

Please Keep the Downtown Commercial Cap

February 7, 2019

Dear City Council Members:

By the unanimous vote of members present at tonight's PAN meeting, we urge you to keep in place the 33-year-old cap on Downtown commercial growth. Removing it would worsen Downtown's traffic and parking problems, intensify the city's job/housing imbalance, and take away much-needed opportunities to build housing.

Way back in 1986, many worried that adding more and more commercial buildings to Palo Alto's Downtown would compound traffic and parking problems. To provide a chance to evaluate and potentially halt harmful growth, the City Council back then enacted the Downtown Commercial Cap, which establishes a one-year moratorium on further Downtown non-residential expansion once 350,000 new square feet are approved. The moratorium was intended to give the public and City government time to craft new policies, such as a permanent limit on new commercial Downtown space.

City records show we are close to or have perhaps reached the 350,000 square foot trigger, thanks to a recent surge in Downtown office construction. City staff have not been counting the parking and common areas of many new buildings, although the Cap law does not say to exclude those. If such areas are included, we have reached the 350,000 square foot limit.

Downtown is not well-protected by the city's 50,000 square foot annual cap on new office buildings, as that limit has loopholes and allows Downtown offices to grow far faster than they have on average over the last 33 years. The office cap also allows apartment buildings such as the President Hotel to convert to hotel or offices while the moratorium imposed by the Downtown Commercial Cap does not.

The Planning and Transportation Commission decisively sided last July with residents by voting 4-0, with one abstention and two absences, to recommend the Cap be retained. Here are three important reasons why you should as well:

- 1) The Cap is an important protection for Downtown residents whose buildings might otherwise be converted to commercial space. One such building is the five-story Laning Chateau (aka Staller Court) near the Downtown Farmer's Market. Although you are considering other ways to preserve residences, those efforts may fail upon legal challenge from developers.
- 2) The concerns back in 1986 about growth impacting traffic and parking have unfortunately proven prescient. Downtown rush hour traffic is creating enormous problems for nearby neighborhoods. Parking has become a nightmare, thanks to numerous exemptions granted to developers and to soaring office rents, which encourages companies to pack more workers into existing buildings. The City currently issues permits to Downtown employees so they can park all day in front of residential homes many blocks away. Removing the Cap will enable further Downtown commercial growth and at a faster pace, yet the City has conducted no study of how those additional buildings will impact traffic and parking compared to the present levels.
- 3) In recent years Palo Alto has added 13.7 jobs for every new housing unit, thereby increasing commute times, rents, greenhouse gasses, and our jobs/housing imbalance. Every new square foot of Downtown commercial space takes away the opportunity to build housing there instead. Making the Downtown Commercial Cap permanent will benefit housing enormously by prioritizing residential development.

For all these important reasons, we feel the Downtown Commercial Cap benefits residents throughout Palo Alto and should remain.

Thank you,

Sheri Furman and Rebecca Sanders
Co-Chairs PAN (Palo Alto Neighborhoods)