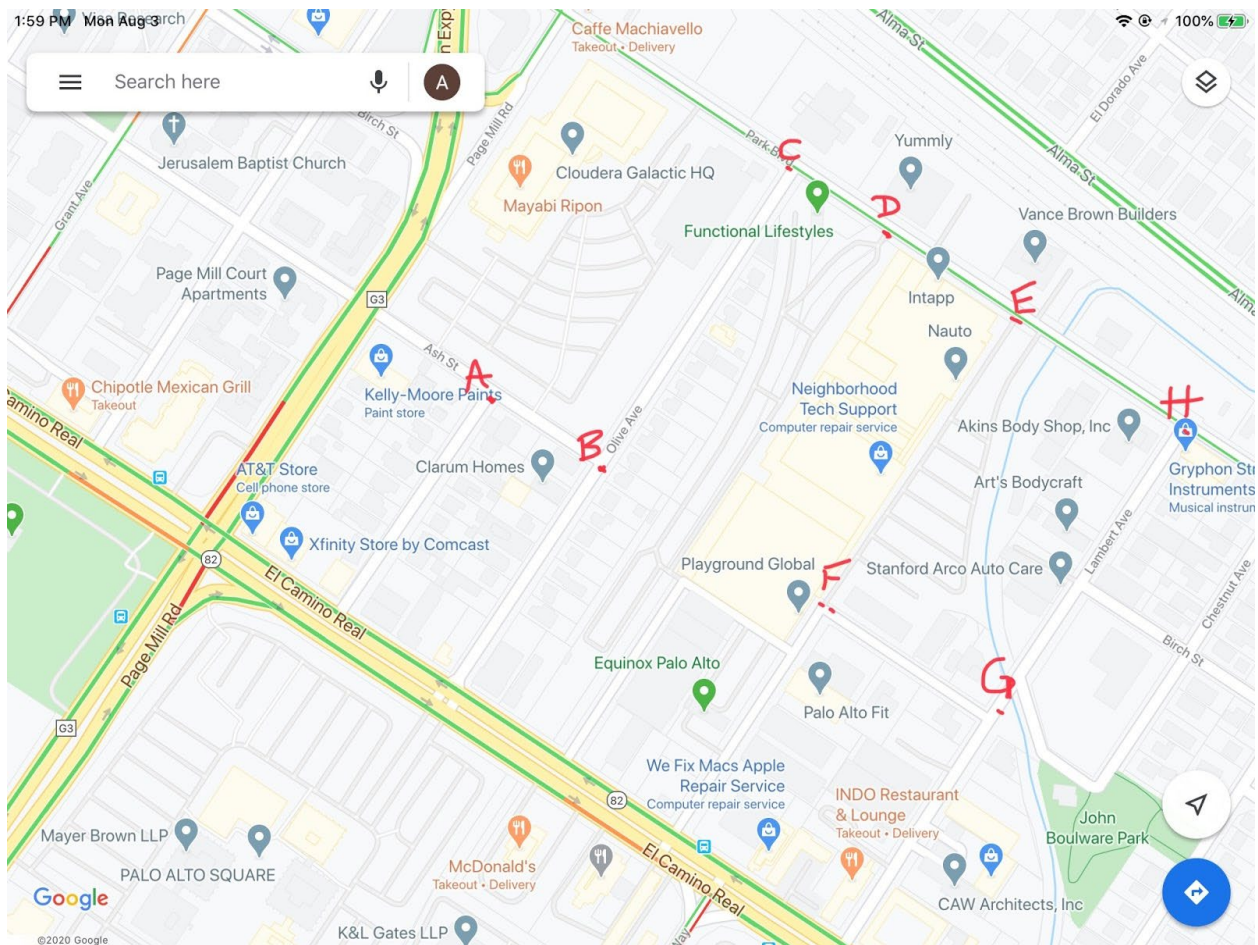
2. What can we do to prioritize bikes and pedestrians on Park Blvd and other streets in the NVCAP? Which of the following methods do you support for prioritizing bikes and pedestrians on Park Blvd? 1 minute per member, total time 20 minutes.
  - a. Minimize curb cuts (driveways)
  - b. Increase sidewalk width and remove telephone poles and other obstructions from sidewalk

- c. Increase bike safety measures in the bike lanes (i.e. cones, flashing lights or other methods)
- d. Eliminate street parking on Park Blvd
- e. Reduce traffic on Park Blvd by installing barriers/bollards to car traffic on some streets such as Lambert, Park, Olive, Pepper, Portage. (See below for map with possible choices)
- f. Make some streets one-way (Olive, Pepper, Lambert, Portage)
- g. Install traffic-slowing humps
- h. Establish greater protection for southbound bikes going over Page Mill overpass.
- i. Change light on Park Blvd to a three-way, preventing back-up on Park Blvd
- j. Move bikes away from Park Blvd completely by putting a bike lane on Caltrain property, alongside the train tracks, like the one that exists along the train tracks north of Churchill all the way to University Ave. (See below for map)
- k. Add roundabouts

### **Site Access and Internal Connectivity Improvements**

- 3. Possible points for traffic calming measures (such as barriers, humps or roundabouts). The goal is to allow bikes and pedestrians, and slow down automobile speed. The measures could be removable or permanent.
  - City Transportation staff discussion on general traffic calming measures - 5 minutes
  - Focused discussions on barriers with some overlap (please refer to the map below)
    - Ash Street, Olive Ave and partial Park Blvd focus (A, B and C) —10 minutes
    - Park Blvd focus (C, D, E and H)—10 minutes
    - Lambert and Portage Ave focus (E, F, G and H) —10 minutes

The barriers can be discussed together in the above order, residents living on those particular streets speak for one minute and remaining Working Group members have 30 seconds. City's Transportation staff responds to questions asked.



The following discussion illustrates a way to consider the application of one specific traffic calming intervention, barriers. This type of thinking regarding the application of this intervention can be applied to other interventions as well.

If Barriers were included at these points, they could impact the streets in these ways:

Barriers A, B and C are recommended be considered together.

**Barrier A:** on Pepper at Ash, is on the eastbound lane of Pepper, preventing cut-throughs from El Camino to Page Mill.

**Barrier B:** on Olive at Ash, is on the eastbound lane of Olive, preventing cut-throughs from El Camino to Page Mill, and preventing cars from ECR from accessing Park. Access to the east end of Olive would be via Ash and Park.

**Barrier C:** on Olive at Park, on the westbound side of Olive, at the intersection of Park. It prevents cars from using Olive as an avenue to El Camino. Access to Olive would be via Ash, El Camino and Page Mill.

Barriers D, E and F are recommended to be considered together.

**Barrier D:** On Acacia at Park prevents access from Park to Acacia. In this case, 340 Portage would be accessed through only Portage. Vehicular barriers at both D and E are not advised.

**Barrier E:** On Portage at Park prevents access from Park to Portage. In this case, 340 Portage would be accessed through Acacia. Vehicular barriers at both D and E are not advised.

**Barrier F:** is on Portage at Ash

**F.1** On the east side, it would prevent cars from going from ECR to Park Blvd

**F.2** On the west side, it would prevent cars from going from Park to ECR

Barriers G and H can be considered together

**Barrier G:** on Lambert, near Ash is in the eastbound lane of Lambert, at the intersection with Boulware Park, preventing cut-throughs to Park. It would allow cars to turn left onto Ash (providing easy access to 340 Portage) and then again left onto Portage, creating a loop (similar to the one mentioned by Alex at our last meeting). Access to the east end of Lambert would be via Park.

**Barrier H:** on Lambert, at Park, in the eastbound lane, preventing cars from using Lambert as an avenue to Park Blvd. This would also force cars from Lambert and from the Ventura neighborhood to use ECR to reach Page Mill.

In all of the above, access to the businesses on Park would be from Page Mill Road.

### **Discussion Topic: Affordable Housing**

1. Attending Working Group members share their goals on Affordable Housing (1 minute each)
2. Affordable Housing expert's brief discussion on:
  - Review of income ranges for affordable housing.
  - Critical factors contributing to creation of more affordable housing for middle income earning group.
  - Feasible methods to create affordable housing, including new suggestions.
  - Effective ways to serve a range of incomes in a housing complex or neighborhood: housing types, ownership/rental, etc. What are the constraints and opportunities?
3. The Working Group has identified some potential ideas below for increasing affordable housing in the plan areas. These can serve as some points for discussion.

A. **Limited Equity Cooperative**

A limited equity cooperative is a homeownership model in which residents purchase a share in a development (rather than an individual unit) and commit to resell their

share at a price determined by formula. The resale price is often less than the “market price” were the unit not part of the cooperative. The arrangement that maintains affordability at purchase and over the long term. This strategy has been successfully done in New York and in Davis, CA, among other places.

If you are interested in this topic, consider accessing the following resources:

- [Will Limited-Equity Cooperatives Make a Comeback?](#), Shelterforce. This article provides a detailed overview of the history of limited-equity cooperatives and the organizations that are involved in their creation today.
- [California Center for Cooperative Development](#) (resource page)
- Program Examples: [City First Homes](#) (Washington, DC); [Urban Homesteading Assistance Board \(UHAB\)](#) (New York)

#### B. **Office Conversion**

Support conversion of office space to housing. To mandate that office become housing, the City would need to conduct an amortization study and determine the date by which the office use would need to cease. Ceasing office use would not automatically turn the office building into housing; the property owner would need to undertake significant upgrades to the properties in order to convert exist building to housing or, more likely, demolish the buildings to construct housing. This strategy does not provide any funding to support the development of the housing and provides the required on-site below-market rate (BMR) housing as required by the local municipal code.

If you are interested in this topic, consider accessing the following resources:

- [Solving Two Problems: Converting Unused Office Space to Residential](#), Urban Land: “It appears that in order for both office and residential markets to benefit fully from widespread conversions, local real estate market fundamentals need to pass the “Goldilocks test”: there needs to be just the right amount of excess older office space in the market for it to be able to withstand having that space redeveloped into housing (or hotel use) to meet real residential demand, without pricing out the full range of businesses necessary for the local economy to thrive. Ultimately, developers will attempt to build or convert to whatever use generates the highest rents, and over time the market will respond. Office-to-residential conversions will ebb and flow with the broader evolutions of local real estate markets.”
- [How the Pandemic Could Spark More Conversion Projects](#), Multi-Housing News
- [Should shuttered office buildings be converted to housing?](#), Architect

#### C. **Commercial Linkage Fee**

Commercial Linkage Fee became effective in Palo Alto in 2017. Commercial Linkage Fees (CLF) are a standard tool used by local governments to generate funds for affordable housing. The CLF is similar to other impact fees levied on new



development and helps cover the cost associated with creating new or expanded public facilities to meet the additional demand created by the development, such as parks, schools, libraries and streets. Before levying an impact fee, jurisdictions are required by state law to complete a nexus study that shows the linkage between the new development and the increased demand for the facilities. The results of the nexus study establish the maximum legal fee that may be charged.

Fee Comparison of local communities (siliconvalleyathome.org):

#### CLF Affordable Housing Fee Levels in Santa Clara County (Per Sq Ft)

Non-residential fees by City	Office / R&D	Retail	Hotel	Industrial
Palo Alto	\$36.53	\$21.26	\$21.26	\$21.26
Mountain View*	\$28.25	\$3.02	\$3.02	\$28.25
City of Santa Clara	\$20.00	\$5.00	\$5.00	\$10.00
Cupertino	\$24.60	\$12.30	\$12.30	\$24.60
Sunnyvale**	\$17.20	\$8.60	\$8.60	\$17.20
Milpitas	\$8.00	\$8.00	\$8.00	\$4.00
<b>Average Fees</b>	<b>\$22.43</b>	<b>\$9.70</b>	<b>\$9.70</b>	<b>\$17.55</b>

\*Mountain View: Office/R&D < 10K sq ft pays ½ fee, Hotel/Retail < 25k sq ft pays ½ fee.

\*\*Sunnyvale fee for Office/Industrial is ½ fee level up to 20k sq ft, and full fee for sq ft above 20k

- [Commercial Linkage Fees](#), Silicon Valley At Home

#### D. **Establish More Housing-Focused Development Standards**

Adjusting development standards can decrease the cost of construction, allowing more units to be developed. The City has implemented development standards to encourage more housing development, including BMR units. Staff continues to explore additional development incentives. Some suggested development standards:

- Allow for higher housing density, which results in more required market rate units
- Allow for higher office square footage in return for funds to help subsidize BMR units
- Reduce the parking requirement, which reduces the cost of the housing

#### E. **Publicly-Funded Low Interest Loans**

Some cities offer low interest loans for housing development. These funds can assist development but is generally not sufficient alone to fund numerous and or large projects.

The City of Palo Alto has employed this tool. It's important to note that these funds, in the City of Palo Alto, are generated from impact fees and/or housing-in-lieu fees from market rate housing developments. Below is a link to project information for a BMR development that City provided a substantial loan to facilitate development.

- [Palo Alto boosts affordable-housing project with \\$10.5 million loan](#), Palo Alto Online
- [Affordable Housing Financing Options, City of San Jose](#), examples of funding options

F. **Community Land Trust (CLT)**

A community Land Trust is an organization that buys residential properties, keeps ownership of the ground beneath the buildings, and then rents or sells the units back to low-income residents. The tenant rents the housing only; the buyer owns the housing only; neither has rights to the underlying land. It's a strategy that does two things traditional government-subsidized affordable housing does not: it guarantees the property will remain affordable forever, and it gives residents the chance to build equity in their home.

There are at least seven operating in the Bay Area, including in Oakland, San Francisco, East Palo Alto and Sonoma County. There are examples of the trusts securing affordable housing for dozens of families.

Separating the house from the land under it is a key piece of the CLT's strategy. It acts as a safeguard to ensure the property can never again be sold at market rate. If the owners decide to sell, they go through the land trust, which sets a price that keeps the unit affordable for the next low-income family.

For more information on CLTs please visit this website:

<https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-110419.html>  
<https://oakclt.org/about/new-initiatives/>

G. **Deed Restrictions to Cover "Missing Middle" Housing**

Deed-restrictions are a mechanism for preserving the long-term affordability of units whose price was reduced to below-market levels through a government or philanthropic subsidy, inclusionary zoning or affordability incentive. Deed restrictions help to safeguard the long-term value to the community of the initial investment in affordable homeownership by limiting any subsequent sales of the home to income-eligible borrowers at an affordable price.

H. **Create Fundraising Program for Affordable Housing**

The non-profit group Santa Cruz Gives is a holiday fundraising program in Santa Cruz County. Their goal is to create a new network of donors and increase local giving via crowdsourcing to various groups/causes. One program that funds are donated to is Housing Matters; these funds are used for assistance programs and

temporary housing. Housing Matters partners with individuals and families to create pathways out of their homelessness into permanent housing.

- [Housing Matters](#)
- [Santa Cruz Gives](#)

I. **Establish a Special Assessment Tax to Subsidize Affordable Housing Development**

Special Assessment financing could be a successful economic development tool, targeted to enable development and redevelopment projects as well as leverage other financing tools. A special assessment tax is a surtax levied on property owners to pay for specific infrastructure projects such as the construction or maintenance of roads or sewer lines and can include development or preservation of affordable housing. The tax is charged only to the owners of property in the neighborhood that will benefit from the project. That neighborhood is called the special assessment district.

- [Tax increment financing](#), Local Housing Solutions
- [Opportunities to Use Assessment Districts to Finance Facilities and Services in California Today](#), California State Treasurer

J. **Low Income Housing Tax Credit (LIHTC)**

LIHTC funding provides tax incentive to construct or rehabilitate affordable rental housing for low-income households. The LIHTC subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. The LIHTC was enacted as part of the 1986 Tax Reform Act and has been modified numerous times. Since the mid-1990s, the LIHTC program has supported the construction or rehabilitation of about 110,000 affordable rental units each year (though there was a steep drop-off after the Great Recession of 2008–09)—over 2 million units in all since its inception.

The federal government issues tax credits to state and territorial governments. State housing agencies then award the credits to private developers of affordable rental housing projects through a competitive process. Developers generally sell the credits to private investors to obtain funding. Once the housing project is placed in service (essentially, made available to tenants), investors can claim the LIHTC over a 10-year period.

<https://www.taxpolicycenter.org/briefing-book/what-low-income-housing-tax-credit-and-how-does-it-work>

K. **PC - Planned Community District Zone**

This is intended to accommodate developments for residential, commercial, professional, research, administrative, industrial, or other activities, including combinations of uses appropriately requiring flexibility under controlled conditions not otherwise attainable under other districts. Flexibilities include changing density, height and other zoning restrictions for unified, comprehensively planned

developments which are of substantial public benefit, and which conform with and enhance the policies and programs of the Palo Alto Comprehensive Plan.

[http://library.amlegal.com/nxt/gateway.dll/California/paloalto\\_ca/paloaltomunicipalcode?f=templates\\$fn=default.htm\\$3.0\\$vid=amlegal:paloalto\\_ca](http://library.amlegal.com/nxt/gateway.dll/California/paloalto_ca/paloaltomunicipalcode?f=templates$fn=default.htm$3.0$vid=amlegal:paloalto_ca)

**L. Funds to Support Affordable Housing**

1. Facebook Catalyst Housing Fund is helping developers build, rehabilitate or preserve housing in Menlo Park and East Palo Alto. Through a series of loans and grants, Facebook's Catalyst Housing Fund is helping developers build, rehabilitate or preserve about 550 units of affordable housing near its Menlo Park headquarters — 70% of which are reserved for residents in the region's lowest income brackets.

<https://www.mercurynews.com/2020/08/06/were-getting-new-homes-built-facebook-fund-backs-nearly-600-affordable-homes/>

2. Housing Trust Silicon Valley's TECH Fund — TECH Fund (Tech + Equity + Community + Housing) is an initiative created by Housing Trust Silicon Valley to create opportunities for philanthropists and large Bay Area employers to be part of the affordable housing solution. The fund began in March 2017 with an initial investment from the Cisco Foundation that has since been followed by investments from Grove Foundation, LinkedIn, the David and Lucile Packard Foundation, Pure Storage and Sobrato Family Foundation. Housing Trust to date has raised \$52 million for the TECH Fund to be revolved over the course of a ten-year investment period – at the end of which TECH Fund investors receive a modest return on their investments in addition to the original investment being repaid and, most importantly, having created 10,000 affordable housing opportunities during that time. For more information visit [www.housingtrustsv.org/tech-fund/](http://www.housingtrustsv.org/tech-fund/)

<https://www.prnewswire.com/news-releases/cisco-linkedin-and-pure-storage-collaborate-to-commit-20-million-to-housing-trust-silicon-valleys-tech-fund-to-help-build-affordable-housing-300755642.html>

**M. Jobs-Housing Linkage Policy**

A jobs-housing linkage policy requires that commercial space be matched by the development of housing for the workers associated with the new commercial space. In 2019, the City of Mountain View adopted a Jobs-Housing Linkage Policy as part of the [East Whisman Precise Plan](#), which requires commercial developers to partner with residential developers through a credit system. A planning area-wide policy that requires new housing development to go hand-in-hand with new office

development, ensuring that commercial development helps subsidize residential redevelopment.

- [North Bayshore Precise Plan Mountain View—Affordable Housing Administrative Guidelines](#)
- [North Bayshore Precise Plan](#)

N. **Business Tax**

A business tax could create income to fund local services, infrastructure, programs, and other public needs, including funding affordable housing. Currently Palo Alto has no business tax.

- [Additional Tax on Commercial Rents Mostly to Fund Housing and Homelessness Services](#), SPUR. 2018 Proposition D
- [State proposal would let King County tax large businesses to pay for homelessness and housing](#), Crosscut
- [New proposal would tax big businesses to fund affordable housing, coronavirus relief](#), Seattle

## List of Useful Resources:

1. The commonly used income categories are approximately as follows, subject to variations for household size and other factors:
  - Extremely low income: 0-30% of AMI
  - Very low income: 30% to 50% of AMI
  - Lower income: 50% to 80% of AMI; the term may also be used to mean 0% to 80% of AMI
  - Moderate income: 80% to 120% of AMI

“Affordable housing cost” for lower-income households is defined in State law as not more than 30 percent of gross household income with variations (Health and Safety Code Section 50052.5).

INCOME LIMIT CATEGORY	EXTREMELY LOW (30% OF AMI)	VERY LOW (50% OF AMI)	LOW (80% OF AMI)
1 PERSON	\$30,750	\$51,250	\$72,750
2 PERSONS	\$35,150	\$58,550	\$83,150
3 PERSONS	\$39,550	\$65,850	\$93,550
4 PERSONS	\$43,900	\$73,150	\$103,900
5 PERSONS	\$47,450	\$79,050	\$112,250
6 PERSONS	\$50,950	\$84,900	\$120,550
7 PERSONS	\$54,450	\$90,750	\$128,850
8 PERSONS	\$57,950	\$96,600	\$137,150

2. Santa Clara County Median Income 2020 (refer to the table below)

<https://www.santaclaraca.gov/home/showdocument?id=67437>

California Code of Regulations-Title 25 § 6932  
2020 Santa Clara County Median Income:  
**\$141,600**

effective 4/30/2020

2019 AMI for Santa Clara County										
	ELI	VLI				LI		Med	Mod	Mod
HH	30%	35%	40%	45%	50%	60%	80%	100%	110%	120%
1	33,150	34,700	39,650	44,600	55,300	59,450	78,550	99,100	109,000	118,950
2	37,900	39,650	45,300	51,000	63,200	68,000	89,750	113,300	124,650	135,900
3	42,650	44,600	51,000	57,350	71,100	76,450	100,950	127,450	140,200	152,900
4	47,350	49,550	56,650	63,700	78,950	84,950	112,150	141,600	155,750	169,900
5	51,150	53,550	61,200	68,850	85,300	91,750	121,150	152,950	168,250	183,500
6	54,950	57,500	65,700	73,900	91,600	98,550	130,100	164,250	180,700	197,100
7	58,750	61,450	70,250	79,000	97,900	105,350	139,100	175,600	193,150	210,700
8	62,550	65,400	74,750	84,100	104,250	112,150	148,050	186,900	205,600	224,250

Maximum Rent Limits 2020 (Gross Rent)*										
	30%	35%	40%	45%	50%	60%	80%	100%	110%	120%
Studios	828	867	991	1,115	1,382	1,486	1,963	2,477	2,725	2,973
1 Bd	947	991	1,132	1,275	1,580	1,700	2,243	2,832	3,116	3,397
2 Bd	1,066	1,115	1,275	1,433	1,777	1,911	2,523	3,186	3,505	3,822
3 Bd	1,183	1,238	1,416	1,592	1,973	2,123	2,803	3,540	3,893	4,247
4 Bd	1,278	1,338	1,530	1,721	2,132	2,293	3,028	3,823	4,206	4,587

Assumption is studios-1person, 1bd-2 person, 2bd-3 person, 3bd- 4 person, 4bd- 5 person

\*Tenant paid rent plus a utility allowance cannot exceed Maximum Rent limits. Utility allowance must be is the amount deducted from the household's rent portion when tenant is responsible for utilities.

**Current Utility Allowance Schedule (effective 10/1/2019)**

<https://www.scchousingauthority.org/assets/1/6/2019 - 2020 Utility Allowance Schedule.pdf>

3. Examples of the yearly salary and rent paying ability of few occupation types in Palo Alto

Occupation Type	Yearly Salary	Monthly Rent Affordability Salary <sup>1</sup>
PAUSD teacher, starting salary <sup>2</sup>	\$67K/year	\$1,675/month
Minimum wage workers <sup>3</sup> Grocery store, retail sales, restaurant cook, house cleaner, etc.	\$15/hour ~ \$30K/year	\$750/month
Caregiver <sup>4</sup>	~ \$30K/year	\$750/month
Nurse Assistant. CNA <sup>5</sup>	~\$40K/year	\$1000/month

Average 1-bedroom apartment in Palo Alto~ \$2,500/month

Landlords typically require that your monthly income is at least 3 times the monthly rent

4. Terner Center for Housing Innovation  
<https://ternercenter.berkeley.edu/about>
5. Solving the Housing Affordability Crisis in San Francisco, how policies change the number of San Francisco households burdened by housing cost  
<http://www.bayareaeconomy.org/report/solving-the-housing-affordability-crisis-san-francisco/>
6. Joint Center for Housing Studies of Harvard University  
<https://www.jchs.harvard.edu/>
7. Spur's Housing Agenda  
<https://www.spur.org/policy-area/housing>

<sup>1</sup> "Affordable housing cost" for lower-income households is defined in State law as not more than 30 percent of gross household income with variations (Health and Safety Code Section 50052.5).

<sup>2</sup> <https://www.pausd.org/careers/salary-schedule>

<sup>3</sup> <https://www.santaclaraca.gov/home/showdocument?id=53766>

<sup>4</sup> <https://www.ziprecruiter.com/Salaries/How-Much-Does-a-Caregiver-Make-a-Year-in-Santa-Clara,CA>

<sup>5</sup> <https://www.salary.com/research/salary/certificate/certified-nursing-assistant-cna-salary/palo-alto-ca>



8. An article by Amie Fishman of NPH and Carla Dartis of Oakland's United Lutheran Church on faith-based institutions and colleges to use land for affordable developments regardless of local restrictions.

[https://www.mercurynews.com/2020/08/09/opinion-this-legislation-provides-needed-housing-and-racial-justice/?mc\\_cid=d76c932d7a&mc\\_eid=1c0157f7a4](https://www.mercurynews.com/2020/08/09/opinion-this-legislation-provides-needed-housing-and-racial-justice/?mc_cid=d76c932d7a&mc_eid=1c0157f7a4)

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## Making Housing and Affordability a Reality in NVCAP

SV@Home is thrilled that the Palo Alto City Council has made affordable housing its number one priority and that the North Ventura Working Group has identified affordable housing as a top goal. Achieving this requires forward-thinking planning and a realistic understanding of the policy and financial tools available to the city.

Redevelopment in the North Ventura area does not take place in a vacuum. While a city can create a future vision and priorities for a neighborhood, these goals cannot be realized without taking financial realities into consideration. Affordable housing, alongside other community benefits like parks, community centers, or schools, costs money to produce. A planning area allows the city to harness the revenues of growth and redevelopment to create these benefits.

To assist the Working Group and the City as they consider the future of the North Ventura neighborhood, SV@Home would like to share several housing and affordable housing best practices as well as ideas from neighboring jurisdictions.

### Affordable Housing: What does it cost and how do we achieve it?

Deed-restricted affordable housing requires significant subsidies to become financially viable. Prioritizing affordable housing requires a commitment to raising funds to directly cover these subsidies, securing the dedication of land that can offset one of the most significant fixed costs, reforming zoning in a way that incentivizes affordable developments, or a combination of these tools.

The total subsidy needed to achieve Palo Alto's affordable housing goals in North Ventura will vary based on a number of factors, including depth of affordability and any development incentive structure. For this sake of this exercise, however, SV@Home has calculated these costs based on the per-unit City subsidy for the Wilton Court affordable housing development (\$347,779/unit).

The below table estimates total city subsidy required for a build-out of 3,000 new homes when: A) The city targets 20% of total units as affordable, an affordability level that neighboring cities such as Mountain View and Sunnyvale have used; and B): The city targets 100% of new homes as affordable:

Scenario	Total # of Housing Units	Total Percent Affordable	% from Inclusionary Housing	% Standalone Affordable Developments	Total # of Affordable Homes	Total City Subsidy Cost
<b>A</b>	<b>3000 Homes</b>	<b>20%</b>	<b>15%*</b>	<b>5%</b>	<b>600 Homes</b>	<b>\$52,166,850</b>
<b>B</b>	<b>3000 Homes</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>	<b>3000 Homes</b>	<b>\$1,043,337,000</b>

*\*Palo Alto's adoption of an inclusionary ordinance was pushed back from June to August 2020 (date TBD). The [staff report](#) to the planning commission suggested that "most prototypes [of housing development] are unlikely to support an increase in BMR requirements without some adjustments to zoning requirements to decrease cost of development," but since 15% is a common inclusionary requirement in the rest of the County, we have used it as a placeholder.*

To raise these funds, Palo Alto has a number of options, including:

- 1) **Impact fees:** Revenue for affordable housing can be raised through fees on new market rate housing and new commercial and office space construction. However, these fees can only be leveraged on new construction, which means the City would have to increase the capacity for commercial, office, and/or market rate housing to be developed in the NVCAP.

- 2) **Bond measures:** The City could place a specific affordable housing bond measure on an upcoming election ballot. This would of course be subject to voter approval, and it should be considered whether a bond measure in the quantity necessary to create a significant amount of affordable housing – likely in the high tens or hundreds of millions of dollars – would be likely to pass.

Or, the City could consider Planning Area strategies that have been used in neighboring jurisdictions to specifically support affordable housing in the NVCAP area. Such as:

- 1) **Jobs-Housing Linkage Policy:** A planning area-wide policy that requires new housing development to go hand-in-hand with new office development, ensuring that commercial development helps subsidize residential redevelopment. In 2019, the City of Mountain View adopted a Jobs-Housing Linkage Policy as part of the East Whisman Precise Plan, which requires commercial developers to partner with residential developers through a credit system. The goal is to help residential development move forward at the same rate as commercial development. While implementation has only begun and data on the results are limited, one key element is that this policy requires a significant increase in commercial capacity for it to be successful. For example, in East Whisman, the plan called for 2.3 million square feet of new office space alongside 5,000 new housing units. This policy could not be successful in an area that anticipates low or no office growth.
- 2) **Incentives for Affordable Housing:** This encompasses a range of different policies that provide incentives for developers to produce more affordable housing than would normally be required or allowed. These type of policies typically take the form of relaxation of certain limiting requirements (e.g. height limits, parking minimums, etc.) in exchange for a developer providing more affordable homes than they otherwise would have been able to build. They can also include additional ways for a developer to satisfy community benefit requirements by prioritizing certain affordable housing outcomes (e.g. providing additional benefits to a developer that dedicates land for a 100% affordable development, etc.). These incentives are premised on affordable housing production being one of the top community benefits sought in a planning area and usually accompany higher than usual area-wide affordability goals. As an example, Mountain View's 2017 North Bayshore Precise Plan includes an incentive structure to reach an overall Plan goal of 20% of new homes being affordable.

As has been made clear in a number of city staff and consultant reports, a combination of high land costs, low permitted heights and densities, high parking requirements, and slow approval processes has brought residential development nearly to a halt in Palo Alto. Addressing these issues city-wide is crucial, but the NVCAP provides the opportunity to address them head on in a key opportunity area. Allowing for increased heights and lower parking requirements, for example, could decrease the total subsidy required to achieve the City's affordable housing goals and/or could be used as an incentive to secure additional affordable housing production from developers.

### **SV@Home Recommendation**

Of the consultant-drafted alternatives that have been presented to the Working Group and Council, SV@Home strongly supports the vision of **3,000 new homes as part of a transit-oriented, walkable and bikeable neighborhood**. We support the City creating an incentive structure to reach an area-wide goal of **at least 20% of all new homes being affordable** to people with a range of income levels and abilities. Reaching these goals **will require some combination of city funding, relaxed parking standards, increased heights, and other development incentives** prioritizing affordable housing as a key community benefit of the NVCAP. While setting a goal of 100% affordable homes in a planning area is noble, it would require an immediate and simultaneous City commitment to raising the funds necessary (in the case of 3,000 new deed-restricted affordable homes, \$1.04 billion), which we judge to be an unrealistic prospect given the City's historic availability of affordable housing funding.

# WORKFORCE HOUSING CO-OPERATIVES

Daily newspaper headlines beg for solutions to America's affordable housing crisis. There are lots of valuable ideas, but few implementations that appear scalable. For example, there is a lot of talk about the concept of workforce housing, but very few concrete examples. Numerous definitions of workforce housing exist, with the most prevalent being that it serves working people earning 80-120% of median income, who pay no more than 30% of their income for rent.

Many major cities in North America are seeing a rise in homelessness and a vast shortage of affordable housing for extremely low, very low and low-income households (30-80% of median income). While just a drop in the bucket, federal and state programmes and subsidies are at least addressing some of the problems of supply. There is a similar and growing crisis in the supply of affordable housing for households earning between 80-120%. This segment of the population, however, is not eligible for subsidies or affordable housing and most often is paying far more than the 30% of income that the US Department of Housing and Urban Development (HUD) regards as normal.

People in this 80-120% segment are mostly destined to be renters-for-life – stuck overpaying for rents with a minuscule ability to save, they will never have the downpayment to own a home or pay a mortgage. Nor, most likely, will they be able to afford to live near their job. Affordable housing for this segment of our major cities is fast disappearing. Workforce housing targets this segment with words and policies, but, regrettably, with few real projects.

However, one group did do something about it. This is the story of 75 Housing Co-op – a workforce housing co-operative operating in the heart of one of the biggest cities in North America.

## A MEETING OF MINDS IN TORONTO

Like other cities, Toronto, Canada, desperately needed targeted affordable housing to attract employees who are the moderate-income backbone of its urban economy.





At the start of our story, the City of Toronto had a vacant site at 60 E. Richmond Street; Toronto Community Housing (TCH) was fast losing social housing units downtown; the Cooperative Housing Federation of Toronto (CHFT) had seen no new co-op in 20 years; and Local 75 UNITE (the union of greater Toronto hospitality workers) had members traveling a long way to their downtown jobs.

The ingredients were there but there was not yet a cook. So how did a sensible, affordable home for the lowest-paid employees of Toronto's downtown hotels and restaurants get built in the city's business centre?

It was largely thanks to Toronto City Councillor Pam McConnell. McConnell had lived in co-op housing for 40 years (Spruce Court Co-op), had been at times a manager of housing co-ops and rose to become president of the Cooperative Housing Federation of Toronto. In 2017, the year she died prematurely, she was deputy mayor of Toronto. Cllr McConnell saw a unique alliance that would fulfil her co-operative vision to house low-income workers in downtown Toronto.

The alliance spent a few years looking for an outcome that was acceptable to all four groups above, and agreed the following actions: The City of Toronto leased the vacant E. Richmond Street site to TCH for 50 years; TCH, CHFT and UNITE signed a Memorandum of Understanding on who would be eligible to live there and what income groups would qualify. TCH then subleased the property to Local 75 Housing Cooperative, Inc. The final agreement reserved 47 units for displaced low-income households who once lived in the gentrifying Regent Park neighbourhood and 38 units for UNITE members or non-union workers in the hospitality industry.

## 75 HOUSING CO-OPERATIVE

75 Housing Co-op – an 11-storey building designed by Teeple Architects – has won numerous awards for its architecture and sustainable construction. “60 Richmond East is a boldly contemporary high-rise with sculpted lines and splashes of colour, as well as a compelling blend of social, environmental, and urban aspirations,” wrote Canadian Architect magazine.

It gives first preference to low-income workers with jobs in downtown hotels and restaurants, giving them easy commutes. The 85 co-op apartments (33 one-bedroom units, 24 two-beds, 24 three-beds), and four four-beds) are a mix of subsidised and slightly below market-rate units. Four units were developed as accessible. Because of the central location, only 10 on-site parking spaces were provided. One space is reserved



Image: Scott Norswothy

for Enterprise CarShare and one space reserved for disabled parking.

To support the project and to bolster the co-op's operating budget, UNITE filled another gap by renting most of the ground-floor commercial space for two purposes. One was for their Toronto offices and the other, more importantly, was for a

training restaurant, Hawthorne Food and Drink, which is open to all UNITE members and to any member of the public who wants to work in the hospitality industry. For example, United Way of Toronto and other government work programmes provide scholarships to homeless and low-income people who want a job in the field. The restaurant is operated by the Hospitality Workers Training Center (HWTC), a nonprofit sponsored by Local 75 UNITE, Downtown Hotels and government and nonprofit employment organisations. In less than seven years of operation, Hawthorne has trained hundreds of hospitality workers.

### A MODEL TO BE REPLICATED?

Of course, this model isn't just for hospitality: cities desperately need affordable housing to attract teachers, public employees, service workers, and nonprofit employees. Religious organisations, teachers' associations, unions, employer and employee groups, nonprofit housing and community organisations are all examples of groups that could step forward to sponsor such initiatives for their members.

An older example is the United Housing Foundation (UHF), formed by a group of trade unions in New York City in the 1960s. Through their joint sponsorship, UHF spurred the creation of over 20 housing co-ops. Those unions created about 33,000 units of co-operative housing in New York City for their members. Some were developed by



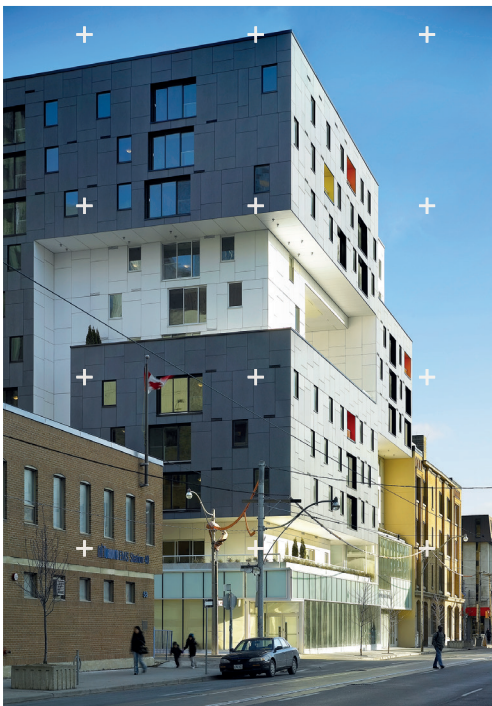
Images: Shai Gill

unions to house their particular members (garment workers, printing trades, butchers, electrical workers, etc).

UHF functioned to provide affordable housing to the city's core workforce. Without a doubt, and without knowing what it would be called later, the UHF co-ops in NYC were the first mass provision of workforce housing in the USA.

Only a coalition of that scale – sponsoring limited equity co-operative housing and utilising state and federal funding – can meet the long-term affordable housing shortage facing today's moderate-income urban working families.

The moderate income housing challenge is growing at crisis proportions. The overpayment of rent by moderate income families is destroying the asset-building opportunities of this core segment of our population. Without employing a co-operative housing solution that has access to targeted government funding, America's societal structure and values are at risk.



*David J Thompson is author of 'Weavers of Dreams: Founders of the Modern Cooperative Movement', 'Coportunity: The Rise of a Community Owned Market' and other books. He is co-partner in Neighborhood Partners, LLC, developer of over 1,400 units of nonprofit housing and as director, western region of the National Cooperative Bank he funded 2,300 units of cooperative housing. [www.community.coop](http://www.community.coop) [dthompcoop@aol.com](mailto:dthompcoop@aol.com)*