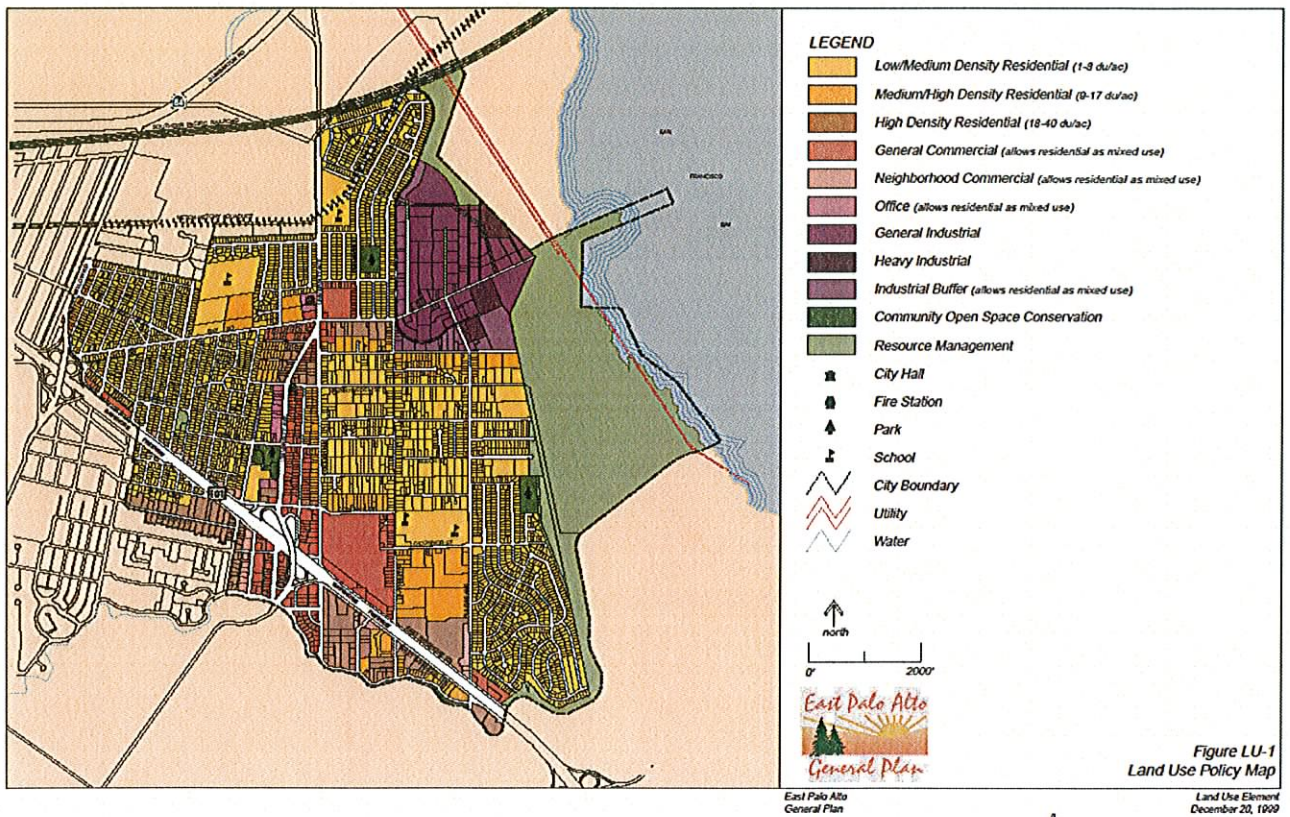


# INITIAL STUDY

## CITY OF EAST PALO ALTO CALIFORNIA

### Rent Stabilization and Just Cause Eviction Ordinance (RSO)



February 2010  
Prepared by the Planning Division, City of East Palo Alto  
Brent A. Butler, AICP, CFM, Planning Manager  
Brad Tarr, AICP, Senior Planner  
Lead City Agency: City of East Palo Alto



**City of East Palo Alto**  
Planning Division  
1960 Tate Street, East Palo Alto, CA 94303  
(650) 853-3185 Phone  
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### Purpose of an Initial Study

The California Environmental Quality Act (CEQA) was enacted in 1970 for the purpose of providing decision-makers and the public with information regarding environmental effects of proposed projects; identifying ways environmental damage can be avoided; and disclosing to the public why a project is approved even if it leads to environmental damage. The City of East Palo Alto has determined the proposed project is subject to CEQA, and no exemptions apply. Therefore, the preparation of an initial study is required. An initial study is a preliminary analysis conducted by the lead agency, in consultation with other agencies (responsible or trustee agencies, as applicable), to determine whether there is substantial evidence that a project may have a significant effect on the environment. If the initial study concludes that the project, even with mitigation, may have a significant effect on the environment, an environmental impact report is required by CEQA.

### Process

In accordance with Section 15074 of the CEQA guidelines, the City Council shall consider the proposed mitigated negative declaration (MND) together with any comments received during the public review process. Upon conclusion of the review, the Council shall adopt the proposed MND if after considering the entire record (including comments, and the initial study) that there is no substantial evidence that the project will have a significant effect on the environment and that the MND reflects the lead agency's independent judgment and analysis. The 20-day public comment period for the MND commences on February 10, 2010 and ends on March 2, 2010. Pursuant to Section 15072 of the CEQA guidelines, a notice of intent (NOI) to adopt a MND shall be provided to the public, responsible agencies, and trustee agencies, including the County Clerk for posting. The notice will also be published in the Daily News, a newspaper of general circulation within the City, on February 10, 2010.

A public meeting for the proposed project has been scheduled for the following dates, times, and locations:

City of East Palo Alto  
Council Chambers  
2415 University Avenue  
March 2, 2010  
7:30 p.m

At this meeting, an overview and history of the project and CEQA requirements will be presented.

## ENVIRONMENTAL CHECKLIST FORM

1. **Project title:**  
Rent Stabilization and Just Cause Eviction Ordinance
2. **Lead agency name and address:**  
City of East Palo Alto  
Planning Division  
1960 Tate Street  
East Palo Alto, CA 94303
3. **Contact person and phone number:**  
Brent A. Butler, AICP, CFM  
(650) 853-3121
4. **Project location:**  
Citywide
5. **Project sponsor's name and address:**  
City of East Palo Alto  
1960 Tate Street  
East Palo Alto, CA 94303
6. **General Plan Designation:**  
Varies
7. **Zoning:**  
Varies
8. **Description of project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation. Attach additional sheets if necessary.)**

With the exception of specifically identified property classifications or uses, the proposed Rent Stabilization and Just Cause Eviction Ordinance (RSO) would affect all residential tenancies in the City of East Palo Alto. Exemptions would apply to eight types of properties, including subsidized units, transient occupancy, care facilities, resident owned non-profit housing, units constructed after January 1, 1988, units exempted by State and Federal law, units in owner occupied two and three-unit properties, and rooms within a dwelling unit shared with the landlord. Even for those units that must comply with the RSO, initial rents for new tenants are not impacted by the rent stabilization provisions; those vacant units are permitted to be leased at the prevailing market rate unless some other restriction applies (this resetting of initial rents to the prevailing market price is commonly referred to as vacancy decontrol). Rental increases for units covered under the RSO are limited to increases authorized by State law or pursuant to the provisions concerning annual adjustments, and fair return, which are discussed in Section 10 and Section 12 of the ordinance.

The RSO will have implications for most housing in EPA even though the RSO exempts properties built after January 1, 1988 from compliance with the rent stabilization portion of the regulations. According to the City's December 2009 draft Housing Element, more than 80% of all housing was built before 1980 with the majority of rental units constructed in the 1960's. Moreover, single family and newly constructed units exempted by State law under the Costa-Hawkins Act from the rent stabilization provisions would still have to comply with the Just Cause Eviction regulations. This includes the 1,665 units not yet built, but identified as potentially available to be constructed.<sup>1</sup> For the foregoing reasons, the rent stabilization regulations or the just cause eviction provisions will affect the majority of the City's existing 7,775 housing units.

## 9. Existing Setting

The City of East Palo Alto (EPA) borders the cities of Menlo Park and Palo Alto, and the Baylands Preserve (Baylands), the Bay Area's largest tract of undisturbed marshland. The San Francisquito Creek defines the boundary between EPA, in southeastern San Mateo County, and Palo Alto, in northeastern Santa Clara County. The historical influence of tidal and alluvial flows that influence the Baylands is evident in EPA, including floodplains - nearly 40% of the City's 2.5 square miles lies within the Special Flood Hazard Area administered by the Federal Emergency Management Agency (FEMA) and the entire City lies within areas where there is an historical occurrence of liquefaction.<sup>2</sup> The Baylands, provides habitat for an extensive diversity of flora and fauna, including resident and migratory wildlife populations, some of which are protected under the Endangered Species Act.

The geography, connectivity and quality of life in EPA are influenced by several significant land uses, including Highway 101, the Palo Alto airport, and brownfields. Highway 101 physically separates the largest concentration of multifamily buildings that constitute 42% of the City's housing inventory located west of the freeway from the lower density land uses immediately to the east, where most of the City's open space and parks are located, including the Baylands. EPA's 7,775 units are primarily located in the residential component of three of the four major land use groupings divided among: 1) residential, 2) commercial, 3) industrial and 4) community. No housing exists or is envisioned to be constructed within the community land use group. The Palo Alto airport produces some local impacts to the eastern fringe of the City where low density residential housing is located since this area falls within the airport's traffic pattern zone (TPZ) and the 55 and 60 decibel noise contours.<sup>3</sup> Brownfields that include a former landfill site known as Cooley Landing<sup>4</sup> and hazardous waste facilities permitted by the State<sup>5,6</sup> are all

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<sup>1</sup> This represents the difference between the 9,440 units identified in the 1999 General Plan's Land Use Capacity Summary, Table LU-4, and the 7,775 existing units discussed Table 2-26 of the December 2009 Housing Element draft.

<sup>2</sup> Community Map Number 0607080001B, Flood Insurance Rate Map (FIRM), City of East Palo Alto dated August 23, 1999

<sup>3</sup> City of Palo Alto, 4<sup>th</sup> Edition of the Palo Alto Baylands Master Plan, reformatted with Information update in 2008.

<sup>4</sup> City of East Palo Alto Redevelopment Agency, East Palo Alto Bay Access Master Plan, May 23, 2007; available online at <http://www.ci.east-palo-alto.ca.us/economicdev/images/BAMP%20Final%205%2023%2007.pdf>

<sup>5</sup> Geomatrix Consultants, Inc., Remedial Design Report Upland Operable Unit, 1990 Bay Road Site, East Palo Alto, California (1992) – the purpose of this study was to provide details of the planned remediation for the site's upland operable unit for agency review.

<sup>6</sup> Department of Toxic Substances Control, Draft Environmental Impact Report Part B Permit Application: Romic Environmental Technologies Corporation 2081 Bay Road, East Palo Alto, (2005)

within the borders of the City of East Palo Alto. Periodic releases of environmental toxins have occurred<sup>7</sup>, and continue to pose environmental justice-related concerns.

**10. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:**

The environmental factors listed below would be potentially affected by this project. There are no factors that are considered a "Potentially Significant Impact" as indicated by the checklist on the following pages.

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Aesthetics                      | <input type="checkbox"/> Agricultural Resources        | <input type="checkbox"/> Air Quality                        |
| <input type="checkbox"/> Biological Resources            | <input type="checkbox"/> Cultural Resources            | <input type="checkbox"/> Geology and Soils                  |
| <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Hydrology and Water Quality   | <input type="checkbox"/> Mandatory Findings of Significance |
| <input type="checkbox"/> Land Use and Planning           | <input type="checkbox"/> Mineral Resources             | <input type="checkbox"/> Noise                              |
| <input type="checkbox"/> Population and Housing          | <input type="checkbox"/> Public Services               | <input checked="" type="checkbox"/> Recreation              |
| <input type="checkbox"/> Transportation and Circulation  | <input type="checkbox"/> Utilities and Service Systems |   |

**11. FINDINGS**

After review of the data and record before the Planning Division, the following findings are made in support of the adoption of a (MND), including:

**FINDING 1 – BLIGHT NOT A RESULT OF RSO**

EPA has experienced gentrification, investment and increased housing values over the period since the RSO was originally enacted in 1988. There is no credible evidence that urban decay or blight would result from the RSO.

**FINDING 2 – THE RSO POSITIVELY IMPACTS AIR QUALITY**

The effects will benefit EPA and the surrounding community by reducing air pollution through more closely spatially matching low paying jobs with low cost housing.

**FINDING 3 – THE RSO REDUCES THE POTENTIAL FOR THE LOSS OF BIOLOGICAL RESOURCES**

The RSO reduces the housing cost burden of EPA households; in particular, extremely and very low-income households receive additional protection against homelessness. The homeless population has established camps near sensitive species in four locations within the City and/or the City's sphere of influence, and the RSO reduces the potential for a loss of biological resources by preserving affordable housing.

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<sup>7</sup> The last major release of environmental toxins occurred June 5, 2006, and involved volatile organic compounds (VOC). See Environmental Protection Agency website (specific information was available online February 3, 2010)

**FINDING 4 – THE RSO HAS POTENTIAL TO IMPACT THE SEISMIC UPGRADE OF MULTIFAMILY STRUCTURES**

Linking financing of multifamily structures with the prime lending rate of single family structures has the potential to impact the upgrade of multifamily structures, if there is a difference between the prime lending rates for those housing types. Geological findings and soft story construction, which is prevalent in multifamily housing, suggest that the seismic upgrades needs for those buildings could potentially be impacted.

**FINDING 5 – THE RSO IMPACTS DEMAND FOR RECREATIONAL FACILITIES**

The RSO's impact on recreational facilities is related to how the ordinance enables families to reside in EPA.

**12. DETERMINATION:**

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because the mitigation measures described herein have been added to the project. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required
- I find that the proposed project MAY have a significant effect(s) on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets, if the effect is a "potentially significant impact" or "potentially significant unless mitigated." An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because all potentially significant effects (a) have been analyzed adequately in an earlier EIR pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR, including revisions or mitigation measures that are imposed upon the proposed project.



Printed Name: Brent A. Butler, AICP, CFM

Date: February 10, 2010

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