



EAST PALO ALTO CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, February 24, 2026, 6:00 PM
EPA Government Center
2415 University Avenue, First Floor
East Palo Alto, CA 94303

NOTICE

This meeting will be held virtually and in-person at the Council Chambers located on 2415 University Ave, First Floor East Palo Alto, CA 94303. The virtual portion of this City Council meeting will be conducted in accordance with City of East Palo Alto Resolution adopted pursuant to Assembly Bill 361.

The public may participate in the City Council Meeting via Zoom Meeting or by attending in-person in the Council Chambers at 2415 University Ave, First Floor East Palo Alto, CA 94303. Community members may provide comments by emailing cityclerk@cityofepa.org, submitting a speaker card at the meeting, or using the **RAISE HAND** feature when the Mayor or City Clerk call for public comment. Emailed comments should include the specific agenda item on which you are commenting.

Please click this URL to join

<https://us06web.zoom.us/j/85788573016>

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 669 900 6833 or
+ 1 346 248 7799 or
+ 1 253 215 8782 or
+ 1 312 626 6799 or
+ 1 929 205 6099 or
+ 1 301 715 8592

Webinar ID: 857 8857 3016

International numbers available: <https://zoom.us/u/aMWYF4KT>

1. **CALL TO ORDER AND ROLL CALL**
2. **APPROVAL OF THE AGENDA**
3. **APPROVAL OF CONSENT CALENDAR**
 - 3.1 **FY 2025-26 Second Quarter Treasury Report**

Recommendation:

Accept and file the Cash Treasury Report for the month of December 2025.

- 3.2 **Appointments to BAWSCA Board and Bay Area Regional Water System Financing Authority (RFA)**

Recommendation:

By motion, appoint Mayor Webster Lincoln as the City of East Palo Alto representative to the Bay Area Regional Water System Financing Authority (RFA) for a four-year term beginning July 1, 2025 and ending June 30, 2029, remove Ruben Abrica as alternate as the enabling act does not authorize alternate members, and reflect that the terms for both the City's BAWSCA Board and RFA positions expire June 30, 2029.

- 3.3 **City Council Meeting Minutes**

Recommendation:

Adopt the September 25, 2023 – November 7, 2023, City Council Meeting Minutes.

4. **CLOSED SESSION**
5. **PUBLIC COMMENT**
6. **ADJOURN CITY COUNCIL REGULAR MEETING TO THE JOINT SUCCESSOR AGENCY BOARD SPECIAL MEETING**

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7. **JOINT SUCCESSOR AGENCY BOARD POLICY AND ACTION**

- 7.1 **Approval of Defeasance of Series 2015A Tax Allocation Refunding Bonds and Authorization to Implement Actions Necessary for Dissolution of the Successor Agency**

Recommendation:

Adopt a resolution:

1. Approving the early cash defeasance of the Series 2015A Tax Allocation Refunding Bonds, to be completed in two phases in June 2026 and January 2027, using available residual Redevelopment Property Tax Trust Fund (RPTTF) revenues;
2. Acknowledging and approving a temporary reduction in General Fund revenues in the FY 2025-26 Budget, estimated at \$1.7 million, resulting from the use of residual RPTTF revenues to complete Phase 1 of the defeasance, subject to final RPTTF availability and required approvals;
3. Authorizing the City Manager, Finance Director, and/or their designees to execute and submit amended Recognized Obligation Payment Schedules (ROPS) and all other documents, and to take all actions necessary or convenient to implement the defeasance and pursue dissolution of the Successor Agency, consistent with Health and Safety Code section 34187; and
4. Finding that the proposed action does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) in that it is related to government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

8. ADJOURN JOINT SUCCESSOR AGENCY BOARD SPECIAL MEETING TO THE EAST PALO ALTO REGULAR MEETING

9. INFORMATIONAL REPORTS

9.1 Discuss Ordering the Submission of a Measure on Term Limits for a Future Municipal Election

Recommendation: Receive an informational report from staff updating the Council regarding term limits and the submission of a potential ballot measure for a future municipal election, and receive Council direction concerning the same.

10. SPECIAL PRESENTATIONS

11. PUBLIC HEARINGS

11.1 Residential Permit Parking Program Ordinance (RPP) First Reading

Recommendation:

By motion, the City Council should:

1. Waive the first reading and introduce an ordinance adding a new Chapter 10.40 (Residential Permit Parking Program) to the East Palo Alto Municipal Code (or any other substantive amendments proposed by staff or the Council to the original ordinance);
2. Find that the proposed action is exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15301 (minor alterations) and 15061(b)(3) (common sense exemption); and
3. Direct staff to return to City Council with proposed RPP program details which include permit costs, citation fees, recommended residential Permit Parking Areas, and maximum number of permits per household per area.

12. POLICY AND ACTION

12.1

Introduction of Chapter 5.76 – Sidewalk Vendors Ordinance

Recommendation:

By motion:

1. Waive the first reading and introduce an ordinance adding a new Chapter 5.76, Sidewalk Vendors, to update and clarify regulations governing sidewalk vending in the City of East Palo Alto, repeal the prior Chapter 5.76, Vending, make various other conforming amendments to the East Palo Alto Municipal Code as noted in the ordinance, and any amendments proposed by Council; and
2. Direct staff to return with a fee resolution setting the costs associated with the sidewalk vending pilot program; and
3. Find that the proposed action is not subject to the California Environmental Quality Act (“CEQA”) because it is not a “project” pursuant to CEQA Guidelines section 15061(b)(3), or alternatively, it is exempt pursuant to Sections 15301 (Existing Facilities); 15304 (Minor Alterations to Land) (e) for minor temporary use of land having negligible or no permanent effect on the environment; 15305 (Class 5 –Minor Alterations to Land Use Limitations), or 15308 (Actions by Regulatory Agencies for Protection).

12.2 Trilateral Memorandum of Understanding with the County of San Mateo and EPACANDO to Facilitate Affordable Housing Development and Expansion of Martin Luther King Jr. Park

Recommendation:

Adopt a resolution:

1. Authorizing the City Manager, or designee, to negotiate and execute a trilateral Memorandum of Understanding (MOU) and any documents required with the County of San Mateo and East Palo Alto Community Alliance and Neighborhood Development Organization (EPACANDO), in forms approved by the City Attorney, to facilitate the potential exchange of real property, interim site control, and future development of a 100% affordable housing project and expansion of Martin Luther King Jr. Park.
2. Finding that the proposed action is exempt from the City's Purchasing Ordinance pursuant to East Palo Alto Municipal Code Section 2.84.060(10) (contracts with other governmental entities); and
3. Finding that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA) under Class 25, Section 15325 of the State CEQA Guidelines (14 CCR § 15325).

13. COUNCIL REPORTS

13.1 Call for Review by the City Council of a Decision by the Planning Commission to Not Approve Two Separate Applications to Develop 1675 Bay Road (Townhome and Mixed Use)

Recommendation:

Hold a vote of the City Council to review the Planning Commission's decisions to:

1. Not adopt a resolution approving the Design Review, Tentative Map, and Tree Removal Permit for the University and Bay at 4 Corners Townhomes Residential Project (Design Review Permit: DR25-004); and finding that the University and Bay at 4 Corners Townhomes Residential Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.66; and
2. Not adopt a resolution approving the Design Review, Tentative Map, and Tree Removal Permit for the University and Bay at 4 Corners – Mixed-Use Project (Design Review Permit: DR25-007); and finding that the University and Bay at 4 Corners – Mixed-Use Project is exempt from CEQA pursuant to Public Resources Code Section 21080.66

14. ADJOURNMENT

Upcoming meetings:

March 3, 2026	Regular Meeting	6:00 PM
March 17, 2026	Regular Meeting	6:00 PM
March 24, 2026	Study Session	6:00 PM

This AGENDA is posted in accordance with Government Code Section 54954.2(a)

This Notice of Availability of Public Records: All public records relating to an open session item which are not exempt from disclosure pursuant to the Public Records Act, that are distributed to the majority of the City Council will be available for public inspection at the City Clerk's Office, 2415 University Avenue, East Palo Alto, CA at the same time that the public records are distributed or made available to the City Council. Such documents may also be available on the East Palo Alto website www.cityofepa.org subject to staff's ability to post the documents prior to the meeting. Information may be obtained by calling (650) 853-3100.

The City Council meeting packet may be reviewed by the public in the Library or the City Clerk's Office. Any writings or documents pertaining to an open session item provided to a majority of the City Council less than 72 hours prior to the meeting, shall be made available for public inspection at the front counter at the City Clerk's Office, 2ND Floor, City Hall, 2415 University Avenue, East Palo Alto, California 94303 during normal business hours. Information distributed to the Council at the Council meeting becomes part of the public record. A copy of written material, pictures, etc. should be provided for this purpose.

East Palo Alto City Council Chambers is ADA compliant. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the City Clerk's office at (650) 853-3127 no less than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof.

DECLARATION OF POSTING

This Notice is posted in accordance with Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the City website. Under penalty of perjury, this Agenda was posted to the public at least 72 hours prior to the meeting.

POSTED: February 13, 2026

ATTEST:

James Colin

City Clerk



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 24, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Tomohito Oku, Finance Director

Jessica Y Caballero, Financial Services Manager

Esther Aguirre, Senior Accountant

SUBJECT: FY 2025-26 Second Quarter Treasury Report

Recommendation

Accept and file the Cash Treasury Report for the month of December 2025.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Governance, Organizational Strength, and Fiscal Sustainability

Background

Pursuant to Section 53646 of the Government Code of the State of California, the City Treasurer may submit a quarterly report to the City Council regarding the funds and investments of the City. Finance staff provides quarterly reporting to the City Council indicating the summary of investments for the period and denoting the ability of the City to meet its expenditure requirements for the next three months.

Analysis

This report covers primary cash and investments of the City. For investment purposes, City cash is pooled, except for bond proceeds, which are held in trust by a trustee. The City does not have, nor is it legally required to have, separate bank accounts for each individual fund.

CONSENT ITEM 3.1

However, all cash is segregated in the City's accounting records.

Summary December 31, 2025				
	Average Maturity (YRS)	Average Earnings (QTR)	Deposit Value	Market Value
Petty Cash	n/a	n/a	\$ 10,800	\$ 10,800
Bank Checking	n/a	n/a	\$ 3,918,044	\$ 3,918,044
Local Agency Investment Fund	0.67	4.09%	\$ 19,682,581	\$ 19,725,518
San Mateo County Pool Investment	2.54	3.96%	\$ 35,193,303	\$ 35,623,014
CA Asset Management Program	0.13	4.10%	\$ 102,094,110	\$ 102,094,110
			\$ 160,898,838	\$ 161,371,485

As of December 31, 2025, the total deposit value of cash and investments equals \$160,898,838, including outstanding checks and other minor adjustments of \$929,156. Compared to the prior quarter ending September 2025, the FY 2025-26 second quarter (Q2) ending December 31, 2025, reflects an increase in total book value of approximately \$17.9M. The overall increase is primarily attributable to several significant receipts during the quarter, including:

- Current Secured Tax (10.4M)
- AB26 Redevelopment Property Tax Trust Fund (RPTTF) (\$3.0M)
- Other Tax Distributions (\$1.6M)
- Transient Occupancy Tax (\$0.8M)
- Veolia Water (\$0.5M)
- HDL Trust (\$0.4M)
- Highway Users Tax and Road Maintenance and Rehabilitation Account (\$0.4M)
- SB813 Supplemental Secured Tax (\$0.1M)

The following table shows a breakdown of cash and investment balance by fund type.

Summary December 31, 2025		
	Deposit Value	Market Value
General Fund (Inc. Petty cash of \$10,800)	\$ 48,402,488	\$ 48,402,488
General Sub-Funds (Committed/Restricted)	\$ 18,093,988	\$ 18,093,988
City Funds Restricted and Committed	\$ 93,941,199	\$ 93,941,199
Successor Agency Trust	\$ 461,163	\$ 461,163
Unrealized Gain/(Loss) on Investment Pools	\$ -	\$ 472,647
	\$ 160,898,838	\$ 161,371,485

The deposit market value totals \$161,371,485 including an unrealized gain of \$472,647 reflecting treasury yields during the calendar year. All except for General Fund balance is restricted by either City Council or external parties for specific purposes. Unrestricted cash and investment balance under General Fund (\$48,402,488) including the contingency reserve may be used at Council discretion.

CONSENT ITEM 3.1

The table below reflects changes in rates since December 31, 2024, and compared to the previous month of November 2025, demonstrates a decrease in Long-term and Short-Term Treasury yields since December 31, 2025¹:

	Dec-25	Nov-25	Dec-24
6-Month Treasury Bill	3.50	3.66	4.13
2-Year Treasury Note	3.47	3.47	4.25
5-Year Treasury Note	3.73	3.59	4.38

The City's portfolio is invested in the Local Agency Investment Fund (LAIF), the San Mateo County Treasurer's Pool, and the California Asset Management Program (CAMP). LAIF is a highly liquid investment pool operated by the State Treasurer, and the City has same-day access to the funds. The County Treasurer's Pool is less liquid, and the maturity and diversification of the underlying securities which in normally functioning markets is generally expected to result in higher yield. The CAMP Pool is a highly liquid investment pool directed by a Board of Trustees that provides same-day liquidity, competitive yields, and interest paid monthly. City staff does not control or direct the underlying investment of funds and each pool is managed by the respective agency's investment staff and oversight committee or board. From October to December, LAIF yields decreased from 4.24% at quarter-end (QE) September 2025 to 4.09% at quarter-end (QE) December 2025 and San Mateo County Pool average gross pool earnings increased from 3.95% for QE September 2025 to 3.96% for QE December 2025. San Mateo County Pool earnings are quoted on gross earnings. LAIF fair value factor increased from 1.0019 in the previous quarter to 1.0022. The County Pool factor decreased from 1.0132 for QE September 2025 to 1.0122 for QE December 2025. As of December 2025, CAMP has an annualized yield of 3.95%, representing a decrease of 0.41% from the 4.36% yield reported in September 2025.

Based on the foregoing, pursuant to California Government Code Section 53646, the City shall meet its expenditure requirements for the next six months.

Fiscal Impact

There is no fiscal impact for this item. This report is informational.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The action being considered by the City Council is exempt from the California Environmental Quality Act (CEQA) because it is not a "project" pursuant to 15378(b)(4) because it is a fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant impact on the environment.

¹ Daily US Treasury Yield Curve. Treasury.gov

CONSENT ITEM 3.1

The action being considered does not constitute a “Project” within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

Government Code § 84308

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Treasury Report QE December 2025

Treasury Summary

CITY AND SUCCESSOR AGENCY OF EAST PALO ALTO

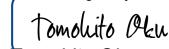
SUMMARY OF INVESTMENTS For Quarter Ended December 31, 2025

Category	Average Maturity		Average Interest Earnings For QTR	DEPOSIT AND BOOK VALUE	%	MARKET VALUE
	Days	Years				
Cash and Investments						
1. Petty Cash	na	na	0.000%	10,800	0.0%	10,800
2. On Demand Deposits (Wells Fargo checking)	na	na	0.000%	3,918,044	2.4%	3,918,044
3. Local Agency Investment Fund (LAIF)	244	0.67	4.090%	19,682,581	12.2%	19,725,518
4. San Mateo County Pool Investment	927	2.54	3.960%	35,193,303	22.1%	35,623,014
5. CA Asset Management Program	47	0.13	4.103%	102,094,110	63.3%	102,094,110
Total Cash and Investments on Deposit			3.970%	160,898,838	100.0%	161,371,485
General Fund (including petty cash of \$10,800)				47,473,332		47,473,332
General Sub - Funds (Committed/Reserved)				18,093,988		18,093,988
City Funds Restricted and Committed				93,941,199		93,941,199
Successor Agency Trust				461,163		461,163
Unrealized Gain/(Loss) on Investment Pools				-		472,647
Total Book Balance				159,969,682		160,442,329
Bank to Book Adjustments						
Checks Outstanding/Other AJE				929,156		929,156
Total Book Adjustment				929,156		929,156
Total Cash and Investment Portfolio				160,898,838		161,371,485

CERTIFICATION:

Pursuant to Government Code Section 53646, the City will meet its expenditure requirements for the next six months. Total funds invested represent the consolidation of all fund types, and availability of certain funds is restricted by law.

DocuSigned by:



Tomolito Oku
Director of Finance

2/2/2026

Date

For Reporting Information Regarding Investment Pools:**LAIF** <http://www.treasurer.ca.gov/pmia-laif/laif/index.asp>**San Mateo County Pool** <http://sanmateocountytreasurer.org/index.html>**CA Asset Management Program** <https://www.camponline.com/>



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 24, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: James Colin, City Clerk

SUBJECT: Appointments to BAWSCA Board and Bay Area Regional Water System Financing Authority (RFA)

Recommendation

By motion, appoint Mayor Webster Lincoln as the City of East Palo Alto representative to the Bay Area Regional Water System Financing Authority (RFA) for a four-year term beginning July 1, 2025 and ending June 30, 2029, remove Ruben Abrica as alternate as the enabling act does not authorize alternate members, and reflect that the terms for both the City's BAWSCA Board and RFA positions expire June 30, 2029.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Ensure Our Financial and Organizational Health

Background

The Bay Area Water Supply and Conservation Agency (BAWSCA) represents cities, water districts, and private utilities in Alameda, Santa Clara, and San Mateo Counties that purchase wholesale water from the San Francisco regional water system (Hetch Hetchy system). BAWSCA is governed by a 26-member Board of Directors and coordinates regional water conservation and supply programs, participates in San Francisco Public Utilities Commission (SFPUC) rate matters, finances regional system improvements, and may acquire water and construct facilities to carry out its purposes.

The Bay Area Regional Water System Financing Authority (RFA), created by the California Legislature in 2002, provides financing for improvements to the same regional water system.

CONSENT ITEM 3.2

The RFA is governed by a 26-member Board plus a San Francisco representative and is authorized to issue revenue bonds, provide financing proceeds to San Francisco under specified conditions, and obtain state and federal financial assistance.

State enabling legislation requires the City's representatives to BAWSCA and the RFA to be appointed by action of the City Council at a public meeting. The appointee must be a resident and registered voter in East Palo Alto but is not required to be a member of the City Council. The City may appoint the same individual to both boards to maintain continuity; however, the enabling legislation does not provide for alternate members.

Director Antonio Lopez resigned from his appointment in February 2025, and Mayor Webster Lincoln was appointed to complete the remainder of that term, which expired June 30, 2025. Mayor Lincoln continued as the BAWSCA member; however, the City Council is now required to formally appoint a representative to the RFA for the full four-year term beginning July 1, 2025, and ending June 30, 2029. The City's BAWSCA Board term runs concurrently and also expires June 30, 2029.

Analysis

The City Council previously identified Mayor Webster Lincoln as the City's representative to the BAWSCA Board of Directors, recognizing the benefit of continuity in regional water policy and financing matters. Because the RFA oversees long-term capital financing and infrastructure obligations affecting East Palo Alto, appointing Mayor Webster Lincoln as the City's RFA representative will provide consistent representation across these related agencies.

The current listing incorrectly identifies Ruben Abrica as an alternate; however, the enabling legislation does not authorize alternate members, and the designation must be removed.

Approval of this action will appoint Mayor Webster Lincoln as the City's RFA representative for the statutory four-year term expiring June 30, 2029, align the City's records with state enabling law, ensure proper representation in regional water financing governance, maintain continuity following completion of the prior partial term, and clarify that both the BAWSCA Board and RFA terms run concurrently through June 30, 2029.

Fiscal Impact

There is no fiscal impact for this item.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The action being considered does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it

CONSENT ITEM 3.2

is a government administrative activity that will not result in direct or indirect changes in the environment.

Government Code § 84308

Applicability of Levine Act: No.

Analysis of Levine Act Compliance: Not applicable.



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 23, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: James Colin, City Clerk

SUBJECT: City Council Meeting Minutes

Recommendation

Adopt February 3, 2026, minutes.

Attachments

1. February 3, 2026, Minutes



EAST PALO ALTO CITY COUNCIL

REGULAR SESSION MINUTES

Tuesday, February 3, 2026, 6:00 PM

EPA Government Center
2415 University Avenue, First Floor
East Palo Alto, CA 94303

1. CALL TO ORDER AND ROLL CALL

The City Council meeting was called to order by Mayor Lincoln at 6:01 PM.

Attendee Name	Title	Status	Arrived
Webster Lincoln	Mayor	Present	
Ruben Abrica	Vice Mayor	Present	
Carlos Romero	Councilmember	Present	
Mark Dinan	Councilmember	Present	
Martha Barragan	Councilmember	Absent	

2. APPROVAL OF THE AGENDA

Councilmember Romero moved to approve the agenda with the modification to continue Item 11.1 (Residential Parking Permit Program Ordinance First Reading) to the next meeting due to Councilmember Barragan's absence.

The motion was seconded by Councilmember Dinan and passed unanimously.

3. APPROVAL OF CONSENT CALENDAR

Councilmember Romero requested to pull Items 3.2 and 3.5 from the Consent Calendar.

A motion to approve the consent calendar was made by Councilmember Romero, seconded by Vice Mayor Abrica, and passed unanimously.

3.1 Cummings Loft Project (FA-15) Construction Contract Award

3.2 Citywide Lighting Project Assessment (ST-04 A/B) Contract Award

Staff Presentation: Senior Engineer Batool Zaro

The project will conduct a six-month citywide lighting assessment including photometric analysis of existing conditions and creation of a GIS inventory of lighting assets. The findings will identify deficiencies and provide recommendations for improvements before the Council considers a construction phase. Council discussion included questions about the approximately \$700,000 contract cost and the single bid received, compared with the engineer's estimate of just over \$500,000.

Councilmember Dinan expressed support for improving safety through better lighting, while Vice Mayor Abrica clarified the history and transparency of the lighting district

funds. The City Manager confirmed the funds are documented in the City budget and audits.

Motion: Councilmember Romero
Second: Councilmember Dinan
Passed unanimously

3.3 Minor Home Repairs Memorandum of Understanding with County of San Mateo

3.4 CalPERS Pension Prefunding

Staff Presentation: Finance Director Tomo Oku and Actuary Drew Ballard

Staff reported the City's unfunded pension liability is approximately \$17 million, with annual payments of about \$1.8 million. The proposal recommended an additional \$3 million payment to reduce long-term interest costs, as CalPERS charges 6.8% interest on the liability. Council discussed whether to include approximately \$575,000 in accrued interest earned on the reserved funds and agreed to revisit that amount during the FY 26-27 budget process.

Motion: Councilmember Romero
Second: Vice Mayor Abrica
Passed unanimously

3.5 EPACENTER FY26 TOT Program Update

Staff Presentation: Maurice Baker
Applicant: Nadine Rambeau, EPACENTER

EPACENTER proposed consolidating programming into four larger festival-style events combining film, visual arts, and music while maintaining twelve adult-focused events. The organization also reported contributing approximately \$200,000 in additional funding toward staffing, operations, marketing, and legal costs. Council discussed the shift from the originally envisioned regular adult programming but acknowledged the grant was a pilot program and supported allowing adjustments based on early implementation experience.

Motion: Councilmember Romero
Second: (Unspecified Councilmember)
Passed unanimously

4. CLOSED SESSION

5. PUBLIC COMMENT

Speakers:

- Bernice Turner
- Maria Osegueda
- Michael Francois
- Gail Dixon
- Leland Francois

- Mario
- Fili
- Luis Rosas

6. ADJOURN CITY COUNCIL REGULAR MEETING TO THE EAST PALO ALTO SANITARY DISTRICT BOARD MEETING

Mayor Lincoln adjourned the City Council meeting and convened the Sanitary District Board meeting.

7. APPROVAL OF EPASD CONSENT CALENDAR

Public Comment:

- Gail Dixon

A motion to approve the consent calendar was made by Vice President Lincoln, seconded by Board member Dinan, and passed unanimously.

7.1 Cash Disbursement Report for November 2025

7.2 Cash Disbursement Report for December 2025

8. ADJOURN EAST PALO ALTO SANITARY DISTRICT BOARD MEETING AND RECONVENE CITY COUNCIL REGULAR MEETING

Board President Abrica adjourned the EPASD meeting and Mayor Lincoln reconvened the City Council meeting.

9. INFORMATIONAL REPORTS

10. SPECIAL PRESENTATIONS

11. PUBLIC HEARINGS

11.1 Residential Permit Parking Program Ordinance (RPP) First Reading

This item was continued.

12. POLICY AND ACTION

12.1 Mid-year Budget Amendment for Fiscal Year 2025-26

The midyear budget amendments included adjustments based on Council actions, carryforward appropriations, and updated economic conditions. The General Fund deficit increased to \$5.7 million, sales tax revenue increased by approximately \$400,000, and the City ended FY 24-25 with a \$6.3 million surplus largely from one-time factors. Restricted funds shifted to a \$4 million deficit at midyear, enterprise funds

decreased by \$13.2 million primarily due to SB 937 timing changes, and CIP funds showed a projected \$2.2 million increase in fund balance.

Motion: Councilmember Romero
Second: Vice Mayor Abrica
Passed unanimously

12.2 2026 Summer Park Activation Recommendations

Staff Presentation: Maurice Baker and Vincent Amelio

The Summer Park Activation Program has grown from \$65,000 serving 382 residents in 2019 to \$178,000 serving 1,714 residents in 2025. The 2026 proposal recommends funding twelve organizations totaling \$192,015 and includes improved data collection and gender inclusion assessments. Council requested expanded programming in Westside neighborhoods and recommended adding an anonymous feedback mechanism for participants and providers.

Motion: Councilmember Romero
Second: Vice Mayor Abrica
Passed unanimously

13. COUNCIL REPORTS

13.1 Letter from Mayor Lincoln Regarding Woodland

13.2 Letter from Ruben Abrica Regarding Commentary on Elimination of Parking Spaces

Additional reports:

Councilmember Romero requested reconsideration of the Flock camera contract due to regional concerns about data access. The City Manager noted the agreement had not yet been executed and could be revisited. Mayor Lincoln indicated the agenda setting committee would consider the request.

14. ADJOURNMENT

Meeting adjourned by Mayor Lincoln at 8:38 PM.



SUCCESSOR AGENCY ITEM 7.1



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 24, 2026

TO: Successor Agency to the Former Redevelopment Agency of the City of East Palo Alto

VIA: Melvin E. Gaines, City Manager

BY: Tomohito Oku, Finance Director

SUBJECT: Approval of Defeasance of Series 2015A Tax Allocation Refunding Bonds and Authorization to Implement Actions Necessary for Dissolution of the Successor Agency

Recommendation

Adopt a resolution:

1. Approving the early cash defeasance of the Series 2015A Tax Allocation Refunding Bonds, to be completed in two phases in June 2026 and January 2027, using available residual Redevelopment Property Tax Trust Fund (RPTTF) revenues;
2. Acknowledging and approving a temporary reduction in General Fund revenues in the FY 2025-26 Budget, estimated at \$1.7 million, resulting from the use of residual RPTTF revenues to complete Phase 1 of the defeasance, subject to final RPTTF availability and required approvals;
3. Authorizing the City Manager, Finance Director, and/or their designees to execute and submit amended Recognized Obligation Payment Schedules (ROPS) and all other documents, and to take all actions necessary or convenient to implement the defeasance and pursue dissolution of the Successor Agency, consistent with Health and Safety Code section 34187; and
4. Finding that the proposed action does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) in that it is related to government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.



SUCCESSOR AGENCY ITEM 7.1

Executive Summary

The proposed early retirement of the Successor Agency's remaining enforceable obligation — the Series 2015A Tax Allocation Refunding Bonds — is projected to generate **approximately \$1.24 million in net savings to taxing entities collectively** and an estimated **\$7.6 million net fiscal benefit to the City of East Palo Alto through FY 2032-33**. These savings reflect redevelopment property tax revenues that would otherwise be used to pay future bond interest, administrative costs, and trustee expenses.

The Successor Agency to the former Redevelopment Agency currently has one remaining enforceable obligation: the Series 2015A Tax Allocation Refunding Bonds, scheduled to mature in 2032. At the direction of the Oversight Board, staff evaluated whether early defeasance of the bonds would be financially prudent and feasible in order to accelerate dissolution of the Successor Agency and restore redevelopment property tax revenues to the general property tax system.

Staff has determined that the bonds can be fully retired by January 2027 using available residual Redevelopment Property Tax Trust Fund (RPTTF) revenues applied across two distribution cycles. Early retirement would eliminate future bond debt service, administrative costs, and trustee expenses currently funded from redevelopment property tax revenues.

Early defeasance would:

- Allow dissolution of the Successor Agency as early as mid-2027;
- Increase long-term property tax revenues available to taxing entities collectively;
- Generate approximately \$1.24 million in net savings to taxing entities collectively by avoiding future bond interest and related payments; and
- Generate an estimated \$7.6 million in net fiscal benefit to the City of East Palo Alto through FY 2032-33.

To accomplish the defeasance, the Successor Agency would apply approximately \$8.5 million of residual RPTTF revenues over two phases. These amounts represent the total successor agency-wide impact, shared proportionally among all taxing entities. The City's General Fund impact reflects only the City's pro rata share, estimated at \$1.7 million in FY 2025-26 and \$1.3 million in FY 2026-27.

Background

The City of East Palo Alto Successor Agency is evaluating options for early termination of its remaining enforceable obligation to expedite dissolution and maximize long-term property tax revenues returned to taxing entities. This evaluation was undertaken at the direction of the Oversight Board, consistent with Health and Safety Code section 34181.

In carrying out this evaluation, staff is serving in two distinct but related roles. First, staff acts on behalf of the Successor Agency in administering enforceable obligations and implementing



SUCCESSOR AGENCY ITEM 7.1

Oversight Board direction. Second, staff serves as the City's executive management, responsible for evaluating and transparently disclosing fiscal impacts to the City's General Fund. The City is one of the taxing entities affected and therefore has a direct financial stake in the outcome.

Following the California Supreme Court's 2018 decision in *Chula Vista v. Sandoval*, county auditor-controllers were required to revise how RPTTF residuals are calculated. In San Mateo County, this revised methodology was applied retrospectively beginning with the January 2022 residual RPTTF distributions, reducing residual revenues available to certain taxing entities, including the City of East Palo Alto.

Under the revised methodology affirmed by the court, required passthrough payments to certain taxing entities must be made in full before any residual RPTTF is calculated and distributed. In practical terms, this reduces the pool of funds available for residual distribution to cities and other taxing entities without favorable passthrough arrangements. For the City of East Palo Alto, this change resulted in lower residual RPTTF revenues beginning with the January 2022 adjustments, reducing the City's long-term share of redevelopment property tax revenues unless remaining obligations are retired early.

The Successor Agency currently administers one enforceable obligation: the Series 2015A Tax Allocation Refunding Bonds, originally issued for \$16.95 million, with approximately \$9.65 million outstanding as of January 15, 2026. The bonds are callable beginning October 1, 2025, allowing the principal to be retired without establishing an escrow.

Analysis

Authority and Policy Direction

Health and Safety Code section 34181 authorizes successor agencies, with Oversight Board approval, to amend or terminate enforceable obligations when doing so reduces liabilities and increases net revenues to taxing entities. The Oversight Board directed staff to evaluate whether early cash defeasance of the Series 2015A Bonds would be feasible and beneficial.

Availability and Application of Residual RPTTF

Residual RPTTF balances for FY 2026-27 are projected to be sufficient to fund defeasance over two ROPS cycles. The following table shows the timing of and RPTTF amount applied for the cash defeasance.

Phase	Timing	RPTTF Applied	Bonds Retired
Phase 1	June 2026	\$4,893,679 residual RPTTF (ROPS 26-27A)	Partial defeasance
Phase 2	January 2027	\$3,608,494 residual RPTTF (ROPS 26-27B)	Complete defeasance



SUCCESSOR AGENCY ITEM 7.1

Clarifying Note:

The amounts above represent the **total successor agency-wide RPTTF applied** to defease the bonds. These costs are borne **collectively by all taxing entities**. The City's fiscal impact reflects only its **pro rata share** of these amounts.

Based on current projections through the ROPS process, the Successor Agency expects to receive the following residual Redevelopment Property Tax Trust Fund (RPTTF) revenues:

- **ROPS 26-27A (June 2026 distribution):**

Projected residual RPTTF available after required passthrough and administrative payments is approximately \$5.4 million. Of this amount, approximately \$4.9 million is proposed to be applied toward Phase 1 of the defeasance, with the remaining balance distributed to taxing entities in the normal course.

- **ROPS 26-27B (January 2027 distribution):**

Projected residual RPTTF available is approximately \$7.3 million. Of this amount, approximately \$3.6 million would be applied to complete the defeasance, with the remaining residual distributed to taxing entities.

This structure demonstrates that the proposed defeasance does not require the use of all projected residual revenues in either ROPS period. Instead, it applies to a portion of available residual RPTTF sufficient to retire the bonds while allowing remaining residual revenues to continue flowing to taxing entities. It's also important to note that the amounts above represent the total successor agency-wide RPTTF applied to defease the bonds. These costs are borne collectively by all taxing entities. The City's fiscal impact reflects only its pro rata share of these amounts.

Countywide (All Taxing Entities) RPTTF savings

The table below is organized in two parts.

The first part of the table shows the future debt service payments and related costs that would otherwise be paid from Redevelopment Property Tax Trust Fund (RPTTF) revenues through the bonds' final maturity. These amounts include scheduled principal and interest payments on the Series 2015A Bonds, as well as ongoing trustee and administrative costs. If the bonds are defeased early, these future payments would be eliminated.

The second part of the table shows the amount of RPTTF funding required to retire the bonds now through a cash defeasance in two phases. Because the bonds are callable, the Successor Agency can pay off the outstanding principal and accrued interest without establishing a long-term escrow. As a result, the total cash required for defeasance is less than the total future scheduled payments shown in the first part of the table.

The difference between the totals in the first part and the second part of the table represents the estimated net savings to taxing entities, approximately \$1.24 million. In practical terms, applying approximately \$8.5 million of residual RPTTF now eliminates approximately \$9.75 million of future RPTTF obligations. This amount reflects future interest and related bond costs that would otherwise be paid to bondholders from redevelopment property tax revenues. The estimated net



SUCCESSOR AGENCY ITEM 7.1

savings of approximately \$1.24 million represents a benefit to taxing entities collectively and a preservation of property tax dollars paid by residents and property owners that would otherwise have been committed to future bond interest and related debt service payments. By retiring the bonds early, those tax dollars are no longer needed for debt service and instead remain within the property tax allocation system for the benefit of taxing entities collectively and, ultimately, for the benefit of the taxpayers who fund those revenues.

RPTTF Summary Table	June 5, 2026	January 8, 2026	Total
	Defeasance 1	Defeasance 2	
Remaining RPTTF Obligations Per ROPS			
Series 2015A Tax Allocation Bonds			
Debt Service	\$ 5,717,515	\$ 3,760,453	\$ 9,477,968
Less: Applied Debt Service Reserves	—	—	—
Net Series 2015A Tax Allocation Bonds Debt Service	\$ 5,717,515	\$ 3,760,453	\$ 9,477,968
Bond Trustee Services and Arbitrage Reports	16,500	16,500	33,000
Administrative RPTTF	120,000	120,000	240,000
Total Remaining RPTTF Obligation	\$ 5,854,015	\$ 3,896,953	\$ 9,750,968
Funding Required Cash Defeasance			
Total Funds Required for Cash Defeasance	\$ 4,855,591	\$ 3,600,710	\$ 8,456,301
Cost of Bond Defeasance	40,000	10,000	50,000
Cash on hand with Successor Agency	—	—	—
Net Required RPTTF needed for Defeasance	\$ 4,895,591	\$ 3,610,710	\$ 8,506,301
Calculated RPTTF Net Savings	\$ 958,424	\$ 286,243	\$ 1,244,667

Note: This calculation excludes 10/1/2026 debt service payment

City of East Palo Alto Fiscal Impact

Residual Redevelopment Property Tax Trust Fund (RPTTF) distributions received by the City are recognized as General Fund revenues. As a result, the proposed defeasance strategy will have a short-term General Fund revenue impact in FY 2025-26 and FY 2026-27 because a portion of residual RPTTF that would otherwise be distributed to the City (and recorded in the General Fund) will instead be applied to retire the Series 2015A Tax Allocation Refunding Bonds.

Based on current projections, the amount of residual RPTTF expected to be applied to defeasance totals approximately \$3.0 million across the two phases of the defeasance (\$1.7 million for June 2026 and \$1.3 million for January 2027). This represents the estimated opportunity cost to the City's General Fund during the defeasance period.

The proposed action is projected to provide a net long-term General Fund benefit by accelerating dissolution of the Successor Agency and eliminating future RPTTF deductions associated with the Series 2015A bonds (including debt service, administrative RPTTF, and trustee/arbitrage costs) through final maturity. Following dissolution, redevelopment property tax revenues that



SUCCESSOR AGENCY ITEM 7.1

would otherwise be deposited into the RPTTF to fund successor agency obligations are expected to flow through the normal property tax allocation process, increasing property tax revenues available to the City.

Using the assumptions presented in this report (including approximately 3.5% annual growth and the City's estimated 33.74% share), the City is projected to receive approximately \$10.6 million in additional revenues through FY 2032-33 following dissolution as described in the table below. After accounting for the approximately \$3.0 million applied to defeasance in FY 2025-26 and FY 2026-27, the City's net projected fiscal benefit is approximately \$7.6 million.





Next Steps

The following timeline outlines the key procedural steps required to implement the defeasance and, if completed successfully, proceed toward dissolution of the Successor Agency. Key dates include:

- March 2026 — Oversight Board approval
- April 2026 — DOF approval
- May 2026 — RPTTF distribution (ROPS A)
- June 2026 — Phase 1 defeasance
- Winter 2027 — RPTTF distribution (ROPS B)
- January 2027 — Phase 2 defeasance
- Feb/March 2027 — Oversight Board approval of dissolution request
- June 2027 — First property tax only distribution (no RPTTF)

Fiscal Impact



SUCCESSOR AGENCY ITEM 7.1

Residual RPTTF distributions are recorded as General Fund revenues by the City. Accordingly, the defeasance results in a temporary General Fund revenue reduction, not increased expenditures.

The City's estimated impact is \$1.7 million in FY 2025-26 and \$1.3 million in FY 2026-27, representing the City's pro rata share of successor agency-wide defeasance costs. The long-term fiscal benefit significantly outweighs this temporary impact. The City will generate net fiscal benefits in the general fund for approximately \$7.6 million through FY2032-33.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin, board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The proposed action does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is related to government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Government Code § 84308

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachment:

1. Resolution

RESOLUTION NO. XX- 2026

A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO**APPROVING THE CASH DEFEASANCE OF THE SERIES 2015A TAX ALLOCATION REFUNDING BONDS AND AUTHORIZING ACTIONS NECESSARY TO IMPLEMENT THE DEFEASANCE AND PURSUE DISSOLUTION OF THE SUCCESSOR AGENCY**

WHEREAS, pursuant to California Health and Safety Code Section 34173, the City Council of the City of East Palo Alto elected that the City of East Palo Alto would serve as the successor agency (the “Successor Agency”) to the dissolved Redevelopment Agency of the City of East Palo Alto, effective February 1, 2012; and

WHEREAS, pursuant to Assembly Bill 1X 26 (AB 1X 26) and related legislation codified in Health and Safety Code Sections 34170 et seq., the Redevelopment Agency of the City of East Palo Alto was dissolved, and the Successor Agency to the Former Redevelopment Agency of the City of East Palo Alto (“Successor Agency”) was designated to wind down the affairs of the former redevelopment agency; and

WHEREAS, the Successor Agency is responsible for administering enforceable obligations and making payments from the Redevelopment Property Tax Trust Fund (“RPTTF”) in accordance with approved Recognized Obligation Payment Schedules (“ROPS”); and

WHEREAS, the Successor Agency currently has one remaining enforceable obligation consisting of the Series 2015A Tax Allocation Refunding Bonds (“Series 2015A Bonds”), originally issued in the principal amount of \$16,950,000, with approximately \$9,650,000 outstanding as of January 15, 2026; and

WHEREAS, the Series 2015A Bonds are callable beginning October 1, 2025, allowing the outstanding principal to be retired without the establishment of a long-term escrow; and

WHEREAS, Health and Safety Code Section 34181 authorizes successor agencies, with Oversight Board approval, to amend or terminate enforceable obligations when doing so reduces liabilities and increases net revenues to taxing entities collectively; and

WHEREAS, at the direction of the Oversight Board, staff evaluated whether early cash defeasance of the Series 2015A Bonds would be financially feasible and beneficial to the taxing entities; and

WHEREAS, staff has determined that sufficient residual RPTTF revenues are projected to be available during ROPS 26-27A and ROPS 26-27B to fund the early retirement of the Series 2015A Bonds in two phases, as follows:

- Phase 1 – June 2026: Application of approximately \$4,893,679 of residual RPTTF (ROPS 26-27A) toward partial defeasance; and
- Phase 2 – January 2027: Application of approximately \$3,608,494 of residual RPTTF (ROPS 26-27B) toward complete defeasance; and

WHEREAS, early defeasance of the Series 2015A Bonds is projected to eliminate approximately \$9.75 million in future RPTTF obligations at a cash cost of approximately \$8.51 million, resulting in estimated net savings of approximately \$1.24 million to taxing entities collectively; and

WHEREAS, the City of East Palo Alto, as one of the taxing entities receiving residual RPTTF distributions, will experience a temporary reduction in General Fund revenues estimated at approximately \$1.7 million in FY 2025-26 and \$1.3 million in FY 2026-27 as a result of its proportionate share of residual RPTTF applied to defease the bonds; and

WHEREAS, upon full retirement of the Series 2015A Bonds and satisfaction of all enforceable obligations, the Successor Agency may pursue dissolution pursuant to Health and Safety Code Section 34187; and

WHEREAS, the Board of the Successor Agency finds that early defeasance of the Series 2015A Bonds is in the best interests of the taxing entities and consistent with successor agency law.

NOW, THEREFORE, BE IT RESOLVED THAT THE SUCCESSOR AGENCY TO THE FORMER REDEVELOPMENT AGENCY OF THE CITY OF EAST PALO ALTO hereby:

1. Finds the foregoing recitals are true and correct, and are incorporated by this reference into this action;
2. Approve the early cash defeasance of the Series 2015A Tax Allocation Refunding Bonds in two phases, anticipated to occur in June 2026 and January 2027, using available residual Redevelopment Property Tax Trust Fund (RPTTF) revenues;
3. Acknowledge and approve a temporary reduction in General Fund revenues in FY 2025-26, estimated at approximately \$1.7 million, representing the City's pro rata share of residual RPTTF revenues applied to Phase 1 of the defeasance, with an additional estimated reduction of approximately \$1.3 million in FY 2026-27 for Phase 2; and
4. Authorize the City Manager, Finance Director, and/or their designees to:
 - Prepare and submit amended Recognized Obligation Payment Schedules (ROPS);
 - Execute agreements and notices necessary to implement the defeasance;
 - Coordinate with the Oversight Board, the California Department of Finance, the County Auditor-Controller, bond trustee, and other necessary parties; and
 - Take any and all actions necessary or convenient to carry out the defeasance and pursue dissolution of the Successor Agency consistent with Health and Safety Code Section 34187.
5. Finds that the proposed action does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is related to government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

PASSED AND ADOPTED 24th day of February 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney

STAFF INFORMATIONAL REPORT 9.1



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 24, 2026

TO: Honorable Mayor and Members of the City Council

VIA: John D. Lê, City Attorney

BY: James C. Harrison, Outside Counsel

SUBJECT: Discuss Ordering the Submission of a Measure on Term Limits for a Future Municipal Election

Recommendation

Receive an informational report from staff updating the Council regarding term limits and the submission of a potential ballot measure for a future municipal election, and provide direction concerning the same.

Executive Summary

Councilmembers have recently inquired about imposing term limits on members of the City Council, including legal requirements relating to term limits and the mechanism for proposing a term limits measure to the voters. This staff report summarizes the law governing term limits and provides a list of key decision points for the City Council and a timeline for action, should the Council decide to consider submitting a term limits measure to the voters at a future municipal election.

Alignment with City Council Strategic Plan

Priority: Governance, Organizational Strength, and Fiscal Sustainability

Background

Mayor Lincoln asked staff to present a summary regarding a potential measure to impose term limits on members of the City Council, noting that term limits could increase citizen participation and inject new ideas and fresh perspectives into city governance. Many cities and counties throughout the state have adopted term limits for members of their governing bodies. The State of California also imposes lifetime term limits on statewide elected officials and members of the

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Legislature.

Analysis

As a general law city, the City of East Palo Alto is subject to general state law, including Government Code Section 36502, which authorizes the city council of a general law city to propose, or the voters to propose by initiative, a measure to impose term limits on members of the city council to be submitted to the voters at a regularly scheduled election. Section 36502 provides that local term limit laws shall apply prospectively only and shall be subject to approval by a majority of voters voting on the measure. Therefore, prior service on the City Council does not qualify as a “term” for purposes of a term limits measure.

In 2024, the City of Brisbane conducted a survey of term limits ordinances in cities and towns in San Mateo County. Only six cities in the County have term limits, as shown in Table 1. Supervisors of the San Mateo County Board of Supervisors are also ineligible to serve more than three consecutive terms in office.

Table 1: Cities with Term Limits (in order of lowest number of terms to highest number of terms)

	City/Town	Term Limits (from the City's Municipal Code/Charter)
1.	Pacifica 2 consecutive terms	No person who has served two terms of office as a Pacifica City Councilmember shall be eligible to run for election as a Pacifica City Councilmember. If for any reason a person serves a partial term as [a] Pacifica City Councilmember in excess of two years, that partial term shall be considered a full term for purposes of this term limit provision.
2.	Foster City 2 consecutive terms	No person may hold the office of councilmember for more than two terms in succession. This provision does not prohibit holding the office for more than two terms.
3.	Millbrae 3 consecutive terms	No person shall be eligible to serve as a member of the city council for more than three successive four-year terms. Any person appointed or elected to the city council to fill an unexpired term shall be eligible to serve two successive four-year terms upon the expiration of the unexpired term for which that person was appointed or elected.
4.	San Mateo	Councilmembers shall not be eligible for election to nor serve more than three consecutive terms in office provided that no partial term of office shall be counted as any portion of the

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	3 consecutive terms	consecutive terms.
5.	San Bruno 3 consecutive terms	No person may hold the office of mayor for more than six terms in succession or the office of councilmember for more than three terms in succession. This provision does not prohibit holding office for more than twelve years, provided that terms of office are not consecutive.
6.	Redwood City 4 consecutive terms	Each person who has been elected to the City Council either at large or in any district shall be eligible to hold office as a Councilmember for no more than four consecutive terms of office. A partial term to which a person is appointed or elected to fill a vacancy in the Council shall not be included in computing consecutive terms.

The above cities require Councilmembers who have reached their term limit to sit out at least one election cycle before they can run for office again. Other cities have a lifetime limit. For example, the City of Santa Clara prohibits members of the Council from serving more than two full terms, with terms prior to adoption not disqualifying a person from further service, and a partial term in excess of two years being considered a full term.

Table 2: Key Decision Points for any Future Measure regarding Term Limits

	Decision	Explanation
1.	Retroactivity of the Measure	A local term limit may not apply retroactively. Government Code Section 36502. Instead, the potential measure may only apply to terms that begin after the effective date of the term limits ordinance.
2.	Duration	The Council may limit terms by any amount. A one-term ban in San Bernadino County has been upheld by the Fourth District Court of Appeals. Other cities in San Mateo County have a limitation on terms between two and four terms.
3.	Consecutive Terms or Total Number Limitation	The Council must decide whether to limit the number of terms a person may serve consecutively or to prohibit holding the office for more than the limited number of terms. All cities in San Mateo County with term limits only limit consecutive terms. Santa Clara and the State limit the total number of terms an individual may hold office.

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4.	Partial Terms	The council must decide whether a partial term of office counts as a term. For example, is a partial term greater than two years considered a full term, or is it not counted against the official for the purposes of the limit?
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Staff is seeking direction from the Council on several areas, including whether the Council desires a term limit ordinance. If the Council is so inclined, then staff requests direction on the key decision areas outlined in Table 2.

Another critical decision providing direction on which election the Council aims to present the measure to the voters. Staff have prepared timelines for the Council regarding when a measure must be submitted to the voters, including four options (June 2026 primary election, November 2026 general election, in addition to election dates in 2027 (Attachments 1). There is very limited time remaining for the Council to act if it desires to place a measure on the June ballot. Additionally, as the City is considering a November 2026 election for a general obligation bond measure, this election date is similarly not recommended. However, if the Council seeks to set an election date in 2027, a separate ordinance is required under the Elections Code to provide for off-cycle elections (i.e., odd number years). See Government Code section 36502 (requiring that a term limits measure be presented at a regular city election). If the Council adopts an off-cycle elections ordinance, it can be repealed at later date.

Next Steps

After taking Council direction, including if and when the Council would like to consider term limits, staff will return with certain deliverables consistent with the timeline, including a proposed ordinance for consideration and discussion and a resolution ordering submission on a timeline decided by the Council.

Fiscal Impact

There is no fiscal impact for this item.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The action being considered does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

Government Code § 84308

STAFF INFORMATIONAL REPORT 9.1

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Election Timelines

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
INITIATIVE QUALIFICATION CALENDAR
June 2, 2026, Statewide Primary Election

DATE	STEPS	DESCRIPTION
February 24, 2026 ⁱ	Adopt Resolution Ordering the Submission of a Measure at the June 2, 2026 Municipal Election	<p>The City may submit to the voters, via ordinance or resolution calling for a special election or proposition, a proposition for the enactment of any ordinance, to be voted upon at any succeeding regular city election, and if the submitted proposition receives a majority of the votes cast on it at the election, the ordinance shall be enacted accordingly.</p> <p>The election shall be held not less than 88 days after the date of the order of election.</p> <p style="text-align: right;">Elec. Code § 9222; Gov. Code § 36502</p>
March 3, 2026 ⁱⁱ	Last Day to Submit or Amend Measure at Regular City Council Meeting	<p>Last regular City Council meeting to submit or amend the ordinance to the voters before the 88-day deadline.</p> <p style="text-align: right;">Elec. Code § 9222</p>
March 17, 2026*	Submission of Opening Arguments (If Election is Not Consolidated)	<p>Elections Code § 9286(a) specifies that the date for submitting opening arguments must be fixed 14 days from the date of the order of election.</p> <p>However, this provision does not apply if the election is consolidated with the statewide general election pursuant to Election Code § 10403, in which case Council either fixes the dates for submission of arguments or directs the Clerk to do so.</p> <p>(Because the City is likely to consolidate the June municipal election with the statewide election, the City Council will have discretion regarding the date for submission of arguments, so this date is included for illustrative purposes only.)</p> <p style="text-align: right;">Elec. Code §§ 9282, 9286</p>
March 6 – 27, 2026 ⁱⁱⁱ	Submission of Impartial Analysis	The city attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the city. The analysis shall be

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
INITIATIVE QUALIFICATION CALENDAR
June 2, 2026, Statewide Primary Election

		printed preceding the arguments for and against the measure. The analysis shall not exceed 500 words in length. Elec. Code § 9281
March 6, 2026	Last Day for the Measure to be placed on the June 2026 Election	Last day for the City Council to place the measure on the ballot for the June 2, 2026, election (88 days before Election Day). Last day for the City Council to adopt a resolution requesting consolidation of election with statewide election (88 days before Election Day). Elec. Code §§ 9222, 10403
March 27, 2026*	Submission of Rebuttal Arguments	Last day for supporters and opponents to submit rebuttal arguments (10 days from submission of opening argument). Elec. Code § 9285
March 28 – April 6, 2026* ^{iv}	Public Inspection Period	Public inspection period during which petition for writ of mandate can be filed to challenge ballot materials. This 10-calendar day period runs immediately following the deadline for submission of ballot materials, the last day of which is the submission of rebuttal arguments. Elec. Code § 9295
June 2, 2026	Election Day	Election Day
July __, 2026*	Effective Date (if passed)	Measure goes into effect 10 days after the City Council certifies the vote. Elec. Code § 9217

ⁱ Dates marked with an asterisk (*) are approximate. This calendar is provided as a guideline; there are contingencies and unanticipated events that could alter the timeline.

ⁱⁱ This date assumes that the City Council will hold a meeting on this day.

ⁱⁱⁱ The submission is fixed by resolution, typically either 10 days from the order of election or the day that opening arguments are due to be submitted, but because the statute does not specify a deadline, the date could be fixed as late as the last day to submit rebuttal

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
INITIATIVE QUALIFICATION CALENDAR
June 2, 2026, Statewide Primary Election

arguments.

^{iv} It is important for the Clerk to coordinate with the County Registrar of Voters to ensure that the public inspection period is consistent with the Registrar's printing deadlines.

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
NOVEMBER 5, 2026, ELECTION

DATE	STEPS	DESCRIPTION
July 7, 2026 ^{*1}	Adopt Resolution Ordering the Submission of a Measure at the November 3, 2026, General Municipal Election	<p>The City may submit to the voters, via ordinance or resolution, a proposition for the enactment of any ordinance, to be voted upon at any succeeding regular city election, and if the submitted proposition receives a majority of the votes cast on it at the election, the ordinance shall be enacted accordingly.</p> <p>The election shall be held not less than 88 days after the date of the order of election.</p> <p style="text-align: center;">Elec. Code § 9222; Gov. Code § 36502</p>
July 28, 2026 ²	Last Day to Submit or Amend Measure at Regular City Council Meeting	<p>Last regular City Council meeting to submit or amend the ordinance to the voters before the 88-day deadline.</p> <p style="text-align: center;">Elec. Code § 9222</p>
August 11, 2026*	Submission of Opening Arguments (If Election is Not Consolidated)	<p>Elections Code § 9286(a) specifies that the date for submitting opening arguments must be fixed 14 days from the date of the order of election.</p> <p>However, this provision does not apply if the election is consolidated with the statewide general election pursuant to Election Code § 10403, in which case Council either fixes the dates for submission of arguments or directs the Clerk to do so.</p> <p>(Because the City is likely to consolidate the November municipal election with the statewide election, the City Council will have discretion regarding the date for submission of arguments, so this date is included for illustrative purposes only.)</p> <p style="text-align: center;">Elec. Code §§ 9282, 9286</p>
August 7 – 21, 2026 ^{*3}	Submission of Impartial Analysis	<p>The city attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the city. The analysis shall be printed preceding the arguments for and against the measure. The analysis shall not exceed 500 words in length.</p> <p style="text-align: center;">Elec. Code § 9281</p>
August 7, 2026	Last Day for the Measure to be placed on the	Last day for the City Council to place the measure on the ballot for the November 3, 2026 election (88 days before Election Day).

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
NOVEMBER 5, 2026, ELECTION

	November 2026 Election	Last day for the City Council to adopt a resolution requesting consolidation of election with statewide election (88 days before Election Day). Elec. Code §§ 9222, 10403
August 21, 2026*	Submission of Rebuttal Arguments	Last day for supporters and opponents to submit rebuttal arguments (10 days from submission of opening argument). Elec. Code § 9285
August 22 – August 31, 2026* ⁴	Public Inspection Period	Public inspection period during which petition for writ of mandate can be filed to challenge ballot materials. This 10-calendar day period runs immediately following the deadline for submission of ballot materials, the last day of which is the submission of rebuttal arguments. Elec. Code § 9295
November 3, 2026	Election Day	Election Day
December ____, 2026*	Effective Date (if passed)	Measure goes into effect 10 days after the City Council certifies the vote. Elec. Code § 9217

¹ Dates marked with an asterisk (*) are approximate. This calendar is provided as a guideline; there are contingencies and unanticipated events that could alter the timeline.

² This date assumes that the City Council will hold a meeting on this day.

³ The submission is fixed by resolution, typically either 10 days from the order of election or the day that opening arguments are due to be submitted, but because the statute does not specify a deadline, the date could be fixed as late as the last day to submit rebuttal arguments.

⁴ It is important for the Clerk to coordinate with the County Registrar of Voters to ensure that the public inspection period is consistent with the Registrar's printing deadlines.

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
INITIATIVE QUALIFICATION CALENDAR
March 2, 2027, Statewide Primary Election

DATE	STEPS	DESCRIPTION
November 17, 2026* ⁱ	Adopt Resolution Ordering the Submission of a Measure at the March 2, 2027, Municipal Election ⁱⁱ	<p>The City may submit to the voters, via ordinance or resolution calling for a special election or proposition, a proposition for the enactment of any ordinance, to be voted upon at any succeeding regular city election, and if the submitted proposition receives a majority of the votes cast on it at the election, the ordinance shall be enacted accordingly.</p> <p>The election shall be held not less than 88 days after the date of the order of election.</p> <p style="text-align: right;">Elec. Code § 9222; Gov. Code § 36502</p>
December 1, 2026 ⁱⁱⁱ	Last Day to Submit or Amend Measure at Regular City Council Meeting	<p>Last regular City Council meeting to submit or amend the ordinance to the voters before the 88-day deadline.</p> <p style="text-align: right;">Elec. Code § 9222</p>
December 15, 2026*	Submission of Opening Arguments (If Election is Not Consolidated)	<p>Elections Code § 9286(a) specifies that the date for submitting opening arguments must be fixed 14 days from the date of the order of election.</p> <p>However, this provision does not apply if the election is consolidated with the statewide general election pursuant to Election Code § 10403, in which case Council either fixes the dates for submission of arguments or directs the Clerk to do so.</p> <p>(Because the City is likely to consolidate the March municipal election with the statewide election, the City Council will have discretion regarding the date for submission of arguments, so this date is included for illustrative purposes only.)</p> <p style="text-align: right;">Elec. Code §§ 9282, 9286</p>
December 1 – 28, 2026* ^{iv}	Submission of Impartial Analysis	The city attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the city. The analysis shall be

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
INITIATIVE QUALIFICATION CALENDAR
March 2, 2027, Statewide Primary Election

		printed preceding the arguments for and against the measure. The analysis shall not exceed 500 words in length. Elec. Code § 9281
December 4, 2026	Last Day for the Measure to be placed on the March 2027 Election	Last day for the City Council to place the measure on the ballot for the March 2, 2027, election (88 days before Election Day). Last day for the City Council to adopt a resolution requesting consolidation of election with statewide election (88 days before Election Day). Elec. Code §§ 9222, 10403
December 28, 2026*	Submission of Rebuttal Arguments	Last day for supporters and opponents to submit rebuttal arguments (10 days from submission of opening argument). Elec. Code § 9285
December 29, 2026 – January 7, 2027* ^v	Public Inspection Period	Public inspection period during which petition for writ of mandate can be filed to challenge ballot materials. This 10-calendar day period runs immediately following the deadline for submission of ballot materials, the last day of which is the submission of rebuttal arguments. Elec. Code § 9295
March 2, 2027	Election Day	Election Day
April __, 2027*	Effective Date (if passed)	Measure goes into effect 10 days after the City Council certifies the vote. Elec. Code § 9217

ⁱ Dates marked with an asterisk (*) are approximate. This calendar is provided as a guideline; there are contingencies and unanticipated events that could alter the timeline.

ⁱⁱ Pursuant to the Government Code, local ballot measures related to municipal term limits must be voted on at a regular election. We understand that the City of East Palo Alto typically holds its regular elections during even years. Accordingly, the only way the City may bring a regular election in 2027 is if the Council passes an ordinance pursuant to Elections Code Section 1301(b) providing that

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
INITIATIVE QUALIFICATION CALENDAR
March 2, 2027, Statewide Primary Election

the City's general municipal election will be held on "the first Tuesday after the first Monday of March in each odd-numbered year."

ⁱⁱⁱ This date assumes that the City Council will hold a meeting on this day.

^{iv} The submission is fixed by resolution, typically either 10 days from the order of election or the day that opening arguments are due to be submitted, but because the statute does not specify a deadline, the date could be fixed as late as the last day to submit rebuttal arguments.

^v It is important for the Clerk to coordinate with the County Registrar of Voters to ensure that the public inspection period is consistent with the Registrar's printing deadlines.

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
NOVEMBER 2, 2027, ELECTION

DATE	STEPS	DESCRIPTION
July 6, 2027* ¹	Adopt Resolution Ordering the Submission of a Measure at the November 2, 2027, General Municipal Election ²	<p>The City may submit to the voters, via ordinance or resolution, a proposition for the enactment of any ordinance, to be voted upon at any succeeding regular city election, and if the submitted proposition receives a majority of the votes cast on it at the election, the ordinance shall be enacted accordingly.</p> <p>The election shall be held not less than 88 days after the date of the order of election.</p> <p style="text-align: center;">Elec. Code § 9222; Gov. Code § 36502</p>
July 27, 2027 ³	Last Day to Submit or Amend Measure at Regular City Council Meeting	<p>Last regular City Council meeting to submit or amend the ordinance to the voters before the 88-day deadline.</p> <p style="text-align: center;">Elec. Code § 9222</p>
August 10, 2027*	Submission of Opening Arguments (If Election is Not Consolidated)	<p>Elections Code § 9286(a) specifies that the date for submitting opening arguments must be fixed 14 days from the date of the order of election.</p> <p>However, this provision does not apply if the election is consolidated with the statewide general election pursuant to Election Code § 10403, in which case Council either fixes the dates for submission of arguments or directs the Clerk to do so.</p> <p>(Because the City is likely to consolidate the November municipal election with the statewide election, the City Council will have discretion regarding the date for submission of arguments, so this date is included for illustrative purposes only.)</p> <p style="text-align: center;">Elec. Code §§ 9282, 9286</p>
August 6 – 20, 2027* ⁴	Submission of Impartial Analysis	<p>The city attorney shall prepare an impartial analysis of the measure showing the effect of the measure on the existing law and the operation of the measure. The analysis shall include a statement indicating whether the measure was placed on the ballot by a petition signed by the requisite number of voters or by the governing body of the city. The analysis shall be printed preceding the arguments for and against the measure. The analysis shall not exceed 500 words in length.</p> <p style="text-align: center;">Elec. Code § 9281</p>
August 6, 2027	Last Day for the Measure to be placed on the	Last day for the City Council to place the measure on the ballot for the November 2, 2027, election (88 days before Election Day).

EAST PALO ALTO INITIATIVE QUALIFICATION CALENDAR
NOVEMBER 2, 2027, ELECTION

	November 2027 Election	Last day for the City Council to adopt a resolution requesting consolidation of election with statewide election (88 days before Election Day). Elec. Code §§ 9222, 10403
August 20, 2027*	Submission of Rebuttal Arguments	Last day for supporters and opponents to submit rebuttal arguments (10 days from submission of opening argument). Elec. Code § 9285
August 21 – August 30, 2027* ⁵	Public Inspection Period	Public inspection period during which petition for writ of mandate can be filed to challenge ballot materials. This 10-calendar day period runs immediately following the deadline for submission of ballot materials, the last day of which is the submission of rebuttal arguments. Elec. Code § 9295
November 2, 2027	Election Day	Election Day
December ____, 2027*	Effective Date (if passed)	Measure goes into effect 10 days after the City Council certifies the vote. Elec. Code § 9217

¹ Dates marked with an asterisk (*) are approximate. This calendar is provided as a guideline; there are contingencies and unanticipated events that could alter the timeline.

² Pursuant to the Government Code, local ballot measures related to municipal term limits must be voted on at a regular election. We understand that the City of East Palo Alto typically holds its regular elections during even years. Accordingly, the only way the City may bring a regular election in 2027 is if the Council passes an ordinance pursuant to Elections Code Section 1301(b) providing that the City's general municipal election will be held on "the day of school district elections as set forth in Section 1302" [the first Tuesday after the first Monday in November of each odd-numbered year].

³ This date assumes that the City Council will hold a meeting on this day.

⁴ The submission is fixed by resolution, typically either 10 days from the order of election or the day that opening arguments are due to be submitted, but because the statute does not specify a deadline, the date could be fixed as late as the last day to submit rebuttal arguments.

⁵ It is important for the Clerk to coordinate with the County Registrar of Voters to ensure that the public inspection period is consistent with the Registrar's printing deadlines.



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 24, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Batool Zaro, Senior Engineer

Humza Javed, Public Works Director

SUBJECT: Residential Permit Parking Program Ordinance (RPP) First Reading

Recommendation

By motion, the City Council should:

1. Waive the first reading and introduce an ordinance adding a new Chapter 10.40 (Residential Permit Parking Program) to the East Palo Alto Municipal Code (or any other substantive amendments proposed by staff or the Council to the original ordinance);
2. Find that the proposed action is exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines sections 15301 (minor alterations) and 15061(b)(3) (common sense exemption); and
3. Direct staff to return to City Council with proposed RPP program details which include permit costs, citation fees, recommended residential Permit Parking Areas, and maximum number of permits per household per area.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

- Public Health, Safety, and Quality of Life

Executive Summary

The City of East Palo Alto has been working on a Residential Permit Parking (RPP) Ordinance since December 2023, with multiple drafts presented to the Public Works and Transportation

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Commission (PWTC) and City Council. The ordinance aims to address parking issues in residential areas by allowing the creation of Residential Permit Parking Areas. The originally proposed ordinance included one free parking permit per residence, with additional permits available for purchase, and criteria for establishing Residential Permit Parking Areas (RPPAs) based on neighborhood petitions or City Council action.

Staff introduced the ordinance in a first reading at the March 18, 2025, city council meeting. The City Council made various changes to the proposed ordinance at the March meeting, including updating program eligibility based on vehicle type, registration and unsettled parking citations, removing the petition requirement for establishing an RPPA, and introducing automatic implementation for areas with 75% parking occupancy.

This modified ordinance was considered for adoption in second reading on July 8, 2025. Following community input and council deliberation, the ordinance was not adopted. Feedback from the community highlighted concerns about costs of permits, the impact those costs would have on low-income community members, and lack of community input on the modified ordinance.

The City Council directed staff to further revise the ordinance and return for reintroduction at a later date. The City Council revisions included reintroducing neighborhood-led petitions and re-evaluating the automatic implementation provision. The city council also directed staff to make revisions based on the community's feedback and directed staff to increase enforcement of existing parking codes.

This report outlines the proposed RPP ordinance. Staff is recommending that the city council waive the first reading of the ordinance and direct staff to conduct studies to determine maximum numbers of permits available per neighborhood/potential RPPA's, and permit costs. A citywide parking study will be conducted to define potential RPPAs, assess parking occupancy, and recommend enforcement hours. Once the details are finalized, staff will present the full program details to the city council for approval and implementation. RPPA's will not be established without a neighborhood survey and City Council approval as detailed in section 10.40.050 of the ordinance.

Background

City staff presented a draft residential permit parking ordinance to the Public Works and Transportation Commission (PWTC) on December 20, 2023. The City's transportation consultant, Hexagon Transportation Consultants, Inc., presented a revised draft at the PWTC meeting on April 17, 2024, responding to questions and comments. Staff and Hexagon presented a further refined draft to the PWTC on May 15, 2024.

On June 18, 2024, staff presented the updated draft ordinance to the City Council. City Council instructed staff to delay the first reading and further investigate additional concerns. A study session was conducted on November 12, 2024, for staff to provide updates on the items further investigated and to receive feedback and comments on the draft ordinance.

Additionally, at the November meeting, staff provided information on the outreach efforts taken place - including a citywide mailer, social media posts, and a survey - and presented the

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survey results. The feedback from the City Council and public was used to draft the proposed ordinance introduced March 18, 2025.

Staff's Proposed Ordinance (March 18, 2025)

At the March 18, 2025, city council meeting, staff introduced an ordinance for the first reading, highlighting these key provisions:

- Allows the City to create Residential Permit Parking Areas (RPPAs).
- Grants one free parking permit per residence, with a second permit available for purchase (subject to availability).
- Clarifies that permits do not guarantee parking spaces.
- Excludes commercial and oversized vehicles
- Requires all four of the following:
 - Initiation by a 67% neighborhood petition or initiation by City Council;
 - 75% on-street occupancy during proposed enforcement hours;
 - Approval of the establishment of RPPA if survey results showed 67% of residents in the designated area ; and
 - Establishment of the RPPAs by City Council action (retained by Council as the sole option for establishment of the RPPA).

The City Council's Modifications and Ordinance Introduced at First Reading (March 18, 2025)

The City Council waived the first reading and introduced the ordinance with the following changes:

- **Updated Definitions (Section 10.40.020):**
 - Added a definition of a Commercial Vehicle matching the State law definition: i.e.,- motor vehicle used or maintained for the transportation of persons for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property. Passenger vehicles and house cars are excluded from this definition, unless used for transportation for hire, in which case they could constitute commercial vehicles. Any vanpool vehicle—which is a vehicle designed for carrying 11 to 15 persons, maintained and used primarily for nonprofit work-related adults ridesharing—is also not a commercial vehicle.
 - Revised the definition of Resident
- **Vehicle Eligibility (Section 10.40.120):** A new section titled Vehicle Eligibility was included in the ordinance restricting eligibility to vehicles without delinquent parking citations, without an expired registration, and vehicles not registered as commercial vehicles. Additionally, recreational vehicles (RVs), boats, trailers, or oversized vehicles exceeding 22 feet in length or 7 feet in height would also be ineligible.
- **Removed Petition Language (Sections 10.40.040 and 10.40.050):** The City Council removed all language related to petition requirements. This meant RPPAs could only be created by City Council action. Council further removed the subsection regarding

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community outreach; this language required a survey of resident support within the RPPA and encouraged additional outreach, such as neighborhood meetings. The Council also removed the subsection requiring Public Works and Transportation Commission review.

- **Added Automatic Implementation (Section 10.40.040B):** A new section labeled “Automatic Implementation” was added. Subsection A stated that the City Council may, by motion, initiate consideration of a RPP area by directing staff to undertake a data collection and outreach process. New subsection B clarified that the Council option in Subsection A did not preclude the Council from adopting a resolution establishing automatic implementation of the parking permit program in RPP areas where parking was 75% occupied. Such a resolution would specify standards for the automatic establishment of permit parking requirements, including establishing RPP areas to which the occupancy threshold would apply, the means of measuring whether the threshold is met (e.g., based on an occupancy study conducted or some other threshold or metric), timeframe or scope of the parking occupancy study, the applicable fees and penalties, and other standards or considerations.
- **Permit Issuance Requirements (Section 10.40.070):** The permit issuance requirements section was modified to explicitly state that permits require proof of residence at an address within the permit area.
- **All permits shall require payment of a fee as established by City Council resolution:** Language regarding providing the first permit at no cost was removed.

After making the foregoing amendments, the Council introduced the attached ordinance with the following vote:

AYES: Mayor Barragan, Vice Mayor Dinan, and Councilmember Lincoln.

NOES: NONE.

ABSTAIN: NONE.

ABSENT: Councilmember Romero and Councilmember Abrica.

Deferred Adoption and Council Direction at Second Reading (July 8, 2025)

At the July 8, 2025, city council meeting, the ordinance was scheduled for a second reading. However, the City Council voted to defer action and instead directed staff to modify the ordinance and return for a future first reading. The city council provided the following ordinance modifications to staff:

Ordinance Modifications:

- **Petition Language (Sections 10.40.040 and 10.40.050):** Reinstate the community-initiated (resident-led) establishment process, consistent with the March version of the ordinance, while retaining all subsequent changes except the voter registration requirement.
- **Automatic Implementation (Section 10.40.040B):** Remove the automatic implementation language.
- **Updated Definitions (Section 10.40.020):** Remove all references to voter registration.

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- **Permit Issuance Requirements (Section 10.40.070):** Allow for one to two free permits, with the final number to be determined by the City Council at the first reading.

Additional Direction:

- Increase enforcement of existing parking regulations.
- Incorporate public input into the revised ordinance to be brought back for a first reading.

Staff summarized several of the public suggestions raised during the meeting in Table 1 below.

Table 1: Community Feedback

No.	Comment/ Ordinance Modification	Impact of the Modification	Ordinance Modification	Language Modification
1	Free permits: Allow 1 free permits due to the financial burden of an additional cost on residents.	Once a permit area is established, the available street parking will be determined and that would determine if there is availability for additional permits to be issued at a cost. The cost will depend on the level of cost recovery that the City Council intends. Low income subsidy options can potentially be made available to help reduce the burden.	The Ordinance, attached as attachment 1, incorporates allowing one free permit to each residence, with additional being available at a cost.	No additional language modification would be necessary as this change is incorporated in Attachment 1.
2	Free permits: Allow two (2) or more free permits due to the financial burden of an additional cost on residents.	If the City Council intends to fully cover the costs associated with permit parking to reduce the burden on residents	Section "10.40.070 Issuance of permits." would be modified.	If the City Council would like to allow 2 or more permits the section would be modified as followed: "each residence within an RPP area may receive, upon application, one parking permit at no cost to the applicant, subject to conditions established by the Director to effectuate the purposes of this Chapter. Additional parking Permits may be given at no cost or purchased by applicants , upon application, subject to the availability, as determined by the Director."
3	Lack of community input: Several community members requested additional community input	At the July 8 th meeting, City Council directed staff to include language pertaining to	The Ordinance, attached as attachment 1, incorporates allowing residents	No additional language modification would be necessary as this change is incorporated in Attachment 1.

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		neighborhood led petition efforts.	to initiate the establishment/ removal of a permit parking area.	
4	Several community members requested that additional survey efforts take place to gauge public receptivity to a permit parking ordinance.	The City Council may direct staff to perform additional community survey efforts.	This would not result in a modification to the ordinance.	No language modification would be associated with this item.

After making the foregoing amendments, the Council made the following vote:

AYES: Councilmember Abrica, Councilmember Romero, and Mayor Barragan

NOES: Vice Mayor Dinan, and Councilmember Lincoln

ABSTAIN:

ABSENT:

Analysis

The modified ordinance reflecting the changes described above is attached as Attachment 1, the revised guidelines are attached as Attachment 2, and draft RPPP FAQ's attached as Attachment 3. A redlined version of the ordinance is provided as Attachment 4 and a redlined version of the guidelines is provided as Attachment 5.

Overall, the modified ordinance reinstates petition language allowing for community initiated (resident-led) establishment of permit parking areas, removes the automatic implementation provision, revises the definition of "Resident," and modifies permit issuance requirements to allow one free permit.

Adoption of the ordinance establishes a programmatic framework, with many implementation details to be developed at a later date. These details will require additional staff analysis and recommendations for the City Council review, potential modification, and eventual adoption through resolutions. In other words, adoption of the ordinance represents only an initial step toward establishing a residential permit parking program; additional actions, described below, are required before the program can be implemented.

Public input to date indicates that most community members do not oppose the concept of a residential permit parking ordinance, particularly if the program areas are initiated by residents. Rather, concerns have focused on specific program details that have not yet been defined. These include potential permit costs, impacts on low-income households, limits on the number of permits per household, and the management of visitor passes. While these concerns are important, they are premature, as the ordinance does not yet establish these parameters, although they will be established in the future (program details and resolutions).

Next Steps

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Following adoption of the Ordinance, staff will proceed to the next phase of program development, which will focus on defining the details of the RPP program. This work will include recommendations on permit costs and citation fees, enforcement phases, maximum permits per household, and recommended Residential Permit Parking Areas (RPPAs). Robust community engagement will be a central component of this process.

Significant preparatory work will be required prior to establishing any RPPAs. Staff would conduct a citywide parking study to define proposed RPPAs and, for each area, analyze occupancy rates and recommend enforcement hours. These conditions would need to be reassessed periodically to ensure that occupancy patterns and enforcement hours remain appropriate over time. Because staff does not currently conduct ongoing, citywide parking occupancy analysis and lacks capacity to do so, this effort would require an amendment to the City's existing contract with Hexagon to perform occupancy studies.

Further, staff would issue one or more requests for proposals (RFPs) for permit management platforms, enforcement options, and consultant services to support program implementation, including analysis of costs and fee structure options.

Finally, staff would return to the City Council with proposed RPPAs as well as providing the full program details listed above. This would include recommendations for third-party enforcement services, staffing recommendations or vendor support for program administration (such as permit issuance, program updates, and fee collection), and the allocation of resources for long-term parking occupancy monitoring.

Fiscal Impact

There is no fiscal impact for this item.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The proposed action is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines: 1) Section 15301, which applies to minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use, in that adopting an ordinance regulating existing off-street parking would not constitute any significant expansion of use; and 2) Section 15061(b)(3) in that adoption of the ordinance can be seen with certainty to have no possibility of a significant effect on the environment.

Government Code § 84308

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Applicability of Levine Act: No, as the proposed action does not entail an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Attachment 1 – RPPP Ordinance
2. Attachment 2 – RPPP Guidelines
3. Attachment 3 – Draft RPPP FAQ's
4. Attachment 4 – RPPP Ordinance Redline
5. Attachment 5 – RPPP Guidelines Redline

Chapter 10.40 - RESIDENTIAL PARKING PERMIT (RPP) PROGRAM

Sections:

- 10.40.010 Purpose.**
- 10.40.020 Definitions.**
- 10.40.030 Findings.**
- 10.40.040 Designation of residential parking permit areas.**
- 10.40.050 Procedure for establishment of residential parking permit areas.**
- 10.40.060 Authority of Director.**
- 10.40.070 Issuance of permits.**
- 10.40.080 Guest parking permits.**
- 10.40.090 Display of permits.**
- 10.40.100 Enforcement.**
- 10.40.110 Exempt vehicles.**
- 10.40.120 Vehicle Eligibility**
- 10.40.130 Removal of residential parking permit area.**

10.40.010 Purpose.

The purpose of this chapter is to regulate and manage residential curb parking at locations at which a high demand for parking on residential streets has been determined by the City Council to be adverse to the health, safety, welfare, and interest of the public, including residential property owners, businesses, pedestrians, and other users of the City's streets, roads, and infrastructure in a manner that provides for the health, safety, welfare and interests of the public, including ensuring productive use of off-street parking for those who need it. The procedures and standards in this chapter are intended to provide flexibility so that the City Council may adopt, after consultation with various stakeholders, including residents, businesses and institutions, parking programs that appropriately protect each neighborhood's unique characteristics.

10.40.020 Definitions.

"Commercial vehicle(s)" mean(s) as commercial vehicle as that term is defined in the California Vehicle Code Section 260.

"Director" means the Director of the Department of Public Works.

"Residential parking permit area" or *"RPP area"* means a geographical area set by City Council resolution establishing a preferential parking permit system, including the parking restrictions applicable thereto, pursuant to California Vehicle Code Section 22507.

"Residence" or *"dwelling unit"* means each legal dwelling unit located immediately adjacent to a street, or portion of street, within a RPP area and with an assigned postal address. The term includes single-family dwellings, apartments, condominiums, and other distinct residential units including accessory dwelling units and junior accessory dwelling units.

"Resident" means an adult person who lives in a RPP area as his/her permanent place of residence, either as a tenant, occupant, or owner, as evidenced by Department of Motor Vehicle records.

"Residential parking permit program guidelines" or *"guidelines"* shall mean the City of East Palo Alto Residential Parking Permit Program Guidelines, as promulgated by the Director of the Department of Public Works.

10.40.30 Findings.

Each RPP area may be designated by the City Council only upon findings that such RPP area is required to enhance or protect the quality of life in the proposed RPP area and that such designation is necessary to provide reasonably available and convenient parking for the benefit of the residents in the RPP area. Such findings shall be based upon the following criteria established to the satisfaction of the City Council:

- A. Vehicles parked in the RPP area create traffic congestion, noise, or other disruption that disrupts neighborhood life; or a shortage of reasonably available and convenient off street parking spaces exist in the proposed RPP area;
- B. The establishment of the proposed RPP area would benefit a majority of the residents in the proposed RPP area and balance the impacts to adjoining areas outside of the proposed RPP area, and the proposed RPP program would be feasible in terms of cost, administrability, and enforcement; and
- C. No alternative solution is feasible or practical.

10.40.040 Designation of residential parking permit areas.

Through this ordinance a residential parking permit program is established. RRP areas may be designated, expanded, or amended by resolution of the City Council. The City Council shall consider designation of those areas satisfying the criteria set forth in this chapter. If the City Council determines that the criteria have been met, it may adopt a resolution designating a residential parking permit area. The designation or expansion of an RPP area may be initiated by utilizing either of the following methods:

- A. Initiation by City Council. The City Council may, by motion, initiate consideration of a RPP area by directing staff to undertake the data collection and outreach process set forth in Section 10.40.050B and C.
- B. Initiation by neighborhood petition. Residents may request the formation of an RPP area in their neighborhood or the expansion of an existing RPP area. The request and process shall be made, and considered, in accordance with the forms and procedures set forth in the guidelines. The petition must be signed by residents representing at least sixty seven percent (67%) -of the residences on each block upon which permit parking is proposed. Only one signature is needed per residence. The residence owner, renter, or occupant is eligible to sign the petition.

10.40.050 Procedure for establishment of residential parking permit areas.

The establishment or expansion of a residential parking permit areas shall be made, and considered, in the following manner, except as otherwise provided for in this Chapter:

- A. Staff Review of Neighborhood Application/Petition. The Director shall review applications to establish or expand RPP areas initiated by neighborhood residents. The applications are to be made on a form approved by the Director. Failure to provide information requested by the

Director that is reasonably necessary to implement this Chapter will be grounds for denial. Through discussions with the applicant, the Public Works Director will identify the draft program parameters, as set forth in the Guidelines, which may be amended from time to time, including, days and time limits when permit parking will be enforced and the geographic area of enforcement. The applicant will coordinate collection of signatures on a petition. The City Clerk shall review the signed neighborhood petition and verify that it meets the signature requirements set forth in this chapter and the guidelines. If the RPP area request does not meet the signature requirements set forth in section 10.40.040.A., the Director shall send a letter to the petitioners denying their request.

- B. Staff Review of Council Requests. The Director shall review requests to establish or expand RPP areas. The Public Works Director will identify the draft program parameters, as set forth in the Guidelines, which may be amended from time to time, including, days and time limits when permit parking will be enforced and the geographic area of enforcement.
- C. Data Collection. For applications initiated by neighborhood petition and applications initiated by City Council City staff shall promptly complete parking occupancy studies to analyze and quantify, to the extent possible, the nature of the problem. For eligibility to establish or expand an RPP area, parking surveys must meet a minimum threshold of seventy-five percent (75%) occupancy of all the on-street parking spaces within the proposed RPP area during the proposed permit hours, unless otherwise provided for in this Chapter. The Director shall determine whether the minimum threshold is met and thus whether a permit parking restriction will be implemented. If the RPP area does not meet the minimum parking occupancy requirement, the Director may send a letter to the petitioners denying their request
- D. Community Outreach. Upon completion of data collection, City staff shall prepare a draft resolution containing the proposed boundaries and hours of enforcement. Staff shall undertake an online survey of resident support within the RPP area. The recommended threshold for the creation or expansion of an RPP area is a vote of 67% of the returned surveys in favor of the program; however, the City Council may approve an RPP area with a simple majority (50% + 1) of the returned surveys in favor of the program. Staff shall mail notices to all residences within the proposed RPP area including the following information:
 - 1. basic parameters of the proposed RPP program (proposed RPP area, hours/days of enforcement and parking prohibitions for non-permit holders, maximum number of permits per residence, and fees),
 - 2. a link to the City's website with the full text of the draft resolution,
 - 3. a link to an online survey where residents within the proposed RPP area can indicate their support or opposition to the designation of an RPP area in their neighborhood,
 - 4. contact information for a City staff who can answer questions and assist residents without internet access with completing the survey, and
 - 5. dates of upcoming public meetings (Public Works and Transportation Commission and City Council).

The applicant is encouraged to conduct additional outreach including holding neighborhood meeting(s) and going door to door to distribute a second copy of the notice mailed by the City to urge residents to complete the survey and attend the Public Works and Transportation Commission and City Council meetings. The results of this survey shall be reported to the Public Works and Transportation Commission and the City Council.

- E. Public Works and Transportation Commission Review and Recommendation. Staff shall provide the Public Works and Transportation Commission an opportunity to consider the proposed RPP area at a noticed public hearing. The Commission shall review the draft resolution and make a

recommendation to the City Council regarding the RPP area. This recommendation may include proposed modifications of the boundaries, hours of enforcement, or other matters as the Commission may deem necessary and desirable.

F. Adoption of Resolution Establishing or Expanding an RPP Area. Following the completion of the above procedures, and if in compliance with this Chapter, staff shall bring a resolution designating the proposed RPP area for Council consideration. At a minimum, the resolution shall specify:

1. The findings that the criteria set forth in this Chapter have been met;
2. The boundaries and the name of the RPP area;
3. Hours and days of enforcement of parking time restrictions and parking prohibitions that shall be in effect for non-permit holders; and
4. The procedure for obtaining parking permits, including the fee therefor.

The City Council shall hold a public hearing on a proposed resolution to establish the Residential Parking Permit area. The Council may adopt, modify, or reject the proposed resolution.

G. Resident Notice of Newly Adopted RPP Area. Upon designation or expansion of an RPP area, the City shall provide notice informing residents about implementation of the RPP area and its details.

10.40.060 Authority of Director.

The Director is authorized to establish the Guidelines, and rules and procedures to effectuate or implement the purposes and provisions of this Chapter, as limited herein, and to produce signs, forms, and other materials necessary, or appropriate, to effectuate or implement the provisions of this Chapter.

10.40.070 Issuance of permits.

Applications to authorize parking within a residential parking permit area may be made by any resident of a residence or dwelling unit within the residential parking permit area. Such application shall be the sole responsibility of the applicant, and shall be filed with the Director, or his or her designated representative. Applications for a resident parking permit must include all the following documentation:

1. A current DMV driver's license for each resident requesting a permit showing an address within the permit area; and
2. A current DMV vehicle registration for each vehicle showing an address within the permit area;
3. A current vehicle insurance policy showing the vehicle insured at the same address within the permit area; and
4. The Director is authorized to require any other information the Director requires by rules and procedures; and
5. Any information reasonably necessary for implementation of this Chapter, as determined by the Director.

Unless otherwise prescribed by the resolution establishing the residential parking permit area, each residence within an RPP area may receive, upon application, one parking permit at no cost to the

applicant, subject to conditions established by the Director to effectuate the purposes of this Chapter. Additional parking Permits may be given at no cost or purchased by applicants, upon application, subject to the availability, as determined by the Director. Permits issued to residents pursuant to this section shall require annual renewal. The City Council may, by resolution, establish fees for the issuance of permits or the transfer of a permit to a different vehicle or different address.

10.40.080 Guest parking permits.

Unless otherwise prescribed in the resolution establishing a residential parking permit area, each residence within an RPP area may receive twenty (20) one-day guest parking permits per year upon application, the form and conditions of which are approved by the Director to effectuate the purposes of this Chapter. Upon application, applicants may receive additional guest permits for one-day special events as approved by the Director.

10.40.090 Display of permits.

- A. Parking permits shall be displayed in a manner determined by the Director.
- B. The Director shall notify each permittee in writing of the proper manner in which to display a parking permit.
- C. The proper display on a vehicle of a valid parking permit issued pursuant to this chapter grants only the privilege of parking the vehicle in the RPP area for which the permit was issued.
- D. A valid parking permit issued under this chapter shall not guarantee or reserve to the holder an on-street parking space on any street or portion of street within the RPP area for which the permit was issued.

10.40.100 Enforcement.

- A. The Director shall cause appropriate signs to be erected at the entrance of a residential parking permit area and at intermediate locations as deemed necessary by the Director.
- B. The signs that the Director causes to be erected pursuant to this section shall provide clear notice of the days and times of the parking prohibition applicable to the street upon which the sign is erected.
- C. No person shall park a vehicle in an RPP area in violation of any posted or noticed time restriction or parking prohibition unless the person has a valid and current parking permit for that vehicle or is otherwise exempt. Violations of this subsection shall constitute an infraction offense.
- D. Any willful misuse of the parking permits, selling permits to others, altering permits, forging permits, copying permits, providing false or failing to provide reasonably necessary information to obtain permits, or any other basis for revocation, as determined by the Director that would effectuate the purposes of this Chapter, are not permitted and shall constitute an infraction. Such misuse shall also result in revocation of the parking permits for a period of one (1) year. A revocation of a parking permit may be appealed to the Director by filing a request for an appeal, on a form approved by the Director, within twenty-one (21) calendar days of the revocation. The appeal must state why the permit should not be revoked. Failure

to state this basis shall be grounds for revocation without an appeal. The Director shall respond within twenty-one (21) calendar days and the Director's decision shall be final.

E. Parking permit holders are not exempt from state and local traffic and parking rules.

F. Parking permits are only valid in the RPP area for which the permit is issued.

10.40.110 Exempt vehicles.

The following vehicles are exempt from parking restrictions applicable to any RPP area: (1) vehicles owned or operated by any government agency, or contractor of a government agency, being used in the course of business; (2) refuse collection, utility, or other public agency service vehicles being used in the course of business; (3) commercial vehicles actively providing or performing services or making a pickup or delivery if parked in a manner consistent with applicable law, including the East Palo Alto Municipal Code 10.04.080; (4) any authorized emergency vehicle as defined in the California Vehicle Code when such vehicle is responding to an emergency, (5) vehicles displaying a valid disabled placard or license plate.

10.40.120 Vehicle Eligibility.

No residential parking permits will be issued to:

1. Vehicles with delinquent parking citations; or
2. Vehicles with expired registration; or
3. Vehicles registered under the California Vehicle Code as commercial vehicles; or
4. Recreational vehicles (RVs), boats, trailers, or oversized vehicles exceeding 22 feet in length or 7 feet in height.

10.40.130 Removal of residential parking permit area.

The City Council may, by resolution, terminate and dissolve any previously established RPP area or portion thereof. Such termination may be considered following receipt of a petition signed by residents representing at least 67 percent (67%) of the residences within the RPP area proposed for dissolution. Only one signature is needed per residence. The Director shall remove permit parking signs in accordance with any such resolution.

City of East Palo Alto Residential Parking Permit (RPP) Program Guidelines

PURPOSE

The goal of the Residential Parking Permit (RPP) Program is to regulate and manage on-street parking in residential neighborhoods. This document clarifies the procedures used by the City to implement the program.

BACKGROUND

On [DATE], the City Council adopted a Residential Parking Permit (RPP) Program Ordinance where neighborhood parking is regulated for non-permit holders. The Ordinance sets forth mechanisms to enact permit parking restrictions within a RPP area based upon findings of a parking occupancy survey conducted under the direction of City staff, as initiated by neighborhood petition, or as otherwise initiated by City Council. Three documents govern the creation of an RPP area in the City of East Palo Alto:

1. Chapter 10.40 of the East Palo Alto Municipal Code, which outlines the criteria that must be met and the process that must be taken for the designation, expansion, or dissolution of an RPP area.
2. A RPP area-specific resolution, which must be adopted by the City Council and outlines the specific characteristics of the individual RPP area.
3. The document within, “Residential Parking Permit (RPP) Program Guidelines”, which provides additional detail on RPP Program implementation. The Residential Parking Permit (RPP) Program Guidelines (Guidelines) may be modified by the Public Works Director and provide detail on policies and procedures related to RPP areas.

All three documents work in concert to govern the development and operation of the City's RPP areas.

POLICIES

The Guidelines establish the framework for initiating, operating, and removing residential parking permit areas. The RPP program is intended to regulate on-street parking in parking permit areas within the City in order to enhance or protect the quality of life in the proposed RPP area according to these policies:

The RPP program is intended for use in single family and multi-family residential areas, not in mixed-use areas where residents and businesses are expected to share parking.

Implementation of an RPP area *does not* guarantee the availability of parking spaces on a public street, or within a specific neighborhood, because more parking permits may be issued than there are available on-street parking spaces.

The hours and days of enforcement of parking time restrictions and parking prohibitions in effect for non-permit holders will be set forth in the RPP area-specific resolution.

Blocks within each parking permit area will be determined based on the potential of parked cars to overflow and impact adjacent streets, via a collaborative process between residents and Public Works Department staff. The final limits of the residential parking permit program area will be determined by the Public Works Director and subject to approval by the City Council via resolution.

Parking permits will be issued only for *passenger vehicles* registered to residents of a property with at least one frontage within an RPP area. Commercial trucks, boat

trailers, RV's (camping trailers, motor homes, etc.), trailers and work-type commercial vehicles, including taxis and limousines, or any oversized vehicles are not eligible for resident parking permits. Other exclusions are contained within Chapter 10.40.

The maximum number of resident parking permits that may be issued per residence will be determined by the Public Works Director based on the characteristics of each neighborhood, but only one permit is issued per vehicle.

Up to twenty (20) one-day guest permits may be issued per residence each calendar year.

Permits may be transferred when the permit holder moves or the vehicle for which a permit has been issued is sold.

Signs will be posted in each RPP area indicating the time limitation and days during which parking is restricted.

Parking permits are not intended for use at parking meters, parking lots, or parking garages.

RPP parking permits are only valid for the RPP area for which they are issued.

Vehicles displaying parking permits are subject to all other parking restrictions, including loading zones, red zones, and accessible parking spaces.

Displaying a residential parking permit does not exempt the vehicle from the City's ordinance requiring a car to be moved every 72 hours.

By resolution of the City Council, a fee may be set for the permits.

Exceptions

RPP parking restrictions do not apply to vehicles owned or operated by any government agency, or contractor of a government agency, being used in the course of business.

Any refuse collection, utility, or other public agency service vehicles actively working for a property within the limits of an RPP area may park on-street in front of the property on which they are working without a permit.

Commercial vehicles actively providing or performing services or making a pickup or delivery are not required to have a parking permit when parked within an RPP area in a manner consistent with applicable law, including the East Palo Alto Municipal Code Section 10.04.080.

Any authorized emergency vehicle as defined in the California Vehicle Code when such vehicle is responding to an emergency is exempt from parking restrictions applicable to any RPP area.

Any vehicles legally displaying a valid disabled placard or license plate.

PROCEDURES

The procedures below provide for consistent parking permit area development from one neighborhood to the next. The Public Works Director has the flexibility to modify the following procedures when appropriate.

Area Creation or Expansion

Initiating a new residential parking permit area or expanding an existing RPP area requires completion of the following steps:

1. Resident completes a Residential Parking Permit Program application form and submits it to the Public Works Director.
2. Through discussions with the applicant, the Public Works Director will identify the draft program parameters including days and time limits when permit parking will be enforced and the geographic area.
3. Applicant will coordinate collection of signatures on a petition. The petition will clearly identify the proposed streets to be included in the RPP area, the time limits, and general rules associated with the RPP program. At least 67% of the residences on each block must be reflected in the petition. Only one signature is needed per residence. The residence owner, renter, or occupant is eligible to sign the petition. Each house, apartment, condominium, accessory dwelling unit or junior dwelling unit will be considered a residence. City Council initiated requests may skip this step.
4. The City Clerk shall review applications to establish or expand RPP areas initiated by neighborhood petition to verify that it meets the signature requirements set forth in the RPP Program Ordinance and these guidelines. If the RPP area request does not meet the signature requirements, the Director shall send a letter to the petitioners denying their request.
5. Optional:
 - a. The applicant may request a neighborhood meeting to present the components of the RPP to the area.
 - b. The applicant may demonstrate the support of their homeowners'/ neighborhood association (if one exists) through the submittal of a letter of endorsement from that group. Any letters of support will be considered by the Public Works and Transportation Commission and the City Council.
6. Public Works staff will collect occupancy data on key street segments within the proposed RPP area. Only areas with an average occupancy rate of 75% or more during the proposed permit hours will continue in this process. If the RPP area does not meet the minimum parking occupancy requirement, the Director may send a letter to the petitioners denying the request.
7. After completion of the parking occupancy survey, City staff shall prepare a draft resolution containing the proposed boundaries and hours of enforcement. Staff shall undertake a survey of resident support **within the RPP area**. The applicant is encouraged to notify residents around the RPP area. The results of this survey shall be included in and reported to the Public Works and Transportation Commission and the City Council. The recommended threshold for the creation or expansion of an RPP area is a vote of 67% of the returned surveys in favor of the program, however the City Council may approve an RPP area with a simple majority (50% + 1) of the returned surveys in favor of the program.
8. Staff shall bring the proposed RPP area to the Public Works and Transportation Commission at a noticed public hearing. The Commission shall review the draft resolution and make a recommendation to the City Council regarding the RPP area. This recommendation may include proposed modifications of the boundaries, hours of enforcement, or other matters as the Commission may deem necessary and desirable.
9. Following the completion of the above procedures, staff shall bring a resolution designating the proposed RPP area for Council consideration. At a minimum, the resolution shall specify:
 - a. The findings that the criteria set forth in this chapter have been met;
 - b. The boundaries and the name of the RPP area;

- c. Hours and days of enforcement of parking time restrictions and parking prohibitions that shall be in effect for non-permit holders;
- d. The procedure for obtaining parking permits, including the fee therefor.

The City Council shall hold a public hearing on a proposed resolution to establish the Residential Parking Permit area. The Council may adopt, modify, or reject the proposed resolution.

10. Upon designation or expansion of an RPP area, the City shall provide notice informing residents about implementation of the RPP area and its details.
11. The Director shall cause appropriate signs to be erected at the entrance of a residential parking permit area and at intermediate locations as deemed necessary by the Director. The signs shall provide clear notice of the days and times of the parking prohibition.
12. If the request for permit parking is denied or terminated, a second study of the same or similar RPP area will not be conducted for a minimum of 24 months unless there is a significant, identifiable change in parking characteristics as determined by the Director of Public Works.

OBTAINING A PARKING PERMIT

The City of East Palo Alto uses a virtual system to issue and manage parking permits. Under this system, parking permit software is used to link the vehicle license plate number to an electronic permit. The virtual permit system eliminates the need for hang tags or stickers and allows residents to obtain RPP area parking permits online 24 hours a day, 7 days a week at [LINK]. Residents who do not have access to the internet or need assistance with the online permitting process may apply for RPP permits by calling (XXX) XXX-XXX or visiting the City Permit Center at 1960 Tate Street. Assistance is available Monday through Friday, between 9 a.m. and 5 p.m. Interpretation services are available in Spanish and XXXX at this number.

Two types of permits are available: annual resident parking permits and one-day guest parking permits. Annual resident parking permits are intended for use by residents of a specific property within the RPP Area. One-day guest parking permits may be obtained by residents in RPP areas for use by their occasional guests.

Resident Parking Permits

To obtain a resident parking permit, a resident of an RPP area must include all the following documentation :

1. A completed application form (online) in the residents' name and address; and
2. A current DMV driver's license for each resident requesting a permit showing an address within the permit area; and
3. A current DMV motor vehicle registration for each vehicle for which the applicant is requesting a resident parking permit, showing an address within the permit area; and
4. A current vehicle insurance policy showing the vehicle insured at the same address within the permit area; and
5. The Director is authorized to require other readily verifiable forms of proof of residency, which may include any other information the Director requires by rules and procedures; and
6. Any information reasonably necessary for implementation of this Chapter, as determined by the Director.

Guest Parking Permits

Unless otherwise prescribed in the resolution establishing a residential parking permit area, each residence with an RPP area may receive twenty (20) one-day guest parking permits per

year upon application. Upon application, residents may receive additional guest permits for one-day special events as approved by the Director.

Parking Permit Fees

The City Council may, by resolution, establish a fee for the issuance of permits or the transfer of a permit to a different vehicle or different address.

ENFORCEMENT

No person shall park a vehicle in an RPP area in violation of any posted or noticed time restriction or parking prohibition unless the person has a valid and current parking permit for that vehicle or is otherwise exempt.

The parking permit software tracks electronic permits linked to the registered vehicle's license plate number. When license plates are scanned by the enforcement staff, registered license plate information is automatically referenced against the parking permit database. If the license plate is not connected to a valid virtual permit, the vehicle will be subject to a parking citation. Though not required, individuals who want to place a physical permit on their dashboard may print one with the link provided by [VENDOR] after payment has been made.

Any willful misuse of the parking permits, selling permits to others, altering permits, forging permits, copying permits, and providing false information to obtain permits or any other basis for revocation, as determined by the Director that would effectuate the purposes of this Chapter, are not permitted. Such misuse shall result in revocation of the parking permits for a period of one (1) year. A revocation of a parking permit may be appealed to the Director of Public Works by filing a request for an appeal within twenty-one (21) calendar days of the revocation. The appeal must state why the permit should not be revoked. Failure to state this basis shall be grounds for revocation without an appeal. The Director shall respond within twenty-one (21) calendar days and the Director's decision shall be final.

Violations of Chapter 10.40 of the East Palo Alto Municipal Code shall constitute an infraction offense subject to fine or penalty as set forth in the East Palo Alto Municipal Code.

Frequently Asked Questions

1. Which streets are eligible for residential parking permit areas?

Streets that are in a residential (single or multi-family) neighborhood

Streets where on-street parking meets minimum occupancy threshold (75% or as otherwise established by City Council) during the peak period

2. What are the time restrictions?

Time restrictions are set when the RPP area is created based on the characteristics of that neighborhood. Suggested options for parking permit enforcement include:

- Nighttime – permit required to park 8 PM - 8 AM 7 days/week
- Business hours – permit required to park > 3 hours M-F 8 AM – 6 PM
- All day – permit required to park any time of the day 7 days/week
- Overnight – Midnight - 5am

3. What do permits cost?

The City Council will impose fees for the issuance of the first and any additional permits or the transfer of a permit to recover all or a portion of the costs of administering the program.

4. How will the program be enforced?

Residents will provide their vehicle license plate information when obtaining their permit(s) online. The parking permit software will generate an electronic permit linked to the registered vehicle's license plate number. When license plates are scanned by East Palo Alto Community Service Officers, your registered license plate information is automatically referenced against the parking permit database. If the license plate is not connected to a valid virtual permit, the vehicle will be subject to a parking citation.

5. Do you require proof of residency to request a permit?

Yes, individuals must prove residency with a current DMV driver's license, current DMV vehicle registration, and current vehicle insurance policy all showing the same address within the permit area in order to be issued a parking permit.

6. Are vehicle registration, vehicle license plate number, proof of insurance, and a driver's license required to get a permit?

Applicants need to show a current driver's license for each resident requesting a permit, the current vehicle registration, and current vehicle insurance policy for the permitted vehicle and provide the license plate number for enforcement purposes..

7. Are permits neighborhood specific?

Yes, each parking permit is issued for a specific RPP area. With a valid parking permit, you may park within the boundaries of that specific RPP area only.

8. Are permits transferable?

Yes, the virtual parking permits are transferable. Individuals can add or remove vehicles on their RPP account at any time. This includes temporarily assigning loaner vehicles or rental cars. This also allows residents with multiple vehicles to change which of their vehicles is associated with a resident parking permit as needed.

9. How long will the permit be valid?

Residential parking permits are valid for one year. Renewal dates are set when each RPP area is created.

10. How do I get a new permit or renew my permit?

Residents may obtain RPP area parking permits online 24 hours a day, 7 days a week at [LINK]. Residents who do not have access to the internet or need assistance with the online permitting process may apply for RPP permits by calling (XXX) XXX-XXX or visiting the City Permit Center at 1960 Tate Street. Assistance is available Monday through Friday, between 9 a.m. and 5 p.m. Interpretation services are available in Spanish and XXXX at this number. The process for renewing a permit is the same as getting a new permit.

11. What if I have guests coming?

Each residence is eligible to obtain up to 20 guest parking permits per year. Residents may apply for additional guest permits for one-day special events at the discretion of the Director of Public Works.

12. How will people know that permits are required for street parking?

Parking signs will be posted on at the entrance to residential parking permit area and at intermediate locations with the neighborhood that list the time limit (if applicable), hours and days of enforcement, and the exception for people with parking permits. When a new area is established, a letter will be sent to residents notifying them of the change.

13. Will service providers (PG&E, Plumber, Cable/Internet, FedEx/UPS/USPS, etc.) be able to park in a RPP area without a guest permit in order to service my home?

Yes, public utility and commercial vehicles actively providing or performing services or making a pickup or delivery (i.e. plumber, cable/internet, FedEx/UPS/USPS, etc.) are not required to have a parking permit when parked within an RPP area. In addition, any emergency vehicle (police, fire, ambulance), or E-plated vehicles engaged in work or providing services are able to temporarily park without a permit in an RPP area.

14. Do I need a permit for my scooter or motorcycle to park in an area subject to permit parking restrictions?

Yes, scooters and motorcycles are considered a vehicle.

Chapter 10.40 - RESIDENTIAL PARKING PERMIT (RPP) PROGRAM

Sections:

- 10.40.010 Purpose.**
- 10.40.020 Definitions.**
- 10.40.030 Findings.**
- 10.40.040 Designation of residential parking permit areas.**
- 10.40.050 Procedure for establishment of residential parking permit areas.**
- 10.40.060 Authority of Director.**
- 10.40.070 Issuance of permits.**
- 10.40.080 Guest parking permits.**
- 10.40.090 Display of permits.**
- 10.40.100 Enforcement.**
- 10.40.110 Exempt vehicles.**
- 10.40.120 Vehicle Eligibility**
- 10.40.130 Removal of residential parking permit area.**

10.40.010 Purpose.

The purpose of this chapter is to regulate and manage residential curb parking at locations at which a high demand for parking on residential streets has been determined by the City Council to be adverse to the health, safety, welfare, and interest of the public, including residential property owners, businesses, pedestrians, and other users of the City's streets, roads, and infrastructure in a manner that provides for the health, safety, welfare and interests of the public, including ensuring productive use of off-street parking for those who need it. The procedures and standards in this chapter are intended to provide flexibility so that the City Council may adopt, after consultation with various stakeholders, including residents, businesses and institutions, parking programs that appropriately protect each neighborhood's unique characteristics.

10.40.020 Definitions.

"Commercial vehicle(s)" mean(s) as commercial vehicle as that term is defined in the California Vehicle Code Section 260.

"Director" means the Director of the Department of Public Works.

"Residential parking permit area" or *"RPP area"* means a geographical area set by City Council resolution establishing a preferential parking permit system, including the parking restrictions applicable thereto, pursuant to California Vehicle Code Section 22507.

"Residence" or *"dwelling unit"* means each legal dwelling unit located immediately adjacent to a street, or portion of street, within a RPP area and with an assigned postal address. The term includes single-family dwellings, apartments, condominiums, and other distinct residential units including accessory dwelling units and junior accessory dwelling units.

"Resident" means an adult person who lives in a RPP area as his/her permanent place of residence, either as a tenant, occupant, or owner, as evidenced by voter registration or Department of Motor Vehicle records.

"Residential parking permit program guidelines" or "guidelines" shall mean the City of East Palo Alto Residential Parking Permit Program Guidelines, as promulgated by the Director of the Department of Public Works.

10.40.30 Findings.

Each RPP area may be designated by the City Council only upon findings that such RPP area is required to enhance or protect the quality of life in the proposed RPP area and that such designation is necessary to provide reasonably available and convenient parking for the benefit of the residents in the RPP area. Such findings shall be based upon the following criteria established to the satisfaction of the City Council:

- A. Vehicles parked in the RPP area create traffic congestion, noise, or other disruption that disrupts neighborhood life; or a shortage of reasonably available and convenient off street parking spaces exist in the proposed RPP area;
- B. The establishment of the proposed RPP area would benefit a majority of the residents in the proposed RPP area and balance the impacts to adjoining areas outside of the proposed RPP area, and the proposed RPP program would be feasible in terms of cost, administrability, and enforcement; and
- C. No alternative solution is feasible or practical.

10.40.040 Designation of residential parking permit areas.

Through this ordinance a residential parking permit program is established. RRP areas may be designated, expanded, or amended by resolution of the City Council. The City Council shall consider designation of those areas satisfying the criteria set forth in this chapter. If the City Council determines that the criteria have been met, it may adopt a resolution designating a residential parking permit area. The designation or expansion of an RPP area may be initiated by utilizing either of the following methods:

- A. Initiation by City Council. The City Council may, by motion, initiate consideration of a RPP area by directing staff to undertake the data collection and outreach process set forth in Section 10.40.050B and C.
- B. Initiation by neighborhood petition. Residents may request the formation of an RPP area in their neighborhood or the expansion of an existing RPP area. The request and process shall be made, and considered, in accordance with the forms and procedures set forth in the guidelines. The petition must be signed by residents representing at least sixty seven percent (67%) -of the residences on each block upon which permit parking is proposed. Only one signature is needed per residence. The residence owner, renter, or occupant is eligible to sign the petition.
- C. Automatic Implementation. This Section does not preclude the City Council from adopting a resolution establishing areas based on a 75% occupancy threshold that would cause such requirements to spring into place, supported by an occupancy study, or some other threshold set by the Council, and providing for the automatic implementation of a parking permit program. The resolution would specify standards for the automatic establishment of permit parking requirements, including establishing RPP areas to which the occupancy threshold would apply, the means of measuring whether the threshold is met (e.g., based on an occupancy study

~~conducted consistent with Section 10.40.050.B., or some other threshold or metric), timeframe or scope of the parking occupancy study, the applicable fees and penalties, and other standards or considerations, without satisfying other procedural requirements set forth in Section 10.40.050.~~

10.40.050 Procedure for establishment of residential parking permit areas.

The establishment or expansion of a residential parking permit areas shall be made, and considered, in the following manner, except as otherwise provided for in this Chapter:

- A. Staff Review of Neighborhood Application/Petition. The Director shall review applications to establish or expand RPP areas initiated by neighborhood residents. The applications are to be made on a form approved by the Director. Failure to provide information requested by the Director that is reasonably necessary to implement this Chapter will be grounds for denial. Through discussions with the applicant, the Public Works Director will identify the draft program parameters, as set forth in the Guidelines, which may be amended from time to time, including, days and time limits when permit parking will be enforced and the geographic area of enforcement. The applicant will coordinate collection of signatures on a petition. The City Clerk shall review the signed neighborhood petition and verify that it meets the signature requirements set forth in this chapter and the guidelines. If the RPP area request does not meet the signature requirements set forth in section 10.40.040.A., the Director shall send a letter to the petitioners denying their request.
- A.B. Staff Review of Council Requests. The Director shall review requests to establish or expand RPP areas. The Public Works Director will identify the draft program parameters, as set forth in the Guidelines, which may be amended from time to time, including, days and time limits when permit parking will be enforced and the geographic area of enforcement. ~~The Council may appoint an ad hoc committee to provide guidance to the Public Works Director on various different issues, including the formulation of program parameters, which would return to the Council for consideration by the entire Council.~~
- C. Data Collection. ~~For applications initiated by neighborhood petition and applications initiated by City Council~~ City staff shall promptly complete parking occupancy studies to analyze and quantify, to the extent possible, the nature of the problem, ~~or to determine whether a threshold is met for the automatic establishment of a parking permit program for an RPP area or set of RPP areas, as set forth in Section 10.40.040.~~ For eligibility to establish or expand an RPP area, parking surveys must meet a minimum threshold of seventy-five percent (75%) occupancy of all the on-street parking spaces within the proposed RPP area during the proposed permit hours, unless otherwise provided for in this Chapter. The Director shall determine whether the minimum threshold is met and thus whether a permit parking restriction will be implemented. ~~If the RPP area does not meet the minimum parking occupancy requirement, the Director may send a letter to the petitioners denying their request~~
- D. Community Outreach. Upon completion of data collection, City staff shall prepare a draft resolution containing the proposed boundaries and hours of enforcement. Staff shall undertake an online survey of resident support within the RPP area. The recommended threshold for the creation or expansion of an RPP area is a vote of 67% of the returned surveys in favor of the program; however, the City Council may approve an RPP area with a simple majority (50% + 1) of the returned surveys in favor of the program. Staff shall mail notices to all residences within the proposed RPP area including the following information:

1. basic parameters of the proposed RPP program (proposed RPP area, hours/days of enforcement and parking prohibitions for non-permit holders, maximum number of permits per residence, and fees).
2. a link to the City's website with the full text of the draft resolution.
3. a link to an online survey where residents within the proposed RPP area can indicate their support or opposition to the designation of an RPP area in their neighborhood,
4. contact information for a City staff who can answer questions and assist residents without internet access with completing the survey, and
5. dates of upcoming public meetings (Public Works and Transportation Commission and City Council).

The applicant is encouraged to conduct additional outreach including holding neighborhood meeting(s) and going door to door to distribute a second copy of the notice mailed by the City to urge residents to complete the survey and attend the Public Works and Transportation Commission and City Council meetings. The results of this survey shall be reported to the Public Works and Transportation Commission and the City Council.

B.E. Public Works and Transportation Commission Review and Recommendation. Staff shall provide the Public Works and Transportation Commission an opportunity to consider the proposed RPP area at a noticed public hearing. The Commission shall review the draft resolution and make a recommendation to the City Council regarding the RPP area. This recommendation may include proposed modifications of the boundaries, hours of enforcement, or other matters as the Commission may deem necessary and desirable.

C.F. Adoption of Resolution Establishing or Expanding an RPP Area. Following the completion of the above procedures, and if in compliance with this Chapter, staff shall bring a resolution designating the proposed RPP area for Council consideration. At a minimum, the resolution shall specify:

1. The findings that the criteria set forth in this Chapter have been met;
2. The boundaries and the name of the RPP area;
3. Hours and days of enforcement of parking time restrictions and parking prohibitions that shall be in effect for non-permit holders; and
4. The procedure for obtaining parking permits, including the fee therefor.

The City Council shall hold a public hearing on a proposed resolution to establish the Residential Parking Permit area. The Council may adopt, modify, or reject the proposed resolution.

D.G. Resident Notice of Newly Adopted RPP Area. Upon designation or expansion of an RPP area, the City shall provide notice informing residents about implementation of the RPP area and its details.

10.40.060 Authority of Director.

The Director is authorized to establish the Guidelines, and rules and procedures to effectuate or implement the purposes and provisions of this Chapter, as limited herein, and to produce signs, forms, and other materials necessary, or appropriate, to effectuate or implement the provisions of this Chapter.

10.40.070 Issuance of permits.

Applications to authorize parking within a residential parking permit area may be made by any resident of a residence or dwelling unit within the residential parking permit area. Such application shall be the sole responsibility of the applicant, and shall be filed with the Director, or his or her designated representative. Applications for a resident parking permit must include all the following documentation:

1. A current DMV driver's license for each resident requesting a permit showing an address within the permit area; and
2. A current DMV vehicle registration for each vehicle showing an address within the permit area;
3. A current vehicle insurance policy showing the vehicle insured at the same address within the permit area; and
4. The Director is authorized to require ~~voter registration records or~~ any other information the Director requires by rules and procedures; and
5. Any information reasonably necessary for implementation of this Chapter, as determined by the Director.

Unless otherwise prescribed by the resolution establishing the residential parking permit area, each residence within an RPP area may receive, upon application, one parking permit at no cost to the applicant, subject to conditions established by the Director to effectuate the purposes of this Chapter.

Additional parking Permits may be given at no cost or purchased by applicants, upon application, subject to the availability, as determined by the Director. Permits issued to residents pursuant to this section shall require annual renewal. The City Council may, by resolution, establish fees for the issuance of permits or the transfer of a permit to a different vehicle or different address.

10.40.080 Guest parking permits.

Unless otherwise prescribed in the resolution establishing a residential parking permit area, each residence within an RPP area may receive twenty (20) one-day guest parking permits per year upon application, the form and conditions of which are approved by the Director to effectuate the purposes of this Chapter. Upon application, applicants may receive additional guest permits for one-day special events as approved by the Director.

10.40.090 Display of permits.

- A. Parking permits shall be displayed in a manner determined by the Director.
- B. The Director shall notify each permittee in writing of the proper manner in which to display a parking permit.
- C. The proper display on a vehicle of a valid parking permit issued pursuant to this chapter grants only the privilege of parking the vehicle in the RPP area for which the permit was issued.
- D. A valid parking permit issued under this chapter shall not guarantee or reserve to the holder an on-street parking space on any street or portion of street within the RPP area for which the permit was issued.

10.40.100 Enforcement.

- A. The Director shall cause appropriate signs to be erected at the entrance of a residential parking permit area and at intermediate locations as deemed necessary by the Director.

- B. The signs that the Director causes to be erected pursuant to this section shall provide clear notice of the days and times of the parking prohibition applicable to the street upon which the sign is erected.
- C. No person shall park a vehicle in an RPP area in violation of any posted or noticed time restriction or parking prohibition unless the person has a valid and current parking permit for that vehicle or is otherwise exempt. Violations of this subsection shall constitute an infraction offense.
- D. Any willful misuse of the parking permits, selling permits to others, altering permits, forging permits, copying permits, providing false or failing to provide reasonably necessary information to obtain permits, or any other basis for revocation, as determined by the Director that would effectuate the purposes of this Chapter, are not permitted and shall constitute an infraction. Such misuse shall also result in revocation of the parking permits for a period of one (1) year. A revocation of a parking permit may be appealed to the Director by filing a request for an appeal, on a form approved by the Director, within twenty-one (21) calendar days of the revocation. The appeal must state why the permit should not be revoked. Failure to state this basis shall be grounds for revocation without an appeal. The Director shall respond within twenty-one (21) calendar days and the Director's decision shall be final.
- E. Parking permit holders are not exempt from state and local traffic and parking rules.
- F. Parking permits are only valid in the RPP area for which the permit is issued.

10.40.110 Exempt vehicles.

The following vehicles are exempt from parking restrictions applicable to any RPP area: (1) vehicles owned or operated by any government agency, or contractor of a government agency, being used in the course of business; (2) refuse collection, utility, or other public agency service vehicles being used in the course of business; (3) commercial vehicles actively providing or performing services or making a pickup or delivery if parked in a manner consistent with applicable law, including the East Palo Alto Municipal Code 10.04.080; (4) any authorized emergency vehicle as defined in the California Vehicle Code when such vehicle is responding to an emergency, (5) vehicles displaying a valid disabled placard or license plate ~~in a designated disabled parking~~.

10.40.120 Vehicle Eligibility.

No residential parking permits will be issued to:

1. Vehicles with delinquent parking citations; or
2. Vehicles with expired registration; or
3. Vehicles registered under the California Vehicle Code as commercial vehicles; or
4. Recreational vehicles (RVs), boats, trailers, or oversized vehicles exceeding 22 feet in length or 7 feet in height.

10.40.130 Removal of residential parking permit area.

The City Council may, by resolution, terminate and dissolve any previously established RPP area or portion thereof. Such termination may be considered following receipt of a petition signed by residents representing at least 67 percent (67%) of the residences within the RPP area proposed for dissolution. Only one signature is needed per residence. The Director shall remove permit parking signs in accordance with any such resolution.

City of East Palo Alto Residential Parking Permit (RPP) Program Guidelines

PURPOSE

The goal of the Residential Parking Permit (RPP) Program is to regulate and manage on-street parking in residential neighborhoods. This document clarifies the procedures used by the City to implement the program.

BACKGROUND

On [DATE], the City Council adopted a Residential Parking Permit (RPP) Program Ordinance where neighborhood parking is regulated for non-permit holders. The Ordinance sets forth mechanisms to automatically enact permit parking restrictions within a RPP area based upon findings of a parking occupancy survey conducted under the direction of City staff as initiated by neighborhood petition, or as otherwise initiated by City Council. Three documents govern the creation of an RPP area in the City of East Palo Alto:

1. Chapter 10.40 of the East Palo Alto Municipal Code, which outlines the criteria that must be met and the process that must be taken for the designation, expansion, or dissolution of an RPP area.
2. A RPP area-specific resolution, which must be adopted by the City Council and outlines the specific characteristics of the individual RPP area.
3. The document within, “Residential Parking Permit (RPP) Program Guidelines”, which provides additional detail on RPP Program implementation. The Residential Parking Permit (RPP) Program Guidelines (Guidelines) may be modified by the Public Works Director and provide detail on policies and procedures related to RPP areas.

All three documents work in concert to govern the development and operation of the City's RPP areas.

POLICIES

The Guidelines establish the framework for initiating, operating, and removing residential parking permit areas. The RPP program is intended to regulate on-street parking in parking permit areas within the City in order to enhance or protect the quality of life in the proposed RPP area according to these policies:

The RPP program is intended for use in single family and multi-family residential areas, not in mixed-use areas where residents and businesses are expected to share parking.

Implementation of an RPP area *does not* guarantee the availability of parking spaces on a public street, or within a specific neighborhood, because more parking permits may be issued than there are available on-street parking spaces.

The hours and days of enforcement of parking time restrictions and parking prohibitions in effect for non-permit holders will be set forth in the RPP area-specific resolution.

Blocks within each parking permit area will be determined based on the potential of parked cars to overflow and impact adjacent streets, via a collaborative process between residents and Public Works Department staff. The final limits of the residential parking permit program area will be determined by the Public Works Director and subject to approval set by the City Council via resolution.

Parking permits will be issued only for *passenger vehicles* registered to residents of a property with at least one frontage within an RPP area. Commercial trucks, boat

trailers, RV's (camping trailers, motor homes, etc.), trailers and work-type commercial vehicles, including taxis and limousines, or any oversized vehicles are not eligible for resident parking permits. Other exclusions are contained within Chapter 10.40.

The maximum number of resident parking permits that may be issued per residence will be determined by the Public Works Director based on the characteristics of each neighborhood, but only one permit is issued per vehicle.

Up to twenty (20) one-day guest permits may be issued per residence each calendar year.

Permits may be transferred when the permit holder moves or the vehicle for which a permit has been issued is sold.

Signs will be posted in each RPP area indicating the time limitation and days during which parking is restricted.

Parking permits are not intended for use at parking meters, parking lots, or parking garages.

RPP parking permits are only valid for the RPP area for which they are issued.

Vehicles displaying parking permits are subject to all other parking restrictions, including loading zones, red zones, and accessible parking spaces.

Displaying a residential parking permit does not exempt the vehicle from the City's ordinance requiring a car to be moved every 72 hours.

By resolution of the City Council, a fee may be set for the permits.

Exceptions

RPP parking restrictions do not apply to vehicles owned or operated by any government agency, or contractor of a government agency, being used in the course of business.

Any refuse collection, utility, or other public agency service vehicles actively working for a property within the limits of an RPP area may park on-street in front of the property on which they are working without a permit.

Commercial vehicles actively providing or performing services or making a pickup or delivery are not required to have a parking permit when parked within an RPP area in a manner consistent with applicable law, including the East Palo Alto Municipal Code Section 10.04.080.

Any authorized emergency vehicle as defined in the California Vehicle Code when such vehicle is responding to an emergency is exempt from parking restrictions applicable to any RPP area.

Any vehicles legally displaying a valid disabled placard or license plate.

PROCEDURES

The procedures below provide for consistent parking permit area development from one neighborhood to the next. The Public Works Director has the flexibility to modify the following procedures when appropriate.

Area Creation or Expansion

Initiating Except as otherwise provided in Chapter 10.40, a new residential parking permit area or expanding an existing RPP area requires completion of the following steps:

1. Resident completes a Residential Parking Permit Program application form and submits it to the Public Works Director.
2. Through discussions with the applicant, the Public Works Director will identify the draft program parameters including days and time limits when permit parking will be enforced and the geographic area.
3. Applicant will coordinate collection of signatures on a petition. The petition will clearly identify the proposed streets to be included in the RPP area, the time limits, and general rules associated with the RPP program. At least 67% of the residences on each block must be reflected in the petition. Only one signature is needed per residence. The residence owner, renter, or occupant is eligible to sign the petition. Each house, apartment, condominium, accessory dwelling unit or junior dwelling unit will be considered a residence. City Council initiated requests may skip this step.
4. The City Clerk shall review applications to establish or expand RPP areas initiated by neighborhood petition to verify that it meets the signature requirements set forth in the RPP Program Ordinance and these guidelines. If the RPP area request does not meet the signature requirements, the Director shall send a letter to the petitioners denying their request.
5. Optional:

 - a. The applicant may request a neighborhood meeting to present the components of the RPP to the area.
 - a.b. The applicant may demonstrate the support of their homeowners' neighborhood association (if one exists) through the submittal of a letter of endorsement from that group. Any letters of support will be considered by the Public Works and Transportation Commission and the City Council.
- 2.6. Public Works staff will collect occupancy data on key street segments within the proposed RPP area. Only areas with an average occupancy rate of 75% or more during the proposed permit hours will continue in this process. If the RPP area does not meet the minimum parking occupancy requirement, the Director may send a letter to the petitioners denying the request.
7. After completion of the parking occupancy survey, City staff shall prepare a draft resolution containing the proposed boundaries and hours of enforcement. Staff shall undertake a survey of resident support within the RPP area. The applicant is encouraged to notify residents around the RPP area. The results of this survey shall be included in and reported to the Public Works and Transportation Commission and the City Council. The recommended threshold for the creation or expansion of an RPP area is a vote of 67% of the returned surveys in favor of the program, however the City Council may approve an RPP area with a simple majority (50% + 1) of the returned surveys in favor of the program. The results of this survey shall be included in and reported to the City Council.
8. Staff shall bring the proposed RPP area to the Public Works and Transportation Commission at a noticed public hearing. The Commission shall review the draft resolution and make a recommendation to the City Council regarding the RPP area. This recommendation may include proposed modifications of the boundaries, hours of enforcement, or other matters as the Commission may deem necessary and desirable.
- 3.9. Following the completion of the above procedures, staff shall bring a resolution designating the proposed RPP area for Council consideration. At a minimum, the resolution shall specify:

 - a. The findings that the criteria set forth in this chapter have been met;
 - b. The boundaries and the name of the RPP area;
 - c. Hours and days of enforcement of parking time restrictions and parking prohibitions that shall be in effect for non-permit holders;

d. The procedure for obtaining parking permits, including the fee therefor. The City Council shall hold a public hearing on a proposed resolution to establish the Residential Parking Permit area. The Council may adopt, modify, or reject the proposed resolution.

4.10. Upon designation or expansion of an RPP area, the City shall provide notice informing residents about implementation of the RPP area and its details.

5.11. The Director shall cause appropriate signs to be erected at the entrance of a residential parking permit area and at intermediate locations as deemed necessary by the Director. The signs shall provide clear notice of the days and times of the parking prohibition.

6.12. If the request for permit parking is denied or terminated, a second study of the same or similar RPP area will not be conducted for a minimum of 24 months unless there is a significant, identifiable change in parking characteristics as determined by the Director of Public Works.

OBTAINING A PARKING PERMIT

The City of East Palo Alto uses a virtual system to issue and manage parking permits. Under this system, parking permit software is used to link the vehicle license plate number to an electronic permit. The virtual permit system eliminates the need for hang tags or stickers and allows residents to obtain RPP area parking permits online 24 hours a day, 7 days a week at [LINK]. Residents who do not have access to the internet or need assistance with the online permitting process may apply for RPP permits by calling (XXX) XXX-XXX or visiting the City Permit Center at 1960 Tate Street. Assistance is available Monday through Friday, between 9 a.m. and 5 p.m. Interpretation services are available in Spanish and XXXX at this number.

Two types of permits are available: annual resident parking permits and one-day guest parking permits. Annual resident parking permits are intended for use by residents of a specific property within the RPP Area. One-day guest parking permits may be obtained by residents in RPP areas for use by their occasional guests.

Resident Parking Permits

To obtain a resident parking permit, a resident of an RPP area must include all the following documentation :

1. A completed application form (online) in the residents' name and address; and
2. A current DMV driver's license for each resident requesting a permit showing an address within the permit area; and
3. A current DMV motor vehicle registration for each vehicle for which the applicant is requesting a resident parking permit, showing an address within the permit area; and
4. A current vehicle insurance policy showing the vehicle insured at the same address within the permit area; and
5. The Director is authorized to require other readily verifiable forms of proof of residency, which may include ~~voter registration records or~~ any other information the Director requires by rules and procedures; and
6. Any information reasonably necessary for implementation of this Chapter, as determined by the Director.

Guest Parking Permits

Unless otherwise prescribed in the resolution establishing a residential parking permit area, each residence with an RPP area may receive twenty (20) one-day guest parking permits per year upon application. Upon application, residents may receive additional guest permits for one-day special events as approved by the Director.

Parking Permit Fees

The City Council may, by resolution, establish a fee for the issuance of permits or the transfer of a permit to a different vehicle or different address.

ENFORCEMENT

No person shall park a vehicle in an RPP area in violation of any posted or noticed time restriction or parking prohibition unless the person has a valid and current parking permit for that vehicle or is otherwise exempt.

The parking permit software tracks electronic permits linked to the registered vehicle's license plate number. When license plates are scanned by the enforcement staff, registered license plate information is automatically referenced against the parking permit database. If the license plate is not connected to a valid virtual permit, the vehicle will be subject to a parking citation. Though not required, individuals who want to place a physical permit on their dashboard may print one with the link provided by [VENDOR] after payment has been made.

Any willful misuse of the parking permits, selling permits to others, altering permits, forging permits, copying permits, and providing false information to obtain permits or any other basis for revocation, as determined by the Director that would effectuate the purposes of this Chapter, are not permitted. Such misuse shall result in revocation of the parking permits for a period of one (1) year. A revocation of a parking permit may be appealed to the Director of Public Works by filing a request for an appeal within twenty-one (21) calendar days of the revocation. The appeal must state why the permit should not be revoked. Failure to state this basis shall be grounds for revocation without an appeal. The Director shall respond within twenty-one (21) calendar days and the Director's decision shall be final.

Violations of Chapter 10.40 of the East Palo Alto Municipal Code shall constitute an infraction offense subject to fine or penalty as set forth in the East Palo Alto Municipal Code.



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 24, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Denise J. Garcia, Assistant to the City Manager
Shiri Klima, Assistant City Manager

SUBJECT: Introduction of Chapter 5.76 – Sidewalk Vendors Ordinance

Recommendation

By motion:

1. Waive the first reading and introduce an ordinance adding a new Chapter 5.76, Sidewalk Vendors, to update and clarify regulations governing sidewalk vending in the City of East Palo Alto, repeal the prior Chapter 5.76, Vending, make various other conforming amendments to the East Palo Alto Municipal Code as noted in the ordinance, and any amendments proposed by Council; and
2. Direct staff to return with a fee resolution setting the costs associated with the sidewalk vending pilot program; and
3. Find that the proposed action is not subject to the California Environmental Quality Act (“CEQA”) because it is not a “project” pursuant to CEQA Guidelines section 15061(b)(3), or alternatively, it is exempt pursuant to Sections 15301 (Existing Facilities); 15304 (Minor Alterations to Land) (e) for minor temporary use of land having negligible or no permanent effect on the environment; 15305 (Class 5 –Minor Alterations to Land Use Limitations), or 15308 (Actions by Regulatory Agencies for Protection).

Executive Summary

The State of California legalized sidewalk vending through Senate Bill 946 (SB 946) to expand economic opportunities, particularly for low-income and immigrant communities, while limiting local regulation to objective health, safety, and welfare concerns. Senate Bill 972 (SB 972)



further decriminalized street food vending and modernized food safety regulations to better accommodate compact mobile food operations, commonly known as sidewalk vending.

In East Palo Alto, many existing sidewalk vending operations do not currently meet State and County health requirements, largely due to the use of pop-up tents and tables that do not qualify as permitted compact mobile food vending structures. Through targeted outreach conducted in January 2026, vendors expressed a strong interest in operating legally and requested clear guidance, simplified permitting, and financial support to address cost barriers.

In response, staff developed a draft sidewalk vending ordinance that aligns with State law, reflects vendor feedback, and incorporates best practices from other jurisdictions. The ordinance establishes reasonable regulations related to hours of operation, public safety, cleanliness, insurance, and health compliance, while prioritizing education and voluntary compliance during the first year of implementation. When this proposed ordinance last came to Council, one Councilmember requested greater outreach to the vendors; staff did that by conducting additional sidewalk vendor outreach for two evenings in January, engaging with a total of 11 vendors.

To further support successful implementation, staff recommends a sidewalk vending pilot program focused on education, technical assistance, and limited financial support to help vendors obtain required permits and compliant equipment. Staff recommends City Council introduce the ordinance and provide direction on the proposed pilot program, with final adoption anticipated in early April 2026.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

- Priority: Land Use, Economic and Workforce Development

Background

Sidewalk vending plays a visible role in California's local economies, supporting entrepreneurship and cultural diversity, particularly among immigrant and low-income communities. In East Palo Alto, vending activity has increased in recent years, generating both community support and calls for clearer oversight regarding health, safety, and accessibility.

The City's existing ordinance, Chapter 5.76 VENDING, was adopted before Senate Bill 946 (SB 946), the Safe Sidewalk Vending Act, took effect in 2019, which decriminalizes sidewalk vending. The intent of the legislation is to expand economic opportunities, particularly for low-income and immigrant communities, by recognizing sidewalk vending as a legitimate form of small business activity.

SB 946 significantly limits the authority of cities to regulate sidewalk vending. Local regulations may not be based on perceived community opposition or concerns about economic competition. Instead, cities may adopt reasonable time, place, and manner regulations that are directly



related to objective public health, safety, and welfare concerns.

On [April 15, 2025](#), staff presented an analysis of sidewalk vending activities to the City Council, including current issues related to safety, ADA accessibility, environmental impacts, and potential connections to human trafficking; this staff report is available on page 104 at [17e1e691-ddc9-11ef-a9e2-005056a89546-3408cd31-ecd7-4429-9d91-65986d552499-1744153948.pdf](#).

On [September 23, 2025](#), the Council provided direction on several key provisions, including insurance requirements, trash receivable requirements, minimum distances from sensitive areas, and hours of operation, that staff refined for consideration in a formal draft ordinance; this staff report is available on page 13 at [3f9d5fa1-8d07-11f0-a766-005056a89546-3408cd31-ecd7-4429-9d91-65986d552499-1758586555.pdf](#). On [December 2, 2025](#), Council reviewed the draft ordinance and requested more outreach to our local vendors as well as solutions to some of the barriers the policy imposed on the vendors; this staff report is available on page 280 at [b2548140-ddd3-11ef-a9e2-005056a89546-3408cd31-ecd7-4429-9d91-65986d552499-1764706079.pdf](#). Today, staff is presenting a revised ordinance that incorporates Council feedback.

Analysis

Sidewalk vending, recognized by the County and State as Compact Mobile Food Operations (CMFOs), is distinct from mobile vending, such as food trucks. Mobile Food vending is from a motorized vehicle whereas CMFOs operate from a stand, pushcart, or other nonmotorized conveyance. Within sidewalk vending, State law recognizes two primary vendor types:

- **Roaming Sidewalk Vendor:** A vendor who moves from place to place and stops only long enough to complete a transaction.
- **Stationary Sidewalk Vendor:** A vendor who operates from a fixed location within the public right-of-way.

CMFO Governance Structure

It is important to note that the primary regulatory authority over sidewalk food vending rests with the State of California and San Mateo County, not the City. State and County laws establish mandatory requirements related to food safety, taxation, and health permitting. The City does not have the authority to modify, waive, or override these requirements. **The City's role is limited** to adopting local regulations that are consistent with State law and focused on objective health, safety, and welfare concerns, while balancing those requirements with the goal of supporting economic opportunity.

State Oversight

Food-related sidewalk vending is mostly governed by the California Retail Food Code (CalCode), which establishes standards for food safety, hygiene, temperature control, and food handling. The California Department of Tax and Fee Administration (CDTFA) regulates sales tax requirements, including the issuance of seller's permits.



While cities are not required to establish a local sidewalk vending program, vendors operating within city limits must still obtain the following as a standard that should be incorporated in the City's ordinance:

- City business license
- California seller's permit
- San Mateo County Health permit (for food vendors who meet permit requirements)

Senate Bills 946 and 972

SB 946 legalized sidewalk vending statewide and restricted local regulation to objective health, safety, and welfare concerns.

SB 972 further reformed sidewalk vending regulation by fully decriminalizing street food vending in California and modernizing the California Retail Food Code to better reflect sidewalk and cart-based food operations. These requirements are established under state law and enforced by local health departments, not cities.

Collectively, SB 972 reduced barriers for vendors by eliminating criminal penalties for most violations, creating the Compact Mobile Food Operations (CMFO) category with standards tailored specifically to food carts, simplifying health permit requirements for small and low-risk operations, reducing technical and equipment-related cart approval hurdles, and expanding allowable options for food preparation and cart storage through permitted home kitchens, shared kitchens, and commissaries, as authorized under State and County requirements.

Existing Vending Conditions in East Palo Alto

Most sidewalk vending structures currently observed in East Palo Alto do not meet the definition of CMFOs. Many vendors operate pop-up setups consisting of tents and tables, which do not qualify for County health permits under State and County regulations.

To operate legally, vendors using these setups would need to either modify their equipment to meet CMFO standards or transition to other permitted models such as food trucks or Microenterprise Home Kitchen Operations (MEHKOs).

Vendors selling pre-packaged food from carts smaller than 25 square feet are exempt from County health permit requirements. A limited number of vendors currently meet this exemption.

Vendor Outreach and Engagement

City staff conducted additional sidewalk vendor outreach in the evening hours on January 9 and January 16, 2026, engaging with a total of 11 vendors. San Mateo County Health staff participated in the outreach to provide guidance on permitting requirements.



Key findings from outreach include:

- Vendor demographics have shifted since early 2025, with an increasing number of vendors now coming from within the community.
 - 10 of the 11 vendors reported residing in East Palo Alto.
 - 9 vendors identified as owner-operators; 2 were employees.
- Only one vendor currently holds a City business license.
- Vendors expressed strong interest in a simple, clear, and accessible permitting process and indicated willingness to pursue compliance if provided with clear guidance and support.
- County health permit fees were consistently cited as a significant barrier.

Concerns were also raised regarding proposed vending hours. Vendors who operate primarily in the evening requested later hours, specifically beyond 9:00 p.m. Staff believe the proposed ordinance appropriately balances economic opportunity with residential quality-of-life considerations. The ordinance allows extended hours in non-residential areas.

Proposed Pilot Program

Given the complexity of sidewalk vending regulation and the need for coordinated, multi-departmental support, staff recommends implementation of a sidewalk vending pilot program with two primary components:

Education and Technical Assistance:

Partner with the Renaissance Entrepreneurship Center to provide a cohort-based program for sidewalk vendors. The program would cover business fundamentals and provide step-by-step guidance through the permitting process.

Financial Assistance:

Allocate a portion of the City's \$125,000 Small Business Grant Program to support East Palo Alto sidewalk vendors with startup costs, including approved vending equipment and permit application fees.

Staff may return to City Council after a year of implementation of the pilot program to evaluate the success of the program and refine the program if needed.

Summary of Key Provisions in the Draft Ordinance

The proposed ordinance reflects City Council direction, vendor feedback, and best practices from comparable jurisdictions. Key provisions include:

- **Insurance:** Vendors must indemnify and maintain general liability insurance. Staff will



provide outreach and education to support compliance.

- **Hours of Operation:** Residential areas: 9:00 a.m. to 9:00 p.m.; commercial areas: aligned with business operating hours. Impacts will be reviewed after one year.
- **Residential Zones:** Vending is generally allowed unless specific health, safety, or welfare concerns arise.
- **Trash and Clean-Up:** Vendors must provide trash receptacles and clean the surrounding area after operating.
- **Sensitive Areas:** Minimum distance requirements from emergency facilities, intersections, hydrants, and special events; ADA access must be maintained at all times.
- **Health Compliance:** Food vendors must hold a valid San Mateo County Health permit when required and comply with all applicable standards. Open flames are prohibited.
- **Noise Compliance:** Sidewalk vendors who use generators must adhere to the noise standards included in the City's Municipal Code.
- **Permit Process:** Administered by Public Works with bilingual assistance. Vendors must obtain a City business license and display a visible permit card.
- **Enforcement:** The first year emphasizes education and voluntary compliance. The ordinance includes two warnings prior to administrative fines.
- **City Fees:** Business license fee of \$89 (first year) and a reduced sidewalk vending application fee of \$126. County health permit fees apply where required.

For details of the key provisions included in the draft ordinance, please review the staff report from [December 2, 2025](#), available on page 280 at [b2548140-ddd3-11ef-a9e2-005056a89546-3408cd31-ecd7-4429-9d91-65986d552499-1764706079.pdf](#).

Next Steps

If the City Council introduces the ordinance, staff will incorporate feedback received during this hearing and return for final adoption in early April 2026. Upon adoption, the City will launch a bilingual education and outreach campaign to assist vendors with permitting, promote compliance, and support successful implementation of the ordinance.

Fiscal Impact

There is no fiscal impact on this item at this time.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental



The proposed action is not subject to the California Environmental Quality Act (“CEQA”) because it is not a “project” as it can be seen with certainty that it would not have a direct physical change or a reasonably foreseeable indirect physical change on the environment pursuant to CEQA Guidelines section 15061(b)(3). Even if it were a project subject to CEQA review, the proposed action is exempt pursuant to Section 15301 (Existing Facilities); 15304 (Minor Alterations to Land) (e) for minor temporary use of land having negligible or no permanent effect on the environment; 15305 (Class 5 –Minor Alterations to Land Use Limitations), and that it is further exempt pursuant to Section 15308 (Actions by Regulatory Agencies for Protection of the Environment), as it will not result directly or indirectly in significant environmental impacts.

Government Code § 84308

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Draft Ordinance



CONSENT ITEM 12.2



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 24, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Melvin E. Gaines, City Manager

SUBJECT: Trilateral Memorandum of Understanding with the County of San Mateo and EPACANDO to Facilitate Affordable Housing Development and Expansion of Martin Luther King Jr. Park

Recommendation

Adopt a resolution:

1. Authorizing the City Manager, or designee, to negotiate and execute a trilateral Memorandum of Understanding (MOU) and any documents required with the County of San Mateo and East Palo Alto Community Alliance and Neighborhood Development Organization (EPACANDO), in forms approved by the City Attorney, to facilitate the potential exchange of real property, interim site control, and future development of a 100% affordable housing project and expansion of Martin Luther King Jr. Park.
2. Finding that the proposed action is exempt from the City's Purchasing Ordinance pursuant to East Palo Alto Municipal Code Section 2.84.060(10) (contracts with other governmental entities); and
3. Finding that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA) under Class 25, Section 15325 of the State CEQA Guidelines (14 CCR § 15325).

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

- Comprehensive Housing
- Public Health, Safety, and Quality of Life



CONSENT ITEM 12.2

Background

The East Palo Alto City Council Strategic Priorities FY 2025-27 Work Plan includes a “Parks, Recreation, and Community Facilities Priority Project - PR-9 Negotiate with County to Finalize Acquisition of the Beech Street Property. The City of East Palo Alto (“City”) and the County of San Mateo (“County”) have discussed potentially swapping the City parcel at 2277 University Avenue for the County parcel at 1266 Beech Street since 2020. Both the City and County desired park expansion on Beech Street and affordable housing on University Avenue. To advance the City Council priority, staff has continued conversations with the County as well as engaged EPACANDO as another partner to make a housing project on University Avenue more feasible.

The City, County, and EPACANDO are considering entering into a trilateral Memorandum of Understanding (MOU) to establish a collaborative framework to explore a potential property exchange, affordable housing development, and park expansion effort. The proposed MOU is non-binding and does not commit any party to complete a property transfer, approve development, or expend funds. Instead, it establishes roles, coordination processes, and due diligence activities necessary to evaluate the feasibility of a future transaction that would remain subject to separate discretionary approvals by each party.

The County owns approximately 1.85 acres of vacant land located at 1266 Beech Street in East Palo Alto (Assessor’s Parcel Number 063-600-060) (“County Property”). The County Property abuts Martin Luther King Jr. (MLK) Park and is designated for Parks/Recreation/Conservation uses under the East Palo Alto Vista 2035 General Plan. The site is adjacent to low-density residential uses and environmentally sensitive areas, making it more suitable for park expansion than for high-intensity development.

The City owns approximately 0.36 acres at 2277 University Avenue (Assessor’s Parcel Number 063-302-460) (“City Property”), designated as Mixed-Use Corridor under the General Plan. The City Property is located along a major arterial roadway with access to transit and services, and is well-suited for high-density residential development, including affordable housing.

EPACANDO, which has played a longstanding role in the community as a catalyst for affordable housing development and neighborhood stabilization, holds an option to acquire the property adjacent to the City Property. The adjacent property is located at 2263 University Avenue (“2263 Property”), which consists of approximately 0.46 acres improved with three buildings built in 1931 containing seven rent-stabilized residential units.

While prior City and County efforts to exchange properties did not proceed to completion, the City and the County completed the Surplus Land Act requirements, and both properties were determined to be exempt surplus land by the California Department of Housing and Community Development. Attachment 3 summarizes the sequence of meetings and actions taken to facilitate this property exchange prior to this trilateral MOU.

In December 2025, County staff, City staff, and EPACANDO reconvened to explore a revised approach that incorporates the County Property, City Property, and 2263 Property, enabling a



CONSENT ITEM 12.2

larger and more feasible affordable housing development while advancing the City's long-standing goal of expanding MLK Park.

Analysis

The proposed trilateral MOU establishes a planning and coordination framework under which the City, County, and EPACANDO will coordinate actions to:

- Assemble the City Property and the 2263 Property into a single development site suitable for a 60+ unit, 100% affordable housing mixed-use project;
- Facilitate potential expansion of MLK Park through the City's possible acquisition of the County Property at 1266 Beech Street; and
- Provide EPACANDO with sufficient assurance to exercise its option to acquire and operate the 2263 Property on an interim basis pending development.

The MOU is intended to guide due diligence and collaboration only. It does not authorize development, require a property exchange, or obligate any party to proceed with future transactions. Any subsequent actions would require independent approvals by the City Council, County Board of Supervisors, and EPACANDO's governing body.

More specifically, the contemplated framework outlined in the MOU includes:

- The County granting the City an option to acquire the County Property;
- The City granting the County an option to acquire the City Property;
- EPACANDO exercising its option to purchase the 2263 Property and operating it on an interim basis while maintaining existing rent-stabilized units;
- EPACANDO potentially applying for County HOME and/or CHDO funds to perform light rehabilitation and health and safety repairs at the 2263 Property;
- The County conducting a competitive process, with EPACANDO participation, to select an affordable housing developer;
- EPACANDO participating as a co-developer, including community engagement and predevelopment activities;
- Completion of the property exchange at construction financing closing, at which time EPACANDO would convey the 2263 Property to the County; and
- The County ground leasing the assembled University Avenue parcels to the selected developer for construction and operation of affordable housing.

The MOU clearly delineates responsibilities among the Parties, including due diligence, title clearance, surplus land compliance, interim property operations, tenant relocation planning, developer selection, and entitlement coordination. All actions remain subject to future approvals by the County Board of Supervisors and EPACANDO. The County Board of Supervisors is scheduled to hear this item on February 24, 2026.

Execution of the proposed MOU does not commit the City to a future property exchange, nor does it provide development approval of any of the sites. The MOU provides a structured path



CONSENT ITEM 12.2

to evaluate and potentially implement the transactions. No exchange of funds is expected between the City and the County for their property exchange.

Next Steps

If approved, the parties will finalize execution of the trilateral MOU; support EPACANDO's acquisition and interim operation of the 2263 Property; initiate a competitive developer selection process; coordinate due diligence and predevelopment activities; and return to the City Council and to the Board of Supervisors with future actions as required, including approvals related to property exchange, ground leasing, and development financing.

Fiscal Impact

The City will not need any additional funds to complete the swap between the City and the County. EPACANDO has obtained its own funds to acquire 2263 University. Thus, there will be no fiscal impact in connection with these actions.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The proposed action is categorically exempt from the California Environmental Quality Act (CEQA) under Class 25, Section 15325 of the State CEQA Guidelines (14 CCR § 15325), which consists of the transfers of ownership of interests in land in order to preserve open space, habitat, or historical resources, as it entails the acquisition through exchange of real property for the purposes of expanding an existing park.

Government Code § 84308

Applicability of Levine Act: No, as the entitlement in question is an agreement between two or more governmental entities.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. Resolution
2. Memorandum of Understanding
3. Background Summary of Previous Meetings or Actions Taken

RESOLUTION NO. XX- 2026

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EAST PALO ALTO

AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A TRILATERAL MEMORANDUM OF UNDERSTANDING (MOU) AND ANY DOCUMENTS REQUIRED WITH THE COUNTY OF SAN MATEO (COUNTY) AND EAST PALO ALTO COMMUNITY ALLIANCE AND NEIGHBORHOOD DEVELOPMENT ORGANIZATION (EPACANDO), IN FORMS APPROVED BY THE CITY ATTORNEY, TO FACILITATE THE POTENTIAL EXCHANGE OF REAL PROPERTY, INTERIM SITE CONTROL, AND FUTURE DEVELOPMENT OF A 100% AFFORDABLE HOUSING PROJECT AND EXPANSION OF MARTIN LUTHER KING JR. PARK;

FINDING THAT THE PROPOSED ACTION IS EXEMPT FROM THE CITY'S PURCHASING ORDINANCE PURSUANT TO EAST PALO ALTO MUNICIPAL CODE SECTION 2.84.060(B)(10) (CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES);

AND FINDING THAT THE PROPOSED ACTION DOES NOT CONSTITUTE A "PROJECT" WITH THE MEANING OF THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) PURSUANT TO CEQA GUIDELINES SECTIONS 15378(B)(4) AND (5)

WHEREAS, on May 18, 2021, the City Council of East Palo Alto (City) Council adopted the Facilities Master Plan and affirmed the goal to pursue a potential exchange of the City's 2277 University Avenue (Assessor's Parcel Number 063-302-460) ("City Property") for the County's 1266 Beech Street parcel (Assessor's Parcel Number 063-600-060) ("County Property") to facilitate the expansion of MLK Park; and

WHEREAS, on March 15, 2022, the City Council adopted a Resolution Number 30-2022, authorizing the City Manager to enter into a Memorandum of Understanding (MOU) with the County to facilitate the potential property exchange; and

WHEREAS, on March 25, 2022, the City Manager signed an MOU and then the County Executive signed the MOU allowing City and County staff to continue exploring potential exchange; and

WHEREAS, on February 21, 2023, based on the County's interest in developing affordable housing on the City Property, the Housing staff added it as a potential development site in the City's 2023-2031 Housing Element; and

WHEREAS, on July 18, 2023, the City Council adopted a Resolution Number 64-2023, finding the City Property as "exempt surplus land," a letter having been to dispatched to HCD shortly thereafter, and authorized the City Manager to conduct due diligence activities including preparation of title reports, Phase I and II soil reports, geotechnical reports, appraisal reports, etc. to facilitate the property exchange; and

WHEREAS, on September 28, 2023, the California Department of Housing and Community Development (HCD) concurred that the City and County properties both qualified as "exempt surplus lands" which could be disposed; and

WHEREAS, on December 11, 2023, the City Planning Commission found the property exchange in conformance with the General Plan; and

WHEREAS, at the end of December 2023 the City/County MOU expired; and

WHEREAS, in December 2025, County staff, City staff, and EPACANDO reconvened to explore a revised approach that incorporates the property located at 2263 University Avenue ("2263 Property"), which currently consists of approximately 0.46 acres improved with three buildings built in 1931 containing seven rent-stabilized residential units, in order to enable a larger and more feasible affordable housing development while advancing the City's long-standing goal of expanding MLK Park; and

WHEREAS, the City Council finds that entering into the trilateral MOU with the County and EPACANDO supports the City's strategic goals; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EAST PALO ALTO HEREBY:

1. Finds the foregoing recitals are true and correct, and are incorporated by this reference into this action;
2. Authorizes the City Manager or designee to negotiate and execute the trilateral Memorandum of Understanding (MOU) and any documents required with the County of San Mateo and East Palo Alto Community Alliance and Neighborhood Development Organization (EPACANDO), in forms approved by the City Attorney, to facilitate the potential exchange of real property, interim site control, and future development of a 100% affordable housing project and expansion of Martin Luther King Jr. Park;
3. Finds that the proposed action is exempt from the City's Purchasing Ordinance pursuant to East Palo Alto Municipal Code Section 2.84.060(B)(10) (contracts with other governmental entities); and
4. Finds that the proposed action is categorically exempt from the California Environmental Quality Act (CEQA) under Class 25, Section 15325 of the State CEQA Guidelines (14 CCR § 15325).

PASSED AND ADOPTED this 24th day of February 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Webster Lincoln, Mayor

ATTEST:

APPROVED AS TO FORM:

James Colin, City Clerk

John D. Lê, City Attorney

Memorandum of Understanding
Between the County of San Mateo, the City of East Palo Alto and EPACANDO Regarding
Potential Real Property Transactions and Future Development

This Memorandum of Understanding Between the County of San Mateo, the City of East Palo Alto and EPACANDO Regarding Potential Real Property Transactions and Future Development (this "MOU") is made and entered into as of the Effective Date (defined herein) by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California (the "County"), the CITY OF EAST PALO ALTO, a municipal corporation (the "City"), and EAST PALO ALTO COMMUNITY ALLIANCE AND NEIGHBORHOOD DEVELOPMENT ORGANIZATION, a California non-profit public benefit corporation ("EPACANDO"). The County, City and EPACANDO may be collectively referred to herein as "Parties" and individually as "Party".

Recitals

WHEREAS, the Parties each have an interest in supporting the development of affordable housing and increasing usable public space; and

WHEREAS, the County is the owner of that certain real property located at 1266 Beech Street, in the City of East Palo Alto, State of California, consisting of approximately 1.85 acres, designated as San Mateo County Assessor's Parcel Number 063-600-060, hereinafter referred to as the "County Property" and which has a land use designation of Parks/Recreation/Conservation and Resource Management under the East Palo Alto Vista 2035 General Plan; and

WHEREAS, the City is the owner of that certain real property located at 2277 University Avenue, between Runnymede Street and Bell Street, in the City of East Palo Alto, State of California, consisting of approximately 0.36 acres, designated as San Mateo County Assessor's Parcel Number 063-302-460, hereinafter referred to as the "City Property", and which is designated as Mixed-Use Corridor under the East Palo Alto Vista 2035 General Plan; and

WHEREAS, EPACANDO holds an option to purchase from the current owner under a Purchase and Sale Agreement that certain real property located at 2263 University Avenue in the City of East Palo Alto, State of California, consisting of approximately 0.46 acres, designated as San Mateo County Assessor's Parcel Number 063-302-210, hereinafter referred to as the "2263 University Property," and which is adjacent to the City Property, and which includes improvements consisting of three buildings comprising seven rent-stabilized units; and

WHEREAS, the City wishes to take steps to facilitate the acquisition of the County Property for the purposes of constructing or causing the construction of an expansion of Martin Luther King, Jr. Park ("MLK Park") on the County Property to serve the recreation needs of the local area ("Proposed City Use"); and

WHEREAS, the County wishes to take steps to facilitate the acquisition of the City Property, together with the 2263 University Property, for the purposes of ground leasing such

properties to an affordable housing developer selected through a competitive process (the "Developer") for the construction and operation of affordable housing by such Developer, in collaboration with EPACANDO, with such transactions, if approved, to be consummated in connection with the close of construction financing for the development of a multi-family approximately 60+ housing unit, 100% affordable housing development at income levels and unit sizes to be determined on such properties ("Proposed County Use"); and

WHEREAS, the Zoning and General Plan land use designations of the City Property and 2263 University Property support a high-density residential use consistent with affordable housing development for such properties, and the City supports the Proposed County Use; and

WHEREAS, EPACANDO supports the Proposed County Use, and, if EPACANDO acquires (through a wholly-owned LLC) the 2263 University Property, intends to operate such property at least until the close of construction financing for the Proposed County Use and may apply for funding from the County in connection with the County's Notice of Funding Availability (NOFA) process for HOME and Community Housing Development Organization (CHDO) funds to finance light rehabilitation and to make such health and safety repairs to the current residential units on the 2263 University Property; and

WHEREAS, EPACANDO wishes to co-develop the 2263 University Property, together with the City Property, in collaboration with a development partner selected through the County's competitive process, and to participate with the County in the selection of such Developer; and

WHEREAS, the Parties are committed to exploring a potential exchange of the County Property and the City Property between the County and the City, to facilitate the Proposed City Use of the County Property and Proposed County Use of the City Property ("Property Exchange"), which Property Exchange may include the granting of options by the County and the City to each other, as may be approved by their respective governing bodies, and which would follow EPACANDO's exercise of its option to acquire the 2263 University Property, provided that the acquisition by the County of the 2263 University Property would be for purposes of ground leasing the same with the City Property, once acquired by the County, to a Developer in connection with the Proposed County Use, at the close of construction financing; and

WHEREAS, the steps necessary to complete the respective transactions, obtain the necessary approvals, and comply with associated legal requirements, and for the County to identify, select and enter into such necessary agreements with a Developer as may be necessary and advisable to facilitate the development of affordable housing by such Developer, will require further actions by County staff and authorizations by the County's Board of Supervisors, and by the City's governing body; and

WHEREAS, California Government Code section 25365(a) authorizes counties, by a four-fifths vote of the Board of Supervisors, to exchange real property with a city upon the terms and conditions as are agreed upon, where the real property to be acquired is required for County use; and

WHEREAS, California Government Code section 37351 authorizes cities to exchange real property as is necessary or proper for municipal purposes; and

WHEREAS, pursuant to the terms and conditions set forth herein, each Party wishes to take steps, subject to respective approvals as may be required, to facilitate the contemplated transactions, including the Property Exchange and development of the County Property, the City Property and the 2263 University Property in connection with the Proposed City Use and Proposed County Use.

Terms

1. **Term and Termination.** This MOU is effective upon the Effective Date and shall remain in effect until June 30, 2027 (the “Term”), unless modified by written amendment executed by the Parties. This MOU may be terminated by any Party as to such Party upon thirty (30) days’ written Notice for any reason, with or without cause.
2. **Purpose of MOU.** Through this MOU, the Parties intend to commit to undertaking certain actions to facilitate the Property Exchange, the Proposed City Use and the Proposed County Use, and the associated transactions, subject in all instances to further review and approvals by their respective governing bodies, and conditional upon EPACANDO acquiring and operating the 2263 University Property until construction finance closing for the development of a multi-family, 100% affordable housing project on the 2263 University Property and City Property.
3. **Responsibilities of the Parties.**

A. City Responsibilities.

1. Subject to Section 5 below, if EPACANDO acquires the 2263 University Property and operates such property on an interim basis until close of construction financing for the Proposed County Use, the City agrees to undertake the following actions:
 - i. Conduct due diligence activities and take such other steps as may be necessary to confirm the City Property as exempt surplus land pursuant to Government Code § 54221(f)(1);
 - ii. In consultation with the County and EPACANDO, sufficiently clear title to the City Property of any encumbrances, liens, and/or other claims that would preclude or limit use of the City Property for affordable housing development;
 - iii. Seek such approvals as may be required from the City’s governing body to facilitate the Property Exchange, which may include the granting of options by the County and the City to each other, to be completed in connection with the construction finance closing for the Proposed County Use;

- iv. Cooperate with the County, EPACANDO and any County-selected Developer to facilitate the merger of or parcel map adjustments to the parcels constituting the City Property and the 2263 University Property if necessary in connection with their development for affordable housing consistent with the Proposed County Use, and seek such approval of the City's governing body as may be required;
- v. Seek such approvals as may be required from the City's governing body to facilitate the Proposed City Use;
- vi. Conduct other such activities as may be reasonably requested by the County in preparation for disposal of the City Property and to facilitate the Proposed County Use, as may be reasonably requested by County.

B. County Responsibilities.

- 1. Subject to Section 5 below, if EPACANDO acquires the 2263 University Property and operates such property on an interim basis until close of construction financing for the Proposed County Use, the County agrees to undertake the following actions:
 - i. Conduct due diligence activities and take such other steps as may be necessary to confirm the County Property as exempt surplus land pursuant to Government Code § 54221(f)(1);
 - ii. In consultation with the City, sufficiently clear title to the County Property of any encumbrances, liens, and/or other claims that would preclude or limit use of the County Property for the Proposed City Use;
 - iii. Seek such approvals as may be required from the County's governing body to facilitate the Property Exchange, which may include the granting of options by the County and the City to each other, to be completed in connection with the construction finance closing for the Proposed County Use;
 - iv. Review and consider such applications as may be submitted by EPACANDO for funding from the County in connection with the County's NOFA process for HOME and CHDO funds to finance light rehabilitation and to make health and safety repairs to the current residential units on the 2263 University Property, subject to eligibility and availability of funding under such programs and approval by the County's governing body;
 - v. Conduct a competitive process, in consultation with and with the participation of EPACANDO, to identify and select, subject to approval by the County's governing body, a Developer to construct and operate affordable housing, in collaboration with EPACANDO, on the City Property and 2263 University Property, consistent with the Proposed County Use, and subject to such agreements as the County may require in a form acceptable to the County;
 - vi. Cooperate with the City, EPACANDO and any County-selected Developer to facilitate the assembly and/or consolidation of the City Property and the 2263 University Property as necessary in connection with their development for affordable housing consistent with the Proposed County Use and applicable law, and seek such approval of the County's governing body as may be required.

- vii. Seek such approvals as may be required from the County's governing body to facilitate the future acquisition of the 2263 University Property, for the purposes of ground leasing such property, together with the City Property acquired through the Property Exchange (conditional on completion of the Property Exchange), to a Developer selected through a competitive process for the construction and operation of affordable housing by such Developer consistent with the Proposed County Use;
- viii. Conduct other such activities as may be reasonably requested by the City in preparation for disposal of the County Property and to facilitate the Proposed City Use, as may be reasonably requested by City; and
- ix. Seek such approvals as may be required from the County's governing body to facilitate the Proposed County Use.

C. EPACANDO Responsibilities.

- 1. If EPACANDO acquires the 2263 University Property, EPACANDO agrees to undertake the following actions:
 - i. Manage, operate and maintain, directly or through retention and supervision of a qualified entity, the 2263 University Property in compliance with health, safety and habitability requirements and applicable law on an interim basis until construction finance closing for the development of a multi-family, 100% affordable housing project on the 2263 University Property and City Property;
 - ii. May apply for funding from the County in connection with the County's NOFA process for HOME and CHDO funds, and other available sources, to finance light rehabilitation and to make health and safety repairs to the current residential units on the 2263 University Property;
 - iii. Confer and cooperate with the City and County-selected Developer to develop and implement a reasonable and legally compliant plan for the relocation of tenants of the 2263 University Property, and retain sole responsibility for such relocation unless and until such responsibility is assumed by the County-selected Developer on terms agreeable to the County in its sole discretion;
 - iv. Cooperate with the County and comply with conflict of interest and other applicable requirements of the County in connection with participation in the selection of a Developer to construct and operate affordable housing on the 2263 University Property and City Property consistent with the Proposed County Use;
 - v. Cooperate with the City, County and any County-selected Developer to facilitate the merger of or parcel map adjustments to the parcels constituting the City Property and the 2263 University Property if necessary in connection with their development for affordable housing consistent with the Proposed County Use and applicable law, unless and until such responsibility is assumed by the County-selected Developer on terms agreeable to the County in its sole discretion;

- vi. Cooperate with the County and the County-selected Developer to conduct predevelopment activities consisting without limitation of community engagement in connection with the development of affordable housing consistent with the Proposed County Use and collaborate with the County-selected Developer in securing entitlements for the affordable housing development, unless and until such responsibility for securing entitlements is assumed by the County-selected Developer on terms agreeable to the County in its sole discretion.
- vii. Cooperate with the City and County to facilitate the Property Exchange;
- viii. Cooperate with the City and conduct other such activities as may be reasonably requested by the County facilitate the Proposed County Use, including use of forms of agreement and associated documents acceptable to the County, preparation for disposal of the 2263 University Property to County consistent with the development of affordable housing and agreement that the County's purchase price for acquisition of the 2263 University Property shall be determined by an appraisal acceptable to the County; and
- ix. EPACANDO will consider and provide reasonable cooperation in response to reasonable requests by City and/or County to effectuate the purposes of this MOU.

4. **Meet and Confer.** Without limiting their rights to terminate under Section 1 herein above, the Parties agree to meet and confer in good faith to discuss progress, coordinate action and consider amendments to this MOU in the event that the Proposed County Use, the Proposed City Use, the Property Exchange or the affordable housing development does not move forward or is determined infeasible for any reason, including, but not limited to, regulatory, environmental, legal, financial or other impediments.

5. **Option and Right of First Refusal.** In the event that the affordable housing development does not move forward or is determined infeasible for any reason, and if EPACANDO acquires and proposes to sell the 2263 University Property, (a) the County shall have an option to purchase the Property for a period of six months from the date of termination of this MOU or the date on which the contemplated affordable housing development fails to proceed or is determined infeasible, whichever is later, to purchase the 2263 University Property at the same price and on the same terms and conditions as the purchase of the Property by EPACANDO, and (b) thereafter, the County shall have a right of first refusal to purchase the 2263 University Property at the same price and on the same terms and conditions as those offered to the prospective transferee. The County shall have sixty (60) days from receipt from EPACANDO of a third-party offer to exercise its right of first refusal. This option and right of first refusal set forth in this section shall survive termination of this MOU, and is subject to the application of a credit at closing on the purchase of the 2263 University Property (pursuant to either the option or right of first refusal) in favor of EPACANDO for reasonable and necessary predevelopment expenses incurred in connection with the development of the 2263 University Property for

affordable housing that were not otherwise reimbursed or funded by the County, in an amount not to exceed \$100,000.

6. **No Reliance.** No Party has relied, and no Party shall be deemed to have relied, on any statement, representation, undertaking, projection, expectation, or course of conduct of any other Party in connection with this MOU, including without limitation any undertaking to prepare, submit, recommend, consider, or seek approval of any option, transaction, or agreement. Each Party expressly acknowledges and agrees that:
 - (a) Any undertakings set forth in this MOU are procedural and aspirational only, may be modified, delayed, or not performed, and are subject to the independent discretion and approval of the applicable governing body or decision-making authority;
 - (b) No Party has made, and no Party is authorized to make, any representation or assurance that any option will be prepared, submitted, approved, or consummated;
 - (c) No Party shall have any claim, cause of action, or right of recovery against any other Party arising out of or related to the failure to perform any undertaking described in this MOU, the failure to obtain governing body approval, or the decision not to proceed with any proposed transaction; and
 - (d) Each Party assumes the risk that the activities contemplated by this MOU may not occur and that no transaction may result.
7. **Amendments.** Any Party may request changes to this MOU. Any changes, modifications, revisions, or amendments to this MOU which are mutually agreed upon by and between the Parties to this MOU shall be incorporated by written instrument, and effective when executed and signed by all Parties to this MOU.
8. **Governing Law.** The construction, interpretation and enforcement of this MOU shall be governed by the laws of the State of California. The courts of the State of California, County of San Mateo shall have jurisdiction over any action arising out of this MOU and over the Parties, and the venue for any such actions shall be the Superior Court for the County of San Mateo or the United States District Court for the Northern District of California.
9. **Complete Agreement.** This MOU represents the entire, integrated MOU between the Parties regarding the subject matter hereof and supersedes all prior negotiations, representations and agreements, whether written or oral.

10. **Severability.** Should any portion of this MOU be judicially determined to be illegal or unenforceable, the remainder of the MOU shall continue in full force and effect, and either Party may renegotiate the terms affected by the severance.
11. **No Third-Party Beneficiary Rights.** The Parties do not intend to create in any other individual or entity the status of a third-party beneficiary, and this MOU shall not be construed to create such status. The rights, duties and obligations contained in this MOU shall operate only between the Parties to this MOU and shall inure solely to the benefit of the Parties to this MOU. The provisions of this MOU are intended only to assist the Parties in determining and performing their obligations under this MOU. The Parties to this MOU intend and expressly agree that only Parties signatory to this MOU shall have any legal or equitable right to seek to enforce this MOU, to seek any remedy arising out of a Party's performance or failure to perform any term or condition of this MOU, or to bring an action for the breach of this MOU.
12. **Indemnification.** Pursuant to Government Code Section 895.4, each Party agrees to fully indemnify, defend, and hold the other Party (including its appointed and elected officials, officers, employees, and agents) harmless and free from any damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions of the indemnifying Party, its appointed or elected officials, officers, employees, or agents, under or in connection with any activities undertaken in connection with this MOU. No Party, nor any appointed or elected official, officer, employee, or agent thereof, shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of any other Party, its appointed or elected officials, officers, employees, or agents, under or in connection, with any activities undertaken in connection with this MOU. For avoidance of doubt, the County shall not be required to defend, indemnify or hold the City harmless, nor shall the City be required to defend, indemnify or hold the County harmless, in connection with any and all liabilities arising from or related to the application for a Coastal Development Permit (emergency or otherwise) in connection with the Project.
13. **Notice.** Any notice, demand or request required or permitted to be given or made under this MOU (“**Notice**”) shall be in writing and will be deemed given or made when delivered in person, when sent by United States registered or certified mail, or postage prepaid, to a Party at its address specified below, with email copy as follows:

If to the County:

Mike Callagy
County Executive
County of San Mateo
500 County Center, Fifth Floor
Redwood City, CA 94063

with email copy to mcallagy@smcgov.org.

If to City:

Melvin Gaines
City Manager
City of East Palo Alto
2415 University Avenue
East Palo Alto, CA 94303

with email copy to:

If to EPACANDO:

Duane Bay
Executive Director
EPACANDO
2369 University Ave
East Palo Alto, CA 94303

The Parties may change their addresses for notice by notifying the other Party in the manner provided in this section.

14. **Conflict of Interest.** Each of the Parties shall avoid all conflicts of interest in the performance of this MOU and shall immediately notify the other Parties should a conflict of interest arise that would prohibit or impair its ability to perform under this MOU.
15. **Disputes.** The Parties agree that, with regard to all disputes or disagreements arising under this MOU that are not resolved informally at the staff level after a good faith attempt, the Parties may, at their sole and mutual discretion, agree to engage in mediation, and the costs of any such mediation shall be divided equally among the Parties involved in the mediation.
16. **Non-Discrimination.** The Parties will not discriminate, in any way, against any person based on sex, pregnancy, childbirth or related medical conditions, race, veteran status, religion, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, gender (including gender identity and gender perception), sexual orientation, use of family medical leave, genetic testing, or any other basis protected by federal or state law. This policy shall apply to all employment practices.
17. **Signatures.** In witness whereof, the parties to this MOU through their duly authorized representatives have executed this MOU on the dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this MOU as set forth herein. This MOU may be executed by a Party's signature transmitted by facsimile or

electronically, and copies of this MOU executed and delivered by such means shall have the same force and effect as copies hereof executed and delivered with original signatures. This MOU may be executed in counterparts, all of which will constitute one MOU. A copy or original of this document with all signature pages appended together will be deemed a fully executed, original MOU.

18. **Assignment**. No Party to this MOU may assign their interests under this MOU without the prior written consent of the other Parties.
19. **Relationship**. Nothing contained in this MOU shall be deemed or construed by the Parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between the Parties or any third party.
20. **Effective Date**. This MOU shall be effective upon execution of the Parties and approval by the governing bodies of the City and the County (the “**Effective Date**”).

COUNTY OF SAN MATEO,

By _____ Date: _____
Mike Callagy, County Executive

CITY OF EAST PALO ALTO,

By _____ Date: _____
Melvin Gaines, City Manager

EAST PALO ALTO COMMUNITY ALLIANCE AND NEIGHBORHOOD DEVELOPMENT ORGANIZATION,

By _____ Date: _____
Duane Bay, Executive Director

Potential Property Exchange between City of East Palo Alto and County of San Mateo

Background:

The City of East Palo Alto and the County of San Mateo respectively own properties located at 2277 University Avenue (APN 063-302-460; 0.36 acres) and 1266 Beech Street (APN 063-600-060; 1.85 acres).

The County's property has a land use designation of Parks/Recreation/Conservation and Resource Management under the East Palo Alto Vista 2035 General Plan, making it well-suited for park and open space-related uses. It is adjacent to low-density single-family development and the ecologically sensitive Ravenswood Preserve, making it one of the least suitable locations in East Palo Alto for high-intensity development, such as the high-density affordable housing project the County considered in early 2020. Not only is such a development incompatible with the property's General Plan and zoning designations, but it would also likely face significant, if not insurmountable, environmental constraints under the California Environmental Quality Act (CEQA).

In contrast, the City's property on University Avenue is designated as Mixed-Use Corridor in the General Plan. It fronts a major arterial road with direct and unrestricted access to the freeway. Coupled with its Mixed-Use Corridor zoning and the potential application of the State Density Bonus Law, the University Avenue property is well-suited for high-intensity development.

Given the distinct characteristics and land use designations of these two properties, and the dual goals of expanding Martin Luther King Park and developing high-density affordable housing, the City and County conceived the idea of exchanging the properties for their mutual benefit.

The following is a summary of the sequence of events that ensued to facilitate this property exchange.

Chronology of events:

1. October 26, 2020 City Planning Commission meeting – Attendees expressed the desire to acquire the adjacent 1266 Beech Street property to facilitate the expansion of Martin Luther King (MLK) Park.
Link: [October 26, 2020 Planning Commission](#)
2. November 17, 2020 City Council meeting (Meeting continued from 11/5/2020 which was cancelled for lack of quorum) – In recognition of the County's intent to

develop affordable housing at 1266 Beech Street City, staff presented an option to exchange the Beech Street property for the City-owned parcel at 2277 University Avenue. In a closed session discussion, the Council directed staff to approach the County to explore the exchange.

Link: [November 17, 2020 City Council](#)

3. May 18, 2021 City Council meeting – Council adopted the Facilities Master Plan and affirmed the goal to pursue a potential exchange of the University Avenue property for the Beech Street parcel to facilitate the expansion of MLK Park.
- Link: [May 18, 2021 City Council](#)
4. July 20, 2021 City Council meeting – Council adopted a resolution selecting Verde Design to complete MLK master plan and again expressed interest in acquiring the Beech Street property to aid the MLK expansion.
- Link: [July 20, 2021 City Council](#)
5. July 2021 City/County Staff meeting – Representatives met to discuss several items of joint interest, including the potential property exchange. City representatives offered to conduct analysis on the City-owned property to facilitate the exchange.
6. August 11, 2021 - Conceptual drawings of various development options for 2277 University Avenue are prepared for the County by Keyser Marston Associates.
7. February 2, 2022 - City/County Staff meeting - Representatives met again and agreed to enter into a Memorandum of Understanding (MOU) regarding possible exchange of their respective properties.
8. March 15, 2022 - City Council meeting - Council adopted a Resolution, Number 30-2022, authorizing the City Manager to enter into a Memorandum of Understanding (MOU) with the County to facilitate the potential property exchange.

Link: [March 15, 2022 City Council](#)

9. March 25, 2022 - City Manager signed the MOU allowing City staff to continue exploring the potential exchange.

10. April 19, 2022 - County Executive signed the MOU allowing County staff to continue exploring potential exchange.
11. February 21, 2023 – Based on the County’s interest in developing affordable housing on the City-owned property at 2277 University Avenue the Housing staff added it as potential development site in the City’s 2023-2031 Housing Element.
12. July 18, 2023 - City Council meeting - Council adopted a resolution finding 2277 University Avenue as “exempt surplus land,” and authorized the City Manager to conduct due diligence activities including preparation of title reports, Phase I and II soil reports, geotechnical reports, appraisal reports, etc. to facilitate the property exchange.

Link: [July 18, 2023 City Council](#)

13. August 24, 2023 - City Planning staff sent the Council’s resolution to the State Department of Housing and Community Development (HCD) seeking concurrence on the Council’s finding of “exempt surplus land” status for the 2277 University Avenue property.
14. August 28, 2023 - County Planning staff sent the Board’s resolution to HCD seeking concurrence on the Board’s finding of “exempt surplus land” status for the 1266 Beech Street property.
15. September 28, 2023 - HCD concurred that the City and County properties both qualified as “exempt surplus lands” which could be disposed.
16. December 11, 2023 - City Planning Commission meeting – Commission found the property exchange in conformance with the General Plan.

Link: [December 11, 2023 Planning Commission](#)

17. December 12, 2023 – City Planning staff contacted City Attorney John Le about extension of the MOU which was expiring at the end of December 2023. John advised the City Manager to contact his counterpart at the County to discuss the extension.
18. December 22, 2023 – City Planning staff got word from County Planning staff that the property exchange discussions were now in “a holding pattern.”
19. December 2023 – City/County MOU expired.



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: February 24, 2026

TO: Honorable Mayor and Members of the City Council

VIA: Melvin E. Gaines, City Manager

BY: Chris Dacumos, Contract Senior Planner
Elena Lee, Planning Manager
Shiri Klima, Assistant City Manager

SUBJECT: Call for Review by the City Council of a Decision by the Planning Commission to Not Approve Two Separate Applications to Develop 1675 Bay Road (Townhome Residential Project (DR25-004) and Mixed-Use Project (DR25-007))

Recommendation

Hold a vote of the City Council on whether commence call for review of the following Planning Commission's decisions:

1. Deny approval of the Design Review, Tentative Map, and Tree Removal Permit for the University and Bay at 4 Corners Townhomes Residential Project (Design Review Permit: DR25-004); and finding that the University and Bay at 4 Corners Townhomes Residential Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.66; and
2. Deny approval of the Design Review, Tentative Map, and Tree Removal Permit for the University and Bay at 4 Corners – Mixed-Use Project (Design Review Permit: DR25-007); and finding that the University and Bay at 4 Corners – Mixed-Use Project is exempt from CEQA pursuant to Public Resources Code Section 21080.66

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority: Comprehensive Housing

Priority: Land Use, Economic, and Workforce Development

Background



COUNCIL REPORTS ITEM 13.1

Planning Commission

On February 9, 2026, the Planning Commission held a public hearing to consider two projects submitted by Sand Hill Property Company to develop 1675 Bay Road. The staff report presented to the Planning Commission for the Mixed-Use project is included for reference as Attachment 1. The entire packet, including separate staff reports for both projects and related attachments, are available here for the February 9th [Planning Commission meeting](#)¹. The two projects considered by the Planning Commission include:

1. University and Bay at 4 Corners – Townhome Residential Project consisting of 106 Units, including 11 affordable units
2. University and Bay at 4 Corners – Mixed-Use Project consisting of 168 Units, including 25 affordable units, and 5,555 square feet of retail.

During the public comment period, speakers generally voiced support for the project citing that the project would provide needed housing units at a long vacant site, retail services and contribute to City revenue to support infrastructure and services. In addition to these comments, the Tamien Nation, a consulting California Native American Tribe with ancestral ties to the City of East Palo Alto, requested additional conditions to protect tribal cultural resources.

After concluding the public comment period, the Planning Commission discussed comments received, City policies and development standards, the approved alternative compliance plans for inclusionary housing, and each project's merits. Additionally, the Planning Commission discussed State laws related to the approval or processing of residential projects, including:

- State Density Bonus Law, including the required application by the City of waivers and concessions for qualified projects and if requested by the applicant
- Assembly Bill (AB) 130 which relates to finding the project statutorily exempt from the California Environmental Quality Act (CEQA) based on meeting criteria of the bill, requirements for tribal consultation, and requirements to approve or disapprove a project within 30 days from the conclusion of tribal consultation
- Housing Crisis Act (Senate Bill (SB) 330) which allows the vesting of development standards, policies, and ordinances for qualified projects
- Housing Accountability Act which mandates the approval of housing development projects that comply with objective general plan, zoning and subdivision standards and criteria

After considering the above, the Planning Commission made a total of seven motions to either approve or to not approve the two projects or AB 130 CEQA exemption findings as recorded in Attachment 2. One motion did not receive a second and was not voted on. Four other motions

¹ The link is to the entire Agenda Packet including attachments and exhibits. The attachment just includes the Staff Report with no attachments or exhibits. <https://d3n9y02raazwpg.cloudfront.net/cityofepa/f8b329cf-f278-11f0-bb28-005056a89546-b66d8e1b-5f57-400b-9799-cf3a802a8761-1770428531.pdf>



COUNCIL REPORTS ITEM 13.1

resulted in no decision made due to lack of a majority. The Planning Commission and staff discussed the outcomes of no decisions being made on either project. After receiving additional information that the projects would be deemed approved if no decision were made, **the Planning Commission made separate motions to not approve both projects.** The motions passed by four in favor, two abstentions and one absent.

Analysis

Pursuant to East Palo Alto Municipal Code (EPAMC) Section 18.116.030, the City Council may commence a call for a review of any determination or decision rendered by staff or the Planning Commission. One or more Council members may initiate the call for a review. Council member Mark Dinan submitted a request to the City Clerk to review the Planning Commission's decisions, which initiates this action. A majority vote of the Council members is required to review each of the Planning Commission's decisions. Should a majority of the Council vote to review the projects, the subject decisions will return to the Reviewing Authority (here: the Council) for de novo consideration the next available regularly scheduled meeting. Staff will provide greater detail and a summary of the Planning Commission's stated concerns at that meeting.

If the majority of the City Council votes not to review the Planning Commission's decision, the applicant may still appeal the Planning Commission's decision by February 24, 2026 in order for the two projects to be reviewed by the City Council. The applicant has indicated an intention to appeal the Planning Commission's decision. As of the writing of this staff report, an application for appeal by the applicant has not been received by staff. There are no fees associated by a call for review by the City Council. If the applicant or a member from the public were to appeal the project, the appellant must submit an application demonstrating the facts and basis of the appeal and pay a \$9,361 appeal fee.

Fiscal Impact

There is no fiscal impact for this item.

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The action being considered does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to CEQA Guideline section 15378 (b)(5), in that it is a government administrative activity that will not result in direct or indirect changes in the environment.

Government Code § 84308



COUNCIL REPORTS ITEM 13.1

Applicability of Levine Act: No, as the proposed action does not involve an entitlement.

Analysis of Levine Act Compliance: Not applicable.

Attachments

1. February 9, 2026, Planning Commission Staff Report (without attachments – see link for staff report with all attachments)

Public Hearing 8.2 – Mixed-Use Project



ATTACHMENT 1 EAST PALO ALTO PLANNING COMMISSION STAFF REPORT

DATE: February 9, 2026

TO: Honorable Chair and Members of the Planning Commission

VIA: Amy Chen, Community and Economic Development Director

BY: Chris Dacumos, Contract Senior Planner
Elena Lee, Planning Manager

SUBJECT: Proposed Projects at 1675 Bay Road:
University and Bay at 4 Corners Townhomes Residential Project
University and Bay at 4 Corners Mixed-Use Project

Recommendation

1. Adopt a Resolution Approving Design Review, Tentative Map, and Tree Removal Permit for the University and Bay at 4 Corners Townhomes Residential Project (Design Review Permit: DR25-004);
2. Finding that the University and Bay at 4 Corners Townhomes Residential Project is exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080.66
3. Adopt a Resolution Approving Design Review, Tentative Map, and Tree Removal Permit for the University and Bay at 4 Corners – Mixed-Use Project (Design Review Permit: DR25-007); and
4. Finding that the University and Bay at 4 Corners – Mixed-Use Project is exempt from CEQA pursuant to Public Resources Code Section 21080.66

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Public Hearing 8.2 – Mixed-Use Project

Priority: Promote Housing, Economic and Workforce Development

***Note.** Staff have prepared one staff report for both projects in order to reduce redundant narrative and to highlight that there is one owner and applicant and one site that would be subdivided to allow for the separate projects. Two items are listed on the Planning Commission Agenda since the applicant submitted two separate projects which requires separate approvals for each project. Additionally, listing the report as separate agenda items allows for easier review and organization of each project's attachments, which can be both technical and lengthy.

Background

Sand Hill Property Company (“Applicant”) submitted applications for two separate projects on one existing parcel located at 1675 Bay Road (Assessor Parcel Number (“APN”): 063-111-250) (Figure 1). The property is within the Ravenswood Business District/4 Corners Specific Plan (RBD) overlay district. The two projects are the Townhomes Residential Project (“Townhomes Project”) consisting of 106 for sale units and the Mixed-Use Project consisting of 168 for rent units (“Mixed-Use Project”). This staff report discusses both of the Applicant’s projects and requests for Planning Commission approval.

Figure 1: Existing Parcel



Project History

The Applicant submitted Preliminary Application (PRE) 24-003 on November 22, 2024 for the Townhomes Project and Pre-24-004 on December 2, 2024 for the Mixed-Use Project. The applicant sought to vest rights under Government Code Section 65589.5(o)(1), also known as [Senate Bill \(SB\) 330 or the Housing Crisis Act](#)¹. The rights vested under SB 330 include subjecting the proposed developments only to the ordinances, policies and standards adopted and in effect at the time a complete SB 330 preliminary application was submitted. Both of the Applicant’s SB 330 preliminary applications satisfied the City’s SB 330 completeness checklist. That means that the two projects are subject to the [2013 Ravenswood /4Corners Transit Oriented Development Specific Plan](#)² (2013 Specific Plan) and not the [Ravenswood Business District/ 4 Corners Specific Plan](#)³ which was adopted on December 17, 2024. Additionally, development impact fees applicable to the project are those with the effective date of July 1, 2024.

Additionally, in compliance with the City’s Preliminary Application Community Outreach policy, the Applicant:

¹ https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB330

² <https://www.ci.east-palo-alto.ca.us/planning/page/archived-2013-ravenswood4-corners-specific-plan-superseded-2024-rbd-update>

³ <https://www.ci.east-palo-alto.ca.us/planning/page/ravenswood4-corners-specific-plan-adopted-12172024>

Public Hearing 8.2 – Mixed-Use Project

- Published a [website⁴](#) providing general information on the project.
- Provided notice of the project and an invitation to a community meeting to addresses within a 600-foot radius of the project.
- Held a community meeting on February 27, 2025 on both projects at the Lewis & Joan Platt East Palo Alto Family YMCA in which 30 community members attended.
- Presented the project and received feedback to the:
 - Planning Commission on March 24, 2025; and the
 - City Council on April 1, 2025 from 6:30 PM to 8:30 PM The outreach event started with a project introduction and objectives.

The community, Planning Commission, and City Council provided feedback to the applicant on the following topics:

- Inclusionary Housing, including unit type, affordability, and amenities
- Expanding commercial uses
- Parking
- Breaking up massing along University Avenue
- Public/private open space
- Impacts to surrounding areas.

Following the conclusion of the Applicant's community outreach obligations, the Applicant submitted formal applications for each project in May 2025 meeting SB 330 timeline requirements for formal submittal in order to retain the vested rights. The Townhome Project's formal application permit number is Design Review (DR) 25-004 and the permit number for the Mixed-Use Project is DR25-007. The Applicant submitted two requests for alternative compliance with the City's Inclusionary Housing Ordinance in July 2025. On September 2, 2025, the City Council held a public hearing to consider the Applicant's requests. The City Council subsequently adopted resolutions finding the Applicant's two Alternative Compliance Plans met the City's Inclusionary Housing Ordinance requirements.

The Applicant conducted additional outreach on the formal proposed projects on Tuesday, January 27, 2026. The meeting was also held at the YMCA with fifteen attendants. Comments were provided verbally and in writing, centering on the design, activating the site, adding housing, incorporating public art onsite, and parking. With regard to parking, those who attended felt comfortable after receiving more information on the availability of parking onsite.

Project Description

Table 1. Project Data	
Project Element	Detail/Description
Applicant / Owner	Sand Hill Property Company / Four Corners EPA Property Owner, LLC

⁴ www.universityandbay.com

Public Hearing 8.2 – Mixed-Use Project

Table 1. Project Data		
Location	1675 Bay Road	
APN	063-111-250	
Size of Existing Site	6.06 acres	
Existing Use	Undeveloped, vacant lot	
Surrounding Uses	North: Existing single-family residential South: Medium family residential, Government West: Commercial, Government, Single family residential East: Existing single-family residential	
General Plan Designation	Mixed Use High	
Existing Zoning	Ravenswood Specific Plan Overlay District - 4 Corners Gateway	
Surrounding Zoning	University Village to the north and east, 4 Corners Gateway to the south and west	
	Townhome Project	Mixed-Use Project
Proposed Acreage	4.61	1.45
Total Number of Units	106	168
Number of Affordable Units	11 (10 % of total units)	25 (20% of base units)
Number of Stories / Height (6 stories max)	3 (39')	6 (75')
Maximum Floor Area Ratio (1.5)	Not Applicable	0.09
	<i>Required / Provided</i>	<i>Required / Provided</i>
Number of Parking Spaces	211 / 229	168 / 256
Number of Short-Term Bicycle Spaces	8 / 8	12 / 13
Number of Long-Term Bicycle Spaces	36 / 106	56 / 64

The applicant is seeking to subdivide the existing vacant parcel (Figure 1) into two separate parcels: one for the Townhome Project (Figure 2) and the other for the Mixed-Use Project (Figure 3).

Public Hearing 8.2 – Mixed-Use Project

The Townhome Project (Figure 2) consists of 106 townhome units between approximately 1,200 and 2,000 square feet (sf) of net living area. The bedroom mix includes 2, 3 and 4 bedroom units. Each unit includes a garage with up to two spaces for vehicular parking. Seventeen additional surface parking spaces are provided on site. Each unit also includes 1 long-term bicycle space, with 8 additional short-term spaces provided onsite. Primary frontage is provided via Bay Road, with secondary frontage along University Avenue. Additional site access is provided from Michigan Avenue and Fordham Street. Common open space of approximately 31,000 sf is provided.

The Mixed-Use Project (Figure 3) consists of 168 for rent units between approximately 400 and 1,100 sf of net living area. The bedroom mix includes studios, 1, and 2 bedroom units. Vehicle parking is provided entirely in a central parking garage with the residential units wrapped around. The Mixed-Use Project provides 218 spaces for residential units and 38 spaces for non-residential units. Bicycle parking is composed of 63 long-term spaces for residential units, and one long-term space for non-residential uses; 12 short-term spaces for residential uses and one space for non-residential uses. The Project would provide approximately 17,000 sf of common open space for tenants. The project also proposes to include a pet washing station. Primary access is provided from Bay Road through the Townhome Project. Secondary access is provided from University Avenue. The primary frontage is along University Avenue.

Analysis

The applicant is requesting the Planning Commission's approval of Site Plan and Design Review, Tentative Map, and Tree Removal for both Projects.

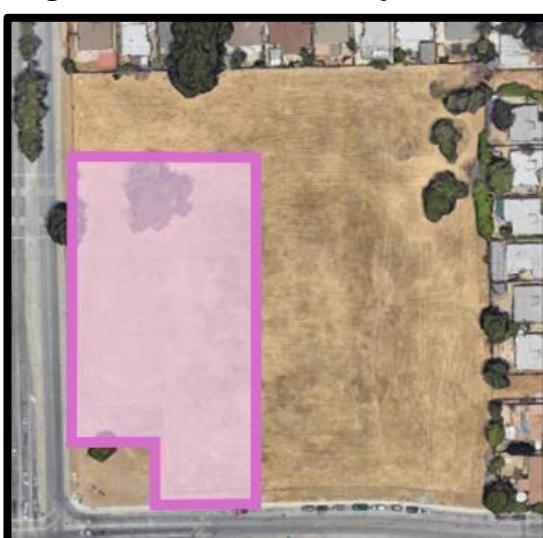
General Plan

The project site has a [General Plan](#)⁵ land use designation of Mixed-Use High (MUH) based on the General Plan provisions in place on the date a complete SB 330 preliminary application was

Figure 1: Townhome Project Area



Figure 3: Mixed-Use Project Area



⁵ <https://www.cityofepa.org/planning/page/vista-2035-general-plan>

Public Hearing 8.2 – Mixed-Use Project

submitted. As noted above, Sand Hill has satisfied the SB 330 preliminary application requirements and the MUH density standard in the Vista 2035 General Plan must be used for the mixed use project because the Housing Accountability Act allows developers to utilize either the General Plan or zoning standards to identify the maximum allowable density for base units.

This MUH designation is meant to support new enlivened, thriving districts for East Palo Alto, by accommodating multi-story mixed use buildings. This designation provides for vertical and horizontal mixed-use development at key locations within the City, including the Ravenswood 101 Shopping Center, and 4 Corners/Bay Road specific plan area. Residential-only projects are not allowed. At least 35% of the ground floor space of building shall be retail space in those areas. Allowed land uses include multi-family residential, attached single family residential, retail, services, office and research and development (R&D). As will be discussed in the State Density Bonus Law (SDBL) section, the applicant requests a concession to allow for residential uses and a waiver requiring that at least 35% of the ground floor space be retail.

For the Mixed-Use Project, given the percentage of affordable housing provided (20% of base units), the project qualifies for a 35% density bonus under SDBL as shown in Table 2. The 35% increase allows up to 116.1 dwelling units per acre.

Table 2. General Plan Evaluation

Category	Allowed	Townhome Project	Mixed Use Project
Density	86 units per acre (max)	23 units per acre	116 units per acre
Intensity (FAR)	2.5 max	Not Applicable	0.09
Height	100' or 8 stories, whichever is higher (max)	3 stories above grade; 39'	6 stories above grade; 75'
Ground Floor Retail	35% (required)	None Proposed	20%

Zoning

Under the 2013 RBD Specific Plan, the project site would fall under the "4 Corners Gateway" zoning district, which is intended to support an enlivened, thriving "downtown" for East Palo Alto, focused around the intersection of University Avenue and Bay Road. This zoning district also accommodates multi-story mixed use buildings that have retail stores or community facilities on the ground floor, with apartments or condominiums on upper floors.

Public Hearing 8.2 – Mixed-Use Project

Table 3. Specific Plan Consistency Evaluation			
Category	Allowed	Townhome Project	Mixed Use Project
Density	60 dwelling units per acre (max); 120 total units for the project	23 units per acre	116 units per acre
Intensity (FAR)	1.5 (max) for non-residential units and commercial components in mixed use projects	Not Applicable	0.09
Height	6 stories above grade, plus an additional 15' for equipment	3 stories above grade; 39'	6 stories above grade; 75'
Ground Floor Height⁶	16' (min)	8'1"	17'

State Density Bonus Law

[California's Density Bonus Law](#)⁷ (Government Code Section 65915) allows a developer to increase density on a property above the maximum set under a jurisdiction's General Plan and zoning. In exchange for the increased density, a certain number of the new affordable dwelling units must be reserved at below market rate (BMR) rents. Qualifying projects can also receive reductions in required development standards via waivers and/or concessions.

Alongside the State Density Bonus, requirements of the City's Inclusionary Housing Ordinance (IHO) would need to be met. As noted above, the City Council approved Alternative Compliance Plans for each of the projects. More details regarding the IHO can be found on the City's website⁸.

As described in the Project Description, the Townhome Project proposes 10 percent of the units (11 units) at the moderate -income level (120% of Area Median Income). The Mixed-Use Project proposes twenty percent of the base units (25 units) at the City-defined median income level (80% of Area Median Income). The Area Median Income for San Mateo County for the current fiscal year is available on page 17 of the State's document: ["2025 State Income Limits"](#)⁹. The 2025 State Income Limits documents provides the income levels for households of certain sizes and include Acutely Low, Extremely Low, Very Low Income, Low Income, Median Income, and Moderate Income Levels.

⁶ State density bonus regulations permit the use of waivers from development standards to encourage the construction of additional housing. The applicant would be requesting a waiver from the General Plan ground floor retail percentage requirement.

⁷ https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=65915&lawCode=GOV

⁸ Inclusionary Housing Ordinance webpage: <https://www.cityofepa.org/housing/page/inclusionary-housing>

⁹ <https://www.hcd.ca.gov/funding/income-limits/state-federal-income-limits>

Public Hearing 8.2 – Mixed-Use Project

The state density bonus law requires a city or county to provide a developer who agrees to construct specified percentages of units for lower income, very low income, or senior citizen housing, among others, with a density bonus and other incentives, concessions, and waivers upon their request. Chapter 18.36 of the East Palo Alto Municipal Code implements the state law.

State Density Bonus Law allows qualified projects to request waivers and concessions for reduced development standards, including setbacks, square footage requirements, parking, and open space. The applicant requests to utilize the density bonus for concessions and waivers from use requirements, development standards and other development regulations.

The applicant requests the following concessions and waivers:

- Concessions to allow residential uses on the ground floor of both projects.
- Waiver for both projects from the requirement that at least 35% of the ground floor space be retail space.
- Waiver from the maximum setback along Bay Road and University Avenue for the Townhome Project.
- Waiver from the 16' minimum ground floor height for the Townhome Project.
- Waiver from the 30' rear setback requirement for the Mixed-Use Project. The project's rear setback is proposed at 0' from the property line it shares with the Townhome Project.

Assembly Bill 130

On June 30, 2025, Governor Gavin Newsom signed Assembly Bill (AB) 130 into law to further streamline housing development. The legislation was a comprehensive bill making permanent many temporary housing streamlining measures and limits local discretion over housing approvals. AB 130 removed multiple sunset dates from the Housing Crisis Act of 2019 and related statutes, permanently limiting the number of public hearings, strengthening objective-standards requirements, and enforcing strict timelines for application completeness and project approvals under the Permit Streamlining Act.

The bill also temporarily freezes the adoption of new or more restrictive local residential building standards through mid-2031, with narrow exceptions. In addition, AB 130 expands and modifies California Environmental Quality Act (CEQA) exemptions with a new statutory exemption, which further streamlines the environmental pathway for qualifying housing projects, including large and infill developments, while imposing labor environmental safeguard requirements, and tribal consultations.

Additionally, once a housing application is deemed complete, AB 130 requires the City to approve or disapprove a project within Permit Streamlining Act timelines. However, if the project relies on the AB 130 CEQA statutory exemption, a project is subject to specific AB 130 tribal consultation requirements and timelines. The City is required to approve or disapprove of a project within 30 days of the later of the conclusion of tribal consultation or the date by which the

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City must notify a project applicant of project inconsistencies (if any) with City regulations and development standards. The following section describes the tribal consultation process with respect to the Townhome Project and Mixed-Use Project.

AB 130 Tribal Consultation

On October 14, 2025, the Applicant formally requested the City proceed pursuant to the AB 130 CEQA exemption for the two projects. Under AB 130, the City was required to provide timely notice of the proposed project and an invitation to consult to each California Native American tribes that is traditionally and culturally affiliated with the project site. If consultation is requested by a California Native American tribe, the City must engage in good-faith consultation to identify and, where feasible, avoid or mitigate impacts to tribal cultural resources.

AB 130 includes a list of minimum binding conditions for project approval. and requires the City to:

- 1.) Give deference to the tribal information, tribal knowledge and customs, and the significance of the resource, and
- 2.) Seek to find measures that would avoid significant impacts to a tribal cultural resource.

After receiving the Applicant's request to proceed with the AB 130 exemption, the City sent a notice of the proposed projects and an invitation to consult with the City on October 24, 2025 to the following tribes as identified by the Californian native American Heritage Commission as having ties to San Mateo County:

- Amah Mutsun Tribal Band
- Amah Mutsun Tribal Band of Mission San Juan Bautista
- Costanoan Rumsen Carmel Tribe
- Indian Canyon Mutsun Band of Costanoan
- Muwekma Ohlone Tribe of the San Francisco Bay Area
- Tamien Nation
- The Ohlone Indian Tribe
- Wuksachi Indian Tribe / Eshom Valley Band

Of the tribes listed above, three responded to the City's invitation and requested consultation: the Indian Canyon Mutsun Band of Costanoan Ohlone People, the Muwekma Ohlone Tribe of the San Francisco Bay Area, and the Tamien Nation. Of the tribes that requested consultation, the Tamien Nation responded to the City's scheduling request within the timelines allowed by AB 130.

Additionally, staff conducted a courtesy consultation with the Indian Canyon Mutsun Band of Costanoan Ohlone People since the date of the consultation was outside of the state allowed period for consultation. Many of the measures requested by the Indian Canyon Mutsun Band of Costanoan Ohlone People were consistent with those requested by the Tamien Nation.

After reviewing the proposed conditions, staff determined the City can only include measures consistent with AB 130 and those supported by General Plan and Specific Plan policies. One of

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the measures is to include an acknowledgement and memorialization of peoples past and present who inhabit the area, especially those with indigenous ancestry to the land. The other conditions required specific measures if remains are encountered.

Site Plan and Design Review

Townhome Project

The project is composed of three-story townhome buildings arranged around internal drive aisles, pedestrian pathways, and shared open spaces. Buildings are oriented toward Bay Road, University Avenue providing clear ingress and egress. Landscaping, paseos, and open areas are integrated throughout the site to break up building mass and provide visual relief. Overall, the site design reflects its corner location within the Four Corners area.

The buildings are articulated along all elevations to reduce perceived bulk and scale. Elevations incorporate variations in wall planes, roof forms, and fenestration patterns, creating visual interest. The character of the buildings is consistent with University Village by incorporating building forms, varied roof profiles, and materials that reflect the single-family neighborhood. Exterior materials include a fiber cement siding, stucco, and accent materials used to differentiate building volumes and individual units. Windows, balconies, and entries are placed to provide interest along façades while supporting natural light and ventilation.

Architectural detailing emphasizes a clear base, middle, and top, consistent with the 2013 Specific Plan's design standards. Building height, massing, and site organization comply with applicable development standards and design guidelines governing scale, articulation, and neighborhood compatibility. The internal parking strategy, street-facing entrances, and pedestrian circulation advance the Plan's objectives for walkability. Collectively, the site planning and architectural design implement the Specific Plan's vision for a well-designed, transit-supportive residential development at Four Corners.

Additional analysis reflecting the project's consistency with the General Plan's and the 2013 Specific Plan's goals and policies are provided in Exhibit A to Attachment 1.

Mixed-Use Project

The site plan places active ground-floor retail and residential common areas along University Avenue and Bay Road, establishing a continuous street wall and pedestrian-oriented frontage consistent with the 2013 Specific Plan's urban design objectives. Vehicular access and garage entry are oriented away from primary pedestrian frontages, while internal circulation emphasizes safe pedestrian and bicycle connections to surrounding sidewalks, transit facilities, and the planned public realm. A landscaped courtyard and paseo provide shared open space and visual relief while maintaining a strong perimeter building form

The building consists of six stories, wrapping around an above ground parking garage. Upper-

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story massing is modulated through setbacks, articulated volumes, and varied façade planes to reduce perceived bulk and reinforce a human-scaled streetscape. Elevations feature a contemporary architectural expression utilizing masonry or brick cladding, metal panel accents, and window glazing. Balconies, recessed openings, and vertical articulation further break down building massing and align with 2013 Specific Plan design guidance for façade modulation and pedestrian compatibility

Overall, the project is consistent with the General Plan Mixed-Use High land use designation and the 2013 Specific Plan by concentrating residential density near transit, integrating neighborhood-serving retail, and reinforcing an active, walkable streetscape. The site layout, building height, and architectural treatment advance 2013 Specific Plan goals for transit-oriented development, urban design quality, and activation of key corridors. The proposed materials, elevations, and site organization support a mixed-use environment that contributes to the Four Corners district.

Additional analysis reflecting the project's consistency with the General Plan's and the 2013 Specific Plan's goals and policies are provided in Exhibit A to Attachment 2.

Tentative Map

Separate tentative maps were prepared for both the townhome and mixed-use projects. The tentative maps would establish the parcel configuration, access, and common areas necessary to accommodate the 106-unit Townhome Project and the 168-unit Mixed-Use Project, internal drive aisles, pedestrian circulation, and shared infrastructure. The subdivision is designed to provide orderly development, adequate access to public streets, and connections to existing utilities, while reserving common areas for circulation, landscaping, and stormwater facilities. Additional analysis making required findings for the tentative maps are included in separate Exhibit A's to each project's resolution for approval.

Tree Removal Permit

Table 3 below provides information on the total number of trees proposed for removal and to be planted.

Table 4. Tree Details		
Removal	Townhome Project	Mixed-Use Project
Non-Protected Trees	4	0
Protected Trees	9	1
Total Trees to Be Removed	13	1
<hr/>		
New Trees Proposed	207	11

The proposed removal of protected trees is consistent with the City's tree removal criteria, as documented in the project's arborist evaluation and site design constraints. Several protected trees are located within building footprints, required fire access areas, and essential

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infrastructure corridors, and their preservation would preclude implementation of a well-integrated site design that furthers General Plan and Specific Plan objectives for housing, circulation, and neighborhood compatibility. In these locations, avoidance or preservation would require substantial redesign that would undermine site functionality or eliminate required access and safety improvements.

The mixed-use project proposes to remove one off-site tree within the public right-of-way, which requires a separate permit and will be subject to separate review and approval by the Public Works Director in accordance with East Palo Alto Municipal Code Section 12.16.080.

The Applicant proposes to plant a significant number of trees across both projects. The proposed trees would be distributed along public frontages, internal drive aisles, and pedestrian pathways to reinforce circulation patterns, provide shade, and define common open spaces. The placement and species selection complement the site plan by softening building massing, enhancing walkability, and integrating landscaping with the project's overall circulation and open space framework.

Fiscal Impact

Pursuant to SB 330 the development and impact fees applicable to the two projects are those that are subject to the Mitigation Fee Act and were in effect when complete SB 330 preliminary applications were submitted to the City. The development and impact fees effective July 1, 2024 but prior to the Impact Fee updates effective on May 5, 2025 are applicable to the project.

The estimated development and impact fees generated by the projects are shown under Table 5:

Table 5. Development and Impact Fees

	Estimated Development and Impact Fee Amounts	
Development Fee	Townhome Project	Mixed-Use Project
Parks and Trails Impact Fee	\$438,098.00	\$478,296.00
Public Facilities Impact Fee	\$768,288.00	\$838,824.00
Storm Drain Impact Fee	\$395,583.33	\$161,483.06
Transportation Impact Fee	\$249,948.00	\$298,200.00
Water Capacity	\$863,582.00	\$842,352.00
Total	\$2,715,499.33	\$2,619,155.06
Grand Total	\$5,334,654.39	

Public Hearing 8.2 – Mixed-Use Project

Public Notice

The public was provided notice by making the agenda and report available on the City's website and on a bulletin board located at City Hall: 2415 University Avenue, East Palo Alto.

Environmental

The projects were determined to be exempt from the California Environmental Quality Act (CEQA) pursuant to the new statutory exemptions enacted by the passage of Assembly Bill 130 and codified under Public Resources Code 21080.66. The analysis of the exemptions are available on the City's webpages for each of the prospective projects. The analyses identify how the projects qualify for CEQA exemption under AB 130. The analyses also include a listing of appendices after the conclusion of the analysis which includes:

- Relevant sections of Government Code and Public Resources Code governing the evaluation of the project
- Phase I Environmental Site Assessment
- Burrowing owl Habitat Assessment
- Tribal Monitoring and Tribal Cultural Resources Requested Conditions of Approval.

Government Code § 84308

Applicability of Levine Act: Yes.

Analysis of Levine Act Compliance: The project applicant is Sand Hill Property Company and is represented by Michael Kramer. Staff is unaware of any other parties or participants relevant to the Planning Commission's consideration of this item.

Attachments

1. Resolution approving a Design Review, Tentative Map, and Tree Removal Permit (DR25-007) for the Construction of the University and Bay at 4 Corners – Mixed-Use Project, a 168-Unit Development and Associated Improvements Located at 1675 Bay Road
 - Exhibit A – 4 Corners Mixed-Use Project – AB 130 Statutory Exemption Analysis
 - Exhibit B – Findings in Support of Approval of the Site Plan and Design Review Permit and the Tentative Map
 - Exhibit C – Conditions of Approval
2. University and Bay at 4 Corners – Mixed-Use Project – Project Plans

Treasury Summary

CITY AND SUCCESSOR AGENCY OF EAST PALO ALTO

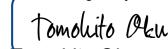
SUMMARY OF INVESTMENTS For Quarter Ended December 31, 2025

Category	Average Maturity		Average Interest Earnings For QTR	DEPOSIT AND BOOK VALUE	%	MARKET VALUE
	Days	Years				
Cash and Investments						
1. Petty Cash	na	na	0.000%	10,800	0.0%	10,800
2. On Demand Deposits (Wells Fargo checking)	na	na	0.000%	3,918,044	2.4%	3,918,044
3. Local Agency Investment Fund (LAIF)	244	0.67	4.090%	19,682,581	12.2%	19,725,518
4. San Mateo County Pool Investment	927	2.54	3.960%	35,193,303	22.1%	35,623,014
5. CA Asset Management Program	47	0.13	4.103%	102,094,110	63.3%	102,094,110
Total Cash and Investments on Deposit			3.970%	160,898,838	100.0%	161,371,485
General Fund (including petty cash of \$10,800)				47,473,332		47,473,332
General Sub - Funds (Committed/Reserved)				18,093,988		18,093,988
City Funds Restricted and Committed				93,941,199		93,941,199
Successor Agency Trust				461,163		461,163
Unrealized Gain/(Loss) on Investment Pools				-		472,647
Total Book Balance				159,969,682		160,442,329
Bank to Book Adjustments						
Checks Outstanding/Other AJE				929,156		929,156
Total Book Adjustment				929,156		929,156
Total Cash and Investment Portfolio				160,898,838		161,371,485

CERTIFICATION:

Pursuant to Government Code Section 53646, the City will meet its expenditure requirements for the next six months. Total funds invested represent the consolidation of all fund types, and availability of certain funds is restricted by law.

DocuSigned by:



Tomolito Oku
Director of Finance

2/2/2026

Date

For Reporting Information Regarding Investment Pools:**LAIF** <http://www.treasurer.ca.gov/pmia-laif/laif/index.asp>**San Mateo County Pool** <http://sanmateocountytreasurer.org/index.html>**CA Asset Management Program** <https://www.camponline.com/>