

CENTER FOR CONTINUING STUDY OF THE CALIFORNIA ECONOMY

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DATE: November 9, 2014

TO: **Palo Alto City Council and Newly Elected Members**

FROM: Stephen Levy

SUBJECT: The Palo Alto Housing Element

I want to thank all of the staff, committee, commission and council members who have worked to bring a plan forward for adoption. I also want to thank all of the newly elected members for clarifying that they do not oppose all housing growth.

No one can dispute that Palo Alto is in the epicenter of a regional housing cost and access challenge. The lack of new housing throughout the region in the face of job and population growth (last year our county and region were the fastest growing in the state) has accelerated an already strong upward push on rents and house prices here and in our neighboring cities.

I think the principle finding of the Housing Element should be to acknowledge these regional challenges so that we can find a good Palo Alto approach to solutions.

The Housing Element does include our plan for meeting state and regional housing needs but it is also and more importantly our vision for how Palo Alto can respond to current challenges and coming growth and demographic change as baby boomers reach 70 and 80 during the Comp Plan period.

I see at least three different groups with very different housing challenges and needs and our Housing Element and Comp Plan should address all of these and any that I have missed.

1) the rapidly growing number of seniors (in a city with a very high senior ratio to start with) who by 2030 will want options to allow them to not be forced out, whether that is a condo like we have on Forest Avenue, Avant where our recently widowed and early Alzheimer neighbor went to be near her daughter, or the hundreds or thousands of in between folks who live in Channing House, Lytton Gardens and other places around our city.

2) Low income residents—I start by taking most of the Measure D opponents at their word that their opposition was not to subsidized housing in Palo Alto but rather

to the specifics of the Maybell project. That can be a solid basis for moving forward.

3) New residents brought mainly by job growth--some young tech folks but we have several in our building who do not fit this age/occupations profile.

The Elements of a Palo Alto Approach to Housing

Location—The council has already committed to reexamining the sites in the Housing Element with a view to siting more housing near services and shopping in areas like downtown. An eye to location can serve the desires of residents and reduce non work travel as in our building where most leave the cars in the garage a good deal of the time.

Size—I do not think any policies here or around the region can dramatically lower housing costs but we can reduce the pressure for such rapid increases. I favor policies in the Housing Element that explore and commit to experimenting with zoning that allows smaller units to be built. That can range from micro units, which serve some groups, to units of 800 to 1200 square feet that can serve many groups of residents. We can also explore policies that make it easier to develop “granny units”.

Height/Density—This is more controversial in the current political context I expect but as Greg Scharff said at the last council meeting, alternatives that might not look appealing should still be evaluated to see what the impacts actually are.

A Final Thought

In the Comp Plan we are looking at our city in 2030. There is nothing contradictory about examining a pause or slowdown in the pace of current growth and having more ambitious and innovative ideas for the period to 2030 depending on how successful we can be in addressing parking, traffic and other issues connected to the impact of growth and change on our city.

What is best for 2015 and 2016 may not be best for 2020 and 2030.