



EAST PALO ALTO CITY COUNCIL STAFF REPORT

DATE: July 26, 2022

TO: Honorable Mayor and Members of the City Council

VIA: Patrick Heisinger, Interim City Manager

BY: Amy Chen, Community & Economic Development Director
Elena Lee, Planning Manager

SUBJECT: Ravenswood Business District Specific Plan – Community Benefits and Associated Policies/Programs

Recommendation

Provide direction and feedback on refined policies and mechanisms that comprise a framework to achieve community benefits desired by the community.

Alignment with City Council Strategic Plan

This recommendation is primarily aligned with:

Priority No. 2: Enhance Economic Vitality

Priority No. 3: Increase Organizational Effectiveness and Efficiency

Priority No. 6: Create a Healthy and Safe Community

Background

Since late 2020, City staff have been working closely with the City Council and the Community on an update to the Ravenswood/Four Corners TOD Specific Plan (“Specific Plan”). The purpose of the update is to analyze the impacts of allowing an increased amount of office development and housing in the RBD, developing a framework for obtaining community benefits from new development, and ensuring that the new development creates a “complete neighborhood” in East Palo Alto.

To date, City staff and the consultant team have met with the City Council on six occasions to receive feedback on critical topics for the amendment to the Specific Plan. Major decisions made during this time included approving urban design objectives for the RBD and identifying two potential maximum office/R&D development scenarios:

- Scenario 1 would allow up to 2.82 million square feet of office/R&D space and up to 1,350 housing units.
- Scenario 2 would allow up to 3.35 million square feet of office/R&D space and up to 1,600 housing units.

Both scenarios allow an increase in the total amount of office/R&D development and housing

compared to the amount analyzed in the 2013 Specific Plan EIR (which was 1.4 million square feet of office/R&D space and 835 housing units). The amount analyzed in both scenarios is less than the total sum of the current development applications submitted for the RBD Plan area (which is close to 4.2 million square feet of office/R&D space).

In the past, the City Council directed City staff to identify the community's ideas for potential benefits through a broad-based engagement process. Since the amount of development being analyzed is less than the total amount of development proposed, a methodology for how to allocate the office square footage will need to be developed and communicated to prospective developers.

At the May 17, 2022, City Council meeting¹, City staff and the consultant team provided an overview of a proposed community benefits framework. The framework has been updated slightly since that meeting and now includes 8 components:

1. **Base requirements.** These are the existing requirements based on city regulations and include the Measure HH parcel tax, the Commercial Linkage Fee (CLF), impact fees and other requirements.
2. **Financial transparency.** Financial analysis would be conducted on each major application, with projects reviewing the stated value of community benefits and the projected financial performance of the project confidentially with a third-party consultant. The end result of the analysis would be made public.
3. **Jobs/Housing linkage.** Since the community has clearly identified it as a top priority, projects would be asked to provide additional support for affordable housing, beyond the existing Commercial Linkage Fee and annual Measure HH tax. Specifically, projects would be expected to provide affordable housing (through building or donating land) in exchange for the allocation of office/R&D square footage. The Plan would establish a benchmark ratio for evaluating projects for their additional contributions to affordable housing in the City.
4. **Office/R&D allocation methodology.** This methodology describes how the office/R&D square footage would be distributed to potential development projects in the RBD to obtain maximum community benefits. The methodology would include a reserve, to hold a small amount of office development for future, unknown development projects.
5. **Community benefits scorecard (Evaluation criteria).** Staff proposes requiring project applications to include a scorecard that lists the potential community benefits in detail in response to the desires of the community. The scorecard would be comprised of a narrative description, \$/sf value of the benefit, phasing, location, and alignment with community priorities.
6. **Ongoing revenues.** As part of any future Development Agreement, this policy would ask developers (in partnership with the City) to identify and commit to an on-going source(s) of funding for community benefits, to create long-term benefits for the community.
7. **Community involvement.** Staff is recommending an advisory body be created (composed of EPA residents and organizations) to facilitate active community

¹ May 17, 2022 City Council Staff Report:

http://eastpalto.igm2.com/Citizens/Detail_LegiFile.aspx?Frame=None&MeetingID=1810&MediaPosition=7313.327&ID=2259&CssClass=

participation in recommending to the City Council how ongoing community benefit funds should be spent. This body could be either a City commission or independent organization. The purpose of this body would be to recommend the distribution of ongoing revenues for community benefits.

8. **Benefits phasing plan.** Developers would be asked to demonstrate how they intend to provide benefits across all phases of the project and be bound in the Development Agreement (DA) to this phasing. Some benefits would be expected up front.

The purpose of this staff report, and the July 26, 2022 City Council study session is to provide additional details and confirm the components of a community benefits framework. With this feedback, City staff and the consultant team will move forward and commence drafting the update to the Specific Plan.

As a reminder, the following table summarizes the priorities for benefits as identified by the community through engagement:

Table 1: Priorities for Benefits

	Space	Money
Top Priority	<ul style="list-style-type: none"> • Subsidized space for local entrepreneurs • Affordable housing units • Public parks and trails • Local restaurants • Subsidized space for local community use 	<ul style="list-style-type: none"> • Workforce/job training • Home ownership funds/programs • Local businesses/startups • 35% AMI housing • Funding for schools and/or childcare
Moderate Priority	<ul style="list-style-type: none"> • Expanded ecological areas • Larger housing units • Grocery store • PDR/light industrial space • Youth Center • Commercial kitchen • Outdoor sports fields 	<ul style="list-style-type: none"> • Wetland restoration • Public recreational amenities • 50% AMI housing • Trees and beautification • Congestion relief projects • Bicycle/pedestrian projects • Exceeding local hire targets
Lower Priority	<ul style="list-style-type: none"> • New City Hall/civic center • Senior Center 	<ul style="list-style-type: none"> • Neighborhood traffic calming • 1-time donations to community groups • Regional transportation projects

Analysis

As discussed previously, this Specific Plan update offers the City of East Palo Alto a chance to leverage development interest for maximum community benefits. At the outset of this process, Council asked staff to create a framework for community benefits. Subsequently, Council established that there would be less development capacity than the total amount proposed by major applicants, which necessitated development of a methodology to allocate this limited square footage. To achieve both objectives, staff proposes that the updated Specific Plan include a framework that directly ties the provision of prioritized community benefits to the

future allocation of office/R&D square footage. The proposed framework would be a negotiated process based around projects providing the maximum amount of benefits possible (as established through a confidential residual value analysis) and providing benefits that align with the priorities expressed by residents. The framework would be flexible enough to permit projects to trade-off between different type of benefits as best suits each particular project, but ultimately Council would use its discretion to judge whether a project has provided enough of the most important types of benefits to merit the requested allocation of office/R&D square footage.

The proposed Community Benefits Framework includes the following components, each of which is detailed below.

Base Requirements

All new office/R&D development projects in the RBD will be required to meet all adopted City requirements and ordinances in effect at the time of approval of the project's Development Agreement (see list below). The existing requirements amount to a significant obligation on developers that seeks to address many of the community's concerns identified through the engagement process, including a linkage between housing and commercial office space, traffic mitigation, jobs for local residents, affordable housing, and requirements for development to pay their proportional costs of infrastructure improvements for the RBD and city-wide.

Requirements imposed on projects are listed below (note that these fee estimates were calculated in 2022 dollars and these fees are increased annually based on established formulas):

- Inclusionary housing: for rental housing projects, 20% of all new housing units must be affordable (to a mix of 35-50-60% AMI households).
- A one-time Commercial Linkage Impact Fee for affordable housing that would produce \$33.5 million under Scenario 1 or \$40 million under Scenario 2.
- Annual Measure HH Taxes that would produce between \$7-9 million annually for jobs and housing (based on the two development scenarios under consideration).
- One time impact fees for Public Facilities (between \$11 and \$12.5 million)
- One time impact fees for Parks and Trails (between \$6.3 and \$7 million)
- One time impact fees for Transportation (between \$25 and \$30 million)
- One time impact fees for Water and Storm Drainage improvements including improved water pressure (between \$36 and \$40 million).
- A 40% reduction in employee/resident trips through Transportation Demand Management ("TDM") strategies

In addition, the City is currently in the process of studying the total costs of infrastructure improvements needed to serve the increased office/R&D capacity contemplated in the RBD. This may result in upward adjustments to impact fee requirements for transportation and infrastructure.

Further, it is important to note that many of these requirements were put in place after the 2013 Specific Plan was adopted. These include new impact fees, Measure HH, the

40% trip reduction “TDM” requirement, and the Commercial Linkage Fee.

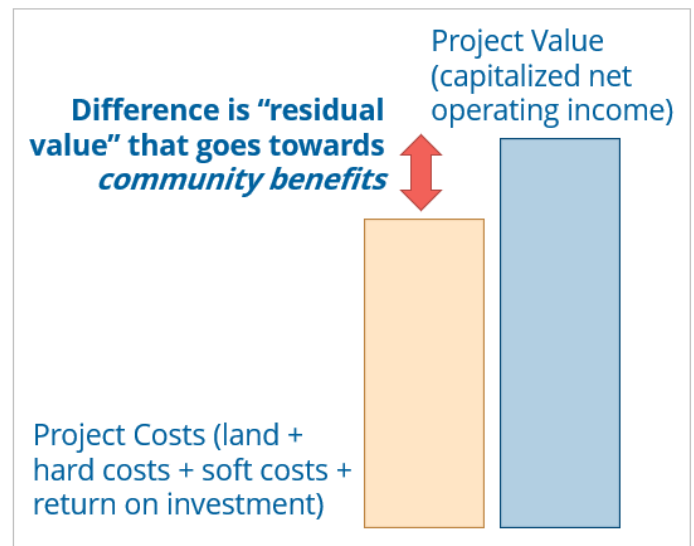
In addition to the above, the proposed development scenarios would result in a significant increase in annual fiscal benefits for the City of East Palo Alto of between \$14 and \$16 million annually in revenues (primarily through increased property taxes). These new General Fund revenues may, at the City Council’s discretion, be used to fund additional community benefits (but are intended to support ongoing City operations).

New Requirements

The following components of the Community Benefits Framework represent new, additional requirements that would be applied to all projects seeking allocation of RBD square footage. Staff’s proposed implementation approach would be a discretionary approval process guided by community priorities and Plan criteria, resulting in a negotiated Development Agreement between the City and applicant that specifies the agreed-upon terms of the community benefits package. Use of Development Agreements is recommended for several reasons:

- Since the proposed community benefits framework relies on a discretionary (negotiated) process for each project, clear documentation of each project’s commitments through a detailed DA is advisable to provide greater assurance and specificity to City on the future delivery of community benefits.
- Since the City's standard planning permits expire after 2 years, using Development Agreements would facilitate the planning and approval processes for major projects which will all contain multiple phases. This approach would provide a longer, more realistic term for applicants to move the phases of their project forward over a period of five years, or ten years, or potentially longer.
- A Development Agreement (DA) would also allow for greater fiscal and entitlement certainty on the part of the applicant and provide clarity around their total financial obligations. Leveraging DAs in this manner to secure benefits contributions may eliminate the legal requirement to conduct nexus studies. Staff will continue working to determine whether future fee studies will be needed.

Figure 1: Value Capture Analysis



Financial Transparency

Staff is recommending that the City add a requirement for office/R&D development projects in the RBD to conduct consistent and transparent financial analyses in order to: 1) confirm the total dollar value of proposed community benefits and 2) to determine whether the value of proposed benefits is adequate relative to the development rights granted. There are two parts to the proposed financial transparency requirement.

- Part 1, Benefits Valuation, allows for agreement on the financial value of the

benefits provided by a project. Various benefits will be converted into current dollars, using standard methodologies such as foregone revenue from leasable space, construction costs from building community/public spaces, the value of land dedicated for parks and open space, the established gap subsidy for affordable housing units, and so on. This analysis also facilitates easier comparison across projects of the total benefits value offered.

- Part 2, Value Capture, helps to ensure that the community is benefiting sufficiently from any square foot allocation. The developer would complete a financial feasibility analysis to indicate the residual value available for benefits. This analysis would be peer reviewed confidentially by the City's consultants to provide an assessment of the appropriateness of the value of proposed community benefits on a \$/square foot basis. This recommendation on the project's financials would be part of the information presented to Council during the discretionary allocation process. Council would use these analyses to understand the dollar amount of community benefits that a project can support and still maintain a financially feasible project. The framework would facilitate a negotiation with applicants over financial trade-offs between different benefits that could be provided to the community.

Jobs/Housing Linkage

Throughout the process, community members expressed concerns about the impacts to existing housing prices if the office projects are developed, resulting in accelerated gentrification and indirect displacement. To combat these concerns, staff is recommending that the City create a new and expanded policy that office/R&D projects build or otherwise produce new affordable housing based around a numerical linkage to their office/R&D square footage. This new linkage policy would build upon the existing CLF requirement and focus on the production of new affordable housing units (the linkage ratio could serve as a baseline expectation for the community benefits negotiations or it could be implemented as an increased base requirement if the City updates the existing nexus fee study).

The proposed jobs/housing linkage program includes the following components:

1. Keeping the existing linkage fee of \$12.81 per square foot of office/R&D, which can be satisfied through building affordable units on or off-site, donating land, converting existing housing to affordable units, or paying fees. (Note that this fee is adjusted annually and developers are required to pay the "then current fee").
2. Maintaining the requirement for building at least 20% on-site inclusionary housing associated with mixed-income projects (i.e. those with market-rate housing units). The inclusionary policy and the existing commercial linkage fee obligation are separate – a linkage fee obligation cannot be met through the provision of on-site inclusionary housing units required by the 20% inclusionary obligation (while the city does support satisfying the existing linkage obligation through building on-site affordable units, the same affordable units cannot be counted twice to meet two different obligations). In order to further incentivize on-site affordable units, the proposed linkage policy would allow for a small discount for mixed-income projects (the number of affordable units required to be subsidized for linkage purposes would be subtracted from the total number of units upon which the inclusionary requirement is calculated).

3. Adding a new job-housing linkage policy that can only be satisfied by building or enabling the production of housing units on-site at a ratio of 1 affordable unit per 30,000 square feet of office/R&D, or 1 unit per 6,000 square feet (with off-site units allowed for highly contaminated sites) .
4. Counting additional production or support for affordable (below 80% of AMI) and moderate-income (80% to 120% of AMI) housing beyond these requirements towards a project's community benefits.

The 1 affordable unit per 30,000 square foot target ratio is derived from two rationales: one related to the overall housing goal for the RBD and the other related to financial feasibility. The target can be interpreted as 1 unit (of any kind) per 6,000 square feet – apply 20% inclusionary and the ratio becomes 30,000 square feet. Building housing units at a ratio of at least 1 per 6,000 square feet would achieve approximately one-third (~35%) of the RBD district goal (1,350 or 1,600 units). This is viewed as an appropriate contribution to building a complete neighborhood. Secondly, adding the proposed additional linkage to the existing CLF results in an overall ask of approximately \$21 per square foot, which is aligned with the finding in the City's 2015 nexus study that the maximum feasible/supportable linkage value is \$20/sf.

To satisfy the linkage requirement, it is assumed that affordable housing would be provided at the same AMI percentages as are proscribed in the City's adopted Inclusionary Ordinance (25% at 35% AMI, 50% at 50% AMI, 25% at 60% AMI). The blended average in-lieu value of one rental unit is currently set at \$259,000 for FY 2022. However, if applicants choose instead to provide a different AMI breakdown (i.e., more units at 80% to 120% AMI), the value of these units would be discounted to reflect the true subsidy required to close the gap between projected income and construction costs (the affordability "gap").

The pathway for compliance is slightly different for an office project that meets its linkage obligations through an 100% affordable housing project versus a mixed-income housing project. To illustrate how the proposed jobs/housing linkage program would work, the following are two hypothetical projects, each following different pathways to compliance:

Hypothetical Project 1: Proposed 500,000 s.f. office project + 100% affordable units

- Apply existing linkage fee requirement: $500,000 * \$12.81 = \mathbf{\$6,405,000}$ (equivalent to **25 affordable** units assuming a subsidy of \$259,000 per unit)
- Add NEW job-housing requirement of 1 per 30,000 s.f. = **17 affordable** units BUILT (*value of \$4,400,000*)
 - Total combined requirement: **25 + 17**, the total obligation is equivalent to **42 affordable** units or **\$10,878,000**. Linkage could be satisfied by a combination of units and fees but **not less than 17 affordable** units **built** on-site site (or off-site if primary site is contaminated).

Hypothetical Project 2: Proposed 500,000 s.f. of office + mixed-income housing (150 units)

- Apply existing linkage fee requirement: $500,000 * \$12.81 = \mathbf{\$6,405,000}$ (equivalent to **25 affordable** units)
- Add NEW job-housing linkage requirement of 1 per 30,000 s.f. = **17 affordable** units BUILT (*value of \$4,400,000*)
 - Total requirement from the jobs-housing linkage is 42 affordable units, leaving 108 units as the mixed income portion of the project ($150-42=108$).
 - Apply existing 20% inclusionary requirement to housing component to the mixed-income portion of the project after subtracting the linkage units. This equals 22

units (20% of 108 units) = **22 affordable** units BUILT on-site (*value of \$5,700,000*)

- Total combined requirement: **25 + 17 + 22**, the total obligation is equivalent to **64 affordable** units or **\$16,575,000**. Linkage could be satisfied by a combination of units and fees but **not less than 39 affordable (22+17)** units built on-site (or off-site if primary site is contaminated).

Figure 2: Jobs-Housing Linkage Program for 100% Affordable Housing Component

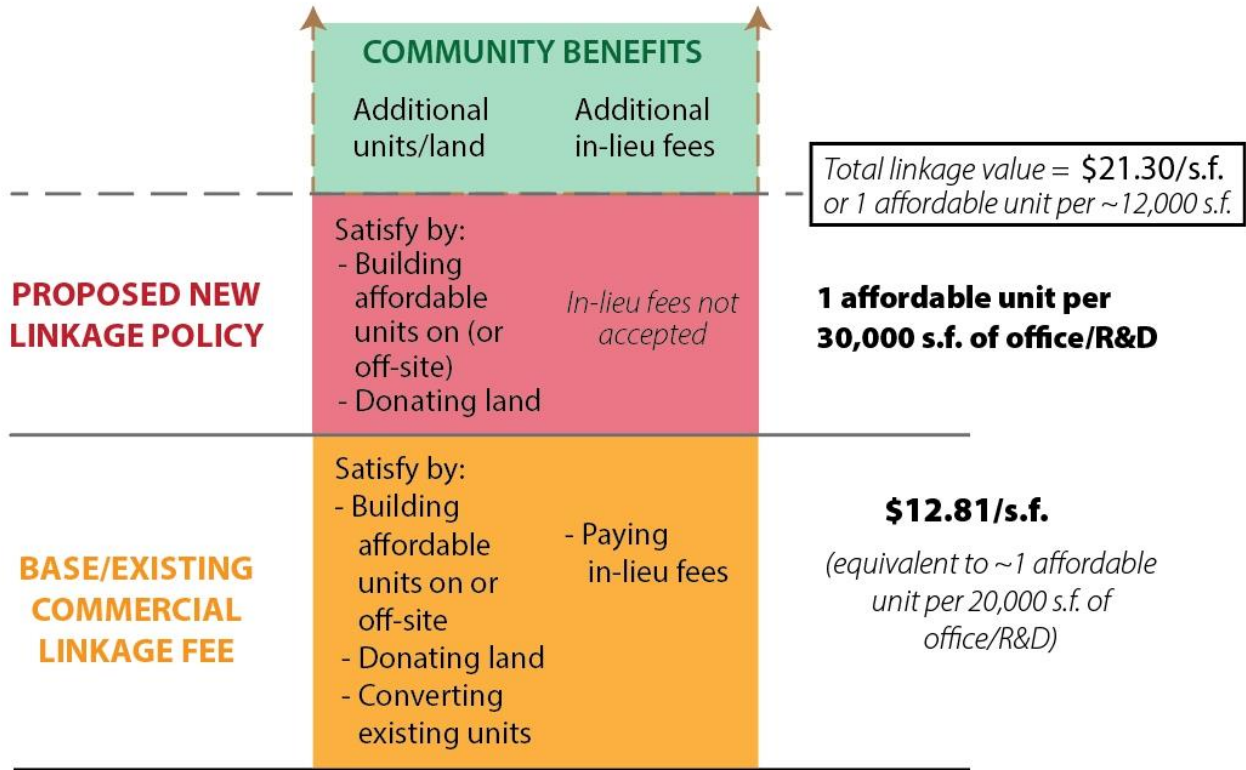
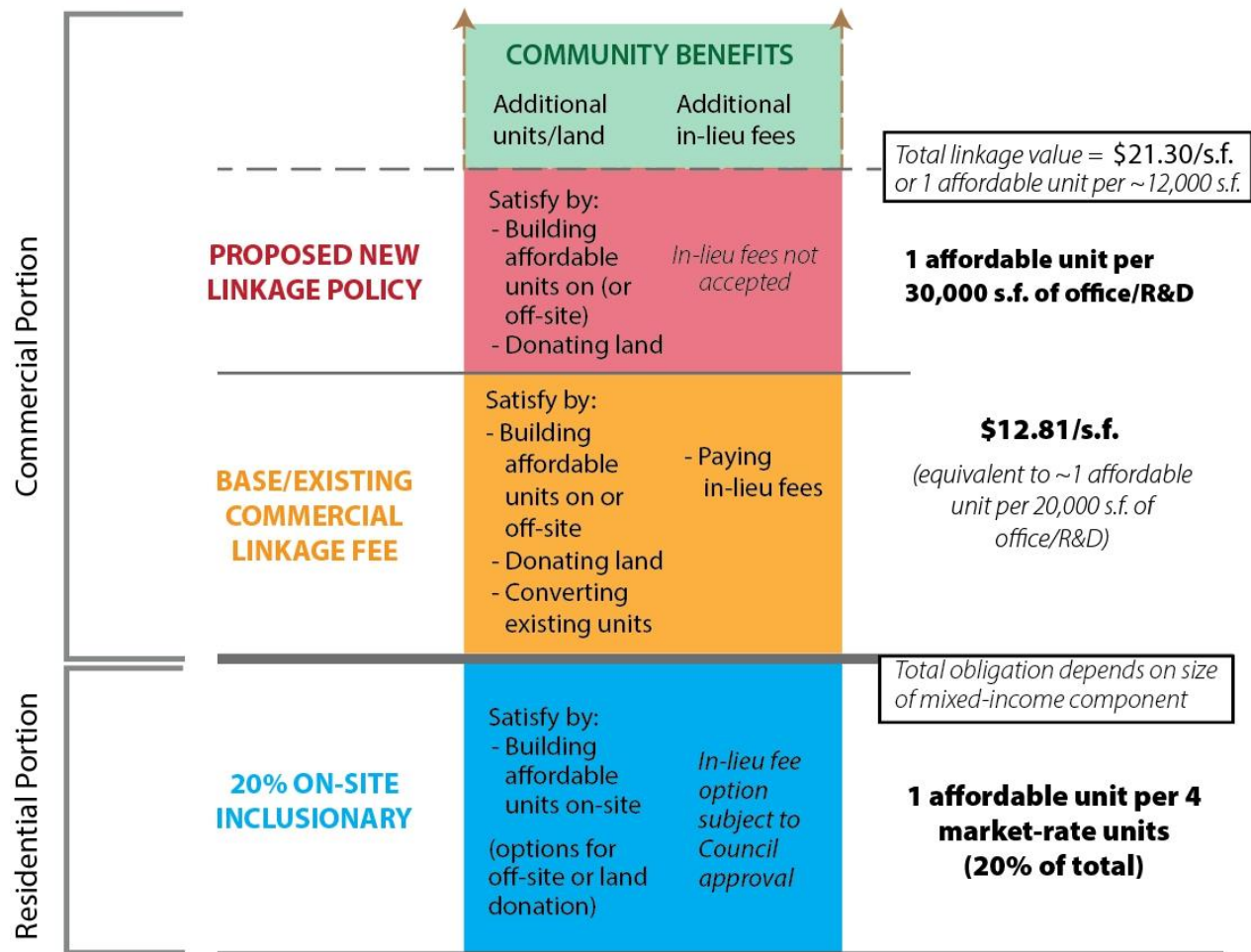


Figure 3: Jobs-Housing Linkage Program for Mixed-Income Housing Component



Office/R&D SF Allocation Methodology

Since there will not be enough development capacity to meet the development proposed by the four major projects, the City needs to create a methodology to allocate the office square footage that balances multiple objectives including community benefits, financially feasible development projects, and the creation of a complete neighborhood in the Ravenswood Business District/Four Corners area. At the May 17, 2022, City Council meeting, City staff presented three potential options for the methodology. The first option is based on a formula that allocates the square footage between the four major projects based on either the amount originally proposed or the total development capacity for the project area. The second option is a purely discretionary approach where projects compete for the office square footage. The third option is a hybrid approach that allocates a minimum amount of square footage to each project and the remainder is through a discretionary process.

Staff is recommending a discretionary allocation methodology to ensure that maximum community benefits are achieved in exchange for the allocation of office/R&D square footage. A discretionary approach would play out in three steps:

Step 1: The City sets a date for applications after the amended Plan/EIR are adopted, and all major developers/applicants submit a proposal during this time. The criteria to apply for an allocation would include:

- Meeting base requirements (including prepayment of certain fees)
- Completed city's preliminary application process
- Agreeing to participating in the financial transparency analysis
- Providing completed community benefits scorecard (see next section of report)
- Agreeing to participate in fair share of infrastructure costs, including water, stormwater, the levee, and others.
- Participating in Developer Reimbursement Agreement (DRA) cost-sharing for Specific Plan update
- Completing all obtainable US Environmental Protection Agency, Department of Toxics Substances Control and/or California Department of Regional Water Quality Control Board Planning-level (environmental) clearances, or other determination that the proposed program is environmentally feasible
- Completing the preliminary review of building and site design completed by City.

Step 2: Staff then evaluates all projects and provides a recommendation for Council. Staff will review each application individually (the project's ability to support proposed benefits relative to costs), and collectively across projects and across the broader RBD area. Staff will recommend that all the major projects receive "significant" office allocation in order to maximize the overall amount of community benefits and to achieve a complete neighborhood. Staff will recommend that certain community benefits be located in certain projects to ensure that benefits are distributed in a logical way throughout the RBD.

Step 3: Council holds meetings to evaluate the projects, both collectively and individually, and comes to a determination on the allocation for each.

- Council can elect to "hold" square footage back from allocation if not all major projects submit; however, it is the city's desire that all four do so concurrently.
- City is committed to moving the 2020 Bay Road project forward first (due to the earlier submittal of its application); however, requesting (and being granted) a DA from the city would put this project on equal footing with other projects relative to approval and allocation timing.
- Once receiving an allocation, each project then negotiates and signs their DA with the city. The entitlements obtained through the DA would last longer than standard city permits (potentially five years plus an additional five-year extension contingent on forward progress).

In sum, the Plan establishes a minimum threshold/expectation for any project to qualify for allocation consideration based around the proposed benefits contributions. All projects submit a comprehensive community benefits proposal, which is analyzed and evaluated in light of each project's constraints and financial realities and compared to community priorities and to other proposals (where appropriate). Benefits are negotiated through Council's discretion. Then, if approved, these benefits commitments are set forth in a legally binding DA.

In addition, City staff is proposing to reserve some of the development capacity for future, unknown projects. This would maintain sufficient development capacity to allow one or more additional property owners in the RBD to build a small office/R&D project in the future. The proposed office/R&D "reserve" size is 5% of the total development capacity but the Council could consider a higher percentage (i.e., 7.5%). Staff is recommending 5%

because it allocates more development capacity to current proposals, which would increase their financial performance and produce greater community benefits. Practically, the size of the reserve would depend on the final development scenario selected by Council:

- 5% = 140,000 sf for Scenario 1 or 170,000 sf for Scenario 2 (*recommended*)
- 7.5% = 212,000 sf for Scenario 1 and 250,000 sf for Scenario 2
- 10% = 282,000 sf for Scenario 1 and 333,000 sf for Scenario 2

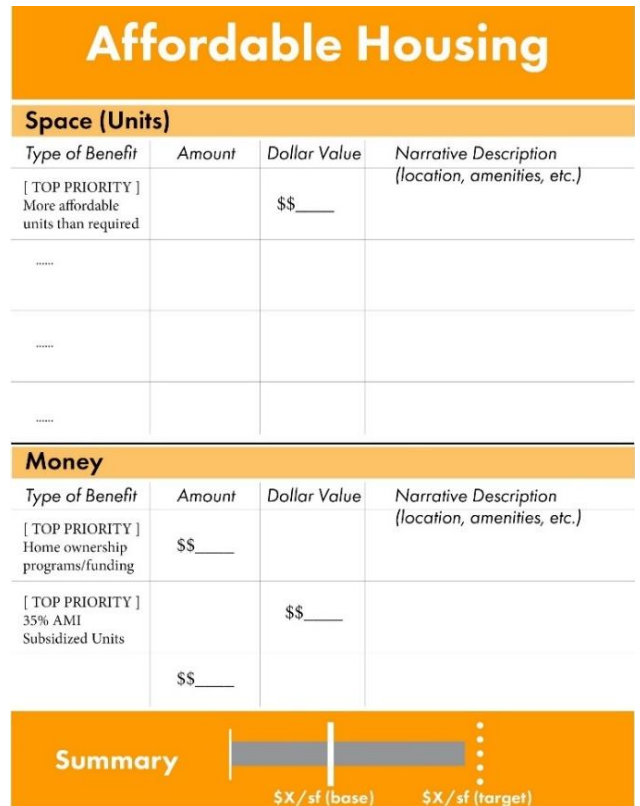
Community Benefits Scorecard (Evaluation Criteria)

In order to ensure that the highest priority benefits are provided to the community by the development projects, the Specific Plan will include a recommendation to create a “Community Benefits Scorecard” to provide a consistent way to compare proposed benefits to community expectations and among projects. Staff is recommending that applications include a qualitative + quantitative “checklist,” that includes the following detail:

- Narrative description of the benefit
- Description of how each meets community priorities
- Calculated dollar value (\$/sf) of the benefit
- Proposed timing/phasing of benefit

Staff acknowledges that each project is not expected to provide the same amount/value of benefits and will review the applications with the understanding that certain benefits are better suited to certain locations than others. Each project’s financial feasibility and residual value (ability to support benefits) will be accounted for during staff’s review of a project’s recommended allocation. (Staff considered a point-based system for community benefits but decided a more qualitative approach would better serve the community and allow for a greater diversity of community benefits.)

Figure 3: Evaluation “Scorecard” Example



Ongoing Revenue Stream for Community Benefits

Throughout the engagement process, many community members expressed a desire that community benefits be provided by the projects on an on-going basis. As a result, City staff is recommending the creation of a Community Benefits Fund. This could be funded through a variety of mechanisms including, but not limited to:

- **Below market rent of subsidized spaces provided by projects.** This would occur by projects constructing community space, office, retail, etc. that is then rented at a discount to residents and/or local businesses. The rents from these spaces would go into the Community Benefits Fund. The proceeds would then be used for future community benefits. .
- **Upfront “seed” funding from projects as part of application.** These funds could be used to start the fund but do not represent an ongoing source of money for community benefits.

- **Portion of fiscal benefit from development projects.** Projects will result in a significant fiscal benefit for the city. The City Council could decide to allocate some of the fiscal benefit to the Community Benefits Fund.
- **Commitment to annual funding for desired programs.** Projects could commit to ongoing funding for high-priority programs identified by the community, such as job training or childcare.

This Benefits Fund would be overseen by the City.

Community Entity to Guide Decision-Making on Benefits

During the engagement process, residents expressed a strong desire to be part of the decision-making process to determine which community benefits are funded as a result of new development in the RBD. Therefore, a key recommendation is to create a “Local Benefits Commission” with advisory oversight of the Community Benefits Fund. This advisory body would ensure community involvement in the process of deciding how benefits dollars or space are best utilized in the RBD. It could be comprised of EPA residents and organizations who apply to be members and would provide oversight of benefits allocation and distribution. This entity could be either an official city board/commission or an outside, independent organization. This organization or commission would be charged with providing recommendations to Council regarding the allocation of ongoing funds received. This body would not be tasked with negotiating or reviewing projects’ proposed community benefits up front, as this role would be reserved for staff and the City Council. Furthermore, if the City decides to establish a CBD or similar assessment district to fund maintenance, these ongoing costs would be outside of the purview of this proposed commission/body.

Benefits Phasing

To combat fears about promised community benefits not materializing, the Specific Plan will require that applicants provide a phasing plan to explain how the project intends to deliver benefits over time, tied to specific benchmarks such as development approvals, building permits, or occupancy. These commitments regarding phasing of benefits will then be enshrined in the project’s DA. The Plan will provide guidance for projects on how benefits are expected across all phases:

- **During permitting.** Some benefits should be provided early, before occupancy. These could include prepayment of certain fees, pop-up programming, or other front-loaded funding.
- **At occupancy.** Major on-site community spaces and facilities should generally be completed before or at the same time as occupancy of office spaces, with some exceptions for properties no longer controlled by the applicant or delays due to regional infrastructure such as the levee.
- **Ongoing.** Some benefits should last for a prescribed time or for the life of the project.

Staff will be developing recommendations related to the potential formation of a community assessment or facility district, with a goal of providing funding for maintenance of public improvements or on-going services. Projects receiving any square footage allocation would be required to join the community assessment or facility district entity which would manage these improvements over time and participate as legally stipulated per the terms of the district’s policies and requirements.

Next Steps

Following feedback from the City Council on the community benefits framework, City staff and the consultant team will begin work preparing the updated Specific Plan. The Draft Specific Plan is expected to be released in late 2022. The consultant team is actively working on the Supplemental Environmental Impact Report (SEIR), which includes traffic modeling of the different growth scenarios. The Draft SEIR is expected to be released in early 2023. Hearings on the Specific Plan and SEIR are expected in Spring 2023. No additional City Council meetings or study sessions are planned between now and the release of the Draft Specific Plan and Draft SEIR.

Discussion Questions and Recommendations for Council

Staff seeks Council direction on the following questions related to the benefits framework:

1. Does the Council support the proposed requirement for confidential peer-review of developer-provided feasibility analysis and benefits valuation?
2. Does the Council support the jobs/housing linkage proposal to supplement the existing jobs/housing linkage fee?
3. Does the Council support a discretionary allocation process, guided by staff's assessment of projects' proposed benefits and their respective alignment with community priorities?
4. Does the Council support a 5% reserve of development capacity for future projects in the RBD?
5. Does the Council support the establishment of a permanent source of community benefit revenues and the formation of a community advisory body to recommend distribution of the funds to the City Council? Are there other sources that the Council would like to recommend?
6. Are there any other components that should be included in the Community Benefits Framework?
7. This is expected to be the last presentation to the Council before the draft Specific Plan is released later this year or early next year. Are there other topics that should be discussed with the Council before the plan is drafted?

Fiscal Impact

There are no fiscal impacts associated with the items discussed in this staff report. Any final decision made regarding the financial mechanisms in the Specific Plan area may have fiscal impacts to the City, to be discussed at that time.

Public Notice

The public was provided notice of this agenda item by posting the City Council agenda on the City's official bulletin board outside City Hall and making the agenda and report available at the City's website and at the San Mateo County Library located at 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.