



2020 City Council Candidate Questions

OFFICE DEVELOPMENT

Regarding the Jobs/Housing Imbalance, how much, where *and what kind of* new office space can Palo Alto sustain? Should Palo Alto consider rezoning office properties to reduce the amount of future office development?

PAT BURT

I led in the creating the annual office cap. I also supported maintaining a Downtown office cap and supported the citizen led revised office/commercial limit under the Comp Plan.

I have advocated for rezoning selected areas from “office” zoning to higher density “residential” so that housing does not compete with the higher investment returns of offices, including in designated areas of the Stanford Research Park. Affordable housing needs sites and reasonable land costs. Allow affordable housing on city-owned surface parking lots above the parking.

REBECCA EISENBERG

Our jobs to housing ratio is unprecedented and utterly out of control, particularly when it comes to low-income earners. Jobs to housing generally is almost 4 to 1, and when it comes to low income earners, it’s almost 7 to 1. This is a state of emergency. How could previous city council members allow it to get so bad? (Please don’t give them another chance to mess things up again.)

If we taxed commercial developers, large employers, and huge profitable businesses a remotely reasonable amount, our city potentially could sustain some office development, because at very least office development could generate revenue for the city. Similarly, if we raised impact fees for commercial developers so that they covered the actual costs of their development, including externalities, that would be a different situation as well.

As it stands, given Palo Alto’s solitary position as the only city that refuses to tax businesses and commercial developers, and that lowered rather than raised impact fees in the face of an extraordinarily catastrophic jobs-to-housing ratio, I do not think we can afford to sustain any additional office space without clear, demonstrable incontrovertible evidence of public benefit.

For example, if Tesla wants to build a bigger headquarters on El Camino, we can approve that project if Tesla also pays for the cost of undergrounding Caltrain -- which it can afford. Or, that may work if Tesla agrees to build two housing units for each employee it invites to work in its Palo Alto office.

These deals sound unrealistic only to individuals who never have negotiated with billionaires. I have negotiated with billionaires. I even have negotiated with Elon Musk. The wealthier that the party is with whom you are negotiating, the better deal you will get.

It is baffling that no previous city council member -- not even the ones who are so proud of their “experience” -- even tried to negotiate a deal with Tesla or Palantir on behalf of our residents. Both of these multi-billion-dollar giants have wanted things from Palo Alto, and our city council gave them whatever they wanted without asking for even one measly **Tesla electric shuttle** in exchange.

There are so many ways that Palo Alto could be extracting value for our community from these huge companies. For the companies, everything they give is tax deductible, and it often even is good for marketing and recruiting. What is good for us is not necessarily bad for them.

Our city has been stymied by a local government lacking in creativity and unable to see opportunity right in front of its face. Our community deserves better.

Regarding rezoning: Yes, I support an emergency rezoning of all properties that can be rezoned to “Residential, unless there is a compelling public interest otherwise.”

LYDIA KOU

The first part of this question involves an outrageous number of unknowns and changing circumstances.

As to the second, rezoning office properties to residential is complicated. First, there is typically an amortization period of up to 30 years for the current use of the property. Second, many of the industrial buildings are areas that are poor choices for residences. For example, would you want children on their way to school having to walk or bicycle through long stretches of office buildings when commuters are arriving? Of course not. Similarly for an office building located far from services and transportation.

ED LAUING

The city needs to consider some re-zoning to incentivize developers to do housing – which is a critical need. Office is now not a critical need as there is a glut of vacant office space which will likely face reduced demand for new leases. While WAH does not apply to 100% of office workers, and the virus will not last forever, there is simply no need at present for more large commercial offices. Re-zoning is a valuable tool for shifting the incentives that have given office growth an overwhelming competitive market advantage within our city limits.

I think existing commercial space is suitable to house smaller startups who can be attracted to come back to our two commercial areas. Employees in these small companies contribute economically to downtown. Unlike employees in huge companies, small company employees are not fed three meals a day without ever leaving the building. Professional offices (attorneys, real estate, medical) may also come back as leasing rates drop.

STEVEN LEE

My sense is that we have enough office space and we don't need to make our jobs:housing imbalance any worse. So my first choice would be to not build any new office space anywhere -- with the exception of perhaps office space for critical service providers like mental health professionals and other nonprofits who serve vulnerable communities.

If however, the only way to get more housing is to allow office, then I would out of necessity, I might be open to compromise -- but the proof will be in the details of the specific proposal. I'll have to weigh the impacts of adding the office versus the impacts of not building any housing. Housing is the core issue when looking to address many of the key issues people in our community care about. I will strive to find ways other than office space to make new housing projects more feasible and affordable.

RAVEN MALONE

Palo Alto's jobs/housing imbalance is bad for our middle class, bad for traffic, and bad for the environment. I don't think Palo Alto needs a lot more offices, especially with the number of vacant offices as a result of companies like Palantir leaving. Palo Alto should consider rezoning office buildings to mixed-use or exclusively housing. We should be focusing our energy and resources into developing new housing, especially around transit hubs.

GREER STONE

Palo Alto's jobs-housing imbalance is nothing new. For decades now, Palo Alto has encouraged greater job growth than housing production and the impact of these policies is showing today through some of the most expensive housing in the nation. In response to this imbalance, Palo Alto has instituted various office caps to slow the growth in office, but City Council has weakened these office caps in the last few years.

For example, in 2019, City Council voted to remove the Downtown Office Cap that had previously set a limit of 350,000 square feet of non-residential space in the downtown area. At the time of the repeal, only 18,000 square feet were remaining in the cap. I spoke out at the City Council meeting against the repeal, as well as so many of my neighbors, but City Council decided to ignore the will of the residents and voted in favor of repealing the office cap, despite the Council's own stated goal of creating more housing.

If I am elected, I would work towards strengthening our city's office cap. Currently, there is a citywide cap of 850,000 square feet of non-residential development by 2030 and an annual office cap of 50,000 square feet for

downtown, California Avenue, and El Camino, but that square footage carries over if unused. Thus, if there is no office development one year, the next year the city could see 100,000 square feet of office constructed in one of those three areas. I would vote to end that carry over provision and further, restrict the growth of office city-wide. We cannot get serious with our housing production if we continue to allow developers to build office space, because office space is far more lucrative for the developer than housing.

GREG TANAKA

Palo Alto should consider rezoning office properties to reduce the amount of future office development under certain circumstances. This would also be a crucial decision that should directly reflect the will of Palo Altans. Again, I will continue to be transparent through my many office hours.

CARI TEMPLETON

Any new office space that would draw significant commuting traffic would be best built near a transit hub, such as one of our train stations, though in these locations, we already have space constraints. Rezoning outlying areas to reduce sprawl and discourage single occupancy vehicle commuting traffic would be an important aspect of our Sustainability and Climate Action Plan.

AJIT VARMA

I think jobs, businesses and offices are critical to Palo Alto. I would encourage building more office space and bringing more jobs and opportunities to the area. We can work with future office developments to be mixed use and include housing aspects to the development so that people can live and work in close proximity to each other.