

Lydia Kou Replies to 2016 City Council Candidate Questions

1. **Reason for running:** What are the top three goals you want to achieve in the next four years on the city council?

I regard a city's first obligation is to its residents, they are the heart and soul of Palo Alto.

I will focus on the following that is related to preserving the quality of life for residents

1. Land use decisions and street capacity (mobility and circulation) must be considered together. Therefore information must be based on relevant and **factual** traffic analysis and studies to determine baselines and thresholds. It must include cumulative impacts of each development and assesses of downstream impacts as well.
2. Discourage exceptions and push for code enforcement for developments which can provide for consistency in planning. With consistency, the planning process can be streamlined and both developers and residents have better understanding of what to expect.
3. Vigorously protect and preserve Palo Alto's family-oriented community with unique neighborhoods, high quality schools, beautiful parks and open space and community services for all residents.

2. **Experience:**

Non-incumbents: Describe your personal experience with Palo Alto City government and recent issues that have come before public hearings at the city council or other board and commissions. What was your role? (For example, did you send an email, speak to the Council, lead a group of citizens, etc.?) How extensively were you involved?

Incumbent (Kniss): What have been your major initiatives on the Council? Describe your role and the results.

1. I am currently serving as a Citizen Advisory Committee member to update the Comprehensive plan. The plan is visionary and the primary tool to provide guidance for making long term choices for the City's future as well as policies to guide day to day decisions. I am one of the 24 citizens and we meet once a month to discuss and to make provide comments. I am also on the following Citizen Advisory element Sub-committees:
 - Community Services and Facilities
 - Transportation
 - Safety and Noise
 - Governance
 - Implementation Plan
 - Housing Representatives to the City Council
2. City of Palo Alto Emergency Preparedness program - My many years of work on Emergency Preparedness provide me multiple categories of experiences that will be valuable when I am on Council:
 - Working with individual members of the community to create a large-scale volunteer effort and then to keep those community members engaged.
 - Working with other Non-government and government organizations active in this area.
 - Working with City Staff and Council on the day-to-day aspects of this issue.

- Driving a radical change in the City's policy on this issue.

I have spoken at Council retreat to encourage continuing Emergency Preparedness as one of the priorities to focus and to give attention to for the year. I have also spoken at Policies and Services to request support for a citywide event/exercise that simulated having to live in tents after a disaster and the use of a public park.

3. I have spoken before Planning and Transportation Commission (PTC) and City Council stating my concerns and neighbors' concerns about a high density development that was going to be built in the neighborhood and on a street that is designated a Safe Route to Schools street which hundreds of children use.

3. **Affordable Housing:** Regarding building affordable housing, we are faced with several problems: lack of land, lack of interest on developers' part and the cost (one unit costs \$400-600,000). Please address:

- How do we get such housing built?
- Can we even build enough housing to satisfy demand?
- Should the City increase development fees to fund more affordable housing?

"Satisfy demand": The vagueness of this phrase is indicative of the difficulty of the problem. For some, it means "Anyone who wants to live in Palo Alto can do so and at a price they can afford." Impossible, but it illustrates the more general problem: Even if Palo Alto manages to control job growth within our borders, nearby cities are pushing job increases far in excess of their housing increases. For example, Facebook in Menlo Park. And in Mountain View, East Bayshore and greater San Antonio Center area (former Safeway site, Target...). If there is no local and regional discipline on matching growth in demand to the available supply, blindly trying to increase the supply will not only be futile, but will seriously damage our community.

How to get such housing built: The question of whether or not to allow developers to pay in-lieu fees instead of building BMR (Below Market Rate) units is a conundrum. In-lieu fees are useful only when there is land available for an affordable housing project. But when there is land, in-lieu fees produce more units. First, they often can produce matching funds (state, federal, foundations). Second, BMR units in market-rate housing developments are almost always for only the uppermost tier ("moderate income"), whereas projects funded with in-lieu fees can produce units for the lower tiers ("low", "very low" and "extremely low") where Palo Alto has the largest shortfall.

With the steep increase in housing prices, the City needs to revisit the math. For example, BMR units in a market rate development are required to be equivalent to the market rate units, but the prices are very different. You can have a BMR sell for \$0.5M where the equivalent market rate unit sells for \$2.5M. The current requirements are for 15% BMR units (1 in 7), or a 7.5% in-lieu fee. Thus for a development with 7 units at \$2.5M each, the developer has produced one affordable unit at a "cost" of \$2M, whereas the in-lieu fee would be \$1.3M. With 100% matching funds, that becomes \$2.6M, or the construction costs of more than 4 units (doesn't include cost of land).

Experience with for-sale BMR units has been that there can be significant problems with deferred maintenance because reducing the sales price does not lower maintenance costs. And for rental BMRs, being scattered through many market rate developments can make them much harder to manage.

As you might guess, I strongly disagree with those who wish to abolish the option of in-lieu fees because it is based either on the assumption that there will never again be land for an affordable housing project or on the choice of "a few now" over "more later". Remember, in-lieu fees are an important part of the effort to save the Buena Vista Mobile Home Park.

I would push to have a better policy on making these choices—currently they seem to be decided between the developer and City Staff on an *ad hoc*, per project basis

Increase development fees: San Francisco has and several other cities in the region are considering raising the BMR requirement to 25%. However, the discussion I have seen has centered on the simply need for more affordable housing and has not considered the consequences. I would want to hear the proponents of such an increase lay out their case in detail and then listen to the critiques from experts and other stakeholders.

4. **High-density housing:** What are your thoughts on “high-density housing” in Palo Alto? How much should be built and for whom?

The issues of high-density housing are in multiple layers. At the outermost layer is the impact on the city-wide infrastructure. For example, should we build high-density housing where the projected number of children – realistic, experience-based projections, not irrelevant national averages – would be the equivalent of one or two additional elementary schools of students? And there are similar issues with parks and other community services.

Another layer involves traffic. Many of the calls for high-density housing want it in areas where it is already significantly congested. One of these areas – University Avenue – is already projected to become much worse – including intersections graded “failing” – with the development already in the pipeline (Stanford Hospital expansion being the largest of these). Similarly, for proposal around the Page Mill-El Camino intersection. Or near San Antonio (increases from major development around San Antonio Center). We are at the level where congestion not only ripples out to other arterial streets, but is increasing cut-through traffic on neighborhood streets.

For me to support significant levels of high-density housing, I would need to see credible explanations of how it would result in significant negative impacts on our infrastructure.

As to who the housing is built for, the City has very little control over this – zoning influences average unit size, but the City has no control – nor should it - over details such as the mix of 1-, 2- and 3-bedroom units. Nor the categories of people willing to pay the rent or purchase price. Recognize that Palo Alto house prices are roughly 25% more than similar units in surrounding cities because parents want to have their children in Palo Alto schools. This heavily skews who will be in those units.

Many of the advocates for high-density housing have contradictory goals. They say housing should be built for people currently commuting to jobs in Palo Alto, but they argue that it should be located where it is convenient for people commuting to jobs outside Palo Alto (and don't have school-aged children).

When you hear leaders of advocacy groups such as Palo Alto Forward say that we should build enough housing for all the people who commute to Palo Alto, do some math. They point out that the daytime population currently doubles, but neglect that housing would not just be for those employees but also their families. How would Palo Alto double its schools (currently 17 total)? Or more than double its parks (we already have an unaddressed deficit)? Or... And many of those advocates oppose limits on additional office/R&D building growth.

Recognize that about one-third of employed Palo Altans work in other cities. Consequently we should expect to be creating two outbound commutes for every one inbound commute eliminated. Locating housing near transit centers is no answer if there isn't a viable transit **between** residents' homes and their jobs.

5. Jobs/Housing Imbalance: Office creation is outpacing housing development. Please address:

- How much, where *and what kind of* office space can Palo Alto sustain?
- Do you support extending the annual office space development cap?
- Should the City consider placing a moratorium on new office development?

Annual office space development cap: Yes, I will strongly support and I want to see the annual office development limit to expand citywide and include Stanford Research Park. Not just to slow growth but **to allow time to react to changing circumstances.**

Lots of overlap with other questions, so an outline of the major points

Categories of office space

- Big companies: Research Park and other commercial zones
 - Mistake to allow Palantir – and Facebook before it – to dominate University Ave downtown
- Medium and small businesses
- Growing companies, such as startups
- Companies serving local businesses and residents (CPAs, lawyers, Realtors...) versus companies designing and producing products for widespread sale/usage.

Pressures on housing

1. Growth in total square footage of commercial space in Palo Alto
2. Increase in employee density in existing buildings: 250-350 sq.ft./employee becomes <100 sq.ft.
3. Conversions to office space: legal and not
4. Massive increases in office space in neighboring cities, current and planned
 - a. Menlo Park: Facebook
 - b. Mountain View:
 - i. greater San Antonio Center (including old Safeway site and Target)
 - ii. East Bayshore

6. Growth: There has been a lot of discussion about the demand for housing as well as potential impacts, and how fast it should increase in Palo Alto. How does this compromise the quality of life of local residents, including school enrollment, and what mitigations do you support?

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Generic urban planning concepts have been applied onto Palo Alto and it is not working out. These concepts should be applied to a region instead, not a city as small as Palo Alto, one with its own unique values.

In the past decade, rampant building of office space without regard for road capacity or parking has created the problems we are dealing with today. We should be learning from past endeavors and be strategic as to how to build housing now. Questions, such as school capacity, road capacity, city services, parks space, community space, health and safety are just some questions to ask before building blindly.

7. **Cumulative Impacts:** Commercial projects are evaluated on an individual basis, without looking at the cumulative impact on intersections, traffic and spillover parking in neighborhoods. Many traffic studies seem to have a finding of “no impact,” yet traffic continues to get worse. What changes in the way we evaluate projects would you favor?

The statement that they don't look at cumulative impacts is misleading – the problem is in how they look at cumulative impacts. Traffic is the best example. The first part of the problem is that there has been a long history of minimizing the size of the problem. For example, the applicant can use a traffic study during an economic downturn as "normal". They can ignore the traffic that will be produced by projects already approved, being built and not yet occupied. They can make unrealistic assumptions about the occupants – for example, the assumption was that the Arbor Real housing project would have very few children (children result in more vehicle trips per household).

The second part of the problem is how you assign responsibility. Consider the situation where anything under 1% increase is regarded as "insignificant". When you look at a major arterial like El Camino, even a major development such as Arbor Real is judged to have insignificant impact. Similarly, the Stanford Industrial Park is not a single property, but a collection of parcels owned by various entities (such as trusts). Consequently, improvements in each rarely have a "significant" impact on Page Mill or the I-280 interchange. The original zoning should have taken into account the carrying capacity of the street, so you might think that if a property gets up-zoning, it should pay for the impacts. But it isn't that simple. A different occupant can generate different levels of traffic and at different times. Consider two properties that replaced their original buildings and stayed within the original zonings: If you charge impact fees based upon the level of congestion when the building was replaced, is that fair to the property owner who waited. And might you not be encouraging the premature replacement of buildings (carbon footprint and waste stream).

8. **Local Review:** What is your opinion of the Budget Trailer Bill 707's (or similar bills) by-right exemption from environmental review?

This bill does not and will not address affordable housing crisis; it only gives developers special exemptions at the expense of the local residents and working families while reducing environment and tenant protections.

This bill proposed by Gov. Brown is a way to quash residents' ability to fight mega developers. In his own words, at the Urban Land Institute conference, when describing his time as Oakland's Mayor, he said “every Oakland project I proposed was opposed at City Council by one group of neighbors or activists.” Gov. Brown continues his practice of putting communities and our environment at risk

Gov. Brown calls his bill The Streamlining Affordable Housing Approvals Bill, it sets aside \$400 million from the 2016-17 California State Budget for affordable housing programs. That's \$400 million for the entire state. Let's do some math:

\$400M and let's say that each unit costs about \$500,000 to build, that would make 800 units. For the entire State of California!

And, these affordable housing funds come with “**catastrophic strings**” because Brown's proposal requires “by right” land use entitlements for developers.

Had this Bill passed, it would have –

1. Taken away local public oversight.
2. Allowed developers to bypass much of established local governmental approval processes for new high density residential construction. It eliminates local government review.
3. Eliminated previous legislated State and Local environment review.
4. This Bill is “top down” governance legislating a “one size fits all” solution without regard for any cumulative impacts occurring at the local level, i.e. destroying K-12 education quality, causing school overcrowding, increasing already problematic traffic congestion, straining city services and infrastructure.

We all have to be vigilant to keep this kind of “top down” governance from becoming legislation.

- 9. Retail:** How would you support local retail? Specifically, how would you protect, support and possibly even extend ground-floor retail in our commercial and neighborhood commercial areas? How would you enforce existing laws?

It is important to remember that retail is not just University Ave and California Ave, but El Camino and neighborhood centers (most notably Midtown, Charleston, Edgewood) and Stanford Shopping Center and Town & Country

It is crucial to not only preserve space for retail, but to have that space in clusters that allow stores to mutually reinforce each other

It is also important to recognize that when a building is replaced or substantially remodeled, there is a significant likelihood that any local business there will be replaced by a chain store (or franchisee). I have been told that this is a result of the globalization of such loans – it is easier for non-local investors to assess the reliability of the rental income from a chain

Another important matter is to enforce the ground floor retail preservation ordinance.

I believe that City Hall has been overly focused on University Avenue. The recent improvements to California Avenue are appreciated but seem to have taken forever. But other districts have been neglected. For example, South El Camino Real has been long neglected. It was a major focus of the Comprehensive Plan process in the mid-1990 and then of a Caltrans-funded study in the early 2000s. A range of issues of importance to the merchants were identified—such as visibility of signage on stores, signage for parking—that have yet to be addressed.

- 10. Accessory Dwelling Units (aka “Granny Units”):** Do you support zoning changes to enable the creation of additional second units, such as reduced minimum lot size, removal of parking requirements? If so, which ones? How do ensure these units don't simply become short-term (Airbnb-type) rentals?

Before the City decides what changes to make, it needs to decide on its strategy.

1. Is it to provide units for people at particular income levels, or
2. Is it to provide units for certain categories of people, or
3. Is it simply to increase the number of housing units

(1) is impractical – it would require the equivalent of rent control and enforcement to keep prospective tenants from agreeing to pay extra rent under the table. (2) is almost certainly illegal and thus unenforceable.

Many advocates for more ADUs hope that they would be occupied by people who won't have cars. If an ADU is allowed under that assumption, how is it to be enforced? The landlord has an incentive (potentially higher rent) to help the tenant cheat. Similarly, the City can't enforce occupancy limits on residences.

The approval of additional ADUs needs to be based upon them providing a specified positive contribution to the community and that enforcement mechanisms need to be credible, funded and staffed.

By the way, I do hear residents who have said they want ADUs for a member in the family who may have some disability but want some independence and I understand that, however as I said before, there must be enforcement mechanisms in place for those who have other intentions which can and will cause negative impacts in the neighborhood.

- 11. Parks:** The current Comprehensive Plan calls for the city to maintain 4 acres of in-town park space for every 1,000 residents. The actual ratio is now below this ratio as our population has grown. What should we do?

The City has three categories of parks:

1. Neighborhood parks: These are smaller parks that are supposed to be within easy walking distance of residents.
2. District parks: These are larger parks, such as Rinconada Park and Mitchell Park.
3. Open Space parks: Foothill Park, Enid Pearson-Arastradero Preserve, the Baylands.

The first two are what are counted for "in-town park space" and each has its own ration. We currently have a deficit of 88 acres. The 4-acre target is the recommendation of professional planners and not unique to Palo Alto.

When you have a large development, the City can require that space be provided for a neighborhood park. For example, when Palo Alto Medical Clinic moved, Heritage Park was created. However, much of the advocacy for substantially more housing either involves in-fill – which provides no additional park space – or higher-densities where it may infeasible to provide the expected amount of neighborhood park space. As for district parks, I have seen no credible proposal for providing more space as the population increases.

Given the difficulty of providing the additional park space, some are advocating abandoning the 4-acre target and instead intensifying the use of the existing parks. I oppose this. Many residents value the tranquility that parks offer: Densification makes such spaces more important than ever. Similarly, densification results in inadequate play space around homes and parks become a necessity for families seeking space for unstructured play and unorganized athletics.

12. Dewatering: What policies should the City set regarding the discharge and loss of water (as well as land settlement problems in neighboring properties) when basements are being built?

Dewatering is an issue of an individual property owner consuming a disproportionate amount of a community resource to the detriment of the larger community. For example, the dewatering for a basement at 736 Garland pumped out 38.8 million gallons (Staff report). That is as much as the average annual usage of 400 residences. Or about the average annual irrigation usage of 1300 residences. If you put that 119 acre-feet of water in a column over that 0.24 acre property, it would be almost 500 feet high. Or almost 400 years of rainfall on that property at our long-term average of roughly 15-inch annually (for visualization: not all rainfall goes into the aquifer).

Development has severely curtailed natural processes for recharging the groundwater: There is far less land where rain can soak in, and percolation from creeks has been greatly decreased (except for San Francisquito Creek, the creeks are in concrete channels from El Camino to the Bay). The Pulgas fault that runs roughly under Foothill Expressway and Junipero Serra Blvd has folds that divert groundwater from higher up into the deep aquifers. The shallow aquifer under the developed portion of Palo Alto is dependent on the rain that falls on it.

The oak trees that make up so much of our canopy have a dual root system: shallow roots to harvest rainfall and a long taproot that reaches into the shallow aquifer. Excessive pumping will lower the water table to the extent that it is out of reach of those trees and thus making them increasingly vulnerable to drought.

Local experience is that subsidence (settlement) from excessive pumping of water is often permanent—Alviso is infamous for having sunk 13 feet in the early 1900s.

How much pumping is too much? I don't know. I am not a geologist (but some of my friends are). The geology under Palo Alto is complex – there two (inactive) earthquake faults in the block I live on, and two more faults further along the street (Matadero). Water moves at different rates in the aquifer—in some places it may be only a few feet per year, in others much faster. Land settlement near pumping sites is not just a problem for those property owners, but a leading indicator of problems for the larger community.

What policies would I support? It is the moral obligation of the person wishing to have a basement to not adversely impact the immediate neighbors or the larger area. Since this hasn't been enough, the City needs to require and enforce this principle. This includes accounting for the risk of subsidence in the immediate vicinity and effect of lowering the water table on vegetation and the cumulative effect of excessive removal of water from the aquifer.

I would support impact/development fees for basement building and at high water table locations that the contractor is required to pump water into a cistern or container to then replenish the aquifers or to be used by the city to water city trees

13. Single Family Individual Review (includes SSO, Eichler preservation): Please address:

- What type of design guidelines should be developed to preserve neighborhood character?
- Is the current process working?
- If so, give examples. If not, what should be changed?

As stated in the Zoning Code, the goals and purposes of the City's discretionary Individual Review intended to mitigate the effects of second story construction on neighboring home and to:

- Promote new construction that is compatible with existing residential neighborhoods (Eichler neighborhood)

- Encourage respect for the surrounding context in which residential construction and alteration takes place
- Foster consideration of neighbors' concerns with respect to privacy, scale and massing, and streetscape
- Enable the emergence of new neighborhood design patterns that reflect awareness of each property's effect upon neighboring properties

Some thoughts on this –

1. I think the applicant and their architect can make a big difference by starting a conversation with neighbors and their design and plans well before plans are submitted to the city.
2. The preliminary IR review must delineate the fine line of becoming a design review and then, become massive and expensive changes for the applicant.
3. Lack of follow through from the City inspections to ensure compliance by applicant of what was negotiated and agreed upon by the neighbor affected and applicant.

- 14. Traffic/Commuters:** With so much traffic spreading into many neighborhoods, and with a lack of regional transportation plans, what do you propose Palo Alto should do to address employee traffic into town? How do you propose to ease the congestion on our arterial streets — especially during the rush hours — so fewer commuters will try to take unsafe short cuts through our residential neighborhood streets?

How do you "put the genie back into the bottle"? First, the alternatives to single-occupancy vehicles is limited. Caltrain reports that it is near/at capacity during peak hours. VTA has a pattern of reducing bus service to us and other peripheral areas of the County. Large companies already have Transportation Demand Management (TDM) programs. The City is subsidizing the creation of a TDM association (TMA) for smaller business

However, skepticism of TDM claims is important. Part of our traffic and parking problems are the result of the City approving projects based on assumptions that many of the employees would use transit. But these claims were simply "aspirational" - there was no enforcement mechanism and thus the landlord and occupant put little if any effort into promoting transit.

As to cut-through traffic on residential streets, the first priority is to keep from making the situation worse. For example, the idea of putting bicycle lanes on Alma will push traffic onto the nearby residential streets, including the Bryant Street Bike Boulevard. What is the sense of making Alma safer for the few bike commuters who would prefer to use it at the cost of decreased safety of cyclists and pedestrians on all those other streets?

The City needs to include in its assessments of traffic changes that there are apps such as Waze that not only make it easier for commuters to cut through residential neighborhoods to avoid congestion, and by doing so, the City is actually encouraging traffic cut through neighborhoods

15. Parking (RPP): Do you support an expanded Residential Parking Permit Program? Please address:

- How should it be structured to protect neighborhoods?
- Should neighborhoods get determine which type of program is appropriate for them?
- What alternatives or additional mitigations do you support?
- Will you keep in place the commitment to phase out non-resident parking in the Downtown RPP district in 10 years?

RPPPs! They create all kinds of problems, mostly transferring the problem to another area. But sometimes they are necessary to deal with even bigger problems. They became necessary because City Hall allowed over-development, with a combination of allowing buildings to be under-parked and of not adjusting the rules in response to change in number of employees in a given space (in the 1990s, the expectation was one employee per 250-350 sq.ft.; now it is often less than 100 sq.ft.) It is also another way out for the City to put aside funding to build parking garages.

The current RPP for Downtown Palo Alto is failing to achieve its goals because of inadequate data. There is minimal tracking of the permits given out, and City staff no longer includes resident stakeholders in the meetings, if any, thereby not getting assessments of what is actually happening on the streets.

We need to eliminate the attitude that it is OK to build now, hope for the very best, and mitigate later. It is inefficient and tends to transfer costs from the private property owner to the public.

I support phasing out non-resident parking in Downtown neighborhoods in 10 years. However, I want the option to also support the lower income workers who may work 2 or 3 jobs and have no viable alternative to their cars to get between jobs.

For other neighborhoods, I support offering the College Terrace RPPP. It has proven success and it returns the burden of providing parking to the employers and to the City. I would also support that a certain number of parking permits are granted to property owners at no charge.

16. Caltrain/HSR: What is your view on Caltrain's electrification plans, High Speed Rail and grade separations?

The biggest potential benefit of Caltrain electrification is allowing a significant increase in passenger capacity – the performance advantages (acceleration, deceleration) over the existing diesel-powered trains allows trains to be scheduled more closely together.

Definition: An at-grade crossing is where a street crosses directly over the tracks (the grade), rather than having an overpass or underpass. Consequently traffic on the cross street must be stopped whenever a train passes. Palo Alto has at-grade crossings at Alma (actually Palo Alto Avenue), Churchill Avenue, Meadow Drive, and Charleston Road

Definition: Grade separation involves converting an at-grade crossing to one where the traffic passes over or under the tracks and thus eliminating interaction with the passage of trains. Palo Alto has grade separation at University Avenue, Embarcadero Road, and Oregon Expressway

At-grade crossings—in Palo Alto and other cities—limit how much the Caltrain schedule can be increased because they create congestion on the crossing streets – not just from when the crossing gates are closed but from the decrease in efficiency of the adjacent intersections resulting from the de-synchronization of the traffic lights

Consequently, I view the issues of electrification and grade-separation as intimately intertwined

The current status of High Speed Rail is a blended system, but considerations seem to be inactive for the time being. However, planning and implementation of grade-separation should take into account the possibility of such a blended system.

The role of HSR for this region seems to have evolved into predominantly serving commuters, that is, making it easier for commuters from the Central Valley and East Bay (depending on route) to reach jobs in SF and the Peninsula. I think that encouraging more suburbanization of the Central Valley is bad policy, both for this region and California. Given HSR's long history of bad planning, bad management and misleading presentations, it is important that Council monitor developments and be prepared to respond.

17. **VTA:** What will be your strategy in dealing with the VTA to stop their proposed severe reduction of VTA bus service within Palo Alto, and to persuade them instead to improve their service in Palo Alto so more commuters working in Palo Alto will take VTA buses to their jobs in Palo Alto.

The political reality is that San Jose controls VTA – it has a majority on the Board through a combination of the proportional representation of the cities and representatives from the County Board of Supervisors. San Jose's priorities for VTA have been and will likely continue to be:

- BART-to-San Jose
- Bus service for those who have no alternative (for example, can't afford a car), with special emphasis on San Jose.

At a public meeting in December 2015, Cory Wolbach - the Council's alternative representative to VTA – stated that the VTA Board majority regarded Palo Alto as having "streets paved with gold" and that they tended to be unresponsive to the needs of Palo Alto. Of course, they may talk differently in the period before an election to raise taxes for VTA, such as now

Our long-term history with VTA has been one of decreasing services, with some fleeting "victories" in restoring service. While we can't give up entirely on VTA, I believe that Palo Alto's policies should be based on an expectation of very low service levels from VTA (the definition of insanity is doing something over and over again and expecting a different result). Our focus for bus service should instead be on a combination the City's shuttle bus and integration with Stanford Marguerite Shuttle.

18. **Budget:** How do you plan to fund the city's long-term pension and health benefits liability, which currently stands at \$500 million? How serious is the impact of this liability to the City's ability to provide services and amenities to residents?

First, this is a state-wide problem and is called a crisis because no one has good answers. Second, current and past Council members have told me that you don't begin to understand the City budget until you have been on Council for two years.

The most important thing that Council can do is **not** "kick the problem down the road" or hope that the pension fund (CalPERS) will see significant improvement in returns on their investments. We need to take prudent efforts to reduce liability. However, it cannot be the City's top priority: While these pensions and health benefits represent a contract with former employees, the City also has important obligations to its residents.

Reiterating from previous questions: The role of City Council is to oversee the work of professionals, not to be the experts on a wide range of highly complex and technical issues.

19. Stanford: What is the most important aspect of the City's upcoming negotiation with Stanford regarding its General Use Permit?

I was not involved in city-wide politics during the last Stanford GUP, nor have I yet heard any significant discussion of the upcoming one.

Stanford has an even worse jobs-housing imbalance than Palo Alto. Although recent projects to provide more housing for graduate students and staff are welcome, the expected job increases and how to mitigate/offset their impacts should be a major concern.

Although Stanford has an aggressive Transportation Demand Management program, we need to be concerned about limits and diminishing returns. For example, a major component has been incentivizing Caltrain usage, but Caltrain is reported to be already operating near capacity during peak hours.

The multi-year controversy over the Stanford Trail is a reminder to carefully explore what Stanford thinks it is agreeing to and not to stop at what we believe that it has agreed to.

Perhaps, negotiations should include -

- the integration of the City's shuttle program with Stanford Marguerite Shuttle,
- create a public/private joint venture with Stanford utilizing their resources to help establish a shovel ready solution for Caltrain grade separation,
- funding pedestrian crossings at places such as at Embarcadero and Palo Alto High School and opening pedestrian and bicycle pathways at Stanford Research Park to different parts of town.