

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?

Stewart Carl:

Palo Alto needs an immediate moratorium on all new office development. The moratorium should stay in place until we have a realistic, and quantifiable understanding of how much growth our infrastructure can support.

Leonard Ely III:

- At this time not being on the “inside” I don’t believe I can answer that question in a knowledgeable way.
- No
- No

Adrian Fine:

Palo Alto has the nation’s worst jobs/housing imbalance, and it’s because we have spent decades overbuilding office space instead of housing. I believe we need to flip this prioritization, and the upcoming zoning ordinance update is an opportunity to do so. We also need to invest in transportation, which is the link between jobs and housing. By doing these two things, we can reduce the imbalance, and we can also lessen its impacts

Going forward, it may be appropriate to meter new office growth based on a link to housing, ie, office projects should only be allowed if they reduce the jobs/housing balance. I do not support a blunt moratorium on office growth - partially because the majority of office impacts come from *existing* office projects, which we should address, but also because such a moratorium is a serious threat to our economy. Additionally, the office and traffic problems are regional, so even if we do pass a moratorium, office growth will occur in Menlo Park or Mountain View, and then Palo Alto will suffer from cut-through traffic.

Until the comp plan is passed, office growth should be limited by the downtown office cap of 50,000 square feet per year. This is a policy I refined on the Planning Commission, and although this policy does not address the direct traffic and parking impacts of office, it does limit the amount of these impacts.

What worries me is that the office cap does not affect new projects which are coming online, particularly the Stanford Hospital expansion, and the city should take immediate steps to create a Transportation Demand Management (TDM) plan for the site. We should also coordinate shuttle and other transit services with the expansion.

John Fredrich:

I support the office cap and lean toward Scenario's 5 & 6 in the Comprehensive Plan. I support moratoriums.

Arthur Keller:

I support making permanent the annual limit on office space growth. Not only is office space exacerbating the jobs/housing imbalance, but it is also competing for land with building housing.

The Stanford Research Park was exempted from the annual growth limit on office space without any enforceable requirement that they address the impacts of their growth. They have begun to address traffic through a new Transportation Management Association. That's a good start. We can tie future growth of the Stanford Research Park to binding targets for reducing traffic on Page Mill Road, Oregon Expressway, and the Charleston-Arastradero Road corridor.

I do not support a moratorium on new office development. I do support tying the rate of growth to addressing the impacts of growth. By tying the rate of growth to a requirement to address the impacts of growth, landowners can be motivated to work with commercial tenants to minimize project impacts.

Liz Kniss:

- How much, where *and what kind of* office space can Palo Alto sustain?

In 1986 a Downtown Palo Alto study was done. As a result of the study, city council established a 10% cap, which equaled 350,000 sq ft of office development. We have not reached that figure as of this summer. We currently have a limit in the downtown area of 50,000 sq ft per year. In the last year, we did not reach that limit, as in, we are below the allowable cap.

- Do you support extending the annual office space development cap?

If this applies to the downtown cap of 50,000 sq ft per year, yes, I am in support.

- Should the City consider placing a moratorium on new office development?

There is currently a strict limit on commercial growth of 50,000 sq ft per year and in the last year we actually limited new office development by approving projects that came in under the cap.

Lydia Kou:

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

Danielle Martell:

DID NOT RESPOND

Don McDougall:

- How much, where *and what kind of* office space can Palo Alto sustain?
 - a) While first preserving the character of Palo Alto by protecting the canopy, walkability, retail and more, we need to pursue a "managed growth" plan to mitigate the impact of population growth in the region and Palo Alto. Methods such as the TDM and TMA traffic management approaches need to be used to manage the negative impacts of growth. I am a proponent of "smart growth" and "smart city" and sustainability principles to encourage controlled growth and density near transit corridors. We need additional mixed-use developments and a variety of housing designs and options. I do not believe the correct answer is no-growth.
- Do you support extending the annual office space development cap?
 - a) Yes. We need to manage the pace of office space development and we need to actively control development impacts such as traffic and parking on the city by clearly defining and following development requirements. Over time we need to continue to measure community livability and quality with available metrics such as air quality, congestion, canopy coverage.
- Should the City consider placing a moratorium on new office development?
 - a) I do not favor a moratorium. The up and down oscillations of growth and no growth create uncertainty for businesses and, more importantly, for city growth management and revenue planning. Currently the office cap has controlled office space development.

Greer Stone:

We currently have a jobs/housing imbalance of 3 jobs to every 1 employed resident. Palo Alto is one of only half a dozen cities in the nation whose daytime population doubles! Since 2010 we have added approximately 13.7 jobs for every new housing unit. This growth in commercial development is unsustainable, and only serves to exacerbate the need for housing.

If on Council I will propose extending and strengthening our current office cap. We currently cap office growth to 50,000 net new square feet per year. I will propose strengthening the cap. Stanford Research Park is exempt from that cap. I would allow it to remain exempt. However, this exemption would be conditioned on one simple measuring tool – that they reduce their traffic impact by 2018 to below 2016 levels. This means not just reducing the amount of traffic new development would bring, but reducing the total trips generated by the Research Park. Stanford has the means as common land owners, and we should ask them to be the stewards of the environment that we know they can and strive to be.

In addition to office caps, we must strongly consider the type of business and culture we want to foster in Palo Alto. Palo Alto is the birthplace of innovation. This is a city where ideas are born, nourished, and then finally tested on the open market in a small startup space within the city. We must remember our history. As other companies in the past, when these companies get too big, they move out to cities where they can expand and grow their headquarters. Our zoning and planning should reflect that history. We should update the zoning code to limit permitted uses of the Downtown district for research and development to employers of 50 employees or less. The intent of this would be to facilitate more startups and less large companies. Existing companies should be grandfathered in within the policy.

Greg Tanaka:

- How much, where *and what kind of* office space can Palo Alto sustain? Palo Alto is a renowned hub for incubating new economic sectors in startup space like bedrooms, garages, coffee shops, plug & play suites. I support maintaining this heritage by limiting class A office space, securing research and development zones and maintaining the 35' and 50' height limits on commercial redevelopment in the downtown districts of University Avenue, California Avenue, East Meadow/San Antonio/Industrial Way corridors and the Stanford Research Park.
- Do you support extending the annual office space development cap? Yes, until the Comprehensive Plan is updated, which must address this issue for the long-term.
- Should the City consider placing a moratorium on new office development? Yes, pending the Comprehensive Plan update