

Ballot Measure Impact Analysis

Pursuant to Election Code 9212

Proposed Ballot Measure Entitled: “Los Altos Downtown Parking Plazas Ordinance”

June 15, 2026

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Attachments

- A. Proposed Ballot Measure Entitled “Los Altos Downtown Parking Plazas Ordinance”
- B. YIMBY Law Letter dated June 4, 2026
- C. YIMBY Law Letter dated June 15, 2026

References

The following referenced planning documents can be found on the City's website.¹

- Downtown Los Altos Parking Strategy
- Downtown Vision Plan
- Climate Action and Adaptation Plan
- Complete Streets Master Plan

Introduction

This report covers the topics included in the Election Code Section 9212. References in the text to "Ballot Measure" refer to the Ballot Measure titled "Los Altos Downtown Parking Plazas Ordinance" as authorized by the City of Los Altos (the "City") City Council on April 28, 2026. The Ballot Measure is included as Attachment A.

The Ballot Measure would amend the Los Altos Municipal Code to prohibit the City from taking the following actions:

1. Sell, trade, lease, donate, dispose or otherwise convey any Parking Plaza, or any portion thereof, for any reason.
2. Designate or change the use of any Parking Plaza in any way which would affect the use of the Parking Plazas for parking, or which would diminish the availability, access or convenience of public parking.
3. Declare any Parking Plaza "surplus land" or "exempt surplus land" under the California Surplus Land Act (Government Code sections 54220 et seq.).
4. Modify, alter or construct any capital project or other physical alteration on any of the Parking Plazas which permanently diminishes the availability, access or convenience of public parking.
5. Modify or physically alter any Parking Plaza by adding additional levels or floors.
6. Modify or physically alter any Parking Plaza in a way which would negatively affect protected trees or the tree canopy.

The Ballot Measure includes exceptions for maintenance and repair of the Parking Plazas, hosting community activities, and developing Parking Plazas 7 and 8 for affordable housing.

This report describes how the Ballot Measure would impact the following topic areas as provided for in Section 9212 of the state election code:

1. **Fiscal Impacts:** Its fiscal impact.
2. **Planning Impacts:** Its effect on the internal consistency of the city's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on city actions under Section 65008 of the Government

¹ See, <https://www.losaltosca.gov/218/Adopted-Plans>

Code and Chapters 4.2 (commencing with Section 65913) of Division 1 of Title 7 of the Government Code.

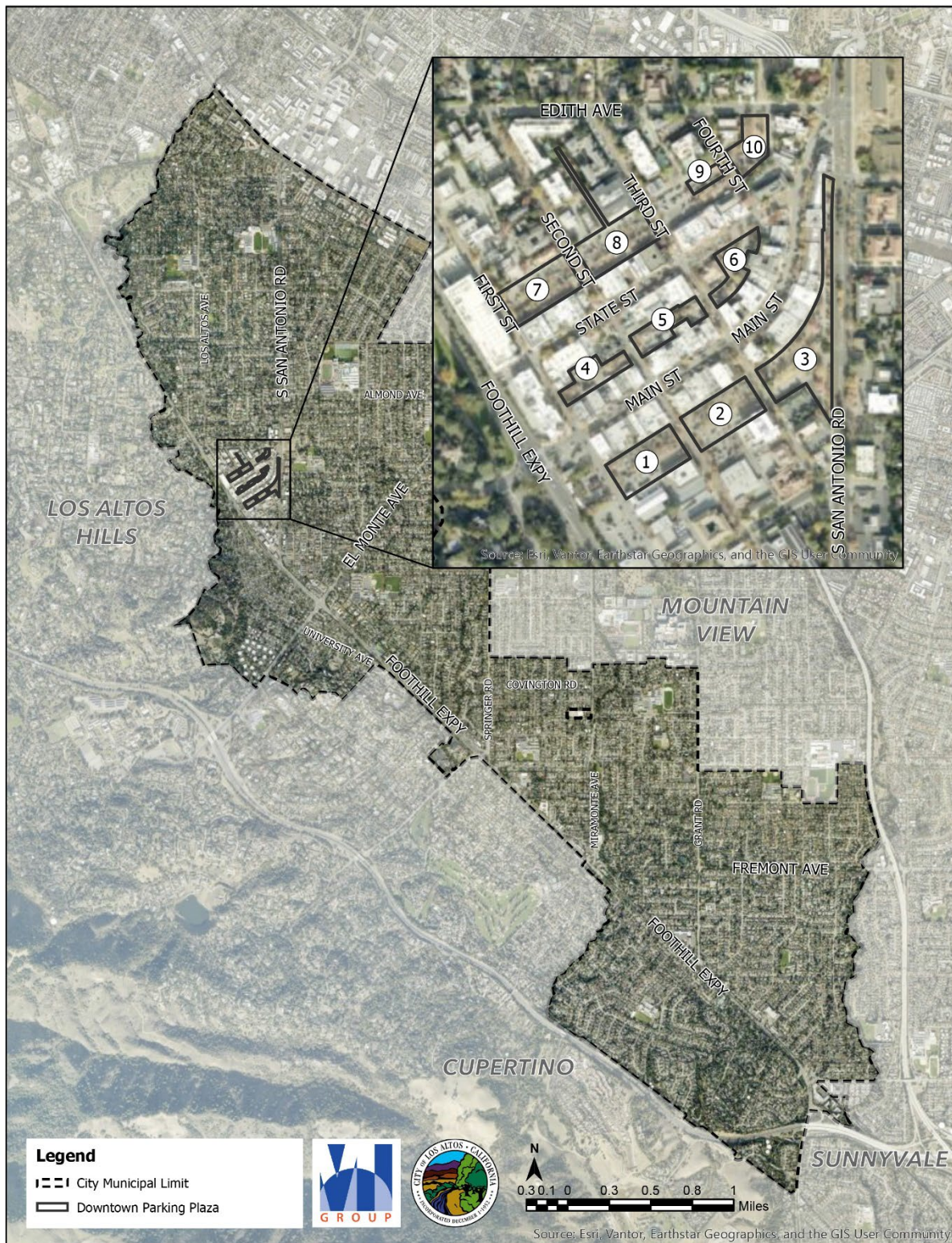
3. **Land Use and Housing Impacts:** Its effect on the use of land, the impact on the availability and location of housing, and the ability of the city to meet its regional housing needs.
4. **Infrastructure Impacts:** Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.
5. **Business Impacts:** Its impact on the community's ability to attract and retain business and employment.
6. **Vacant Land Impacts:** Its impact on the uses of vacant parcels of land.
7. **Other Impacts:** Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.
8. **Urban Greenery Impacts:** The report also evaluates other topics and questions as directed by the City. This includes impacts on urban greenery and urban heat islands.

Executive Summary

The report finds that the Ballot Measure would potentially limit new development by adding additional constraints to development on the City-owned Downtown Parking Plazas. Although there is an exception for “affordable housing” on Plazas 7 and 8, it is not clear if mixed-income housing or other development programs that include affordable housing could be approved without a subsequent Ballot Measure. This would impact development of even affordable multifamily housing on all these lots, including Plazas 7 and 8, by potentially complicating development opportunities. This would impact Program 1.H (“Facilitation housing on City-owned sites”) and other Housing Element programs and policies. The parking plazas and their location in the City can be seen in Figure 1: Parking Plazas in City Context.

If the Ballot Measure were to pass and then subsequently be challenged in court, the City would be required to pay defense costs of the challenge and potentially indemnify the proponents. The City would also be required to defend the Ballot Measure and any implementation of the Ballot Measure, until ended by voters. These legal costs would be assumed by the City no matter what the margin of victory if the Ballot Measure were to pass. The Ballot Measure could potentially be challenged by the State of California, residents, and/or an advocacy group.

Figure 1: Parking Plazas in City Context



The Ballot Measure could complicate the City's ability to meet its Regional Housing Needs Allocation (RHNA) obligations under State law, as well as its obligations under California's Affirmatively Furthering Fair Housing (AFFH) requirements, enacted in 2018 through Assembly Bill 686.

Over time, and particularly in the upcoming 7th Cycle (2031-2039), the City would have reduced flexibility in planning for future housing or other land uses because the Ballot Measure could limit the City's ability to plan for mixed-use development, housing, and/or new parking facilities on City-owned sites downtown as projected in the Downtown Vision Plan.

The state's department of Housing and Community Development (HCD) advises jurisdictions that there are various consequences that may apply when a city does not have a housing element in compliance with Housing Element Law. This could be the case for housing elements in future cycle, and would include ineligibility or delay in receiving certain state funds, referral to the California Office of the Attorney General (AGO), court-imposed financial penalties, the loss of local land use authority to a court-appointed agent, and the application of the Builder's Remedy provisions of the Housing Accountability Act.²

The Ballot Measure could delay or prevent the City from developing additional parking within the Downtown parking plazas by constraining the City's ability to evaluate alternative parking configurations, such as parking structures, that may increase the supply of Downtown parking or allow existing parking resources to be used more efficiently.

In addition, the City's Downtown Vision Plan expressly contemplates redevelopment and other changes to the parking plazas. The Climate Action and Adaptation Plan, the Multimodal Plan, and other adopted City policy documents are coordinated to advance a unified long-term vision for Downtown, and each of these documents contemplate changes to the City-owned parking plazas. The proposed ballot measure would be inconsistent with, and potentially undermine implementation of, the City's adopted policy framework.

Impacts of Undefined Terms

The lack of definition and the restrictions posed by the Ballot Measure introduce several areas of elevated legal and administrative risk. The Ballot Measure uses key terms that are undefined.

The application of terms such as "availability," "access," and "convenience" of parking creates inherent ambiguity in determining when voter approval is required, making consistent application difficult and increasing the likelihood of conflicting interpretations and legal disputes. Also, the Ballot Measure's restrictions on physical alterations to Parking Plazas may significantly impair the City's ability to issue encroachment or construction permits for private-party activities – including utility repairs, trenching, and construction staging – creating risk that property owners or service providers could be unable to access

² Gov. Code Section 65585, subds. (j), (l), 65589.5, subd. (d)(5).

or maintain infrastructure, which in turn could prompt challenges to permit denial or inaction.

In addition, by requiring voter approval for actions affecting sites identified for housing, the measure may operate as an additional constraint on housing development capacity and timing, creating potential exposure to state law compliance issues and challenges related to maintaining adequate housing opportunity sites. Finally, the limitation on declaring surplus land or modifying Parking Plazas introduces a structural constraint on the City's ability to carry out state-required land disposition processes, potentially placing local procedural requirements in tension with state mandates.

Because the initiative shifts project-level decisions to a voter approval process, it introduces a high degree of uncertainty and susceptibility to competing stakeholder interests in individual project outcomes, increasing the likelihood of contested decisions, delays, and project-specific legal challenges.

Fiscal Impacts

Broadly, the passage of the Ballot Measure is likely to have a negative net fiscal impact on the City's General Fund. By limiting the range of development that can occur without voter approval and introducing additional entitlement risk, the measure would likely constrain developer interest in the Plaza sites and reduce the amount developers would be willing to pay for them, directly affecting the City's revenues from any future sale or ground lease.

Beyond disposition proceeds, the Ballot Measure is also likely to deter or delay development types that could generate net positive ongoing fiscal impacts, such as market-rate residential and nonresidential development, while not necessarily making 100-percent affordable housing more probable. Affordable housing, at any proportion or income level could generate indirect fiscal benefits by providing housing opportunities for the local workforce that sustains Downtown businesses and employers, which in turn supports the City's broader revenue base from sources such as property tax, sales tax, and transient occupancy tax.

Infrastructure Funding Impacts

Passage of the Ballot Measure would have implications for infrastructure funding. New development generates demand for infrastructure improvements and in some cases generates revenues through impact fees and other mechanisms to help fund those improvements.

- Transportation infrastructure would likely have offset effects: less development means less demand on the transportation network, and therefore less fee revenue to address that demand.
- Stormwater infrastructure would be negatively affected as the Ballot Measure's requirement to make uses such as a park, paseo, or landscaped open space not possible on the Plaza sites could have a modest negative effect on stormwater

funding needs by decreasing opportunities to reduce runoff through redevelopment.

- Utility infrastructure would be affected by reducing the amount of new development, reducing sewer connection fees (as well as any incremental demands) as well as electricity demand.
- Parks and open space infrastructure could be affected because reduced development on the Parking Plaza sites would reduce park impact fee revenues that could otherwise help fund park improvements. However, any park or open space use would be complicated by requiring subsequent voter approval.
- School facility impacts would likely be limited because reduced residential development on the Plaza sites would also reduce the number of new students generated by that development. However, less residential development would also reduce school impact fee revenues that would otherwise help fund school facility needs. These two effects would generally offset one another.

Business Impacts

A 2024 parking study found that the existing public parking supply substantially exceeds demand under current conditions. Trading parking supply for additional residents, who are likely to shop and spend money near their homes, would likely benefit the Downtown business environment. As the Ballot Measure would make it more difficult to develop residential uses, the passing of the Ballot Measure would have a negative impact on local businesses.

Racial and Economic Equity

Passage of the Ballot Measure would negatively affect racial and economic equity by making it harder, in the future, to develop affordable housing on the Downtown parking lot sites, which are in a “Highest Resource” area with strong access to opportunity. Delays or constraints to building affordable units in this location would limit progress toward addressing the City’s significant housing cost burdens, particularly among Black, Latino, and lower-income households, and would exacerbate longstanding patterns of unequal access to high-opportunity neighborhoods.

Purpose

Within the scope of the 9212-election code and as prescribed by the City Council, the purpose of this Report is to provide a professional, factual and objective analysis of the potential impacts of the Ballot Measure on the City of Los Altos.

Background

On September 6, 2023, the California Department of Housing and Community Development (HCD) certified the City’s 2022-2031 Housing Element. The Housing Element

includes many programs designed to meet the City's RHNA, in compliance with State law. Program 1.H describes how the City will facilitate development of housing on City-owned sites through public-private partnerships during the planning period, including on City-owned Downtown Parking Plazas 7 and 8.

The Los Altos Downtown Parking Plazas Ordinance ("Ballot Measure"), if adopted, would add a chapter to the City's Municipal Code and, among other provisions, prohibit the City from selling, trading, leasing, donating, disposing or otherwise conveying all or a portion of City-owned Downtown parking plazas for any reason that would affect, or diminish the availability or convenience of parking, without voter approval, with exceptions for maintenance work and related capital improvement projects, temporary events, and developing Parking Plazas 7 and 8 for affordable housing.

The Ballot Measure defines "Parking Plazas" as the ten separate parking lots located in downtown Los Altos, described as "publicly-accessible" and "owned by the City." Their APNs are provided in Table 1: Parcels Affected by the Ballot Measure, below:

Table 1: Parcels Affected by the Ballot Measure

Common Designation	Assessor's Parcel Number (APN)
Plaza 1, South Plazas, First Street	167-40-039
Plaza 2, South Plazas, Second Street	167-40-072
Plaza 3, South Plazas, Third Street	167-38-002
Plaza 4, Central Plazas, First Street	167-39-057
Plaza 5, Central Plazas, Second Street	167-39-069
Plaza 6, Central Plazas, State Street	167-38-028
Plaza 7, North Plazas, First Street	167-39-032
Plaza 8, North Plazas, Second Street	167-39-007
Plaza 9, North Plazas, Fourth Street	167-38-049
Plaza 10, North Plazas, Fourth Street	167-38-029

Specifically, the Ballot Measure would prohibit the City from taking the following actions without approval by a majority vote of the City's voters:

1. Sell, trade, lease, donate, dispose or otherwise convey any Parking Plaza, or any portion thereof, for any reason.
2. Designate or change the use of any Parking Plaza in any way which would affect the use of the Parking Plazas for parking or which would diminish the availability, access or convenience of public parking.
3. Declare any Parking Plaza "surplus land" or "exempt surplus land" under the California Surplus Land Act (Government Code sections 54220 et seq.).

4. Modify, alter or construct any capital project or other physical alteration on any of the Parking Plazas which permanently diminishes the availability, access or convenience of public parking.
5. Modify or physically alter any Parking Plaza by adding additional levels or floors.
6. Modify or physically alter any Parking Plaza in a way which would negatively affect protected trees or the tree canopy.

If the City wishes to take one of these actions, it must place that action on the next regularly scheduled election following final City approval of the action, at the earliest time allowable by law, and the action will only become effective if approved by a majority of the voters.

There are exceptions to the voter requirement. The City may take the following actions with respect to the Parking Plazas without a vote:

1. Maintain and repair the Parking Plazas, even if these activities temporarily affect parking availability, access, or convenience, if they are intended to preserve or improve the access or convenience of public parking.
2. Host community activities, such as the farmers market or similar events, which use the Parking Plazas on a short-term and temporary basis.
3. Develop Parking Plaza 7 (APN: 167-39-032) and Parking Plaza 8 (APN:167-39-007) for affordable housing.

The Ballot Measure would take effect upon approval by a majority of voters, but would become operative as of April 4, 2026, the date the notice of intention to circulate the initiative petition was published.

On May 5, 2026, the petition for the proposed Ballot Measure was filed with the County of Santa Clara within the required time following the publication date.

Signature verification is performed by the Santa Clara County Clerk-Recorder's Office ("County"). At the time the petition was filed, Los Altos had 22,789 registered voters, which required 2,279 valid signatures to qualify the measure for the ballot. Pursuant to Elections Code section 9211, the County examined the signatures submitted in support of the initiative petition and, on May 21, 2026, determined that 2,676 signatures were valid exceeding the number required to qualify the Ballot Measure for the ballot.

Based on the validation of the petition format and content (Elections Code section 9239) along with the signature verification (Elections Code sections 9215 and 9240), the City Clerk certified the petition as sufficient to qualify as an initiative petition for the ballot on May 26, 2026. The City Council requested the preparation of a 9212 report which is due no later than June 25, 2026 - 30 days from the City Clerk's certification.

1. Fiscal Impacts

This chapter analyzes the potential impact that passage of the Ballot Measure could have on the City of Los Altos' annual operating budget. The City of Los Altos funds key services

for residents and local businesses, including public safety, public works, and parks and recreation. These services are supported by revenue from property tax, sales tax, fees, transient occupancy (lodging) tax, and other sources. Passage of the ballot measure could affect the City's operating revenues and service costs to the extent that it influences whether development occurs on any of the parking lot sites.

Overview of the Ballot Measure

Passage of the Ballot Measure would amend the Los Altos Municipal Code to prevent ten City-owned surface parking lots in the Downtown area from being sold, repurposed, or significantly altered unless voters first approve the change by majority vote.

The ordinance includes an exception for Parking Plazas 7 and 8 (APNs 167-39-032 and 167-39-007), which are explicitly exempted from the voter approval requirement if developed for affordable housing. The term "affordable housing" is not defined in the measure; a carve-out in "Exceptions" Section 14.92.050(3) simply states the City may "develop Parking Plaza 7 and Parking Plaza 8 for affordable housing," with no reference to income thresholds, affordability levels (e.g., Area Median Income (AMI) percentages), or deed restriction requirements.³ The measure also does not specify whether a mixed-income project with only a portion of affordable units would satisfy the exception, or whether 100-percent affordable projects are required. The absence of a definition of affordable housing may lead to disputes over whether specific project proposals qualify for the exemption.

Possible Future Redevelopment Scenarios for Parking Plaza Sites

This section summarizes potential future development projects on the Parking Plaza sites for the purpose of evaluating the possible impacts of the ballot measure.

The City is currently considering two redevelopment efforts on Parking Plaza sites. For Plazas 1, 2, and/or 3, the City is exploring the possibility of a new downtown park and parking improvements. For Plazas 7 and 8, the City is pursuing residential development which includes affordable housing. Plaza 8 was identified as an ideal site for affordable housing in the City's Downtown Vision Plan, adopted in 2018. The City's 6th Cycle Housing Element identifies all the plazas as housing opportunity sites. At its August 27, 2024, meeting, the City Council voted to formally declare Plazas 7 and 8 as surplus land under the California Surplus Land Act, opening the door to sell or lease the sites to a developer for residential development.

While the City is not currently pursuing redevelopment of the remaining five Parking Plazas (4, 5, 6, 9, and 10), those sites could potentially be used for residential development, along with a range of commercial and mixed-use activities appropriate for the Downtown. The same range of future uses could likewise apply to Plazas 1, 2, 3, 7, and 8 — either on

³ Section 62250(a) of the Government Code states: "'Affordable housing' means housing with an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, for households whose gross income does not exceed 120 percent of the area median income."

portions of those sites not ultimately developed under the uses currently under consideration, or if the currently contemplated projects do not move forward.

Impacts of the Ballot Measure on Possible Future Development Scenarios

Passage of the Ballot Measure would make it meaningfully more difficult for the City to pursue development or improvements to the Parking Plaza sites. The voter approval requirement introduces additional time, cost, and uncertainty that could deter action at multiple stages: the City could elect not to move forward given the procedural burden; voters could reject a proposed project; or prospective developers could be deterred from pursuing projects or unable to secure adequate financing due to the uncertainty inherent in a ballot process. Even where development ultimately proceeds, the voter approval requirement could add years to the timeline.

While the Ballot Measure preserves a pathway for affordable housing development on Parking Plazas 7 and 8, in effect this outcome is unlikely even if the measure passes. The measure does not provide a clear exemption from the voter approval requirement for mixed-income housing development, leaving 100-percent affordable housing as the only option with a clear exemption. However, a 100-percent affordable development is unlikely on these sites due to a variety of potential factors, including developer concern at an extended development timeline to allow for a ballot measure and the feasibility of a 100-percent affordable housing model on the site. The overall effect would be to make any kind of development on the sites unlikely, as any development other than 100-percent affordable housing would require voter approval and 100-percent affordable housing is unlikely. If the Ballot Measure does not pass, a mixed-income residential development is likely to proceed on these sites, consistent with the City's current efforts and the City's Housing Element.

For the remaining Plaza sites, the most immediate impact would be that it would be more difficult to pursue a downtown park and parking improvements on Plazas 1, 2, and/or 3, which the City is currently evaluating. Over the longer term, passage of the measure could similarly constrain the City's ability to pursue other forms of development or improvements across all Plazas.

Impact on City Revenues

Development of the Parking Plaza sites would generate new revenues for the City of Los Altos General Fund from a variety of sources. The most direct source of revenue would be proceeds from the disposition of the sites themselves, whether through a fee-simple sale or a ground lease arrangement. In addition, new development would generate ongoing annual revenues for the General Fund, which could include property tax, sales tax, transient occupancy tax, and utility user tax. The type and magnitude of both one-time and ongoing revenues would depend on the type and intensity of development, as discussed in the following subsections.

Land Disposition Revenues

If the City ultimately sells or ground leases the Parking Plaza sites to developers, it will receive proceeds from those transactions either as a lump-sum payment in the case of a fee-simple sale or as ongoing ground lease payments over the term of a lease. These proceeds would represent a direct revenue benefit to the City, the magnitude of which would depend on the value of the sites, the terms negotiated with the developer, and the type of development proposed.

Passage of the Ballot Measure can be anticipated to have a negative impact on future City revenues from disposition of the Parking Plaza sites compared to a scenario in which the Ballot Measure does not pass. If the ballot measure passes, the voter approval requirement could deter developers from pursuing projects on these sites altogether or reduce their willingness to offer competitive terms due to the uncertainty and additional costs associated with a ballot process. Developers factor entitlement risk into their underwriting, and the requirement to obtain voter approval before a project can proceed represents a significant source of risk that would likely be reflected in lower offers or reduced interest from the development community.

Annual Property Tax Revenues

The City receives a share of the property tax generated by all taxable real property within City limits. The downtown Parking Plazas are in Tax Rate Area (TRA) 011-001, where property taxes flow to the City at a rate of \$116.60 per year for every \$100,000 in assessed value. Because the Parking Plazas are publicly owned, they are currently exempt from property tax and generate no property tax revenue for the City.

The property tax implications of any future development on the Parking Plaza sites would depend significantly on the type of use developed.⁴ As a general matter:

- **Public agency-owned land** is not subject to property tax. The Parking Plazas therefore generate no property tax revenue under current conditions.
- **100-percent affordable housing** is typically exempt from property tax, provided the development is owned and operated by a nonprofit entity and meets applicable requirements under State law.
- **Market-rate housing and mixed-income development** are generally subject to property tax. Affordable units in mixed-income projects are typically taxable unless separated from the market-rate units in the project and owned and operated by a non-profit entity.

⁴ If the City disposes of any Parking Plaza site through a ground lease rather than a fee-simple sale, the City will retain ownership of the land and the site would remain exempt from property tax. However, any development on a ground-leased site that would otherwise be subject to property tax if privately owned would instead be subject to possessory interest tax. For long-term ground leases, the City's possessory interest tax revenues would generally be approximately equivalent to the property tax revenues the City would receive from a comparable development on a privately-owned site.

- **Nonresidential uses** such as office, retail, hotel, and performing arts centers are generally subject to property tax. Publicly owned non-residential uses such as a city-owned park, paseo, or civic facility would remain exempt from property tax, as with other public agency-owned land.

If the Ballot Measure does not pass, there is a higher likelihood that the Parking Plaza sites will be developed with property-tax-generating projects such as mixed-income housing or commercial uses. Because the sites are currently exempt from property tax, such development would have a positive impact on City property tax revenues. If the Ballot Measure passes, the sites are more likely to remain exempt from property tax, as the Plazas are more likely to remain undeveloped due to the measure's limitations on pathways to development and procedural hurdles associated with the voter approval requirement.

Annual Sales Tax Revenues

Taxable purchases in Los Altos generate sales tax revenue for the City at a rate of 1.0 percent of the taxable sale price. All California jurisdictions collect a statewide base sales tax rate of at least 7.25 percent, comprised of 6.0 percent that accrues to the State, 0.25 percent allocated to fund transportation projects in the county where the sale occurs, and the 1.0 percent "Bradley-Burns" local sales tax, which some incorporated jurisdictions share with the county in which they are located.

For sales occurring in Los Altos, the full Bradley-Burns 1.0 percent accrues to the City. Taxable purchases in Santa Clara County are also subject to various local "district" sales taxes that fund regional services and projects, which cumulatively add 2.5 percent to the overall rate, resulting in a total Los Altos sales and use tax rate of 9.75 percent. None of the district sales and use taxes that apply to purchases in Los Altos accrue to the City.

Development of the Parking Plaza sites would be expected to generate positive sales tax impacts for the City. The Parking Plazas are situated in Downtown Los Altos, which serves as a significant retail hub within the City, and new development of virtually any kind would likely strengthen the commercial activity that drives sales tax generation.

New housing would bring residents directly into Downtown, adding spending power to support local businesses.⁵ New office development would similarly bring workers who patronize nearby shops and restaurants, and some office tenants generate sales and use tax through business-to-business transactions. New retail space would directly generate sales tax through purchases at new businesses. Even non-commercial uses such as a park, public event space, or arts and cultural venue would contribute indirectly by drawing people into Downtown and increasing foot traffic to surrounding businesses.

As discussed above, passage of the Ballot Measure is likely to reduce the overall amount and range of development that can occur on the Parking Plaza sites. To the extent the

⁵ For an example of incomes eligible for affordable housing units, see HCD's 2025 State Income Limits, available at <https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2025.pdf>. For a 4-person household, a moderate income can be up to \$234,500.

Ballot Measure reduces development activity on these sites, it would correspondingly reduce the positive sales tax impacts that such development would otherwise generate.

Annual Transient Occupancy Tax Revenues

Los Altos levies a transient occupancy tax (TOT) on lodging revenues at a rate of 14 percent. The development scenarios the City is currently evaluating for the Parking Plaza sites do not include hotel development, and therefore no direct change in TOT revenue is anticipated in the near term under either outcome of the Ballot Measure. However, if the City were to consider hotel development on one or more Plaza sites in the future, passage of the Ballot Measure would introduce additional time and uncertainty into that process and reduce the likelihood that such development would ultimately occur. To the extent the Ballot Measure diminishes the potential for future hotel development on the sites, it could correspondingly reduce the City's ability to capture TOT revenue from that development.

Beyond direct hotel development, new uses on the Parking Plaza sites could also affect TOT indirectly. Development that enhances the vitality and appeal of Downtown Los Altos could benefit existing hotels by supporting higher occupancy rates or room rates. Conversely, if passage of the Ballot Measure makes it more difficult for the City to activate the Parking Plaza sites in ways that improve the Downtown experience, any benefit to local hotel businesses and the associated TOT revenues could be diminished.

Annual Utility User Tax Revenues

The City levies a utility user tax (UUT) on the consumption of certain utility services within City limits. The UUT applies to electricity, gas, and water at a rate of 3.5 percent of charges, and to telephone and cable television services at a rate of 3.2 percent of charges. UUT revenues totaled approximately \$4.1 million in the City's 2025/26 General Fund budget, representing roughly six percent of the City's \$65.1 million General Fund.

Because the Parking Plazas are currently used for surface parking, they generate virtually no utility consumption and therefore contribute negligibly to UUT revenues under existing conditions. Development of the Parking Plaza sites would be expected to increase utility consumption on those sites and, correspondingly, generate new UUT revenues for the City. The magnitude of that increase would depend on the type and intensity of development. More intensive uses such as residential buildings, office space, or hotels would generate meaningfully more utility consumption than lighter uses such as a park or open space.

As discussed above, passage of the Ballot Measure is likely to reduce the overall amount and range of development that can occur on the Parking Plaza sites. To the extent the Ballot Measure deters or delays development on these sites, it would correspondingly reduce the incremental UUT revenues that such development would otherwise generate.

Net Impact on City Revenues and Expenditures

Development on the Parking Plaza sites would generate new revenues for the City, as discussed in the preceding section, but would also result in increased demand for municipal services such as police, public works, and parks and recreation. The costs of providing these services would need to be covered under the City's General Fund annual

operating budget and are not covered by one-time development impact fees, which are used to cover the capital costs of infrastructure that is needed to serve new development.

Net Fiscal Impacts by Development Type

The net fiscal impact of the Ballot Measure on the City of Los Altos General Fund would depend on whether the Parking Plaza sites are ultimately developed and, if so, how they are developed. The City is currently pursuing residential development on Plazas 7 and 8 and evaluating potential park and parking improvements on Plazas 1, 2, and/or 3, though the ultimate development outcome for these sites remains uncertain even in the absence of the Ballot Measure. The City has not taken action to develop or significantly alter any of the remaining Plazas, though development of those sites could be pursued in the future. The following sections provide a summary of net fiscal impacts associated with various potential uses that the City could pursue on the Parking Plaza sites.

Net Fiscal Impact of Residential Uses

The net fiscal impact of residential development depends on the valuation of the units and the extent to which the development includes units that are exempt from property tax. Due to Los Altos's high residential property values, many market-rate residential units have a positive fiscal impact on the City's General Fund, generating enough revenue from property tax, sales tax from resident spending, and other sources to offset and, in some cases, exceed the City's cost to provide municipal services to the associated residents. Market-rate residential units are also generally profitable enough to support a substantial land acquisition cost, which would generate revenue for the City in the case of a sale or ground lease of any Plaza sites for market-rate residential development.

Because 100-percent affordable housing is typically exempt from property tax, a predominantly or exclusively affordable project generates relatively limited ongoing revenues while still requiring the full range of municipal services, often resulting in a net negative direct fiscal impact on an ongoing basis. In addition, a 100-percent affordable development may not be able to support a land acquisition cost, meaning that this type of development may not generate sale or ground lease revenue for the City if developed on Parking Plaza sites. However, affordable housing can provide indirect fiscal benefits by providing housing opportunities for the local workforce. Workforce housing can help to sustain Los Altos businesses and employers by supporting employee retention and, in turn, strengthening the City's broader revenue base from sources such as property tax, sales tax, and transient occupancy tax.

The overall net fiscal impact of mixed-income housing would depend on several factors, including the share of affordable and market-rate units, the value of the market-rate component of the project, and whether the affordable component is eligible for a property tax exemption. However, given the high value of market-rate residential units in Los Altos, many mixed-income development scenarios would have a positive net fiscal impact on the City's General Fund.

Net Fiscal Impact of Nonresidential Uses

Nonresidential development often produces a net positive fiscal impact, as workers and visitors typically place lower demands on local services than residents, and uses such as retail, office, and hotel can generate substantial revenues through sales tax, property tax, and transient occupancy tax that more than offset the cost of providing services. Like market-rate residential uses, nonresidential uses developed on the Parking Plaza sites would also typically generate sale or ground lease revenue for the City through the disposition process.

Net Fiscal Impact of a Park or Civic Use

A park or similar civic use is likely to have a negative net fiscal impact on the City's General Fund, as these uses would not generate property tax revenues and the City could incur ongoing operational and maintenance costs that may not be fully recovered through user fees or other charges. In addition, the City would not sell or lease any Parking Plazas used for these purposes, and therefore a park or civic use would not generate sale or ground lease revenues for the City. At the same time, such uses could generate indirect fiscal benefits by activating Downtown, drawing visitors, and supporting the commercial activity that drives sales tax revenues at nearby businesses. Whether the indirect benefits outweigh the direct costs would depend on the nature of the use, how it is programmed and managed, and the degree to which it succeeds in enhancing Downtown vitality.

Net Fiscal Impacts of the Ballot Measure

On balance, passage of the Ballot Measure is likely to have a negative net fiscal impact on the City's General Fund relative to a scenario in which the Ballot Measure does not pass. By limiting the range of development that can occur without voter approval and introducing additional entitlement risk, the measure would likely deter developers from pursuing projects on these sites or reduce their willingness to offer competitive terms. The uncertainty and additional costs associated with a ballot process would likely be reflected in lower disposition proceeds compared to a scenario in which the measure does not pass, or no proceeds if the City cannot attract a developer with the ability to support a land purchase or ground lease.

Beyond disposition proceeds, the Ballot Measure is also likely to deter or delay development types that could generate net positive ongoing fiscal impacts, such as market-rate residential and nonresidential development. The Ballot Measure's potential effect on the downtown park is somewhat more nuanced: a park would likely have a negative direct fiscal impact but could generate indirect fiscal benefits by drawing visitors to Downtown businesses and supporting the City's broader revenue base.

2. Planning Impacts

This section reviews the Ballot Measure's effect on the internal consistency of the City's general and specific plans, the consistency between planning and zoning, and the limitations on city actions under the following California Government Code sections:

- Section 65008 of the Government Code (prohibits discrimination in housing and land use),
- Chapters 4.2, commencing with Section 65913 (addresses the shortage of affordable housing and encourages the development of new housing).

Internal Consistency of the City's General Plan

California state law requires internal consistency of the General Plan, as well as consistency with zoning and specific plans.⁶ The Ballot Measure may affect the internal consistency of the City's General Plan by potentially limiting the attainment of goals, policies, and programs in the Land Use Element, Circulation Element, Open Space, Conservation and Community Facilities Element, Economic Development Element, Natural Environment and Hazards Element, Community Design & Historic Resources Element and Housing Element.

The Ballot Measure would amend the Los Altos Municipal Code to prohibit the City of Los Altos from selling, trading, leasing, donating, disposing or otherwise conveying any parking plaza, or any portion thereof, for any reason without approval by a majority vote of the City's voters, with certain exceptions.

This section focuses on the Ballot Measure's relationship with the General Plan's Land Use Element, Circulation Element, Open Space, Conservation and Community Facilities Element, Economic Development Element, Natural Environment and Hazards Element, and Community Design & Historic Resources Element. The relationship between the Ballot Measure and the Housing Element is discussed in section 3. Housing Impacts of this report.

The Ballot Measure itself passing would not immediately impact these topics and the related General Plan sections as the impact would be determined by a subsequent Ballot Measure for the approval, or not, of any development or any other potential land use intended to further General Plan goals, policies or programs.

The Ballot Measure would potentially limit new development by adding an additional constraint to development on the downtown Parking Plazas. The Ballot Measure would implement additional procedural requirements, which could result in an increase in cost and potential delays. These procedural requirements could complicate the ability to meet goals and policies under the City's General Plan and implement associated programs.

⁶ Gov. Code Section 65300.5

Land Use Element

The existing General Plan includes several goals, policies and programs that support housing and a complementary mix of uses within the Downtown area. By requiring a vote to change land uses in parking plazas, the Ballot Measure may inhibit the Downtown from developing diverse land uses and a more vibrant commercial and residential area, where there is easy access to resources and grocery stores, and other needs. Additionally, the Ballot Measure could create constraints to the development of affordable housing, which is envisioned as part of the mixed-use development in the Land Use Element.

In the Land Use Element, the City has included the following goals, policies, and programs that intend to promote the intensification of land uses in the Downtown to create a more vibrant area with mixed uses, including affordable housing:⁷

Goal 2: *Plan for a compatible and harmonious arrangement of land uses by providing a mix of uses consistent with projected future social and economic conditions in Los Altos.*

Policy 2.1: *Continue to apply land use designations, which recognize existing development patterns and expected future conditions.*

Policy 2.2: *Encourage a variety of residential housing opportunities by allowing residential uses with adequate parking in appropriate commercial areas, including sections of the Downtown area, Foothill Plaza and along El Camino Real.*

Goal 3: *Allow for intensification of development within the Downtown Core in keeping with the existing character of the area.*

Policy 3.1: *Encourage residential development above the ground floor that includes affordable housing units.*

Policy 3.2: *Consider zoning code incentives to encourage mixed-use development.*

Policy 3.4: *Consider amending the zoning code to allow development of three-story buildings in the Downtown Core to encourage construction of below market rate housing units.*

Program LU 2: *Review and amend (as needed) the Zoning Ordinance to provide consistency with new state legislation and court decisions. Consider Zoning Ordinance amendments that implement the use and development of goals, policies, and plan objectives for the identified special planning areas (e.g., Downtown, El Camino Real Corridor, and Foothill Plaza).*

Program LU 5: *Study and periodically update information on parking needs in the Downtown Core and methods of financing. Implement the recommendations of parking studies and consider the financing opinions for parking plaza improvements.*

⁷ City of Los Altos. (2002, November). *Land Use Element*.
<https://www.losaltosca.gov/DocumentCenter/View/538/Land-Use-Element-PDF?bidId=>

Program LU 6: Consider Zoning Ordinance amendments to increase the maximum density and intensity for residential development above the ground floor consistent with the goals, policies, and plan objectives for the Downtown Core. Ensure that new development and redevelopment is consistent with the Downtown Urban Design Plan.

Economic Development Element

Consistent with the Land Use Element, the Economic Development Element focuses efforts on the development, redevelopment, and intensification of the Downtown core. The Downtown is recognized as one of the seven primary commercial areas within the City of Los Altos. The majority of the primary commercial areas are developed; therefore, future development is focused on upgrading and redeveloping to ensure their continued vitality. The Ballot Measure potentially impacts the Economic Development Element's vision and plan to potentially revitalize the Downtown with mixed uses, including a mix of commercial uses. The Economic Development Element includes the following goals, policies, and programs intended to promote the Downtown revitalization with development of mixed uses and upgrades:⁸

Goal 2: Promote the economic and commercial success of all commercial districts in Los Altos.

Policy 2.1: Promote an optimum mix of commercial uses in existing commercial locations to meet both the shopping needs of residents and fiscal needs of the City.

Goal 3: Increase the attractiveness of Downtown area to shoppers and pedestrians to enhance the economic vibrancy of the area.

Policy 3.1: Improve and seek to eliminate current perceived and real difficulties in finding parking places.

Policy 3.5: Allow mixed-use development with multi-family residential and commercial uses to provide alternative housing opportunities within community.

Policy 3.6: Limit ground floor uses to retail and limited personal services in the Downtown Commercial Retail Sales District, with a special emphasis on retail uses on Main and State Streets.

Policy 3.9: Work to ensure that the Downtown is a clean, attractive and safe area.

Program ED 3: Facilitate economic development of the Downtown as follows: 1) Encourage land use intensification of the Downtown Core for mixed-use development with an emphasis on retail development on the ground floor (especially on Main and State Streets) consistent with the applicable General Plan policies and plan; 2) Work to improve both real and perceived parking issues relative to overall numbers and proximity to businesses; 3) Implement the Downtown Urban Design Plan and Downtown Commercial Retail Sales (CRS) Zoning

⁸ City of Los Altos. (2002, November). *Economic Development Element*.
<https://www.losaltosca.gov/DocumentCenter/View/534/Economic-Development-Element-PDF?bidId=>

District; and 4) Work with the Los Altos Village Association and Chamber of Commerce to publicize shopping opportunities Downtown.

All the City-owned Downtown parking plazas are within an area with pedestrian-oriented development and design. This area is a commercial core for City of Los Altos with retail and other services. The previously mentioned goals, policies, and programs within the Land Use Element and Economic Development Element encourage mixed-use development with residential units in the Downtown, while preserving the Downtown character and limiting negative parking and traffic impacts. These goals, policies, and programs support the vitality of the Downtown as changes occur throughout the years and support the City's economic growth. Additionally, these goals, policies, and programs support the City's vision of creating new housing opportunities, including affordable housing.

The Ballot Measure conflicts with the goals, policies, and programs within the Land Use Element and the Economic Development Element because the Ballot Measure potentially limits multi-family residences, mixed use, and parking structure development, which are developments that would support these goals, policies, and programs. Regulatory constraints can include land use controls, zoning and building codes, fees, exactions, and permit procedures. The Ballot Measure may limit development by adding a constraint to development of City-owned land within the Downtown.

Circulation Element

The Los Altos Circulation Element includes provisions to ensure adequate parking supply is available within the Downtown, to minimize intrusion into adjacent neighborhoods.⁹ The Circulation Element also highlights that the provision of adequate parking is important for all uses, as it helps with traffic flow. The Circulation Element includes goals, policies, and programs that intend to manage traffic within the City's commercial areas, including the Downtown, by encouraging the provision of adequate parking:

Goal 5: *Provide the appropriate amount of parking in residential neighborhoods and commercial areas to accommodate needs but not to encourage the use of automobile travel.*

Policy 5.3: *Reduce the amount of on street parking in single-family residential neighborhoods caused by adjacent non-residential and multi-family residential uses.*

Policy 5.5: *Establish methods for providing for existing and future parking demands in the Downtown and other commercial areas in an economically feasible and aesthetically pleasing manner.*

Policy 5.6: *Target parking that is close to destinations for short-term (customer) use and target outlying parking (edge of Downtown, but not in neighboring residential areas) for long-term (owner and employee) parking.*

⁹ City of Los Altos. (2002, November). *Circulation Element*.

<https://www.losaltosca.gov/DocumentCenter/View/532/Circulation-Element-PDF?bidId=>

Program C 27: Establish special parking standards as follows: 1) Require on-site covered parking in review of alterations to existing residential structures; 2) Provide for an adequate supply of short-term parking in commercial retail zones; and 3) Regulate commercial parking lots to protect residential neighbors to include times and location of commercial deliveries and garbage collection, overnight parking, and other unauthorized use.

Program C 29: Undertake a study to assess the feasibility of underground/above-ground parking in the Downtown.

Program C 30: Consider establishing traffic impact fees to reduce the impact of new development or redevelopment. Consider parking fees in lieu of providing required parking in the Downtown area to encourage additional housing opportunities.

Program C 31: Consider establishing a parking assessment district to expand Downtown parking and provide parking for other commercial areas.

The goals, policies, and programs above promote increased parking in the Downtown, including underground and above-ground parking, to accommodate existing and future needs for residents and visitors. The Ballot Measure could delay or prevent the City from developing additional parking within the Downtown parking plazas by constraining the City's ability to evaluate alternative parking configurations, such as parking structures, that may increase the supply of Downtown parking or allow existing parking resources to be used more efficiently.

Natural Environment & Hazards Element

The Natural Environment & Hazards Element is intended to identify and address characteristics in or near the City of Los Altos Planning Area that represents a potential hazard to the community.¹⁰ The goals, policies, and programs are intended to protect the quality of life from hazards relating to human activity. The following Natural Environment & Hazards Element goal and policies support air quality within the City of Los Altos:

Goal 8: Maintain or improve air quality in Los Altos.

Policy 8.1: Support the principles of reducing air pollutants through land use, transportation, and energy use planning.

Policy 8.2: Encourage transportation modes that minimize contaminant emissions from motor vehicle use.

The goal and policies above support reducing air pollutants to improve air quality within the City of Los Altos. The parking plazas have the potential to promote air quality initiatives through the development of more electric vehicle parking spaces, electric vehicle charging stations, and bicycle parking facilities. The Ballot Measure may limit the ability to develop these additional amenities as it may delay or deny their development. These facilities

¹⁰ City of Los Altos. (2002, November). *Natural Environment & Hazards Element*. <https://www.losaltosca.gov/DocumentCenter/View/1767/Natural-Environment-and-Hazards-Element?bidId=>

would support residents and visitors to use electric vehicles and bicycles, which support the environment by reducing pollutants generated. As a result, the Ballot Measure may preclude the City from reaching its goal of maintaining or improving its air quality.

Open Space, Conservation & Community Facilities Element

The Open Space, Conservation & Community Facilities Element is focused on addressing several open space categories including the preservation of natural resources, the managing of production of resources, and the maintenance of open space for public health and safety reasons.¹¹ The Element outlines goals, policies, and programs that seek to protect and maintain natural resources and public services. The following goals, policies, and programs support the City's initiatives to maintain and provide recreational facilities:

Goal 3: *Expand recreation programs and facilities for all ages using City and non-City sites.*

Policy 3.3: *Provide and expand continuing support for children and teen facilities and programs.*

Policy 3.4: *Promote and provide programs and recreation facilities for seniors.*

Goal 9: *Encourage the provision of cultural facilities and activities within the City.*

Policy 9.2: *Work with private developers to offer cultural activities within the community, such as a community theater and cinema.*

Program OCC 8: *Provide a full range of recreational opportunities to serve the community by: 1) Promoting a high level of public outreach by coordinating with community organizations, special interest groups and private businesses to provide recreation program opportunities, and distributing newsletters or brochures to inform the community of available recreation programs and facilities; 2) Coordinating with other agencies/organizations such as the school districts, Parks, Art, and Recreation Commission, Youth Commission, and other appropriate agencies to achieve maximum utilization of recreation programs and facilities in the community; 3) Facilitating cooperative recreational programming with surrounding jurisdictions to expand opportunities and cost efficiencies; 4) Identifying and evaluating the provision of drop-in, team sports, and other after-school recreation programs for youth; 5) Involving the Youth Commission in recreational programming for youth and teen center activities; 6) Continuing work with the Hillview Senior Center and Garden House to identify the available programs and facilities for seniors, and looking for ways to augment them where appropriate; 7) Exploring means to provide programs to those who cannot afford to pay by utilizing corporate sponsorships, volunteers and joint use of school facilities and services; and 8) Developing new recreation programs to reflect the changing needs and interests of Los Altos residents.*

¹¹ City of Los Altos. (2002, November). *Open Space, Conservation & Community Facilities Element*. <https://www.losaltosca.gov/DocumentCenter/View/540/Open-Space-Conservation-and-Community-Facilities-Element-PDF?bidId=>

The Downtown Vision Plan envisions some parking plazas becoming public plazas, where there are recreational activities and public amenities present. This vision is supported by the Open Space, Conservation and Community Facilities Element by promoting recreational activity within the City of Los Altos, including cultural activity. The Ballot Measure may preclude the growth of recreational activity within the City of Los Altos due to potential development delay or denial. Additionally, the Ballot Measure may result in additional procedural requirements, which may increase costs and make projects infeasible.

Community Design & Historic Resources Element

The Community Design & Historic Resources Element highlights that the Downtown will continue to thrive by attracting businesses and encouraging additional restaurants and entertainment venues.¹² Additionally, it promotes mixed-use development, the increase in public parking, and the development of affordable housing within the Downtown. The following goals, policies, and programs from the Community Design & Historic Resources Element support an increase in parking, mixed-use development and affordable housing in the Downtown:

Goal 3: *Increase the appeal of Downtown to pedestrians and shoppers.*

Policy 3.6: *Evaluate the public benefit of City-owned parking plazas and the best use thereof, while preserving or increasing public parking Downtown.*

Policy 3.8: *Encourage the development of affordable housing above the ground floor throughout the Downtown.*

Program CDHR 4: *Implement the Downtown Urban Design Plan to preserve the unique character and pedestrian appeal of the Downtown by ensuring that future development and redevelopment in the Downtown is consistent with the plan.*

The Community Design & Historic Resources Element promotes the preservation of Downtown's character as redevelopment and new development occurs throughout the years. The goals, policies, and programs within the Element encourage the growth of the Downtown to provide more residential units and additional uses that support a more vibrant area. To support the growth in housing and other uses within the Downtown, the Element promotes an increase in public parking. The Ballot Measure may preclude the increase in new housing, commercial uses, and public parking by potentially creating a constraint. By potentially delaying or denying new development in the Downtown parking plazas, the Ballot Measure would limit the City's ability to reach its Community Design & Historic Resources Element goals, policies, and programs.

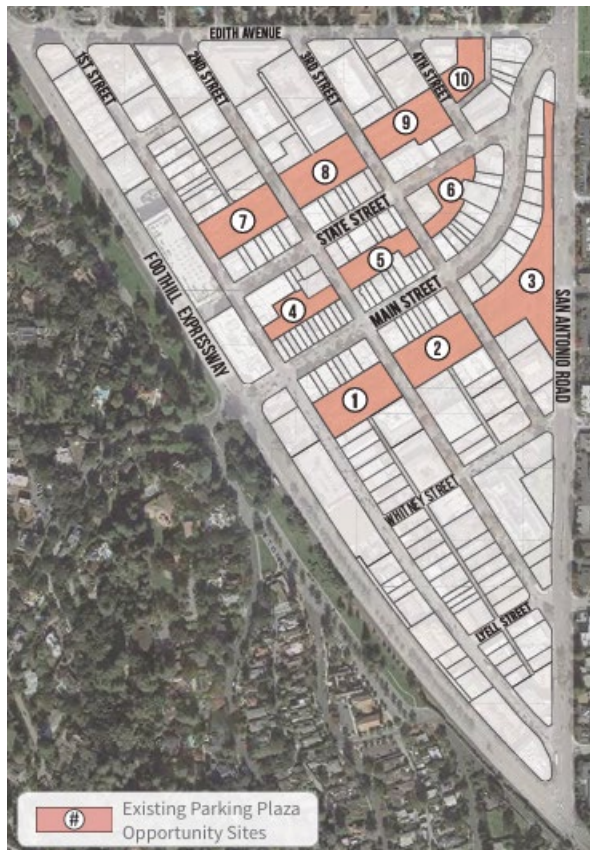
¹² City of Los Altos. (2002, November). *Community Design & Historic Resources Element*. <https://www.losaltosca.gov/DocumentCenter/View/533/Community-Design-and-Historic-Resources-Element-PDF?bidId=>

Internal Consistency of the Downtown Vision Plan

The Downtown Vision Plan provides guidance for growth and development within the Downtown and replaces the Downtown Design Plan.¹³ The Downtown Vision Plan elements include but are not limited to enhancing economic vitality, developing adequate parking facilities, utilizing the existing parking plazas in a manner that enhances the village character while also meeting other community desires, and expanding the variety of residential housing types.

The Downtown Vision Plan identifies the Downtown parking plazas envisioned as opportunity sites as shown in Figure 2 Existing Parking Plaza Opportunity Sites. The plan envisions Parking Plaza 8 as new affordable housing, Parking Plaza 2 as a new hotel use and live theater, and new office uses for Parking Plazas 1, 3, and 7. Parking consolidation in new parking facilities is envisioned on Parking Plazas 1, 2, and 3 as well as 7 and 8. Parking Plaza 9 is envisioned for new development in support of the Downtown Vision Plan.

Figure 2: Existing Parking Plaza Opportunity Sites¹⁴



The Downtown Vision Plan has a short-term vision of focusing initial plaza enhancement efforts on Parking Plaza 5, which is envisioned as a “community living room”. The

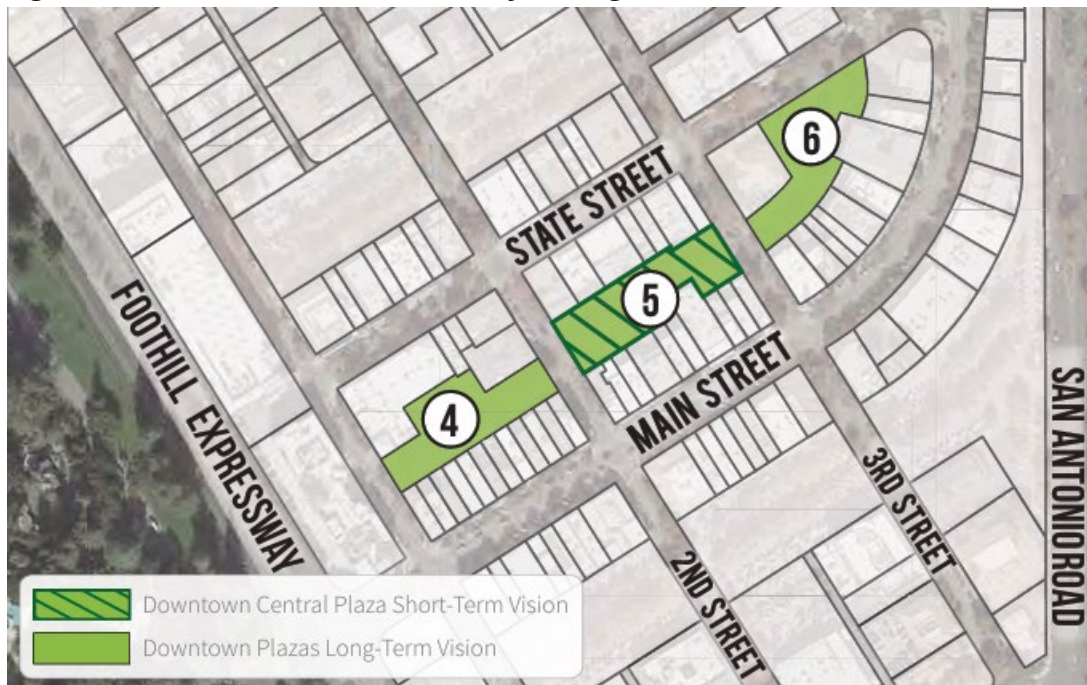
¹³ City of Los Altos. (2018, August 28). *Downtown Vision Plan*.

<https://www.losaltosca.gov/DocumentCenter/View/524/Downtown-Vision-PDF?bidId=>

¹⁴ *Ibid.*

“community living room” would have outdoor dining, public seating, trees and landscaping, play structures, restrooms, trash and recycling, and event space. Additional parking opportunities would be needed to offset the loss of parking, which may be a parking structure on Parking Plaza 2 or 3. The long-term vision for the Downtown is to extend the “community living room” to include the existing Parking Plazas 4 and 6 as shown in Figure 3: Downtown Plaza Locations for Long-Term Vision.

Figure 3: Downtown Plaza Locations for Long-Term Vision¹⁵



The Downtown Vision Plan also envisions the addition of two public plazas within portions of Parking Plazas 2 and 3, with the construction of a live theater fronting onto 3rd Street, as shown on Figure 4: Locations of Other Downtown Public Plazas. These public plazas are envisioned to have a variety of public amenities including outdoor dining, seating, landscaping, activity nodes, interactive structures, public art, and others.

¹⁵ *Ibid.*

Figure 4: Locations of Other Downtown Public Plazas¹⁶



The Downtown Vision Plan envisions the parking plazas as a focal point for integrating new structured parking within Downtown, with some existing at-grade parking lots maintained. The above-ground parking facilities should be designed with flexibility for adaptive reuse and with electric vehicle charging stations. The plan envisions these parking facilities to be designed with commercial or office space on the ground floor. As shown on Figure 5: Location of Future Parking Facilities, the Downtown Vision Plan has located parking facilities to be accessed from San Antonio Road and First Street, which would minimize traffic through Downtown. The plan anticipates the need to construct 1,620 new aboveground and underground parking spaces to accommodate existing development and future growth as envisioned in the Downtown Vision Plan.

¹⁶ *Ibid.*

Figure 5: Location of Future Parking Facilities¹⁷



The Ballot Measure would conflict with the Downtown Vision Plan as it may inhibit new development as envisioned in the plan. The Ballot Measure may result in constraints that limit the ability to develop new housing, parking facilities, public facilities, and mixed-uses. The Ballot Measure may inhibit the growth and development within the Downtown, which would not support the plan's goal to support the economic vitality of the City. The Downtown Vision Plan envisions a vibrant Downtown that attracts more businesses, residents, and visitors, which could provide many benefits including more economic growth. To support these new developments, the plan envisions additional parking facilities to improve traffic flow and accommodate the anticipated growth. Such new parking facilities would support electric vehicles with charging stations and may potentially include bicycle parking facilities, supporting air quality initiatives.

¹⁷ *Ibid.*

Internal Consistency of the Downtown Los Altos Parking Strategy

The Downtown Los Altos Parking Strategy is a plan that provides recommendations to proactively address existing and future parking challenges within the Downtown.¹⁸ By addressing the parking issues, the plan intends to support the continued success of the Downtown as a place to live and work. The parking management plan strategies within the plan were informed by the feedback received from community members, developers, and other stakeholders.

One of the strategies discussed involves bicycle parking improvements, including short-term and long-term bicycle parking. By improving bicycle parking within the Downtown, it will make it more convenient to bike to and from the Downtown and reduce the dependency on vehicles, which improves the traffic flow, reduces air pollution, and supports outdoor activity. These bicycle improvements could be implemented in future development within the Downtown, including within parking plazas, which are envisioned to have improvements that could support bicycle parking.

The plan mentions that the Downtown Los Altos Vision Plan envisions increases in development and the conversion of parking plazas into structures. The plan discusses that as the Downtown evolves over time, the parking needs will change and thus the proposed parking strategies should be implemented to address these changes. The plan introduces the strategy of maintaining and upgrading existing parking facilities in the Downtown, including the parking plazas. The upgrades envisioned include underground or structured parking with the inclusion of electric vehicle charging stations with clear signage. By including electric vehicle charging stations in the future development of parking plazas, there will be more support for electric vehicle users, which supports the environment's air quality.

The parking management strategies outlined in the Downtown Los Altos Parking Strategy were informed by key objectives. The objectives include but are not limited to making the most efficient use of all existing parking resources, ensuring parking facilities adequately accommodate the consistent peak period demand in the Downtown and nearby public parking lots, and support Downtown economic development. By supporting bicycle parking and electric vehicle charging station development in the Downtown, more people will be drawn to area for retail and other uses, which supports the economic development in the Downtown and the air quality. The plan, consistent with the Downtown Los Altos Vision Plan, envisions the conversion of the parking plazas into structures, which could potentially accommodate the growth anticipated from new developments in the Downtown and would support the objectives of increasing the efficiency of existing parking resources and ensuring there is adequate parking facilities for peak period demand.

The Ballot Measure may inhibit the implementation of the parking management strategies outlined in the Downtown Los Altos Parking Strategy, as it could result in the delay or

¹⁸ City of Los Altos. (2025, January 13). *Downtown Los Altos Parking Strategy*.

<https://www.losaltosca.gov/DocumentCenter/View/1762/Downtown-Los-Altos-Parking-Strategy?bidId=>

denial of new development on the parking plazas, including the development of electric vehicle charging stations and bicycle parking facilities. The Ballot Measure would conflict with objectives in the Downtown Los Altos Parking Strategy as it could potentially limit the development of any parking facilities on the parking plazas that could support Downtown economic development, make efficient use of the existing parking resources, and ensure that adequate parking facilities accommodate the peak period demand in the Downtown.

Internal Consistency of the Los Altos Complete Streets Master Plan: An Active Transportation Framework

The Los Altos Complete Streets Master Plan: An Active Transportation Framework (CSMP) is a long-term vision for the improvement of walking and bicycling in Los Altos.¹⁹ As discussed in the CSMP, the Downtown has many destinations that attract bicyclists, including coffee shops, ice cream shops, restaurants, and retail shopping. The CSMP details that the strategy to attract more bicyclists is to convert automobile parking spaces into Bicycle Corrals. By providing more bicycle parking, more bicyclists are encouraged to travel to Downtown, which supports retail activity and reduces the vehicle miles traveled in the City.

The CSMP recommends increasing bicycle parking, as it can enhance the Downtown activity and support the local economic development. The Ballot Measure may inhibit this initiative as it could delay or deny development of potential bicycle parking within the existing parking plazas or the conversion of automobile parking to bicycle parking, limiting potential Downtown visitors. As a result, the Ballot Measure may inhibit the City's economic growth.

Internal Consistency of Planning and Zoning

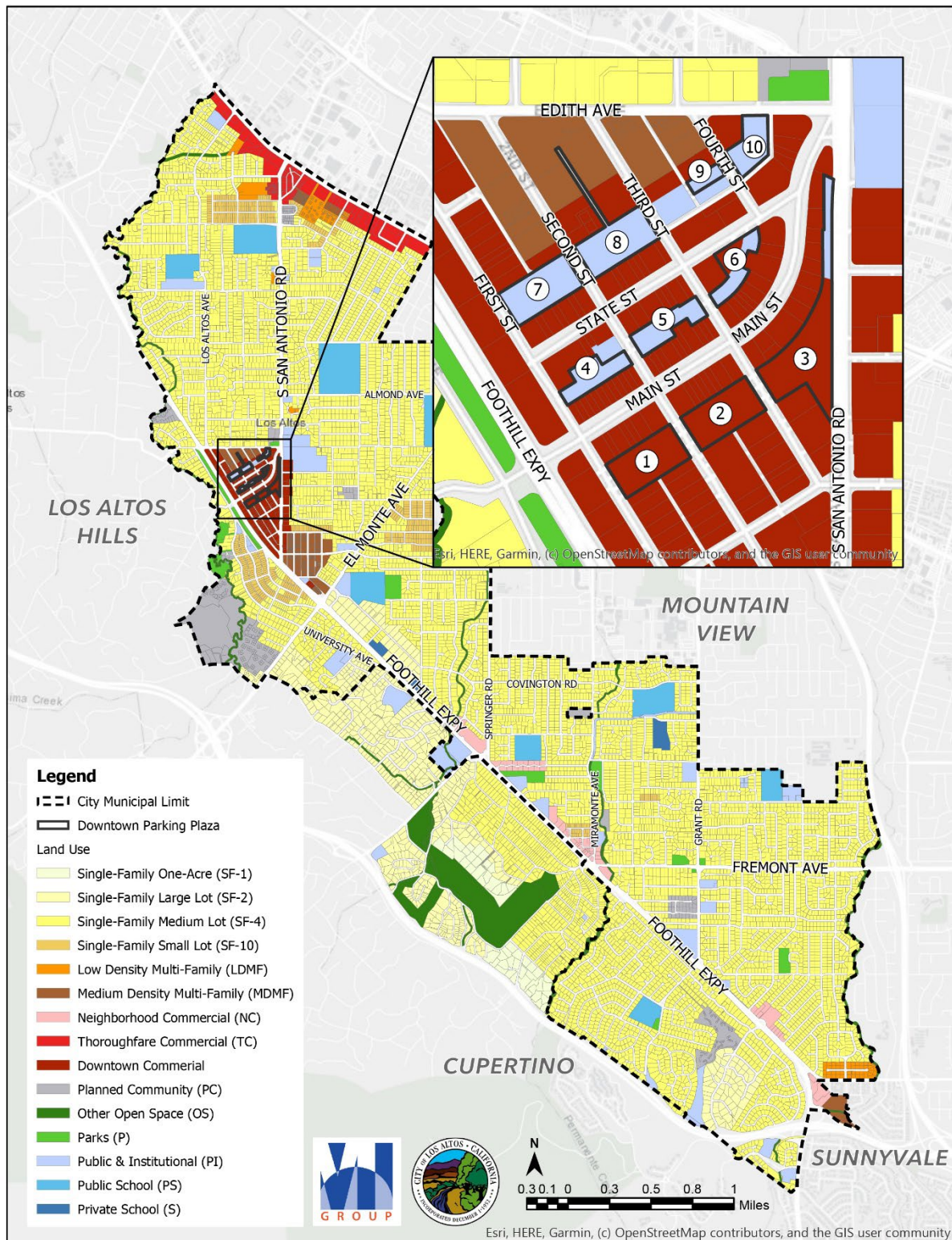
As shown in Figure 6: Parking Plaza General Plan Land Use Designations, the City-owned parking plazas are either in the "Downtown Commercial" or "Public and Institutional" General Plan Land Use Designations. The Downtown Commercial land use designation provides for a wide range of general retail and services, commercial recreation, cultural, and office uses.

The Downtown Commercial land use designation is intended to support higher density residential uses, which supports the village character of the area. The General Plan Land Use Element acknowledges that within the Downtown there is on-street parking available and that most parking is contained within the City-owned and operated parking plazas.

The Public and Institutional land use designation provides governmental, institutional, academic, group residence, church, community service and other similar uses. The Public and Institutional land use designation also provides for City-owned parking facilities.

¹⁹ City of Los Altos. (2022). *Los Altos Complete Streets Master Plan: An Active Transportation Framework*. <https://www.losaltosca.gov/DocumentCenter/View/528/Los-Altos-Complete-Streets-Master-Plan-PDF?bidId=>

Figure 6: Parking Plaza General Plan Land Use Designations²⁰



These general plan land use designations support community recreational, cultural, and institutional activity. These uses support the General Plan's vision for a vibrant and active Downtown area. The Ballot Measure may inhibit the development of uses consistent with the General Plan Land Use Designations as it could result in delays or denials of such proposed uses.

As shown in Figure 7: Parking Plaza Zoning, the parking plazas are either located in the "Commercial Retail Sales" (CRS) or "Commercial Downtown" (CD) zoning districts. The Commercial Downtown district permits parking spaces and loading areas.²¹ The Commercial Retail Sales district permits parking spaces and loading areas incidental to a permitted use.²²

²⁰ City of Los Altos. (n.d.). *Public GIS Viewer*.

<https://losaltos.maps.arcgis.com/apps/webappviewer/index.html?id=cc2d724e72af46dda3a03174b51ccd05>

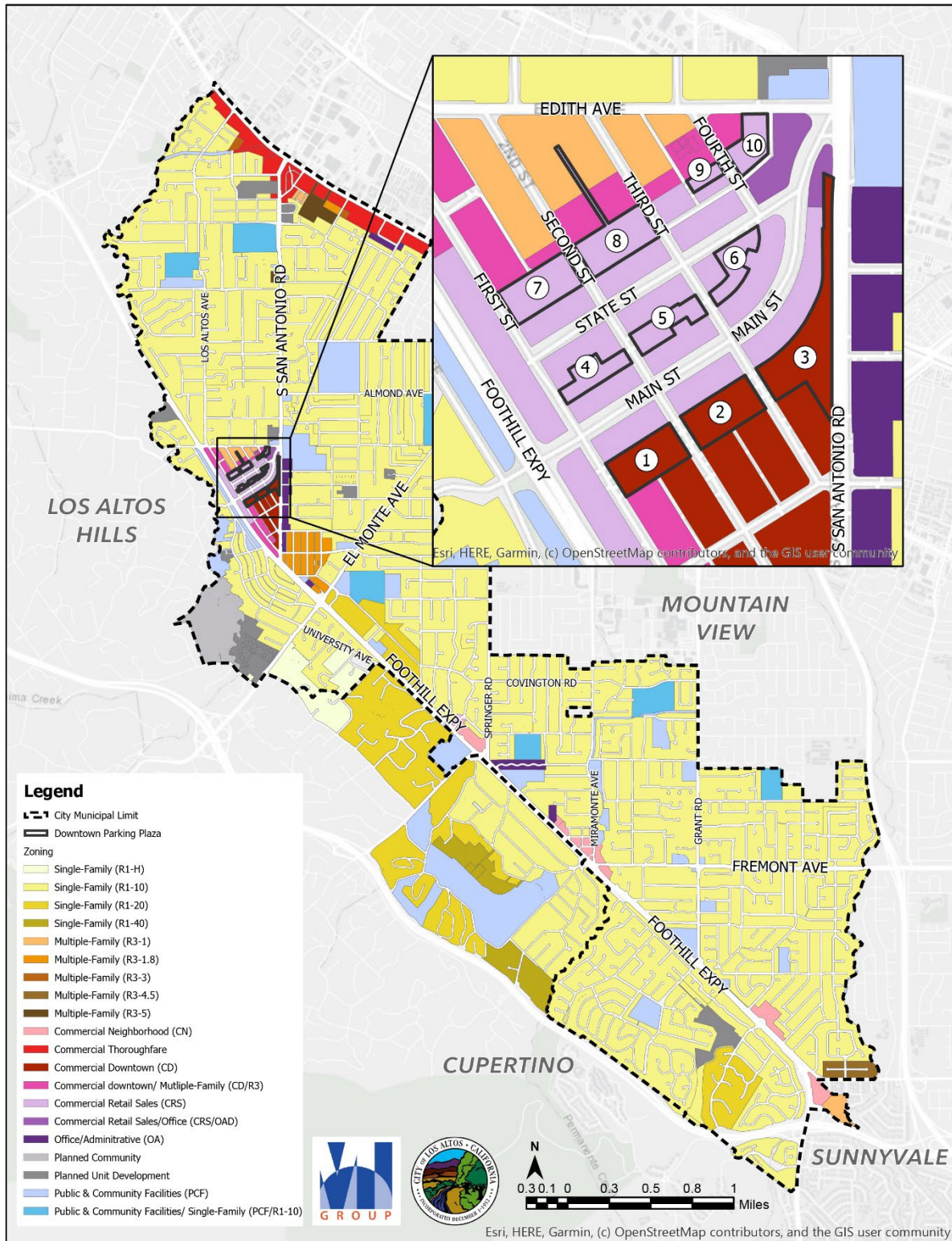
²¹ City of Los Altos. (n.d.). *Los Altos Municipal Code: Chapter 14.44 – CD Commercial Downtown District*.

https://library.municode.com/ca/los_altos/codes/code_of_ordinances?nodeId=TIT14ZO_CH14.44CDCODODI_14.44.020SPPUCD

²² City of Los Altos. (n.d.). *Los Altos Municipal Code: Chapter 14.48 – CRS Commercial Retail Sales District*.

https://library.municode.com/ca/los_altos/codes/code_of_ordinances?nodeId=TIT14ZO_CH14.48CRCORESADI_14.48.020VISTSPPUCR

Figure 7: Parking Plaza Zoning²³



The CRS District's primary characteristics include but are not limited to a mix of uses, a pedestrian-oriented shopping environment that encourages social interaction, and activities that enhance and extend commercial vitality. The CD District's purpose includes but is not limited to retaining and enhancing the downtown Los Altos village atmosphere, providing pedestrian amenities, and providing retail, office and service uses.

The parking plaza zoning districts promote the enhancement and commercial vitality of the Downtown. They support a variety of uses including retail, office, and service uses, which supports the City's economic development and encourages social activity. The Ballot Measure may inhibit the growth of the social activity and economic development that the zoning districts are promoting by creating a constraint on parking plaza development.

Effect on the Use of Land

The Ballot Measure may have impacts that could restrict land use allowances and the ability of the property owner (the City) to follow Surplus Land Act requirements.

Specifically, the Ballot Measure proposes a new section 14.92.030 Preservation of Parking Plazas that could have several impacts that would complicate the conveyance of the property:

1. Sell, trade, lease, donate, dispose or otherwise convey any Parking Plaza, or any portion thereof, for any reason.

This section provides that the selling, trading, leasing, donating, disposing, or conveyance of Parking Plazas, or any portion thereof, would require a subsequent ballot measure. This section could impact the City's ability to implement the General Plan and other applicable plans.

2. Designate or change the use of any Parking Plaza in any way which would affect the use of the Parking Plazas for parking or which would diminish the availability, access or convenience of public parking.

This section provides that a subsequent ballot measure is required prior to the designation or change in use of the Parking Plazas from the existing parking use. This may impact the City's ability to implement other uses as envisioned in the Downtown Vision Plan.

3. Declare any Parking Plaza "surplus land" or "exempt surplus land" under the California Surplus Land Act (Government Code sections 54220 et seq.).

This section would require a subsequent ballot measure following any City determination that the Parking Plazas are exempt surplus land or surplus land pursuant to the Surplus Land Act. This section may impact the ability to develop affordable housing on the Parking Plazas, except for Parking Plazas 7 and 8, which are allowed to develop affordable housing without a vote requirement.

²³ City of Los Altos. (n.d.). *Public GIS Viewer*.

<https://losaltos.maps.arcgis.com/apps/webappviewer/index.html?id=cc2d724e72af46dda3a03174b51ccd05>

4. Modify, alter or construct any capital project or other physical alteration on any of the Parking Plazas which permanently diminishes the availability, access or convenience of public parking.

This section provides that a subsequent ballot measure is required prior to the modification, alteration or construction of any capital project or other physical alteration on any Parking Plaza which would permanently diminish the availability, access or convenience of public parking. This section would potentially limit the development and improvements of the Parking Plazas as envisioned in the General Plan and other applicable plans.

5. Modify or physically alter any Parking Plaza by adding additional levels or floors.

This section provides that a subsequent ballot measure is required prior to the modification or physical alteration of any Parking Plazas through the addition of levels or floors. This section would potentially impact the development of any structures on the Parking Plazas as envisioned in the General Plan and other applicable plans.

6. Modify or physically alter any Parking Plaza in a way which would negatively affect protected trees or the tree canopy.

This section provides that a subsequent ballot measure is required prior to the modification or alteration of any Parking Plaza which would negatively affect protected trees or the tree canopy. This section would potentially impact the City's ability to develop on the Parking Plazas.

Internal Consistency of Climate Action & Adaptation Plan

The Climate Action and Adaptation Plan (CAAP) assesses the impacts of Los Altos on the climate, how Los Altos can reduce its impact, and how it can adapt to climate change.²⁴ Based on the current and forecasted greenhouse gas emissions, implementation of the previous 2013 Climate Action Plan, and guidance received, the CAAP is based on pursuing a goal of Carbon Neutrality by 2035. To help the City of Los Altos reach its carbon neutral goal, greenhouse gas mitigation strategies were developed. Mitigation strategies include reducing single-occupancy vehicle travel, electrifying transportation, and supporting a green community. These mitigation strategies could be achieved through the development of new bicycle parking, new electric vehicle parking spaces and charging stations, and increasing the urban tree canopy.

The Ballot Measure could inhibit several of the mitigation measures identified to support the goal of Carbon Neutrality by 2035. New bicycle parking, electric vehicle parking, and electric vehicle charging stations could be potentially developed in the City-owned parking plazas; however, the Ballot Measure may preclude this from occurring by delaying the process or denying it. The Downtown parking plazas are areas that could support the CAAP

²⁴ City of Los Altos. (2022). *Climate Action & Adaptation Plan*.

<https://www.losaltosca.gov/DocumentCenter/View/527/Los-Altos-Climate-Action-and-Adaptation-Plan-PDF?bidId=>

goals by implementing development that supports the City's sustainability growth and reduces greenhouse gas emissions. The parking plazas are also areas where new landscaping and trees could be planted as part of new developments, which could help improve air quality. The addition of landscaping and trees could also be inhibited by the Ballot Measure as it would require more steps for approval and may result in denial. This constraint to more sustainable improvements may delay the City from reaching its CAAP goals.

3. Housing Impacts

The Ballot Measure would impact the internal consistency of the City's 6th Cycle Housing Element and may inhibit the City's ability to meet its housing goals.

The City of Los Alto's useable land area is 3,846 acres (approximately six square miles), as shown in Table 2: Land Use Designations. Parking Plazas 1, 2, and the southern half of Parking Plaza 3 are designated as Downtown Commercial, while Parking Plazas 4 through 10 along with the northern half of Parking Plaza 3 are designated as Public and Institutional land use. As shown in the table, the Ballot Measure addresses a subset of approximately 155 acres (4 percent) of the combined Downtown Commercial and Public and Institutional land area. The Downtown Parking Plazas account for about 8 acres (0.2 percent) in the City.

Table 2: Land Use Designations²⁵

Land Use Designation	Acres	Percentage of Land in City	Percentage of Land Where Housing is Allowed in City
Single-Family Large Lot	429	11%	12%
Single-Family Medium Lot	2,598	67%	71%
Single-Family Small Lot	83	2%	2%
Low Density Multi-Family	34	1%	1%
Medium Density Multi-Family	45	1%	1%
Neighborhood Commercial	37	1%	1%
Thoroughfare Commercial	59	1%	2%
<i>Downtown Commercial</i>	<i>42</i>	<i>1%</i>	<i>1%</i>
<i>Public and Institutional, Utilities, Parking</i>	<i>113</i>	<i>3%</i>	<i>3%</i>
Public and Private School Land	154	4%	4%
Open Space (Parks and Others)	220	6%	N/A
Planned Community	93	2%	2%
TOTAL	3,846 ac.	100%	94% (3,626 ac.)

While the Downtown Parking Plazas are 8 acres, a small subset of the 155 acres (Downtown Commercial and Public and Institutional, Utilities, Parking) noted in the table, the City has

²⁵ City of Los Altos (November 2002). *General Plan Land Use Element*. Information adapted from Table LU-3, Page 14.

identified them as significant sites for developing affordable housing in the Downtown Vision Plan²⁶ and 6th Cycle of the Housing Element²⁷ for a variety of reasons, including:

- The City owns these Downtown Parking Plazas, allowing the City to mitigate the cost of land to implement City housing goals. The City has identified the cost of land as a significant market-related constraint for developing more housing.
- The parking lots are in Los Altos' downtown, a highest resource area with commercial amenities and a VTA bus transit line along San Antonio Road.
- Addition of new housing within these parking lots would infuse the Downtown with additional residents and enhance the vitality of both daytime and nighttime activity.

In addition, the City has noted in the Downtown Los Altos Parking Strategy²⁸ that parking policies are linked to the financial feasibility of future housing development in Downtown Los Altos.

Since Los Altos does not have much available vacant land, nonvacant sites comprise a substantial portion of the sites inventory of the City's 6th Cycle Housing Element. Nonvacant parcels were chosen based on a ratio of their improvement value to their land value and screened to ensure their existing use did not present an impediment to residential development as described in the Site Inventory and Methodology appendix in the 6th Cycle Housing Element.²⁹ The sites inventory include all the Downtown Parking Plazas, which are identified as key opportunity sites to accommodate new market-rate and affordable housing. The Downtown Vision Plan,³⁰ Downtown Los Altos Parking Strategy Plan,³¹ and Housing Element have all identified Parking Plazas 7 and 8 as opportunity sites for affordable housing developments.

Ballot Measures and Land Use

Future land use decisions involving the parking plazas will be constrained by the Ballot Measure because regulations implemented by ballot can only be changed with another ballot measure. Cities that have passed similar Ballot Measures experience very few, if any, attempted subsequent ballot measures to change land uses due to long time frames,

²⁶ City of Los Altos. (August 28, 2018). *Downtown Vision Plan*.

<https://www.losaltosca.gov/DocumentCenter/View/524/Downtown-Vision-PDF>

²⁷ City of Los Altos. (Revised August 2023). 6th Cycle Housing Element 2023-2031.

<https://www.losaltosca.gov/DocumentCenter/View/286/6th-Cycle-Los-Altos-Housing-Element-2023-to-2031-PDF>.

²⁸ City of Los Altos. (January 13, 2025). *Downtown Los Altos Parking Strategy*.

<https://www.losaltosca.gov/DocumentCenter/View/1762/Downtown-Los-Altos-Parking-Strategy?bidId=>

²⁹ City of Los Altos. (Revised August 2023). "Appendix B: Sites Inventory & Methodology." 6th Cycle Housing Element 2023-2031, pp. 122-169. <https://www.losaltosca.gov/DocumentCenter/View/286/6th-Cycle-Los-Altos-Housing-Element-2023-to-2031-PDF>.

³⁰ City of Los Altos. (August 28, 2018). *Downtown Vision Plan*.

<https://www.losaltosca.gov/DocumentCenter/View/524/Downtown-Vision-PDF>

³¹ City of Los Altos. (January 13, 2025). *Downtown Los Altos Parking Strategy*.

<https://www.losaltosca.gov/DocumentCenter/View/1762/Downtown-Los-Altos-Parking-Strategy?bidId=>

significant expense and uncertain outcomes. In a March 2024 research paper, the San Francisco Bay Area Planning and Urban Research Association (SPUR) noted that:³²

[Ballot] measures curb urban sprawl and protect open space by limiting new developments to infill locations. But without concurrent incentives to promote infill development — that is, development of vacant or underutilized land in already-developed areas — many of the measures have the potential to limit the supply of housing overall.

Moreover, other growth management ballot measures that have passed within city boundaries, such as zoning restrictions, voter approval requirements, height and bulk limits, and infrastructure provisions or parking requirements, have had a direct negative impact on infill housing production.

San Francisco Bay Area Planning and Urban Research Association (SPUR) points out that “most voter approval requirements aim to enshrine zoning approval in the hands of the local citizenry and to lengthen the approval process to discourage growth.”³³ The study specifically referenced Costa Mesa’s Measure Y (requiring voter approval for development projects exceeding 40 dwelling units) and Escondido’s Measure S (required voter approval of many types of changes to the General Plan).

In these cases, the cities mitigated the earlier ballot measures, either through putting a new measure on the ballot years later or by directly referencing overriding State law. In the City of Alameda, whose Measure A set a maximum density throughout the City, HCD eventually issued a letter stating that the voter initiative was in direct violation of state law.³⁴

Recently in 2024, Eureka citizens put Measure F on its local ballot, which would both “Require the City to maintain current levels of public parking on specified downtown City-owned off-street public parking lots” and rezone a school district site for additional affordable housing.³⁵

In a letter to the City of Eureka,³⁶ HCD noted that any amendments to the housing element due to the local measure would require HCD review and could lead to a finding of

³² Emma Jordan. (2024). *Planning by Ballot*. SPUR. https://www.spur.org/sites/default/files/2024-03/SPUR_Planning_by_Ballot_0.pdf. Page 3

³³ Ibid., Page 10

³⁴ Paul McDougall. (Nov. 29, 2021). “RE: City of Alameda Measure A Provisions and Housing Element Compliance.” California Dept. of Housing and Community Development. <https://www.hcd.ca.gov/community-development/housing-element/docs/alaalamedacity-ta-112921.pdf>

³⁵ People of the City of Eureka. (July 21, 2023). City of Eureka Housing for All and Downtown Vitality Initiative. <https://www.eurekaca.gov/DocumentCenter/View/5340/23-7-21-Eureka-HFA-DV-Initiative>.

For additional context on the discussions behind the measure, see Ben Christopher. (July 25, 2024). “Ballot battles, lawsuits and a ticked off millionaire: What’s behind Eureka’s parking lot war?” Cal Matters. Available at <https://calmatters.org/housing/2024/07/eureka-affordable-housing-parking/>

³⁶ Melinda McCoy. (October 9, 2024). “RE: Adopted Housing Element Revision Process – Letter of Technical Assistance.” California Dept. of Housing and Community Development.

noncompliance. Such a finding could lead to consequences such as ineligibility or delay in receiving certain state funds, losing local land use authority, application of “Builder’s Remedy” provisions of the Housing Accountability Act to certain qualifying housing development projects, and/or more. At the November 5, 2025, election, Eureka’s Measure F was defeated.³⁷ It remains unclear whether Measure F would have led to the finding of noncompliance for the City.

While Los Altos’ Ballot Measure does not include any explicit amendments to the City’s 6th Cycle Housing Element, the Ballot Measure imposes additional development constraints on all ten Parking Plazas, which have been identified as housing sites in the Housing Element. The Ballot Measure does not directly restrict the fulfillment of the schedule of programs within the Housing Element, because the Ballot Measure includes an exception in Section 14.92.050 that would have otherwise restricted implementation of Program 1.H of the Housing Element:

Notwithstanding section 14.92.030, the City may take the following actions with respect to the Parking Plazas without a vote of the People:

[...]

3. Develop Parking Plaza 7 (APN: 16739032) and Parking Plaza 8 (APN:16739007) for affordable housing.

However, the Ballot Measure would introduce additional procedural steps to developing housing on housing sites identified in the Housing Element, which could lead to the 6th Cycle Housing Element being inconsistent with State laws.

Consistency with State Laws

The Ballot Measure could be interpreted as leading the City to be in violation of state law, especially the Housing Crisis Act of 2019 (enacted via SB 330) and No Net Loss Law (Government Code Section 65863).³⁸

SB 330

Senate Bill (SB) 330 established the Housing Crisis Act of 2019, which prohibits a local jurisdiction from imposing standards or regulations that would change the land use designation or zoning of identified housing sites to a less intensive use or reduce the intensive of land use within an existing zoning district than what was allowed under the General Plan or a specific plan. This law also applies to an electorate exercising its local initiative or referendum power, such as in the case of this Ballot Measure.

<https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/eureka-ta-he-compliance-100924.pdf>

³⁷ Information on the results of the voting are available at Ballotpedia:

[https://ballotpedia.org/Eureka,_California,_Measure_F,_General_Plan_Amendment_Initiative_\(November_2024\)](https://ballotpedia.org/Eureka,_California,_Measure_F,_General_Plan_Amendment_Initiative_(November_2024))

³⁸ California Government Code Section 65863

The Ballot Measure provides an exception to allow for housing developments on Parking Plazas 7 and 8. However, the Ballot Measure would introduce an additional procedural step for developing housing on any of the ten Parking Plazas, imposing new constraints or reducing the effective development capacity of housing sites identified in the 6th Cycle of the Housing Element. This action could be evaluated under SB 330 as an action that limits housing development, leading to inconsistencies with State law.

YIMBY Law, a housing advocacy organization, wrote a letter to Los Altos City Council on June 4, 2026, advocating the City submit a SB 330 preliminary application for housing on the Parking Plazas (see Attachment B). An SB 330 preliminary application could serve to establish vesting rights in a development proposal before the Ballot Measure is put in front of voters. While the letter advocates for a preliminary application to promote compliance with the City's Housing Element programs, it could serve to inflame a sensitive process.

The letter references Article 34 of the California Constitution, which allows legal challenges to governments developing affordable housing. However, Article 34 does not require voter approval for a specific project but rather allows a jurisdiction to authorize a maximum number of affordable units to be built or acquired (with this decision coming later).

No Net Loss

In addition, the Ballot Measure would impact the City's ability to comply with No Net Loss law. Since all the Downtown Parking Plazas were identified as housing sites for moderate and above-moderate income housing developments, the Parking Plazas contributed to meeting City's RHNA needs in the 6th Cycle Housing Element. The Ballot Measure would create additional constraints for housing developments on the Parking Plazas, reducing the likelihood of developing housing on the identified housing sites at the assumed densities, losing credited site capacity to achieve the City's RHNA goals.

Responding to Any Identified Inconsistencies

Both SB 330 and No Net Loss law restrict the City's ability to reduce housing capacity through zoning amendments or individual project approvals. The Ballot Measure could reduce housing capacity through either pathway, leading to a conflict between a local ordinance and State law.

If the Ballot Measure passes successfully, the City may need to make findings within 180 days to show that the additional constraint is consistent with the adopted General Plan and assess whether the remaining sites in the inventory are still adequate to accommodate the City's full share of regional housing need at every income level. If the remaining inventory falls short in any income level, the City will need to identify and make available additional sites to cover the shortfall created by the Ballot Measure.

Internal Consistency of 2023-2031 (6th Cycle) Housing Element

The certified 6th Cycle Housing Element³⁹ includes a policy framework to guide the City in successfully producing a variety of housing types, including affordable housing, during the period from 2023-2031. The City's Regional Housing Need Allocation (RHNA) is 1,958 units, of which 789 are for lower income households. The Ballot Measure would be inconsistent with or impact the following Housing Element policies and programs:

Policy 1.2: Mixed-Use Development. The City will encourage mixed-use development in designated zoning districts.

Program 3.F: Reduce Conditional Use Permit requirement for residential mixed-use and multi-family. To facilitate housing, the City will amend the Zoning Code to allow the following as permitted uses (and no longer requiring a conditional use permit):

- Residential mixed-use in the CN, CD, CRS, CT, and CRS/OAD districts; and
- Multi-family in appropriate areas of mixed-use districts (e.g., not on the ground floor, etc.).

The Ballot Measure would increase the timeframes for mixed-use developments on the Downtown Parking Plazas identified as opportunity sites in the Housing Element, impacting the ability for the City to encourage mixed-use developments to support downtown businesses. For more information on the business impacts, see Chapter 5 "Business Impacts."

Program 1.A: Rezone for RHNA shortfall. To accommodate the remaining above moderate-income RHNA of 19 units, the City will identify and rezone sufficient vacant land or land with redevelopment potential to provide capacity for this shortfall. Appendix B (Sites Inventory and Methodology) identifies potential parcels for rezoning to address this shortfall and provide excess capacity throughout the planning period. Separate programs detail specifics of various rezoning actions that would provide additional capacity for all income levels.

The Downtown Parking Plazas are identified as opportunities parcels to accommodate moderate- and above moderate-income RHNA. The Ballot Measure would impact the City's ability to use the Parking Plazas to address its RHNA, which could lead the City to review the site inventory and reevaluate the shortfall in the above moderate-income category to ensure that there are still adequate opportunity sites and potential sites for rezoning to meet RHNA goals.

Program 1.H: Facilitate housing on City-owned sites. The City will facilitate development of housing on City-owned sites through public-private partnerships during the planning period. City-owned Downtown Parking Plazas 7 and 8 were identified as opportunity sites that could accommodate new development, including affordable housing. The first RFP issued by the City for housing on either Parking

³⁹ City of Los Altos (Revised August 2023). *City of Los Altos 6th Cycle Housing Element*.

<https://www.losaltosca.gov/DocumentCenter/View/286/6th-Cycle-Los-Altos-Housing-Element-2023-to-2031-PDF>

Plaza 7 or 8 will be affordable housing and the City will commit to selecting the development proposal that maximizes public benefit in creating additional affordable housing in Downtown Los Altos. Prior to the RFP issuance, the City shall hire a third-party to analyze what the minimum financially feasible affordable housing production could be, based upon a minimum of 20 years of a zero-cost land lease and a commitment to provide a minimum 55-year lease. In the event the development is 100 percent affordable as defined by law, the City shall waive all applicable development impact fees per Program 2.C. The City will comply with all Surplus Land Act requirements. The City will provide a dedicated project planner to facilitate an expedited project review process.

The Ballot Measure would directly impact the City's ability to fulfill this program. While the Ballot Measure grants an exception for the development of affordable housing on Downtown Parking Plazas 7 and 8, it can inhibit the City's ability to provide incentives for affordable housing developers. The addition of governmental constraints could delay the timeline identified in this program, which is discussed in greater detail below.

Program 1.I: Incentivize Downtown lot consolidation. In certain portions of Downtown, particularly along Main Street and State Street, the presence of small lots, fragmented ownership pattern, and lack of ability to provide on-site parking may constrain future development. Considering other programs addressing governmental constraints (see programs under Goal 3), the City will evaluate and adopt (through the Zoning Code or by resolution, as appropriate) complementary incentives to further encourage lot consolidation in Downtown. This will include expedited application processing, reduction in application fees, reduction in permit fees, or other incentives. The City will promote the lot consolidation incentives on the City's website, through regular updates at the Planning Commission and City Council public meetings, and at the developer's roundtable (see Program 2.C). Additionally, Policy 3.7 in the Community Design & Historic Resources Element of the General Plan will be modified for consistency with this Program.

The Ballot Measure would directly impact the City's ability to modify or alter the Downtown Parking Plazas along with their ability to convey the sites for any purpose. While the City can continue to offer complementary incentives through the Zoning Codes or by resolution to encourage lot consolidation, the Ballot Measure sets governmental constraints on the process, which could impact the City's ability to encourage lot consolidation. If passed, the Ballot Measure could delay the timeframe identified in this program.

Program 1.J: Produce annual housing status reports. Provide an annual status report to the City Council and California Department of Housing and Community Development (HCD) on the status of the General Plan housing programs and their implementation as required by State law. This status report will also address no net loss requirements as necessary throughout the planning period.

The Ballot Measure would serve as a new governmental constraint that could restrict of delay housing development and the implementation of Housing Element programs,

specifically Housing Element Program 1.H. If the Ballot Measure passes, this program would direct City staff to evaluate the additional constraints and potentially make recommendations for revisions to the Housing Opportunity Sites in the annual housing status report. City staff would also need to determine whether the additional constraints impact the City's ability to meet the no net loss requirements.

Policy 2.1: New Affordable Housing Units. The City will facilitate the development of new affordable housing units.

The City has identified the City-owned Downtown Parking Plazas as Housing Opportunity Sites for developing affordable housing, especially in relation to Housing Element Program 1.H. The Ballot Measure would present a constraint for developing affordable housing units downtown, which could impact the City's ability to meet its RHNA goals.

Program 2.C: Assist in securing funding for affordable housing projects. To promote the development of affordable housing projects, and when requested by the project sponsor, the City will continue to assist in securing funding for low- and moderate-income housing developments through the following actions (all of the incentives below are currently in place except for providing funding for multi-jurisdictional housing finance programs and partnering with nonprofit housing developers):

- Apply for State and federal funding on behalf of a nonprofit, under a specific program to construct affordable housing including persons with physical disabilities or developmental disabilities.
- Provide financial incentive waiving City fees for 100 percent affordable housing projects.
- Provide a dedicated project planner for 100 percent affordable housing projects.
- Transfer the City's annual CDBG allocation to the County for projects that serve the Los Altos community.
- Allocate a portion of CDBG funds toward affordable housing development.
- Provide funding to participate in a multi-jurisdictional housing finance program (such as a Mortgage Revenue Bond or Mortgage Credit Certification Program). The City will continue to coordinate with Santa Clara County and other agencies on multi-jurisdictional housing finance programs.
- Partner with nonprofit housing developers to facilitate the development of affordable housing.
- Impact fees associated with the development of Below Market Rate Units shall be set at a proportional rate in line with the level of affordability of each unit. This will result in a reduction in impact fees collected in association with the development of Below Market Rate Units.

The City will also promote incentives through outreach to developers, specifically by hosting a developers roundtable annually to inform developers of available incentives and encourage affordable housing development.

The Ballot Measure would impact the City's ability to encourage and facilitate the development of below-market-rate housing units because it presents an additional governmental constraint to developing affordable housing on Housing Opportunity Sites that the City had initially identified in the site inventory. Despite the various incentives for facilitating affordable housing, the Ballot Measure could impact the development of affordable housing in the short term. The Program sets a timeframe to develop at least 80 below-market-rate units by January 2031, with a mid-cycle checkpoint in January 2027 to determine if the City is on track to meet the objective. If the Ballot Measure passes and inhibits the development of below-market-rate housing before the mid-cycle checkpoint, the City may need to evaluate and establish additional incentives for developers.

Program 3.A: Prepare a Downtown parking plan and update citywide parking requirements. To address all parking constraints, the City will analyze and update parking requirements citywide and implement a Downtown parking plan. This effort will include the following:

- Assess parking demand, requirements, and strategies in the Downtown and citywide.
- Identify approaches to address short and long-term parking needs considering innovative parking design and strategies that support efficient use of land.
- Reflect that the City will support consolidation of City-owned parking plazas.
- Prepare a Downtown parking plan and modify parking requirements to reflect this plan and reflect ensuring that overflow parking does not spill over into adjacent residential only districts.
- Consistent with AB 2097, the City will update its parking regulations to remove minimum parking requirements on any residential, commercial, or other development projects within one half mile of public transit (as defined in AB 2097) unless required findings are made as specified in State law. The City will map eligible properties consistent with AB 2097 and will apply current State law even before local amendments are adopted (AB 2097 is effective January 1, 2023).
- Amend the City's parking requirements citywide based on the assessment's findings. This will include reducing parking ratios (as noted above), eliminate guest parking requirements for multi-family housing; offering further reduced ratios for properties participating in a public parking district; establishing further reduced parking ratios for single-room occupancy units, senior housing, housing for persons with disabilities, deed-restricted affordable housing, etc. (e.g., 0.5 spaces per unit); providing more flexibility related to the underground parking requirement by allowing covered parking instead of requiring undergrounding; offering other alternatives to comply with parking requirements; and modifying the required parking design dimensions (e.g., parking stall and lane dimensions) so that less land area is

required to be dedicated to parking while providing safe vehicle movement as approved by the City's Engineering Division.

The City has already prepared a Downtown Los Altos Parking Strategy which was adopted on January 13, 2025, which includes parking strategies and regulatory changes to support more efficient usage of the Downtown Parking Plazas. The Ballot Measure would directly impact the City's ability to implement the strategies developed in the Downtown Los Altos Parking Strategy. Since the Ballot Measure would limit the City's ability to modify, physically alter, or convey the parking lots for any use, the City would need to evaluate the strategies that were prepared in the Parking Strategy and determine their feasibility. The Ballot Measure would also impact the City's time frame for implementing the Downtown Los Altos Parking Strategy, which could impact the businesses in the downtown.

Policy 6.1: Promote Equal Opportunity. Promote governmental efforts to provide equal opportunity housing for existing and projected demands in Los Altos, including the creation and management of waitlists for below-market-rate ownership and rental units.

The Ballot Measure could impact the City's ability to provide equal opportunity housing throughout the City. As the Ballot Measure creates additional governmental constraints for developing housing in the Downtown Parking Plazas, developers may choose to develop in other parts of the City which may not be highest resource or be near public transit and major transportation corridors. Affordable housing developments may be allocated to other parts of the City that are less suited but present fewer constraints, inhibiting equal opportunity housing.

Policy 6.3: Promote Community Involvement in Housing Efforts. Promote representative citizen participation in the implementation of housing programs.

The Ballot Measure would provide a direct method for citizens to participate in the implementation of housing programs on the Downtown Parking Plazas via voting on ballot measures during Citywide elections.

Program 6.C: Target housing development in highest resource areas. The City will outreach to property owners of housing sites in the highest resource areas including areas of the city with higher TCAC Education and Environment scores. In this outreach, the City will provide written material to property owners of identified sites describing potential residential capacity for the site, available incentives, including density bonuses and available funding. The City will disseminate this information on its website.

The Ballot Measure could impact the City's ability to encourage housing developments within a highest resource area. The downtown area is a highest resource opportunity area according to the California Tax Credit Allocation Committee (TCAC), due to the amenities and adjacency by a VTA bus line that runs on San Antonio Street. The Ballot Measure would create a governmental constraint for developing housing units downtown. Since Los Altos

is generally built out, developers would have fewer potential sites to develop affordable housing, which could impact the City's ability to meet its RHNA goals.

Program 6.G: Housing Mobility. Housing mobility strategies consist of removing barriers to housing in areas of opportunity and strategically enhancing access (Los Altos is entirely highest resource in terms of access to opportunity and a concentrated area of affluence). To improve housing mobility and promote more housing choices and affordability throughout Los Altos, including in lower-density neighborhoods, the City will employ a suite of actions to expand housing opportunities affordable to extremely low, very low-, low-, and moderate-income households. Actions and strategies include:

- Rezoning – Modify zoning to allow residential or increased residential intensity and/or density of residential throughout Los Altos. This includes zoning amendments along higher intensity corridors (e.g., El Camino Real, San Antonio Road, and Foothill Expressway) and for sites within lower-density neighborhoods (e.g., Loyola Corners Specific Plan, OA zoned sites on Altos Oaks Drive, and church sites on Magdalena Avenue). See Programs 1.B, 1.C, 1. D, 1.E, and 1.F.
- Housing on City Sites – Enter into a public-private partnership to develop housing, targeting low-income households, on City-owned Downtown Parking Plazas. See Program 1.H.

The Ballot Measure creates an additional constraint to developing housing on the Downtown Parking Plazas. In addition, the Ballot Measure could impact the City's ability to facilitate housing on City-owned parking lots, which could impact the City's objective of providing 150 housing opportunities affordable to lower income households by January 2031. If the City is not on track to meet this objective by 2027, the City may consider alternative land use strategies and zoning code amendments to improve housing mobility.

Housing Element Program 1.H Facilitate Housing on City-Owned Sites

As previously stated, while the Ballot Measure grants an exception for the implementation of Housing Element Program 1.H, Facilitate Housing on City-Owned Sites, the Ballot Measure could still impact the financial feasibility of developing affordable housing on Parking Plazas 7 and 8.

The Downtown Los Altos Parking Strategy includes an Economic and Financial Feasibility Assessment⁴⁰ to assess the relationship between parking requirements and housing developments in Downtown Los Altos. The assessment focused on the financial feasibility of parking policies introduced within the strategy

Developers build on-site parking in response to resident demand, but as parking typically generates less revenue compared to housing units, developers can be understood to be

⁴⁰ City of Los Altos. (January 13, 2025). "Economic and Financial Feasibility Assessment Memorandum." *Downtown Los Altos Parking Strategy*, pages 59-64.
<https://www.losaltosca.gov/DocumentCenter/View/1762/Downtown-Los-Altos-Parking-Strategy?bidId=>.

incentivized to provide as little parking as possible, or to investigate parking alternatives such as parking-in-lieu fees. There are strong demand and expectation for on-site parking due to the high costs of housing that is typically built in Los Altos, leading to developers being unlikely to reduce on-site parking ratios, regardless of whether minimum parking requirements exist to meet market demand. However, housing developers are willing to explore alternative parking arrangements or use a parking-in-lieu fee based on the fee amount to net project revenue.

There are other unique considerations for affordable housing projects because parking demands are driven less by market demand and more by tenants who need to access their jobs. The City of Los Altos has determined that affordable housing developers will likely require significant local funding contributions to pursue projects in Downtown Los Altos.⁴¹ In addition, they may be receptive to alternative options to on-site parking such as designating parking spaces in nearby parking garages or other measures funded with a parking-in-lieu fee.

While the Ballot Measure provides an exception for the development of affordable housing on Parking Plazas 7 and 8, it may constrain the City's ability to explore the parking strategies proposed within the Downtown Los Altos Parking Strategy. The Ballot Measure prevents the City from designating any other portion of the Parking Plazas for affordable housing as it would diminish the availability, access, or convenience of public parking. The Ballot Measure also restricts the modification or physical alteration of any Parking Plazas to add additional levels or floors, inhibiting the construction of parking garages on any of the existing surface lots. Since the Ballot Measure restricts the City's options in providing cost-effective alternatives to on-site parking for affordable housing developments, developers may feel reluctant to pursue affordable housing projects on Parking Plazas 7 and 8.

The requirement to secure voter approval would not necessarily make development on Downtown Parking Plazas impossible to achieve, but it would create a significant constraint to affordable development as identified in Program 1.H. While the City has a surplus of parcels to develop housing citywide, the Downtown Parking Plazas are counted for a significant portion of units for reaching the City's RHNA goals.

If the Ballot Measure creates a substantial constraint on housing development in the Downtown, HCD may require the City to evaluate whether the measure introduces new governmental constraints that affect implementation of the City's certified 6th Cycle Housing Element. If, after review, HCD determines that the Housing Element is no longer in compliance with State law, it may require the City to amend the Housing Element or take other corrective actions to restore compliance. A finding of noncompliance could result in consequences such as reduced access to state funding, loss of local land use authority, and exposure to qualifying "Builder's Remedy" projects.

According to Government Code section 65400, the City must provide an annual progress report to monitor and report on the results of their implementation of Housing Element

⁴¹ *Ibid.*, pages 63-64

programs. In addition, Government Code section 65595, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the City's Housing Element. HCD may revoke the housing element compliance if the local government's actions do not comply with state law.

YIMBY Law submitted a second letter to the Los Altos City Council on June 15, 2026, stating that the Ballot Measure could create several grounds for challenging the validity of the City's Housing Element and could expose the City to Builder's Remedy projects. The letter further advises that YIMBY Law is prepared to sue the City immediately if the measure is adopted, creating significant, immediate, and ongoing legal implications for the City. Such litigation could involve claims related to Housing Element Law, the Housing Accountability Act, the Permit Streamlining Act, and, where remedies require environmental review, potentially CEQA (see Attachment C).

Effect on Regional Housing Need Allocation (RHNA)

The 6th Cycle Housing Element must demonstrate adequate capacity for 1,958 new housing units for the 2023-2031 time period. Cities that cannot demonstrate meeting or exceeding their housing requirements during the eight-year planning period may risk not having their housing element certified by HCD. As shown in Table 3: 6th Cycle RHNA Allocation for Los Altos and Site Inventory Summary, Los Altos' 6th Cycle Housing Element planned for 1,958 units along with a surplus of 640 units accounting for potential sites for rezoning.

Table 3: 6th Cycle RHNA Allocation for Los Altos and Site Inventory Summary⁴²

Income Category:	Very Low	Low	Moderate	Above Moderate	Total
	0-50% AMI	51-80% AMI	81-120% AMI	>120% AMI	
6 th Cycle RHNA	501	288	326	843	1,958
Percent	25%	15%	17%	43%	100%
Lower-Income Units	789				
Approved/Entitled Projects*	101	34	39	451	625
ADUs	16	97	161	48	322
Remaining RHNA	384	157	126	344	1,011
Total Sites Inventory	557		169	325	1,051
Surplus	16		43	-19	40
Rezone Sites	408		128	64	600
Surplus with Rezone Sites	424		171	45	640

* The "Approved/Entitled Projects" row is current as of Housing Element certification in 2023. For an update, see Table 4: 6th Cycle RHNA Progress for Los Altos through May 22, 2026.

Between currently approved or entitled projects, accessory dwelling units (ADU) assumptions, sites in Los Altos' Housing Opportunity Sites Inventory, and potential sites for rezoning, the 6th Cycle Housing Element planned for a surplus of 424 units combined in the Very Low and Low income categories beyond the RHNA designation of 789 units (501 Very Low income plus 288 Low income units).

The Ballot Measure imposes procedural constraints on developing housing on the Downtown Parking Plazas which have all been identified as housing sites for moderate and above-moderate income housing. The Parking Plazas were included within the City's calculations to satisfy its RHNA goals as shown in Table 4: 6th Cycle RHNA Allocation for

⁴² City of Los Altos (Revised August 2023). *City of Los Altos 6th Cycle Housing Element*.

<https://www.losaltosca.gov/DocumentCenter/View/286/6th-Cycle-Los-Altos-Housing-Element-2023-to-2031-PDF>
Information adapted from Table III-1: Residential Development Potential and RHNA, Page 16.

Downtown Parking Plazas, which means the additional constraints imposed by the Ballot Measure could be understood to lead to a reduction in the City's capacity to meet its RHNA.

Table 4: 6th Cycle RHNA Allocation for Downtown Parking Plazas⁴³

Parking Plaza	APN	Income Category	Units (Realistic, Net)
Plaza 1, South Plazas	167-40-039	Above Moderate	15
Plaza 2, South Plazas	167-40-072	Above Moderate	15
Plaza 3, South Plazas	167-38-002	Above Moderate	28
Plaza 4, Central Plazas	167-39-057	Moderate	8
Plaza 5, Central Plazas	167-39-069	Moderate	8
Plaza 6, Central Plazas	167-38-028	Moderate	8
Plaza 7, North Plazas	167-39-032	Moderate	15
Plaza 8, North Plazas	167-39-007	Moderate	16
Plaza 9, North Plazas	167-38-049	Above Moderate	3
Plaza 10, North Plazas	167-38-029	Moderate	8

The Downtown Parking Plazas count towards 124 units: 63 moderate-income units and 61 above moderate-income units. Not counting Parking Plazas 7 and 8, which are addressed as an undefined exception in the Ballot Measure, the rest of the Parking Plazas still account for 32 units in the moderate-income category and 61 units in the above moderate-income category.

A potential loss of the Parking Plazas as housing sites would create a RHNA shortfall in the moderate and above moderate-income categories, leading to the City having a smaller surplus of 139 moderate units and a shortfall of 16 above-moderate units. Since the above moderate category would have a shortfall, the City would be unable to meet its RHNA without additional amendments to its certified 6yh Cycle Housing Element. This could lead HCD to make a finding of noncompliance for the City's 6th Cycle Housing Element unless the City can identify and make available additional housing sites to address the above moderate shortfall within a 180-day time frame.

Since the Housing Element was certified in 2023, there has been progress in how the City is meeting its RHNA, as seen in Table 6: 6th Cycle RHNA Progress for Los Altos through May 22, 2026.

⁴³ *Ibid.*, Information adapted from Table B-10: Housing Sites (Under Existing Zoning), Pages 163-167.

Table 5: 6th Cycle RHNA Progress for Los Altos through May 22, 2026⁴⁴

Income Category:	Very Low	Low	Moderate	Above Moderate	Total
Units Counted Towards RHNA	52	142	117	248	559
Remaining RHNA	449	146	209	595	1,399

The City is three years into the 8-year planning period for the 6th Cycle Housing Element and is making progress on its RHNA required housing production. However, it's uncertain whether the City will be able to continue the same trajectory to meeting their RHNA goals if the Ballot Measure passes.

Effect on Affirmatively Furthering Fair Housing (AFFH)

Assembly Bill 686 (2018) Housing Discrimination: Affirmatively Further Fair Housing (AFFH) is a bill which amended the Government Code relating to housing, so that it is in compliance with the Federal Fair Housing Act.

AB 686 creates new requirements for all State and local agencies (including, but not limited to, all cities, counties, and housing authorities) to ensure that their laws, programs and activities affirmatively further fair housing, and that they take no action inconsistent with this obligation.

When housing choice and access are limited because of someone's race, sexual orientation, or disability status, there are far-reaching impacts on access to job opportunities, access to quality education, and on mental and physical health. As indicated by the California Department of Housing and Community Development (HCD):

Past and present discriminatory policies and practices, including long-term disinvestment, have resulted in neighborhoods with concentrated poverty and poor housing stock, limited access to opportunity, unsafe environmental conditions, underfunded schools, dilapidated infrastructure, and other disproportionately experienced problems. In addition, governmental policies have subsidized the development of segregated, high-resourced suburbs in metropolitan areas by constructing new highway systems—often through lower income communities of color— to ensure access to job opportunities in urban centers.¹⁵

AFFH policy seeks to combat housing discrimination, eliminate racial bias, undo historic patterns of segregation, and lift constraints that restrict access to foster inclusive communities and achieve racial equity, fair housing choice, and opportunity for all Californians.

⁴⁴ RHNA Progress is updated weekly and can be accessed at <https://www.hcd.ca.gov/planning-and-community-development/housing-open-data-tools/regional-housing-needs-allocation-progress>.

The demographic characteristics and other conditions are mostly similar across the City of Los Altos, with the majority of the City receiving a high or highest resource composite score according to TCAC. As such, the Ballot Measure is unlikely to affect the City's ability to comply with state laws regarding Affirmatively Furthering Fair Housing.

Effect on HCD Prohousing Designation

The Prohousing Designation Program was established in the 2019-2020 Budget Act to provide additional funding and support for local jurisdictions that “go above and beyond state housing law to help accelerate housing production.”⁴⁵ Jurisdictions that receive a Prohousing Designation may receive priority processing for various statewide funding programs and allow them to apply for the Prohousing Incentive Program (PIP) which rewards jurisdictions with additional funding to accelerate affordable housing production and preservation.

In April 2024, the City leveraged its Housing Element and promoted some of their Housing Element programs in its application to HCD to receive a Prohousing Designation. If the Ballot Measure passes and impacts the 6th Cycle Housing Element, HCD may revoke the City's Prohousing Designation, significantly impacting the amount of funding the City can receive from the state.

There is precedent in which a city has had their Prohousing Designation revoked due to the city's failure to implement key housing policies within a specified timeframe. On May 22, 2025, the City of Fresno received a letter from the Department of Housing and Community Development revoking their Prohousing Designation status. HCD “acknowledges the City's request for an extension to implement proposed Prohousing Policies to May 30, 2025, and recognizes the challenges and complexities in enacting Prohousing Policies. However, timely enactment of proposed Prohousing Policies is clearly required by regulations and paramount to the goals of the Program to accelerate housing outcomes.”⁴⁶ Fresno had failed to implement key housing policies by the November 30, 2024 timeframe that they had established when renewing their Prohousing Designation status constituting a basis for HCD to review and subsequently revoke their Prohousing Designation. The City of Fresno was allowed to reapply for the Prohousing Designation once they had remedied the areas identified by the HCD to be in violation of the status. In September 2025, the City of Fresno reapplied to the program and was subsequently re-awarded in October.⁴⁷

In addition, the City would no longer be eligible for the PIP program, which could impact their ability to develop and preserve affordable housing, directly impacting Housing Element Program 2.C, Assist in Securing Funding for Affordable Housing Projects; Program

⁴⁵ HCD. Prohousing Designation Program. <https://www.hcd.ca.gov/planning-and-research/prohousing>

⁴⁶ HCD. (May 22, 2025). *RE: City of Fresno – Revocation of Prohousing Designation*, available at https://drive.google.com/file/d/1psk0_p2nnDYXhtXEgU8efnbm-mM-7M8/view

⁴⁷ City of Fresno. (Updated September 30, 2025). *City of Fresno 2025 Prohousing Application*. <https://www.fresno.gov/wp-content/uploads/2025/10/City-of-Fresno-2025-Prohousing-Application-Response-to-Comments-09302025.pdf>

5.B, Continue to Administer the City's Affordable Housing Programs; and Program 6.B, Maintain and Expand an Inventory of Affordable Housing Funding Sources.

Possible Effects on Future Housing Element Planning Efforts

Looking further into the future over the next few decades, the Ballot Measure could slow development and improvements in the Downtown Area as identified in the Downtown Vision Plan, Downtown Los Altos Parking Strategy, and 6th Cycle Housing Element. This could force development in other areas around the City.

There are no major transit stops that are eligible for SB 79, which prioritizes housing density and infill development around transit, in Los Altos. The city is also not currently included in the Metropolitan Transportation Commission's (MTC) Transit Oriented Communities policy. However, if the City receives a major transit stop in the future, the Ballot Measure may come into conflict with state and regional objectives, which could potentially complicate future planning efforts.

4. Infrastructure Funding Impacts

In addition to impacts to the City's General Fund operating budget, discussed in the Fiscal Impacts section of this report, development on the Parking Plaza sites would have implications for infrastructure funding. New development generates demand for infrastructure improvements and in some cases generates revenues through impact fees and other mechanisms to help fund those improvements. This section assesses how the ballot measure could affect infrastructure needs and the availability of funding to meet those needs across the major infrastructure categories relevant to the Parking Plaza sites.

The Ballot Measure creates different conditions for different sites. For Parking Plazas 7 and 8, the Ballot Measure preserves a path to affordable housing development without voter approval, while making other types of development on those sites more difficult and uncertain. For the remaining eight Parking Plazas, the measure subjects all forms of development and significant physical alteration to a voter approval requirement, adding time, cost, and uncertainty to any future development project. As discussed in the fiscal impact analysis section of this report, the likely effect of the Ballot Measure, if passed, will be to reduce the likelihood of development across all Parking Plaza sites, including Plazas 7 and 8.

Transportation Infrastructure

New development on the Parking Plaza sites could generate demand for transportation infrastructure improvements by bringing additional residents, workers, or visitors to Downtown Los Altos and increasing use of the local transportation network. The City collects a transportation impact fee from new residential, office, and retail and commercial projects to finance improvements needed to address the impacts of new development. This fee is waived for affordable housing units and is not assessed on parks or open space, which limits the revenue available to address transportation impacts under those development scenarios. Other potential funding sources for transportation infrastructure include State funds, special gas tax revenues, countywide sales tax revenues, grants, and the City's General Fund. Developers may also be required to directly construct or fund improvements needed to address the transportation impacts of their specific projects.

The Ballot Measure reduces the likelihood of development on the Parking Plaza sites. To the extent that development is deterred or delayed, the City would avoid the infrastructure demands associated with new development and would also lose the impact fee revenues that would otherwise help fund transportation improvements. These two effects broadly offset one another; less development means less demand on the transportation network, and therefore less fee revenue to address that demand.

Stormwater Infrastructure

In their current condition, the Parking Plaza sites are largely impervious surface parking lots that contribute to stormwater runoff. Redevelopment could reduce or increase impervious coverage depending on project design: projects that incorporate landscaping, courtyards, or stormwater retention features could reduce runoff relative to existing

conditions, while projects with significant building footprints could maintain or increase impervious areas.

The stormwater infrastructure funding implications of the Ballot Measure are relatively modest compared to other infrastructure categories and depend in part on whether the City's existing stormwater system has adequate capacity to handle current and future runoff from the Plaza sites. If the existing system is functioning adequately, maintaining the current impervious surface conditions on the Plaza sites would not create additional funding needs, and the stormwater funding implications of the ballot measure would be limited regardless of outcome. If, on the other hand, the existing system needs upgrades or has limited capacity, development that reduces impervious coverage could improve stormwater conditions and potentially reduce the City's long-term infrastructure costs. In that case, the Ballot Measure's tendency to make uses such as a park, paseo, or landscaped open space less likely on the Plaza sites could have a modest negative effect on stormwater funding needs by decreasing opportunities to reduce runoff through redevelopment.

Utility Infrastructure

This section addresses the potential impacts of the Ballot Measure on sewer and electrical utility infrastructure, both as they relate to site-specific conditions on the Parking Plaza sites and to broader infrastructure funding considerations.

Sewer

Several of the Downtown Parking Plaza sites are encumbered by existing sewer infrastructure that would affect future development. Sewer lines run through the middle of Plazas 7 and 8 as well as at least some of the remaining Plazas. Any development on affected sites would need to either relocate these lines, adding a potentially significant cost, or design around them, constraining the buildable area and configuration of any development project. Sewer relocation costs would generally be borne by the developer, adding to overall project costs and potentially affecting the financial feasibility of development. To the extent that the Ballot Measure makes development less likely or narrows the range of viable development types, it could affect whether and when these sewer relocations occur, though this is primarily a development feasibility consideration rather than a City funding obligation, it impacts new development

More broadly, new developments on the Parking Plaza sites would increase demand on the City's sewer system. The City does not collect a sewer impact fee; instead, new development pays connection fees at the time of permitting, which help offset the cost of connecting to the existing system. Whether additional capacity investments in the broader sewer system would be needed to serve new development on the Plaza sites would depend on available capacity in the existing infrastructure. To the extent the Ballot Measure reduces the number of developments that occurs on the Plaza sites, it would correspondingly reduce new sewer connections and the associated connection fee revenues, as well as any incremental demands on sewer system capacity.

Electricity

Several of the Plaza sites have overhead utility lines. Undergrounding these lines is a meaningful infrastructure improvement that enhances the streetscape and reduces the risk of outages, but it is expensive and difficult to accomplish outside of a development context. While PG&E's Rule 20 program provides funding for some utility undergrounding projects, these funds are generally reserved for projects that provide a broad public benefit, such as eliminating overhead lines in areas of heavy concentration, along major corridors, in areas of cultural or historic interest, or in locations with heavy pedestrian or vehicular traffic. As a result, development activity on the Plaza sites represents one of the more practical opportunities to accomplish utility undergrounding in this area.

To the extent that the Ballot Measure reduces the likelihood or financial feasibility of development on the Plaza sites, it could delay or prevent the utility undergrounding that would otherwise be associated with development on these sites. If development does not proceed, these improvements would need to be funded through other means or deferred indefinitely.

More broadly, new development on the Parking Plaza sites would increase electrical demand in the Downtown area. Electrical infrastructure upgrades needed to serve new development are typically funded through PG&E's capital program and recovered through utility rates, rather than through City fees or the General Fund, so the fiscal implications for the City are limited. However, to the extent that the Ballot Measure affects the amount and type of development that occurs, it would have a corresponding impact on electrical demand in the Downtown area.

Parks and Open Space Infrastructure

To the extent that the Ballot Measure affects development on the Parking Plaza sites, it could impact both the demand for parks and open space in Los Altos and the City's resources available to address that demand.

New development generally increases demand for parks and open space. This is particularly true of residential development, where new residents place direct and ongoing demand on parks and recreational facilities. However, nonresidential and civic uses that bring workers and visitors to Downtown, such as office, retail, arts, or cultural facilities, can also increase use of nearby parks and open space. To the extent that the Ballot Measure prevents development of any kind from occurring on the Plaza sites, the associated increase in demand may also be avoided.

The City's primary resources for creating and improving parks and open space include developer contributions, use of City-owned land, and funding from the Park Development Fund, General Fund, and applicable grants. The City assesses a Park and Recreation Impact Fee on new residential development, with an exemption for affordable units; the fee does not apply to nonresidential development. The City can apply these revenues to fund construction of new parks or improvements to existing facilities. In addition, the City can use City-owned land to expand its park inventory, as it is currently evaluating with the

potential Downtown park on Plazas 1, 2, and/or 3. More broadly, because the Parking Plazas are City-owned, the City has greater leverage to negotiate the provision of publicly accessible open space as a component of any development project on these sites than it would typically have with development on privately owned land. This could result in open space benefits beyond what standard fee requirements alone would support, whether as part of a residential project on Plazas 7 and 8 or as a component of any future development on any of the remaining Plazas.

The Ballot Measure could affect these resources in several ways. Preventing or reducing residential development on the Plaza sites would reduce the park impact fee revenues the City would otherwise collect but could also reduce the corresponding increase in park demand that new development would generate, resulting in a broadly neutral net impact on park resources. For non-residential development on the remaining Plazas, there is no park impact fee, so preventing such development could avoid an increase in unmitigated demand — a modestly positive outcome from a parks funding perspective, though one that comes at the cost of forgoing the broader economic and community benefits those uses could generate. Beyond fee revenues, where development does not proceed or where the voter approval requirement makes projects less attractive and increases developer risk, the City's leverage to negotiate open space commitments above and beyond standard requirements would also be diminished, potentially requiring additional City funds to provide a comparable level of parks improvements elsewhere.

Perhaps most significantly, if the Ballot Measure passes, any park or open space use on a Plaza site would itself require voter approval, since converting a parking lot to a park would constitute a change in use under the Ballot Measure. This means the Ballot Measure creates a procedural constraint not only to private development but also to City-initiated public amenities. If the potential downtown park on Plazas 1, 2, and/or 3 does not move forward due to this procedural burden, the City would lose a significant opportunity to expand its Downtown parks and open space inventory on land it already owns, which could lead the City to expend additional funds to acquire a site elsewhere to construct a new park. It is worth noting that the City is still in the early stages of evaluating the potential park, and the project may ultimately not move forward regardless of the Ballot Measure outcome. Nevertheless, the Ballot Measure would add cost, time, and uncertainty to any future effort to develop a park on these sites.

On balance, the Ballot Measure's impacts on parks and open space resources are more likely to be negative than positive. The most significant risks are the potential loss of the downtown park opportunity and a diminished ability to negotiate developer-provided open space as part of future projects.

The one scenario in which the Ballot Measure could have a insignificantly positive effect — by preventing non-residential development that would increase park demand without generating fee revenue — is a narrow one and would come at the cost of forgoing the broader benefits those uses would provide to Downtown Los Altos.

Public School Facilities

New residential development on the Parking Plaza sites would generate new students in the local school districts and corresponding school impact fee revenues. The Plaza sites are served by the Los Altos School District (LASD) for kindergarten through 8th grade and the Mountain View–Los Altos Union High School District (MVLA) for high school.

Both LASD and MVLA levy school impact fees on new development; under State law, maximum combined fees for all school districts that serve a project are \$5.38 per square foot for residential development and \$0.87 per square foot for nonresidential development.

The magnitude of enrollment impacts and fee revenues would depend on the scale and mix of development, with multi-family residential development — the most likely form on the Plaza sites — tending to generate fewer school-age children per unit than single-family development.

School impact fees help offset the capital costs of serving new enrollment but do not always fully cover the cost of new or expanded facilities. If existing capacity in the affected schools is insufficient to accommodate growth associated with new development, the districts could face funding needs that exceed what school impact fees alone would provide, potentially requiring additional voter-approved bonds or other funding sources to make up the difference.

To the extent the Ballot Measure reduces the amount of residential development on the Plaza sites, it could correspondingly reduce both enrollment impacts and school impact fee revenues, with the two effects possibly broadly offsetting one another. It is worth noting that non-residential development on the Plaza sites would also generate school impact fees without directly increasing student enrollment, which would modestly offset the enrollment-driven costs associated with residential development.

To the extent the Ballot Measure reduces the likelihood of future nonresidential development on these sites, it would forgo this enrollment driven opportunity, though the effect would be modest.

5. Business Impacts

This section evaluates how the proposed Ballot Measure could affect business and employment attraction and retention in downtown Los Altos. It examines current conditions in the Downtown retail market, recent taxable sales trends, and the potential effects of the Ballot Measure on parking supply, accessibility, and future development opportunities. The section also assesses how the Ballot Measure could influence Downtown visitation, local spending, and the availability of housing that supports the local workforce.

Downtown Retail Market Overview

Downtown Los Altos is a retail and dining hub within the City, organized around a six-block “downtown triangle” bounded by Foothill Expressway, San Antonio Road, and Edith Avenue. The area is home to more than 150 retail, dining, service, and professional businesses.⁴⁸ The mix includes fast-casual and full-service restaurants, coffee shops, convenience retail, destination retail, and personal services. Retailers include grocery stores (Draeger’s, Safeway), a drug store (Walgreens), hardware stores (Los Altos Hardware), and specialty stores in apparel, footwear, and home goods. The area is also home to a cluster of personal-service businesses, including hair and nail salons, banks, and dry cleaners, as well as a multi-vendor food hall (State Street Market) on State and Third Streets.

Downtown land area is divided between active commercial frontage, roadways, a few parks, and ten City-owned surface Parking Plazas. The Plazas occupy a substantial share of the Downtown’s developable land and produce no rent, no sales tax, and no residential population. A 2024 Parking Occupancy Study commissioned by the City—conducted during the December 2023 holiday shopping season, the highest-demand period of the year—found that peak occupancy of the approximately 1,700 public spaces in the Downtown ranged between 54 and 60 percent, reaching a high of 71 percent, with most vehicles parked for less than two hours.⁴⁹ An occupancy ceiling of 60 to 71 percent during the peak demand period indicates that the Downtown’s public parking supply substantially exceeds demand under existing conditions.

Downtown Los Altos Taxable Sales Trends

Sales tax data published by the City indicate that Los Altos has lagged regional taxable sales performance in recent quarters. In the third quarter of 2025 (July through September), the City’s local one-cent sales tax receipts totaled approximately \$708,150, a decrease of 7.7 percent compared to the third quarter of 2024 after adjusting for reporting modifications

⁴⁸Los Altos Village Association, “Downtown Los Altos,” available at <https://downtownlosaltos.org/>.

⁴⁹W-Trans, *Downtown Los Altos Parking Occupancy and Turnover Study* (presented to Los Altos City Council, November 12, 2024).

and delayed payment. Over the same period, Santa Clara County as a whole posted a 2.8 percent year-over-year increase, and the Bay Area was up 2.5 percent.⁵⁰

The City's largest sales tax category, restaurants and hotels (approximately 30 percent of receipts), declined nearly 9 percent in Q3 2025, with the report attributing the drop to losses in the casual-dining sector and reduced consumer spending on dining out. Other categories also declined, including general consumer goods (16 percent of receipts), food and drugs (15 percent), fuel and service stations (12 percent), business and industry (down 44.5 percent quarter-over-quarter due to several taxpayers closing operations), building and construction, and autos and transportation. The City's allocation from the countywide use tax pool (20 percent of receipts) also slipped lower as other agencies in the county outpaced Los Altos.⁵¹

The top non-confidential business types for Q3 2025 in Los Altos include the following:

- Casual dining receipts of \$149,248 declined 7.9 percent year-over-year in Los Altos while the comparable category grew 5.2 percent at the county level and 2.0 percent statewide.
- Service stations (\$84,689) declined 1.7 percent, grocery stores (\$81,768) grew 2.0 percent, and home furnishings (\$26,945) declined 1.9 percent.
- Fast-casual restaurants (\$8,163) declined 25.9 percent in Los Altos while growing 5.8 percent at the county level.⁵²

These data do not capture non-taxable spending, which includes most grocery store purchases, prescription drugs, and personal services such as dry cleaning, haircuts, and professional services. Taxable-sales data therefore understate the full extent of economic activity occurring in Downtown Los Altos.

Parking Structures in Nearby Downtown Districts

Downtown Los Altos is the only major commercial district of comparable scale in southern San Mateo and northern Santa Clara County that meets its off-street public parking demand entirely through surface lots. Downtown Palo Alto, San Carlos, Redwood City, San Mateo, Mountain View, and Sunnyvale each provide public parking through a combination of on-street spaces, surface lots, and one or more parking structures, typically integrated with mixed-use or housing development. Bay Area downtown revitalization practice over the past two decades has generally entailed the conversion of underutilized surface parking lots into housing and mixed-use development with structured replacement parking. The City's continued reliance on surface-lot parking in its Downtown represents a

⁵⁰HdL Companies, *Sales Tax Update, City of Los Altos, 3Q 2025 (July–September)*, published Winter 2026, available at <https://www.losaltosca.gov/513/Sales-Tax-Information>.

⁵¹*Ibid.*

⁵²*Ibid.*

different land-use pattern than its peer districts. The following section presents a case study from San Carlos in which a public surface parking lot was replaced with a housing development that includes structured replacement parking.

Case Study – San Carlos Wheeler Plaza Parking Lot Replacement

In 2017, developers broke ground on a new mixed-use infill development at Wheeler Plaza to replace one of San Carlos's largest public parking lots and an adjacent underutilized parcel. The mixed-use development includes a new replacement public parking structure beneath a 109-unit condominium development and 10,000 square feet of new ground-floor retail.⁵³

As part of the proposal, 185-space surface parking lot at Wheeler Plaza was replaced by a 254-space public parking structure, a net increase of 69 publicly available spaces. Parking in the structure is free, limited in a similar manner to portions of the existing Downtown Los Altos public parking inventory. During the construction process, the City and developer opened the replacement public parking structure ahead of the full mixed-use development to minimize the duration of net parking loss. The Wheeler Plaza development also includes a separate underground parking structure with 192 parking spaces reserved for residents (a ratio of 1.76 spaces per unit), so that resident parking demand does not draw from the public parking supply on the site.⁵⁴

Although retail surrounding Wheeler Plaza was impacted by the COVID-19 pandemic, business vacancy rates returned to pre-development and pre-pandemic levels in 2023, four years after opening.⁵⁵ The typology transition from a surface parking lot to a structured-parking, housing, and ground-floor retail development produced no measurable adverse effect on the surrounding retail district. The combined record of a structured-parking replacement, a residential addition, ground-floor retail expansion, and an on-street parking reduction is consistent with the broader Bay Area pattern in which downtowns have remained healthy or strengthened through transitions away from surface-lot parking toward mixed-use development.⁵⁶

Potential Impacts from New Household Expenditures

If the Ballot Measure is adopted, redevelopment of the Downtown Parking Plazas would generally require voter approval. The Ballot Measure expressly exempts Plazas 7 and 8 from the voter-approval requirement where the proposed project provides affordable housing.⁵⁷ For the other eight Plazas, the introduction of new households to Downtown

⁵³City of Menlo Park, *Ballot Measure Impact Analysis Pursuant to Election Code 9212*, November 25, 2025, pp. 58–61.

⁵⁴*Ibid.*

⁵⁵*Ibid.*

⁵⁶*Ibid.*

⁵⁷"Downtown Parking Plazas Ordinance," proposed Los Altos Municipal Code Chapter 14.92, §14.92.050(3) (affordable housing exemption for Plazas 7 and 8). APN 167-39-032 (Plaza 7) and APN 167-39-007 (Plaza 8).

through redevelopment would be delayed or prevented absent a subsequent successful ballot measure.

New households on the Downtown Parking Plazas would generate incremental retail, restaurant, and service expenditures at Downtown businesses. The magnitude of that spending depends on the number of units ultimately built, the income mixes of those units, and the share of new household spending that occurs at Downtown Los Altos businesses (rather than elsewhere in the city or outside Los Altos altogether). A comparable analysis prepared for the City of Menlo Park estimated that 345 new affordable housing units would generate approximately \$1.9 million per year in new spending at Downtown Menlo Park businesses, based on an estimated average annual household income of \$83,250 (50 percent of San Mateo County AMI for a 2.5-person household), an estimated 22.2 percent of household income spent in categories represented by Downtown businesses, a 50.5 percent citywide capture rate, and a 60 percent Downtown capture rate—yielding approximately \$5,604 per household per year in Downtown spending.⁵⁸

In addition to direct expenditures, the introduction of a residential population in or adjacent to a downtown commercial district produces an evening and weekend customer base that surface-parking-adjacent retail does not generate. Mixed-use development with ground-floor retail produces higher pedestrian volumes along storefront frontages than dispersed surface-lot configurations, with corresponding effects on business performance.

Potential Impacts on Downtown Businesses from Parking Changes

This section addresses how the Ballot Measure could affect Downtown parking and, in turn, Downtown businesses, customers, and economic activity.

Potential Impacts on Ministerial Permitting

Private property owners, as well as utility providers and other third-party users of the City-owned parking plazas, typically apply for encroachment permits for repairs, construction, trenching, or even privately held festivals. The City routinely approves permits to conduct these activities in the plazas.

If the Ballot Measure were to be adopted, such approvals could be subject to the initiative if the activity would diminish the availability, access, or convenience of public parking. The Ballot Measure's limited exception for maintenance and repair is vague, but focuses on work intended to preserve or improve public parking within the Parking Plazas. A separate exception allows short-term community activities.

However, the scope of these exceptions is limited and fact-specific. As a result, the Ballot Measure could create uncertainty regarding whether the City may issue permits or authorize non-City uses administratively without voter approval. As such approvals are typically routine and time-sensitive, putting approval to the voters would greatly complicate the ability of property owners to invest in and maintain the safety and attractiveness of their properties.

⁵⁸*ibid.*, Table 12, p. 64.

Potential Impacts on the Number of Parking Spaces

If the Ballot Measure is adopted, redevelopment of the Plazas would require voter approval, and the total number of parking spaces in the Plazas would remain at approximately current levels. It is unclear whether incremental changes that reduce the stall count by small amounts—such as the addition of accessible parking stalls, the installation of EV chargers, or the addition of trash and recycling enclosures required by stormwater regulations—would be permitted without voter approval.

If the Ballot Measure is not adopted, redevelopment of the Plazas could proceed without voter approval. The City's adopted 2025 Downtown Parking Strategy⁵⁹ and the City's current planning work contemplate replacement of public parking at or near a one-for-one ratio through one or more consolidated parking structures. Some temporary loss of parking during the construction of any individual project would be unavoidable.

The 2024 occupancy data described above 54 to 60 percent peak occupancy in the Plazas during the highest-demand period of the year—indicate that the Downtown's public parking supply substantially exceeds demand under current conditions. A reduction in the total stall count to accommodate accessibility improvements, EV charging, or stormwater compliance would not constrain customer access at current demand levels, nor would a typology change that consolidates dispersed surface parking into one or more structures.

The Ballot Measure expressly exempts certain actions from the voter-approval requirement. Maintenance, repairs, renovations, and capital improvements to the Parking Plazas do not require voter approval as long as they are intended to preserve, improve, or expand the availability, access, or convenience of public parking. Temporary events, such as the weekly farmers market, are also permitted without voter approval as long as the activity does not last more than three consecutive days.⁶⁰

The text of the Ballot Measure is vague as to whether routine improvements that incidentally reduce the total stall count by small amounts would be considered to "diminish" parking and therefore require voter approval; if such improvements were so interpreted, each would require a separate ballot measure before implementation.

The Ballot Measure also exempts Plazas 7 and 8 from voter-approval requirements where the proposed project provides affordable housing.⁶¹ Development on those two Plazas could potentially proceed without the additional procedural step that would apply to the remaining eight Plazas, since affordable housing is not defined by the Ballot Measure, it is uncertain a potential development would align with Ballot Measure language.

⁵⁹City of Los Altos Resolution No. 2025-07, adopting the Downtown Parking Strategy.

⁶⁰"Downtown Parking Plazas Ordinance," proposed Los Altos Municipal Code Chapter 14.92, §14.92.040 (Exceptions).

⁶¹"Downtown Parking Plazas Ordinance," proposed Los Altos Municipal Code Chapter 14.92, §14.92.050(3) (affordable housing exemption for Plazas 7 and 8). APN 167-39-032 (Plaza 7) and APN 167-39-007 (Plaza 8).

Potential Impacts Based on Changes in Parking Typology

If the Ballot Measure is adopted, the existing dispersed surface-lot configuration of the Plazas would be preserved unless voters approve a change.

If the Ballot Measure is not adopted, the Plazas identified for redevelopment in the Housing Element and the 2025 Downtown Parking Strategy⁶² could be redeveloped with residential and other uses, with parking replacement occurring in structured form rather than in surface lots.

The Wheeler Plaza case study presented above documents one Bay Area example in which this typology transition produced no measurable adverse effect on retail performance in the surrounding area.

Potential Impacts on Downtown Visitation Due to Parking Changes

If the Ballot Measure is adopted, the existing surface-lot configuration of the Plazas would remain in place unless voters approve a change. Parking-related conditions affecting Downtown visitation would remain at approximately current levels.

If the Ballot Measure is not adopted, redevelopment of one or more Plazas could proceed, introducing residential uses, ground-floor retail, and structured replacement parking. During the construction process associated with any individual project, the available parking supply on the affected Plaza could potentially be temporarily reduced. However, temporary parking efficiency measures such as valet parking or temporary parking lots could be used to mitigate this temporary reduction in parking.

The Wheeler Plaza case study documents the trajectory of retail vacancy rates near a comparable Bay Area project before, during, and after construction; vacancy rates remained low during construction and returned to pre-development and pre-pandemic levels after completion. The longer-term effect of redevelopment on Downtown visitation depends on the number of new residents added Downtown and, on the ground-floor retail and activated public-space programming included in any future project.

Potential Workforce Housing Impacts and Worker Attraction and Retention

Downtown Los Altos businesses, particularly restaurants, retail, and personal-service establishments—employ workers in occupations whose typical wages do not support residence in market-rate housing in Los Altos or its immediate neighboring jurisdictions. A substantial share of the Downtown workforce commutes from lower-cost communities. The availability of affordable housing within or near the Downtown effects employers' ability to attract and retain workers.

If the Ballot Measure is adopted, affordable housing on Plazas 7 and 8 could proceed under the §14.92.050(3) exemption.⁶³ Affordable housing on Plazas 1 through 6, 9, and 10 would require voter approval and would be delayed or prevented absent a subsequent successful

⁶²City of Los Altos Resolution No. 2025-07, adopting the Downtown Parking Strategy.

⁶³"Downtown Parking Plazas Ordinance," proposed Los Altos Municipal Code Chapter 14.92, §14.92.050(3) (affordable housing exemption for Plazas 7 and 8). APN 167-39-032 (Plaza 7) and APN 167-39-007 (Plaza 8).

ballot measure. The Ballot Measure's net effect on the Downtown affordable-housing pipeline depends on whether the development capacity of Plazas 7 and 8 alone is sufficient to deliver the affordable-housing program contemplated for Downtown in the Housing Element, as well as whether such development is viable without a market-rate component. This question is addressed in the Housing Impacts section of this Report.

Workforce housing pressure on local employers is documented within Los Altos itself. The Los Altos School District surveyed 250 teachers and found that staff commute 30 minutes to an hour each way and have expressed interest in living closer to where they work.⁶⁴ In response, LASD established a local-resident rental matching program to connect teachers with in-law units and other accommodations in Los Altos,⁶⁵ and joined a \$500,000 down-payment-assistance investor pool with the home-finance firm Landed.⁶⁶

The Mountain View–Los Altos Union High School District established a parallel Landed pool.⁶⁷ LASD also acquired 24 units of access at the 110-unit educator housing project at 231 Grant Avenue in Palo Alto—a Santa Clara County-led project developed in response to the inability of educator and school-staff salaries to support market-rate housing in the Los Altos area.⁶⁸

These actions taken by employers in the immediate Los Altos area illustrate the workforce-housing pressures facing employers throughout the local labor market, including Downtown Los Altos businesses. Limiting affordable-housing production on the Plazas would constrain the supply of workforce-affordable units near Downtown employers.

Summary

The existing land-use pattern in Downtown Los Altos allocates a substantial share of the Downtown's developable land to ten City-owned surface Parking Plazas. The 2024 parking study found peak public parking occupancy of 54 to 60 percent during the December 2023 holiday season, with a high of 71 percent—indicating that the existing public parking supply substantially exceeds demand under current conditions. Over the same period in which the Plazas have been operating well below capacity, the City's sales tax receipts have declined while Santa Clara County's have grown, and the Downtown District's largest sales tax category (casual dining) has declined while the comparable county category has grown.

⁶⁴Kevin Forestieri "Seeking spare rooms to house teachers" (Mountain View Voice: August 11, 2016), reporting Los Altos School District survey of 250 teachers.

⁶⁵Los Altos School District, "Local Teacher Housing Needed" (April 16, 2018), available at <https://www.lasdschools.org/>.

⁶⁶Kevin Forestieri, "Teacher housing at Cooper Park?" (Mountain View Voice: October 13, 2017), reporting LASD and MVLA each established Landed down-payment investor pools of approximately \$500,000.

⁶⁷*Ibid.*

⁶⁸Zoe Morgan "Palo Alto school board approves 29-units of subsidized staff housing" (Palo Alto Online: January 18, 2023); Lisa Moreno "Take a look inside Palo Alto's teacher housing" (Mountain View Voice: October 25, 2024). The 110-unit project at 231 Grant Avenue, Palo Alto, was developed by Mercy Housing and Abode Communities on Santa Clara County land. LASD acquired access to 24 units.

If the Ballot Measure is adopted, the existing surface-lot configuration of the Plazas would be preserved unless voters approve a change. Redevelopment of Plazas 1 through 6, 9, and 10 would require voter approval for any change, including affordable housing. Affordable housing on Plazas 7 and 8 would remain available under the §14.92.050(3) exemption.

If the Ballot Measure is not adopted, the City could proceed with the redevelopment program contemplated in the Housing Element and the 2025 Downtown Parking Strategy, including the introduction of housing, ground-floor retail, structured replacement parking, and other uses on one or more Plazas. The Wheeler Plaza case study documents one comparable Bay Area project in which a transition from surface parking to a mixed-use development with structured replacement parking produced no measurable adverse effect on retail performance in the surrounding area. Bay Area downtown revitalization practice over the past two decades has generally followed this pattern.

The Measure's effect on Downtown business attraction and retention depends primarily on whether the Downtown remains in its current land-use configuration or transitions to a mixed-use pattern with structured parking, housing, and additional ground-floor retail. The available evidence on comparable Bay Area transitions, the W-Trans finding of substantial slack in the existing public parking supply, and the recent decline in Downtown sales tax performance are factors the City Council and voters may consider in evaluating the Measure.

6. Vacant Land Impacts

The Ballot Measure would not directly affect vacant lots, as the City-owned Downtown Parking Plazas are not classified as vacant sites in the City's 2023-2031 Housing Element. The Parking Plazas are treated in the Housing Element as non-vacant, underutilized sites, and Plazas 7 and 8 (APNs 167-39-032 and 167-39-007) are exempted under §14.92.050(3) of the Ordinance for affordable housing development.⁶⁹ The Housing Element identifies few vacant parcels in Los Altos, and the Ballot Measure does not regulate the use of privately owned vacant or underutilized parcels elsewhere in the Downtown.⁷⁰

⁶⁹ 1 City of Los Altos, 2023-2031 Housing Element, Site Inventory (Appendix B); proposed Los Altos Municipal Code Chapter 14.92, §14.92.050(3).

⁷⁰ 2 City of Los Altos, 2023-2031 Housing Element, Site Inventory (Appendix B). A current count of vacant parcels within the area defined as "Downtown" in §14.92.020 of the Ordinance (the area generally bounded by Foothill Expressway, San Antonio Road, and Edith Avenue) should be confirmed against the most recent Housing Element Annual Progress Report and County Assessor data prior to publication.

7. Other Impacts

Impacts on Agricultural Lands and Open Space

The City of Los Altos contains no agricultural lands within its incorporated boundaries, and the Downtown area defined in the Ballot Measure—bounded by Foothill Expressway, San Antonio Road, and Edith Avenue—is fully developed with commercial, civic, and public-parking uses.⁷¹ The Ballot Measure would have no direct impact on agricultural land use. To the extent that the Ballot Measure reduces or eliminates new, higher-density forms of housing on the Parking Plazas, it could place increasing pressure on the City to identify additional housing sites elsewhere to meet future State housing requirements; some of those alternative sites could implicate the City's limited open space resources. In addition, the Ballot Measure could affect the implementation of new public open space as contemplated by the 2018 Downtown Vision Plan and the 2024 Downtown Parking Strategy, including the proposed Downtown Park currently under design on Plazas 1 and 2.⁷²

Impacts on Traffic Congestion

In order to identify potential traffic impacts, a range of evaluation alternatives was developed. These alternatives were developed to capture the range of potential effects of the Ballot Measure. In all the alternatives described below, the passage of the Ballot Measure would not necessarily prevent future changes to the Parking Plazas. However, due to the added cost, increased time for a final decision, and the uncertainty of the ballot-measure process or outcome, the Ballot Measure may result in improvement projects being delayed or cancelled. Because the City is currently advancing the design of a Downtown Park with replacement parking on Plazas 1 and 2, and because Plazas 7 and 8 are expressly exempted by the Ballot Measure for affordable-housing use, the traffic-analysis alternatives focus on the contemplated public-realm improvements and the potential range of future housing on the Plazas.⁷³ Other non-residential development on the remaining Plazas was not part of any current City solicitation and would be too speculative to evaluate at this time.

⁷¹City of Los Altos, "Downtown Parking Strategy" (2024); proposed Los Altos Municipal Code Section 14.92.020 (defining "Downtown").

⁷²City of Los Altos, "Downtown Vision Plan" (2018); City of Los Altos, "Downtown Park" project page, available at losaltosdowntownpark.org. As of the date of this Report, the City has authorized design work for a Downtown Park with associated replacement parking on Plazas 1 and 2.

⁷³"Downtown Parking Plazas Ordinance," proposed Los Altos Municipal Code Chapter 14.92, §14.92.050(3) (affordable-housing exemption for Plazas 7 and 8). APN 167-39-032 (Plaza 7) and APN 167-39-007 (Plaza 8).

Overall, the following qualitative conclusions can be determined if the Ballot Measure passes:

- There could be a slight increase to the citywide average residential VMT per capita if Downtown units are not built or are moved to other parts of the city.
- There would be slight improvements to traffic congestion on roadways within the immediate vicinity of the Parking Plazas. However, the City's major thoroughfares such as San Antonio Road, Foothill Expressway, and El Camino Real would not experience noticeable changes to traffic volumes.
- If the Ballot Measure resulted in less citywide residential development in the long term, there would be a negative effect on regional VMT due to resulting longer trip lengths.

Alternative 1 Analysis

Alternative 1 assumes that the Ballot Measure passes and that no future redevelopment of any non-exempt City-owned Downtown Parking Plaza is approved by voters. This assumption forecloses any future redevelopment of Plazas 1 through 6, 9, and 10, including the contemplated Downtown Park on Plazas 1 and 2, the contemplated performing arts venue on Plaza 2, and any future housing, mixed-use, or structured-parking project that the City might pursue on the remaining non-exempt Plazas. Plazas 7 and 8, which the Ballot Measure expressly exempts for affordable housing, would remain available for that purpose.⁷⁴ Alternative 1 further assumes that no other Housing Element opportunity sites in Los Altos can absorb the housing units that might otherwise have been developed on non-exempt Plazas.

VMT Effect

The City's 6th Cycle (2023-2031) Housing Element and supporting environmental analysis identify the Downtown area as a low-VMT location relative to the rest of the city, owing to its mix of complementary land uses, walkability, and proximity to transit along El Camino Real and San Antonio Road. Residential developments within Downtown would thus exhibit lower VMT per capita compared to residential developments elsewhere in Los Altos.⁷⁵

⁷⁵City of Los Altos 6th Cycle (2023-2031) Housing Element and supporting environmental documentation. [BAE/Hexagon to confirm specific VMT figures and citations from the Los Altos Housing Element environmental analysis.]

Under Alternative 1, the absence of Downtown units would mean that the citywide residential VMT per capita would increase slightly because there would be fewer low-VMT units in the housing mix.

Under Alternative 1, the city's residential VMT per capita would increase slightly relative to a scenario in which Downtown Plazas redevelop with housing but would not invalidate the Housing Element's environmental conclusions regarding VMT.

Traffic Operations

Under Alternative 1, the reduction of development in Downtown would slightly reduce traffic volumes in the immediate vicinity of the Parking Plazas. However, Los Altos is part of a broader subregional jobs market that includes Mountain View, Palo Alto, and Sunnyvale, and the absence of additional Downtown housing units in Los Altos would shift the corresponding housing demand to other locations in the region. Housing built further from these subregional employment centers would generally result in longer commute trips and a greater share of trips occurring on the regional roadway network and on the City's major thoroughfares (San Antonio Road, Foothill Expressway, and El Camino Real). The localized traffic-operations improvement from the reduction of Downtown developments would therefore be offset, at the regional level, by longer trips made by households housed elsewhere. Longer trip lengths would also provide fewer options for alternative modes of transportation, such as cycling, walking, or local transit.⁷⁶

Parking

Section 14.92.040 of the proposed Ordinance provides that voter approval is not required for maintaining, repairing, renovating, or improving the Parking Plazas if those actions are intended to preserve, improve, or expand availability, access, or convenience of public parking.⁷⁷

Alternative 1 would preserve the existing Parking Plazas as-is and would thus result in no loss of public parking supply in Downtown, subject to the uncertainty described elsewhere in this Report regarding whether routine improvements (ADA restriping, EV charger installation, trash and recycling enclosures, drainage upgrades, etc.) would themselves require voter approval.

⁷⁷"Downtown Parking Plazas Ordinance," proposed Los Altos Municipal Code Chapter 14.92, §§14.92.030, 14.92.040.

Alternative 2 Analysis

Alternative 2 is similar to Alternative 1, except that Alternative 2 assumes that the foregone Downtown housing units can be absorbed by other Housing Element sites elsewhere in the city, to maintain Housing Element compliance.

VMT Effect

As discussed in Alternative 1, the City's lowest residential VMT area is in and around Downtown. Shifting residential units away from this low-VMT area to higher-VMT locations elsewhere in Los Altos would slightly increase the citywide average residential VMT per capita.

Traffic Operations

Unlike Alternative 1, Alternative 2 would shift the residential units away from Downtown to other locations within the city. A more dispersed distribution of the residential units would slightly reduce traffic volumes in the immediate vicinity of the Plazas and along streets such as Main Street and State Street, while modestly increasing volumes elsewhere.

The areas absorbing these units would experience slight increases in traffic volumes, depending on how many units each site would absorb.

It should also be noted that units located in Downtown can support more walking, biking, and transit trips because of their proximity to alternative transportation services and complementary land uses. Farther away from Downtown, the reliance on cars increases, and auto-ownership rates increase. Therefore, from a citywide perspective, Alternative 2 would result in an overall slight increase in vehicle-trip making in the city.

Parking

The parking analysis for Alternative 2 is the same as Alternative 1.

Alternative 3 Analysis

Unlike Alternatives 1 and 2, Alternative 3 assumes that the Ballot Measure does not pass. In this Alternative, redevelopment of non-exempt Plazas with housing, replacement parking, public open space (including the proposed Downtown Park), and the contemplated performing arts venue on Plaza 2 could proceed without a separate Ballot Measure for each action.

Because Alternative 3 would not modify the City's adopted Housing Element programs or General Plan land uses, there would be no changes to VMT or traffic operations compared to the buildout assumptions in those plans.

Parking

The 2024 Downtown Parking Strategy identifies a total Downtown parking supply of approximately 2,504 spaces, including 1,305 public off-street spaces within the Parking Plazas and 395 on-street spaces.⁷⁸ Under Alternative 3, the City would be able to advance the consolidation and replacement-parking strategies recommended in the 2024 Strategy and the 2018 Downtown Vision Plan, which contemplate replacing dispersed surface parking on selected Plazas with structured parking on the same or another Plaza. However, the actual replacement ratio that would be achieved on any given Plaza is unknown, would depend on the final design of any future project, and could result in either a net increase or a net decrease in publicly accessible spaces at the Plaza affected, even if Downtown-wide capacity is preserved or increased.

It should be recognized that during construction, some amount of the existing parking supply could potentially be made temporarily unavailable, and mitigating parking solutions could be temporarily adopted. Any subsequent City solicitation for redevelopment of the Plazas would be expected to require respondents to propose solutions to minimize short-term parking loss for the public.

Other Issues

Some other potential transportation issues related to the Ballot Measure include construction impacts, loading, and emergency-vehicle access. The City has standard requirements for these issues, and it is expected that any future development, regardless of location, will be required to comply with City requirements.

Impacts on Adoption of Modern Parking and Transportation Management Strategies

The City adopted the Downtown Los Altos Parking Strategy in 2024 to identify a coordinated toolkit of short- and long-term improvements—including curb-management changes, wayfinding, shared-parking arrangements, time-limit adjustments, and consolidation of surface lots—intended to operationalize the vision for Downtown growth, multimodal access, and economic vitality.⁷⁹ It is unclear whether, if the Ballot Measure is adopted, the City's future implementation of the Parking Strategy's recommendations would require voter approval. To the extent that individual recommended actions could be characterized as "modifying" or "altering" a Plaza in a way that "diminishes" the availability, access, or convenience of parking—even when such actions are designed to improve

⁷⁸City of Los Altos, "Downtown Parking Strategy" (2024).

overall parking efficiency or system performance—those actions could trigger the voter-approval requirement under Section 14.92.030 of the proposed Ordinance.⁸⁰

Fire Safety and Emergency Evacuation

Future development on any non-exempt Plaza would be required to comply with applicable Fire Code requirements, including provisions for emergency-vehicle access, hydrant spacing, and on-site circulation. Setback and access requirements would be evaluated as part of the entitlement and building-permit review for any specific project. The Ballot Measure would not directly alter these standards but could delay or prevent implementation of projects that would otherwise bring older surface lots into closer alignment with current Fire Code expectations.

ADA Accessibility

Under Alternatives 1 and 2, any restriping to incorporate additional ADA-compliant spaces would require voter approval, as the inclusion of any larger ADA-compliant spaces would necessarily reduce the number of standard parking spaces in the finite space of the Parking Plazas. The City's 2025 capital work on Main Street and State Street included the installation of five new ADA-compliant parking stalls while maintaining the net number of available parking spaces, and standardization of parking-stall widths to nine feet consistent with Caltrans design standards.⁸¹ Comparable future work within the Plazas could be subject to voter approval, which would not be in compliance with state law and make the City vulnerable to ADA legal challenges.

Under Alternative 3, the potential construction of a parking garage that could include ADA-compliant spaces alongside standard spaces would be permitted without going to a vote of the public.

Impacts on Developed Areas Designated for Revitalization

"Revitalization Areas" are designated by the United States Department of Housing and Urban Development (HUD) under provisions of the National Housing Act and are intended to promote "revitalization through expanded homeownership opportunities."⁸² There are no such areas in Los Altos.

⁸¹City of Los Altos, "Downtown Park" and Downtown street-improvement project descriptions, available at losaltosdowntownpark.org.

⁸²"Revitalization Areas" (US Dept. of Housing and Urban Development), available at <https://hudgis-hud.opendata.arcgis.com/datasets/HUD::revitalization-areas/about>.

Impacts on Business Viability and Vacancy Rates

Many jurisdictions in San Mateo and Santa Clara County have made land-use changes that increase housing density and modernize parking and transportation management in their downtowns. Nationally, downtown housing has been linked to increased vitality and connectivity in even smaller suburban downtowns, as the people who live in these units are more likely to "go downstairs" to shop than others are to drive.⁸³ International studies examining commercial corridors in Berlin,⁸⁴ Toronto,⁸⁵ and Washington, DC⁸⁶ have identified patterns indicating that business owners tend to overestimate the number of customers who drive to their businesses relative to those who walk or bike (more customers are likely to drive to their shopping destinations in suburban locations such as Los Altos).

Locally, Redwood City is notable for how increased residential density and revised parking standards led to downtown business growth. In 2005, before the adoption of the 2011 Downtown Precise Plan, there were 12 restaurants in Downtown Redwood City; by 2024, there were 87 restaurants—a 725-percent increase.⁸⁷ In Sunnyvale, downtown residential and commercial growth has supported a retail core. This has included new development, such as Whole Foods that opened in 2020, but also the maintenance of businesses on and around Murphy Avenue.⁸⁸

Retail is facing headwinds on a global level.⁸⁹ Before the COVID-19 pandemic, there was an established correlation between density of retail establishments and the amount of housing nearby.⁹⁰ This trend has been complicated post-pandemic, with increasing densities in suburban areas (such as much of Santa Clara County, including Los Altos).⁹¹

⁸³Corianne Rice, "Why Housing is a Key to Main Street Success" (National League of Cities: 2025), available at <https://www.nlc.org/article/2025/01/21/why-housing-is-key-to-main-street-success/>.

⁸⁴Dirk von Schneidemesser and Jody Betzien, "Local Business Perception vs. Mobility Behavior of Shoppers: A Survey from Berlin" (Findings: June 2021).

⁸⁵Maxine Chan, et al., "Bike Lanes, On-Street Parking and Business" (The Centre for Active Transportation: Dec. 2016).

⁸⁶Pete Rodrigue, "Survey: Most shopkeepers, shoppers overestimate car use" (Greater Washington: August 2024).

⁸⁷Anh-Minh Lee, "A sleepy Bay Area suburb is seeing a restaurant boom" (SF Gate: Feb. 16, 2025).

⁸⁸Kevin V. Nguyen, "The Silicon Valley boomtown where it feels like the pandemic never happened" (San Francisco Standard: Sept. 18, 2025).

⁸⁹"Downtown Downturn: The COVID Shock to Brick-and-Mortar Retail" (JPMorgan Chase: January 2023).

⁹⁰"Is Retail Development Success Related to Housing Density?" (Cushman & Wakefield: April 2019).

⁹¹Amir Forouhar, et al., "Assessing downtown recovery rates and determinants in North American cities after the COVID-19 pandemic" (Urban Studies: Sep. 12, 2024).

Although academic experts are still researching the post-COVID relationship between retail success and housing density, recent research has demonstrated that land-use decisions that promote residential uses over commercial uses may better support existing retail businesses.⁹²

⁹²Leah Brooks and Rachel Meltzer, "Retail on the Ground and on the Books: Vacancies and the (mis)Match Between Retail Activity and Regulated Land Uses" (JAPA: January 2024).

8. Urban Greenery Impacts

This section addresses topics directed by the City Council for inclusion in the 9212 Report beyond those enumerated in Elections Code section 9212(a), specifically the Ballot Measure's potential impacts on urban greenery and on local urban heat island conditions in Downtown Los Altos.

Tree Canopy and Heritage Trees

Background

The City's Tree Protection Ordinance (Ordinance) (Los Altos Municipal Code Chapter 11.08) was established to protect and promote the growth of a healthy and sustainable tree canopy in Los Altos. The Ordinance applies to both publicly and privately owned trees and was updated in 2024 to lower the general protection threshold from 15 to 12 inches in diameter at breast height (DBH), with a 10-inch threshold for native species such as coast live oak and California buckeye. The Ordinance recognizes that trees provide shade and climate resilience, habitat for wildlife, carbon sequestration and improved air quality, protection against wind and flood hazards, and aesthetic quality. Removal of a protected tree requires a Tree Removal Permit issued by either the Planning Division or Parks Department depending on their location.⁹³ The Parking Plazas are landscaped with mature trees that contribute to the Downtown tree canopy with a majority being Chinese Pistache (*Pistacia chinensis*) trees.

Provisions of the Ballot Measure Relevant to Tree Canopy

The Ballot Measure includes an express provision specific to trees and the Downtown tree canopy. Proposed Section 14.92.030(6) of the Los Altos Municipal Code would prohibit, without voter approval, any change to a Parking Plaza that would "negatively affect protected trees or the [downtown] tree canopy."⁹⁴ This provision is in addition to, and operates independently of, the Ballot Measure's other voter-approval triggers governing conveyance, surplus-land designation, and physical modification of the Plazas.

Potential Effects under the Ballot Measure

If the Ballot Measure passes, the existing surface configuration of the non-exempt Plazas—including the mature trees within and along the perimeter of those Plazas—would be more likely to remain as-is. Routine maintenance of existing trees, including pruning consistent with ISA standards and removal of dead or hazardous trees, would continue under the

⁹³Los Altos Municipal Code Chapter 11.08 (Tree Protection Regulations), as amended 2024; City of Los Altos Tree Removal Permit Process.

⁹⁴"Downtown Parking Plazas Ordinance," proposed Los Altos Municipal Code §14.92.030(6).

existing Ordinance framework and would not be expected to require voter approval. However, the Ballot Measure introduces a separate voter-approval requirement keyed specifically to effects on protected trees and the canopy, the scope of which is not defined in the Ballot Measure. It is unclear, for example, whether the removal of a single protected tree to accommodate an ADA-compliant accessible parking stall, an EV charger, a new trash and recycling enclosure, or a utility improvement would be considered to "negatively affect" the tree canopy for purposes of the Ballot Measure, even where such removal would be otherwise permitted under Ordinance with replacement plantings.

If the Ballot Measure does not pass, redevelopment of one or more Plazas could occur, including conversion of surface lots to a Downtown Park (on Plazas 1 and 2), structured replacement parking, affordable housing (on Plazas 7 and 8 and potentially elsewhere), and the contemplated performing arts venue on Plaza 2. The effect of such redevelopment on canopy coverage would depend on project-specific design. Redevelopment scenarios that consolidate parking into structures and free surface footprints for park, plaza, or landscaped uses can support a net increase in canopy area over the long term, although individual mature trees lost during construction cannot be replaced in-kind on the same horizon as replacement plantings. Conversely, redevelopment scenarios that preserve surface parking on a Plaza while adding above-grade structures over portions of the lot could result in net canopy loss, particularly where mature interior-lot trees would be displaced by building footprints.

Any future redevelopment of a Parking Plaza would remain subject to Chapter 11.08, including Tree Removal Permit procedures, and to any tree-related conditions applied through the entitlement process.

Urban Heat Island Effects

Background

The urban heat island (UHI) effect refers to the tendency of urbanized and impervious surfaces, including asphalt parking lots, roadways, and dark roofs—to absorb and re-radiate solar energy at higher rates than vegetated or shaded surfaces, producing locally elevated air and surface temperatures. UHI conditions are associated with increased energy demand for cooling, elevated heat-related health risks during extreme-heat events, and increased stress on vegetation. Mitigation strategies generally include increased tree canopy and shading, cool or reflective paving and roofing, vegetated open space, and permeable surfaces.

Existing Conditions in Downtown Los Altos

The ten Parking Plazas together represent a substantial concentration of asphalt-paved, low-albedo surface area within Downtown Los Altos. The 2024 Downtown Parking Strategy identifies approximately 1,305 public off-street parking spaces distributed across the Plazas, in addition to approximately 395 on-street spaces.⁹⁵ Although the Plazas contain interspersed landscape islands and perimeter trees that provide partial shading, the predominant surface character of the Plazas is paved and exposed to direct solar gain during daytime hours, contributing to localized heat absorption relative to nearby vegetated or shaded areas.

Applicable Climate and Sustainability Goals

The City's Climate Action and Adaptation Plan (CAAP), adopted in March 2022, sets a target of carbon neutrality by 2035, with an interim goal of an 80-percent reduction in greenhouse gas (GHG) emissions below 2005 levels by 2030. The CAAP identifies 15 strategies and 68 actions across eight focus areas. Because approximately 96 percent of the City's GHG emissions are attributable to fossil-fuel use in transportation and buildings, the CAAP emphasizes electrification of buildings and transport, reduction in vehicle miles traveled, and increases in active and shared transportation.⁹⁶ The CAAP also includes an adaptation component intended to prepare the city for the local impacts of climate change, including extreme-heat events.

Potential Effects under the Ballot Measure

If the Ballot Measure passes, the Plazas would be more likely to remain in their existing surface configuration, preserving the present pattern of large continuous asphalt areas with intermittent landscape islands. Routine resurfacing and restriping under the maintenance exception in proposed Section 14.92.040 would be expected to continue, but it is unclear whether substitution of higher-albedo paving materials, expansion of permeable-pavement sections, or other cool-surface treatments would be considered "modifications" subject to the voter-approval requirement if they involve any change in stall count, layout, or configuration. Improvements designed to mitigate UHI effects but that incidentally reduce parking capacity could be delayed, deferred, or foreclosed.

If the Ballot Measure does not pass, redevelopment of one or more non-exempt Plazas with a mix of structured parking, housing, and public open space (including the proposed Downtown Park on Plazas 1 and 2) would generally introduce additional shading, landscaping, and—depending on project design—permeable or vegetated surfaces that

⁹⁶City of Los Altos, "Climate Action and Adaptation Plan" (March 2022).

would reduce the impervious-surface footprint and associated heat absorption at the affected Plazas. Building shadows, planted trees within new open space, and shaded ground-floor frontages would each contribute incrementally to reduced surface temperatures. The net UHI effect of any redevelopment scenario would depend on project-specific design choices regarding building massing, roof materials, surface paving, and the size and composition of any preserved or newly planted canopy.

These outcomes are generally consistent with the direction set by the CAAP, including its emphasis on adaptation to extreme-heat conditions and on reducing transportation-related emissions through land-use patterns that support active and shared transportation.

ATTACHMENT A

Los Altos Downtown Parking Plazas Ordinance

The people of the City of Los Altos do ordain as follows:

SECTION 1. Title.

This Ordinance may be cited as the “Los Altos Downtown Parking Plazas Ordinance.”

SECTION 2. Los Altos Downtown Parking Plazas Ordinance.

The City of Los Altos Municipal Code is hereby amended by adding Chapter 14.92 to Title 14.

Chapter 14.92. Downtown Parking Plazas.

14.92.010 Findings and Purpose.

The people of the City of Los Altos find and declare that:

1. The City of Los Altos has a unique arrangement of land uses that require regulations and standards that are important to preserve the character of Los Altos and provide for compatibility of adjacent uses;
2. The General Plan Community Design and Historic Resources Element provides for a Downtown core with a village atmosphere reflective of traditional historic commercial development with parking plazas, and for the preservation of trees, especially heritage and protected trees;
3. The General Plan Land Use Element provides for downtown public parking in order to maintain vitality by ensuring adequate shared parking to serve businesses and visitors;
4. In 1957, the property commonly known as the Downtown Parking Plazas – designed as critical infrastructure to provide common use and distributed, accessible, open, surface public parking – was acquired and developed through assessment funding from Downtown property owners who continue to receive benefits from their investment;
5. The now City-owned Parking Plazas are central to how Downtown functions, and development decisions made by the City may affect the limited supply of public parking and the quality of environmental and scenic resources;
6. Any decision to sell, lease, convey, declare surplus, or re-purpose the Downtown Parking Plazas for any use other than for surface parking and vehicular access should first be approved by a majority vote to ensure that the proposed change is consistent

with the purpose of the Downtown core and does not negatively impact businesses or visitors;

7. At the same time, the City should have the flexibility to maintain and repair the Downtown Parking Plazas, and to use Parking Plazas for short-term special community events and farmers markets; and
8. This measure is intended to balance mandated statewide affordable housing goals with preserving the character of Downtown Los Altos and the availability, access, and convenience of public parking for Downtown workers, customers, and visitors.

14.92.020 Definitions.

“City” means the City of Los Altos, California, and shall collectively refer to the Mayor, City Council, all City departments, and all City employees.

“Downtown” shall refer in general terms to the area generally bound by Foothill Expressway, San Antonio Road, and Edith Avenue, and as also referred to on page 17 of the Land Use Element of the General Plan as “Downtown.”

“Parking Plazas” shall refer to the following publicly-accessible, open and surface parking lots located in the Downtown area which are owned by the City:

<u>Common Designation</u>	<u>APN Number</u>
Plaza 1, South Plazas, First Street	16740039
Plaza 2, South Plazas, Second Street	16740072
Plaza 3, South Plazas, Third Street	16738002
Plaza 4, Central Plazas, First Street	16739057
Plaza 5, Central Plazas, Second Street	16739069
Plaza 6, Central Plazas, State Street	16738028
Plaza 7, North Plazas, First Street	16739032
Plaza 8, North Plazas, Second Street	16739007
Plaza 9, North Plazas, Fourth Street	16738049
Plaza 10, North Plazas, Fourth Street	16738029

14.92.030 Preservation of Parking Plazas.

Notwithstanding any other provision in the City's Municipal Code, General Plan, or other City statutes or policies, the City may not take any of the following actions with respect to a Parking Plaza unless and until the action is approved by a majority vote of the City's voters:

1. Sell, trade, lease, donate, dispose or otherwise convey any Parking Plaza, or any portion thereof, for any reason.
2. Designate or change the use of any Parking Plaza in any way which would affect the use of the Parking Plazas for parking or which would diminish the availability, access or convenience of public parking.
3. Declare any Parking Plaza "surplus land" or "exempt surplus land" under the California Surplus Land Act (Government Code sections 54220 et seq.).
4. Modify, alter or construct any capital project or other physical alteration on any of the Parking Plazas which permanently diminishes the availability, access or convenience of public parking.
5. Modify or physically alter any Parking Plaza by adding additional levels or floors.
6. Modify or physically alter any Parking Plaza in a way which would negatively affect protected trees or the tree canopy.

14.92.040 Third Party Agreements.

The City shall not enter into any development agreement, public-private partnership, ground lease, joint powers agreement, or similar arrangement that would enable a third party to undertake actions prohibited by this measure without voter approval.

14.92.050 Exceptions.

Notwithstanding section 14.92.030, the City may take the following actions with respect to the Parking Plazas without a vote of the People:

1. Maintain and repair the Parking Plazas, even if these activities temporarily affect parking availability, access, or convenience, if they are intended to preserve or improve the access or convenience of public parking.
2. Host community activities, such as the farmers market or similar events, which use the Parking Plazas on a short-term and temporary basis.
3. Develop Parking Plaza 7 (APN: 16739032) and Parking Plaza 8 (APN:16739007) for affordable housing.

14.92.060 Reenactment Required for City Actions Prior to Effective Date.

If the City takes any action listed in section 14.92.030 on or after the date of publication of the notice of intention to circulate the initiative petition adding this Chapter to the Municipal Code, as required by the Elections Code, but prior to the effective date of this Chapter, which was not adopted in compliance with the requirements of this Chapter, that action shall be deemed null, void and of no further force or effect unless and until the action is reenacted in compliance with the requirements of this Chapter.

Any action listed in section 14.92.030 taken by the City on or after the date of publication of the notice of intention to circulate the initiative petition adding this Chapter to the Municipal Code, as required by the Elections Code, shall be subject to the requirements of this Chapter.

14.92.070 Required Election.

1. If the City wishes to take any action listed in section 14.92.030, the City Council must place such action on the next regularly-scheduled election ballot following the final City approval of the action.
2. The City Council shall not place such action on the ballot unless and until the City has taken all steps necessary under the law to approve the action.
3. Such action shall not become effective unless and until it is first approved by the City pursuant to all legal requirements and thereafter approved by the voters pursuant to this Chapter.
4. Placing an action listed in sections 14.92.030 on the ballot shall not affect other legal requirements for such action, including environmental review under the California Environmental Quality Act and consistency with the General Plan.
5. All materials which the City prepares for distribution to voters in connection with the election referenced herein, including the voter information pamphlet, shall describe with particularity the proposed action, the impact of the proposed action on the Parking Plazas, the change, if any, in the number or location of parking spaces, and the cost to the City.

14.92.080 Citizen Initiative.

An action listed in section 14.92.030 may be placed on the ballot via citizens' initiative and will take effect based on approval by a majority of the City's voters.

SECTION 3. Earliest Possible Election.

The people of Los Altos hereby expressly request that this measure be submitted to the voters of Los Altos at the earliest time allowable by law.

SECTION 4. Effective Date.

This measure shall become effective upon its approval by a simple majority of electors voting on the measure, but shall become operative as of the date of publication of the notice of intention to circulate the initiative petition adding this Chapter to the Municipal Code, as required by the Elections Code.

SECTION 5. Conflicting Measures.

A. Any other measure concerning or affecting the availability, access, or convenience of public parking for Downtown customers, workers and visitors which appears on the same ballot shall be deemed to conflict with this measure.

B. In the event that this measure and one or more conflicting measures appear on the same ballot, the provisions of the measure which receives the greater number of affirmative votes shall prevail in their entirety, and the other measure or measures shall be null and void.

C. If this measure is approved by the voters but superseded by any other conflicting measure approved by voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force and effect.

SECTION 6. Severability.

Should any provision of this measure, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, voidable, or invalid, that determination shall have no effect on any other provision, or the application of this measure to any other person or circumstance and, to that end, the provisions hereof are severable. By approving this measure, the voters express their intent that each section and subsection would have been adopted irrespective of whether any one or more sections or subsections are found to be invalid or unconstitutional, and that each section and subsection is therefore explicitly severable, part-by-part, phrase-by-phrase, and word-by-word, and that if any portion is determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, voidable or invalid, that the least amount of language be severed from the measure.

SECTION 7. Amendments.

No provision of this measure shall be amended or repealed except by a vote of the people.

SECTION 8. Liberal Construction.

This measure shall be liberally construed to effectuate its purposes.

SECTION 9. Municipal Affairs.

A. The people of the City of Los Altos declare that preserving the availability, access and convenience of public parking for Downtown customers, workers and visitors by requiring voter approval of any change in use of the Parking Plazas constitutes a municipal affair.

B. The people of the City of Los Altos declare their intent that this citizen initiative be enacted, and voter approval be required for changes to the Parking Plazas, if this measure is approved by a simple majority of voters.

SECTION 10. Legal Defense.

The people of the City of Los Altos desire that this measure, if approved by the voters and thereafter challenged in court, be defended by the City. The people, by approving this measure, hereby declare that the proponents of this measure have a direct and personal stake in defending this measure from constitutional or statutory challenges to the measure's validity or implementation. In the event the City fails to defend this measure, or the City fails to appeal an adverse judgment against the constitutionality, statutory permissibility, or implementation of this measure, in whole or in part, in any court of law, the measure's proponents shall be entitled to assert their direct personal stake by defending the measure's validity and implementation in any court of law and shall be empowered by the people through this measure to act as agents of the people. The City shall indemnify the proponents for reasonable expenses and any losses incurred by the proponents, as agents, in defending the validity and/or implementation of the challenged measure. The rate of indemnification shall be no more than the amount it would cost the City to perform the defense itself.

ATTACHMENT B



6/04/2026

City of Los Altos
City Council
1 N. San Antonio Road
Los Altos, CA 94022

Re: Los Altos Downtown Parking Plazas Ordinance

Dear Town Council of Los Altos

YIMBY Law is a 501(c)3 non-profit corporation, whose mission is to increase the accessibility and affordability of housing in California. YIMBY Law sues municipalities when they fail to comply with state housing laws, including the Housing Element Law.

Anti-affordability residents of Los Altos are trying to place this council in an impossible position. Los Altos has already passed a housing element that commits the city to developing housing on downtown parking lots.¹ If this initiative is allowed to move forward, it will materially threaten Los Altos' continued certification under Housing Element law. Not only does the Housing Element specifically contemplate housing on those lots, the initiative represents an unexamined constraint on development. If finalized, it would require Los Altos to amend its Housing Element to allow for more housing, leaving the city decertified in the interim.

Nonetheless, certain local residents are attempting to put a measure on the ballot that would prevent development on downtown parking lots, rendering Los Altos' Housing Element out of compliance, subjecting the city to the Builder's Remedy. City officials would be forced to amend the Housing Element and find new sites to accommodate its RHNA allocation, and much needed housing would remain un-developed and inaccessible for years.

HCD has already explained the dangers similar actions pose to cities. Eureka had a program for housing on city-owned parking lots. When residents circulated a ballot initiative to prevent this from happening, HCD notified the city that doing so would

¹ Los Altos Housing Element, Programs 1.D and 3.A and as designated in the Sites Inventory.

require a Housing Element Amendment or render the city out of compliance.² Recently, HCD notified Newport Beach that an initiative would render its Housing Element out of compliance *and* that preliminary SB 330 applications would protect projects from the effects of such an initiative.³

We recommend the City of Los Altos take steps immediately to implement its Housing Element commitments by taking advantage of state legislation. Specifically, Los Altos should begin the process of entitling the proposed downtown affordable housing by submitting an SB 330 preliminary application for housing on downtown parking lots. By doing this, the city can comply with Housing Element requirements, protect these development from obstructionist citizens initiatives, and speed the process forward towards completion.

A [preliminary application under SB 330](#) solves multiple problems at once, through the protection it grants to the underlying project. Establishing vesting rights will ensure that new regulations or initiatives do not apply to the project. It will begin the process of entitlement that the City's chosen developer can finalize, without creating an avenue for challenge under Article 34. Moreover, it will alleviate any questions about Los Altos's seriousness with complying with state housing law. This proactive measure will prove to developers, California HCD, and potential developments that Los Altos is a reliable city which follows through on its commitments. Moreover, it will insulate the city from lawsuits by housing organizations who closely scrutinize city actions over housing proposals.

Los Altos will not be bound to complete any construction or locate any financing. It can begin the application and sell the land, with any entitlements, to any developer selected through the in-process RFP respondents. Selling entitled land is already a normal mechanism in the private market. It is allowable from a government as much as a private party, but such a transfer from Los Altos itself would be more attractive to prospective affordable housing developers, with stages of the process already complete.

This preliminary step is a relatively low effort process which will provide substantial benefits. It will save city staff time and resources that could otherwise go towards oversight and legal challenges. Those potential lawsuits would accomplish nothing

² California Department of Housing & Community Development, *Adopted Housing Element Revision Process – Letter of Technical Assistance*, (October 9, 2024).
<https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/eureka-ta-he-compliance-100924.pdf>

³ California Department of Housing & Community Development, *Circulating Initiative for a Ballot Measure and Housing Element Compliance – Letter of Technical Assistance* (September 18, 2025)
<https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/newport-beach-hau-2031-ta-091825.pdf>

substantial other than reiterating state law, while the preapplication would grant projects considerable legal protections and save time for future entitlements.

Process & Benefits of SB 330 Pre-application

The key to this strategy is the vesting rights under SB 330, established via a preliminary application. This provision is normally used by developers who apply to cities, but there is no reason that a city can't make such a submission to itself, via the same procedure. Los Altos can sell or transfer the land to an appropriate party at any time during the entitlement process.

SB 330 preliminary applications entitle related projects to a few crucial protections. First, they lock in regulations that are in effect as soon as the application is submitted to a municipality:

“a housing development project shall be subject only to the ordinances, policies, and standards adopted and in effect when a preliminary application including all of the information required ... was submitted.”⁴

The citizen's initiative would be such an ordinance, policy, or standard which would not be applicable to any projects submitted before the initiative takes effect. Once the City receives such an application, it has 30 - 60 days (depending on project size)⁵ to determine if it contains the minimum necessary criteria, i.e. the [application form](#), processing fee, and information in the [preliminary application checklist](#). Your officials have succinctly [laid this criteria out](#) for potential applicants. Once that occurs, the applicant has 180 days to submit a complete application, which in this case would be submitted by the successful respondent to Los Altos's RFP.

Following that completeness determination, projects receive other benefits to expedite processing:

- They may only be subjected to five public hearings before receiving automatic approval.⁶
- They may only be reviewed in accordance with pre-written objective design standards.⁷

⁴ CA Gov Code § 65589.5. (o)(1).

⁵ CA Gov Code § 65589.5. (j)(2)(A)(i)-(ii).

⁶ CA Gov Code § 65905.5 (a)-(b).

⁷ CA Gov Code § 66300 (b)(1)(C).

- Determination of historic status is made at the time the application is deemed complete.⁸
- Following any necessary EIR certification, the application must be approved or denied within 60-180 days.

Beyond protecting the affordable housing from obstruction by residents, completing this preliminary process would allow a developer to finalize the project while helping accelerate the underlying approvals and procedural steps. Los Altos can transfer the land before November to its chosen developer(s), along with all protections granted by a preliminary or final application.

Despite the fact that the initiative states that it is effective between as of its date of circulation, SB 330 pre-applications protect projects from such retroactive ordinances. A vested SB 330 pre-application locks in standards that were in effect at the time it is submitted. No retroactive ordinances may be applied to such projects. The Permit Streamlining Act would grant vesting rights regardless of whether the application was submitted before or after May 15, provided the ordinance has not been adopted by that point. The initiative stating otherwise does not override California law.

This Preliminary Application is not Implicated by Article 34

Proceeding with an SB 330 pre-application would not trigger the voter approval requirements of Article 34 of the California Constitution, which allows legal challenges to governments developing affordable housing. This conclusion is supported by a three-part analysis: the pre-application is not a triggering "proposal," the City's role does not constitute "development" by a "state public body," and the project's structure aligns with statutory exclusions.

Article 34 is triggered by a proposal for a low-rent housing project "developed, constructed, or acquired" by a state public body.⁹ A City Council resolution directing staff to file an SB 330 pre-application is not such a proposal. As explained in the recent City of Millbrae v. County of San Mateo case, a "proposal" must be a specific, final action that commits to a project's essential characteristics.¹⁰ An SB 330 pre-application is a preliminary, procedural step designed to lock in the development rules in effect at the time of submission. It is not a final project approval. Crucially, at this stage, the City has made no final determination on critical details that define a low-rent housing project under Article 34, such as:

⁸ CA Gov Code § 65913.10 (a).

⁹ California Constitution, Article XXXIV, Section 1.

¹⁰ See attached Superior Court decision here:

https://drive.google.com/file/d/1eFBITaP4Bi2i_qdUJFibgUDVKcT-DjsF/view.

- The exact number and mix of affordable versus market-rate units.
- Final income targets, rent schedules, or occupancy requirements.
- The specific financing structure, and whether public funds are implicated.

Because the pre-application lacks this binding specificity, it does not constitute the "proposal" that Article 34 was designed to regulate. The Millbrae court explicitly distinguished such preliminary steps from a final resolution of approval, which would be a trigger. Filing the pre-application remains a safe way to preserve the development's vested rights without invoking Article 34.

Further, Los Altos is not the entity "developing" or "acquiring" the project. Article 34 applies when a "state public body" is directly involved in the development, construction, or acquisition of housing. Here, the City's role is that of a land disposer and entitlement authority, not a developer. The City will lease or sell the land to a private developer through a competitive RFP process. The City will not finance the construction or operation of the housing. The private developer will own, build, and operate the project. The application does not change any of these facts, it only initiates the process for later development.

Disposing of real property, such as through this RFP process, does not, by itself, constitute "developing" or "acquiring" a low-rent housing project. Since the City is not the ULTIMATE project sponsor and is not using public funds for construction, it is not acting as the "state public body" that Article 34 seeks to constrain. The project sponsor is the entity that will actually finance, build, and sell the development. Los Altos will be doing none of these things. It will only be preparing one phase of the development and letting a separate party complete every other step.

Moreover, a pre-existing exception applies to this stage of application. Among the explicit exclusions to Article 34 outlined in California Health and Safety Code § 37001 are "Privately owned housing with no direct long-term financing from a public body." The completed housing will be owned and operated by a private developer, not the City. Its methods of financing are not discussed in the preliminary application stage, providing none of the criteria necessary to support an Article 34 challenge. Nothing at this stage requests or signals long term financing from Los Altos.

Conclusion

Los Altos and its officials should do everything within their power to fully implement the decisions they already made when they passed their housing element. If the

proposed ballot initiative passes, the measure will obligate the city to untold, needless expenses, requiring it to indemnify any “proponents of th[e] measure”¹¹ for defending it from legal challenges. It’s absurd, unworkable policy, and taking the wind out of its sails with SB 330 protections will help prevent it from moving forward at the ballot. As a preliminary step, an SB 330 application would require relatively little work to draft while providing meaningful protection from future obstruction. This application would start the entitlement process while providing time to decide upon an RFP recipient who can finalize the project and move it forward in a timely fashion. We encourage City Council to consider submitting such an application as soon as feasible.

Sincerely,

A handwritten signature in black ink that reads "Sonja Trauss". The signature is written in a cursive, flowing style.

Sonja Trauss
Executive Director
YIMBY Law

¹¹ See “Downtown Parking Plazas” initiative, at https://www.forlosaltos-now.com/files/ugd/28d143_c87f415059da424a9b5afd558b365765.pdf.
YIMBY Law, 2261 Market Street STE 10416, San Francisco, CA 94114

ATTACHMENT C



6/15/2026

City of Los Altos
City Council
1 N. San Antonio Road
Los Altos, CA 94022

Re: Los Altos Downtown Parking Plazas Ordinance

Dear City Council of Los Altos

YIMBY Law is a 501(c)3 non-profit corporation, whose mission is to increase the accessibility and affordability of housing in California. YIMBY Law sues municipalities when they fail to comply with state housing laws, including the Housing Element Law.

Recently, YIMBY law notified¹ the Los Altos City Council about some legal deficiencies with the ongoing parking lots initiative. Reviewing representations by the initiative's proponents, we are compelled to respond to their deliberate misrepresentations of the law. If Los Altos follows this advice, the city will place itself at immediate risk of litigation, Housing Element Decertification, and subject the entire city to the Builder's Remedy.

To dispel any potential ambiguity, we are prepared to sue Los Altos the instant this measure is adopted. That litigation would rest atop the Builder's Remedy and the need to adopt a new Certified Housing Element to identify new sites for density.

I. Correcting Misinformation

¹ Sent June 4, 2026, accessible at https://docs.google.com/document/d/19-MG1CDYHnd8NH_gOWhvkUtG8gxquVsQ/edit?usp=sharing&oid=100060418537962895721&rtpof=true&sd=true.

The initiative's proponents responded to a series of frequently asked questions with inaccurate or misleading conclusions.² We wish to respond to several of these points directly. Below are excerpts of that document, and details on its misrepresentations to potential voters.

- Q. Are there any exemptions from the initiative measure's voter approval requirements?
- A. Yes, the measure would not apply to an affordable housing project on Parking Plazas 7 & 8.

A. The "Exemption" for Affordable Housing is Unusable

The document and initiative state that it would exempt affordable housing on lots 7 & 8, but does not define "affordable housing" for this purpose, or the mechanism by which it would be exempted.

The way this is drafted, the initiative would not actually exempt Parking Plazas 7 & 8. The exception is unrelated to the actual process at issue, as described in the Housing Element. Los Altos's plan was not to develop housing itself; Housing Element program 1.H commits to "facilitate the development of housing on" relevant parking lots, along with other streamlining. As laid out in YIMBY Law's prior letter on this subject, Article 34 jurisprudence distinguishes development from the kinds of land disposition that are at issue in 1.H.

² Accessible at https://www.forlosaltos-now.com/files/ugd/28d143_00ceb27b6fc74e0dbf2c0b78cc23f6e7.pdf
YIMBY Law, 2261 Market Street STE 10416, San Francisco, CA 94114

B. The Initiative Will Subject Los Altos to the Builder's Remedy

- Q. If passed, would the Parking Plaza initiative subject the City to the builder's remedy under State housing law?
- A. No. Only cities without a State-certified Housing Element are subject to builder's remedy. The City has a State-certified Housing Element.
- Q. Can the approved Housing Element be revoked if the initiative is placed on the ballot and passed?
- A. No. The City's Housing Element is valid for an 8-year period, subject to periodic review by and submittal of annual progress reports to the State.

This response is partially true, but mostly incorrect. While it is true that only cities without certified Housing Elements are subject to the Builder's Remedy, there are many mechanisms by which an Element can be decertified later in the process. HCD has already revoked certification for Norwalk³ and Portola Valley⁴ for taking actions inconsistent with their Housing Element.

California's Department of Housing and Community Development retains an ongoing statutory duty to review city actions after their Housing Element has been certified. Under CA statute, **HCD must review any action or failure to act by a city that it determines to be inconsistent with an adopted housing element** or section 65583 generally, and it must issue written findings to the city accordingly.⁵

HCD must give the city a reasonable time, no longer than 30 days, to respond to these findings.⁶ If HCD does not receive a written response from the city within 30 days, or the response does not demonstrate that the program action has been implemented, then HCD may revoke its findings that the city's housing element substantially complies with Housing Element Law.⁷

³ California Department of Housing & Community Development, *City of Norwalk – Revocation of Housing Element Compliance Finding*, (Oct. 2, 2024) <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/norwalk-revocation-he-compliance-100224.pdf>

⁴ California Department of Housing & Community Development, *Revocation of Housing Element Compliance Finding – Town of Portola Valley* (March 26, 2024). <https://drive.google.com/file/d/180UtrNamsGnz9MATVxrhmW0dOPNfdGtA/view>

⁵ Gov. Code, § 65585, subd. (i)(1).

⁶ Gov. Code, § 65585, subd. (i)(1)(A).)

⁷ Gov. Code, § 65585, subd. (i)(1)(B).

Additionally, HCD may notify the California Office of the Attorney General when a city takes actions that are inconsistent with an adopted housing element or Government Code sections 65583 and 65915, among other laws.⁸

HCD has already notified California cities of this risk, under very similar circumstances. Eureka had a program for housing on city-owned parking lots. When residents circulated a ballot initiative to prevent this from happening, HCD notified the city that doing so would require a Housing Element Amendment or render the city out of compliance.⁹ Recently, HCD notified Newport Beach that an initiative would render its Housing Element out of compliance *and* that preliminary SB 330 applications would protect projects from the effects of such an initiative.¹⁰ Newport Beach specifically lost a lawsuit filed by HCD and the Attorney General's office over Housing Element implementation which required voter approval.¹¹

The initiative's restriction would directly contradict Housing Element program 1.H, while also instituting a new governmental constraint on development. A Housing Element cannot be considered substantially compliant unless it identifies local constraints to housing development and sets specific strategies to reduce those constraints.¹² A new initiative subject to voter approval by design constrains housing development. **If adopted, Los Altos would be out of compliance until it goes through the entire process of drafting a Housing Element amendment and receiving certification from HCD.**

This illegal initiative would be subject to attack under Housing Element law from many sources other than HCD and the Attorney General's office. Developers with illegitimately denied projects would have standing to sue, but so too would interested housing organizations such as YIMBY Law.¹³

⁸ Gov. Code, § 65585, subd. (j).

⁹ California Department of Housing & Community Development, *Adopted Housing Element Revision Process – Letter of Technical Assistance*, (October 9, 2024).
<https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/eureka-ta-he-compliance-100924.pdf>

¹⁰ California Department of Housing & Community Development, *Circulating Initiative for a Ballot Measure and Housing Element Compliance – Letter of Technical Assistance* (September 18, 2025)
<https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/newport-beach-hau-2031-ta-091825.pdf>.

¹¹ Office of the Attorney General, *Attorney General Bonta and Newsom Administration Celebrate Newport Beach Win Allowing the City to Comply with State Housing Law*, (June 29, 2025)
<https://oag.ca.gov/news/press-releases/attorney-general-bonta-and-newsom-administration-celebrate-newport-beach-win>.

¹² Gov. Code § 65583(a)(5)-(a)(6) & (c).

¹³ Gov. Code § 65589.5, subd. (k)(1)(A)(i).

C. No Net Loss will be implicated, along with other Housing Element requirements

- Q. Would the Parking Plaza initiative subject the City to “no net loss” provisions under State housing law?
- A. No. No net loss applies if an agency lowers the density of a site in its Housing Element to below the assumptions in the Housing Element. The Initiative would generally require voter approval before changing the uses of the plazas but would not lower the density assumed for those sites in the Housing Element.

A voter initiative that makes a site unreasonably constrained allocates a density of zero to that site. California’s No Net Loss rule provides that:

(b) (1) No city, county, or city and county shall, by administrative, quasi-judicial, legislative, or other action, reduce, or require or permit the reduction of, the residential density for any parcel identified to meet its current share of the regional housing need or any unaccommodated portion of the regional housing need from the prior planning period to, or allow development of any parcel at, a lower residential density, as defined in paragraphs (1) and (2) of subdivision (g), unless the city, county, or city and county makes written findings supported by substantial evidence of both of the following:

(A) The reduction is consistent with the adopted general plan, including the housing element.

(B) The remaining sites identified in the housing element are adequate to meet the requirements of Section 65583.2 and to accommodate the jurisdiction’s share of the regional housing need pursuant to Section 65584. The finding shall include a quantification of the remaining unmet need for the jurisdiction’s share of the regional housing need at each income level and the remaining capacity of sites identified in the housing element to accommodate that need by income level.

Gov. Code § 65863.

The proponents are trying to state that they should be allowed to set a categorical bar on developing these sites, but that this should not be imputed to change the density of those sites in any way. Beyond that, No Net Loss is not the only law that would be implicated by this change.

State housing element law requires jurisdictions to demonstrate "realistic development capacity" and maintain sites that are "suitable and available for residential development."¹⁴ Realistic capacity is not purely a legal inquiry; it also considers practical factors influencing what can economically be constructed in an area. HCD generally considers lower minimum densities appropriate for residential development.

The underlying zoned capacity of a parcel is only one element of this consideration; HCD guidelines advise that realistic capacity is a combination of the new units that would be developed on a given site and the likelihood that those units could be developed. The maximum zoned capacity is irrelevant if other regulations and factors render that capacity infeasible to develop. HCD specifically advises analyzing:

the imposition of any development standards that impact the residential development capacity of the sites identified in the inventory. When establishing realistic unit capacity calculations, the jurisdiction must consider existing development trends of existing or approved residential developments at a similar affordability level in that jurisdiction, as well as the cumulative impact of standards such as maximum lot coverage, height, open space, parking, and FARs.

HCD advises that this inquiry is specifically to include the likelihood for residential development, market demand, local track records, past production trends, and new market conditions.

The recent *New Commune DTLA* held that a city's housing plan fails to meet state law if its underlying zoning or overlay permits projects with zero residential units. While that case related to parcels which allowed commercial uses, the court discussed the legislature's intent behind the realistic capacity analysis; specifically, the court was concerned with local governments circumventing their housing responsibility by including residential sites that were not truly feasible for multi-family residential development. The court ruled against the city, finding a difference in legal availability and the practical requirements of building.

Whether the zoning legally allows for construction is insufficient if that construction is economically unviable. This does not have to be a total bar; a sufficiently substantial restriction on feasibility, despite zoning, implicates development capacity. All governments are proactively required to identify and mitigate constraints on development. Zoned capacity alone, including density allowances, is not sufficient to meet RHNA requirements where other constraints exist to limit residential capacity, whether those limitations are legal or factual.

¹⁴ Gov. Code §§ 65583.2(c), 65583(a)(3).

- Q. Would this ordinance cause the City to upzone other areas where housing has been identified (e.g. Rancho Shopping Center) and/or allow multi-family housing in residential R-1 zones?
- A. No. The initiative does not lower the density of the Parking Plazas so as to trigger no net loss provisions. Further, the City has a surplus of 640 units in its Housing Element to account for sites where density may be lowered.

See above. It is disingenuous to state that the initiative does not affect buildable density for the parcels.

II. Other Exposures to Liability

A. The Retroactivity Provision is Illegal on Multiple Fronts

14.92.060 of the initiative purports to invalidate any inconsistent actions “on or after the date of publication of the notice of intention to circulate the initiative petition”. This is outright bedlam. It’s absurd policy that’s impossible to administer, which is exactly why it’s already illegal. **Where retroactive zoning ordinance causes substantial injury and prohibited business is not nuisance, ordinance is to that extent unreasonable exercise of police power.**¹⁵

If this were allowed, any petition drafter could publish a notice to circulate and then what happens? Planners and city council have to wait until an election for an initiative that may not pass at all? Los Altos would experience months of delay while developers and city staff would not know what law is actually in control. Much though the drafters of this petition would disagree, residential housing is not a nuisance under California law. Notice of an initiative does not change the underlying zoning of a parcel or the city’s general plan.

Leaving all of that aside, **SB 330 specifically precludes retroactive ordinances for applicable projects.** If anyone were to submit a preliminary application before the initiative is formally adopted, the initiative would have no force. SB 330 preliminary applications lock in regulations that are in effect as soon as the application is submitted to a municipality:

¹⁵ *Stern v. City of Los Angeles* (1931) 295 P. 23, 211 Cal. 778; *Rutherford v. City of Los Angeles* (1931) 295 P. 23, 211 Cal. 777; *Wittman v. City of Los Angeles* (1931) 295 P. 22, 211 Cal. 778; *Jones v. City of Los Angeles* (1931) 295 P. 14, 211 Cal. 304.

“a housing development project shall be subject only to the ordinances, policies, and standards adopted and in effect when a preliminary application including all of the information required ... was submitted.”¹⁶

The citizen’s initiative would be such an ordinance, policy, or standard which would not be applicable to any projects submitted before the initiative takes effect.

Despite the fact that the initiative states that it is effective between as of its date of circulation, SB 330 pre-applications protect projects from such retroactive ordinances. A vested SB 330 pre-application locks in standards that were in effect at the time it is submitted. No retroactive ordinances may be applied to such projects. The Permit Streamlining Act would grant vesting rights regardless of whether the application was submitted before or after May 15, provided the ordinance has not been adopted by that point. The initiative stating otherwise does not override California law.

SB 330 projects may only be reviewed in accordance with pre-written objective design standards.¹⁷ The subjective opinion of Los Altos voters do not meet these standards, and may not be applied to applicable projects.

B. The Requirement for a Public Vote Cannot meet HAA or PSA Standards.

The Housing Accountability Act protects qualifying projects from denial unless specific conditions are met. A local government must make specific findings or the denial will be illegitimate. They must determine BOTH that:

(A) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density. As used in this paragraph, a “specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.

(B) There is no feasible method to satisfactorily mitigate or avoid the adverse impact identified pursuant to paragraph (1), other than the

¹⁶ CA Gov Code § 65589.5. (o)(1).

¹⁷ CA Gov Code § 66300 (b)(1)(C).

disapproval of the housing development project or the approval of the project upon the condition that it be developed at a lower density.

Gov. Code § 65589.5(j)(1)(A)(B).

A vote of the public can make no such findings. The Initiative asks for a vote, but the complex and specific findings necessary for a lawful denial cannot conceivably be contained within the text of a ballot question.

California's Housing Crisis Act explicitly prohibits "a moratorium or similar restriction or limitation on housing development... within all or a portion of the (City)."¹⁸

The requirement for a public vote creates such a moratorium, or creates the possibility that the public could institute one through successive denials.

Even if the vote was lawful under the HAA, it could never meet the timelines set by the Permit Streamlining Act. The PSA sets a 30 day period upon the receipt of an application to determine if it is complete, and requires 60-120 days¹⁹ following EIR certification application to receive approval or disapproval.²⁰ The elections required under this initiative would almost certainly be unable to meet those deadlines.

III. Conclusion

This initiative threatens many methods of invalidating Los Altos' Housing Element, which would open the town up to Builder's Remedy projects.

Program 1.H is already running behind; the Housing Element committed to:

- Financial analysis for Parking Plaza 7 and 8 by independent third-party consultant by the end of 2023;
- Release request for proposals by December 2023; complete entitlements within one (1) year of application if not sooner (by December 2026)

The RFP in question did not receive satisfactory responses, and requires the issuance of a new RFP. Nearly half way through 2026, the city is already under threat of decertification. The city should, and is legally bound to, facilitate housing on parking lots 7 & 8.

¹⁸ Gov. Code, § 66300, subd. (b)(1)(B).

¹⁹ Depending on project type and the proportion of affordable units.

²⁰ Gov Code § 65941.1 (b)(1), (e)(1).

If enacted, the initiative would mean drastic, immediate, and ongoing legal implications for the city. Los Altos could be sued under the Housing Elements law, Housing Accountability Act, Permit Streamlining Act, and potentially CEQA if any of the remedies for those violations require environmental review. The alternative is to proceed with the commitments that Los Altos has already made, and follow through with program 1.H.

Sincerely,

A handwritten signature in black ink that reads "Sonja Trauss". The signature is written in a cursive, flowing style with a large, stylized 'S' and 'T'.

Sonja Trauss
Executive Director
YIMBY Law